
UNIT 1 PLANNING FOR RURAL DEVELOPMENT

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1.0 OBJECTIVES

The purpose of this unit is to provide you with an understanding of the concepts of planning and planning approaches for rural development. It aims at encouraging you to ask questions about planning. After reading this unit, you should be able to:

- 1 identify the role of planning;
- 1 elaborate some of the development planning theories;
- 1 explain the meaning of projects and project cycles;
- 1 discuss the concept of resources, and
- 1 give the evolution and development of planning experience in India.

1.1 INTRODUCTION

You have learnt about the concepts, strategies and performance of rural development programmes in the preceding two courses. The planning process was not discussed there, so that your attention remained focused on the practical aspects of various programmes.

Rural development planning has gained prominence in recent times because of the growing realization that benefits from development have, by and large, bypassed large segments of rural society. At the same time, it has been recognized that the organisation and structure of the process of planning have to be modified, so that policies and programmes reflect the development needs of rural areas.

In this unit, we give the overview of rural development planning. In the unit, which follows, we discuss the process of rural development planning in India, while in the subsequent units, the planning structure at different levels are considered.

1.2 NEED FOR PLANNING

Planning is the process of preparing a blueprint of actions to attain stated objectives within a time frame. The determination of objectives, the specification of targets, the strategy for mobilization of resources, the allocation of resources to different development sectors, the blueprint of actions (including their operationalisation in the shape of policies, programmes and their delivery system) are aspects, which have to be considered in any planning exercise.

Planning is essential because it enables us to formulate, with some precision, what we intend to achieve within a given time frame. Prioritization among various objectives enables us to demarcate more important objectives from those, which are less so. Once this is done, one can decide what is feasible, considering the resources at hand and how additional resources can be mobilized. Therefore, planning is a more scientific path towards achieving development objectives, and for bringing about economic and social transformation in a systematic manner.

Perhaps, the most important reason, which comes to your mind, may be that you are faced with a severe shortage of certain resources/factors. Given the fact that each of these resources may also have different uses, you may be unable to decide how to utilize these resources. It is in such a situation that planning becomes extremely important. Therefore, you must plan the use of resources in some rational manner.

A logical question, which you must then reflect upon is: What is a rational manner? Or, what are the resources available? Let us further illustrate the first question before answering it. Suppose the objective is to plan the utilization of unskilled landless labour in a community development block, so that people are able to get gainful employment. Naturally, you would now start asking for information, such as how many are employed by landowners for agricultural operations, which agricultural operations are performed at various point of time? What would be the prevalent wage rate, which schemes employing rural labour are being run by the government department, how useful would be the works in which labour are employed from the point of view of creating durable community assets and so on. From the point of view of providing solutions, some of these alternatives may be more rational or more desirable or feasible. Choice of alternatives, thus, may narrow down to such preferable alternatives. The manner of arriving at this choice is to know the decision criteria – an important component of planning process at any level.

Most of the other justifications for planning can be broadly grouped into two—growth and distributive justice. Growth, here, would mean an increase in output per unit of time, given the level of resource use. The growth in output is conditioned by the quality and quantity of resources. Distributive justice means that, as growth takes places in a society, the gains from increased prosperity are distributed in a more egalitarian manner across various classes and groups in that society. This would, for instance, cover policies, which aim at income distribution to reduce income inequalities among classes and regions, asset distribution to reduce inequality in terms of ownership of asset, alleviation of poverty, and improvement in quality of life through better access and utilization of social services.

The Need for Planning in India

An underdeveloped economy like India is characterized by inequalities of incomes and ownership of assets. The high incidence of rural poverty, coupled with these inequalities, makes the task of rural development particularly important. There are

also regional imbalances and problems connected with the development of areas, which are disadvantaged due to geographical and ecological factors (as for example, drought-prone areas, flood-prone areas, etc.). Needless to say, planning in India has to be geared to meet these challenges.

You will appreciate that it is the people who are the focus of development and the poor should be given priority because their numbers are large and they are the most vulnerable. In India, vast numbers of the rural poor have limited access to social services and these are reflected in low rates of literacy, high incidences of infant and child morbidity and mortality, poor health and nutrition status, poor environmental sanitation and hygiene, limited access to potable water and poor housing. The central approach to any development process has to be one of enabling the poor and other disadvantaged people to improve their situation, both social and economic.

Check Your Progress I

Notes: a) Use the space provided below for your answers.

b) Compare your answers with the text.

1) Justify, in your own words, the need for planning.

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2) How can planning reduce regional disparities?

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1.3 THEORIES AND TECHNIQUES OF PLANNING

There are several theories of development planning that have been put forward during the last few decades. They are suited to particular situations prevailing in some countries. They cannot be applied uniformly in all situations. It is important that you understand this. Many approaches to development are being evolved and tried and a number of alternative theories have been put forth. Since the main objective of planning in the initial stages was growth, the main attention was focused on 'Modelling' the production structure of the economy and identifying the factors limiting its expansion. These theories are readily applied to most of the developing countries in which the industrial sector has a predominant share in the total output.

As the concept of distribution (social justice) came to be recognized as an important objective, the growth planning models started including a set of disaggregated regions or spatial areas in their framework. Thus, multi-sectoral models have been proposed to include factors affecting the income levels of different groups. The development during the sixties and seventies paved the way for theories of regional development planning.

Theories of Regional Development Planning

The earlier approaches to regional development, evolved in the industrially developed western countries, were mainly growth oriented and presumed that higher growth rate could be achieved through modern sectors' activities. However, the concept of generating higher growth in regional economy varied in different development theories or models. The various types of regional development theories with their implications for rural regional planning are shown in Table 1.1. Some of the relevant development theories are mentioned in the table. You may refer to Section 1.8 (Key Words) in order to understand the meaning of some terms, which you may not be acquainted with. Further, if you would like to read more on some of these theories, there are several books available. You may, for instance, refer to Michael P. Todaro's *Economic Development in the Third World* (1985) or to Subrata Ghatak's *An Introduction to Development Economics* (1986).

Table 1.1

Theory	Associated Policy/Planning Models/ approaches
1) Economics Base Multiplier Theory	Economic base Models (Multiplier analysis)
2) Macro-economic Growth Theories	i) Input-Output Models. ii) Tinbergen Planning Model/incremental capital output ratios for sectors/industries.
3) Polarised Development (Diffusion Theory; Central Place Theory; Propulsive Firm Concepts)	Growth pole centre strategies: i) Intermediate size cities as countermagnets to primate cities. ii) Lower order population centres as foci for development from below.
4) Modernisation/Neo-classical and Marxist Stage Theories	i) Accelerated urban base. ii) Two-sector growth models. iii) Large-scale capital intensive resource based projects
5) Agriculture/Land use Theories	Von Thunen models; Agricultural land use zoning or regionalisation with locational advantages.

The basic principle in these theories, as presented in rows 2, 3 and 4, is that growth does not take place everywhere at the same time. Since factors that affect growth have varying intensities, it manifests itself at some points of the economy or in certain regions called 'poles', and then spreads to other sectors and areas through different channels. Also, there are variations in the impact of such growth on the economy as a whole. Growth in a regional economy, thus, can be induced through modern sector activities or by diffusing the process of development through growth 'poles'. The "economic base theory", while recognizing the role of local resources in the regional economy, emphasized that higher growth can be achieved by expansion of either primary or manufacturing activities to produce goods for export.

The regional development approach, adopted in the developing countries, was derived mainly from the models discussed above. Developing countries are characterized by

a high degree of regional imbalances, income inequalities and an agrarian economy with low rates of growth and high unemployment and under-employment. So, such countries have reconstructed these growth models in such a way that they would help in achieving the twin objectives of development, viz., economic growth and distributive justice.

Rural Development Planning Methodologies

There has been considerable work in evolving methodologies for micro-level planning in India in recent years, particularly after the Fourth Five Year Plan. The Planning Commission emphasized the formulation of district plans, provided guidelines for district planning and suggested:

“The first objective of the formulation of district plans is to set forth a long-term perspective indicating the economic activities to be established in different sub-regions of the district and the measures to be taken over the next 15 to 20 years to develop (and conserve) natural resources, build up infrastructural facilities and social services and foster the growth of towns and cities in a manner that would help the district to develop in the predetermined direction. The second objective is to prepare an integrated programme of action for the next conditions and a realistic assessment of the immediate problems, short-term priorities and available resources”.

From the above statement, it is clear that in the beginning, the approach to development was regional with emphasis on growth points and location of economic activities. Over the years, there have been shifts in the national policy for rural development to achieve growth with distributive justice by minimizing income inequalities between various sections of society and growth disparities between areas and regions. To achieve these objectives, area approach and target group approach were added in the framework. Based on the progressive changes in the approach, the methodologies evolved for rural development planning can be described under three categories – Growth Centre Approach, Area Development Approach and Integrated Development Approach.

Growth Centre Approach

The basic logic behind this approach is that development in rural areas can be fostered by interesting resource mobility towards these areas for the generation of infrastructural facilities. The constraints, in this regard, arise because of two main reasons. Firstly, there are financial constraints. Secondly, economic efficiency of investment has to be ensured. This means that facilities should be located at appropriate places. Some villages have smaller population that are not sufficient for proper and full utilization of investment. Location of facilities have to keep in view the minimum threshold population.

The concept of rural growth centre is to identify ideal locations for investment and also act as a focus for inducing growth in the area concerned. The main foundation of this approach was provided by Location Theories and the Central Place Theory. Location theories emphasize the importance of spatial factors in development. Thus, the provision of economic and infrastructural facilities in certain locations can generate growth in the areas adjoining these centres. The central place theories focus attention on growth centres, which generate growth in areas around them. However, the concept ignores the potentiality of local economic forces that may induce growth. Emphasis on dynamic local factors may be more impracticable under rural Indian conditions. The other problem is that the growth centres do not take into consideration the future trends of repolarisation of socio-economic activities taking place in an area.

Area Development Approach

This approach is an extension of the growth centre approach and takes into account the local factors in achieving economic growth. Then, integrated development of an area depends not only on the development of an adequate infrastructural network but also on the way factors of the local economy are activated around the production infrastructure. In other words, for integrated development of an area, spatial and functional integration is necessary. Thus, while rural growth centres provide ideal locations for the provision of infrastructural facilities, their hinterlands are regarded as basic planning units for integrated multi-sectoral planning to achieve integrated development of an area. This approach, therefore, was able to provide a wider framework for rural development. The approach, while taking poverty in the area into consideration, provides a balance between various sectoral activities as well as spatial patterns of growth. However, it does not ensure that economic growth is being shared by all classes and communities of the rural areas. The spread effect of development may not necessarily affect the whole society in the same way or with greater equality, particularly in Indian rural situation because of two reasons:

- 1 In the areas where modern farm technology has not been able to make an advance, agriculture and its allied activities cannot absorb fully the labour available in villages; and
- 1 A sizeable number of rural people have little or no access to resources, particularly land.

Integrated Rural Development Approach

In the context of problems in the area development approach, as discussed above, and the government policy to tackle the problem of rural poverty, a new strategy of rural development, i.e. the integrated rural development approach, has been developed because the area development approach, by and large, failed to address the question of inequalities in the distribution of employment, incomes and assets. A mere geographical emphasis, as is the case with the area development approach, has been found to be inadequate in solving the problems. Target groups have to be identified for a more direct approach to alleviate the problems faced by specific sections of the population having specific identifiable problems.

The draft Sixth Plan (1978-83) indicated the concept of integrated rural development in the following words:

“Experience of various rural development programmes in the earlier plans has shown that a mere project approach or a sectoral approach is not adequate to lead to an overall development of the area and distribution of benefit to local population, particularly the weaker section of the society. The distribution of unemployment and poverty and the potential for development of agriculture and related activities vary widely from region to region and also within regions. It will, therefore, be necessary to plan for integration of various programmes and establish appropriate linkages for optional utilization of local endowments, consistent with the plan objectives, local needs and environmental balance.

The integrated rural development, now envisaged, will be specially focused on the target group comprising small marginal farmers, agricultural labourers and rural artisans, whose economic improvement is an important concern of rural development. The new approach will aim at integrating field programmes reflecting the economic activity of the rural family whose employment and development is the basic objective.

It is proposed to bring this about by developing the primary secondary and the tertiary sectors. A major effort will be made to formulate area specific plans at the grass root level”.

Check Your Progress II

Notes: a) Use the space provided below for your answer.

b) Compare your answer with the text.

Explain and contrast Growth Centre Approach and the Area Development Approach.

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1.4 DEVELOPMENT PROGRAMMES AND PROJECTS

Rural development programmes, planned and executed during the last four decades, can be grouped under two heads:

- 1 area-based programmes, and
- 1 target-group oriented programmes.

Intensive Agriculture District Programme (IADP), Drought Prone Area Programme (DPAP), Command Area Development Programme (CADP), and Desert Development Programme (DDP) are some of the area-based programmes. Target-group oriented programmes, such as the Integrated Rural Development Programme (IRDP), are meant for the upliftment of specific sections of the rural society.

Every programme, whether area based or target group oriented, is made up of a set of development projects. For example, Command Area Development includes on-farm development project, project for the creation of infrastructural facilities, canal modernization project, and so on. Sets of projects make up a development programme; therefore, development projects can be called the building blocks of a development programme.

Let us examine the meaning of a development project. Every project requires different types of resources, such as material, manpower, machinery, and finance. A development project is a time bound task to achieve specifically stated objectives with investment of resources. It, in contrast to a scheme, is a very specific activity in a specific area to achieve specific results within a specified time frame.

Advantages and Disadvantages of Development Projects

Let us first discuss the advantages. The Development projects

- 1 concentrate resources on select priorities.
- 1 focus on specific geographic areas.

- 1 address specific population groups and constraints on development.
- 1 function as intensive social laboratories using an innovative approach, a limited scale to gain experience for larger scale efforts.

Some of the disadvantages are listed below. They

- 1 function as segmented units of intervention.
- 1 bypass overall structures.
- 1 develop atypically.
- 1 create enclaves.
- 1 siphon resources away from parallel non-project activities.
- 1 cannot always generate sustainable development.
- 1 often overlook socio-structural and institutional variables.

Project Cycles

The project, from conception to operationalisation, passes through various stages in a cyclical fashion. These stages constitute the project life-cycle.

First, a project idea is floated. Who floats the project idea? It may be the department concerned, the village assembly, block level bodies, the target groups, voluntary bodies engaged in development work, scientific and technical research groups, or the central planning agency.

Subsequently, the floated idea has to be tested for its worthiness before preparing a blueprint. A sound judgment based upon experience and available knowledge of the local conditions can be the only guide to this decision. However, once a project idea has been identified and accepted, work on the preparation of its blueprint has to begin in the department concerned. A continuous interaction and feedback among team members is very necessary for successful completion of the task.

With the completion of the blueprint, if the project is found admissible, it goes for election, along with other projects of the sector. Further, if it is selected, it is monitored, and finally, the results need to be evaluated.

The following Chart illustrates the project life-cycle:

Chart I: Project Life-cycle

Pre-Plan Period				Selection	Plan Period	Post-Plan Period
Conception or Identification	Technical feasibility	Economic worthiness	Financial viability		Construction	Operation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
					← Project Working life →	
					Concurrent Evaluation	Ex-post Evaluation

The chart indicates different time phases of a life-cycle, the position of the phases with reference to the plan period and the kind of decision problems to be solved at different phases follow the sequence shown in the chart. Although each phase has its own specific problems of decision, the overall problem of the pre-plan period is to decide whether the project is worthy of selection for inclusion in the plan. The problems of construction phase are of different nature, where management techniques when applied, help to answer questions like how to organise work within a time schedule, so that a smooth flow of materials and labour to the project is maintained. This also helps the managerial staff in achieving maximum efficiency in construction and operation of the project.

1.5 NOTION OF RESOURCES

In any developing country, the major problem is always of resources. Essentially, these are of three types—women, money and materials. Financial resources can be mobilised within the country through tax efforts and market borrowings, etc., and from external sources through exports, remittances, borrowings and aid loans. Planners have to ensure a match between these sources. With these resources, the planner has to consider completing demands and then accommodate as many of them as possible, looking at the overall objectives set for the country.

As regards the manpower required, this, again, has to be carefully planned and necessary arrangements should be made for human resource development right from the grass roots level upwards to the highest technical levels.

The third aspect of resources is the materials required for enabling the development process to take place. Planning has to provide for the availability of such resources – for example, oil, steel, cement, power, fertilizer, etc.

Therefore, while seeking to meet the demands of the people through the plan, the planner has to ensure that the materials required for building up the infrastructure and support are simultaneously planned for and provided.

Let us briefly view the various dimensions of resources. Generally speaking, stock and flow, mobility and immobility over space, quality variations or grades of resources, and renewal ability are the dimensions we will take up for discussion.

- i) **Stock and Flow:** A stock is the quantity of a resource existing **at any point of time**. Agricultural and forest land, a herd of cattle, and agricultural implements refer to a stock of respective resources existing at the time of counting, say, as on March 31 of a particular year. Human use of resources means that there is a drawing on the stock itself, as in the case of non-renewable resources like minerals, or there is drawing of an output from the stock, as in the case of renewable resources like fisheries, forestry, livestock, agricultural land or underground water reservoirs.

Any drawing on (i.e., slow release or use) the stock itself or of an output from the stock is considered a **flow**. In other words, any drawing or use of a quantity of the resource or the output from the resources during a period of time is called a **flow**. For example, conceptually, whereas agricultural land is a stock, the produce from the land is a flow. Let us take another example. Consider a sum of money (say Rs. 10,000) deposited in bank at the beginning of the year. This sum is a stock, capital fund. If you need some money, say at the end of the year, you have two

options to exercise. Withdraw a part of the capital fund, stock or principal sum; or withdraw part or whole of a year's interest earned on the principal sum. If you choose the first option, the money withdrawn is a flow out of stock, whereas, when the second option is chosen, it is a flow out of output (interest earning). An alternative illustration is your monthly income, which is a flow because it has been earned over a period of one month. This means that a flow will always have a time dimension like per day (e.g., wages), per month (salary), per year (interest).

A stock is always defined at a point of time (for example your bank balance on any given day).

- ii) **Mobility in Space:** Most natural resources have specific location because their use by human beings has to be in places where they are found. Agricultural land, fishing grounds, forests, pastures, mines, reservoirs and water streams are all location specific, immobile resources. A few resources like livestock and human labour are, however, mobile within the constraints of ecological and social factors.

Most man-made capital resources, especially manufactured means of production, are more mobile over space. From the angle of development planning, a classification of resources by their relative mobility is extremely desirable. A fund of money or capital in value form is the most mobile resource.

- iii) **Grades of Resources:** Since output flow from a stock of resources tends to decline with degradation in quality, an essential planning task is to preserve, conserve and improve the quality of resources. Accordingly, a knowledge of distribution of resources by quality and grade becomes a primary requirement for any planning agency. Therefore, an essential planning task at the appropriate level is to prepare an account of stocks of resources existing in the base year of a planning period. Such an account has to reflect on the characteristic features of different types of resources discussed above. The account is so designed as to provide answers to relevant questions of planning such as:

- 1 What is the quantity of the stock of a specific resource?
- 1 What is the pattern of ownership, utilization or under-utilization?
- 1 What is the current flow of output?
- 1 What could be the attainable output, given the current status of science and technology?
- 1 Is there a scope for increasing the quantity of stock?

- iv) **Renewal:** In our everyday life, a continuous flow out of non-renewable stock (for example mineral mines, oil-well) means depletion of stock and its eventual exhaustion. The process is irreversible. In the case of renewable stocks (pastures, forests, cattle or livestock herd), in most cases, the process is reversible in the sense that a period of depletion can be followed by a period of regeneration and rebuilding of stock. However, there is always an upper limit to the flow. Therefore, in some cases, the depletion is faster than the pace of regeneration. Over fishing, overgrazing and felling of trees, illustrate precisely this phenomenon. Thus, there is a maximum sustainable output level, determined by the biological and ecological conditions of regeneration of resources concerned.

Check Your Progress III

Notes: a) Use the space provided below for your answer.

b) Compare your answer with the text.

Explain and differentiate between the concept of stocks and flows.

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1.6 RURAL DEVELOPMENT PLANNING IN INDIA: A BRIEF RETROSPECTIVE

Even before 1947, the Indian National Congress indicated its commitment to planning and prepared a set of reports, which generated a lot of interest and discussion. Apart from this, some prominent industrialists published in 1944 the document, **A Brief Memorandum Outlining a Plan of Economic Development for India**. Much earlier in 1934, M. Visveswaraya had published a Ten Year Plan, aimed at doubling the national income.

Jawaharlal Nehru, the nation's first Prime Minister, is generally regarded as the architect of planning in India. He viewed planning as a way of developing the country avoiding the unnecessary rigours of an industrial transition in so far as it affected the lives of the masses living in India's villages. Moreover, he recognized that planning was a positive instrument for resolving imbalances and contradictions in a large and heterogeneous country, such as India. The first three Five Year Plans are generally regarded as the most lively phase in India's planning exercise.

The Early Years of Planning

Though the First Five Year Plan (1950-55) was basically a simple exercise of putting together programmes, targets and outlays, it provided the first milestone in rural development through the launching of the Community Development Programme and National Extension Service.

