

## **Chapter - 2**

# **PLANNING IN BACKWARD REGION**

## **2.1 THE CONCEPT OF PLANNING**

Basically, planning is the term given to that contemplated process of thinking on the basis of which human efforts – Physical, mental and economic are made to ensure socio-economic development according to predetermined objectives. This basic definition of planning invites much more conceptual explanations and clarifications, as the man made efforts on the one hand, and socio-economic development on the other, have a conspicuous scope of thematic considerations. Specially, planning implies a process of conscious and deliberate centralised economy for transforming the social structure and utilising the national resources in order to fulfill certain pre-conceived goals. Planning is such a technique for socio-economic development as an adjustable means to the changing pattern of socio technical environment of the society. Planning is the use of collective intelligence and foresight to chart direction, order harmony and progress in public activity relating to the human environment and ground welfare. Thus, it is apparant that planning requires a definite procedural structure well-composed of values, objectives, role factors, organisations and their clients and the aspects of co-ordination between individual and collective participants of planning. The success of planning for development, depends

upon the capacity of planning agencies at different administrative levels to co-ordinate the policies as well as direct and active participation of the people at large in the formulation as well as implementation of the plan. Therefore people's participation in institutions becomes necessary for successful planning. If the communities are functionally efficient, an anticipated people's participation can be ensured in fulfilling the basic goals of planning. On the contrary good public administration and sensible policies are said to be the most important secrets of successful planning.

In most developing countries, planning has invariably been restricted to the national level. The plan formulated in these countries are in terms of set of directives and goals for the orientation of the economy as a whole. The problems of regional development do not get adequate attention of the policy makers and as a result the development programmes of their countries with glaring regional disparities definitely have resulted in the lopsided and distorted development. Some of the already developed regions have enjoyed the privilege of development at the cost of the backward regions, which continued to stagnate. Regional disparities have started widening because of ill-conceived investment programmes effected under the colonial rule and also due to lack of

attention paid to the need for micro level plans. Therefore, for the promotion of balanced regional development, it is essential to devise suitable planning model and policies. It may be stated that one of the main objective of planning is to reduce the regional disparities in economic developments. For this, it is necessary to identify and evaluate population and physical resource base which would reveal the spatial or regional pattern.

Planning from the operational point of view, is oriented to the treatment of resources of the area concerned particularly to the functions of assessment of distribution, allocation, utilization, regeneration and perpetuation of resource endowments in the process of plan formulation and their implementation. However an ideal format of planning process requires some basic considerations to be taken into account by the planners, such as geographical zoning of socio-economic pursuits, setting of production targets, means of attaining the targets, a decision for future investments, follow up action of central plan and an arrangement of inter-sectoral resource allocations.

The economists, <sup>and</sup> in general and <sup>and</sup> other social scientists in particular, suggest a set of pre-requisites <sup>for</sup> of successful

planning in under developed and developing countries such as existence of central planning authority, strong and efficient government, honest and sound administration, fixation of objectives and targets, adequate statistical data, well formulated and integrated plan; socialistic economic organisation, mobilisation of financial resources, flexibility in planning, public co-operation, economic controls, maintenance of proper balance, proper development policy, economy in administration, proper education and the theory of consumption. The study of regional planning is necessary to understand the process of regional development and the spatial incidence of economic growth. Planning was conducted largely at the sectoral level and it is only since 1992 that the development of a systematic approach to regional planning has commenced. Both geographical research and planning technique have been accepted as an integrated approach. However, the definition and concept of regional planning and approach to regional planning vary. Glasson (1978) considers regional planning as "the allocation of resources between regions to achieve certain regional and national objective". He has explained the concept of planning and differentiated between physical and economic planning, allocative and innovative planning and indicative and imperative planning.

