

DECENTRALISED PLANNING TRAINING MODULE

1. Introduction:

Decentralisation of the planning process has acquired considerable significance with the passage of the 73rd and 74th Constitutional Amendment Acts. Decentralisation through the involvement of local level representative institutions in the formulation of plans for development as well as their implementation is being advocated in the interest of efficient utilisation of resources and for ensuring more equitable sharing of benefit from development.

Decentralisation of the planning process is basically an exercise in multi-level planning. Although multi-level planning and the problems connected with it have only recently been subjected to serious examination in India, the idea of decentralisation as such is not new to Indian planning. Since 1950-51, when the Planning Commission was established and the first five year plan was launched, the importance of carrying the planning process to lower levels such as the state, district, block, village, etc. has been emphasised. The reasons for the stress on decentralisation are various. In the first place, the Indian planners emphasised decentralised for the obvious reasons that in a democratic framework, unless planning is carried to lower levels, that is to say sub-national levels, the process will not be effective. Secondly, the planners also realised that the participation of the people in the planning process is essential if the process is to succeed and the participation of the people can be achieved only if planning is carried to the lower sub-national levels. It must also be remarked in this context that at least in the earlier years of planning, the influence of Gandhian thought was fairly pronounced, although this should not be taken to mean that Indian planning has much philosophical contact with Gandhian thought. The point is that the Indian plans attempted to adopt some Gandhian techniques, of which decentralised planning was just one.

Arguments for Decentralisation :

A number of sound arguments can be listed to support decentralisation of planning process. First of all the practical impossibility of a single planning agency being able to make all the detailed decisions

which are required at different territorial and sectoral levels of the planning process. One crucial problem here consists of the flow of information and data from lower levels in the hierarchy to the Central Planning Agency. Planning requires not only the formulation of a broad policy framework but also detailed decisions. Detailed decision-making depends for its success almost exclusively on the availability of information and data which is more readily available at the appropriate level for which the decisions are being made.

Secondly, one of the crucial elements in the planning process is the presence of an information system. Without an information system there are bound to be innumerable problems of co-ordination, both at the state and national levels. The presence of an information system will also indicate the peculiar needs of certain areas in the country. When we realise that certain areas have special problems, we will be in a position to think of solutions which will answer the problem. In the absence of information and data, there is a tendency to adopt uniform solutions which are applied all over the country without respect to local variations and local needs and local problems. In the given situation it is necessary to base policies on a thorough examination of the local situations - something which can be accomplished only when we have access to local knowledge and information.

Thirdly, it is now realised that no planning process could hope to succeed purely on bureaucratic lines. It is essential to associate the people with the planning process at all levels. Even though there are problems never the less there is very little doubt that the planning process must be sustained by the fullest possible participation of the people. Public participation in planning depends upon several conditions. First of all the people should be aware of the functioning of the process. In other words information is essential if people are to participate. Secondly there must be a machinery which enables people to participate meaningfully in the planning process. Thirdly, people must feel that their participation is not a formality but that they have the ability to influence the functioning of the process. These three conditions can be met only when there is a reasonable degree of decentralisation of the planning process, it is most unlikely that people will participate.

Role Clarification :

The question of decentralisation has two major aspects to it. One relates to the various agencies of development at the local level and how best these can be organised to make possible genuine popular involvement in the process of planning. The second aspect concerns the

functional arrangements for decentralisation, that is, the clarification of the roles of the different units and the coordination among them.

The first prerequisite of multi-level planning is that the roles of the different agencies should be properly spelled out. Duplication should be avoided. So also the present tendency of the districts to attempt to be too comprehensive when they formulate their plans. It has been demonstrated that despite all the insistence in our five year plans as planning in the states and the districts, little care has been taken to clarify the work to be done at these levels and to indicate how their work will mesh in with the work of the national planning commission. Therefore the first task in devising a multi-level planning frame is therefore that of role clarification.

The history of the attempts made in India to decentralise the planning process are of considerable importance. The First Five Year Plan was as clear and eloquent as any official document on the subject of decentralisation. The following lines from the first plan document bear this out:

"A democracy working for social ends has to base itself on the willing assent of the people and not the coercive power of the state.... Their own views about their needs and difficulties and the correct solutions must be elicited and given the fullest weight in making the plans, in the execution which they will be called upon to assist.... Means have, therefore, to be devised to bring the people into association both at the stage of formulation of the plans and in their implementation from stage to stage".

The same position was reiterated in one form or another in all the subsequent plan documents. The Balwant Rai Mehta Team appointed in 1957 recommended constitution of statutory elective local bodies with the necessary resources, power and authority devolved on them and a decentralised administrative system working under their control, which became the genesis of the Panchayati Raj System introduced in the country. The Planning Commission issued guidelines for District Planning as far back as 1969. In 1977, the Planning Commission appointed a Working Group under the Chairmanship of Prof. M.L.Dantwala to draw up guidelines for Block Level Planning.

Another Committee on Panchayati Raj headed by Sri Ashok Mehta was appointed in 1977. Both the Committees submitted their

reports in 1978. In 1983, the Economic Advisory Council to the Prime Minister presented its report on Decentralisation of Development Planning and Implementation in the states. The working group on District Planning submitted to the Planning Commission in 1984, which formed the basis of the Seventh Plan proposals on decentralised planning. The next major initiatives towards decentralised planning was according Constitutional status to the Local Bodies in 1993. Under this on the planning front three major initiatives have been envisaged for the new Panchayati Raj Institutions; These include : (a) preparation of area plans for economic development and social justice (b) implementation of schemes for economic development and social justice entrusted by the state government and (c) the Constitution of District Planning Committee (DPC) to consolidate the plans prepared by the Panchayats and the municipalities in the district, and to prepare a draft development plan for the whole district.

While for (a) and (b) the provisions to be made for the devolution of the necessary powers and responsibilities have been left to the discretion of the state governments, the task envisaged under (c) i.e., the Constitution of DPC is mandatory under Article 243 ZD.

Planning Implications :

These constitutional provisions mark a significant departure in the style and substance of planning. Style refers to the democratic and participatory character of planning. Substance refers to the programme and project components informed by the goals of growth, equity, stability and sustainability. It has infected a new conception of a multi level planning process which cuts across the three layers of the local level and integrates into the state plan. In the new context, such planning is both a democratic and technical exercise as well as a management and negotiation process to obtain the maximum benefits of development for the local population. For the local tiers of administration, who have so far been used to the centralised planning approach with its sectoral earmarking of funds and the mechanical implementation of central/state sponsored schemes hedged in by their guidelines, it is a new activity and poses a formidable challenge. The amended Constitution implies the initiation of a time-bound, planning process and the adoption of planning methodology that would give adequate scope for the plan proposals to emerge with people's participation at each level, which will then become integrated horizontally and vertically into comprehensive area plans, and then finally 'nested' into the state plan and the state budget. This is for the first time that such a comprehensive multi-level planning process has been stipulated.

Advantages of Local Level Planning :

One of the characteristics of local level planning is the proximity and close contact of planners to the clientele. This is particularly true when the local planners are based on the area being planned. Consequently local level planning is more subject to human factors and selective analysis. Thus while in national planning, the focus of attention might be on the growth of the Gross National Product (GNP), planners at the local level are faced with problems such as providing potable water supply, fertilizers, seeds and farm-to-market roads to the local people.

Compared to the national the regional level, local level planning is characteristically weak in institutional support and organisation for planning. This however, essentially follows from the too centralised and inverted pyramid structure of the government bureaucracy. Able and talented technocrats of the government tend to congregate at the central offices of government ministries, leaving the positions at the lower level devoid of qualified manpower.

The too centralised structure also at times discourages inter-agency coordination at the local level. Local level government offices report directly to their next superior office in the hierarchy as well as receive, orders and instructions from the same. Coordinated tie-up among local government offices are by and large not cultivated since the existence of other offices may even be looked at times as a threat to one's survival or simply there is no compelling need for coordination. Organising these local offices to support and participate in local level planning is certainly one of the prerequisites of a successful local planning strategy.

The direction and purpose necessary in formulating and implementing local development plans necessarily requires an organisation that will take charge and coordinate the plans and implementation activities. Establishing local level planning apparatus, on the other hand, is not easy. A planning organisation at the local level by necessity requires a mandate and an authority to demand cooperation if the usual techniques of doing coordination through consultation is not effective. Hence it should have the permanence and the necessary logistics to do its job.

Aside from the organisational and institutional aspects of local level planning, another important factor to consider is a linkage of the local plan to both the horizontal and vertical areas of the government politico-administrative hierarchy. This linkage, among others, defines the explicit connection of a local plan to other plans i.e. local, regional and national, particularly on the points of priorities, policies and strategies. The vertical and horizontal linkage should have two dimensions: at a point of time and through time inter-temporally. This means that the linkage is not true only at present but also of the future.

The capacity of local level plans to achieve results greatly depends on removal of constraints to local level planning and implementation. Some of the constraints can be enumerated as follows:

- a) If national policies to decentralise the process of rural development were not undertaken, with political will, that could severally limit the achievements of local level planning, for instance in the form of budgetary difficulties, land-ownership structures that facilitates exploitation.
- b) The bureaucracies largely operate within law and order and control parameters rather than sharing of authority and responsibility with the rural poor. Thus even with the best of intentions, bureaucracies, with traditional orientation could hamper the process of local level planning.
- c) The lack of optimum methods of organising and institutionalising the participation of the rural people, particularly where rural communities are heterogeneous in nature and structure.
- d) The limited managerial skills of local people and organisations.
- e) The difficulty of matching local needs with nationally determined priorities and of relating that to available resources and budgets.
- f) The long established dependent attitudes of the rural population.

Additional problems may be mentioned relating to the effective operation of local level planning. It should be noted, however, that these problems are not true for all areas and this variability may in fact provide an solution to the problems of other local areas.

The Nature and Objectives of Local Level Planning :

Local level planning may mean differently to various people. However we can generalise the various concepts of local planning as either a comprehensive planning of the local subject area or as a partial

planning focusing attention to a specific section of the local area socio-economic system. Comprehensiveness, in the above sense, should not be taken as the inclusion of the entire sectoral spectrum in the plan but rather on the treatment of the socio-economic, political-cultural environment of the local area as a system to be analysed and considered in the process of planning.

Local level planning is also differentiated from other forms a planning by the major functions it has to perform. The major functions of local level planning can be stated as follows:

- a) To adjust general guidelines from higher levels in such a way that development programmes will emerge that is specifically for the area for which the level planning is made (top-down linking).
- b) To adjust programmes for lower levels in such a way that they meet the goals, objectives and resources indicated in the higher level plans. This adjustment must be done so that the lower level proposals are protected as much as possible (bottom-up linking).
- c) To integrate and coordinate the multitude of lower level (village, project and detailed programme) proposals into one consistent local level plan that is meeting the goals, objectives and targets from higher as well as lower levels, that can be implemented with the available resources and indicates the geographical location of the development activities (horizontal linking).

If the major functions of local-level planning are understood as mentioned above, its main activities should be the following:

- a) To collect all the plans under implementation or preparation by all agencies that are involved in planned development activities of relevance for the area.
- b) To collect all goals, objectives and targets indicated in higher and lower level plans;
- c) To indicate gaps with the existing or proposed pattern or development activities and identify new projects and programmes that have to be elaborated by the relevant agencies in order to reach the goals and objectives.
- d) To obtain information on the resources available in and allocated to the area.

- e) To obtain information on the results of previously planned development activities in the area and the reason for the success or failure.
- f) To integrate the above information into:
 - i) an overall analysis of the present situation;
 - ii) a general description of the desirable future situation on the basis of the accepted goals, objectives and targets;
 - iii) a coherent set of programmes of action that can be implemented with the available resources and had to the desired future situation.

The above functions and activities of local level planning may be noted to have a distinct techno-economic bias. Thus, the stress on the data and analysis, and on the management of economic activities. A more pragmatic idea, however considered local level planning as *sin quanon* for local participation in planning and implementation. Consequently, local level planning is visualised to perform the following role on the short term:

- a) To provide a tool to small groups, voluntary associations to identify their needs, ensure availability of resources and delineate the implementation procedure.
- b) To provide a framework for multi-sectoral activities to be carried out in the region (village, block) with local resources and matching grants from government.
- c) To educate groups and local bodies in local-level planning techniques.

and on the long term:

- a) To assist in the integration of local level plans (sectoral or regional) with National Plans.
- b) To promote the decentralisation of development administration and implementation procedure.
- c) To build-up data bank needed for comprehensive local-level and macro plans.

Similarly, local level planning in India needs to be directed towards (a) a clearer understanding of the felt needs of the people, (b)

ascertaining the area; physical and human resource potential, (c) identifying constraints of development, and (d) expansion of the people' s participation in planning and implementation.

Organisational Essentials of Planning at the Local Level.

One of the prerequisites of an effective planning at the local level is a full and sustained commitment on the part of the government. An indication of this commitment might be the presence of a locally based development planning organisations. This organisation does the planning and at the same time coordinates the implementation of development projects in the area. To be operational, however, this locally based planning organisation has to have a capable manpower and logistic support. Similarly, to be effective, it has to have a clear mandate to formulate the development plan of the area and its role and responsibilities clearly delineated vis-à-vis other government agencies.

2. Need for capacity building:

In our search for greater efficiency for setting and pursuing developmental goals, training of manpower becomes an important working tool. In the context of decentralised planning in particular, a well conceived capacitation programme assumes greater significance. There are certain subject areas: concepts, methods and techniques, institutional framework, general planning procedures, basic exercises and case studies, which may be deemed as the essential knowledge and skills that have to be disseminated catering to the target groups.

There is lack of trained personnel both in terms of numbers and adequacy of training. Training deficiencies are often noticed in the acquisition and mastering of necessary skills and techniques. The inclination of right approach towards planning also requires attention.