India's tryst with planning came with the formulation of the Second Five Year Plan. P.C. Mahalanobis, an eminent statistician, and a man with a wide range of ideas, is generally credited with preparing the blueprint of the Second Plan. At that point of time, this plan was the most self-conscious attempt at planning in any newly independent country in the Third World. Almost all major contemporary economists, who took an interest in the study of development economics, interacted with Indian planners during these years – and so did several of today's Nobel Laureates.

The Second Plan (1955-60) laid a strong emphasis on industry. The idea was that this strategy will relieve the excess population in rural India. The strategy sought to increase employment in heavy industry and the capital goods sector, so that the load on the agricultural sector could be lightened. It was primarily a strategy of industrialization, which hoped to succeed by forging strong industry linkages, both forward and backward. As a result of this emphasis, the performance of India's

capital goods sector improved substantially during this period. It also laid a solid ground for a vibrant and self-reliant industrial base in India.

Though the Second Plan is widely regarded as an “industrial plan”, there were other path-finding formulations made by Indian planners during this period, as well. For example, the Plan document included a very lucid chapter titled “Land Reform and Agrarian Reconstruction”. Emphasis and hopes were placed on cooperative farming practices in Indian agriculture. The formulation also envisaged a vast network of community development programmes, national extension services and an irrigation network financed by public budgets. The concept of democratic decentralization for assigning development responsibilities to *Panchayati Raj* institutions was also advocated (by the Balwantrai Mehta Committee). Thus, while it would be inaccurate and unfair to say that the Second Plan lacked an agricultural strategy, it would not be unwarranted to maintain that planners were grossly over-optimistic as to what traditional Indian agriculture, with its conventional input-output basis and deep-seated social stratification, could do within the political constraints.

Role of Planning During the Years of Crises

Among the priorities listed in the Third Plan, it was generally recognized that agriculture had the first place. Thus, in its initial formulation at least, the Third Plan differed from the Second Plan. It is generally recognized that there was a general de-emphasis of agriculture in the Second Plan. The Third Plan attempted to reverse this.

Indian planning suffered two major shocks caused by exogenous factors in the 1960s. The first came in the shape of the war with China in 1962 and the second in the form of successive harvest failures in 1965 and 1967. The first shock caused a sharp increase in India’s defence outlays and a severe curtailment in public investment of the government. Consequently, the capital goods sector was badly hit. The crises on the food front was met with wheat import from the USA. This situation, for the first time, seriously exposed India’s dependence on international aid. However, Indian planners woke up to the need to build food self-sufficiency as a result of these crises. The response of the government to the crises came in the shape of the abandonment of the Five Year Plans. As a result, the period between 1966 and 1969 – the Annual Plans Phase – is often labelled as the ‘Plan Holiday’ period.

The Annual Plans were notable for the formulation of a clear-cut strategy of agricultural development. This strategy carried over into the Fourth Plan and was notable for its shift in perception of the binding constraints on Indian agriculture. It had hitherto been maintained that a conservative rural social and economic structure, coupled with inefficient agricultural practices, acted as major constraints on the agricultural sector. Further, land reform had largely been avoided; in practice, however, their need was felt as vital. On the other hand, the new strategy made a perceptible shift from this perception of the problem of the agricultural sector. Instead, technological modernization was felt to be the main problem. In other words, it called for a strategy that would make it possible to “bet on the strong”.

Planning and Agricultural Transformation

The new strategy came to be implemented during the course of the Fourth Plan and was more popularly known as the “Green Revolution” in agriculture.

Even as the “Green Revolution” in agriculture was ushered, it was realized that “distributive justice” still remained a distant dream. Thus arrived the popular slogan of Garibi Hatao (Remove Poverty) and with it came the emphasis on poverty

alleviation as a distinct planning objective in its own right. In fact, a document prepared by the Planning Commission, though never officially published, for the first time put the problem of poverty eradication in the forefront of political and public discussion.

The Approach Paper to the Fifth Plan followed the recommendation of Working Group in its definition of poverty in terms of nutritional inadequacy and ventured to put the explicit redistribution of incomes towards the lowest three deciles as an objective in itself. Thus, the basic approach of the Fifth Plan was growth with redistribution. However, on account of the serious harvest failure of 1972-73 and the oil crises of 1973, inflationary pressure forced Indian planners to seriously curtail the ambitious programmes they had envisaged. Public investment continued to be under strain and, as a result, many of the programmes had to be postponed to the next Five Year Plan. The 1970s are significant because of the Minimum Needs Programmes, IRDP, Rural Employment Programmes and some area development programmes about which you have read in the previous courses.

Poverty Alleviation and Indian Planning

The Sixth Plan, (1980-85) again undertook eradication of poverty as its primary aim. Consequently, the programmes to eradicate poverty – NREP, RLEGP (later merged into Jawahar Rozgar Yojana). TRYSEM, DWCRA Integrated Rural Development Programme – were strongly emphasized. The IRDP, coupled with rural employment programmes, the Minimum Needs Programme and the area development programmes, meant that the Sixth Plan had a strong emphasis on the rural sector.

Poverty alleviation continued to be a central concern in the Seventh Plan. Growth of employment opportunities, human resource and infrastructure development, removal of inequalities, an expanded system of food security, increase in productivity in agriculture and industry, participation of people in development and substantial improvement in agricultural and rural development administration, were identified as priority areas. In the course of the Seventh Plan, the emphasis had shifted towards the concept of modernization again – this time in industry. With this came the relative de-emphasis on the public sector as an engine of growth. Modernization and diversification of industry, adoption of new technology, a generally satisfactory level of industrial performance (more so in some sectors), broad based entrepreneurship development and growth of new industries like petro-chemicals have also been considered as positive developments.

A number of imbalances cropped up during the Plan Period. First, the massive inflow of imports under the liberalization regime had meant an adverse movement in India's balance of payment position. During the plan period, the continuous strain on the fiscal resources of the government was so severe that it generated inflationary pressure despite the record levels of agricultural output. The decline in the ability of India's economy (the organised sector) to generate employment out of investments was manifest during the Seventh Plan. As the *Approach to the Eighth Plan 1990-95* pointed out, "The large reduction in the share of the agricultural sector in GDP has been accompanied by only a marginal reduction in the proportion of people dependent on this sector. Consequently, the agriculture non-agriculture disparities in terms of output (and incomes) per head".

The Ninth Plan emphasized "priority to agriculture and rural development with a view to generate adequate productive employment and eradication of poverty". The Tenth Plan continued the three programme strategies of the Ninth Plan to (i) increase farm productivity and growth of other activities in rural areas, (ii) poverty alleviation programmes, and (iii) public distribution system, especially to those below the poverty line.

The Tasks Ahead

It is widely recognized that India's planning process has been one of the most consistent among such efforts undertaken in the Third World. The Plan efforts have contributed significantly in many fields, most notably in the increase in food production. However, a number of problems still remain.

The desire for planning at multiple levels remains largely unrealized despite the commitment made by successive governments. This contradiction has seriously undermined the concept of making planning more democratic and responsive to people's aspirations. Further, regional inequalities and income inequalities persist in India despite planned economic development. This is a serious problem, which if uncorrected, can lead to more strain on the political fabric of the Indian state. Centre state relations, particularly in regard to planning functions and powers to mobilize financial resources, have been under stress. These issues mean that decentralization of the planning process has become an issue of top priority, which if not seriously implemented, may well jeopardize the concept of planned economic development itself.

The problem of inequalities in the distribution of incomes and assets and low productivity continues to be a major problem facing Indian planners. As you may recollect, we had focused attention on these aspects in the first Block of course 1. Tardy progress in land reforms and major institutional rigidities still hamper the development of Indian society. The problem of the rural poor – particularly, the landless and marginal farmers – still remains a major issue on the agenda of Indian planning. Social services in rural areas continue to be at unsatisfactory levels. The development of women, Scheduled Caste and Scheduled Tribes and other backward classes are other areas of concern.

Check Your Progress IV

- Notes:** a) Use the space provided below for your answer.
b) Compare your answer with the text.

You have read how our planners viewed the “binding constraint” in agriculture during different points in time. Explain briefly, in your own words, the differences in perception.

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1.7 LET US SUM UP

In this unit, you have learnt the importance of planning for developing countries. We saw how the goal of attainment of growth with social justice has to be specifically incorporated into development planning if the social and economic transformation of the country is to be brought about.

* state with smaller 's' refers to its meaning in the macro sense, as Indian state while State with capital 'S' refers to the federal units as in the state of Maharashtra.

We also read the different development theories and the various approaches to rural development planning. You came to know about the growth centre approach, the area development approach and the integrated rural development approach. You were also briefly acquainted with the main features of development projects that were introduced to the concept of project cycle.

Resource is an important factor in planning. We introduced you to the notion of resource and the concept of stock and flow.

We then went through a brief review of the planning exercise undertaken in India since Independence. The main areas of emphasis in different decades were indicated.

1.8 KEY WORDS

Concurrent Evaluation	: On-going evaluation, while the project is under implementation.
Decentralized Planning	: Planning at several levels and not just at the apex (i.e. the centre).
Distributive Justice	: Justice to ensure that gains from development reach every section of society.
Economic Base Multiplier	: The term used for a form of regional multiplier, which is able to estimate the impact of changes in an area's economic base on the economy as a whole.
Ex-ante Evaluation	: Evaluation carried out prior to the actual or main event occurring, i.e. before the actual project is operational.
Ex-post Evaluation	: Evaluation carried out after the event has taken place, i.e. after the project (some phase or all) has been implemented.
Flow	: Output during a unit period of time.
Growth	: Increase in output/number per unit of time.
Growth Pole Centre	: Growth generated at nodal centres acting as poles leading to accelerated growth in the region.
Input-Output Model	: An economic model, which is based on the capacity of inputs of each sector (of the economy) to generate outputs. The quantity of outputs generated by the use of inputs is represented by the input-output ratio.
Incremental Capital Output Ratio	: The amount of capital that results in output increasing by one unit.
Multiplier	: An economic term, which means that any investment undertaken in an economy normally causes incomes to increase by a proportion greater than itself. Essentially, it means that incomes increase by a certain multiple of the original investment undertaken. The value of the multiplier, however, depends on the quality and nature of the investment made.
Polarised Development	: Development of two opposite qualities.

Project	: Time-bound package of inter-related activities.
Stock	: A quantity of resource existing at a point of time.

1.9 SUGGESTED READINGS

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UNIT 2 PLANNING PROCESS

Contents

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Process of Planning
- 2.3 Plan Schemes
- 2.4 Machinery for Planning at the National Level
- 2.5 Machinery for Planning at the State Level
- 2.6 Let Us Sum Up
- 2.7 Key Words
- 2.8 Suggested Readings

2.0 OBJECTIVES

This unit is aimed at enabling you to understand the process of planning in our country at the national and the state level. At the end of this unit, you should be able to:

- 1 describe the process of planning in India;
- 1 indicate the nature of the planning machinery – both at the national and state levels, and
- 1 indicate the linkages between the levels of planning.

2.1 INTRODUCTION

The subject of rural development has acquired great importance in recent times. Alongside this, the process of planning has also become crucial, particularly because planning is viewed as an important means of solving some of the outstanding issues of development. In this unit, you will be primarily acquainted with the process of planning and the machinery of planning in India. You will see that this is a complex exercise involving participation of central and State government and other agencies. After reading this unit, you will be able to understand the other major issues in planning structures, particularly the ones relating to decentralization, which are the focus of attention in the subsequent units of this block.

2.2 PROCESS OF PLANNING

Here, we shall consider how in the broader time perspective of planning, the budget and the annual plan are placed in the time frame of the Five Year Plan.

Perspective Planning

In any planning process, a set of objectives is to be achieved within a time frame. In India, the well accepted principle is formulating Five Year Plans within which we have the Annual Plans. However, there are occasions when the government would like to set for itself certain objectives in a longer time frame, say 10 to 15 years. This process of planning in a longer time frame is perspective planning. In the

framework of perspective planning, targets in the longer time frame are also set. In the Indian context, two good examples of this can be observed in the context of the Minimum Needs Programme (MNP) and the reduction of poverty in our country.

With regard to the former, in the Sixth Five Year Plan, for various sectors like elementary education, rural health, rural water supply, rural roads, rural electrification, housing for landless labour, environmental improvement of urban slums, nutrition, etc., the target to be achieved were given time period upto 1990, 1995 and, in some cases, upto to 2000 A.D. Thus, there was a perspective for these sectors in a 10, 15 or 20 year time frames.

Likewise, in regard to the poverty situation, the Sixth Five Year Plan in 1980 set an objective of bringing down the percentage of population below the poverty line from about 50 per cent at that time to 10 per cent in 1995. The Seventh Plan was set in a 15 year perspective and, for some sectors, a perspective plan of 15 years was prepared and certain objectives and physical targets indicated. Perspective planning, thus, situates the current plan in a long-term scenario and gives a broad indication of the development path.

Five Year Plans

The main vehicle of planning in India, however, is the Five Year Plan. We began the process in 1951 and after three successive plans, the period between 1966 and 1969 saw three Annual Plans. This has sometimes been termed as the period of 'Plan Holiday'. From 1969 again, the Five Year Plans have been formulated though, here too, there was a break in 1978 and again in 1980. The Fifth Five Year Plan 1974-79 was terminated a year ahead of schedule in 1978 and the then government formulated a draft Five Year Plan for 1978-83 to give effect to its policies and programmes. However, before this plan could be finalized, the government changed and we, therefore, had a new Sixth Five Year Plan for the period 1980-85. One could obviously see here an understandable relationship between the democratic and political processes on the one hand and the development process on the other. The government in power naturally wants the developments process to take place in accordance with its stated policies and this is given effect through the mechanism of Five Year Plans.

Well before the beginning of a five year plan period, the Planning Commission and the state Government initiate the planning exercise. For example, the process of preparing the Eight Five Year Plan (1990-95) began in 1987. The initial exercises began with a critical review of the state of the economy, the problems facing it and the outstanding developmental problems (social and economic). The approach, strategy and main issues (growth rates, resource mobilization, social justice consideration, etc.) are discussed within the Planning Commission through a series of internal meetings. The Planning Commission also invites eminent economists and public figures for their views and holds meetings with key figures of industry and trade, trade unions and social service organisations.

At the highest policy making level, the full Planning Commission meets under the Chairmanship of the Prime Minister. This body approves the Approach Paper to the Plan. The document is basically a statement of the objectives and the strategy to be adopted for the plan period. The Approach Paper is then presented before the National Development Council (NDC) for its consideration.

The Central Ministries begin their planning exercises on the basis of the guidelines given by the Planning Commission. Steering Groups/Working Groups are set up by the Central Ministries. On some key issue of an inter-sectoral nature, the Planning Commission constitutes Steering Groups/Task Forces. There is close interaction between the Ministries and the Subject Division concerned of the Planning Commission. Based on the reports of these groups, the draft plan proposals are prepared by the Ministry concerned. These are then sent to the Planning Commission where a further round of discussions takes place between the Ministry concerned and the Planning Commission after which the sectoral plan is given a shape. These are then aggregated, reviewed, modified and integrated within the overall frame of the Central plan.

Simultaneously, the State Planning Department begins work to prepare the State plan proposals. It initiates action on the basis of the guidelines sent by the Planning Commission and the Central Ministries. The broad strategy and approach to the State plan is considered in the first instance and exercises begin for reviewing the plan, assessing the resources position and extent to which additional resources can be mobilized, and the priority areas. The Departments are asked to prepare the sectoral proposals, which are then reviewed, modified and integrated within the overall State plan frame, taking into consideration the State's priorities and the resource position. The draft plan is then sent to the Planning Commission where a discussion takes place for each sector between the State government and the concerned Ministry at the Centre and the concerned subject Division in the Planning Commission. In the finalisation of the State Plans, both the Deputy Chairman of the Planning Commission and the State Chief Minister participate.

Let us give an example from the rural development sector. For the Seventh Plan, in the case of the Department of Rural Development, seven working groups, each headed by the Secretary of the Department, were constituted. These were for self-employment, wage employment, land reforms, training, involvement of voluntary organisations, technology, management and administration of rural development, area development programmes and village amenities programmes. Each of these working groups, in turn, had constituted smaller sub-groups. These groups/sub-groups, which comprised officials, non-officials and experts, examined the current situation, reviewed the existing strategy and performance and then suggested a strategy for the Seventh Plan, keeping in mind a longer time frame. The schemes were identified (both current and new schemes) and the outlays indicated.

After the exercises of Central Ministries and State Government were completed by the Planning Commission, the Central and State plans were integrated and outlays for various sectors as well as programmes in these sectors were indicated. The approval of the Planning Commission (the full Commission included the Prime Minister, some Cabinet Ministers who attended as ex-officio members and full-time members), the Union Cabinet and the N.D.C. is then sought.

Annual Plans

The Annual Plans are prepared both by the Central Ministries and the State Governments for the sector concerned within the framework of the respective Five Year Plan, which has been approved. These exercises begin normally around September/October of the preceding year. Since the broad framework of a Five Year Plan is available in terms of programmes, financial outlays, targets, etc., this exercise is not as elaborate as the one for preparing Five Year Plans.

The Central Ministries/Departments prepare their Annual Plan proposals and submit them to the Planning Commission. These are then discussed at the level of Secretary,

Planning Commission and Secretary of the Department/Ministry for finalization, in which officials of the Ministries concerned and the Planning Commission also participate. The Ministry of Finance is closely involved in these discussions, since they have to integrate the Annual Plans of each Ministry into the annual budget of the Central Government, which is normally presented to the Parliament on the 28th of February.

Similarly, the work of preparation of the State Annual Plan precedes the preparation of the Annual Budget. For this purpose, the Planning Department holds a series of meetings with various administrative departments in the State Secretariat and the Heads of departments concerned with the Plan. While doing so, the Planning Department keeps in mind the requirements of spillover expenditure on continuing schemes, funds required to meet the commitments already made by the Government, and funds needed to maintain the tempo of development and also the new programmes that could be taken up in the next year, subject to availability of resources.

Keeping in view the requirements of funds, the estimates of likely resources that can be mobilized, as also the inter sectoral priorities, a tentative Annual Plan ceiling with its sectoral physical and financial break-up is prepared and submitted for approval to the Council of Ministers. Thereafter, the sectoral financial allocations are intimated to the departments concerned, which make the plan exercise and submit the sectoral plan, the schemewise proposals for preparation of the annual plan document to be submitted to the Planning Commission. These proposals are then considered by the State Planning Department and integrated within the overall State plan frame. A consolidated draft document is prepared and submitted to the Planning Commission. The proposals are discussed in the Working Groups constituted by the Planning Commission with representatives of the State Government. The suggestions of the Working Groups are considered and finalized in a meeting between the Chief Minister, Minister in-charge of Planning of the state and the Deputy Chairman of the Planning Commission. The State Government, thereafter, integrates this Annual Plan into their annual budget, which is presented to the State Legislature, normally in February or March.

In the case of Annual Plans, the process of approval by the full Planning Commission, Union Cabinet or the NDC does not take place primarily because the Annual Plan is prepared within the framework of a Five Year Plan, which has already gone through this process.

Budget

The Budget, which is prepared at the Union and State Government level every year, is an instrument of fiscal policy. It covers the period between 1st April and 31st March of the next year. It includes both the receipts and expenditures of Government. It includes the non-plan and plan expenditures. The plan expenditure is the development budget of the Government and reflects the Annual Plan of the Government. It aggregates the Annual Plans of various Ministries/Departments in the case of the Central/State plan.

Mid-term Appraisal

Normally, during the course of a Five Year Plan, a mid-term appraisal is undertaken by the Planning Commission. In the case of the Seventh Five Year Plan 1985-90, this was undertaken by the Planning Commission during 1987-89. This exercise provides an opportunity to review the progress of the Plan and generate signals for action, both for the remaining period of the Five Year Plan and possibly for the next Five Year Plan also.

The process followed for the Seventh Plan mid-term appraisal was that sectoral assessments were prepared by the subject divisions of the Planning Commission. The Ministries concerned were also involved by the Planning Commission in the review of progress, the current problems and issues and the course of action. These were discussed in meetings in the Planning Commission in order to develop an initial draft appraisal, which was reviewed in the Planning Commission at a number of meetings chaired by the Deputy Chairman. The document approved by the Planning Commission was then placed before the NDC and was tabled in the two House of Parliament.

Check Your Progress I

Notes: a) Use the space provided below for your answers.

b) Compare your answers with the text.

Explain briefly, in your words, the following terms:

- a) Perspective Planning
- b) Five Year Plans
- c) National Development Council (NDC)
- d) Annual Plans

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2.3 PLAN SCHEMES

The Plans given effect through various schemes are of three types – Central schemes, Centrally sponsored schemes and State sector schemes. Since the subject of economic and social planning is in the Concurrent List of the Indian Constitution, Plans schemes are in the State Plan as well as in the Central Plan. The plan schemes in the Central Plan are generally of two types, namely, Central Sector Schemes and Centrally Sponsored Schemes. The Central Plan outlay is the sum total of the outlay on Central sector schemes and the Central share of centrally sponsored schemes.

Central Sector Schemes are those, which are fully funded and implemented by the Central Government and its organisations. Centrally Sponsored Schemes, however, are those, which are fully or in part funded by the Central Government and implemented by the State or their agencies. The extent to which the Central Government supports Centrally sponsored schemes varies – in some cases it is 100 per cent and in some 75 or 50 per cent. The Centrally Sponsored Schemes Sector has for long been contentious between the Central and the State Governments and have been viewed by the latter as an encroachment into what is considered by them as justifiably the State's sphere of activity. On the other hand, Central participation through Centrally Sponsored Schemes has been justified on the ground that without this, important programmes will not get the priority they deserve in several, if not all, the States. In regard to Centrally Sponsored Schemes, the major ones under

rural development are IRDP, Jawahar Rozgar Yozana, DDP, DPAP, all of which you have dealt with in the previous course.