The concepts of regional planning and the approaches adopted have been changed with time and exposure. In India, regional development and planning began with macro-regions and shifted, recently, to the micro-regions. The preliminary study on regional development in India was attempted by L.D. Stamp. He classified the country into three major natural regions and 22 sub-regions. Stamp's approach was revised by O.H.K. Spate. He laid emphasis on the re-organization of boundaries of regions for achieving greater efficiency in planning. However studies focussed on macro-regional planning based on centralized administrations. Such macro-level plans have obviously overlaboured the peculiarities of the region. This was a blatant mistake because different areas have different growth potential and such mistakes, where inequalities tend to get ignored, are most likely to occur when the scale of operation is large. If output of production is taken as a yard stick, the country has benefitted from the development plans. But they had other impacts. It may be noted that the prevailing system of development planning have<sup>s</sup> widened the existing inequalities <sup>inexorably</sup> and sharpened<sup>d</sup>. L.S. Bhatt in 1972 stressed the regional co-ordination and integration of both physical and economic plans for effective regional planning. He has also emphasised the importance of the

concept of regional hierarchy in resource planning particularly for a country like India where one can see the unevenness in the distribution of resources and sharp contrast in regional characteristics and problems of development.

Philip Cooke's (1983) work on "theories of planning and spatial development" is another contribution to this field. He claims that the sectoral approach to planning has resulted in its failure, which necessitates the development of an integrated theory of the relationship between planning and spatial development. Similarly, Siddiqui F.A. (1984) has given the growth emphasis on regional planning and regional approach on the population policy and utilization of human resources. He also worked out various methodologies and models for regional planning.

Sundaram (1979) claims that the oversight of the spatial dimension in planning has led to sharpening of regional imbalances. He concludes that in the administrative structure of our country, the districts are the most feasible unit of local planning. They are most viable geographical units for carrying the benefits of development to the more backward sections of the people and regional as well as increasing economic productivity and strengthening of the rural economy. It has

been found that ~~now~~ emphasis on district and block plans ~~have~~ been increasing.

Mishra, R.P. (1982) has discussed the task of district planning and the importance of people and grass root level development from below. The consideration of geographic, socio-economic, institutional, political and need-based issues are of primary importance. The claims especially for purpose-~~full~~ and effective planning, Nanjundappa, D.M. (1981) has offered some techniques of decentralized planning.

A format for "Database on village level indicators" was first issued by the planning commission in Febraury 1987 and again September 1989. Minhas (1989) too forwarded his concept of database for local level development. His methodology and database is tempered by an integrated and holistic approach and toward decentralized planning. A basic requirement in this endeavour is the purpose~~full~~ transfer of plan funds from a state to its constituent districts and from district to its block units. This devolution of resource must enable a region to realize its growth potential, its development constraints and fill spatial gaps in its infrastructure base. Gopal Krishan (1989) strongly feels that such a transfer should follow a positive trend in favour of backward districts.



Most of the studies and research in general suffered from non-availability of information and sometimes even availability of unreliable information. Government initiative to tackle this issue has not been a failure. The District Information System of National Information Centre under the Planning Commission (DISNIC) and Computerization of Rural Information System Project (CRISP), under the ministry of rural development, are two projects set up by the Government to provide a good deal of informations for district planning.

Thus, the concept of development and approach to regional planning was re-assessed and emphasis has shifted during 1980's from purely sectoral development to integrated development. Today development is centered on man (D'Souza, 1990). Equitability of opportunity, positive transformation, deep rooted and engulf mobilization of local resources and general self reliance for self sufficiency are matter of focus.

## 2.2 THE STRATEGY FOR REGIONAL DEVELOPMENT AND PLANNING

Regional planning is a frame work to bring out a plan for maximum utilization of resources without causing any wastage. Basically, regional planning is a spatial development planning, which on the one hand, is the process of formulating and clarifying social objective in the ordering of activities in supra-urban space, and on the other hand, it is concerned with the human activities for socio-economic transformation in supra-local space in an agriculture-based backward rural economy. In spatial context, the orderly development of the region and its finer articulation with other regions is the task of regional planning. Therefore regional planning is suggested for the all round socio-economic development of the backward <sup>regions</sup> countries against the single national-level sectoral planning because the space in which human being live and work is real, and to ignore the space and its community is to ignore the basic reality.

Regional planning is such a strategy which deals simultaneously, with the problems of multi-levels spatial units directly or indirectly. However regional planning would seem to require <sup>that in way</sup> a bunch of complementary economic activities and

rules be formulated for the purpose setting of each of these activities. In an area for regional planning, the different regional factors interact and operate in mutual actions and reactions and any change in one normally leads to changes in other; thus setting up a chain reaction. In fact, there is a two-way chain reaction. One internal within the region, and the other external with the neighbouring or farther regions, through the different hierarchical levels of regions.