In order to further strengthen and make the process of decentralised planning more effective, it is necessary that a proper system of planning should be developed, analytical skills of the planning personnel sharpened and they should also be trained to assimilate and integrate seemingly different points of view, display responsiveness and cultivate a habit of exploring options. Decentralised planning is essentially a reflection of the belief that it is a step forward in the direction of bringing the planning process within the reach of the local people. Therefore considerable attention is to be given to developing a sustaining force which would help ensure operationalisation of decentralised planning process. A scientific and comprehensive decentralised planning process would require high degree of expertise. Therefore there is a need for creating a capable planning machinery at the local level.

1. AIM:

The module aims to enhance the planning and implementing capacity at the local level to strengthen the process of decentralised planning.

2. Target Group: Group A, B and C

Heads of the Deptts/Directorate and all Group A Officers, District and Sub-divisional Level Officers and Block Level Officials.

3. Duration of the Course :

1 WEEK (Five Working Days)

4. Training Objectives :

The course is designed to achieve the following objectives;

- A) To recognise and illustrate the importance and elements of decentralised planning.
- B) To encourage the development of skills and understanding of the fundamental principals, methodology and techniques of decentralised planning.
- C) To enhance the participants capacity to formulate district/sectoral / village plans.
- D) To sensitize participants to the particular role of people' s participation in decentralised planning.

ENABLING OBJECTIVES

A.1 Enabling Objectives :

At the end of the course, the trainees will be able to :

- A.1.1 Evaluate the importance and significances of decentralised planning
- A.1.2 Describe the concepts and objectives of decentralised planning
- A.1.3 Analyse the process of decentralised planning in India

A. 2 Enabling Objectives :

At the end of the training course, the trainees will be able to:

- A.2.1 Define the various approaches to decentralised planning
- A.2.2 Analyse the various stages in decentralised planning
- A.2.3 Describe and state the various methodologies used in decentralised planning
- A.2.4 Understand and apply the techniques used in decentralised planning

A.3 Enabling Objectives:

At the end of the training course, the trainees will be able to :

- A.3.1 State the various elements of planning
- A.3.2 Analyse the planning mechanism at the local level
- A.3.3 Prepare district/sectoral plans/village plans
- A.3.4 Understand the fundamentals of project management

A.4 Enabling Objectives

At the end of the course, the trainees will be able to :

- A.4.1 Understand the importance of people' s participation in decentralised planning
- A.4.2 Analyse the institutional apparatus for people' s participation
- A.4.3 Describe the various stages of peoples participation

	Enabling Objective - A.1	Content/ Sequence	Methods	Media	Performance Aid	Time	Trainer
Sr. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A1.1	Evaluate the importance of Decentralised Planning	<ul style="list-style-type: none"> - What is De-centralisation - Why decentralised planning is important - Various issues in De-centralised planning - Advantages of De-centralised planning 	Lecture with interaction during the sessions/Brain storming, discussion	White Board, O.H.P., Video Film	Hand Out & Background Reading Material	75 mts.	Internal/ External well versed in decentralised planning
A1.2	Describe the concepts and objectives of decentralised planning	<ol style="list-style-type: none"> 1) Types of De-Centralisation 2) Elements of De-centralised Planning 3) Objectives of De-centralised Planning 4) Strategies for De-centralised Planning 	Lecture with interaction during the sessions/discussion	White, Board, OHP	Hand Out and Background Reading Material	75mts.	Internal/ External well versed in decentralised planning

A1.3	Analyse the process of Decentralised Planning in India	<ul style="list-style-type: none"> - An overview of Decentralised planning in India - Recommendations of various Committees - Decentralised planning & five year plans - Recent initiatives for Decentralised planning 	Lecture interaction with the sessions during	White Board, OHP	Hand out & Background Reading Material	75 mts.	Internal/ External well versed in decentralised planning
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	Enabling Objective A.2	Content/Sequence	Methods	Media	Performance Aid	Time	Trainer
Sr. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A 2.1	Define the various approaches to decentralised planning	1) Top down/ bottom up approaches to decentralised planning 2) Multi-level planning 3) Decnetralised Planning Models	Lecture and Discussion	White Board, OHP	Hand Out & Reading Material	75 mts.	Internal/ External were versed in decentralised planning
A 2.2	Analyse the various stages of decentralised planning	1) Policy Framework 2) Identification of Problems 3) Creation & Management of data base 4) Resources generation & Budget allocation 5) Plan preparation with alternative strategies of development	- Discussion - Exercises - Film Show	White Board, OHP, Video Film	Hand Out & OHP, Video Film	75 mts.	Internal/ External

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A 2.3	Describe and state the various methodologies used in decentralised planning	<ol style="list-style-type: none"> 1) Identification of Projects 2) Project Work 3) Identification of Target Groups 4) Project Management 	<ul style="list-style-type: none"> - Lecture - Discussion 	White Board, OHP, Video Film	Hand Out & Check List	75 mts.	Internal/ External
A 2.4	Understand and apply the techniques used in decentralised planning	<ol style="list-style-type: none"> 1) Assessing and prioritising felt needs and problems 2) Participatory Rural Appraisal 3) Spatial Planning 4) GIS 5) Planning proposals for development plans 	<ul style="list-style-type: none"> - Discussion & - Exercise 	White Board, OHP & Flip Chart	Hand out & Check List	75 mts.	Internal/ External

	Enabling Objective A.3	Content/Sequence	Methods	Media	Performance Aid	Time	Trainer
Sr. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A 3.1	State the various elements of planning	1) Planning process at the state level 2) Planning process at the district level and below	Lecture & Discussion	White Board, OHP, Flip Charts	Hand Out & Background Reading Material	75 mts.	Internal/ External
A 3.2	Analyse the planning mechanism at the local level	1) Preparation of plans 2) Identification of resources 3) Village planning methodology	Discussion & Exercises	White Board, OHP, Flip Charts	Hand out & Check List	75 mts.	Internal/ External
A 3.3	Prepare district/Sectoral plans	Various stages and elements of district plan - 1) What is a plan 2) How it is to be prepared 3) Technical knowledge 4) Schemes/ programmes 5) Role of DPC	Discussion & Exercises	OHP, White Board, Video Films	Hand out & Check List	75 mts.	Internal/ External

A 3. 4	Understand the fundamentals of project management	<ol style="list-style-type: none"> 1) What is a project 2) Project approach to planning 3) Project planning cycle 4) Project appraisal 5) Monitoring and evaluation of projects 	Discussion & Exercises	OHP, White Board	Hand out & Background	75 mts.	Internal/ External
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	Enabling Objective A.4	Content/Sequence	Methods	Media	Performance Aid	Time	Trainer
Sr. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A 4.1	Understand the importance of peoples participation in decentralised planning	1) Importance of peoples participation 2) Participatory development 3) Techniques for participatory planning- YRA	Lecture & Film Show	Hand out & Background Reading Material	White Board, OHP & Video Film	75 mts.	Internal/ External
A 4.2	Analyse the Institutional apparatus for peoples participation	- Panchayati Raj Institutions - Gram Sabha Powers and Functions	Lecture & Discussion	Hand out & Background Reading Material	White Board & OHP	75 mts.	Internal/ External
A 4.3	Describe the various stages of peoples participation	- Decision making - Implementation - Participation in benefit sharing - Participation in evaluation	Lecture, Discussion & Exercise	Hand out & Check List	White Board & OHP	75 mts.	Internal/ External

COURSE ON DECENTRALISED PLANNING WORK SCHEDULE

Day	09.30-10.00 a.m.	10.00-11.30 a.m.	11.45-01.00 p.m.	02.00-03.15 p.m.	03.30-04.45 p.m.	04.45 p.m.
Monday	09.30-10.00 a.m.	Plenary Session - Welcome and Introduction	Decentralised Planning, Importance & Need	Decentralised Planning : Concepts and Objectives	Decentralised planning in India - Experience Sharing	Project Work
Tuesday	09.30-10.00 a.m.	Approaches to Decentralised Planning	Planning mechanism at the State, District and village level	Decentralised Planning - Methodologies & Techniques	Decentralised Planning - Methodologies & Techniques	Project Work
Wednesday	09.30-10.00 a.m.	Data and Information base for Decentralised Planning	Data Collection Methods & Tools	Plan Preparation : Steps and Guidelines	Field Visit	Project Work

Day	09.30-10.00 a.m.	10.00-11.30 a.m.	11.45-01.00 p.m.	02.00-03.15 p.m.	03.30-04.45 p.m.	04.45 p.m.
Thursday	Review	Understanding Village Planning - Methodologies & Techniques	Understanding Village Planning - Methodologies & Techniques	Project Planning and Management	Resource Mobilisation	Project Work
Friday	Review	Peoples Participation in Decentralised Planning	Panchayati Raj Institutions and Decentralised Planning	Presentation of Group Reports	Feed back & Evaluation	Valedictory

TEA BREAK : 11.30-11.45 a.m. & 03.15-03.30 p.m.
LUNCH BREAK : 01.00-02.00 p.m.

PROGRAMME CONTENT

Day One

09.30-10.00 a.m. Registration

Session I **Plenary Session : Welcome and Introduction**
10.00-11.30 a.m.

- Welcome and brief presentation by the Programme Director/Chairperson setting out the core objectives of the programme
- Introduction and Background Information
- Establish the key issues from the perspective of each participant (Expectations)

This session could also be used as a ice-breaking session. There are a number of standard ice-breaking exercises which could be used. Ice-breakers are exercises that help break inhibitions, shyness and facilitate interaction of group members with each other. They help create an atmosphere of friendliness, informality and mutual acceptance. The following exercise could be useful. These are only illustrative exercises and the facilitators could use or design any other exercise.

Exercise:

Me and My Environment

Objective :

To identify various forces (internal and external) acting upon an individual in a village.

Materials :

Chart paper, pen and tape or pins

Process :

1. Draw a figure with a person in the centre of a circle
2. Draw arrows pointing at the persons inside the circle as well as outside the circle
3. Discuss what these arrows represent to them and what can be done about it
4. How can they organise themselves?

11.30-11.45 a.m. Tea Break

Session II **Decentralised Planning : Importance and Need**
11.45-01.00 p.m.

- What is decentralisation
- Why decentralised planning is important
- What are the issues in decentralised planning
- Advantages and disadvantages of decentralised planning

A video film of 15 mts. duration introducing the theme may be useful followed by a brainstorming exercise. The participants could be asked to record the important points on a 'flip chart' . The facilitator will stick the 'flip charts' on the wall/panel board and work with the participants to cluster the issues into common themes which could be used for discussion.

01.00-02.00 p.m. Lunch Break

Session III **Decentralised Planning : Concepts and Objectives**
02.00-03.15 p.m.

- Decentralised planning; conceptual framework
- Elements of decentralised planning
- Types of decentralisation and their significance
- Objectives of decentralised planning
- Strategies for decentralised planning

The facilitator could make a brief presentation covering the above mentioned issues and then the session could be opened for discussion. It is important to ensure that a healthy interaction takes place and the facilitator acts more like a moderator. Conceptual clarity of decentralised planning is an important element of this session. Handouts could also be distributed to the participants.

03.15-03.30 p.m. Tea Break

SESSION IV

03.30-04.45 p.m. Decentralised Planning in India : Experience Sharing

- An overview of decentralised planning in India
- Usefulness of decentralised planning in developing country like India
- Brief presentation on the recommendations of various committees on decentralised planning
- Decentralised planning and five year plans
- Recent initiatives to strengthen the mechanism of decentralised planning (73rd Amendment Act)

It is important for the facilitator to understand that decentralised planning in India has not had the desired effect due to attitudinal problems. Therefore the facilitator may also discuss/highlight the concept of power sharing, attitude of the bureaucracy, importance of people' s participation in a democratic process.

After a brief presentation and discussion the participants could be asked to identify the bottlenecks in decentralised planning in India and the same could be discussed further. The facilitator should encourage a participative method of learning.

Session V Group/Project Work

04.45-05.30 p.m.

The participants be divided into various small groups and specific tasks can be assigned to them. The groups could be asked to identify the themes on which they would like to work on the next three days and present their group reports on Friday. In case they are not able to identify the themes, then the facilitator should list a set of themes and the groups could choose one of them.

While group formation, care should be taken to ensure that the group is a mixed one in terms of age, education, experience and position of the participants. The group may select a group leader who will have the role of group coordinator. Internal faculty members can be attached to groups as group facilitators. The groups can use brain storming and problem solving techniques.

Day Two

09.30-10.00 a.m. Review Session

Personal reflection of the previous day and recording of key learning points

Objective : To ensure that the participants have space to relate the previous days experience to their own needs and establish a record of their own learning (this is for participants only).

Facilitators will :

Invite the participants on an individual basis to reflect and write down their answer to the following :

Use this space to record :

- a) What do I know now:

- b) What else could I know

What are the most important learning points for you from the work you have done yesterday?

Session I **Approaches to Decentralised Planning**
10.00-11.30 a.m.

- Top down/Bottom up approach
- Trikkle down theory
- Local level planning
- Multi-level planning
- Decentralised planning models

The facilitator should make a brief presentation followed by discussion.

11.30-11.45 a.m. Tea Break

Session II **Planning Mechanism at the State/District and village level**
11.45-01.00 p.m.

- Structure of planning process in the state
- Structure of planning process at the district and block level
- Village planning; role of gram sabha
- Importance of District Planning Committees
- Integration of local plans with state plan

After a brief presentation the facilitator could ask the participants to prepare a flow chart of the planning process at various levels.

Session III **Decentralised Planning : Methodologies and Techniques**
02.00-03.15 p.m.

- Introduction to methodologies used in decentralised planning

- Planning methodology phases
- District Planning Methodologies
 - a) approach
 - b) strategy
 - c) content
 - d) structure, process of development
 - e) analysis : steps and tools
- Goals, objectives and targets
- Capacity to implement plans

03.15-03.30 p.m. Tea Break

Session IV **Decentralised Planning : Methodologies and**
03.30-04.45 p.m. **Techniques**

- Spatial planning
- Geographical information system
- Computer aided techniques

In this session some case studies can be discussed for a comparative analysis of the methodologies and techniques. A handout would prove to be useful to the participants.