The State Plan is the sum total of State sector schemes plus the State's share of Centrally sponsored schemes. An important example of a State Plan Scheme funded entirely by the State Government in the sphere of rural development is the Employment Guarantee Scheme of Maharashtra.

Plan Assistance

Plan assistance is provided by the Central Government to the States for the State Plan. In 1969, the NDC approved the criteria for allocation of funds by the Planning Commission to the States. This is popularly called the 'Gadgil' Formula. Under this Formula, after taking care of the requirements of Assam, Nagaland and Jammu & Kashmir, the Central Government's assistance was distributed 60 per cent on the basis of population, 10 per cent on per capita income (only to those states whose per capita incomes were below the national average), 10 per cent on commitments in respect of major continuing irrigation and power projects (each costing Rs. 20 crores and above), 10 per cent on the basis of tax efforts in relation to per capita income, and 10 per cent to meet special problems. Thirty per cent of the funds were provided as outright grants and 70 per cent as loans. However, in the case of Assam, Jammu & Kashmir and Nagaland, the entire Plan funds were provided as outright grants.

Since 1980, a modified Gadgil Formula is being followed by the Planning Commission for allocation of plan funds. Under this, first a lump sum amount is pre-empted from the total pool of Central assistance to meet the requirements of Special Category States, namely, Assam, Himachal Pradesh, Arunachal Pradesh, Jammu & Kashmir, Mizoram, Manipur, Maghalaya, Nagaland, Tripura and Sikkim. The balance amount is distributed among the remaining States giving 60 per cent weightage, 10 per cent to tax effort, 20 per cent on per capita income below the national average and 10 per cent to meet special problems.

In recent times, there has been pressure from the States for the Gadgil Formula to be suitably modified to make it more responsive to changes that have taken place during the last few decades. There is, however, no unanimity among the States, either in regard to the criteria to be followed, or the weightage to be given to them in allocating plan funds.

Check Your Progress II

Notes: a) Use the space provided below for your answer.

b) Compare your answer with the text.

What is the main difference between Central schemes, Centrally sponsored schemes and State plan schemes?

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2.4 MACHINERY FOR PLANNING AT THE NATIONAL LEVEL

The Directive Principles of State Policy enshrined in our Constitution, though not enforceable by any court, lay down principles fundamental to the governance of the country, Article 37 clearly states that it will be the duty of the state to apply these principles in making laws. Important Articles of the Constitution of interest to rural development are Articles 38, 39, 39A, 40, 41, 43, 46, 47, 48 and 48A. The detailed provisions are given in Annexure-I.

Briefly stated, Article 38 relates to promoting the welfare of the people, Article 39 lays down the broad policy, which the state should follow for ensuring adequate means of livelihood for its citizens, protection of interests of children and women, etc. Article 40 relates to organising village *pachayats*, while Article 41 deals with the right to work, to education and to public assistance in some cases. Article 43 relates to securing a living wage and Article 46 to the educational and economic interests of the weaker sections of society. Article 47 relates to the standard of living, Article 48 to organisation of agriculture and animal husbandary and Article 48A to protection and improvement of the environment and safeguarding of forests and wild life. Thus, the Constitution contains provisions relating to the broad directions to be followed by the state in relation to the welfare and development of people of the country.

Planning Commission

The Planning Commission is the technical body for facilitating the planning process in our country. It was set up by the Government in March, 1950. Its functions are:

- i) to make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements;
- ii) to formulate a Plan for the most effective and balanced utilization of the country's resources;
- iii) to determine priorities, define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage;
- iv) to indicate the factors, which tend to retard economic development and determine the conditions which, in view of the current social and political situation, should be created for the successful execution of the Plan;
- v) to determine the nature of the machinery, which will be necessary for securing the successful implementation of each stage of the plan in all its aspects;
- vi) to appraise, from time to time, the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary; and
- vii) to make such interim or ancilliary recommendations as appear to be appropriate either for facilitating the discharge of the duties assigned to it or, on a consideration of prevailing economic conditions, current policies, measures and development programmes or on an examination of such specific problems as may be referred to it for advice by the Central and State Governments.

The organisation of the Planning Commission facilitates its role as an advisory body functioning at the highest policy level without further being involved in the responsibilities of day-to-day administration. The Prime Minister is the Chairman of the Planning Commission. The Commission has a Deputy Chairman and six or more full time members. The Finance Minister, and a few other Ministers of Cabinet rank are ex-officio members. At times, the Deputy Chairman is also the Minister of Planning. A full-time Secretary coordinates the technical and administrative activities.

The Planning Commission functions through a series of divisions and sections. It has eight general divisions and eighteen subject divisions. Details of these are given in Annexure-2.

Within the general organisation of the Planning Commission, the Programme Evaluation Organisation (PEO) has functioned since 1952 as an ancillary agency. It undertakes evaluation studies to assess the impact of selected Plan Programmes in order to provide feedback to the planners and implementing agencies.

National Development Council

We have seen that, under the Constitution, the subject of economic and social planning is in the Concurrent List, as this is a subject in which the Centre as well as the States are interested and have to work in unison. The coordination of policies between the two integrating structures of the federal set-up is brought about through a process of mutual consultation. This system of consultation in the formulation of policies on the basis of overall national requirements is the central point of planning in our country. The National Development Council (NDC) is the highest policy making body, which provides the opportunity for plans to be formulated and implemented throughout the country as a unified development effort. Its Chairman is the Prime Minister. Its Members comprise Cabinet Ministers (some, not all), Chief Ministers of all the States and Members of the Planning Commission. The NDC is the body at the highest policy making level, which approves the approach, and later, the final plan.

Planning Units of Central Ministries

Since the Central Ministries have an important role in the formulation of plans and considerable stake in the policies and programmes, which ultimately find a place, most Central Ministries have separate divisions or units for coordinating the work of the ministry to undertake these functions. The planning unit of the Ministry works in close collaboration with the programme division of the Planning Commission. It also initiates and coordinates the work of the Working Groups that are set up for preparing the plan. The draft proposals, incorporating the suggestions of the different working groups, are also prepared by it and these are then finalised by the Department/Ministry concerned and sent to the Planning Commission.

2.5 MACHINERY FOR PLANNING AT THE STATE LEVEL

As in the Centre, so also in the States, a number of organisations and departments are involved in the planning process. Let us now consider these.

State Planning Department

On account of diversity in administrative organisations in different States and Union Territories of our country, it is not possible to have a single uniform pattern for the planning machinery. However, a broad understanding of the planning machinery, as

it prevails in a large number of States, is given in this section.

In each State, there is a Planning Department, which is responsible for the preparation of the Five Year Plans, Annual Plans, monitoring of the plans and, generally, the evaluation of programme through its evaluation wing. Essentially, the Planning Department is responsible for coordinating the development efforts in the state.

The Five Year Plan for the State provides the framework within which Annual Plans are prepared. These take into consideration the guidelines set by the Planning Commission. The Planning Department is responsible for preparing the Five Year Plan and ensuring that the Annual Plans reflect the steps being taken to achieve the broad objectives laid out in the State Five Year Plan.

In most States, in addition to the State Planning Department, there exists a State Planning Board. It comprises the Ministers concerned, experts, non-officials and officials. Normally, the role of such a Board is advisory, relating to plan strategies. It also suggests ways and means to improve the working of various programmes in the State.

Departments of Economics and Statistics, Manpower and Evaluation

In most states, within the administrative umbrella of the State Planning Department, there are departments of Economics and Statistics, Manpower and Evaluation. The Department of Economics and Statistics provides technical personnel at the State and lower levels for planning and monitoring of programmes. The Manpower Department assesses the requirements and need for manpower in the coming years and enables the planning process to incorporate action plans for meeting these needs in such a way that the over all manpower requirements for Plan's implementation are fulfilled. In addition, the Manpower Department is also sometimes entrusted with the responsibility of planning for the in-service training and orientation of the State officials. The Evaluation Department, as the name suggests, is entrusted with the task of conducting evaluation studies of the various programmes being undertaken on concurrent or *ex post facto* basis. Such studies provide feedback to the State Government for enabling corrective actions to be taken in regard to Plan schemes.

District Planning Agencies

At the district level, most of the heads of departments are represented by officials termed as District level officers. For example, there are Executive Engineers for PWD, Irrigation, Public Health, Engineering Department, State Electricity Board, District Education Officer, Chief Medical and Health Officer, etc. These officials are part of the planning process at the District level.

In the context of major poverty alleviation programmes, viz., IRDP, NREP and RLGP, in 1980, the District Rural Development Agencies (DRDA) were set up to plan, implement and monitor such programmes. These are registered societies, generally headed by the District Collector. The Members of Parliament and Members of State legislatures from that district as also State officials are among its members.

In many States, *Panchayati Raj* institutions have important roles to play in the context of planning rural development programmes. Generally, such bodies are of three tiers and, in some cases, two tiers. Particularly in Gujarat, Maharashtra and more recently in Andhra Pradesh and Karnataka, such bodies have been entrusted with important responsibilities in relation to planning and implementation of rural development programmes.

In State like Maharashtra, there are District Planning and Development Committees (DPDC), which take important decisions with regard to planning rural development programmes at the district and lower levels. Such Committees may be presided over by Ministers or non-officials. In other cases, there may be District Planning Committees, which are for coordinating the work of development programmes and sometimes for taking decisions relating to location of projects, such as schools, roads, villages to be electrified, villages where drinking water is to be provided, etc.

The Constitution's 74th Amendment Act, 1992 has made specific provision for setting up a District Planning Committee (DPC) in every State "to consolidate the plans prepared by the *panchayats* and the municipalities in the district and to prepare a draft development plan for the district as a whole" (Article 243 D(i)). Till April 2003, DPCs had been constituted in 14 States and three Union Territories.

Check Your Progress III

- Notes:** a) Use the space provided below for your answer.
b) Compare your answers with the text.

What are the respective roles of the Planning Commission, the Central Ministries and the State Planning departments in the formulation of plans?

(Hint: See the text of Sections 2.3 to 2.5 and write your answer)

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2.6 LET US SUM UP

This unit has two main themes, namely, the process of planning and the machinery for planning at the national and State levels. A brief idea has also been given regarding important planning agencies at the district level.

We saw that planning is not just an aggregation of physical and financial targets, but is a process of giving a direction to the development effort in such a way that the fruits of growth reach different sections of society, especially the disadvantaged ones. Five Year Plans are formulated in the perspective of long-term development. This enables us to raise the national effort to match specific long-term goals. Annual plans give operational meaning to these exercises. Monitoring, review and evaluation procedures help us to keep the programmes on the right course. The process of planning enables the Government to respond to the needs of the people, of course, keeping in mind the resources available at its command.

In a democratic and federal structure like ours, the process of planning has evolved on the basis of consultations between the Central and State government and involvement of the States in the Planning process. We also discussed about the machinery for planning at the Central and the State levels and saw the inter-relationships, both vertical and horizontal.

2.7 KEY WORDS

- Macro-level Planning** : Planning at the aggregate level, i.e., at the level of the country or state.
- Infrastructure Base** : Those industries or facilities, which are of fundamental importance to development, e.g., transport, power, roads, water, etc.
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2.8 SUGGESTED READINGS

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ANNEXURE I

Relevant Articles of the Constitution of India

Article 37: Application of the principles contained in this part

The provisions contained in this part shall not be enforceable by any court, but the principles therein laid down are, nevertheless, fundamental in the governance of the country and it shall be the duty of the State to apply these principles in making laws.

Article 38: State to secure a social order for the promotion of welfare of the people

- 1) The State shall strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life.
- 2) The State shall, in particular, strive to minimize the inequalities in income and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals, but also amongst groups of people residing in different areas or engaged in different vocations.

Article 39: Certain Principles of State Policy to be followed by the State

The State shall, in particular, direct its policy towards securing

- a) that the citizens, men and women equally, have the right to an adequate means of livelihood;
- b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;
- c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;
- d) that there is equal pay for equal work for both men and women;
- e) that the health strength of workers, men and women and the tender age of children are not abused and that citizens are not forced by economic necessity to enter vocations unsuited to their age or strength;
- f) that children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth are protected against exploitation and against moral and material abandonment.

Article 39A: Equal justice and free legal aid

The State shall secure that the operation of the legal system promotes justice, on a basis of equal opportunity and shall, in particular, provide free legal aid, by suitable legislation or schemes or in any other way, to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities.

Article 40: Organisation of Village Panchayats

The State shall take steps to organise village panchayats and endow them with such

powers and authority as may be necessary to enable them to function as units of self-employment.

Article 41: *Right to work, to education and to public assistance in certain cases*

The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

Article 43: *Living wage, etc., for workers*

The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agriculture, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and culture opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas.

Article 46: *Promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections*

The State shall promote, with special care, the educational and economic interests of the weaker sections of the people, and in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.

Article 47: *Duty of the State to raise the level of nutrition and the standard of living and to improve public health*

The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties, and, in particular, the State shall endeavour to bring about prohibition of the consumption, except for medicinal purposes, of intoxicating drinks and of drugs, which are injurious to health.

Article 48: *Organisation of agriculture and animal husbandry*

The State shall endeavour to organise agriculture and animal husbandry on modern and scientific lines and shall, in particular, take steps for preserving and improving the breeds, and prohibiting the slaughter of cows and calves and other milch and draught cattle.

Article 48A: *Protection and improvement of environment and safeguarding of forests and wild life*

The State shall endeavour to protect and improve the environment and to safeguard the forests and wild life of the country.

ANNEXURE 2

Divisions of Planning Commission

A) *General Divisions*

- 1) Economic Division, Financial Resources Division, Development Policy Division, International Economics Division, Socio-Economic Research Unit.
- 2) Perspective Planning Division.
- 3) Labour, Employment and Manpower Division.
- 4) Statistics and Surveys Division.
- 5) State Plans Divisions, including Multi-Level Planning, Area Development and North-Eastern regions.
- 6) Project Appraisal Division.
- 7) Monitoring and Information Division
- 8) Plan Coordination Division.

B) *Subject Divisions*

- 1) Science and Technology Division.
- 2) Agriculture Division.
- 3) Rural Development Division.
- 4) Irrigation and Command Area Development Division.
- 5) Power and Energy Division.
- 6) Industry and Minerals Division.
- 7) Village and Small Industries Division.
- 8) Transport Division.
- 9) Education Division.
- 10) Rural Energy Division.
- 11) Housing, Urban Development and Water Supply Division.
- 12) Health and Family Welfare Division.
- 13) Social Welfare and Nutrition Division.
- 14) Backward Classes Division.
- 15) Communication and Information Division.
- 16) Indo-Japan Committee.
- 17) Computer Service Division.
- 18) Western Ghats Secretariat.

UNIT 3 MULTI-LEVEL PLANNING

Contents

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Decentralized and Multi-level Planning
- 3.3 Multi-level Structure of Planning
- 3.4 Some Issues
- 3.5 Let Us Sum Up
- 3.6 Key Words
- 3.7 Suggested Readings

3.0 OBJECTIVES

This unit aims to provide you with an understanding of multi-level planning, which is important for the development of any planning system. At the end of the unit, you should be able to:

- 1 state the strengths and weaknesses of decentralized planning;
- 1 indicate the factors to be considered in multi-level planning; and
- 1 describe the levels of planning.

3.1 INTRODUCTION

Course MRD-101 should have given you an idea of the socio-economic structure of rural India and the working of rural development administration. Course MRD-102 would have given you a comprehensive picture of the variety of development programmes that have been undertaken by the Government. In the preceding two units of this block, you studied development planning and its process in India. We made a brief mention there of the role that structures below the State level play in the overall planning system. This unit examines the planning structures at different levels.

Decentralized planning for rural development should be viewed in relation to various levels and agencies of development. The linkage between decentralized planning for rural development and the total system of planning has to be understood. This understanding will be essential for more meaningful designing of projects, managing development projects during implementation and monitoring of such projects.

3.2 DECENTRALISED AND MULTI-LEVEL PLANNING

Decentralized planning is defined as that form of planning where the task of formulating, adopting, executing and supervising the plan is dispersed, rather than entrusted to a central authority. In decentralized planning, the regional and local bodies are given greater freedom to formulate, adopt and implement the plan.

Why do we need decentralized planning? Centralization or decentralization are not

by themselves good or bad. Both these methods of planning derive their character from the political and administrative structure, political philosophy, past practice and public pressure. Centralized planning may also not be able to keep in view the socio-economic, climatic and ecological diversities in the country, as is the case in India. Decentralized planning makes the plans and programmes more suitable to local conditions. In several developing countries, following the model adopted in socialist countries, in the initial phases, a somewhat centralized planning approach was adopted. However, a mix of planning exercises through devolution of such functions at different levels is important in most situations. Planning in India is decentralized to some extent since the States have definite responsibilities. In fact, serious consideration has been given to make district planning an effective entity. Most commentators have been of the view that we need to work more and more towards decentralized planning.

The stimulus for consideration of multi-level planning arises from recognition of the need for decentralized planning. Strictly speaking, a plea for decentralization implies that some functions, which can be more efficiently performed at lower levels in the hierarchy, are currently being performed at higher levels. Logically, therefore, any plea for decentralization implies a hypothesis about the appropriate functions to be performed at different levels. The approach of multi-level planning involves capturing the logical hypothesis in the interest of optimal functioning of a system. In the context of planning for social change, such appropriateness of both levels and functions will have to be determined in the socio-political context.

The need for decentralized planning provides the justification for planning at multiple levels. The former provides the logic for the existence of the latter. Decentralization of the planning process makes planning more meaningful, more democratic and more responsive to the needs of those for whom planning is meant. However, planning at multiple levels has to be integrated. This is the primary objective and the main challenge of multi-level planning.

In brief, therefore, multi-level planning may be defined as the utilization of a number of well-defined area levels and agency levels, performing well understood functions, operating in the same territory and people inhabiting such territory.

Let us note the factors in multi-level planning. Multi-level planning implies identification of levels at which planning functions are assigned and the respective areas of responsibilities. It includes determination of criteria on the basis of which such allocation of functions are made and integrating the planning structures at different levels into the planning system. Multi-level planning, thus, leads to decentralization of planning functions.

Merits and Demerits of Decentralized Planning

- 1 Under centralized planning, decision making at the centralized level and direction from a single level is possible. However, there are high costs of obtaining information, loss of time, difficulties in applying concepts uniformly to all situations, problems of distortions in transmitting decisions for implementations etc., which reduce the effectiveness of centralized planning. In other words, from a purely cost-effective angle of decision making, it is better to have a number of agency levels in a semi-hierarchical fashion, entrusted with decision-making powers. Further, the socio-political compulsions may require that decision-making powers are distributed to more than one level for the same area. Similarly, decisions can be made at different levels by the same agency or by different agencies.

- 1 Decentralized planning gives greater freedom to the regional bodies and local enterprises, as compared to centralized planning.
- 1 Decentralized planning represents, in a way, planning from below and spreads out authority – political and economic – to lower and horizontal levels. It, thus, promotes popular participation and recognizes the value of local and sub-regional factors, and the needs of a pluralistic society.
- 1 Centralized planning is affected by bureaucratic functioning and growth of red tapism and, therefore, there is loss in the efficiency of management. Decentralized planning helps to a large extent in overcoming this problem.
- 1 Centralized planning may result in the centralization of powers. Moreover, individual initiative and enterprise may be adversely affected by such a system. Decentralized planning helps to overcome these possibilities.
- 1 In centralized planning, the formulators are often not aware of ground realities, and often standardized programmes and schemes are prepared, which may not be suitable at all places. In decentralized planning, the plans are more realistic.
- 1 Decentralized planning has its own handicaps. These are:
 - Decentralized planning, sometimes, does not reflect national priorities, which is possible in centralized planning. It is, therefore, not able to strengthen the nationalist forces or fight divisive forces.
 - In decentralized planning, the administrative and political structures at the lower levels may act as constraints to change and development. This may be through cornering the benefits of development or by covertly or overtly opposing alterations, which will empower other groups. The disadvantaged may be too weak to stake their claims.
 - Technical capabilities in planning are often limited at the lower levels. On balance, however, an optimum mix of centralized and decentralized planning seems desirable. For instance, areas of national and international importance like core sector industries, communication, etc. may need centralized planning, while areas of agriculture, rural development, water supply, etc. may benefit from decentralized planning. By and large, areas, which are widely dispersed, dissimilar in resources, and have problems, which are locality specific, need decentralized planning. Rural development is an area, which meets this description and needs a decentralized system of planning.

Decentralized Planning in India

The idea of decentralized planning and “Planning from Below” have been familiar to planners for a long time. There have been several efforts at decentralized planning in many States. Maharashtra’s experiment with District Planning Boards in 1972 has been a subject of much discussions. The states of Andhra Pradesh, Karnataka and West Bengal attempted decentralized planning in 1980s. In the initial years of planning, certain hard choices had to be made between the needs of national security, unity and growth on the one hand, and redistribution of growth on the other. Since the former took precedence over the latter, decision making functions remained centralized and vertical upto the State level. The design of political and developmental set up in the country, therefore, did not seriously consider decentralization at the sub-state level.