The basic aim of regional planning is outlined for smooth development of the entire economy by making an even rate of economic development, optimum resource utilisation and preventing of wealth- and power-concentration of few hands, and leading to equitable distribution of employment opportunities. Further, an objective of regional planning is to anticipate and provide for future reciprocal adjustments of culture and region in different ecological areas. The purpose of regional planning is not the physical development alone of a particular area or region, but it is to attain certain social objectives eliminating inter-regional tension and socio-economic imbalances. Regional planning is an attempt to plan a rational dispersal of industries ensuring better securities and defence and to ensure optimum pattern of resource

allocation leading towards balanced and integrated regional development of the country.

Before going to formulate or implement a regional plan, a planner essentially should have complete knowledge pertaining to the conditions required for a successful regional planning. For regional planning three prime considerations become important for its successful performance such as (i) identification of the specific needs of the region within the overall context of the needs of the entire country (ii) an accurate assessment of the limits and opportunities imposed on natural resources of the region, and (iii) selection of a suitable strategy for development.

Since the nature and causes of backwardness are not the same in all the regions within a country, a single macro-level approach will not be an ideal solution. The strategy that is required is one of promoting that sector which is backward and whose backwardness is hindering the overall progress of the region. Such assessment is possible only at the regional level. Development of backward area and reduction in regional disparities depend upon the micro-level plans formulated on the basis of the assessment of the local needs, potential priorities and realised level of development. The micro level

plans can be effectively implemented and can be made to realise the desired objectives only when the constituents regions are systematically identified according to their levels of development\$, the extent of disparities among the regions and the various regional characteristics like typology, physiography, demographic and socio-economic dimensions and so on.

The Government of India has made some efforts for the development of backward areas of the country, since 1951, when efforts at planned development were intensified. The problems of regional development and disparities attracted the attention of policy maker; and economists. The third five year plan and the subsequent plans have increasingly emphasised this objective. However, in spite of the increasing awareness, very little has been done in this direction. A systematic attempt at the identification of backward areas and a study of the regional characteristics has not been done on a scale that could be of some operational significance. Any attempt in this field is confined only to the state or district level.

However, Indian planners have become increasingly concerned with the problems of regional disparities since the formulation of <sup>the</sup> fourth five year plan. Some steps were taken in

the direction of regional development. During the fourth plan, the problem of regional disparities was attempted at three angles. First reduction of inter-regional difference through fiscal policies. Second, development of resource frontier regions and third, local planning. However, as stated earlier, the performance of the policies was not very encouraging. Therefore in 1968 the National Development Council decided to give some weightage to backward areas in transferring the resources from the centre to the respective states. For this, by the decision of the National Development Council, two working groups – the Pande Committee and the Wanchoo Committee were set up by the Planning Commission in 1968. The Pande Committee was to recommend the criteria for identification of backward regions and the Wanchoo Committee was to recommend the fiscal and financial incentives for starting industries in backward areas. Thus in order to simplify the work of transferring resources from centre to the states, it was decided to identify backward regions of the country. Initially the criteria, to identify the backward regions, the level of per capita income was into consideration. But this was found to be quite inadequate. Therefore, in 1969 the Planning Commission appointed a study group to suggest some specific criteria for identifying backward regions. This group suggested

many indicators such as agriculture, Industry, education, health, power and so on for the identification of backward regions. However these criteria were too diffused and it was, therefore quite essential to select more precise criteria for the identification of backward region. The Pande Committee in 1969 did this work. The criteria were :

1. Districts outside a radius of 50 miles from large cities or large industrial projects.
2. Poverty of the people as indicated by low per capita income starting from the lowest to 25 percent below the state average.
3. High density of population in relation to utilisation of productive resources and employment opportunities as indicated by
  - a. Low percentage of population engaged in secondary and tertiary activities.
  - b. Low percentage of factory employment.
  - c. Non and or under-utilisation of economic and natural resources like minerals, forests etc.
4. Inadequate availability of electric power or likelihood of its availability with 1 or 2 years.