04.45 p.m. Group Work

The groups will continue to work on the themes. The group facilitator will review the progress of the groups and help them in the process while ensuring that group dynamics is maintained.

Day Three

09.30-10.00 a.m. Review Session

The process followed on the second day will be repeated. The course facilitator should also get a feel of the progress being made. He should try to establish a personal rapport with the participants.

Session I 10.00-11.30 a.m. Data and Information base for Decentralised Planning

- Importance of data and information base
- Existing data base and organisations
- Types of data
- Sources of data
- Availability of data at various levels

11.30-11.45 a.m. Tea Break

Session II 11.45-01.00 p.m. Data Collection : Methods and Tools

- Secondary data
- Primary data
- Importance and types of survey
- Data collection and analysis
- Interview method
- Planning and conducting focus groups
- Sampling procedures
- Participatory rural appraisal

The facilitator should ask the participants to discuss the importance of data base and the various methods and tools used in data collection. The participants could be divided into small groups and they could be asked to identify the various sources of data being used by them and the method of collection of such data.

Role play exercises could help the participants to understand how to conduct interview.

Session III Plan Preparation : Steps and Guidelines
02.00-03.15 p.m.

- Importance and need of a plan
- Sectoral plans
- Special component plans
- Plans for the weaker sections
- Steps in preparing a plan
- Instructions and guidelines on plan preparation

After a brief presentation on the above mentioned topics/issues by the facilitator. The participants may be asked to follow the processes and guidelines to prepare a draft plan. The facilitator should guide them in this exercise. Before leaving for field visit the finer points of the same may be discussed. This will enhance the process of learning through field observations.

03.15-03.30 p.m. Tea Break

Session V Field Visit
03.30- 05.30 p.m.

Going out and looking at the problems is one of the simplest and best ways of understanding the problems and issues involved. It is better to walk around and see how things are being done.

A suitable/appropriate site may be selected for field visit which is located close to the place of training. While on field visit the participants should be told to :

- Prepare a reasonable persuasive rationals for your observation,
- Know what it is you are looking for,
- Observe what the process is,
- Investigate what skills are involved and what the apparent problems are,
- Find out the organisational structure involved
- Try to keep the activity informal
- Walk around and observe, ask a few questions if need be.

Group Work

The groups continue to work on the select themes under the guidance of the group facilitator. They should be encouraged to discuss/interact and identify the core issues.

Day Four

09.30-10.00 a.m. **Review Session**

The process followed on the second and third days may be repeated.

Session I 10.00-11.30 a.m. **Understanding Village Planning Methodologies and Techniques**

- Profile of a village
- Need for village development plans
- Basic premises of village development planning
- Methodology for village development plan
- Formulation of objectives
 - a) Poverty alleviation and employment generation
 - b) Community welfare
 - c) Infrastructure
 - d) Land use
 - e) Sustainability
 - f) Welfare of the weaker sections

Session II 11.30-01.00 p.m. **Understanding Village Planning Methodologies and Techniques**

- Data base
- Types of surveys
- Participatory techniques
- Institutions at the local level
- Gram Sabha role and responsibilities in planning process
- Success Stories

After a brief presentation the facilitator should proceed step by step in preparing a village plan. The participants should be involved in this exercise of village development plan.

This will help them to understand the concepts, methodologies and techniques much better.

Session III Project Planning and Management
02.00-03.15 p.m.

- What is a project
- Project approach to planning
- Project planning cycle
- Stages in project planning
- Project appraisal and sensitivity
- Monitoring and evaluation of projects

The facilitator should help the participants to understand the project planning cycle. The participants could be asked to identify a project and draw up the planning cycle accordingly.

03.15-03.30 p.m. Tea Break

Session IV Resource Mobilisation
03.30-04.45 p.m.

- Importance of resources for decentralised planning
- Current mechanism/organisational set up for resource mobilisation
- Resource generation and sharing
- Operational impediments and institutional problems in resource mobilisation
- Budget and its elements
- Optimum utilisation of resources

04.45 p.m. Group Work

The groups should be asked to firm up their group reports and the final group report for presentation should be prepared.

Day Five

09.30-10.00 a.m. **Review Session**

The programme facilitator should follow the same process as on the previous day

Session I 10.00-11.30 a.m. **People's Participation in Decentralised Planning**

- Concept of participatory development
- Importance of participation
- People' s participation in the planning process
- Participation of the weaker sections

11.30-11.45 a.m. Tea Break

Session II 11.45-01.00 p.m. **Panchayati Raj Institutions and Decentralised Planning**

- Brief history of Panchayati Raj Institutions
- Importance of 73rd Amendment Act
- Role of Panchayati Raj Institution in the planning process
- Role & responsibilities of Gram Sabha' s in the planning process
- Implementation of schemes/programmes by the panchayats
- Capacity building of PRI' s

The facilitator can show a film on Panchayati Raj and the theme could be discussed in detail apart from a brief presentation.

Session III Presentation of Group/Project Reports
02.00-03.15 p.m.

The groups will present their groups/project reports. The facilitators can comment on the merits/demerits of the groups reports. The group reports will also be a mechanism to evaluate as to what extent transfer of learning has taken place.

03.15-03.30 p.m. Tea Break

Session IV Feedback and Evaluation
03.30-04.45 p.m.

This is a very important session. Formal feedback may be taken. The participants will evaluate the programme through the standard evaluation proforma given to them.

Session V Valedictory Session
04.45-05.30 p.m.

This is a ceremonial session. Certificates of course completion takes place and the programme is formally closed.

Mode of Assessment

Assessment is an important component of any training programme. During the programme assessment will be carried out at different intervals as detailed below:

1. At the beginning of each day during the review session through formal and informal feedback.
2. The participants will be divided into groups and will prepare a group report on a theme and the same will be presented before a panel of facilitators, who would comment on the methodology, content and conclusions of the report. This will enable the facilitators and the participants to evaluate the extent of transfer of learning that has taken place.
3. At the end of the programme through a formal evaluation questionnaire.

SAMPLE EVALUATION PROFORMA

COURSE EVALUATION QUESTIONNAIRE

(To be filled-in by individual participants' at the end of the course)

(Note: Please fill in the items in the questionnaire. Your objectivity will help us to improve the future Course)

1. Name of the Institution:

2. Title of the Course and
Dates conducted:

3. Course Objectives:

4. Did you receive advance intimation from the Institution about the programme? If so, did you respond to the Institution?

YES

NO

5. What do you think about the structure and organisation of the Course to meet the objectives?

Very well Structured	Well Structured	Some-what Un-structured	Very Un-structured	Weighted Average
4	3	2	1	

6. How useful will this training be to you immediately in your job?

Very Useful	Quite Useful	Of limited use	Not at all Useful	Weighted Average
4	3	2	1	

7. How useful is this training likely to be for the future jobs you may handle?

Very useful	Quite useful	Of limited use	Not at all Useful	Weighted Average
4	3	2	1	

8. Practical orientation of the Course:

Highly Practical	Practically Oriented to a Great extent	Practically Oriented to a Limited extent	Not at all Practically Oriented	Weighted Average
4	3	2	1	

9. How far have you been benefited from interaction with the fellow participants during the Course?

Substantially	Considerably	Fairly	Not at all	Weighted Average
4	3	2	1	

10. How far was the Course material supplied relevant and related to the Course content?

Extremely Relevant	Considerably Relevant	Fairly relevant	Not at all relevant	Weighted Average
4	3	2	1	

11. To what extent are you satisfied with the following:
 (The Institution should delete the rows which are not applicable)

	Excellent	Very Good	Good	Fair	Weighted Average
	4	3	2	1	WA
a) Reception & Transport					
b) Residential Accommodation					
c) Food Quality And Service					
d) Class room Facilities					
e) Library Facilities					
f) Computer Facilities					
g) Interaction with The Faculty					

12. Assessment of training Faculty:
 (Kindly fill up the Table-I of Annexure-V)

13. Which parts of the Course did you find most helpful?

14. Which parts of the Course did you find least helpful?

15. Your overall impression of the Course:

Excellent	Very Good	Good	Fair	Weighted Average
4	3	2	1	

16. Did the Course give you any specific ideas about improvements in your working situation when you get back:

YES/NO

17. If yes, can you spell them out briefly?

18. Any other comments/observations you wish to make about the Course?

(Optional) Name:

Date:

Designation:

Place:

Organisation

HARYANA INSTITUTE OF PUBLIC ADMINISTRATION : GURGAON

**Assessment of the Faculty to be filled up by the participants (See Column No. 11 of the Annexure V)
(To be annexed with the participants' Course Evaluation Questionnaire)**

S r. N o.	Day & Date	Duration in Hours		Topic	Faculty name internal & external	Assessment				
						Exc. 4	Very Good 3	Good 2	Fair 1	weighted Average
1.	Monday									
2.	Tuesday									
3.	Wednesday									
4.	Thursday									
5.	Friday									

GUIDELINES FOR FACILITATORS

The purpose of this section is to enable the facilitators to understand the various techniques/approaches available to them. The topics brief will enable them to have an idea on a specific topic so as to enable them to focus more on the content. Not all topics are being covered in this section. This section is divided into two parts.

Part One : Creating conditions of learning

Part Two : Subject Brief

PART-1

CREATING CONDITIONS OF LEARNING

WHAT THE FACILITATOR MUST DO

Before beginning the training programme, the trainer should learn about the trainees. He should know who they are, their age, where do they come from and what work do they do. He will need to discover what the trainees can already do and what they know about decentralised planning.

Encouraging the trainees to talk about themselves and their background in the orientation period is very important. It helps the trainer discover more about the trainees but also allows the trainees to share and compare their experiences. From this the trainer will learn not only the background of each individual but also what the trainees expect from the programme. The trainer may find that some individuals are naturally more opinionated, and perhaps argumentative, than others. The trainer should not try to argue the point with such individuals, but having identified them, he will need to slowly change their opinions through the course of the programme by demonstration. The trainer should know exactly what areas the trainees are training in and he will need to make it clear exactly what the trainees will be expected to learn.

In a course on decentralised planning the trainer will need to arrange the means by which trainees can practice the skills they are expected to develop. It will be necessary to arrange training exercises wherein the trainees can learn to do what the learning objective describes. Trainees must be given repeated opportunities to practice the techniques used in decentralised planning.

The Conditions of Learning :

In order to facilitate the running of a training programme the trainer will need to carefully plan his teaching, practical arrangements and facilities. The trainer should encourage the trainees to discuss the various practices, which are carried out by him in the field. He should discuss them and praise those, which are useful. He will then need to demonstrate the benefit of the methods he is expecting them to learn and encourages the trainees, through practice and discussion, to adopt appropriate and new methods.

Trainees can learn tasks better if they are given the opportunity to practice them repeatedly. The trainer must therefore be skilled in this form of training. There are a number of steps, which may be followed by the training to make the programmes much more useful and effective. The following steps are important to be followed:

A. Selection of Trainers

The selections of trainers and resource persons should be based on the following criteria:

- Expertise in the subject matter
- Ability to apply the interactive methodology of the programme;
- Professional credibility and appropriate reputation among other practitioners.

Ideally, a panel of trainers should be primarily composed of practitioners from the relevant profession, accompanied by experts in the field of decentralised planning.

B. Briefing Trainers

It is important that trainers are adequately briefed on the following matters:

- Organisational aspects of the professional group to be trained;
- Categories and number of trainees participating in the programme;
- Particular issues of current concern in relation to the professional guidance to be trained.

C. Instruction for Trainers

Whatever their previous experience or level of expertise, the course trainees themselves should be carefully prepared for this particular assignment. As a measure of quality control it is recommended that written instructions, in addition to pre-course oral briefings is followed. The instructions should cover all points outlined below:

1. *What are the objectives of the course?*

- To recognise and illustrate the importance and elements of decentralised planning
- Encourage the development of skills and understanding of the fundamental principles, methodology and techniques of decentralised planning

- To enhance participant's capacity to formulate district/sectoral/ village plans.
- To sensitize participants to the particular people's participation in decentralised planning

2. *What is the course Methodology?*

A typical course session consists of a brief presentation by the resource person, followed by the application of a participatory training methodology. Plenary discussions are open to all and are led by the resource person delivering the session.

3. *What is expected of the trainer with regard to the course?*

Before the course:

- Study the materials sent in advance, with particular attention to the sessions to which you are formally assigned;
- Prepare very brief lecture notes, keeping in mind the time limitations set out in the course programme;
- Think about what practical recommendations you might make to the trainees, based upon your professional experience, to assist them in implementing various aspects of decentralised planning in their daily work;
- Use concrete examples like newspaper clippings, project evaluations and excerpts from reports to provide actual cases to illustrate your point. You can also select a hypothetical exercise from the materials or develop one of your own for each session, you are to present or for use in working groups;
- Use visual aids (overhead projector/black board/white board/flip chart) whenever possible;
- Ensure that any comments or recommendations made are consistent with the standards set out in the training materials;
- Encourage active group participation and discussion;
- Provide advice and comments on the training materials;

After the Course

- Participate in a final debriefing session with the rest of the training team;
- Review and revise your materials, on the basis of this experience.

D. Tips for Making Presentations

A few basic points are to be kept in mind:

- a) Make eye contact with participants;
- b) Encourage questions and discussion;
- c) Do not read from the notes - be conversational and natural, speaking in a forceful and animated voice. No matter how interesting the material, a monotone presentation will dash any hopes of engaging the audience attention;
- d) Watch the time-time your presentation before hand and keep a clock or watch in view while you are making it;
- e) Move around - do not present from your chair. When responding to a question, approach the person who asked it;
- f) Use visual aids, transparencies and charts should be simple, in point form and should not contain too much information. If you must provide detailed information to reinforce presentations, do so in a handout and review the basic points contained in the handout with the trainees. Provide participants with copies of visual aids for later study and review;
- g) Do not criticise - correct, explain and encourage;
- h) Have participant' s use the written materials provided. Materials, which are not opened during the course, are likely never to be opened.
- i) Facilitate the participation of individuals who tend not to speak up. Draw them out with direct questions and then acknowledge the value of their comments. Pay particular attention to ensuring equal participation from women members who may be accustomed to discriminations within their professional setting.