The Second and the Third Plans had mentioned local horizontal plans, preparation of State plans based on district, block and village plans and devolution of responsibilities to *Panchayati Raj* institutions. However, these ideas did not really take off due to the fact that the overall framework of centralized planning continued and also

because of the inadequacy of planning capabilities at such levels. In the Fourth Plan period, the need for strengthening the planning machinery at different levels was recognized. Decentralized planning came into the forefront only with the advent of the Fifth Plan when a number of Special Area Programmes were undertaken with specialized agencies for their implementation.

During the Sixth Plan, the procedures for effective functional, financial and administrative decentralization upto the district level were outlined to the States. However, decentralized planning, to be effective, would need building up capabilities assiduously, evolving of right procedures and suitable structures, and changes in technical and administrative areas including attitudinal changes. The process of encouraging assimilation of new ideas needs to be taken up through learning by doing.

During the Seventh Plan, a High Level Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes (CAARD) was set up under the Chairmanship of Shri G.V.K. Rao. The report of the CAARD Committee suggested devolution of administrative powers in a re-structured administrative set up for decentralized planning.

The fact remains that the Indian experience with decentralized planning is mixed. The Working Group Report of 1984 noted, “(There has been) a certain disconcentration of administration from the state to the district levels, with the planning and decision making functions mostly confined to the higher echelons of administration and with the local population only marginally, if at all, associated with the activities that concern their development and welfare”. In many States the District Development Boards or Councils exist, but they have little or no autonomy in local decision making, although admittedly, the extent of decentralization would vary from State to State.

The 73rd and 74th Constitutional Amendments of 1992 have made specific provisions for the preparation and implementation of plans by Panchayats and municipalities and for setting up District Planning Committees.

Check Your Progress I

Notes: a) Use the space provided below for your answers.

b) Compare your answers with the text.

1) Define decentralized planning.

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2) List three merits of decentralized planning.

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3.3 MULTI-LEVEL STRUCTURE OF PLANNING

The important feature of planning in India is that it operates in a democratic framework through a federal system, involving concurrent planning at the national and State levels.

The federal nature of India's Constitution demands planning at least at two levels, i.e., Union and States (economic and social planning) being in the Concurrent List of the Constitution. However, in view of the mixed economy resulting from a pluralistic socio-economic environment and the large size of some States, planning at sub-State and micro-levels is also required. Thus, multi-level planning in India has to be viewed in terms of activities at different area and agency levels extending well beyond the union and State framework.

A multi-level structure of planning for the country, based on the politico-administrative structure, is shown in Table 3.1 below:

Table 3.1: The Levels and Types of Planning

Planning Level	Political / Administrative Territorial Equivalent	Abstract Territorial Equivalent	Planning Concept
Macro-level (National Plan)	Nation	—	Central planning/Policy planning/Sectoral planning
Meso-level (sub-national plan or State plan)	State	State/Resource/Region/ River valley/ Metropolitan Region	State plan/sectoral budgetary planning/ Regional planning/Town & Country Planning
Micro-level (Decentralized plan)	District	Area	District planning Area Development
	Block	Sub-area/micro-region Local level	Micro-level planning/block level planning
	Village		Village plan and planning for target group.

The territorial equivalents of macro and meso-level planning are clearly defined as nation and States, respectively. However, the term micro-level planning will continue to remain vague until the actual levels of planning are clearly defined. In the Indian context, the abstract territorial equivalent of micro-level is the district. However, in the Integrated Rural Development Programme (IRDP), currently under implementation, the block, which is the lowest unit of development, administratively, has been considered as the unit of planning at the micro-level.

The macro or national plan mainly provides the broad framework of national objectives and resource allocation pattern to achieve these objectives. It includes the State plans and indicates the sectoral allocation of resources. The micro-level or district and lower level plans are mainly based on local priorities and needs. The outlays for these are found from the State plans. Thus, as we move down to the lower levels of planning, local needs and priorities draw more attention. In a country

like India, micro-level planning would, therefore, be more rural oriented.

In considering planning for rural development in the context of multi-level planning, the following important considerations have to be kept in view:

- 1 At each level, there may be a number of agencies taking decisions, which appear to be independent of each other, but are, in fact, an expression of cognizance of the inter-relationship of their respective functions. For instance, laying a railway line would be the function of the Union Government, a bus taking passengers to the railway line may be run by a State level public enterprise and the road on which the bus travels may include the national highways, State highways, or village roads under the control of *panchayats*, etc. Thus, decentralized planning or local planning will have to constantly interact with other planning agencies at higher levels, particularly in designing physical or locational aspects.
- 1 Apart from interaction among the governmental levels, there will be need for interaction with other organisations, such as cooperatives, farmer's associations, voluntary organisations and other agencies.
- 1 The decentralized planning unit will also interact with adjacent decentralized units either on its own or through a higher level. Thus, if there is an anicut on a rivulet constructed by one village, there may be no water left for the village down below. Similarly, industry in one village can cause pollution in the next village.
- 1 It is difficult to draw a rigid line between rural and non-rural areas. Even in rural areas, there are villages of different sizes. There is also the phenomenon of rural-urban continuum caused by interdependence, continuity and flow between rural and urban societies. Many villages depend on urban areas for services. Inputs are often purchased by the rural people from urban markets and output may also have to be sold to urban markets. Similarly, some educational and health facilities, repairing facilities, etc. are available only in towns. It is not possible, therefore, to plan for all facilities in all villages. Thus, decentralized planning in a rural development context cannot confine itself only to rural areas, but should be able to interact with planning in urban areas also.

Consistency Factors

The focus of development planning is on transforming the rural areas, keeping the social, economic, technological and cultural horizons in mind. Therefore, the primary characteristic of any plan must be consistency among the planning exercises undertaken at different levels. This means that a plan undertaken at one level should be in harmony with exercises undertaken at other levels.

The plan at lower levels should have the freedom to choose among national objectives for the following reasons:

- i) **Feasibility or Relevance:** Depending on the feasibility or relevance of the national objective to the block, a plan may or may not correspond or give the same weightage to national plan objectives. For instance, the national plan objective of self-reliance translated at the block level would imply that outflow of goods and services from the block to the rest of the country increase to a level at which these can pay for the inflow of goods and services. Since the block is a part, even if a smaller part of the national economy, self-reliance in this sense is, therefore, not feasible.
- ii) **Freedom to Fix Priorities:** Since the specific situation at the local level is quite different from the national scene, a block plan may even give different weightage to national priorities in its scheme of priorities. For example, let us consider the

case of a national programme designed to generate self-employment and income in rural areas. It is obvious that the actual priority areas chosen in the local areas will vary according to their needs and feasibility. For instance, it will not be possible to generate employment/income through poultry farming or dairy projects in all places across the country

- iii) **Target Fixing:** A block drawing upon the available resources and its own experiences should have the freedom to fix its own targets, depending upon their feasibility. Now, what is a target? It is a quantified expression derived from the objective and indicates the time frame for its achievement. When fixing a target, the quantum of resources and relevant institutional and organisational arrangements, manpower, feasibility, etc. have to be taken into consideration.

A target can be used to assess the magnitude of the task that lies ahead for achieving the stated objectives. As an illustration, consider the objective of removing poverty at the block level. Assume that 70 per cent of the population in the block is poor and the per capita consumption expenditure among this section is much below a specified minimum. Now, while assessing the efforts in fulfilling the block plan objective for removing poverty, you discover that only about 30 per cent of the poor could be effectively served by suitable employment and income earning opportunity. Such being the case, you would have to assess the magnitude of the task that lies ahead of you. Hence, effort will be needed to effectively serve the needs of the remaining 40 per cent of poor.

- iv) **Information Base:** The information base is a very crucial component and has to be developed at different levels. This has to be developed as an integrated system that the information flows help to strengthen and reinforce the inter-linkages, both horizontally and vertically. The designing of an information base requires professional expertise as well as data gathering, processing and transmission facilities.
- v) **Relationship among Plan Objectives:** There may be either a complementary or a competitive relationship between plan objectives. A complementary relation is ensured if a plan, which contributes positively to one objective, makes a positive contribution to the second as well, or at least, does not make a negative contribution. A competitive relationship, on the other hand, means that a positive contribution to one objective may (in some cases at least) lead to a negative contribution to the other.

There exists, for example, a complementary relation between employment generation and poverty removal; also between poverty removal and better distribution of income and assets. In contrast, there are, in some cases, conflicts between higher income growth and its better distribution (at least in the short run) and also between higher income growth and higher employment.

Since conflicts between objectives occur typically at the block and lower levels, the nature of the relationship among plan objectives should be identified. Then, the various instruments and institutions available – public investments, subsidies, credit facilities, levies, fees, public and cooperative forms of property ownership and other such organisations – should be used in such a way that the block plan reinforces complementarity among objectives and does not unduly sacrifice one objective in favour of another, whenever there is a conflict. For example, a programme designed to boost agricultural output may result in generating higher incomes – but not necessarily for agricultural labourers. Thus, in this case, the objective of generating higher output may conflict with the objective of achieving more equitable growth. In such a situation, special measures may have to be taken to achieve the second objective as well.

3.4 SOME ISSUES

The process of multi-level planning involves identification of the area levels, activities, and agencies. Let us briefly consider these.

Identification of Area Levels

The need for decentralization in the planning process is widely recognized. However, what the levels ought to be and how the various levels are to be integrated into a cohesive planning structure, is a matter of debate.

A major problem, widely recognized, is one that relates to the activities that should appropriately be undertaken at each area level. Over time, there has been tension between the Union and the State governments over both political, financial and economic matters. Centre-State relations have been a matter of intense debate in our country. The States are particularly incensed with the matter relating to financial powers being concentrated heavily in the hands of the Union Government. This, according to them, has severely handicapped them, particularly in the area of financial independence, to manage their own affairs. The Administrative Reforms Commission, the different Finance Commissions and the Sarkaria Commission have submitted comprehensive reports on Centre-State relations in different spheres. However, the issue raised from time to time, particularly by states that are governed by a political party different from that at the Center, has not been resolved.

In determining appropriate area levels, there is need to take into account not only planning requirements in terms of techniques and processes, but also social, political and administrative structures. At the time of Independence, there was need to integrate a large number of technically sovereign units, of varying sizes and differing structures, into one coherent entity. States were carved out within a formal federal structure. 'Districts' within the State, as basic units, were kept intact wherever viable, with occasional changes. Villages were consolidated into Community Development Blocks in the early fifties on a nation-wide basis. Formalizing and functionalising the units peacefully was a great achievement of the fifties.

There are intermediate tiers between area levels also with a view to ensure coordination. Thus, 'Zonal Council' (not quite active) was envisaged for a group of States. In some of the larger States, groups of districts are under a Division for administrative coordination. In many States, regulatory administration is carried out by a *taluk* (which has been redefined to be coterminus with a development block) and these are often grouped under a Sub-division for administrative purposes.

The units below the State are entirely within the jurisdiction of the State concerned. In the mid-eighties, Andhra Pradesh and Karnataka modified the block level and introduced mandals as units, analogous to, but smaller than a block.

Identification of Activities

A ticklish problem, however, relates to the issues or activities that should appropriately be undertaken at each area level. The division of powers and responsibilities between the Union and the States is enshrined in the Constitution. Over the period, however, as in the case of most federations, there have been tensions between the Union and States both on political and on financial – economic plane.

An important issue of discussion for long has been whether the division of powers

and functions between State and sub-State level should be nationally determined or left to individual States to decide. The need to introduce Constitutional provisions to ensure continuity and authenticity to such arrangements, particularly in regard to elections for bodies at sub-state levels, has also been under discussion. The 1992 Amendments says that “Panchayat-shall continue for five years”... (Article 243E). It also provides for State Election Commission for “the conduct ofall elections to the Panchayats”(Article 243K).

A variety of approaches have been advanced in regard to differentiation of activities based on micro and macro aspects, degree or linkages in developmental programmes, potentialities of development, and efficiency factors in execution of projects and processes.

The official committees (including the Hanumantha Rao Working Group of 1984 on district planning), however, focussed on the techniques and procedures of formulating, implementing and monitoring district plans, and replicating (and adopting) comprehensive planning process, coupled with detailed planning for projects. Realizing the intricacies involved, the Government of India had decided to attempt model district plans (in 1988).

The Ninth Plan makes it clear that “district development plans would have to be prepared – through the institution of District Planning Committee” set up by the states under the 73rd and 74th Amendments. “Gram Sabha would list out priorities and a list in the selection of beneficiaries for various programme and schemes.... village level plans... would be incorporated in the intermediate plans and finally merged into a district plan”. The Plan also suggests that the District Planning Committee should not only consolidate plans from below but should take decisions of the district within the given resource potential and identified needs and constraints.

Identification of Planning Agencies

The area levels have significance for purposes of policy with reference to the functional agencies, their powers and inter-relations, both vertical and horizontal (i.e. across the area levels and within the same area level). For convenience, these agencies could be categorized into political decision making bodies; the planning organisations; the staff agencies (ministries); the line agencies (the government executive departments); the public enterprises; and the cooperative structure. In addition, there are a number of specialized agencies, especially at district level, established under the Societies Registration Act in the form of government committees for integrated planning. A number of private bodies, such as associations of farmers, traders and industrialists may also be involved in the process.

Thus, in a given geographical area, there are various levels of government, such as Centre, state and district and several agencies at each level functioning in the same area. The relationship in each category could vary in degree from superior-subordinate, equal, to semi-independent in nature.

The way the agencies are structured at each area level in terms of representation to area-levels, and the superior-subordinate, semi-equal or equal nature of relationship in access to resources and powers of decision making, constitutes the core of multi-level planning. When the framework at sub-State level is varying and unclear, the functioning in reality can be very much at variance with formal structures (leading to accusation of hypocrisy or real centralization in the guise of decentralization).

Check Your Progress II

Notes: a) Use the space provided below for your answers.

b) Compare your answers with the text.

- 1) Name some Commissions, which have deliberated on Centre-State relations in different spheres.

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- 2) State the areas where there have been increasing friction between the Centre and States.

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3.5 LET US SUM UP

In this unit, we saw the linkage between decentralized planning for rural development and the total system of planning so essential for a meaningful designing of projects.

Multi-level planning, we stated, requires a decentralized planning system. Decentralization implies assumptions about the appropriate functions to be performed at different levels. Multi-level planning operationalises these assumptions in the interest of optimal functioning of the system. In the context of planning for social change, appropriateness of both levels and functions is determined in the socio-political context. The socio-political compulsions may require that decision making powers are distributed among more than one levels for the same area. Therefore, multi-level planning implies existence of several well defined area levels and agency levels. A ticklish problem, we saw, relates to the issues of activities that should appropriately be undertaken at each area level. We also noted the various consistency factors in multi-level planning.

3.6 KEY WORDS

Anicut : Dam on a river built for irrigation purposes.

Decentralization : Delegation of decision-making powers to different levels in a hierarchy.

Mixed economy : An economy characterized by the co-existence of government and private sector activities.

3.7 SUGGESTED READINGS

Alagh, Y.K. (1973), “District Planning for Integral Development” *Journal of the Lal Bahadur Academy of Administration*, Mussoorie.

Redd Y. Venugopal (1979), *Multi-Level Planning in India*, Vikas, New Delhi.

UNIT 4 DISTRICT PLANNING

Contents

- 4.0 Objectives
- 4.1 Introduction
- 4.2 District Planning in a Decentralized Planning System
- 4.3 Components of District Planning
- 4.4 Review of District Planning in India
- 4.5 Process of District Planning
- 4.6 Perspective District Plan
- 4.7 Annual District Plan
- 4.8 Let Us Sum Up
- 4.9 Key Words
- 4.10 Suggested Readings

4.0 OBJECTIVES

This unit aims to explain the concept and process of district planning, with special reference to the Indian experiences.

At the end of the unit, you should be able to:

- 1 describe the prerequisites and components of district planning;
- 1 evaluate existing district planning in India; and
- 1 distinguish the various stage of district planning.

4.1 INTRODUCTION

In the previous three units, you have learnt the importance of planning at different levels. We made a brief mention there of district planning. Historically, the district has been an administrative unit below the State level. Its place in the overall planning system therefore, assumes importance. In this unit, the concept of district planning in a decentralized planning system will be discussed. The discussion would cover the need, concept, components and the process of district planning, with illustrations from Indian experience. This is expected to provide a critical evaluation of district planning exercise in India.

4.2 DISTRICT PLANNING IN A DECENTRALIZED PLANNING SYSTEM

In a decentralized planning set-up, district planning is a kind of area-based planning. We will first understand the need and concept of district planning.

Need for District Planning

Requirement of district planning arises from the need to supplement the national and state plans with a more detailed examination of the potentials at the mid-unit of

administration, i.e. the district. Such planning would help in making investment decision geared to the needs of each district. District planning, therefore, would involve striking a balance amongst specific needs of the people of the district, growth potentials of the area and budgetary allocations available.

According to the Working Group Report of 1984 on District Planning: “District planning, in our view, is a kind of area based sub-state planning and arises from the need to supplement the national and state plans with a more detailed examination of the resources, problems and potentials of local areas (i.e. districts), so that investment programmes, more specifically tailored to the particular needs of each district, could be evolved and implemented. In other words, district planning implies evolving a developmental scenario at the district level, consistent with the specific needs of the people, the growth potentials of the area and budgetary allocations available. Thus, the concept of district planning adopted by the Working Group is akin to this concept of integrated areas planning. It assumes that the district is a sub-state decision-making unit within the system of multi-level planning. In contrast to the national and state plans, the district plans would represent a distinct multi-sectoral package of area specific investment proposals and institutional arrangements suited in this context”.

Concept and Scope of District Planning

District planning cannot be viewed in isolation from either the state plan, or the block plan, the latter being another area-based plan at a lower administrative level. Essentially, district planning should be a creative response to a particular set of prevailing circumstances in the State. District planning should have enough flexibility, so that adjustments and modifications can be introduced within the conceptual framework of the district plan. The district is only a sub-system of multi-level planning and, so, vertical integration is important.

The scope of the district plan should be open-ended in recognition of the linkages available beyond a district. Ideally, therefore, at the district level, all planning should be done by a single planning agency. However, generally this is not being followed. In the latter case, district planning exercise should coordinate the seemingly disparate efforts of sectoral departments into a consistent framework. The planning activities should be so ‘nested’ as to provide necessary linkages and infrastructure support for different developmental programmes.

District planning needs to consider three aspects:

- 1 regional affinities in tune with natural geographical regions covering more than one district,
- 1 recognition of sub-regional elements within a district,
- 1 building up of capability, authority and skills at local institutions.

District planning should keep the national and state objectives in view, in so far as such objectives can be conceived in the broad background of a district.

- 1 Alleviation of poverty.
- 1 Self sustaining growth in terms of both the capacity to finance growth internally, and the development of technology.
- 1 Higher productivity
- 1 Creating conditions of near full employment

- 1 Satisfaction of the basic needs of the people for food, clothing and shelter.
- 1 Universal elementary education.
- 1 Access to health facilities for all.

During the Seventh Plan, some objectives at the national level gained priority over others. These were a) alleviate poverty; b) accelerate food-grains production; c) increase employment opportunities; and d) raise productivity. The example of the Seventh Plan showed that district planning also needs to have similar objectives, so that it is consistent with planning at higher levels. You should not take this to imply proportionate apportioning of the target between the different districts.

Check Your Progress I

Notes: a) Use the space provided below for your answers.

b) Compare your answers with the text.

- 1) Justify, in your own words, the need for district planning.

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- 2) List three key aspects of district planning.

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4.3 COMPONENTS OF DISTRICT PLANNING

District planning, we have noted above, requires an integration of various components. In the following paragraphs, we will elucidate these components.

Spatial Component

Since district planning is essentially area based planning, the special component of district planning is very important. The 1984 Report on district planning noted that “spatial planning (... in a district plan...) covers all spatial manifestations including those arising out of human activities, both economic and social”. A comprehensive spatial plan would need to consider the physical resources, land use and all human settlements in a region, right from the smallest settlement to the city. The spatial components of a district plan would be such as to guide the development programmes through a locational blue print, ensure distributive justice and bring about rural-urban integration and continuity.

The district plan needs to identify and correct imbalances in infrastructural facilities in the district as a whole or in any part of it. It needs also to consider the elements of sub-regionalisation, based on feature like cropping pattern. Sub-regionalisation

should consider the linkages, both economic and social, among a group of settlements, based on the principle of functional interdependence, e.g. around markets, trading centers, or areas served by specialized health services. The pattern of physical distribution of infrastructure and service facilities would determine the nature of interdependence. Such facilities will differ from settlement to settlement. It is not always necessary that every district should have all the facilities, nor is it necessary that all blocks/villages in a district should have all the facilities. While planning, it is necessary that the spatial characteristics and norms considered are.

As an illustration, let us consider education as a facility. Undoubtedly, every district should plan for it, but it is not necessary that every district should have a university. For effective utilization of a facility, a certain minimum number of users and the distance upto which the facilities can be used by those for whom it is meant for, needs to be considered. Several districts together may have one university. A district may need two or three degree colleges, but several high schools and middle schools and primary schools in every village. In other words, functional hierarchy in education in a district is necessary.

Therefore, district planning needs to clearly identify levels at which various facilities are needed. The district planner needs to locate the *prevailing* and *required* levels of various facilities.