5. Inadequate transport and communication facilities.
6. Inadequate availability of workers

The study group appointed by the Planning Commission (Fourth plan 1966-1971) suggested 15 indicators covering (1) Density of population (2) Percentage of population engaged in agriculture (including agricultural labourers as percentage to total worker) (3) cultivable area per agricultural worker (4) Net area sown per agricultural worker (5) Percentage of gross irrigated area to net sown area (6) Percentage of area sown more than once to net sown area (7) Per capita gross value of agricultural output (8) Percentage of literate population, men and women (9) Percentage of school going children both boys and girls in the age group of (i) 6 to 11 years and (ii) 11 to 14 years (10) Number of seats per million population for technical training (11) Hospital beds per lakh of population and some of the criteria used by Pande Committee.

Similarly, in<sup>the</sup> seventies, a number of area-specific schemes like Drought Prone Area Programme, Small Farmer Development Agencies, Marginal Farmers and Agricultural Labour Programmes, Rural Industrial Development Schemes etc. were taken up.



Then in sixth plan period, some concrete steps were taken in the direction of preparing block level plan. Of the total 5004 blocks in the country, 2000 blocks were selected for Integrated Rural Development Programmes and it was proposed to cover 300 blocks every years as to introduce block plan in all the blocks of the country over a period of 10 years. The main emphasis was on macro-level plans to eradicate the poverty in rural areas.

The objective of development of backward regions, now forms an integral part of the national development strategy. The draft of sixth-five year plan lays down a clear cut policy and presents an outline of programmes for the development of the backward areas. It is a heartening feature of this draft that the uneven levels of development in different parts of the country is partly responsible for the problem of poverty. Therefore it envisages an approach of integrated rural development for the backward areas and has ear marked an outlay of Rs. 28,000 crores for area development schemes including hills and tribal area plans. The approach in this plan to a great extent is on the development of agriculture, village and small industries, subsidiary occupations and related services through hill area, tribal area, revised minimum needs and area development programmes. The most important

aspect of this strategy is that the planners are now keen to adopt a selective approach with regard to the choice of industries. It has been rightly observed in this context that the promotion of industry as a tool for the development of backward areas requires a degree of selectivity about the type of industries promoted and the areas chosen for such promotion. However this plan document fails to spell out precisely the type of industries which suit different backward areas of the country.

Removal of poverty was the foremost objective of the sixth plan (1980-85). The strategy adopted in this plan was to move simultaneously towards strengthening infrastructure for both agriculture and industry. Stress was laid on tackling inter-related problems through a systematic approach with greater management efficiency and intensive monitoring in all sectors and active involvement of people in formulating specific schemes of development at the local level and securing their speedy and effective implementation.

The seventh plan (1985-90) emphasised policies and programmes, which aimed at rapid growth in food-grains production, increased employment opportunities and productivity. Food grains production during the seventh plan

grew by 3.23 percent as compared to 2.68 percent in 1967-68, and 2.55 percent in early eighties, due to overall favourable weather conditions, implementation of various thrust programme and combined efforts of the government and the farmers.

Some of the salient features of economic performance during the eight, five year plan indicate, among other things, (a) Faster economic growth (b) Faster growth of manufacturing, agriculture and allied sectors (c) Significant growth rates in exports and imports, improvement in trade and current account deficit.

In the 9<sup>th</sup> plan, besides the other objectives, Government also incorporated the Prime Minister Special Action Plan (PSAP) in the following areas (a) Doubling of food production and making India hunger-free in 10 years (b) Rapid improvement in physical infrastructure (c) National water policy (d) Social infrastructure, rural housing, urban housing, health care services, education, urban water supply and sanitation, rural water supply and sanitation and (e) Information technology.

The specific objectives of the ninth plan as endorsed by the National Development Council in its 48<sup>th</sup> meeting are

(i) Priority to agriculture and rural development with a view to generate adequate productive employment and, eradication of poverty (ii) Accelerating the growth rate of the economy with stable prices (iii) Ensuring food and nutritional security for all, particularly the vulnerable sections of society (iv) Providing the basic minimum services of safe drinking water, primary health care facilities, universal primary education, shelter and connectivity to all in a time-bound manner (v) Containing the growth rate of population, (vi) Empowerment of women and socially disadvantage<sup>3</sup> groups such as scheduled castes, scheduled tribes and other backward classes and minorities as agents of socio-economic change and development (vii) Promoting and developing peoples participatory institutions like Panchayati Raj Institution, co-operative and self-help groups and (viii) Strengthening efforts to build self-reliance.