- j) Structure your presentation; the old basics are best in this regard : every presentation should have an introduction, a body, a conclusion and a summation of major points;
- k) Prepare in advance - know your subject. Follow these basic steps in preparing the session:
- Refer to the training materials provided and to the programme
 - Note the time available for the session
 - Prioritize the subject mater - be sure to core, the most important (must know) points;
 - Prepare your lesson plan;
 - Draft your speaking points (introduction, body, conclusion, summary of major points)
 - Select the exercise and questions to be used
 - Select or prepare your visual aids (handouts, overhead, transparencies etc.)
 - Practice your presentation until you can deliver it naturally and confidently and within the time limit.

Training Techniques

There are many techniques/approaches available to the facilitators. Twelve of them are set out below, together with some of their attendant advantages and disadvantages.

1. **Lecture**

A lecture is a structured talk, usually accompanied by visual aids, e.g. OHP films, flipchart, and slides.

Advantages: suitable for large audiences where participation is not required. It allows for the content and timing to be planned in detail in advance.

Disadvantages: a lively presentation style is needed, with regular changes of pace and media for successful delivery. Low levels of interaction and feedback may make it difficult to assess what has been communicated.

2. **Case Study**

A case study is a written examination/description of a situation, often based on real life, which encourages learning by analysing the case, defining the problem(s) and proposing solution(s).

Advantages: opportunities for analysis and individual or group discussion on key points of case and problem solving.

Disadvantages: may be difficult in a large group situation. May over-simplify the true complexity or political climate of a situation.

3. **Role-Play**

The enacting of roles in a 'safe' training environment.

Advantages: Face-to-face situations, if correctly set up, allow the participant to experience a full range of emotions. Enables rapid trainer and/or co-participant feedback/coaching plus the opportunity to try again.

Disadvantages: often need a lot of planning if they are to be realistic. If not managed properly they can lead to embarrassment for participants. The best ones are usually rehearsed rather than off-the-cuff.

4. **Role-Reversal**

The enactment of reversed roles by the learners in a simulation so that they can appreciate the other person's situation and/or feelings.

Advantages: usually face to face where it enables people to appreciate the other person's position.

Disadvantages: The same as role-plays.

5. **Films/Videotapes**

Lectures, dramatized case studies or mini plays.

Advantages: very visual and can use animation or humour to good effect. They can be stopped or wound back at any point for explanation or discussion.

Disadvantages: can be expensive to make, hire or buy. Do not rely on the title alone as a descriptor of the context. It must be watched in its entirety and any prompts etc. prepared in advance of the showing.

6. **Brain Storming**

Brain storming is a way of breaking out of a rut. If what you have been doing to solve a problem is not working, then you must change what you are doing in order to solve it.

Advantages: no critical judgement is allowed. Quantity not quality is the purpose. It is, good to build on to or use somebody else' s idea.

7. **Discussion**

The free exchange of opinions and information that can be open or controlled. An open discussion follows the members' priorities; a controlled discussion follows the prepared agenda of the leader/trainer.

Advantages: discussion can help promote group development or cohesion. It allows for the expression of ideas and the development or adjustment of opinions.

Disadvantages: the group' s dynamics may affect participation. Can be very time consuming, especially open discussion. Attitudes and opinions may harden and/or group processes may hinder.

8. **Coaching**

A process where a `coach' through discussion helps a colleague to learn to solve a problem or complete a task.

Advantages: the coach may not be the trainee' s manager. It may be any two individuals, one of whom is experienced in the subject matter and one who is wishing to learn. It can often employ a problem-solving or specific task-oriented approach. It is quick and easy to set up and can be used to develop both individuals.

Disadvantages: coaching demands high levels of interpersonal skills. Some people find it very difficult to coach and adopt a directive style that can affect the outcome. Results usually take some time to achieve.

9. **Action Learning**

Groups of individuals, often from different functions, come together to work on a real business problem. A 'set adviser' facilitates each group.

Advantages: it is action based and focuses on achieving immediate results. Double benefit of solving the business problem whilst developing staff within the organization.

Disadvantages: the group dynamics and processes may affect the output. It needs a very trusting environment to generate high quality solutions to problems. It must be structured and the group must meet very regularly, which their management may resist.

10. **Open of Flexible Learning**

A generic term which refers to a range of approaches where the learner has some choice over the pace and time of learning. Typical materials include workbooks, audio, video or computer-based training employing CD-ROM, interactive video or software packages. The learning package may include one or more of these tools to assist the learner. There are an increasing number of off-the-shelf packages or the material may be produced to meet specific learning needs.

Advantages: opportunity to train staff at a variety of location and even at their desk. Good for targeted training and can be significantly cheaper than conventional course-based training if a significant number of people in the organization require the same training.

Disadvantages: initial set-up costs can be high and some tutoring may be necessary to encourage and assist the trainee, particularly in the early stages of learning.

11. **On-the-Job Training ('Sitting with Nellie')**

The trainee sits with an expert (Nellie) and is shown how to perform the basic tasks associated with the job. The training comprises a mixture of direction and coaching and the trainee calls upon 'Nellie' for help whenever an apparently insoluble problem is encountered.

12. **Handouts and Other Written Material**

Supplementary materials are a speedy and efficient way to communicate factual information. They enhance the oral explanations by providing carefully worded examples and illustrations. They are also a means for bringing in outside sources such as quotes and charts. Use handouts only to make a point or get across information that you can not explain better another way.

Here are some tips for using written materials:

- If you pass out materials in the class give trainees time to read them. Don' t talk until they have finished.
- Discuss the material or relate it immediately to the topic at hand
- Explain the materials before you hand them out or after - but never explain while you are distributing them.

13. **Project Sessions**

In a training programme learning must come from the learner and the trainee must connect the known with the new. Project Sessions are, perhaps, the most effective way to bring these two education principles together. They ask the learner to use new skills. But because they offer hands-on-experience, they also draw on the learner's established abilities and help build both skills and knowledge bridges to new learning.

To create effective project sessions, the following tips may be followed:

1. Make the project a task the learner will have to perform on the job. If this is not possible, develop one that is as close to the real situation as possible.
2. Set up the project so that the trainees can practice as many new skills or processes as possible. If necessary include skills or processes you have not taught yet, but only if they are closely related to those you have taught. In other words, the

project can challenge them to do more than practice what you have taught if such steps are a logical outgrowth of what they have already learned.

3. Make the project challenging, but not impossible. Projects that are too easy are boring; ones that are too difficult are disheartening and demotivating.
4. Allow time for work on the project during your course session, if only for initial planning.

Project sessions are excellent vehicles for group activity. They can be effective as individual assignments as well, so alternate the two for best results. Be prepared to give considerable feedback.

PART II SUBJECT BRIEF

I. Decentralised Planning : Concept & Objectives

1. Purpose of the Session :

Each participant should understand the concept and objectives of decentralised planning so that he can appreciate the rationales behind adopting decentralised planning.

2. Subject Brief:

Decentralised planning can be defined as planning at different levels or a 'multilevel' planning. In other words decentralised planning is a system through which planning is attempted at different administrative and executive levels so that there is greater interaction between the developmental need and priorities of smaller areas (Micro regions) and different social classes with the sub-national and national levels, development policies and goals. Decentralised planning is neither a substitute to centralised planning nor an exclusive bottom-up process of planning. It is in fact a two-way process which begins both at the top level (national and macro level) as well as at the bottom-level (local level) and merges with other at a point below which centralised planning becomes irrelevant and above which micro-planning becomes meaningless.

The objective of this paper is to examine the scope and effectiveness of decentralisation of planning and administration. The paper assumes that decentralisation can be conducive to more effective coordination and consistency, greater access to governmental services, increased involvement of the people in development planning, more effective delivery of public services for meeting basic human needs and increased accountability of governmental agencies.

Need for Decentralisation

The growing interest in decentralised planning and administration is attributable not only to the disillusionment with the results of central planning and the shift of emphasis to growth-with-equity policies but also to the realisation that development is a complex and uncertain process that cannot be easily planned and controlled from the centre. Decentralisation is often justified as a way of managing national economic development more effectively and efficiently. But it is obvious that governments that have tried to decentralise during the 1950' s and 1960' s have not always had effectiveness and efficiency as their primary

goals. They have rarely embarked on a course of decentralisation primarily for economic reasons. Indeed, the economic impacts of decentralisation have not usually been calculated before hand. Thus recent experiments with decentralisation cannot be assessed entirely by economic criteria.

In many countries decentralisation is pursued in reaction to technical failure of comprehensive national development planning or the weak impact of multi-sectoral, macro-economic development programming. Neither of these have significantly increased the ability of Central Government to formulate, articulate and implement national development policies.

Objectives of Decentralisation

Decentralisation is often seen as a way of increasing the ability of Central Government officials (bureaucracy) to obtain better and less suspect information about local and regional conditions, to plan local policies more responsively, and to react more quickly to unanticipated problems that inevitably arise during implementation. In theory decentralisation should allow projects to be completed sooner by giving local managers greater discretion in decision-making so as to enable them to cut through the 'red tape' and the ponderous procedures often associated with the over-centralised administration.

In some countries decentralisation is seen as a way of mobilising support for national development policies by making them better known at the local level. Local governments or administrative units, it is assumed, can be effective channels of communication between the national government and local communities. Greater participation in development planning and management supposedly promotes national unity by giving people, in different regions in a country, a greater ability to participate in planning and decision-making and thus increases their share in maintaining political stability. Greater equity in the allocation of resources for investment is presumed more likely when representatives of the weaker sections of the society participate in development decision-making.

Moreover, decentralisation is an ideological principle associated with objectives of self-reliance, democratic decision-making, popular participation in government and accountability of public officials to the people. As such it has been pursued as a desirable political objective in itself. Although developing country governments have offered a wide range of justification for decentralising, the results have been mixed. Third world governments have faced myriad problems in designing and implementing programmes for decentralised development administration. Even where the programmes have been relatively successful, not all of

the anticipated benefits have accrued to either central or local administrative units. Ultimately decentralisation is a political decision and its implementation a reflection of a country' s political process.

Assessing decentralisation at its face value - that is, by the degree to which power and responsibility for planning and managing development activities have actually been transferred from central agencies to other organisations - would lead to pessimistic conclusions. For example, in India, despite the attempts to decentralise development planning and administration, the system remains highly centralised even today. The quasi public institutions have actually expanded the power and control of the Central Government at the expense of the local governments were centrally created but not linked to established local organisation and sources of political and financial support. As noted, authority is commonly delegated to local governments, but they are not given the resources to perform their new functions. Therefore, local governments still function as bureaucratic instruments of the centre rather than as generators of alternative values, preference and aspirations.

Forms of Decentralisation

Different forms of decentralisation can be distinguished primarily by the extent to which authority to plan, decide and manage is transferred from the Central Government to other organisations and the amount of autonomy the decentralised organisations achieved in carrying out their tasks. Consideration of local government as an instrument of decentralised development is a study of continuing tension between alternative conceptions, ideas and definitions, because these are determined by alternative images in the mind of the observer. These tensions and subsequent confusions underline concepts of decentralised development, but they are always important in understanding local government. It is fairly obvious, but not always made explicit, that local government encompasses a wide variety of structures, roles and behaviours, a factor that takes on more significance, when it is linked with the concept of decentralisation.

3. Discussion Questions :

A brain storming session can be held on the advantages and disadvantages of decentralised planning.

II. District Planning

1. Purpose of the Session :

Each participant should be able to evaluate the importance of district planning.

2. Subject Brief :

District Planning in the context of 73rd Amendment Act can be viewed as a co-ordinating process of local or micro-spaces. It has to derive inspiration and support from local communities of the district and it has to work to strengthen them and, thus, to strengthen the national unity.

The major thrust of District plan, therefore, must be to create conditions for generating micro-level development initiatives. It should attempt to unite the people for common causes, build their confidence, build integrated self-managing micro-societies and promote self-reliance. Success of a district plan should be seen in the degree of local initiative rather than in action from above.

District planning should no longer be a local replica of national planning. In fact it should try to fill those gaps which national planning leaves unfilled. While national planning has to be based on abstraction of field level realities, the district planning has to be fully aware of these realities. While the macro-level national planning sees the forests, the district planning must see the trees. The task of district planning has to be complementary and supplementary to macro-level national planning. It is the task of enabling the people to take responsibilities of development on their own shoulders. In other words, the main task of district planning in development from within :

3. Discussion Questions:

State the major thrust of district planning?

III. District Planning Methodology

1. Purpose of the Session :

Each participant should be able to explain the various planning methodologies being used in district planning.

2. Subject Brief :

Considerable literature has accumulated on the methodology to be adopted for district level planning. As far back as 1969 Planning Commission had issued very detailed guidelines to the states and through them to the Districts indicating how the plans should be prepared. Later in 1982, Planning Commission set-up a working Group to review the progress of District Planning and to suggest further action required to be taken. This group gave its Report in 1984. In respect of the guidelines issues in 1969, the Group came to a conclusion that they were much too detailed and needed simplification. Accordingly new guidelines were incorporated. The report of the working group on district Planning has become the basic literature guiding the district planners. Here and there, states have brought about improvements and adjustments and the planning commission also has issued supplementary instructions from time to time but, by a large, methodology enunciated in the report has remained the backbone of District Level Planning. The group visualised the planning methodology in four distinct phases:

- 1) the pre-planning phase
- 2) the planning phase
- 3) the implementation phase
- 4) the monitoring and evaluation phase.