Economic Component

Economic planning has traditionally been the core of planning, since a principal aim of development planning has been to increase income and employment. Economic planning is necessary also for better resources management. Essential prerequisites of economic planning are knowledge about the state of the following in the district:

- 1 resources
- 1 demographic features
- 1 agro-economic features
- 1 socio-economic factors
- 1 infrastructural features
- 1 sectoral profiles

Economic planning, in addition, would require knowledge about geology, ground water, forest, soil, human and other resources available. This information determines the profile of a district, and will also suggest the planning strategy for the concerned district. For example, a desert-prone district with poor linkages, underdeveloped marketing network and with very few viable economic activities in the area, may need to follow a different economic planning strategy when compared to a well-endowed district.

Economic planning in the district needs to be made in the context of available finance resources. These resources are:

- a) resources available in the state (and the Centre) for particular projects in the district,
- b) resources available from state (and the Centre) for schemes of general nature, not tied to specific projects,

- c) resources from non-governmental and voluntary agencies.

Social Component

A district plan cannot afford to overlook the social component of planning. The task of a district plan is also to reduce social inequalities, provide social services and ensure public participation. For a district plan, public participation is both an important tool and a goal for development, since planning is the medium of social transformation and means to bridge the gap between the government and the people.

The First Plan had stated that the initial local interest aroused by the prospect of better things for themselves can be sustained only by the sight of achievement, however moderate, and the consciousness of a share in it, however indirect. People's participation in planning is necessary, primarily to reduce the unequal distribution of power in rural areas, reduce social tensions, and achieve social equity through attitudinal changes and economic redistribution of the fruits of planning. The public needs to participate in the planning process through discussions in open forums.

Administrative Component

Success or failure of district planning is ultimately influenced by the political and administrative set-up of the district planning machinery. Traditionally, the district has been a territorially designed unit of administration, primarily concerned with law and order and land revenue. The role of district administration as a part of development administration came to be emphasized since the beginning of planning for development in India.

The Collector is at the administrative apex of the district. He is supported by the district Planning Boards/Committee. An illustrative table given below shows the planning machinery at the district level:

Table 4.1

Apex Planning Body At District Level	States having this type of Body
1) District Planning Board	Gujarat, Madhya Pradesh Meghalaya, Nagaland, Punjab
2) District Planning Committee	Manipur, Rajasthan, Sikkim
3) Zilla Parishad	Karnataka, West Bengal
4) Zilla Development Board	Andhra Pradesh
5) District Development Committee	Assam, Himachal Pradesh
6) District Development Committee	Jammu & Kashmir, Orissa
7) District Development Council	Kerala, Tamil Nadu
8) District Planning & Development Council	Maharashtra, Bihar
9) District Planning & Monitoring Committee	Uttar Pradesh

The Chairman of the Planning Committee may be a Minister, Member of Parliament, Member of Legislative Assembly or the District Collector. This depends on the practice being followed in the State, although administratively, the Collector is responsible for district development and administration.

Administrative arrangements of district planning and development administration

have been subjects of discussions since the beginning of development administration as a part of efforts and mechanisms of planning for development. The Working Group on District Planning, in its 1984 report, considered four important administrative aspects for the smooth functioning of the planning process. These are:

- 1 Setting up of appropriate mechanisms for coordination and implementation of the plan.
- 1 Introducing procedural innovations for release of funds, issue of administrative and technical sanctions, re-appropriation procedures and procedures for effecting inter-sectoral and intra-sectoral transfers.
- 1 Establishing suitable procedures for dovetailing of the district plan with the sectoral outlays at the state levels.
- 1 Establishing procedures for monitoring and review of schemes.

The success of planning would also depend on the type of technical machinery available at the district level. Hence, the administrative set up at the district level should provide for adequate technical personnel in the planning body. This would help in overcoming the limitations that would result from merely assembling departmental schemes within the district frame.

The Working Group on District Planning recommended that the office of the District Collector should be strengthened and the District Collector should be the “Chief Coordinator”. However, CAARD, in its report submitted in 1985, recommended that a post of District Development Commissioner (DDC) should be created to look after and coordinate all the developmental activities in the district.

4.4 REVIEW OF DISTRICT PLANNING IN INDIA

Although the role of decentralized planning had been recognized even in the earlier plans, it could not be made effective. The Planning Commission had issued some guidelines to the State in 1969, but not much was achieved.

The Working Group on District Planning (1984) identified the problems and constraints as follows:

- 1 Problem in getting the district level schemes fully reflected in the State plans and difficulties in the integration of District Plan into the overall State plan.
- 1 Limited scope for new schemes in the District Plan, as the outlays are largely used up for on-going schemes.
- 1 Pressure from the public and politicians for the addition of more and more new schemes, resulting in token provision for such schemes and the resulting thin spread of resources.
- 1 Conflict of authority and control between the District Chief and the heads of Departments at State level.
- 1 Problems in the transfer of functions to District level because of opposition from the departments (e.g. Kerala).
- 1 Insufficient time available to the district planning bodies to prepare their annual plan proposals and to submit the same to the State Government in time before the finalization of the State Plan proposals by the Planning Commission.
- 1 Demand for special attention to backward areas within the district by carving out separate sub-plans for such areas.

- 1 Weak data base on certain aspects (e.g. employment, income distribution).
- 1 Difficulty in disaggregating plan funds to the district level in view of the heavy liability of the state for major projects.
- 1 Absence of accountability of the executing agencies at the district level to the district planning bodies.
- 1 Delays in the sanction of schemes.

District planning in India has not been very systematic. However, it needs to be remembered that district planning would need to be introduced only in phases. It cannot be introduced at one stroke, with all refinements and sophistication of planning techniques on the one hand and with adoption of total decentralization measures on the other.

According to the level of decentralization, only six states, viz., Maharashtra, Gujarat, Jammu and Kashmir, Uttar Pradesh, Karnataka, and West Bengal, can be stated to have made some strides. But even in these states, real planning functions have not really percolated to the district level.

For district planning to become operational, identification of district sector schemes is a crucial prerequisite. Gujarat, Maharashtra, Karnataka and Uttar Pradesh have identified such schemes. But difficulties do arise when some state departments are reluctant to hand over some of their traditional functions of lower planning levels. This has happened in Kerala where subjects as a whole could not be handed over to the districts; only specific schemes were delegated.

The pattern of disaggregation of plan funds from the state to the district levels is also not uniform. Roughly between 30 to 45 per cent of the state plans go towards funding the district level schemes. Methodology for inter-district allocation of outlays have also been evolved in the six states, and the weightage given to various development indicators, as expected, vary. In Maharashtra, Karnataka and Uttar Pradesh, cumulative weightage to all factors of backwardness is about 20 per cent, whereas it is much higher in Gujarat.

We have already outlined the planning machinery at the district level in the previous section. The Minister-Chairman model is prevalent in Gujarat, Maharashtra, Uttar Pradesh and Bihar. The District Collector-Chairman model exists in a number of other states. In Madhya Pradesh and Meghalaya, the non-official Chairman model exists and in Sikkim, the Member of Legislative Assembly (MLA)-Chairman model is prevalent.

The District Planning Committee (DPCs) constituted in some states under the 73rd and 74th Amendment of 1992 follow different arrangements. In Chattisgarh, Madhya Pradesh, Orissa, Uttar Pradesh and Uttaranchal, the DPCs are chaired by Ministers. The chairpersons of Zilla Parishads are chairpersons of DPCs in Karnataka, Kerala, Manipur, Rajasthan, Sikkim, Tamil Nadu, Tripura and West Bengal. The Divisional Commissioner is the chairperson in DPCs in the state of Haryana.

The technical planning machinery, in most of the states, needs to be built up. Even today, purely technical personnel available in the districts range from two to six officers, who are not necessarily multi-disciplinary in composition.

The district planning process, in most of the states, follows a similar pattern, with minor variation. After the state budget is voted, the departments work on district-wise break up of the outlays and the 'district plan' framed thereafter is mainly an

aggregation of departmental schemes. District planning has not yet followed a decentralized procedure in the accepted sense. However, in Maharashtra and Gujarat, some amount of decentralization in the planning process exists, in that Maharashtra has given freedom to the District Planning Boards for suggesting schemes within the state guidelines, and in Gujarat 'untied funds' are disaggregated to the *taluks*, based on some rational criteria.

To sum up, district planning in India is still in its infancy and would require conscious attempts for it to be placed on a sound footing. These attempts will require building up of:

- 1 Political will and commitment
- 1 Setting up of District Planning Body in each district
- 1 Setting up a suitable machinery for planning in each district
- 1 Clear demarcation of planning functions
- 1 Disaggregation of plan funds and devolution of financial resources
- 1 Working out criteria for inter district allocation of outlays
- 1 Delegation of administrative powers
- 1 Evolution of new pattern of political and administrative pattern of functioning
- 1 Ensuring public participation at all stages of planning process
- 1 Training of personnel

Check Your Progress II

Notes: a) Use the space provided below for your answers.

b) Compare your answers with the text.

- 1) What aspects need to be taken into consideration in defining the spatial component of district planning?

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- 2) Indicate the problems in district planning.

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4.5 PROCESS OF DISTRICT PLANNING

The process of district planning includes four phases, viz.,

- a) Preplanning phase, b) Planning phase, c) Implementation phase, and d) Monitoring and evaluation phase.

Preplanning Phase

Before embarking on a district plan, the steps at the preplanning stage are as follows:

- 1 Defining the scope and content of a district plan.
- 1 Disaggregation of plan funds from the State to the District level on appropriate criteria.
- 1 Establishing a suitable organisational framework for district level planning.
- 1 Effecting certain administrative decentralization measures.
- 1 Establishing a district planning unit at the State level.
- 1 Establishing a proper district planning machinery.
- 1 Making arrangements for the training of personnel.

The formal plan covers a large spectrum of activities with widely varying coverage. Therefore, first, the plan programmes should be broadly divided into plan programmes relevant for a particular district only and those relevant for more than one districts. The former is a district level programme and the latter, a state level programme. The principle of differentiating planning functions in relation to different geographical levels needs to be adopted here.

After defining the scope and content of a district plan in the multi-level planning set up, suitable criteria for disaggregation of plan funds from the state to the district level need to be worked out. There is no single formula for such disaggregation, and the state needs to evolve the criteria based on certain norms (Scheduled Castes, Scheduled Tribes, landless labour, etc.), geographical area, as also the level of development in the district. Level of development is dependent on weightage assigned to development indicators, both economic and social, cutting across different sectors.

The organisational framework at the district level should offer an integration of the political, district, administrative and local institutions for determining the programmes of development for the district and the manner in which it can be implemented. Besides, its aim should be to bring all administrative operations at the district level under effective coordination and control of a single agency, and clearly lay down a programme of work for the participating agencies *Panchayati Raj* bodies, non-official agencies, etc.

It is necessary to ensure adequate administrative decentralization at the pre-planning stage itself. For district sector schemes particularly, powers need to be delegated to district level officers, and both powers and responsibility for district planning need to be entrusted to them.

Within the framework of decentralized multi-level planning, the district planning authority needs to:

- 1 identify local needs and objectives within the given national and State level objectives;
- 1 list the natural and human resources in the district and level of development attained so far, also at sub-regional level;
- 1 formulate district plan;
- 1 coordinate implementation of the district plan;
- 1 monitor and review the implementation of district plan.

Therefore, in order to build up adequate capabilities in the district, it may be desirable to set up a district planning unit at the state level. Such a unit would study inter-district variation, work on suitable criteria for distribution of funds to the districts, help the district planning officers and integrate district plans with that of the state.

Lastly, arrangement for on-the-job training of the district planner, as distinct from academic training, needs to be made. The Working Group on District Planning observed that “At the technical level, there ought to be happy blend of spatial and socio-economic dimension of planning with due understanding of grass-root level problem of development and administration”.

Check Your Progress III

Notes: a) Use the space provided for your answer.

b) Compare your answers with the text.

List the steps in the pre-planning phase of district planning.

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Planning Phase

In the planning phase, the following steps are involved:

- 1 Formulation of the major objectives of the district plan
- 1 Compilation of data for district planning
- 1 Preparing the profile of the district in relation to the basic objectives
- 1 Formulating the main strategy and thrust of district planning and
- 1 Analysis of the existing programmes and projects with reference to the strategy outlined. This implies:
 - a) modification of the ongoing programmes and projects;
 - b) proposals for removal of inter-block disparities;
 - c) assessment of unemployment/underemployment and proposals for manpower planning and budgeting;
 - d) inclusion of new projects and plans;
 - e) inter-linkage between various projects and programmes;
 - f) organisation and management to ensure that no implementation gap exists;
 - g) assessment of resources for allocation to various programmes and projects;
 - h) a statement of physical and financial components of the district plan;
 - i) statement of spatial dimensions of the district plan; and
 - j) indication of relationship and links between the district plan and regional and State development plans.

We have already seen above that the objectives of a district plan need to be in line

with state plan and national plan objectives. Guided by these objectives, data on resources, demographic features, agro-economic features, socio-economic factors, infrastructure and various other sectors need to be developed, collected and analysed. The insights gained through the analysis of the data will provide the profile of the district.

The strategy for development would ideally depend on spatial characteristics and socio-economic factors. In the context of profile and strategy of the district plan, plan programmes, say, Operation Flood and Integrated Rural Development Programmes, need to be considered. The district planner should have sufficient authority and discretion to supplement and complement various plan programmes.

In the section on economic component of district planning, we have already elaborated the various financial resources that are available to the district planner. The planner, after taking stock of the resources in hand, and available data on manpower and employment requirements in the district, would identify:

- 1 areas where more financial resources than manpower are available for investments;
- 1 areas where resources (investment) and manpower availability are equal; and
- 1 areas where availability of resources is lesser than availability of manpower.

Thereafter, the planner would need to fix target of the district plan, i.e. lay down a statement of physical and financial components of the plan. The spatial dimensions of the district plans, e.g. pilot projects through growth centres, also need to be specified.

Once a plan has been worked out with a scheme of priorities, it needs to be set in accordance with the departmental structure by allotting tasks and responsibilities to the various departments and agencies. The order of priorities and time schedule to be followed in the implementation of various programmes should be suggested. Such setting should be dynamic in nature to be able to consider the repercussions of the development work in various departments. For example, setting up community wells may lead to changes in cropping pattern in the agriculture sector.

After the projects/schemes have been appropriately chosen, the plan should appear as integrated and balanced inter-sectorally and should also be intra-sectorally consistent. The draft plan is to be placed before the district planning body, discussed and then finalized through a democratic process. The district plan so framed would be consistent with the specific needs of the people, growth potential of the area and budget allocations available. Such a plan needs to be forwarded to the State Government for being dovetailed into the State plan.

Implementation Phase

Implementation of a district plan is the third phase in which the project and the sectoral approach to planning gets translated into practice. Successful implementation depends on the soundness of the plan adopted and coordination amongst the implementers. More often than not, because of the rigid ways in which several agencies operate in the same area, the funds are utilized for much the same purpose, separately by each of them. Thus, financial integration is indeed a serious problem at the district level. Another problem in coordination arises because the organisations which need to establish linkages not necessarily have powers to influence resource allocations, take appropriate locational decisions and issue fresh sanctions.

The last stage of planning is monitoring and evaluation. As the district plan is implemented by the State departments and other agencies, it is necessary to monitor its progress to see whether the projects/schemes included in it are being implemented on the lines on which it has been formulated or designed. Monitoring keeps a watch on the implementation schedule and enables the planner to take timely corrective measures so as to avoid time and cost escalations. Similarly, evaluation of the district plan is necessary for further guidance on the particular problems the district—whether the district plan is successful, whether it can be improved, and identification of the problem in conceptualization or implementation. Both monitoring and evaluation help in strengthening and increasing the effectiveness of the district plan.

Check Your Progress IV

Notes: a) Use the space provided for your answer.

b) Compare your answer with the text.

List the steps in the planning phase of district level planning.

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4.6 PERSPECTIVE DISTRICT PLAN

A temporal frame for district plans needs to be spelled out. Although the process of planning outlined above broadly covers all the stages, planning is not complete unless a time frame for such planning is indicated. Every district needs to have a perspective plan, covering 10 to 15 years, for the long-term development of the district and reducing regional disparities in development. Ideally, this should cover both physical and human resources with special focus on the disadvantaged. The perspective plan should aim for the long-term development of the district.

Within the district, a perspective district plan would take into account the perspective block plans, which are coordinated at the district level. Such a perspective plan should be based on the following factors:

- 1 An inventory of resources including demographic trends, human resources, area and location specific physical resources, economic activities with details of institutions engaged in these activities, social and institutional infrastructure available.
- 1 Information about the ongoing programmes, both plan and non-plan, with thorough analysis of the potentials of the programmes, linkages, etc.
- 1 Assessment of the likely activities of all the departments in the district.

Within the broad framework of the perspective plan, the five year plans of the district (conterminous with the national five year plans) should be framed. Such plans would take into consideration the long-term perspective, but would be based on the availability of financial resources, and a certain ordering of priorities based on national priorities.

4.7 ANNUAL DISTRICT PLAN

The Annual District Plan is an operational programme linked with the annual plan and budget at the state level. It needs to spell out what is to be done, when, where, by whom and at what cost. It should work out the spatial dimension as well as the horizontal and vertical linkages of programmes envisaged at the district level for the year in question.

Preparation of the Annual Plan is an activity, which should follow the five year plan and contain the following:

- 1 The economic profile of the block/district, spelling out the priority sectors and giving reasons.
- 1 The profile of the proposed beneficiary families under the various development programmes. Broad categories of beneficiaries according to their aptitudes and the viability of projects should be prepared.
- 1 The spatial distribution and the time scheduling of beneficiaries over the year for the beneficiary oriented programmes.
- 1 Spatial and temporal scheduling of area-oriented programmes.
- 1 Linkages proposed amongst various development programmes during the year.

Selection of Schemes – Formulation

Based on the Annual Plan, specific schemes and projects need to be formulated by the district planner. Normally, small schemes and projects, identified on the basis of local needs and potentials in the district, need not require extensive project formulation exercises. However, the planner needs to keep priorities in view among the numerous projects/schemes/ideas. The choice among the different competing projects needs to rest on considerations of felt needs of the people, besides quantified efficiency evaluation. For example, priority may be accorded to schemes that are likely to generate a large volume of employment, or those likely to maximize the yield potential of past investments, location of the project with respect to labour availability, etc. The new schemes/projects should be conceived as a 'programmes package'. In district level planning, complex problems in decisions making are not expected.

Annual Action Plan for the District

The Annual Action Plan is the calendar of activities of the district for the year. It should be a detailed action calendar indicating, on fortnightly/monthly/quarterly basis, activities to be taken up and completed. The Action Plan is necessarily related to the Annual Plan and the scheme chosen for implementation during the year. For example, Annual Plan may indicate increase in food grains production by 1000 metric tonnes in the year as a target. The schemes chosen to realize this objective may be:

- 1 distribution of minikits to 500 farmers, and
- 1 construction of shallow tube wells for 600 farmers.

The Annual Action Plan would translate these as follows:

Activity	Period during which it needs to be completed
1) Distribution of minikits to 500 farmers.	By May (before monsoon)
2) Construction of shallow tube wells – 100 tube wells per month for six months.	By December (depending on the water table)

4.8 LET US SUM UP

The unit has explained the concept of district planning in the multi-level planning framework. Decentralised planning is essentially a flexible planning system where the tasks of planning are dispersed and integrated. However, it should be emphasized that a combination of centralization and decentralisation is essential. This is because some areas are more amenable to decentralization and some are not. Maintaining this balance is vital for proper development planning. In India, district planning, although, has not yet been adopted in the fullest-sense.

District planning is an area-based planning exercise, which is required as a vital link between the lowest levels of planning and the state and national plans. The district plan has spatial, economic, social and administrative components. The process of preparing district plan undergoes four stages: pre-planning, planning, implementation, and monitoring and evaluation. Besides, a district plan has temporal dimensions, i.e., it could be perspective plan, five year plan, or an annual plan. Ideally, every district should have all these.

In India, only some States have so far made limited headway towards decentralization and some form of district planning. By and large, it remains an amalgamation of sectoral schemes at the district level. This situation needs to be overcome through conscious attempts at district planning. This has been the main failing in the efforts to evolve a planning machinery at the district level.

4.9 KEY WORDS

Decentralization : Transfer of power, authority and functions from Central to local authorities.

Linkages : System of links, which unite or provide continuity for an activity.

4.10 SUGGESTED READINGS

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UNIT 5 GRASSROOTS LEVEL PLANNING (BLOCK LEVEL PLANNING)

Contents

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Meaning and Scope
- 5.3 Progress in Block Planning
- 5.4 Block Planning for Area Development
- 5.5 Block Planning for Beneficiary Oriented Programmes
- 5.6 Planning Process at the Block Level
- 5.7 Let Us Sum Up
- 5.8 Suggested Readings

5.0 OBJECTIVES

This unit seeks to provide an understanding of the concept of block planning. It also deals with the methods and techniques involved in the formulation of block plans. To start with, we will discuss the concept of block planning and attempts in the past towards block planning. We will then deal with specific components of block planning and the process to be followed in the formulation of block plans.

After reading this unit, you will be able to:

- 1 state the objectives of block planning;
- 1 enumerate the components of a block plan; and
- 1 describe the steps, which need to be followed while preparing a block plan.

5.1 INTRODUCTION

In earlier units of this block, you studied about planning in general and its multi-tier structure. You have acquainted yourself with the planning process at the Centre and State level. In the previous unit, you read about district level planning. In this unit, you will read about planning at the tier below the district, i.e. the block, which, as you know, has been the basic development unit since the inception of community development and is a unit of the *Panchyati Raj* system as per the Constitutional Amendment Act of 1992. You would, thereby, get an integrated view of planning functions at different levels.