In a country with federal structure, where there is a provision for the flow of fiscal resources among the states, where the federal government is empowered to control, there are various economic strategies that can be adopted for the development of backward region.

In a federal country, the problem of regional disparities can be resolved through the federal government financing

regional development. Through federal fiscal transfers, government can equalize the resources among various regions. These transfers can be in the form of devolution of taxes and duties, grants, grants in aid, loans, subsidies and subventions. In India, the policy framework evolved in this direction with a view to minimize and, if possible, to eliminate regional disparities <sup>by means of</sup> consisted in utilizing the constitutionally provided statutory transfers through the Finance Commissions and non-statutory transfers through the Planning Commission. This strategy is essentially useful at the macro and meso-levels.

The other method to reduce the regional disparities is to channelize financial resources towards the backward regions through the policies of various financial institutions like commercial banks, co-operative societies, life insurance corporation of India, Industrial development banks, etc. Different rates of interest, different periods of repayment of loans and various other credit policies favouring the backward areas can also be adopted in order to reduce the regional disparities. Similarly, in order to develop backward areas, it is important to attract the private entrepreneurs to the backward regions. For this, government can resort to such a licensing policy which may discourage the private entrepreneurs to invest in already

developed and congested areas and encourage investment in the backward area. Private capital will flow to backward regions, not by force but by incentives. Mere licensing policy cannot influence the decision of a private entrepreneur. Attractive incentives, like tax concession, subsidies, grants and easy loans etc. can attract the private capital into backward regions. One major problem for a private investor is the heavy initial cost of production and difficulties faced by him due to non-availability of infra-structure etc. In order to overcome these problems, providing financial concessions and infra-structural facilities would help to encourage private investors to move towards backward regions.

However during the recent year a greater emphasis is given to micro-level or block-level or macro-levels or district level plans in the country. In order to reduce regional disparities and to develop backward regions, through the device of planning at the macro-levels, it is crucial to have a scientific and systematic planning model. Regional planning has to be much more comprehensive than <sup>the</sup> more employment programmes. The plans should be formulated in view of the local needs, potentials and aspirations. The regions need to be studied in depth. The structure of the existing level of

development of regions needs to be studied in absolute and also in relative terms.

Any strategy adopted for backward region development has to begin with the identification of regions according to their differential levels of development. Next task is to formulate policies, programmes and plans based on the regional character, their requirements <sup>and</sup> capacities. The strategy that is required is one of promoting that sector, which is backward and whose backwardness is hindering the over all progress of the region.

Identification of backward region is a prerequisite of any strategy of development like policies relating to federal assistance financial plans of the financial institutions. The study is specially useful for preparation of the macro-level plan. Backwardness area plans as they are understood by our policy makers at present, require proper identification of the backward region where the full employment programmes can be initiated. Even for understanding the usefulness of a particular plan, it is essential to understand the structure of the region, its relative position in terms of development and its natural and human resources. The regional economic plan

and regional physical plan around a relatively few locations are the two sides of the same coin of development.

However, there is no inherent mechanism to ensure that the benefits of development are distributed uniformly among all regions or areas. On the contrary, development is likely to accentuate the disparities. Lack of techniques and methods might be responsible for the state's inability to co-ordinate the sectoral economic planning.

### **2.3 ROLE OF PLANNING**

Planning in India derives its objectives and social promises from the directive principles of state policy enshrined in the constitution. Public and private sectors are viewed as complementary. The private sector covers, besides organised industry, small-scale industries, agriculture, trade, and housing, construction and related areas. Individual effort and private initiative are considered necessary and desirable in the national endeavour for development with optimum voluntary co-operation. Although in the past, economic planning envisaged a growing public sector with massive investment in basic and heavy industries, now the emphasis on the public sector is less pronounced and the current thinking on



planning in the country, in general, is that it should increasingly be of an indicative nature.