Stages in District Level Planning:

In a very general way the following would be the stages in the preparation of district plans.

I. Pre-requisite - State Level Action

- a) Indication to a district of the likely availability of resources or at least the likely increase in percentage terms over the previous years allocation.
- b) National and state level objectives to be kept in mind.
- c) Certain specific programmes which would have to be maintained.

III. District Level :

- a) Meeting of district level officers to discuss state-instructions and work out a road programme for action. Similar meetings are indicated to be held at the Block levels.
- b) Preparation of sectoral profiles based on data showing development and gaps. Data is analysed, achievements and progress reviewed and the strengths and weaknesses of existing approaches are identified.
- c) Preparatory proposals are worked out. Keeping in mind sectoral priorities and these may also be consultation with local level elected representatives.
- d) Programmes having a bearing on other sectors are discussed in meetings whose departmental views are reconciled.
- e) After the sectoral views are firmed up plan, proposals indicating schemes, priorities, locations, benefits, expenditure requirements, phasing, etc are made over to the care planning personnel.
- f) Planning people scrutinise the proposals in the light of National, State policies as well as the feasibility of schemes.
- g) The District Planning Committee (DPC) discusses the plan proposals and consolidate the plan proposals.
- h) A Draft District Plan is prepared and submitted to the state for consideration.

Planning methodologies have to be understood only as a integral component of state policy. No planning methodology can be deemed state or perfect for all time. A District Planning methodology should also be concerned with the following:

- a) Approach
- b) Strategy
- c) Content
- d) Structure, process stage of development
- e) Analysis : steps & tools

In the case of District Planning the term methodology is applicable in the following substantive contexts :

1. For preparing the resource inventory of the district.
2. For identifying the lead sectors and strategies for planning
3. For assessing the needs of the people and in preparing a prioritized statement of needs
4. For formulating projects
5. For assessing the intra-areal disparities in development and allocating resources
6. For the appraisal of the ongoing and new projects
7. For monitoring the progress of projects and plan performance.

Seen on a macro-scale, there are three tiers in planning at the district level:

1. District
2. Block
3. Village Panchayat

There are specific functions to be performed at each of these levels. One should be fairly clear about the purpose and functions of planning at the local one is set to plan-otherwise, there is every chance of a plan becoming a dysfunctional and overlapping exercise.

A district development plan should :

1. Provide for an over-all district development design or framework within which block and sub-block plans could be prepared.
2. Set the goals and objectives including the targets which the blocks must achieve
3. Set the limits of the external assistance within which block plans and village plans are to be prepared.
4. Give details of projects and schemes which have to be implemented by district level development authorities.
5. Give details of the programmes and project which are to be implemented at the block-level, but can be planned only at the district level because of their implications for more than one block.

Now, it has to be noted that the goals, objectives and targets to be set at the district level have to conform to three conditions :

- 1) goals, objectives and targets set at the state level.
- 2) Capacity to implement the district plans, and capabilities of the blocks and villages to achieve the objectives and targets set at the district level.

Moreover the contents and focus of the district development plan would therefore be determined by

- 1) the development policies of the state/nation
- 2) the local resources - physical, human and fiscal, and their development potentialities, and
- 3) special problems, if any, of the district such as poverty, ecological imbalances, high rate of unemployment, low productivity etc.

3. Discussion Questions

Explain the stages of district planning? Identify the stages with the planning process being adopted in your district.

IV. Project Planning & Management

1. Purpose of the Session:

Each participant must be aware of the importance of project planning and its management and also the various stages involved in project planning.

2. Subject Brief :

Project planning is a tool by which the local level functionaries can identify good projects. It is a mechanism that can enable them to make sound investment decisions. It provided planners at local levels with a methodology of comparing and presenting costs and benefits of alternative project proposals, and assists them in deciding which of the alternatives is the best one.

Project planning is a part of the larger planning process, and not independent of it. It is important to recognise the inseparability of project planning from the overall planning process, as at times an impression is sought to be created that the search for projects can begin only when a 'plan' has been prepared, while at other times it is argued that the plan should be finalised only after projects have been identified and selected.

Project planning itself has a cycle of its involving several sequential and iterative steps. The following seven steps have been identified to constitute the project planning cycle:

1. Project identification and appraisal
2. Prefeasibility studies
3. Feasibility studies
4. Detailed design
5. Project implementation
6. Operation and maintenance
7. Monitoring and evaluation

The project planning and management cycle can be illustrated as follows:

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1. The local level functionaries will not find this sequence any different from the one that is used for planning of relatively large scale development projects. All projects large or small, regional or local have to traverse the entire sequence, although the degree of detail as well as the rigor with which the various stages in the sequence may be dealt with may vary. Following this sequence helps planners in making better decision.
2. Exercise : What is project planning? Illustrate the various stages of the project planning and management cycle?
3. **Discussion Questions :**

On the basis of the project planning and management cycle, try to illustrate the planning process in your area.

V. Monitoring and Evaluation

1. Purpose of the Session:

Each participant should be aware of the methods by which local communities can monitor and evaluate the on going projects.

2. Subject Brief :

Decentralised management of planning process also implies that effective arrangements should be made to assess the progress of implementation and to take timely decisions to ensure that progress is maintained according to schedule. Monitoring assesses overall project effects, both intentional and unintentional, and their impact. Monitoring is linked to improved management efficiency therefore it must be integrated with the project management structure. The performance of the monitoring function at either the intermediate or levels of planning would be the responsibility of the respective planning teams recommended for these levels which can quickly collate, summarise and present the information to decision makers.

Monitoring and evaluation should not only be restricted to discovering the impact, effects and benefits of particular projects. While this is important, it is necessary in the context of decentralised planning or multilevel planning to broaden the perspective of evaluation by inquiring into the impact of decentralised planning on the whole in brining about social and economic change in the area, and particularly as to whether the processes of development have percolated evenly across rural areas.

3. Discussion Question :

Why monitoring of projects is important?

VI. Spatial Planning

1. Purpose of the Session :

Each participant should be able to understand the concept of spatial planning out its application.

2. Subject Brief :

Spatial planning is the sum total of the concepts, approaches, methods and techniques of evolving a desired spatial organisation and structure. It is often used co-terminus with regional planning. Theoretically speaking, the concept of space are more dynamic and open than the concepts of region. Space cuts across regional boundaries. It is a process which is continuous, temporally, vertically and horizontally. In practical terms, integrated regional planning can be considered to be an important dimension of spatial planning.

Spatial planning is an exercise to determine the allocation of sectoral resources in places and areas in a way that :

- a) Sectoral investments give highest social and economic returns and maximum support to each other.
- b) Productive activities and social facilities are available to all those who need and deserve.
- c) Differences incomes and welfare among the people and areas are reduced, if not eliminated, and
- d) A spatial structure conducive to planned development of the country or region is evolved.

It may be recalled that spatial organisations and structure of human activities are determined by the nodes through the networks. The efficiency of the spatial structures depends upon the location and density pattern of the nodes, the shapes and density of the networks, and the quantity, quality and direction of the flows. The task of spatial planning is to analyse the spatial structures, evaluate the efficiency against he needs of the national and regional economies, and to generate structural changes to meet the objectives of planned development.

One of the important tasks of spatial planning is to integrate the spatially dual economies through successive locational decisions leading to the development of a spatially balanced social and economic

structure. The second task is to identify the economic activities, given the local, regional and national resources - physical, human and financial - and needs which can be located at various places selected to help fill the gaps in the settlement hierarchy and generate greater flow of goods and service among the places. Thirdly, spatial planning attempts to evolve a system of transportation and communication network which facilitates the expected flow. And finally, spatial planning specifies the institutional infrastructure including administrative and planning which can effectively implement the spatial plan.

3. Discussion Question:

What is spatial planning? Examine its main tasks?

VII. Data Collection

1. Purpose of the Session :

Each participant should get an idea about the type and nature of data that is need for decentralised planning.

2. Subject Brief :

Data forms the backbone in the planning process. Only data can provide the necessary base and reliability to local planners. Without data, these will always be an element of uncertainty and doubt in the minds of planners as to whether their assessment of the situation is right. These are two points concerning data collection that should be taken note of. First, data collection is not a neutral exercise it is closely related to the objectives one had in mind. In this sense, it is distinct from a statistical handbook. Thus, it is hardly useful for local level planners to collect all kinds of information. It is important to recognise this because in many cases either there is too much information or too little of it more often it is irrelevant to the aims in mind. This situation has to be avoided by making a careful selection of data that may be considered relevant.

The second point to be noted is that qualitative data are almost as reliable as quantitative data. For identification of local level projects two types of data would be necessary to be collected. The first type would consist of data that are external to the local areas, which would help planners in understanding the general development climate, including development priorities and strategies.

The second type would comprise all data internal to the area concerned. This should enable planners to fully comprehend the development problems as well as enable them to identify development possibilities and potentialities of the area concerned. Although data of the first type can be obtained by reviewing and examining the national/regional policies, plans and programmes, surveys at these levels will need to be conducted for generating data useful for project identification. These levels are :

1. Households
2. Villages/towns/settlements
3. Development institutions

Household Survey

The purpose of household survey is to obtain a clear understanding of the needs, aspirations and capabilities of the people. These surveys are designed to generate information on the standards of living of the people in the community : their income levels, employment structure, holdings and assets, access to services and facilities and their social status. These surveys can provide useful information as to who does what in the community, and why have certain sections of the population been left out of the mainstream of development? Are there any social and cultural barriers affecting their development? Are the various services and facilities adequate? Etc. Household surveys are also reliable for assessing the value systems of the people and the kind of development style they would prefer to have.

Exercise : Explain the purpose of a household survey?

Village Survey

The object of village level surveys is to generate data on resources (land, water, fisheries and animal stock), their present levels of utilisation, the availability of and accessibility to economic services (markets, banks, storage facilities and nurseries), social facilities (health, education, family planning) and infrastructure (road culverts, bridges, canals, irrigation channels, tube wells etc.). They are resource surveys at the village level.

Survey of Development Institutions

A survey of institutions such as the various types of organisations for specific groups (women, youth, weavers, fisher men, landless, agriculturals etc.) can give planners useful data on what their development priorities are, how each group perceives its problems, as well as how these problems can be effectively tackled.

Project ideas are generated through such surveys. The entire exercise requires considerable skill in conducting surveys, analysing data, and compiling them for the use of planners.

3. Discussion Question :

Discuss the importance of data collection and various types of survey? Do you follow these methods to collect data.

VIII. People' s Participation

1. Purpose of the Session :

Each participant should be able to appreciate the significance of people' s participation in decentralised planning at various stages.

2. Subject Brief :

Decentralised planning can be successful only when popular participation is pursued both as an end and as a means. As an end, it is an end, it is inevitable extension of the national effort and commitment to bring the rural masses into the mainstream of development process. As a means, popular participation should subserve the objectives of all components and aspects of development enabling the people to shoulder responsibilities and to command their own resources.

Generally speaking there are three basic approaches or concepts of popular participation. They are mobilisation, mediation and self-management. The approach largely followed in developing countries including India is the mediation approach. In this approach people' s institutions are established with statutory backing and elected representatives who manage these institutions are responsible for decision making. The technical, financial and other logistic support is provided through the administrative infrastructure.

Literate on people' s participation in the development process have identified the following four kinds of participation as ones that warrant major concerns:

- a) Participation in decision making
- b) Participation in implementation
- c) Participation in benefit sharing
- d) Participation in evaluation

These four kinds of participations are said to constitute something of a cycle for rural development activity. People' s participation in development planning at the local level needs a institutional mechanism. In India Panchayati Raj Institutions have been created for this purpose. Even though Panchayati Raj Institutions wee in existence since 1959, these institutions have not acquired the status and dignity of people' s representative bodies to generate momentum through

active participation of the people in the development process due to a variety of reasons. These include mainly insufficient devolution of powers, lack of financial resources and clear cut identification of development schemes appropriate different tiers of the Panchayati Raj Institutions. These power including the preparation of development plans and their implementation are highly centralised. The Constitutional Amendment Act, 1992 provides for the first time democratic decentralisation of the planning process. It provides the constitution of elected bodies for rural development at different levels of the decentralised structure of the planning process by conducting elections regularly with due representation to SC & ST and women in the elected bodies. These bodies have been vested with powers to raise resources locally and to provide funds. Central allocation for special programmes such as Poverty Alleviation, Employment Generation etc are allocated directly to the Zila Parishad at the District level. In all 29 functions relating to rural development are entrusted to the Panchayati Raj bodies under the Eleventh schedule. The states may by law empower such of the area levels to the local bodies as are found necessary to prepare economic development plans with social justice and implement the schemes including those listed in the eleventh schedule. A District Planning Committee is proposed to be constituted to consolidate the plans prepared by the local bodies in the District and to prepare the overall District plan.

3. Discussion Question :

Discuss the importance of Panchayati Raj Institutions and also the salient features of the Panchayati Raj Act of your state.

IX. Participatory Rural Appraisal

1. Purpose of the Session :

Each participant should be able to appreciate Participatory Rural Appraisal as a methodology for interacting with the rural people.

2. Subject Brief :

Participatory Rural Appraisal (PRA) is a methodology for interacting with villagers, understanding them and learning from them. It involves a set of principles a process of communication and a menu of methods for seeking villager' s participation in putting forward their points of view about any issue and enabling them do their own analysis with a view to make use of such learning. It initiates a participatory process and sustains it.

PRA is a means of collecting different kinds of data, identifying and mobilising intended groups and evoking their participation and also opening ways in which intended groups can participate in decision making, project design, execution and monitoring. It provides an alternative framework for data collection and analysis. Because of its participatory nature, it is an useful methodology to focus attention on people, their livelihoods and their inter relationship with socio-economic and ecological factors.