5.2 MEANING AND SCOPE

To be able to appreciate the role of block planning, it is necessary to understand its objectives, functions and scope.

Block planning, essentially, means planning for the development of the block within a specified time frame – whether it is an annual, five year or even longer period. Whereas for a national plan, the needs of various sectors will be taken into account

at a macro-level, block planning, essentially, goes through the planning exercise at the local level. It must be pointed out that it is at such a level that the success or failure of a planning exercise is most visible. Needless to say, even small changes in living conditions, as a result of the plan, are readily visible at such a level. This encourages popular participation. Such public involvement makes the block planning exercise more broad based and, therefore, very vital.

A block development plan has two major components:

- 1 Area development component; and
- 1 Beneficiary oriented programmes for target groups.

In the area development component, plans for resource and infrastructure development and provision of socio-economic facilities have to be formulated in cohesion with each other.

The purpose of providing beneficiary oriented programmes exclusively for certain target groups is to make an attempt to provide direct assistance to the most disadvantaged sections of the society. The need arises because, very often, such sections are bypassed during the course of normal development programmes. Further, as mentioned earlier, at the micro-level, the plan has to be location specific and, therefore, the whole exercise has to be done within the framework of a settlement plan, comprising focal points and the respective areas to be serviced.

Objectives of Block Planning

The objectives of block planning should, to the extent possible, be in harmony with national planning goals. The following are the key objectives of block level planning.

- 1 Increase in employment and income, particularly of the poor, through optimal growth in the area and through public employment programmes.
- 1 Distribution of gains from development in a manner that they reach the weaker sections, i.e. marginal farmers, agricultural labourers, etc.
- 1 Building social and economic infrastructure in the area.
- 1 Increasing the availability and accessibility of social services through Minimum Need and other programmes and extending the reach of the public distribution system.
- 1 Building institutions/organisations to protect the interests of the poor and the vulnerable in the area.
- 1 Promoting a more egalitarian structure of asset ownership in the area.
- 1 Upgrading technology, increasing productivity and contributing to skill formation.

Integrated Area Approach

Block planning has to take account of the inter-sectoral linkages between different facets of rural socio-economic conditions in the spatial context. Otherwise, there is a real danger that development may get distorted. This means that an integrated area development approach is required in the planning process

To illustrate the importance of inter-sectoral planning, we may refer to the Food and Agriculture Organisation (FO) project, which was implemented in the Anatolia region of Turkey in 1930. About 40 thousand hectares of land were brought under the command area by this project. However, 15 years after the creation of the irrigation facility, only 15 per cent of the potentiality created could be utilized. This

tardy performance was neither due to the lack of technical skills nor dearth of finance, but due to the lack of extension activity. It was reported that the farmers were not motivated to utilize their resources. Having realized the importance of extension work, this aspect was taken care of. Consequently, the level of utilization of irrigation facilities improved and concomitantly, there was a boost to agricultural production.

Unfortunately, as there was no plan to take care of increased agricultural production by way of marketing and transport facilities, processing industries were established. As a result, employment increased. Soon, people from neighbouring areas started migrating into this region. The resultant pressure of population increase strained various public facilities and services, such as education, health, housing and water supply in the region. Ultimately, it was necessary to plan for these sectors also. Thus, even though the idea was to develop only one sector – agriculture – the plan had to be prepared for all the related sectors. It is evident that action in any sector caused a chain reaction in other sectors. Therefore, it is necessary to prepare a comprehensive plan, taking into account all inter-related sectors.

Comprehensive Development Plan

As mentioned earlier, for overall development of an area, it is necessary to plan simultaneously for all the related sectors. When a plan is prepared linking various sectors, it becomes a comprehensive development plan. In order to advance development at the block level, comprehensive development plans have to be formulated, encompassing production sectors as well as other sectors. Thus, the components of a comprehensive plan include plans for resource development, infrastructure facilities and social service facilities. We will discuss the components of a block plan in the succeeding sections. Thus, the plans prepared by the sectoral officers, DRDAs and the financial institutions, if integrated properly, will constitute the comprehensive development plan of the area.

Location Specific Plan

It is at the local level that it is possible to specify the locations of different activities and facilities. A unique feature, therefore, of a micro-level or block level plan is that the locations for the various schemes proposed in the area need to be pinpointed. Thus, it is location specific plan.

These locations are arrived at on the basis of feasibility and the distance within which the facility should be provided to the people of the area. The locations of different schemes are very crucial, as the success of the scheme depends on rationally arrived locations. Appropriate location of different schemes also facilitates integration between different schemes. Thus, the facilities and activities, which are complementary and supplementary to each other, are planned in such a manner as to ensure integration.

Check Your Progress I

Notes: a) Write your answers in the space provided below.

b) Compare your answers with the text.

- 1) What do you understand by the term “integrated area approach” to block planning?

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2) Briefly describe a comprehensive development plan.

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Block Planning and the District Plan

The Working Group on Block Level Planning (1978) observed that “The Block is characterized by a certain community of interests. It is sufficiently small in terms of area and population to enable intimate contact and understanding between the planner, those responsible for implementation of the plan and the people”.

Block planning and district planning are closely interlinked and are to be seen as steps in the process of decentralized planning. The plan of the Block has to be integrated on the one hand with the plans of district and the state and, on the other, with the plans of sub-units comprising clusters of villages within the block.

While certain types of development schemes, like power generation and major irrigation projects, need to be planned at the state or national level, a number of others can be better matched with local needs and integrated at the block level. Horizontal and vertical linkages are crucial for the success of the block planning exercise.

Block level planning must demarcate its specific areas of concern and responsibilities in the overall frame of district and state plans. The inter-linkages with them must also be specified. For block planning to be effective, it is important also to work out the linkages for programmes which have a wider area of operation than the block and require coordinated planning and programming of two or more blocks.

The question whether the block or the district is the appropriate level of planning below the state or divisional level need not be viewed with any rigidity. All these levels of planning have to be visualized as part of the same exercise. The Committee on Block Planning (1978) observed that the block planning team should be stationed at the district headquarters and should also attend to the district planning exercise. It further observed: “The main purpose of block level planning is to accelerate the process of decentralization in the hope that a more systematic planning effort, with a smaller coverage, will not only help to speed up the development process, but also improve it qualitatively in the sense of making it more responsive to the needs of the weaker sections of the community”.

5.3 PROGRESS IN BLOCK PLANNING

The block planning exercise has its origin in the establishment of community development blocks under the Community Development Programme (CDP) in 1952. These blocks were considered as suitable units for planning and development purpose, as they had an average of 100 villages and a population of between 60,000 and 80,000. It was thought that, with this size of population and extent of area, it may be easier to understand local situations, potentials and problems. It was also felt that this would facilitate people's involvement and participation in plan formulation and implementation.

Block plans, however, could not be formulated in the required fashion, as there was lack of expertise on the one hand, and lack of coordination among different functionaries operating at that level, on the other. As a result, though schemes were selected by the officers responsible for the integrated development of different sectors, these were implemented in isolation. However, these schemes were put together to indicate the allocations for different programmes in a block.

Therefore, in 1977, the Planning Commission constituted a committee under the Chairmanship of Prof. M.L. Dantwala to suggest the institutional and conceptual framework for block planning. This committee suggested the operational guidelines for the formulation of block plans. It also recommended the constitution of a planning team at the district level, since it was not possible to establish a separate planning machinery for each block. It was specified that the staff at the block level will be responsible for the collection of data and their analysis, whereas the district planning team will formulate the block plan under the supervision of the State Planning Boards (SPBs). It was also suggested that, at the district level, the planning team should consist of the following members:

- 1) Chief Planning Officer;
- 2) Cartographer/Geographer;
- 3) Economist/Statistician;
- 4) Credit Planning Officer;
- 5) Agronomist;
- 6) Engineer (irrigation/civil); and
- 7) Industry Officer (small and cottage industries).

In order to frame the operational guidelines for block level planning, the Planning Commission appointed another committee in September 1978, under the Chairmanship of Shri Ajit Majumdar. Operational guidelines for block planning, recommended by the committee, were circulated by the Planning Commission for the formulation of comprehensive development plans. Later, as you have already learnt, a beneficiary oriented programme, known as the Integrated Rural Development Programme (IRDP), was launched in 1978. For the implementation of this programme, the Department suggested that comprehensive block development plans should be prepared and that IRDP should be implemented within the framework of these area development plans. However, even after a decade, comprehensive development plans were prepared for only about 40 blocks in the country. Even this has been done mainly by research institutions, voluntary organisations and agricultural universities. Therefore, it was felt necessary that the scope of block plan for the implementation of IRDP should be limited to planning for productive sectors only, and this limited exercise was called the IRDP block plan.

As comprehensive development plans could not be prepared as envisaged, the Planning Commission had to reconsider its decision. The approach now is to formulate district development plans, which are to go down further to block and village level plans. Thus, the concept of block level planning has made a retreat at the present juncture.

Nevertheless, attempts have been made from time to time in some states in the formulation of block level plans. In Maharashtra, in four selected blocks, pilot project plans were being prepared on an experimental basis. In Assam, the sub-divisional units are being utilized for planning purposes. Similarly, in Bihar, the planning exercise is being carried out at the block level. In Andhra Pradesh and Karnataka, the planning exercise has reached further down and has adopted the *Mandals* – a group of villages – as the unit for planning. Besides, the District Rural Development Agencies (DRDAs), throughout the country, continue to formulate plans at the block level for the implementation of IRDP. Thus, on a countrywide basis, IRDP is the only scheme, which uses the concept of block level planning.

The fact that only a handful of blocks in the country have actually participated in the planning process has considerably weakened the block planning exercise in the country. Since block level planning has been subsumed in the district planning exercise, this has undermined the progress of block level planning in the country. Thus, inspite of efforts made in some pockets of the country, block planning has, by and large, failed to materialise. Therefore, in the years to come, steps towards a coherent block planning exercise will first have to reckon with ways and means of actually installing this structure in the planning machinery. Unless this happens, we will be talking only about a virtually non-existent tier in the planning structure.

Check Your Progress II

Notes: a) Write your answer in the space provided below.

b) Compare your answer with the text.

Why has block planning not made much headway?

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5.4 BLOCK PLANNING FOR AREA DEVELOPMENT

As the villages in our country are very small, and since about 50 per cent of them have a population of less than 500 persons, it is not possible to provide basic facilities and amenities to all of them. It is necessary to group these village and provide facilities at a central location for their common use. The minimum population to be served, i.e., threshold population, needs to be worked out. At the same time, it is essential that the facilities are provided within accessible distance.

Plan for Resource Development

The plan for resource development consists of plans for:

- 1 agriculture sector;
- 1 allied sectors, viz., forestry, horticulture, animal husbandry, etc.
- 1 industries; and
- 1 infrastructure facilities.

Agriculture: An agricultural plan deals mainly with three aspects:

- 1 agricultural land, its utilization and productivity;
- 1 agricultural inputs; and
- 1 marketing and storage.

The plan should aim at optimal utilization of land by devising suitable cropping patterns and providing desirable input requirements. There should also be adequate storage facilities to preserve the produce after the harvest season, and regulate markets to ensure a fair and stable price to the farmer.

The planning process may be arranged in the following sequential order:

- 1 assessment of the current state of agriculture;
- 1 exploration of potential agricultural land;
- 1 assessment of the irrigation potential;
- 1 evolving suitable cropping patterns and crop rotation system;
- 1 adoption of soil conservation methods;
- 1 estimation of agriculture production, consumption and surpluses/deficits;
- 1 assessment of input requirements;
- 1 credit facilities;
- 1 location of input centres and credit societies; and
- 1 selection of location for storage facilities and marketing centres.

Horticulture: It is well known that a properly maintained orchard brings better returns than field crops for the same piece of land. A cultivator, who grows only cereal crops, cannot keep himself and his labour engaged throughout the year, whereas a fruit grower remains engaged throughout the year. Horticulture also promises the development of several ancillary industries like preservation, dehydration, transport and refrigeration. However, fruit culture cannot be practiced in all soil and climatic conditions. Hence, the prerequisite for planning of this sector is a detailed study of soil and agronomic conditions in the country. The planning process may take the following order:

- 1 assessment of the current state of horticulture;
- 1 identification of problems, which hinder its development;
- 1 assessment of potentialities for horticulture development;
- 1 identification of areas suitable for horticulture; and
- 1 estimation of future production.

Animal Husbandry: Animal husbandry is a vital part of rural economy. Even in places, where it is a secondary source of income for rural families, it remains an

integral part of their economic life. While milch animals supplement income, other livestock are also important. The cooperative movement has made inroads into some pockets in the country and this has offered a better deal to milk producers in these areas. However, more needs to be achieved in this sphere. The planning process at the block level has to take into account the following:

- 1 assess the current stock of livestock in the area;
- 1 identify problems areas that need to be addressed – e.g. disease pattern affecting livestock in the region, scarcity of fodder, etc.
- 1 assess the potential for livestock;
- 1 plan for an appropriate mix of different livestock in the region;
- 1 estimate output that is feasible with given levels of investment;
- 1 plan for the development of marketing channels of livestock produce; and
- 1 assess the capacity to generate income from livestock in the area.

Forestry: The various steps in the formulation of development plan for forestry are as follows:

- 1 identification of type and distribution of forests;
- 1 administrative classification of forests;
- 1 assessment of the forest resource and its present utilization;
- 1 potentialities and problems of forest development;
- 1 formulation of forest development programmes; and
- 1 assessment of the future yield and possibilities of its economic utilization.

Industries: Accelerated development of different sectors, viz., agriculture, horticulture, forestry, animal husbandry, etc., will offer potential for a number of industries. These sectors will also place demands on the industrial sector for inputs and infrastructure requirements. In addition, the increased prosperity of the area will enable the people to go in for more consumer goods. While deciding the types of industries, in addition to the favourable factors in respect of raw materials, infrastructure facilities, market, skilled labour, etc. the employment potential of the industry should also be taken into account. The industrial policy, at present, places greater emphasis on the development of labour intensive industries.

The planning procedure for industrial development will be as follows:

- 1 assessment of the current state of industrial development in the study area;
- 1 a broad study of the industrial potential-assessment of raw material base and infrastructure facilities, such as water, power, transportation, entrepreneurship etc.; and
- 1 on the basis of the above information, determination of location and capacity of different types of industries.

Thus, in each sector, the potential for development is assessed based on survey of resources, and schemes are identified to harness these resources for their proper use. The infrastructural and input requirements for the optimum utilization of these resources have also to be assessed.

Planning for Infrastructure Facilities: Exploitation of resources depends on the availability of certain basic infrastructure facilities like roads and electricity and, therefore, it is necessary to plan for these activities. Under the Minimum Needs

Programme (MNP), the Government of India has arrived at certain norms for providing certain facilities and services in the rural areas. You will recall that the MNP has the following component relating to infrastructure facilities.

Component	Objectives	Target
Rural Roads	Linking up all remaining villages with a population of 1,500 and above and 50 per cent of the total number of villages with population of 1,000 to 1,500 by 1990.	A normative target of 20,486 villages having a population of 1,500 and above and 3,851 villages having population of 1,000 to 1,500 has been fixed
Rural Electrification	At least 65 per cent of the villages in each state and Union Territory to be electrified by 1990	A minimum coverage of 65 per cent of the villages is aimed at by all states and Union Territories.

Source: Seventh Five Year Plan 1985-90

Plan for Social Services and Other Facilities

Given the current levels of development, basic social services facilities, like health, education and drinking water, have to be provided by the Government. These have been included in the Minimum Needs Programme. We recall them here, but for the details, you should read the unit once again:

Component	Objectives	Target by 1990
1) Elementary Education	100 per cent enrolment in the age group 6-14 years by 1990. It would be supplemented with non-formal education.	A target of 25-53 million children for formal and 25 million children for non-formal education has been fixed.
2) Adult Education	100 per cent coverage of adults in the age group 15-35 years by 1990 through non-formal education.	No target fixed.
3) Rural Health	1) Establishment of one sub-centre for a population of 5,000 in the plains and 3,000 in tribal and hilly areas by 2000 AD. 2) One Primary Health Centre (PHC) for 30,000 population in the plains and 20,000 in tribal and hilly areas by 2000 AD. 3) Establishment of one Community Health Centre (CHC) for a population of 100,000 or one Community Development Block by 2000 AD.	To establish 54,000 sub-centres in addition to 83,000 existing sub-centres so as to achieve the objective fully. To establish 12,000 PHCs in addition to the existing 11,000 with a view to achieving the target fully. In addition to the existing 649 CHCs, 1553 more CHCs would be established for achieving 40.65 per cent of the target.
4) Rural Water Supply	Coverage of all the identified problem villages based on existing criteria.	Coverage of all the remaining 39,000 problem villages as a priority item, after which other villages with inadequate supply of water will be taken up.
5) Housing Assistance Rural to Landless Labourers	Provision of housing assistance to all landless labour households by 1990. Assistance to include house sites, construction materials, drinking water well for a cluster of	Coverage of the remaining 0.72 million households for allotment of house sites to achieve 100 per cent target and provision of construction assistance to

	houses and approach roads.	2.71 million families already having house sites.
6) Nutrition	Supplementary feeding of pre-school children as also school-going children and pregnant and nursing mothers from vulnerable sections.	Nutrition support would be continued to 11 million eligible persons. SNP will be expanded to all the ICDS projects. MDM programme will be consolidated and linked to health, potable water and sanitation.
7) Rural Domestic Cooking Energy	To improve supplies of cooking energy.	Installation of five million improved chullahs by 1990; plantation of 4,05,000 of land under rural fuelwood plantation.
8) Rural Sanitation	To improve sanitation facilities through construction of rural sanitary latrines for individual households.	Provision of sanitation facilities to at least 25 per cent of the rural population by 1990.
9) Public Distribution System	To make available items of daily use at reasonable prices, particularly to the vulnerable sections.	Not stated.

Source: Seventh Five Year Plan 1985-90.

Check Your Progress III

Notes: a) Write your answers in the space provided below.

b) Compare your answers with the text.

1) How would you go about planning for resource development in a block?

Hint: Read Section 5.4 carefully before answering the question.

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2) Explain briefly the components of a block plan.

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5.5 BLOCK PLANNING FOR BENEFICIARY ORIENTED PROGRAMMES

As mentioned earlier, beneficiary oriented programmes, such as IRDP, are implemented at the block level. This requires planning at the block level, so that the programme is implemented effectively. In fact, poverty alleviation programmes and

those designed to benefit the disadvantaged need to be integrated into block plans.

IRDP and Block Planning

You have read about IRDP in Block 1 of Course 2. You will recall that in the implementation of IRDP, beneficiary households are identified. The net income of the household is estimated and those households whose income is less than the specified amount are taken up for assistance under this programme. For these households, income generating activities have to be provided for self-employment.

The choice of the household has to be ascertained, as the beneficiary has to be associated with the programme right from the stage of planning. Instead of one choice, it is safe to ascertain two to three choices from the beneficiary, so that in case it is not possible to provide the scheme of his first choice, the other alternatives could be considered. Having identified the choice schemes of selected beneficiaries, the list of different types of schemes, which are desired by the people in different villages, is prepared. These schemes have to be assessed and compared with the schemes, which are feasible in that area, and on the basis of this, we can find out how many schemes required by the beneficiaries can be implemented in the area, and how many have to be dropped. Once this is done, the various backward and forward linkages required for the implementation of these scheme have to worked out carefully.

5.6 PLANNING PROCESS AT THE BLOCK LEVEL

The block plan comprises two parts. One is a perspective plan, which has a long term outlook. This plan indicates the scope of development of different sectors in the area over a longer time span. In other words, it gives the potentiality for development in different sectors. The second is the annual plan, which is derived from the Five Year Plan and the perspective plan.

Formulation of Perspective Plan

The objective of perspective planning is to set up a logical and consistent set of inter-related targets for the accepted objectives of development. It is designed on the basis of existing knowledge and experience, but looks ahead in time for ten to fifteen years. The importance of this work is that, if adequately performed, it can reveal the danger of excessive concentration on the present or, conversely, stress the need for undertaking steps necessary at different points of time in order to ensure the rate of growth contemplated in the plans. The perspective plan of the block has to be within the framework of the perspective plan of the district.

Preparation of Resource Inventory

This is the most crucial step in the formation of a plan. If this exercise is carried out rationally, the programme can be implemented successfully. For the preparation of a resource inventory, status of the following is required:

- 1 natural resources, such as land, water, vegetation, and human and bovine resources;
- 1 activities like agriculture and allied sector industries;
- 1 social service and institutional facilities like health, education, sanitation and water supply, banking, etc.; and
- 1 infrastructural facilities like roads and electricity.

For all these items, we require specific information. These are:

- 1 Type
- 1 Location or distribution
- 1 Quantity/extent/number
- 1 Quality
- 1 Level of utilization
- 1 Potentiality for future development
- 1 Problems and constraints

The process of plan formulation can be illustrated by the example of planning for the exploitation of groundwater resource. In order to make such a plan, groundwater survey data have to be studied. Pockets, where groundwater is available, have to be identified; it has to be ascertained whether this water is brackish, or otherwise; and what quantity is available. Further, it is necessary to ascertain how much water has already been tapped through bore and open wells. This will enable us to estimate the extent of untapped water potential. It is also important to identify the reasons for the non-development of existing potential. Was it due to structural problems, uneconomic propositions or lack of inputs or technical know-how? These answers will enable the planner to identify specific problems.