The planning process was initiated in India in April 1951, with the launching of the First Five Year Plan. The main objective to develop plans was to establish India's economy on a socialistic pattern in successive phases of five year periods. These plans are called Five Year Plans. So far nine plans have been completed and the tenth plan was initiated in 2002.

The objectives and the main tasks of these plans are

- (a) Assessing the country's material, capital and human resources and to formulate plans for their most effective and balanced utilization
- (b) Determining priorities, defining stage through which the plan should be carried out and proposing allocation of resources for the purpose,
- (c) Specifying factors that retard economic development and determining conditions which should be established to carry out the plans successfully
- (d) Determining the nature of the machinery that will be necessary to carry out the plan successfully and
- (e) Appraising from time to time the progress achieved by the plans and recommending adjustments of policies accordingly.

The planning has various decisions regarding production, distribution, consumption and investment and in

fact all significant socio-economic relationship must be made by agencies informed by social purpose. The benefits of economic development must accrue more and more to the relatively less privileged classes of society and there should be a progressive reduction of the concentration in incomes, wealth and economic power. This statement has been the *guiding star of all subsequent planning in the country*. Each plan has reiterated its invincible faith in the concept of socialist pattern of society and modelled and remodelled the objectives and targets to accomplish it. We can broadly define the objectives of planning in India as under (Chaudhary, P. 1971).

- (i) To secure an increase in national income.
- (ii) To secure an increase in investment/income ratio.
- (iii) Reduction in income inequalities.
- (iv) Expansion of employment opportunities, and
- (v) Adoption of measures to alleviate the three bottlenecks regarded by the planner as being of critical importance viz, agricultural production, the manufacturing capacity for producers' goods and the balance of payments.

Not only planning has failed to tackle the problems of poverty, unemployment and inter-personal income inequalities, it has also failed to solve the problem of inter-regional and intra-regional inequalities and to divert the flow of migrants from rural to urban areas. In fact, planning has only succeeded in accentuating these problems.

Keeping in view the large scale import of food-grain in 1951 and inflationary pressure on the economy, the first plan laid emphasis on agriculture, irrigation, power and transport so as to provide an infra-structure for rapid industrial expansion in future. The plan turned out to be more than a success mainly because it was supported by two good harvests in the last two years.

The Second Five Year Plan 1956-61 sought to promote a pattern of development, which would ultimately lead to the establishment of a socialistic pattern of society in India. Its main aims were (i) An increase of 25 percent in the national income (ii) Rapid industrialisation with particular emphasis on the development of basic and heavy industries (iii) Large expansion of employment opportunities and (iv) Reduction of inequalities in income and wealth and a more even distribution of economic power. It laid special emphasis on

industrialisation, increased production of iron and steel, heavy chemicals including nitrogenous fertilizer and development of heavy engineering and machine building industry.

This plan expressed its concern over regional disparities and emphasized the necessity of balanced regional development. The pattern of investment must be so devised as to lead to balanced regional development. The problem is particularly difficult in the early stages when the total resources available are very inadequate in relation to needs. But more and more as development proceeds and large resources become available for investment, the stress of development programmes should be on extending the benefits of investment to under developed regions.

The approaches in the Third Five Year Plan (1961-66) were : (i) To help the states in reducing intra-state disparities i.e. disparities among different regions within the state, and (ii) To initiate new programmes and extend programmes adopted in the previous plans to reduce inter-state inequalities (i.e. inequalities between different states). As far as the first issue is concerned the programmes related to (a) Increasing agricultural production, (b) Taking steps to ensure "Largest feasible" increase in income and employment, (c) Developing

social services (specially elementary education, water supply and sanitation and health services in rural areas). (d) Developing communications and power and (e) Raising the standard of living for less developed areas of the state. All these programmes were intended to be oriented towards greater production and employment and the welfare of weaker sections of the population. In assessing the needs and problems of different states and in proposing outlays, factors relating to backwardness such as population pressure on cultivated land, underdeveloped transport and communication facilities etc. and commitments arising out of the second plan and those arising from large projects were given due attention.