PRA constitutes a process of involvement with rural people for indigenous knowledge - building exercises. It is a way of learning from and with villagers to investigate, analyse and evaluate constraints and opportunities. PRA is sometimes known as Participatory Rapid Appraisal when the emphasis is on both participatory and rapid. The emphasis on `rapid' however, is move in terms of data collection and less in terms of the process of development or even implementation of plans. Other names are also used for describing PRA, some of which are Participatory Rapid Rural Appraisal (PRRA) and Participatory Learning Method (PALM).

PRA can be of different kinds namely (a) exploratory (b) topical (c) deductive (d) research training and statistics (e) planning and implementation and (f) monitoring and evaluation.

3. Discussion Question :

Why is PRA important In decentralised planning?

X. Resource Mobilisation

1. Purpose of the Sessions

Each participant should be aware of the process of resource mobilisation and also the constitutional provisions for it.

2. Subject Brief :

In most countries the central government has the power to raise resources for exceeding any other tier of government. Whereas in a unitary system the entire resources are mobilized by the central government and then funds are made to devolve down to lower tiers, in a federal structure, all territorial tiers are invested with powers, to raise resources but these powers at exaction diminishes as we move down the various tiers of government. Irrespective of the form of government, it is inescapable that resources must devolve to all lower tiers of planning which are engaged in planning.

Every planning tier which is called upon to discharge particular functions must be armed with financial capacity to do so and hence allocation of financial resources required to perform those functions efficiently, has to be made. In the context of multi-level planning this implies that the funds required for the implementation of the projects in the various planning tiers are to directly devolve to the relative tier, responsible for planning at that territorial level, which implies that the establishment of appropriate financial disaggregation procedures, of suitable budgeting methods and re-appropriation procedures ought to have high priority.

Financial decentralisation includes disaggregation of financial resources from the central level to the sub-national levels, between the various planning tiers which are made responsible for planning, at various levels, and in doing it must be borne in mind that in sub-national allocation of resources weightages must be given to regional disparities, imbalances in development and other features of backwardness. The transfer of resources from higher territorial tiers to lower ones ought to be based on set principles which would sub serve the plan objectives of the country.

For a successful decentralisation exercise, local community must be encouraged to generate a portion of the required resources locally, for at least two reasons : one it would imbibe in the local population a sense of participation among the people, and two, motivate

the masses to achieve self reliance at least partially.

The 73rd Constitutional Amendment provides for a mechanism of resource mobilization from the view point of the finance, three areas are of relevance: Article 243, Section H indicates the powers to impose taxes and also the funds of the PRI's. Section (I) of the same article requires the Constitution of a Finance Commission to review the financial position of the PRI's. Another section to be considered is (G) of the same Article which is the 11th Schedule which lists the functions to be performed by the PRI's.

For the local bodies to satisfactorily perform the functions that are assigned they will have to have matching powers to raise funds or matching access to funds raised by the state government. Ideally speaking, the local bodies should have adequate powers to raise matching resources of their own.

The Finance Commission for each state is to review the financial position to the local bodies and to make recommendations to the Governor as to –

- a) the principle which should govern:
 - i) the distribution between the state and panchayats of the nets proceeds of the taxes, duties, tolls and fees leviable by the state, which may be divided between them under this part and the allocation between the panchayats at all levels of their respective shares of such proceeds;
 - ii) the determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the panchayats;
 - iii) grants-in-aid to the panchayats from the consolidated funds of the state;
- b) any other matter referred to the Finance Commission by the Governor in the interest of sound finance of the panchayats.

The emergence of State Finance Commission is a landmark in the efforts to strengthen the third layer of the government at the sub-state level. The State Finance Commission should integrate both plan and non-plan expenditure in the process of resource transference to local bodies. This would strengthen the role of the state Finance Commission. This also implies that a proper methodological framework is necessary for making the transference process transparent and simple in view of the weak resource/tax base of local bodies.

DECENTRALIZATION

Context and Concept

- K.V.Sundaram

Decentralization has been a subject of intensive debate since the 1970's, when the orientation and structure of development planning changed from growth to redistribution with growth, with the accompanying objectives of increasing the productivity and incomes of all segments of society, providing the basic minimum needs to the population, raising the living standards of the poor and ensuring sustainable development of earth's natural resources. According to Prof. Lakdawala, "The logic of decentralization is so powerful that it has been almost universally accepted. It is now a well-organized doctrine that since local resources are to be harnessed, local needs to be consulted, and local knowledge is needed, a large degree of decentralization is essential for the success of developmental efforts. This is especially so for those developmental efforts which aim at transforming the lives of the people or where the masses are involved".¹

Many governments in the Third World countries have increasingly adopted decentralization policies and programmes in recent times particularly during the last decade². These have been informed by varying degrees and methods of public participation. These experiments have been diverse.

Shifts in the Context of Decentralization

Decentralization, like development, has been shifting its emphases in the Third World Countries during the last four decades.² These shifts in emphases are, by and large, linked with the contexts in which they figured as a public policy. At least four major shifts are discernible.

First, the period from the mid - 1950s to the early 1960s was a time which was characterised by the establishment or strengthening of local governments in a number of countries. Many leading ideas on local governments emerged during this period. The seminal writings of Hicks³ and Maddick⁴ exemplify this trend. They dwell at length on the advantages and disadvantages of decentralized systems of government, the various forms which they may take and their organization and management. The second marks the period from the early 1970s to early 1980s, when many nation-states in Asia and Africa

attained independence and were consolidating their power and authority. At this stage, the emphasis shifted to the role of decentralization as a means of national development and for achieving a variety of development objectives, ranging from popular participation to better management of rural development and maintenance of national unity. This period also marks the Third Development Decade of the UN, when the meaning of development came to be questioned and ideas of growth with equity of redistribution emerged, along with rural development programmes emphasizing poverty alleviation, basic needs, employment and quality of life. These trends increased the complexities of planning and administration of the multitude of central government departments and specialized agencies that had to take on considerably added functions to bolster and manage the new programmes with their thrust on specific areas and target groups. Now planning and development administration had to be organized through various layers of territorial space, extending from the centre through the state/region, district, sub-district, field units of central ministries, local government and para-statal bodies. Also, such planning and development had to be rendered increasingly relevant and specific to the requirements of the respective areas/administrative units and the people for whom the development benefits were intended. This led to the idea of the two-way process in planning- top-down and bottom-up or multi-level planning,⁵ which came to be recognized as crucial for orderly planning and development for any country. In this context, decentralization acquired its in-depth meanings as a tool to bring about functional, financial and administrative decentralisation to the various area levels, with people' s participation providing a critical and meaningful input. This marks the third stage. By any standards of evaluation, this third stage in the decentralization concept is the most significant and has placed development administration and management in its true context of function - sharing and capacity-building for territorial management and development administration. During this stage of evaluation of the concept, the imperative for decentralization has been interpreted as stemming from three converging forces :

- i) Disillusionment with the result of central planning and control of development activities;
- ii) The implicit need for participatory management of development programmes to conform to the "growth with equity" strategy of the 1970s; and
- iii) The realization that, with expansion of government activities and resulting complexity, it is difficult to plan and administer all development activities from the centre.⁶

A concomitant realization during all these shifts in emphasis involving changes is the central idea that these changes are not "just technical and administrative; they are political. They involve a transfer of

power from the groups who dominate the Centre to those who have control at the local level". (Griffing, 1981).⁷

Present Context and Imperatives

The evolution of the decentralization concept brings us to the present context. This is in the 1990' s and in this fourth stage the imperative for decentralization has emerged in a different context - to afford the best chance for survival in a crisis-ridden situation. The crisis referred to here is "the debt crisis" being faced by a number of Third World countries today, particularly most of the Africa countries during the 1970s and 1980s. To cope with the crisis, several of these countries are involved in structural adjustment programmes, which are based on a resurgence of neo-classical macro-economic theories, under the guidance of the World Bank. Structural adjustment often involves a severe cutback in services to rural people. The spiral of economic decline which has led to the crisis situation has, in itself, created the preconditions for increased local initiatives. The governments, either by choice or necessity, are unable to provide adequate development services and the local people now cannot wholly depend on the State to provide them with sufficient means to improve their quality of life. What is needed is, therefore, a "self-reliant approach", in which local initiatives must lead development efforts. It depends on decentralization and devolution of the structure of government, education and sensitization of local communities to decide their own development priorities and to mobilize the resources necessary towards the solution of their own development problems.

Besides the debt crisis, there are three other imperative which have rendered the concept of decentralization very relevant to the developing countries today. Since the mid-80' s, the "environmental crisis" has surfaced as an important concern, and "sustainable development" has emerged as the strategy appropriate to all countries to arrest the rapid depletion of global natural resources. This needs to be approached in a decentralized manner. At the macro-level, this class for a substantive and extensive analysis of (a) the implications of various macro-economic, trade and sectoral policies for management of the natural resource base, and (b) alternative policy options that explicitly take into account the resource constraints of the most vulnerable economic groups in society. At the meso-level, it calls for the operationalization of regional, economic development-cum-environmental planning. At the micro-level, it calls for eco-development planning with participatory action.⁸

Currently many countries in Africa and Asia are engaged in restructuring and re-inventing their governments. The challenge is to find

the proper balance between centralized and decentralized arrangements and to link them in ways that promote development most effectively. The optimal mix is not easily determined. In India, the government has recently passed a bold legislation, conferring constitutional status on the local bodies and following this, the Panchayati Raj bodies are being revived. The subjects of decentralization and district and local planning are once again under intensive discussion in all states in the country.

Yet another historical event, which has contributed to a favourable climate for decentralization is the collapse of the centrally planned regimes of Eastern Europe. The UN Human Development Report (1993) observes that "with free enterprise winning out over central planning and the courageous voices of democracy quieting the terrors of authoritarianism, people everywhere are asserting their right to determine their own destiny". It seems to have proved that highly centralized methods are manifestly ineffective, especially in implementing local development programmes.

The above four imperative have undoubtedly increased the awareness and the need for operationalizing decentralized multilevel planning in many part of the world.

Decentralization and its Variants

The dictionary meaning of decentralization as "The process of transferring the functions from the Central Government to the local units" ⁹ masks the many nuances associated with this term. Even the definition contained in the Encyclopaedia of Social Sciences¹⁰ that decentralization denotes "the transference of authority, legislative, judicial or administrative from a higher level of government to a lower level" does not capture all the essential features of decentralization. The basic idea of decentralization is sharing the power of decision-making with lower levels in the organization. But this power can be shared within the system at a lower level or by creating new mechanisms in the system. Power can also be shared with outside organizations or agencies.¹¹ Depending on the extent and the means by which power can be shared with the lower levels, Rondinelli et al.¹² Have recognized the following types:

- i) Deconcentration,
- ii) Delegation
- iii) Devolution, and
- iv) Privatization

Deconcentration

Literally it means "breaking the bulk" into smaller parts. In the sense in which it is used in the development context, it involves the redistribution of administrative responsibilities within the central government by shifting the work load from a central government ministry or agency headquarters to its own field offices, without transferring to them the power to make decisions or exercise discretion. Deconcentration is also sometimes called "Administrative Decentralization". It is really the transfer of some administrative responsibilities from the central government to the regional, zonal and district level government offices (geographic decentralization), retaining all powers of control and authority with the centre.

Deconcentration implies limited transfer of central government powers, functions and resources to its field units.

Deconcentration in local administration may be of two types: Integrated and Unintegrated.

Integrated Local Administration is a form of deconcentration, in which the field staff of central ministries work within a local jurisdiction under the supervision or direction of a chief executive of that jurisdiction, who is appointed by and is responsible to the central government. In one form of integrated provincial administration in East Africa, for instance, the Province Commissioner has the power to supervise and coordinate the work of various ministry staff working within the province. Although the field staff may be hired, paid, trained, promoted, and transferred by central ministry officials, the field officers act as technical staff to the Province Commissioner and are accountable to him for the efficient performance of their duties within the province.

Unintegrated Local Administration is an arrangement, wherein the field staff of central ministries and administrative staff of local jurisdictions operate independently of each other. Both sets of officials are responsible to central authorities but they have little or no formal power over each other. Each technical officer is responsible to his own ministry headquarters in the national capital and the administrative staffs of the local jurisdictions are supervised by the jurisdiction's chief executive, who has little or no control over the central ministry personnel. Coordination takes place informally, if at all, and each technical officer operates in accordance with the guidelines prepared by supervisors in the national capital.

Delegation

It is assigning some tasks to the lower level for administrative convenience. It implies that the central government creates or transfers to an agency or administrative level certain specified functions and duties, which the latter has broad discretion to carry out. The agencies to which powers and functions are delegated may or may not be under the direct control of the central government, but the ultimate responsibility for these functions rests with the central government and, as such, indirect control is implied in "delegation".

To illustrate what delegation of authority really means, one may quote the advice given by a district collector in British India to his sub-divisional officers. "This is your job. These are the lines on which I want it to be run. Now go and run it. If you make a really serious mistake, I shall have to over-rule you. Otherwise I shall not interfere. If you want advice, I am here to give it. If you want a definite order, you are free to ask for it. But if you make a habit of wanting either, you will be of very little use to us."

Devolution

This involves creating or strengthening independent levels or units of government through transfer of functions and authority from the central government. In this case, the local units of government to which functions and authority are devolved would be mostly autonomous, with the central authority only exercising indirect, supervisory control over them. For instance, in the context of Nepal, the transfer of authority effected from the central government (HMG/N) to the District and Village Development Committees (VDC) is a case of devolution. Devolution, in fact, implies political decentralization, i.e decentralization of power to a political body such as sub-national legislature. In India, the state governments, which have their own legislatures and have defined powers and responsibilities under the Constitution, are an example of this kind.

Local units, which are conferred, through devolution, wide functions, powers and responsibilities are said to enjoy "Local Autonomy". By "local autonomy" is meant the ability of local communities to govern and serve themselves, to determine their own future, and - in practice as well as in law- to initiate, integrate and take decisions and actions, with a minimum of outside direction, approval, help or other forms of intervention (particularly by central authorities).