Once we have information on these aspects, we can assess the total potential available for future development, keeping in view the constraints in the utilization of these resources and estimates of the resources that can be tapped in the near future. This will give an idea of the number of units of different schemes which can be implemented. The number of feasible schemes, in the area can be worked out on this basis.

The quality of resources will suggest the use to which the resources can be put or, in other words, the type of schemes, which can be implemented in the area. The information on location will suggest the location where schemes, can be implemented and the number of feasible units in those locations. However, before finalizing the list of schemes which can be implemented in the area, we have to consider other aspects also besides the potentiality of resources. One of the aspects, which should be considered, is the present experience with regard to the schemes, which are identified as feasible and, therefore, we may have to review the ongoing programmes/schemes in the area.

Planning for Suitable Schemes

In any planning exercise, one of the essential tasks is the review of ongoing schemes. Firstly, various programmes being implemented in the area by different departments and agencies have to be listed out. Before suggesting increase in the number of units of a scheme, it is advisable to learn from the experience gained in the implementation of the scheme. It is possible that some of the schemes may be implemented successfully in the area, resulting in the achievement of programme objectives. There may be a situation where the implementing agency may be finding it difficult to execute a scheme due to various constraints like lack of technical know-how, lack of raw materials, inadequacy of backward and forward linkages, poor response from the people and so on. It would be also useful to find out the content of various programmes, and assistance provided so that any new schemes that are identified can be linked up with these on-going programmes for funding and execution. In this way, duplication of effort is avoided.

After a review of existing schemes is made, the planning machinery has to decide what is feasible. Feasible schemes, on the basis of resource inventory and review of on-going schemes, have to be listed out and their numbers have also to be indicated. However, this exercise will be incomplete unless we take care of the backward and forward linkages for the implementation of these schemes.

Assessment of Backward and Forward Linkages

Backward linkages are those facilities and inputs, which facilitate the production, whereas forward linkages are those, which are required after the production. To make this point more clear, we can say that for agriculture sector, input distribution centers, irrigation facilities, etc. may be termed as backward linkages, whereas marketing, storage facilities, processing facility may be called forward linkages.

For the implementation of any scheme, it is necessary that the backward and forward linkages are available. In case the backward linkages are not there, the scheme cannot take off properly and hence, the production will get affected. Whereas, if the forward linkages are not available, the produce cannot be fully utilized and it could become an uneconomic proposition. On the basis of this exercise relating to backward and forward linkages, we may be able to finalise the list of those schemes, which are not only feasible and being implemented successfully, but even in future, these can be implemented successfully as the required linkages are also available. In the case of feasible schemes, we have to ensure that gaps in forward and backward linkages are plugged before implementing them. Such linkages are to be provided before the feasible schemes are undertaken.

Annual Block Plan

The Annual Block Plan is linked to the annual district plan and indicates the priority area, the schemes to be implemented (both new and ongoing schemes), the outlays, and the targets. As in the case of the district plan, the block plan, too, should work out the horizontal and vertical linkages of programmes envisaged at the block level for the year in question. Block planning exercises should involve non-officials, non-governmental organisations, professional groups and the people's representatives. Schemes of the Central and State governments, which are received for implementation in the block, should be assessed in the context of feasibility, local needs and potentials and if some modifications are considered necessary, these should be sought.

Formulation of Action Plans

Annual action plans are meant for direct execution. An annual action plan is composed of schemes identified in the annual plan. However, there are certain factors, which have to be kept in view while doing this exercise.

Selection of Schemes and their Location

The annual action plan is a shelf of schemes for implementation. There are certain criteria, which have to be kept in view. These schemes, since they are selected from the five year plan are, no doubt, feasible ones. However, their viability needs to be further assessed. Besides feasibility and viability, we may have to give priority to certain schemes, which are the felt need of the people and, therefore, need to be implemented speedily.

As the plan is meant for execution, the availability of required manpower has also to be checked and, accordingly, the type of schemes and the number of units should be adjusted. In certain cases, the availability of materials, such as cement, steel etc.,

are also crucial, particularly in construction activities. This may decide the number of units of different schemes of this nature, which can be taken up.

Financial Component

For annual action plan, the financial implication has to be worked out; it has to be based on the available finance from different sources like Government departments, financial institutions, and any other external agency.

Check Your Progress IV

Notes: a) Write your answer in the space provided below.

b) Compare your answer with the text.

Explain, in your own words, how a block plan is formulated.

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5.7 LET US SUM UP

The block planning exercise in India has its root in the Community Development Programmes (CDPs) of the 1950s. Planning at the lowest administrative unit for development – the block – is very vital for proper and effective planning in the country.

In the early phases, the block planning exercise faced a number of conceptual problems and, even though various committees had emphasized its role, it remained mainly an *ad hoc* exercise.

We saw that with the advent of the beneficiary oriented programmes in the 1970s, block planning began to assume greater importance. We saw how block level planning has to take into account various parameters – physical, social and economic. It has to ensure that local conditions are suitable for the effective implementation of the plan. This is because block plans, by definition, are meant for specific, small and localized situations, which tend to lose their identity in the case of macro-level planning. Block level plans should make allowances for backward and forward linkages at the planning stage. Otherwise, they can prove to be ineffective.

We noted that the formulation of the block plan requires a perspective plan and this has to be followed by a proper resource inventory. A thorough review of ongoing schemes is necessary. This will enable the planning authorities to make a proper assessment of future requirements apart from achievements and failures in the planning process. Once this is done, feasible schemes are to be identified for the implementation during the period of the plan. Annual action plans and plans for mobilization of financial resources have, then, to be formulated, so that the block plan is effectively implemented.

Block planning is a crucial part of the entire planning process. Planning at this level can effectively make or mar the entire planning process.

5.8 SUGGESTED READINGS

Government of India (1978), *Report of the Working Group on Block Level Planning*, Planning Commission, New Delhi.

AVARD (1980), *Block Level Planning*, AVARD Publications, Hyderabad

Thaha, M. (1980), "Towards Block Planning", *Kurukshetra*, Vol. 28, No. 15.

UNIT 6 GRASSROOTS LEVEL PLANNING (VILLAGE LEVEL PLANNING)

Contents

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Meaning and Scope of Grassroots Level Planning
- 6.3 The *Panchayati Raj* System and Grassroots Level Planning
- 6.4 Two-tier System: Tribal Plan
- 6.5 Process involved in Grassroots Level Planning
- 6.6 Critical Analysis: PRI and Grassroots Level Planning
- 6.7 Let Us Sum Up
- 6.8 Suggested Readings

6.0 OBJECTIVES

This unit aims to draw your attention to the significance and procedure of grass roots level planning in rural development. In this unit, you would be able to understand:

- 1 what, why and how of grassroots level planning;
- 1 the 73rd and 74th Constitutional Amendment Act and its role in grassroots planning;
- 1 three-tier system and planning at the village level;
- 1 two-tier system and tribal plan;
- 1 main areas covered in the planning at the village level; and
- 1 *gram sabha* and social auditing.

6.1 INTRODUCTION

The process of social planning largely denotes sketching of the blueprint of pre-determined social and economic goals, in both spatial and temporal context. It involves prioritizing needs and setting up of clearly defined goals. It also includes critical analysis of the existing and to be acquired resources in terms of men, money, materials, organisations and technologies, so as to obtain maximum results at minimum costs. Social planning is done with the inherent goal of obtaining economic growth with social justice, maximizing work opportunities, self-reliance, enhancing income, removing regional and caste-class disparities, alleviating poverty, and in sum, to improve the quality of life of the nation as a whole.

India, with almost three-fourths of the rural population, is predominantly an agrarian society. Rural development has a direct bearing on the country's economic and social development. So long as the rural masses remain deprived of adequate developmental opportunities, any thought of making the country one among the developed nations would be futile. Since independence, various plans and programmes have been launched for the progress and development of rural areas. For almost four decades, social planning for rural people was governed by 'trickle down approach', as you have already read in the previous units of this block. The institutions

of planning, the officials and administrators at the higher level would decide upon the plans and programmes to be implemented for the rural areas. In spite of all the exhortations and efforts, Planning from below remained elusive and non-involvement of the target group, that is, the rural people, in the planning process remained a problem area. This had negative repercussions on the expected outcome of the plans and programmes for rural development.

With the passage of time, there has been a marked shift in the planning process, that is, from plan from above to plan from below. Various measures of democratic decentralization have been taken up, so that the target population participates in the planning process. At this grass roots level planning, the people themselves prioritize their needs and problems and make plans for the development of the block and the village. In order to institutionalize people's participation, democratic decentralization came into effect in the form of 73rd and 74th Constitutional Amendment Act in 1992.

This Act provides a Constitutional status to the *Panchayati Raj*, plugging in many of the loopholes observed in the earlier system that existed since the late fifties. The new system ensures involvement of all sections of the society, including the disadvantaged, women, SCs, STs, OBCs, in the process of economic, social and political development through appropriate reservation of seats.

6.2 MEANING AND SCOPE OF GRASSROOTS LEVEL PLANNING

As we already know, rural development bears a special significance in the development of the country. Keeping these considerations in mind, a lot of planning and programme initiations have been done for rural development. Many steps have been taken for agricultural growth, employment of rural youth, water supply, infrastructure development, housing, health and education sectors. Planners at the higher level would formulate programmes and schemes for the development of rural areas without being fully aware of the ground realities.

In the post independence period, systematic efforts were made from time to time for the overall development of rural areas. Community Development Programmes (CDP) were launched in the first five year plan period. Agricultural development was one of the core issues of CDP. People's participation through certain grassroots level institutions like the block level institutions, village *panchayats*, *gram sabhas*, *mahila mandali*, youth clubs, *krishi charcha mandali*, was tried. But these grass roots level institutions were largely voluntary, without any statutory back-up. A vast sum of money was spent on rural development through different sectoral departments trying to reach the rural people directly with skeletal field level functionaries. Several new programmes and schemes were launched every now and then without paying any attention to the ground realities and needs and priorities of the rural masses. Weak planning capabilities at the block level and absence of effective village based institutions of the people's participation compounded the problems of grass roots level planning.

Figure 1 gives the flow of planning information and resources from top. In this approach of 'planning from above', the target group is the mere passive receptor of the programmes and services. This shortsightedness was reflected in the implementation of these programmes and schemes, as they couldn't yield the desired results.

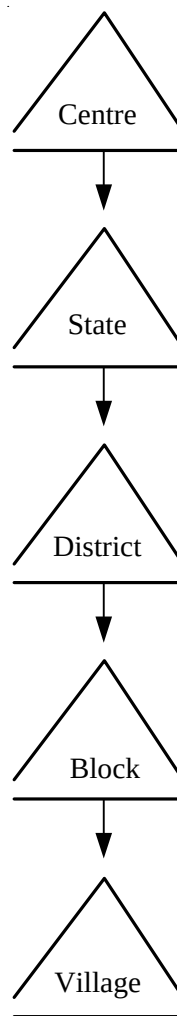


Figure 1: Planning is done at the top and information and resources are passed on to the lower levels

Hence, there was a need for involvement of rural people in the planning process for the development of their own community. With the view of amending the lacunae in the planning and implementation of policy and programmes for rural masses, there was a paradigm shift in social planning. Instead of ‘planning from top’, focus was on ‘planning from below’, which is the inherent theme of grass roots level planning. Grass roots level planning ensures participation of those who are the final targets of developmental planning.

Let us try to understand the meaning of grass roots level planning. It may be defined as the form of planning lower institutional levels of the block and village, where the people from all sections of the society get together and enlist and prioritize the areas of intervention, take a view of their resources and formulate, execute and supervise the plans for the development of their own community by sharing responsibilities among themselves. Figure 2 shows the planning process and flow of resources and information in the grass roots level planning. It must be emphasized that grass roots level planning is decentralized planning where the people at the grass roots not only have the authority to plan for their own community, but also the power to use resources for effective implementation and to supervise the whole process. It also involves sharing of responsibility and accountability among themselves for the socio-economic development of their own community as well as that of the nation.

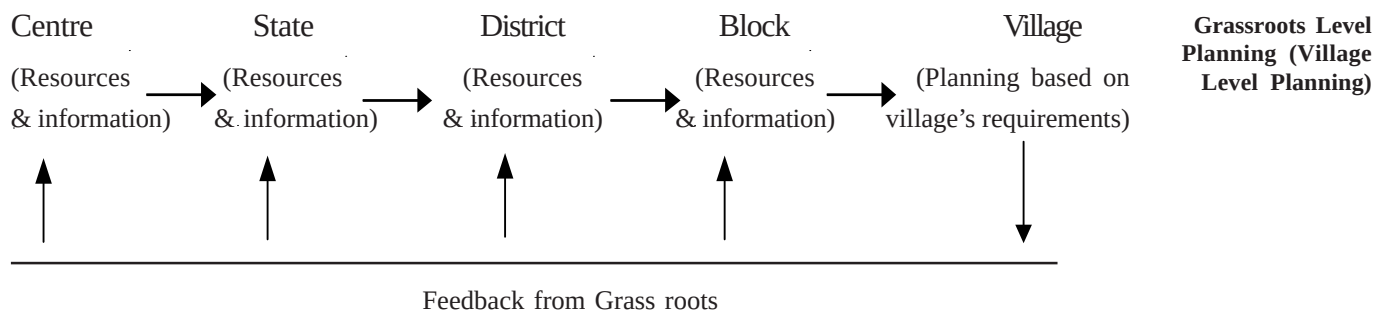


Figure 2: Grassroots level planning is done at the village level by the target people themselves

The decentralization of powers from Centre to States, States to districts, and areas within districts and villages can be one of the best ways of radically restructuring an over-centralized system of planning. Centralization has had made the common man over-dependent and apathetic towards the government programmes meant for his own welfare and development. Decentralization, on the other hand, results in empowering people, promoting public participation and increasing efficiency.

Under the system of democratic decentralization, which is popularly termed as *Panchayati Raj* in the context of rural areas, the rural people elect village *Panchayat* members, who are responsible for executing the plans and programmes for rural development. The village members participate in the planning of rural development programmes and its monitoring, supervision and evaluation through *gram sabhas*. One of the unique features of this democratic decentralization is the involvement of all sections of the society in the planning and execution process.

The weaker sections of the society, who have, more or less, never been involved in decision-making process for community development are given the legal right to be a part of the grass roots level planning. The scheduled castes, scheduled tribes, the other backward classes and women have been given due reservation of seats in various wards and constituencies. The inherent theme behind the involvement of representatives of weaker sections has been to secure the well-being of their respective fellowmen. In the same manner, women are expected to raise issues related to the welfare and well-being of females during planning process in *Panchayat*.

In the grass roots planning, the village *Panchayat* deals with many issues pertaining to rural development like regulating building construction, protection of public lands against encroachment, maintenance of traditional drinking water sources, collection and disposal of solid waste and regulation of liquid waste disposal, maintenance of environmental hygiene, management of public markets, vector control, protection of roads and other public properties, street lighting and its maintenance, adoption of immunization programmes, agriculture related activities like cultivating waste lands and marginal lands, soil protection, encouraging horticulture and vegetable cultivation and management of Krishi-Bhavans.

The scope of grass roots level planning is too vast. It also includes other crucial areas like animal husbandry and dairy farming, minor irrigation, fishing, social forestry, small scale industries, rural housing, water supply, electricity and energy, education, public works, public health and sanitation, social welfare, poverty alleviation, development and welfare of scheduled castes and scheduled tribes, promotion of sports and cultural affairs, public distribution system, relief work during natural calamities, etc. Apart from all these areas of intervention, it is the duty of the *Panchayat* to ensure people's participation in all the activities for the development of the village and to maintain transparency in their work.

Thus, it may be implied that decentralization has been seen as necessary and desirable for the participation of the people in the process of planned development. With the 73rd and 74th Constitutional Amendments of 1993, *Panchayati Raj Institutions* (PRI) and urban local bodies have taken root all over the country. Though teething problems are natural, the success stories of PRIs functioning have been reported, more or less, across the length and breadth of the country. In the next subsection, role of *Panchayati Raj* in grass roots level planning is discussed in somewhat more detail.

6.3 THE PANCHAYATI RAJ SYSTEM AND GRASSROOTS LEVEL PLANNING

The matters relating to decentralized planning are gaining wide interest among the social planners and social researchers. It is universally agreed that 'local problems have local solutions' and a blanket strategy cannot be effective even within a district.

A brief look at the institutions of democratic decentralization would be beneficial in understanding its significance. Community Development programmes were introduced in 1952 in order to transform the social and economic life of the rural community. These programmes could not elicit effective people's participation. To understand the reasons, Balvantrai Mehta Committee was set up, which recommended institutionalization of local participation and democratic decentralization through *Panchayati Raj* system. It suggested three tier-system of *Panchayati Raj* : zilla parishads at the district level, block *samiti* at the intermediate level and village *Panchayat* at the lowest level.

Many states adopted the recommendations of the committee, but the *Panchayati Raj* system in these states was not uniform. There were feelings of general apathy or indifference or even hostility among the officials and state level politicians. Powers of the *Panchayat* members were very limited. The institution itself could be dissolved by the district authorities. Elections for *Panchayats* were very irregular. Consequently *Panchayati Raj* system started fading away after 1965. From 1977 to 1988, many committees and sub-committees were set up to look into the institution, its strengths and weaknesses and to suggest modalities to make it effective. Committees like Asoka Mehta Committee (1977), GVK Rao Committee (1985), LM Singhvi Committee (1986), PK Thungan (1988) and VN Gadgil (1989) studied various aspects of the *Panchayati Raj* institution and came up with valuable suggestions, though they differed with each other in proposed modalities and structure of the *Panchayati Raj* system. (Details of these committees have been given in MRD-101, Block 4, Unit 2). Among others, the salient recommendations made by these committees were giving constitutional recognition to *Panchayati Raj* bodies, with three-tier system, fixed term of five years and reservations for SC/ST and women.

Subsequently, the 73rd Amendment Act, 1992 that came into effect from 24 April 1993, provided Constitutional sanction to the powers, responsibilities and finances of the *Panchayat* bodies.

A fundamental change that has occurred in Indian polity is that the democratic base of the Indian polity has widened. Prior to the Amendments, our democratic structure through elected representatives was restricted to the two Houses of Parliament, 28 State Assemblies and two assemblies of Union Territories. Now, there are nearly 594 district *Panchayats*, about 6000 block/*tehsil/mandal Panchayats* at the intermediate level and about 250,000 *gram* (village) *Panchayats* in the country. As

a result of these structural changes, in the current context, in every five years, about 34 lakh representatives are elected by the people of whom more than one million are women.

Even though the institution of *Panchayati Raj* existed before this landmark constitutional amendment, they were not having the real powers to take decisions, nor did they have any financial or legal powers to execute their plans. This Act ensures provision of rights and responsibilities to the elected members of the *Panchayat* to play a much larger role in the development. Now the *Panchayat* bodies are empowered institutions executing regulatory, administrative and developmental functions. This act entrusts the village *Panchayat* to plan and execute programmes on subjects like agriculture, land improvement, animal husbandry, small scale industries, safe drinking water, health and sanitation, poverty alleviation programmes, family welfare, social welfare and the like.

Salient Features of *Panchayati Raj* Institution

Before understanding how grass roots level planning is done, it would be important to understand the basic features of the existing *Panchayati Raj* system. It is a three-tier structure of local self governance where, at the village level, Village *Panchayat* takes care of the civic and developmental administration. Block level body or Block *Panchayats* assist Village *Panchayats* and give technical advice and guidance for execution of developmental programmes. Here, it may be noted that smaller states with population below 20 lakhs will have the option of not to have the intermediate level *Panchayat*. At the district level, *Zilla Parishad* is mainly supervisory and coordinating institution and functions as a bridge between state and people below district.

One of the mandatory provisions that shape the structure of the new PR administration is the establishment of *Gram sabha* comprising all the voters in a village. It is the 'Gram sabha' or 'village assembly', which comprises all adult members registered as voters in the *Panchayat* area. *Gram sabha* is the basic unit of the democratic system. Every adult citizen of that area can take part in the grass roots level planning through the *gram sabha*. The *gram sabha* has the right to take part in the planning, supervision of the activities as well as financial status of the programmes being implemented in its respective area. The village *Panchayat* is accountable to *gram sabha* for all its activities. *Gram sabha* acts as a watchdog over the functioning of lower level *Panchayat*. All the states have provided for the constitution of *gram sabha*, but in terms of meetings, there are variations among the states ranging from once in a year in Madhya Pradesh and West Bengal to four times in a year in Assam. Some states like Tamil Nadu and Karnataka have integrated *Gram sabha* into the process of selecting the beneficiaries that make them more active in the process of development. It also makes the process of selection of beneficiaries, crucial in many developmental programmes, more transparent.

The present constitutional amendment ensures to fulfill, both structurally and financially, the responsibilities of the PRIs, through reservations for the oppressed sections, including women and other backward castes. This has enabled these sections to occupy seats of decision-making. Due recognition has been given to the citizens belonging to weaker section, like women, SCs/STs, to take active part in the functioning of the PRIs. Seats and posts of chairpersons of the *Panchayats* at all levels were reserved for Scheduled Castes (SCs) and Scheduled Tribes (STs) in proportion to their population in that area. One-third of these must be women. As a result, women are chairpersons of about 200 district *Panchayats*, more than 2000 block/*tehsil*/*mandal* *Panchayats* at the intermediate level and about 85,000 *gram Panchayats*. Also, there are about 700,000 elected members belonging to the SCs/

STs categories. A large number of hitherto excluded groups and communities are now included in the decision-making bodies.