As far as the second issue is concerned, special attention was sought to be given to areas that were relatively backward in the past. Programmes implemented to achieve this purpose were (i) Intensive development of agriculture (ii) Extension of irrigation (iii) Promotion of small scale and village industries (iv) Large-scale expansion of power (v) Development of roads and road transport (vi) Provision of universal education for the age group 6-11 years (vii) Large opportunities for secondary technical and vocational education (viii) Improvements in condition of living and water supply (ix) Programmes for the

welfare of scheduled castes, scheduled tribes and other backward classes (x) Programme of rural works to solve the problem of poverty and under employment and (xi) Establishment of large industrial projects and river valley projects in the less developed regions of the country. The situation created by the Indo-Pak war in 1965 and two successive years of severe drought delayed the finalization of the fourth plan. The Fourth Five Year Plan (1969-74), beside the policies of earlier plans also introduced a number of other schemes for the benefit of the rural poor such as Small Farmer's Development Agency, Marginal Farmer and Agricultural Labourers Development Agency, 'Drought-Prone Area Programme, Crash Scheme for Rural Employment, Pilot Intensive Rural Employment Project, etc. Since a large number of the rural poor live in relatively less developed regions, all these programmes were expected to benefit the less developed regions more in comparison with the developed regions. Some programmes such as Drought-Prone Area Programme were meant specifically to help the backward areas. Other specific programmes initiated in the Fourth plan included identification of backward regions for purposes of granting concessions and financial assistance to industries established in such area and weightage to backward states in the

allocation of central assistance. Besides, a number of state governments and financial institutions also announced special concessions to industries established in the backward areas so that entrepreneur could be attracted to invest in such areas.

The major objectives of the Fifth Plan (1974-79) were to achieve self-reliance and adopt measures for raising the consumption standard of people living below the poverty-line. This plan also gave high priority to bring inflation under control and to achieve stability in the economic situation.

The Sixth-Plan (1980-85) gave major emphasis on the removal of poverty. The strategy adopted was to move simultaneously towards strengthening infrastructure for both agriculture and industry. Stress was laid on tackling inter-related problems through a systematic approach with greater management efficiency and intensive monitoring in all sector and active involvement of people in formulating specific schemes of development at local level.

The Seventh Plan (1985-90), aimed at rapid growth in food grain production, increased employment opportunities and productivity within the framework of basic tenets of planning, such as growth, modernisation, self-reliance and social justice. Food grain production during the seventh plan

grew by 2.23 per cent, as compared to a long-term growth rate 2.68 per cent between 1967-68 and 1988-89, due to overall favourable weather condition, implementation of various thrust programmes and concerted efforts of the Governments and the farmers. To reduce unemployment and poverty, special programmes like Jawahar Rozgar Yojana were launched.

The Eight-Five Year Plan (1990-95) could not take off due to the fast-changing political situation at the centre. The new Government which assumed power at Centre in June 1991 decided the Eight Five Year Plan would commence on 1 April 1992 and that 1990-91 and 1991-92 should be treated as separate annual plans. The basic thrust of these Annual plans was on maximization of employment and social transformation.

The Eight Five Year Plan 1992-97 was launched immediately after the initiating of structural adjustment policies which were necessitated by the worsening balance of payment position and inflation during 1990-91. This plan has recognised the need for a re-orientation of planning in keeping with the process of economic reforms and restructuring of the economy. The main emphasises of Eight Five Year Plan were :



(a) Human development as the main focus of planning (b) A large economic space for the private sector (c) Physical and social infra-structure development by the public sector (allowing at the same time the private sector to participate), and (d) A greater role to the market to infuse economic efficiency even in the working of Public Sector. However, a short fall in the expenditure in central sector due to inadequate mobilization of internal and extra-budgetary resources was witnessed. Similarly in state sector also there was short fall due to lack of mobilization of adequate resources because of deterioration in the balance of current revenues, erosion in the contribution of state electricity boards and state transport corporations, negative opening balance, mounting non-plan expenditure and short fall in the collection of small savings etc.