Devolution implies a situation in which lower ranking units acquire greater autonomy in respect of certain defined functions, including decision-making authority.

Devolution of functions, powers and responsibilities is normally effected through legislation. For example, in the context of Nepal, the District and Village Development Committees enjoy devolution of certain functions, powers and responsibilities through a legislation - Decentralization Act, 1982.

It should also be noted that devolution is a form of decentralization in which the people's participation is maximized and their say in the decision-making powers is quite important.

The authority handed over to the Local Development Committee through devolution can be taken back only after making amendments in the law.

Privatization

This is another form of decentralization, in which the government transfers some responsibility or public functions to voluntary, private or non-governmental organizations. Voluntary organizations may include trade and industrial associations, professional groups, cooperatives, etc. Sometimes, the act of the government in allowing certain functions to be performed by private enterprises may also come under the scope of privatization.

Privatization is a form of decentralization in which the government may transfer functions to voluntary organizations or allow certain functions to be performed by private enterprises.

Delegation of Authority to Public Corporations and Regional Development Authorities

Between the two extremes of "Deconcentration" and "Devolution" of power, there are various degrees of delegation of functions and various mixes of shared responsibility between the state and organizations set up to perform specified functions. These may be in the form of parastatals, public corporations or regional/area development authorities. This is a way to short-circuit the normal government machinery and endow certain organizations with specified functions, so as to enable them to function with drive, coherence and authority to plan

and pursue economic development. It is felt that this arrangement has distinct advantages over entrusting such functions to regular government agencies. Their executives could make decisions more expeditiously, would be free from bureaucratic red tape and political maneuvering characteristic of administrative agencies and could operate outside of the sometimes tight constraints imposed by legal regulations and civil service requirements. Moreover, a separate and usually higher-level salary scale, the prestige of a corporate image and the ability to use business procedures within these special authorities would attract the most highly qualified personnel and motivate them toward better performance. The MUDA Irrigation Authority in Malaysia, the Command Area Development Authorities and Small Farmers Development Agencies set up in India are examples of such organizations.

Decentralization : Its Real Meaning

Distinct from the above four expressions, the term Decentralization is an arching concept or an "umbrella term," which defies any single attempt at definition or interpretation.

Decentralization literally means the action or fact of reducing or undoing "centralization" or "concentration". In the political sense, complete or total decentralization would mean "the withering away of the state".

However, in the context in which the term is used in the development literature, it refers to the transfer of authority to plan, make decisions and manage public functions from the national level to any organization or agency at the sub-national level. Thus the sub-national area level, to which decentralization is effected, will have a particular "role" in the development process. This would mean assigning both "powers and responsibilities" for its activities. The power assigned may also include the power to raise local resources. When powers and responsibilities fully decentralized to the sub-national level, the latter will have also control over the determination of their development goals and targets.

Decentralization refers to a situation in which lower-ranking decision-units acquire all powers and responsibilities and have also control over the determination of their goals and targets.

True decentralization implies three things :

1. Assigning of responsibilities (i.e. functions) with matching powers and requisite finances.

2. Rendering the decentralized level fully accountable for its activities.
3. Ensuring participation of the local population in planning and implementation.

Thus a clear role with adequate powers and finances, accountability (to the higher levels of administration as well as to the public) and public participation constitute the hallmarks of decentralization. The concept of autonomy is an important component of decentralization and that for autonomy to be meaningful, it should take place along three dimensions - administration, finance and delivery system.

To increase our clarity of understanding, the alternative forms of decentralization, it should be noted that each form of decentralization has different implications for institutional arrangements, the degree of transfer of authority and power, local citizen participation, preconditions for successful implementation and advantages or benefits for the political system. In reality, although there are differences among the various forms of decentralization, they are not mutually exclusive. All governments consist of some combination of these forms, with the amount of authority transferred to decentralized units differing from country to country.

Dimensions of Decentralization

These are four major dimensions of decentralization, viz (i) Functional, (ii) Financial, (iii) Administrative and (iv) Political. We may now devote some attention to these dimensions.

Functional Decentralization

The question of what types of functions are to be decentralized to the different sub-national levels is an important issue in decentralized planning. This cannot be done in a mechanistic omnibus manner by "listing" subjects in a schedule in the concerned enactment. This is because the "functions" have to be matched with the "capabilities" available and the "powers" proposed to be delegated by the government departments. The line ministries/departments do not give up the powers easily. The experience of many developing countries reveals that the lack of adequate capability at the lower levels to take on all new functions and responsibilities "in one go" is a serious constraint. The requisite capabilities to govern take a long time to develop. It is, therefore, apparent that the devolution of functions will have to proceed in steps, matching the building up of capabilities.

Government institutions at the sub-national levels of the central legislature (in case of unitary states) or the state legislature (in a federal set-up) can exercise only those powers and functions that are specifically assigned or delegated to them. Depending upon their nature and instrumentality, the powers and functions may be said to fall under three categories.¹³

- i) Governmental and departmental functions which arise out of executive orders of government and are not covered by statutes. A good part of plan schemes, welfare pensions and scholarships and allowances will come under this category;
- ii) Powers and functions entrusted by the statute and its subordinate legislation, creating the local government institutions; and
- iii) Powers and functions assigned and delegated to local government institutions (different powers being delegated to different local government institutions) in the subject matter enactments and their subordinate legislation.

While effecting functional decentralization, two issues must be considered: (i) The type of functional activities to be decentralized; and (ii) The nature of powers over each activity being decentralized.

While listing the functional divisions of government activity in any enactment or subordinate legislation or delegation through executive orders of the government, it is necessary to be very clear and specific. This is because, it is usual for any one functional (sectoral) activity to be divided between national and sub-national levels of government. Thus to take the example of education, one needs to consider different types of education, i.e. primary, secondary, tertiary, vocational, adult, etc., and different types of functions with regard to each kind of service such as day-to-day administration, location of new schools, curriculum design, teacher training and so on.¹⁴

What powers over each activity are decentralized is a relevant question, because those powers will determine the effective control or authority which sub-national levels of government or administration have over those functional activities. The powers that may be decentralized fall into three main categories: policy-making powers, financial powers and powers over personnel matters. Each of these powers can, in turn, be sub-divided. Thus policy-making powers are sub-divided into law-making and executive powers, financial powers into those concerning revenue and expenditure (each of which is further sub-divided) and personnel powers into those relating to conditions of service, establishments, appointments and promotions, transfers and direction and discipline (many of which could also be further sub-divided). Diana

Conyers has summarized, the main types of power which may be decentralized with regard to any particular activity¹⁵.

The demarcation/division of planning and plan related functions between the national and sub-national levels is always a tricky problems. While it is ultimately a political/bureaucratic decision, there could be several criteria on which a rational decision could be arrived at. Some of these criteria are :

- i) **Selective closure** : Territory and Functions have close affinities. Each particular function has a certain "territorial reach". Sudhir Wanmali' s field surveys in Andhra Pradesh¹⁶ have shown that under Indian conditions, economic distance is an important factor. Thus a primary school commands a service area of about 25 sq. kms, a secondary high school about 120 sq. kms., a branch post office about 50 sq. kms. And so on in the rural areas. Thus based on "access norms", various functions could be allocated along spatial levels;
- ii) **Location of schemes/investments and the geographical spread of beneficiaries** : This is particularly relevant in assigning territorial control over specific poverty alleviation programmes, where the geographical spread of beneficiaries is an important consideration;
- iii) **Divisibility/indivisibility of a scheme or activity** : Some schemes require a unified control by an authority at a particular spatial level, e.g. Command Area Development activities. Splitting such functions across different spatial levels would cause complex administrative problems;
- iv) **Interdependence and complementarity between functions/activities** : The linkage effects of development demand that interdependence and complementarity between functions be taken into account in deciding the allocation of functions to particular area levels. For example, the improvement in agriculture in an area depends on complementary developments in irrigation, rural electrification, roads, transport, banking, service provision and agro-industries. Integrated development would be greatly facilitated, if complementary functions could be controlled at the same spatial level; and
- v) Economics of scale must also be recognized as one of the criteria. For instance, economies of scale may direct certain functions to the sphere of a higher spatial level, e.g. Large-scale and strategic industries the responsibility of the centre; small-scale industries, the responsibility of the regions and so on.

In many Indian states, the criteria, by and large, for determining whether a particular plan scheme belongs to the state sector or the district sector are : (a) the location of the scheme, and (b) the area intended to be benefited by the scheme. Generally speaking, the schemes which are intended to promote the interests of the people of the state as a whole are classified as state-sector schemes. The schemes which are mainly for the benefit of the people of a particular district are identified as the district-sector schemes. In actual practice, however, the application of such criteria may present some problems, as benefits of certain schemes may cut across district boundaries. In such cases, the proportion of the benefit to the district in relation to the state is taken into account for deciding its classification.

Financial Decentralization

Financial devolution and the powers to mobilize local resources are very critical aspects of decentralization. As an FAO document puts it, "Planning at any level without necessary financial resources and authority is an exercise in futility. In all countries, including the federal ones, most financial resources are mobilized by the central government, which then distributes them to the lower levels. In a federal structure, the states have a right to certain shares in these resources and the Constitution provides for the periodic revision of Centre-State financial relations. In unitary systems, the financial resources of the provinces and the lower levels are received through the process of devolution. Multilevel planning processes are facilitated to the extent that the magnitude and rules for such devolution are clearly laid down and periodically revised".¹⁷

Local governments derive revenues from two main sources :

- i) External sources, which are not within the authoritative jurisdiction of the local government. Examples of this kind are the central government grants and loans and credits provided by domestic lending institutions;
- ii) Local sources, which include:
 - a) Taxation, i.e. those taxes imposed by the local bodies pursuant to the provisions contained in the appropriate legislation;
 - b) Rentals, charges and fees; and
 - c) Earnings from public utilities or public enterprises.

Based on various studies conducted in different developing countries, one may generalize that not more than 35 to 40 per cent of local body financial resources come from local sources and much of the resources of local bodies are derived from national government assistance through devolution.¹⁸ It is also apparent from many studies that in spite of wide taxation powers available to local bodies, in a number of countries, the same have not been utilized fully, with the result that the inadequacy of local finances is a nagging problem with all local bodies. For this reason, most local authorities have failed to render effectively the services they are supposed to provide.

Therefore, the mobilization of larger internal resources to augment the financial capability of the local bodies is a crucial issue. Such mobilization does not merely mean the raising of more taxes or their rates. Plugging of tax evasion and arrears, and curbing waste and inefficiency would also increase the flow of resources. Besides the internal mobilization of resources, we would also consider the transfer of resources from the centre.

This, in turn, raises many complicated issues of revenue sharing as well as the question of rationality in the transfer of development resources from the national to the sub-national levels.

For deciding the sharing of revenue between the centre and the sub-national levels, different countries have adopted their own procedures. In India, this is decided by a statutorily appointed Finance Commission for the transfer of finances from the Centre to the States. Recently, a similar device (i.e. a Local Finance Commission) has been stipulated for the transfer of finance from the Centre to the States. Recently, a similar device (i.e. a Local Finance Commission) has been stipulated for the transfer of financial resources from the states to the districts. For the disaggregation of development plan funds from the state to the districts and below. The major objectives are : (a) to nourish the grassroots planning and decision-making, and (b) to achieve a fair degree of regional equity in the allocation of development finance and the provision of services. Governments adopt various criteria for the allocation of development funds from the centre to the sub-national levels. Theoretically, the following socio-economic considerations hold good :

- i) Area;
- ii) Population size;
- iii) The degree of relative backwardness;
- iv) The measure of tax effort;
- v) Special locational (physical or environmental) and social characteristics; and
- vi) Commitment to major national schemes.

Each of the above factors may be given a special weight and a formula may be devised to calculate the contribution to each sub-national entity (e.g. district). In this method, the degree of relative backwardness is a crucial factor. It is used to rank the sub-national units, say, in terms of income per capita, services per capita and government expenditure per capita. Many other factors could be incorporated in this measure, such as infrastructural facilities, the rate of unemployment and nutritional status. The underlying argument is that an area, which is relatively more backward, should receive relatively higher grants both from equity and efficiency considerations. The argument about efficiency is that when a backward area (particularly if it is potentially rich) is enabled to grow and develop on its own feet, its future contribution to the national economy may more than outweigh the subsidy originally paid for its rescue.

In India, some state governments have adopted a rigorous formula approach. Broadly, the method consists of dividing the total plan outlay into "divisible" and "indivisible" pools, which indicate the resources available for the district-sector schemes and the state-sector schemes respectively. The "divisible pool" of resources is then distributed among the districts on the basis of a formula (incorporating various criteria) adopted by the State government. As an illustration, the criteria and the weightages given in the disaggregation formula for four Indian states is shown in Table 1.1.