Another important feature of *Panchayati Raj* institution is that seats at all levels are to be filled by direct election. The tenure of the panchayat bodies is of five-years duration. Election to constitute new *Panchayat* members should be completed before the expiry of the term. In the event of dissolution, elections should be held compulsorily within six months. Also, for each state, an independent Election Commission has been constituted for superintendence, direction and control of the electoral process. Direct elections make the members of the *Panchayats* at all levels directly accountable to their respective constituency, resulting in greater pressure to perform effectively for village development.

Check Your Progress I

Notes: a) Write your answers in the space provided below.

b) Compare your answers with the text.

1) What is Grass roots level planning?

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2) What are the three layers of the present Panchayati Raj Institution? Mention the corresponding levels of bureaucratic structure.

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6.4 TWO-TIER SYSTEM: TRIBAL PLAN

Tribal societies are often known for their unique life-style, customary laws, socio-cultural mores, etc. They are not homogeneous groups in terms of their demographic, social, economic and educational aspects. Some communities among them are numerically very small, while the others are large. Some ST communities are socially and economically vulnerable. Many tribal societies have been living autonomously, cut off from the rest of the society. These groups have their own vibrant institutions of administration. Due consideration needs to be given to their indigenous institutions and ethos while considering democratic decentralization in tribal areas.

Integration of traditional tribal Panchayats with the PRIs. It is necessary to consider the manner in which the tribals' traditional *Panchayats* could be integrated with the bigger structure of the statutory PRIs without disturbing them in any way. A committee has been set up, known as Bhuria Committee, to make recommendations to extend the *Panchayats* to the Scheduled areas. Its aim is to provide a suitable

administrative framework for self-rule or grass roots governance with traditional management practices to safeguard and preserve the traditions and customs of tribal society. As per the recommendations made by the Bhuria committee, a Bill was passed in the Parliament in 1996 and it is known as 'The Provisions of the *Panchayats* (Extension to the Scheduled Areas) Act, 1996.

Let us now pay attention to some of the salient features of the above mentioned Act. The mandatory provisions of the extended Act are as follows:

Any legislation on the *Panchayats* for the tribal areas shall be in consonance with the customary law, social and religious practices, and traditional management practices of the community resources. It intends to keep their integrity and identity intact.

Unlike the 73rd Constitutional Amendment Act, even small, scattered tribal settlements have been declared as a village for the purpose of the enactment of the extended Act. In tribal areas, with mostly hilly topography, the villages are population wise small and scattered. The 1992 Act considers these small hamlets, or *tolas* as village with their own *gram sabha*. It is a very significant feature of the extended Act. It protects the theme of democratic decentralization and grass roots level planning. The combination of more than one villages, just for the number sake, would have resulted in domination of the larger communities over the smaller ones.

Gram sabha is the nucleus of democratic decentralization and grass roots level planning. According to the extended Act, every member, whose name has been included in the electoral list of that village, is the member of the *gram sabha*. These village assemblies or *gram sabhas* have been endowed with wide ranging powers and functions, for empowering them to safeguard and preserve the traditions, customs and cultural identity of the people, community resources and settling local disputes through customary methods. The *gram sabha* takes part in the planning process for the socio-economic development of the tribal community. It has the power to approve or reject the plans and programmes developed by village *Panchayat* for the socio-economic development of the community. The *gram sabha* also identifies and selects beneficiaries for poverty alleviation and other programmes. For all the projects and programmes for socio-economic development of the village, the village *Panchayats* are supposed to obtain a certificate of utilization of funds from the *gram sabha*. So, we see that people's participation has been institutionalized in a proper way through this Act where the common tribal person takes active part in the planning and implementation of policies and programmes for the development of his/her community.

The tribal people are often the victims of so-called 'developmental projects', say, construction of dams and roadways, etc. Many times, in the past, they have been displaced from their environment and rehabilitation was at the mercy of the authorities. However, this extended Act provides the power to the tribal people to take decisions on topics affecting and influencing their life directly or indirectly. According to the Act, the acquisition of land for development projects and rehabilitation or resettlement of persons affected by such projects in the scheduled area has to be done in consultation with *gram sabha* or village *Panchayats* at appropriate level. Planning and implementation of the projects will be coordinated at the state level. Similarly, grant of prospecting license of mining lease and grant of concession for the exploitation of minor minerals by auction has to be given on recommendations of *gram sabha* or the *Panchayats* at the appropriate level.

It is commonly believed that tribal areas are rich in minerals, forest and water resources. Traditionally, the tribal people have been using these natural resources,

which have not only economic value for them, but also the socio-cultural and religious connotations attached with it. Recognizing that tribal communities should retain command over these natural and economic resources, powers for planning and management of minor water resources in these areas and granting license for mining or leasing out minor minerals have been vested with *Panchayats* at the appropriate tier. This would reduce illegal mining or overexploitation of natural and economic resources to a great extent.

The extended Act takes into account the persistent problems of tribal people, such as growing indebtedness, land alienation, forest related problems, problems of displacement, alcohol, water and other natural resources. It has been mandated that either the *gram sabha* or the *Panchayats* at the appropriate level have to be consulted before the acquisition of land in these areas. Similarly, while rehabilitating the persons displaced from such projects, these bodies shall be consulted, so that resettlement is realistic, viable and acceptable to the affected families.

Besides the above mentioned functions and powers, the *gram sabha* or the *Panchayats* at the appropriate level shall have the following mandatory powers:

- a) Enforce prohibition or to regulate or restrict the sale and consumption of any intoxicants.
- b) The ownership of minor forest produce and to manage all types of village markets.
- c) To prevent alienation of land and to take appropriate action to restore any unlawfully alienated land of a Scheduled Tribe in the scheduled areas.
- d) Exercise control over money-lending to tribals, and control institutions and functionaries working in the social sectors in the area.
- e) Control over local plans and its resources including tribal sub-plans.

Another important aspect of this Act is the affirmative action in favour of the tribal people. Reservations of seats at all tiers of *Panchayats* for the Scheduled Tribes shall be less than one half of the total number of seats and reservation for other communities shall be on the basis of proportion to the population of these communities. Also, the chairperson of all levels of *Panchayats* shall be reserved for the Scheduled Tribes. At the intermediate or district level *Panchayats*, in the case of scheduled tribes which have no representation, the state government shall nominate such unrepresented Scheduled Tribes, but such nominations should not exceed one-tenth of the total elected members in the *Panchayat*. The inherent theme behind this provision is that tribal leaders have a better opportunity to express the specific needs and problems of their own community and can secure the well-being of their fellowmen.

The powers and authority have been given to the *Panchayats* and the *gram sabha* to enable them to function as institutions of self-government. Due attention has been paid to the fact that *Panchayats* at the grass roots level should have enough power to plan and implement policies and projects for the socio-economic development of their tribal community. *Panchayat* bodies at the higher level should assume the role of facilitators and advisors to the village *Panchayats*. It is likely to restrict the misuse of power by the political leadership or bureaucracy in the implementation and management of developmental plans and programmes. It would also bring in transparency and accountability in the system and will lead to closer monitoring by the people.

6.5 PROCESS INVOLVED IN GRASSROOTS LEVEL PLANNING

Let us now pay attention to the process or modalities of decentralized or grass roots level planning. It is an approach to bring the planning process closer to the people, so that they can decide their developmental priorities and participate in the planning and implementation. The PR system provides an institutional framework in which the community people play a major role in their own development. Grass roots planning, also known as micro-level planning, is a technique, which helps in identifying developmental needs of the community people, prioritizing them and formulating viable projects, so that with limited resources maximum development could be achieved in a stipulated time period. The major responsibility of grass roots level planning, more or less, lies with the village *Panchayat*.

Prior to 73rd Constitutional amendment also, the village *Panchayats* had the responsibility to initiate and implement the developmental tasks in their respective areas. However, actual implementation of need-based developmental activities could not be done by the village *Panchayats* effectively, as they were not provided with necessary administrative authority and resources to fulfill the responsibilities. Under the recent Act on *Panchayati Raj*, the village *Panchayats* have been provided with both the requisite authority and the necessary financial resources to carry out the plans and programmes needed for the welfare and development of their respective village communities.

Before the statutory network of *Panchayati Raj* institution came into effect, almost all the developmental functions in the village were carried out by the government machinery. As a result, the village *Panchayats* were playing a dormant role with practically no opportunity for the village people to participate in it. This has created a 'dependency syndrome' where people looked towards the government for every administrative, welfare and/or developmental activity. They would have no say in the matters that directly or indirectly influence their lives as well as that of their community. This led to the situation in which the government officials developed a feeling that they are the masters and could dictate the terms to the people as to what was needed by them and what was good for them. These circumstances have continued for decades. Now, it is a challenge to reverse the situation in which people are motivated to take the role of decision-makers. The government machinery should be there as a helping hand. The key aspects of grass roots planning are people's participation in their own development through local self-governance.

There are certain necessary pre-requisites for the PRIs to function as institutions of self-governance. There should be clearly demarcated areas of jurisdiction with adequate powers and authority commensurate with responsibilities. There should be necessary human and financial resources to execute the plans effectively. The PRIs at all the three layers should be given the functional autonomy within the federal structure. The Constitutional Amendments of 1992 seem to create opportunities for fulfilling these conditions, so that the *Panchayat* bodies can execute their responsibility of rural development effectively. Before going into the modalities of grass roots level planning, let us take a look at the major tasks or activities, the *Panchayat* bodies are entitled to perform.

Major Areas of Grassroots Level Planning

According to the 73rd Constitutional Amendment Act, there are 29 items, covering different aspects of socio-economic life of the villages such as regulatory functions to maintain civic amenities, social service and infrastructure, development and

enhancement of economic resources of the village and welfare and development of weaker sections, particularly the families below the poverty line. The 29 items transferred to PR institutions can be grouped into seven major sectors as follows:

Sector 1: Agriculture and Allied Activities

- 1) Agriculture and extension
- 2) Land improvement, land reforms, consolidation, soil and water conservation
- 3) Minor irrigation
- 4) Animal husbandry, dairying, poultry, etc.
- 5) Fisheries

Sector 2: Forestry and Environment

- 6) Social and farm forestry
- 7) Fuel and fodder
- 8) Minor forest products
- 9) Non-conventional energy resources

Sector 3: Industries

- 10) Small industries including food processing
- 11) Khadi village and cottage industries

Sector 4: Infrastructure, Minimum needs, Social services

- 12) Roads, culverts, bridges, ferries, etc.
- 13) Rural electrification
- 14) Drinking water
- 15) Rural housing
- 16) Education
- 17) Technical and vocational education
- 18) Adult and non-formal education
- 19) Libraries
- 20) Cultural activities, festivals, etc.
- 21) Health, sanitation, etc.
- 22) Family welfare
- 23) Public distribution system
- 24) Markets and fairs

Sector 5: Social Welfare

- 25) Women and child welfare
- 26) Social welfare including welfare of handicapped and mentally retarded
- 27) Social welfare of scheduled castes and scheduled tribes

Sector 6: Poverty Alleviation

Sector 7: Maintenance of Community Assets

Planning for these 29 items at the three levels of the PR system would be difficult unless the various constituent components of each of them are segregated and allocated at the appropriate levels of the three-tier of the PR system. Here, it may be mentioned that many States have very distinctly mentioned in their respective *Panchayati Raj* Acts, distribution of the item-related activities among the three-tier levels of *Panchayat* bodies. This has helped in dividing the responsibilities between the three-tiers in respect of planning and implementation with a clear demarcation of authority, resource sharing and also specifying the role of official hierarchy in each line department. The 29 items can be divided into as many as 290 activities of which 108 are district components, 87 block components and 95 village components.

The eventual focus of the decentralized planning is village development. The grass roots level or micro-level planning, as a tool for the development of villages, would be effective only if there is clarity of the items that fall within the purview of the village *Panchayat*, block *Panchayat* and district *Panchayat*; their respective roles, interdependence and independence in implementation of plans and programmes among themselves and with the government machinery and the technical and managerial expertise available to them from the government departments, and the adequacy of financial support from various sources. For example, in the case of agriculture and allied sector, seed production can be the role of district *Panchayat*; seed, fertilizer and pesticide storage that of block *Panchayat*; and the village *Panchayat* may be responsible for the distribution of seeds, fertilizers and pesticides.

Financing Village Development Plans

The proper execution of village development plans depends on the financial resources available with the village *Panchayat*. There are three types of activities for which finances are required by the village *Panchayat*. First, for maintaining *Panchayat* office, which includes salary of the office bearers, maintaining office building, electricity, water, furniture and other office materials. Second, activities is related to maintenance of civic services, physical infrastructure and *Panchayat* assets. The third investment is required for the construction of new infrastructure and developmental activities including poverty alleviation and social welfare programmes. According to the 73rd Constitutional Amendment, a Finance Commission is to be constituted in each State to determine the principles on the basis of which adequate financial resources would be ensured for *Panchayats* and municipalities.

Now let us look into the sources of income for the village *Panchayat*. A large portion of the finances comes in the form of state grants through many programmes like Jawahar Rojgar Yojna. Secondly, the village *Panchayats* have the right to develop self-reliance by collecting taxes, for example, house tax, property tax, cattle tax, etc., and the costs of civic services provided to the community to meet the maintenance expenditure. However, as a number of families are poor and not in a position to pay the actual cost of the services, they could be asked to pay a lower rate for a certain period and till that time, the state should compensate to the gram *Panchayats*.

Monitoring and Supervision of the Developmental Works

The village *Panchayat*, primarily, shoulders the overall responsibility to supervise the developmental works in their respective village communities. Nevertheless, the

Panchayat samiti and *zilla parishad* can also depute official and non-official functionaries to monitor the developmental activities of the village *Panchayats* and advise them where corrective measures are required. However, the prime role of social auditing and supervision and evaluation lies with the *gram sabha*.

The *Gram sabha* has been assigned a key role for the effective functioning of *Panchayats*. Based on the need-assessment of the community, the *Gram sabha*, decides what developmental work is to be undertaken by *Panchayats* on priority basis. *Gram sabhas* can also question and scrutinize the decisions of *Panchayats* in their meetings and discuss the annual financial statements of *Gram Panchayats*. Under the Act, the *Gram sabha* itself has been vested with a wide range of powers including ownership of minor forest produce, approval of developmental plans, selection of beneficiaries under various programmes, management of minor water bodies, control of mineral leases, management of village markets and regulation/prohibition of sale of intoxicants.

Gram sabha has been given the task to perform one of the most important roles of social audit at a time when the corruption at all levels of administration is often thought to be rampant. This social auditing is expected to be done by the *gram sabha* members. This makes the members of the village *Panchayat* directly answerable to the voters, unlike the distant legislator. In order to introduce public accountability, the *gram sabha's* role of social auditing should be given due importance. The completion of the works should be approved by the *gram sabha* and only after it, the utilization certificate should be granted by the authorities concerned. Without *gram sabha* approval, the completion certificate issued by the government departments should not be treated as valid.

Modalities of Grassroots Level Planning by PRIs

After knowing the areas as well as the active participants involved in the process of grass roots level planning, let us view 'how' of the planning process. The village *Panchayat* members hold their meetings regularly, frequency of which is clearly mentioned in the respective states' *panchanyati raj* acts. It differs from State to State which an average of once a month. In a village *Panchayat* meeting, which is held either in *Panchayat* bhavan or at any common place in the village, the quorum of two-third of the members is required. The members of the village *Panchayat* share responsibilities for planning and executing various developmental works (as mentioned in 29 items) among themselves in the form of various sub-committees as per the rules and regulations specified in the PR Acts of their respective states. *Panchayat* meetings have a formal structure where, usually, the president or *sarpanch* chairs the sessions and decisions on any issue related to the working of *Panchayats* are taken by majority. Similar modalities are followed at the block as well as district levels.

Further, *gram sabha* meetings, on an average, are held at least once in three months (frequency differs from state to state). The quorum of the *gram sabha* shall be 10 per cent of the number of voters of its area. In case, the quorum for *gram sabha* is not complete, the meeting is called again. This time, the quorum should be 50 people when convened again (it also differs state-wise). In the meeting of *gram sabha*, resolutions are passed on majority basis. Role of *Gram Sabha* is indeed very important. It assists in preparing developmental schemes for the village and supervises the implementation of such schemes.

Gram Sabha has the power to supervise activities of village *Panchayat*. It evaluates the progress of the developmental programmes in the village. The village *Panchayat* should place a report of progress of the existing and the proposed projects in front

of *Gram sabha*. This village assembly of voters scrutinizes the expenditure undertaken during the current year and the proposed one. It checks the annual statement of accounts and the administration report of the preceding year. If, in any circumstances, any decision of the *gram sabha* could not be implemented, the president or *sarpanch* shall report the reason of it before the *gram sabha*. The village *Panchayats*, the block *Panchayats* and the district *Panchayats* shall give due consideration to the suggestions of the *gram sabha*, as mentioned in the 73rd Constitutional Amendment. The *gram sabha* may appoint, elect or constitute, general or special sub-committees for the detailed discussion on any issues or programmes and for effective implementation of the schemes and its decisions and in the furtherance of its rights and responsibilities.

Check Your Progress II

Notes: a) Write your answers in the space provided below.

b) Compare your answers with the text.

- 1) Very briefly describe the role of Gram sabha in the grass roots level planning?

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- 2) Enlist the seven sectors that cover the 29 items of activities transferred to PRIs as per the 73rd Constitutional Amendment.

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6.6 CRITICAL ANALYSIS: PRI AND GRASSROOTS LEVEL PLANNING

The 73rd Constitutional Amendment is a historical landmark in the democratic decentralized grass roots level planning. However, changes in the social system and more so in social structure come at their own pace. The new *Panchayati Raj* system is also gaining ground in various states with initial teething problems. Let us pay attention to some of the challenges that are coming up in the process of democratic decentralization and grass roots level planning.

Although PRIs have ensured women's participation in the decision-making, their involvement, in some cases, is restricted to 'tokenism'. Their family members generally take all the decisions that they are entitled to take. Most often, rural women have been found to be lacking initiative even in sounding the needs and problems the women of that community face. A qualitative change in their level of participation is essential. There is a pressing need to train the women leaders in *Panchayati Raj* system about their rights and responsibilities as elected members.

Reservations, even in the case of SCs, STs and backward classes, have ensured mere representation in these local institutions, but no sincere effort to promote capacity building was attempted, which is a prime need at the gram *Panchayat* level. The elected members belonging to SC/ST/OBC are unable to actively participate in the deliberations. Serious awareness and training is required, so that the purpose of affirmative action for these previously deprived groups of the community could be realized.

Almost all the rural development programmes, which are planned and implemented at the village level, do not enjoy any flexibility in terms of tuning them to the specific needs of the villages, as they are governed by the Central/States guidelines, thus, leaving little scope for accommodating the choice/preference/priority of the village people. For example, in the case of *Jawahar Rojgar Yojna* (JRY), in which the financial resources are directly transferred to the village *Panchayats* to carry out various types of works for employment generation, the authority for technical and financial approval is vested with block and district level officers. Thus, in many programmes, where the village *Panchayats* have been given responsibility for implementation, they do not possess the powers of sanctioning the works and money without the concurrence of the bureaucracy.

Another major problem with Centre/State-sponsored development programmes is that all the activities are planned and executed within the financial year and, thus, there is adhocism in the planning. This does not provide any scope for preparing a perspective plan for village development.

In actual practice, the state level MPs and MLAs are articulating their constituency priorities in zilla *Panchayat* meetings and are, thus, interfering with the development programmes implemented in the area. By and large, these state level and national level legislators are given local area development fund of approximately Rs. 50 lakhs to Rs. one crore annually. With the amount, they do not seem to visualize any legislative role with regard to their respective constituencies. Under these circumstances, they tried to stall the process of financial devolution to these local institutions, which may hamper economic development.

Besides the above mentioned factor, the role of PRIs at different levels in respect of planning and implementation of the 29 items transferred to them remains vague. In order to overcome these problems 1) the various components of the 29 items should be segregated and allocated to different levels of PRIs. In order to make clear distinction between the roles and responsibilities in respect of various components at the three levels, these can be categorized as district components, block components and village components.

6.7 LET US SUM UP

Top down planning has failed to yield expected results. Social planners, therefore, felt the need of bottom up planning through democratic decentralization. In order to institutionalize people's participation in the grass roots level planning, the 73rd and the 74th Constitutional Amendments was done in 1992. It has a three-tier system of public administration – village *Panchayat* at village level, block *Panchayat* at block level and District or *Zilla Panchayat* at the district level. *Gram sabha* is an essential and vibrant element of the new *Panchayati Raj* System. Through *gram sabha*, common man can participate actively in the planning process for his own community. It ensures accountability and transparency. The *Panchayat* bodies have been given 29 broad areas of socio-economic development, such as agriculture, animal husbandry, small scale industry, etc., for planning and implementation of

various programmes and schemes, depending upon the specific needs and problems of their respective areas in consultation with *gram sabha*.

For tribal areas, 'The Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 has come into effect to secure the tribal identity and protect them from being sidelined. In the extended Act, the *gram sabhas* have been made the soul of the democratically decentralized administrative structure, the palladium of tribal identity, traditional customs and practices and community assets and in resolving local disputes.

6.8 SUGGESTED READINGS

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