Since regional planning was not conceived as a frame work for the planning experiment, the rate of district planning was not appreciated by the planning commission. It was only after three plan that a change in thinking took place and the need for adopting an area development approach was recognized. Accepting the importance of district planning, the planning commission prepared a set of guidelines far the formulation of district plans in 1969. The guidelines state, "It

has become apparent that plan formulation undertaken exclusively at the state level cannot be taken fully into account because of the variety of conditions existing in the different physio-geographical and economic regions of the state”, and advocate the adoption of district planning on the following considerations:

- (a) The wide disparities which exist between the levels of development attained by different areas and community groups within a state and their full potential for development can not be narrowed down unless the resources and the programmes to be taken up in each area or for each community are determined, on the basis of a specific and local assessment of problems, resources and productive potentials.
- (b) Under-utilization of the already available natural resources, infra-structural facilities and productive capacities in different areas can not be properly assessed at the state level.
- (c) The uniform application of development schemes formulated at the state level without regard to their

suitability to local conditions, leads to inefficient utilization of physical and financial resources.

- (d) Meaningful assessment of on going schemes can not be undertaken except at the ground level and with the active participation of local officials and the beneficiaries of schemes.
- (e) Without a systematic study and planning of the local infra-structure, a firm and objective basis can not be provided for the planning of the state superstructure.
- (f) Proper phasing to ensure synchronization of the programme with other related programmes can not be attempted without working out the details of programmes at the ground level.
- (g) Measures for the mobilization of local resources for development purposes can not be planned realistically except in the specific context of the needs, aspirations and the economic condition of the people and the level of performance of local institutions, and
- (h) Integration of different levels of human settlement in a graded hierarchy requires the identification of growth centres. The deliberate steps required to be taken to identify the growth centres and to provide, locate the

facilities and services required to meet the growing needs of the villages lying in their hinter lands can not be taken except at the district level through the analysis of the emerging trends in economic activities and the pattern of facilities and services already available.

To undertake planning in these terms requires a certain amount of technical and statistical expertise at the formulation stage and effective participation of people at the implementation stage. Both these requirements are woefully missing in our planning process. In addition, the absence of proper planning machinery at the state level and the complete non-existence of planning infra-structure at the district level, makes the task of preparing and implementing district plans still more difficult. An attempt in this direction was made by evolving a three-tier structure of Panchayati Raj Institutions, Village Panchayat, Panchayat Samiti and Zila Parishad. The Zila Parishad was to function at the district-level while the district collector continued to be the “controller” of practically all governmental authority in the districts. The institution of Zila Parishad considerably diluted the power of the district collector in some states. Thus in Maharashtra and Gujarat, the district collector has been completely left out of the Zila

Parishad. The administrative control here vests in the chief executive officer (or district development officer) who is responsible for co-ordinating all developmental programmes in the district. In Uttar Pradesh and Bihar, the district collector can attend the meeting of Zila Parishad and participate in discussions but has no right to vote.

Such an organization has created more problems than it has solved. Since the role of the district collector as a co-ordinator has not been precisely defined, the dichotomy between the administrative system and the political system has created several problems. The local government is political in character and it is natural that in the type of parliamentary democracy, that we have, the local leaders should come to wield considerable power and influence. Thus they pressurize the district administrator for approving irregularities, doing illegal things such as harassing a particular political group, indulging in corrupt practices, misallocating Government benefits and funds etc. Contrary to the expectations of the founders of the Panchayati Raj movements, the local leaders have not been shown much interest in development programmes, programmes of education, family planning etc. On the other hand, on account of the structural dichotomy and on account of the lack of clear delineation of powers and

duties, there are frequent delays at all stages of the planning process. In those cases where the administrator does not look the lines dictated by local leader, there are frequent struggles and inter-personal rivalries. Because of their local influence, the nature of their profession, and their contacts at the state political level, the local leaders are frequently at the winning end and the administrator gets transferred. While this dampens the spirit of other young enthusiastic administrators and its encourages the leaders of the local-level government to adopt more and more questionable means to accomplish their own selfish ends.

There is another serious problem that has not been referred to, though the district collector has the district-level functionaries of all the departments such as health, education, co-operation, veterinary, engineering etc. under him but these functionaries deal directly with their respective department at the state level. Thus, there is “dual supervision” and the possibility of frictions and disputes can not be ignored.

Thus it is said that for the district planning, it is necessary to provide horizontal co-ordination and integration between the district administrative system and the local political system and vertical integration between the district level and the state level.