At one time, Sri Lanka influenced by political considerations adopted the "equal-weighting approach" for making districtwise allocations, which means that the spatial disparities in development were ignored. In many African countries, no systematic or sophisticated criteria are being adopted for the allocation of central grants. The approach is adhoc. Among those countries which follow some procedures, that of Ghana may be cited. In the criteria for the allocation of central grants, called "ceded revenue" in Ghana, three variables, viz. Equality, population and development status of the districts, have been given some weight. A certain proportion of the funds (which is not a constant, but varies from year to year) is divided among the districts on an equal sharing basis. The remaining funds are shared by taking population and development status into account in the proportion of 3:2. The criterion of development status is related to deprivation or backwardness. For example, the presence of settlements qualifying as towns is regarded as the indicator of "developedness". Using such rule-of-the-thumb methods, the level of backwardness of the districts is measured.¹⁹

Table 1.1 : India - Formula for Disaggregation of Plan Funds to the District Level

(Weightages %)

		States			
Criteria		Maha- rashtra	Gujarat	Karna- taka	Uttar Pradesh
1.	Population				
a)	Total Population	60.0	40.0@	50.0	50.0
b)	Urban Population	5.0	-	-	-
2.	Backwardness of Weaker Sections				
a)	Population of Scheduled Castes and Scheduled Tribes	5.0	15.0	2.5	5.0
b)	Small and Marginal Farmers and Population of Agricultural Labourers	-	2.5	2.5	10.0
3.	Backwardness in respect of				
a)	Agriculture Production/value of output	5.0	10.0	5.0	5.0
b)	Irrigation	4.0	10.0	5.0	-
c)	Industrial Output	5.0	5.0	5.0	5.0
d)	Communications	5.0	10.0	2.5	5.0
e)	Drinking Water	-	-	-	-
f)	Financial infrastructure as measured by the size of population served by each Commercial and Cooperative Bank	-	-	2.5	-
g)	Medical and health facilities (No. of hospital beds)	-	-	5.0	5.0
h)	Power Supply	-	-	5.0	5.0
4.	Backwardness in respect of the targets of other selected Minimum needs	-	5.0	-	-
5.	Special Problems				
a)	Drought Prone Area	3.0	-	2.5	-
b)	Coastal Areas	1.5	-	-	-
c)	Forest Areas	1.5	-	2.5	-
6.	Local Tax Effort	-	-	5.0	-

7.	Incidence of unemployment as measured by the proportion of registrants at the Employment Exchange	-	5.0	-	-
8.	Unallocated amount for meeting Special Problems	5.0	-	-	-
9.	Incentive Provision	-	5.0	-	-
Total		100.0	100.0	100.0	100.0

@ For computing the population for the purpose of the formula in Gujarat, only rural population and population of towns with less than 50,000 people were taken into account.

Source: Govt. of India, Planning Commission, "Report of the Working Group on District Planning", May 1984.

In India, the states generally earmark funds meant for district schemes. But mere earmarking of funds for district schemes does not automatically confer autonomy on the district planning bodies for utilizing these funds. This is because most of the funds allocated to the districts may be pre-empted for various departmental schemes, the decision-making for which rests with the departmental heads at the state level. Therefore, unless some "un-tied funds" are kept at the disposal of the district planning will be only in name. This constraint has been sought to be tackled to some extent in one of the states, Gujarat, by dividing the district outlays into three categories, viz.:

- 1) Eighty per cent of the provision is retained for normal schemes to be proposed by the sectorial departments;
- 2) Fifteen per cent of the outlay is provided for schemes suggested by the district planning bodies in response to local needs and priorities and to exploit local potential; and
- 3) The remaining 5 per cent is earmarked as incentive grants against which additional funds are to be raised at the district level.

What this means is that 20 per cent of the funds is provided as "discretionary outlay" to the local bodies and the remaining 80 per cent of the outlay is meant to be spent by the departments, over which the local bodies have little or no say.

Thus the above formula approach seeks to compromise the interests of departmental bureaucrats and the local planning authority. Ideally if the district planning has to manifest itself in its full meaning, all funds flowing into the district should be pooled together and placed at the

disposal of the district planning authority. This does not happen, because the departments are not prepared to give up their hold on financial resources. The excuse usually advanced for this is that the districts do not have an adequate planning capability for formulating a systematic district plan and utilizing the funds rationally and in an accountable manner.

In the pattern of district plan outlays as evolved by Gujarat state in India, it may be noted that the provision of a 20 per cent discretionary outlay (including 5 per cent incentive outlay), which the district planning bodies have the freedom to use, has generated a lot of enthusiasm and is said to have resulted in the formulation of schemes of real local need and interest. But for this freedom, works like the provision of some missing links in development works would not have been taken up. The experiment of incentive outlay has also been very well received and has result in the mobilization of sizable local resources, in the shape of a matching contribution by the local population. The incentive outlay requires 50 per cent or 25 per cent matching contribution from the districts depending upon the pattern prescribed, which is based on the relative backwardness of the area. While the relatively advanced areas have to provide a matching contribution of 50 per cent, certain categories of relatively backward areas are required to contribute only 25 per cent. Thus differential incentives have been provided for according to the degree of backwardness.

From the above country experiments, we get many useful clues about financial decentralization methods. We also understand that in any scheme of financial decentralization, adequate incentives must be provided for, to encourage the local mobilization of resources. This would lead to a sense of participation among the people and increase their motivation to help themselves as far as possible and to achieve a certain measure of self-reliance. An FAO document says that "the local mobilization processes in a community are generated spontaneously. Catalytic intervention of some sort is often a crucial initial step. One of the ways of motivating a community is to incorporate an incentive element in the resource transfer formula itself, such as a performance and efficiency criterion. Alternatively, a small part of the transfer could be earmarked for a matching contribution by the sub-national community, (i.e. an incentive grant)".²⁰

It should be noted that devoid of a substantial element of local resource mobilization and with reliance only on the central financial flows, local development becomes wholly dependent on a whimsical exercise by the state in the deconcentration of the national development budget to the local level. Consequently, the local bodies are throttled by barely or totally insufficient funds, with which to meet their local felt needs and tackle all their local problems. Unfortunately, this is the prevailing state of affairs in the local bodies of many Third World countries.

Administrative Decentralization or Deconcentration

Administrative decentralization or "Deconcentration" as it is known, is considered to be a watered-down surrogate of true decentralization. It encompasses a wide range of structural, planning, personnel, procedural and managerial issues, which are all administrative in nature. Administrative decentralization is certainly a necessary component of decentralization for any country, but not sufficient.

Administrative decentralization essentially means deconcentration of functions and some powers from the headquarters of the national government departments and agencies to their respective field offices. It may also mean divesting of some responsibilities to corporate institutions and para-statals. Through such means, the centre "unloads" a part of its administrative burden at the top. The "command", however, is retained at the top. The deconcentrated administrative institutions, which owe their allegiance to their vertical hierarchies, work within top-down lines of command.

First and foremost, administrative decentralization means taking a range of administrative actions to partly off-load governmental activities. These include:

- a) Setting up offices at the regional and various local levels, so as to improve the "reach" and "access" of the governmental administration and move closer to the people;
- b) Designating the decentralized subjects or functions for each of the spatial levels in the hierarchy;
- c) Making necessary delegation of powers;
- d) Assigning adequate finances;
- e) Determining appropriate financial powers for ensuring accountability, laying down budgetary procedures for framing the budget, for financial release, accounting and reappropriation of funds;
- f) Posting of adequately qualified personnel through deputation or fresh recruitment;
- g) Establishing work procedures and framing departmental rules and regulations for coordinated functioning;
- h) Providing technical guidelines to field officers and

establishing a time-bound programme of activities to nest into the national planning process;

- i) Taking suitable steps for capability building among the personnel through the institution of training, re-training and refresher programmes;
- j) Instituting a planning process with top-down and bottom-up procedures meshing into one another; and
- k) Establishing institutional mechanisms for an effective policy analysis, planning, coordination, monitoring, review and evaluation.

All the above tasks amount to the building-up of an efficient "administrative framework", which would have the necessary capabilities to take over the responsibilities of effectively implementing a decentralized policy and manage the decentralized development activities. This means not merely the acquisition of skills by the bureaucracy and the technocracy, but also gradually developing in them an attitudinal change and a frame of mind in favour of working with the people and their representatives. In other words, it means "laying the ground work" for the more desirable "democratic decentralization". In this conception, administrative decentralization is seen more in its positive role as a pace-setter and facilitator of democratic decentralization. However, it should not be forgotten that sectoral administrative decentralization really means, enabling the building up of an insulated, free-wheeling and isolationistic vertical empire in each sector of activity, characterized by an excessive "departmentalism" and "ivory tower attitude", which thwarts all attempts at coordinated and integrated development. According to Benninger,²¹ the more "fine grain" the pattern of deconcentration, the more ugly and corrupt will be the face of the administration. He views administrative decentralization as a process of extending central control in a more fine-grain pattern through "supervisory" officials down to "contact" officials in the field. In its extreme form, it may lead to an excessive bureaucratic control and may even encourage corruption.

Whatever be the negative aspects of "administrative decentralization" in the strict sense of this term, it is a necessary component of decentralization because it enables the various governmental sectors of activity to descend to the critical spatial levels in the sub-national hierarchy and provide greater access to the government's services and delivery systems to a large part of the population. In many countries in sub-Saharan Africa characterized by political centralism, the real problem is how to extend the "reach" of the government to the periphery. In this context, the question of

administrative reforms preceding democratic decentralization does not arise. By at least decentralizing development administration in ministries, line agencies and departments, it would be possible to extend the "reach" and access of the government and capacitate the government functionaries at the lower levels and expose them to a planning concept, which can take better note of the local needs, aspirations and problems and execute jobs with a greater accountability to the people. Centralization and decentralization may be viewed as the opposite extremes of a single "continuum", neither of which, by itself, would seem to be a practicable choice for any government for any substantial period of time. It is a question of necessity and degree. The choice of direction and of pace and extent of decentralization will depend on the stage of political, economic and social development of the country. One cannot always argue for the "best". In many African countries, a graduated change is called for. In this context, "selective administrative decentralization" viewed as an incremental process holds the key to development.

Political or Democratic Decentralization

Decentralization, as a concept, reaches its acme of perfection when the people are drawn into its fold and are empowered. But when only the elected leaders are drawn into its fold, it is deemed "partial decentralization". When all sections of the population are enabled to participate in the local affairs of a community, then decentralization is said to be "more fine-grained" or total.

Political or democratic decentralization thus signifies the quest for a participative and community approach and the epithet "democratic" only reinforces and underlines the democratic values, purposes and approaches and the style governing it.

The three major components of political or democratic decentralization are : Local Autonomy, Devolution and Public Participation.

Local autonomy should be taken to mean the ability of local communities to govern and serve themselves, to determine their own future and - in practice as well as law - to initiate, integrate and take decisions and actions, with a minimum of outside direction, approval, help of other forms of intervention (particularly by central authorities). It implies an attitude of assertiveness, self-reliance and confidence that the local community knows better where its interests lie and how best to achieve them. But it need not imply self-sufficiency, nor need it mean autarky.²²

Local autonomy is primarily sought through "Devolution", which, as explained earlier, is the transfer of national government powers, functions and resources to local governments. It is granting decision-making powers to local authorities and allowing them to take full responsibility, without reference back to the central government. For making local autonomy meaningful, devolution should be complemented by deconcentration and other measures. In devolution, Maddick has emphasized the legal aspect. According to him, devolution is "The legal conferring of powers to discharge specified or residual functions upon a formally constituted local authority."²³

According to Uphoff and Esman "local autonomy by itself provides little leverage for development".²⁴ For development purposes, the strength of local government units - in terms of salient functions they perform, the skills and professionalism of local officials, their base of financial resources, and the effectiveness with which they carry out their responsibilities - may be much more significant than their legal status as independent units.

The Balwantrai Committee has made the distinction between delegation of powers and devolution very clear. The report of the Study Team states: "It is not infrequently that delegation of powers is mistaken for decentralization. The former does not divest the government of ultimate responsibility for the actions of the authority to whom power is delegated; this authority is under the control of the government and is in every way subordinate to it. Decentralization, on the other hand, is a process, whereby the government divests itself completely of certain duties and responsibilities and devolves them on to some other authority."²⁵ Ocampo elaborates on the various ways in which devolution should enhance the capacities of local governments.²⁶ These are :

- a) Transfer of more programme responsibilities and resource from the national to the local governments to substantiate the legal duties and powers conferred upon them;
- b) Broadening the range of the programmes and services under their control, so that is commensurate with responsibility;
- c) Provision of more productive revenues in order that the fiscal powers given to them can be effectively made use of and their dependence on the central government can be reduced; and
- d) Enhancing the local institutional capabilities for policy-making and administration so that they can effectively exercise their greater autonomy.

Devolution is thus seen as an orderly transfer of authority, resources and institutional capabilities to local governments. Political commitment to democratic decentralization is a must, if devolution is to become a reality. In its absence, most of the things to implement remain more in law than in practice.

Democratic decentralization is a political ideal and local government is its institutional form.²⁷ It is premised on advocacies of ensuring basic freedoms, a more liberal and rational sharing of power, and the pursuit of improved well-being for the people under a climate of democratic dispensation. Through democratic decentralization, people are afforded meaningful participation in the process of governance, strengthening of democratic institutions to promote a healthy arrangement of checks and balances, attainment of a certain level of political maturity and cultivation of democratic consciousness. Thus democratic decentralization, it must be understood, is more than holding of elections and tinkering with structures and forms.

The institutional expression of the policy of democratic decentralization in India is identified with "Panchayati Raj". Till recently, the whole structure of the Panchayati Raj system did not have a constitutional backing and it had been left to the whimsicalities of state governments. This led to the steady erosion of their powers and functions over a period, and for even the elections to them being postponed indefinitely, despite formal legislative enactments at the state level for initially setting them up. An essential step has now been taken through a constitutional amendment (the 73rd Constitution Amendment, 1993), which envisages the establishment of Panchayati Raj institutions as unites of local self-government in different states.

Integrating Administrative Decentralization with Democratic Decentralization

Both administrative and political decentralization, in their extremes, are not desirable. The former will lead to excessive bureaucratic control and corruption and the later to the "withering away of the state". The conceptual differentiation between the two is, however, crucial. But in reality, both must be seen in relation to one another. It should be emphasized in this context that the concept of decentralization is that of a "continuum", rather than a dichotomy; it is a matter of degree rather than an alternative. What is needed in any context is an "appropriate mix" between administrative and political decentralization. This appropriate mix will depend on the socio-economic and developmental context of the particular country.

We may illustrate through a diagram how the false dichotomy of separate "administrative" and "political" decentralization

could be integrated. Here we consider a bi-axial system in which "administrative" and "political" decentralization are at the two ends of the continuum along with X-axis, and "centralization" and "decentralization" are at the two ends on the Y-axis. Any system has some internal constraints, which we shall call as "feasibility thresholds". These are shown in the Figure 1.1.

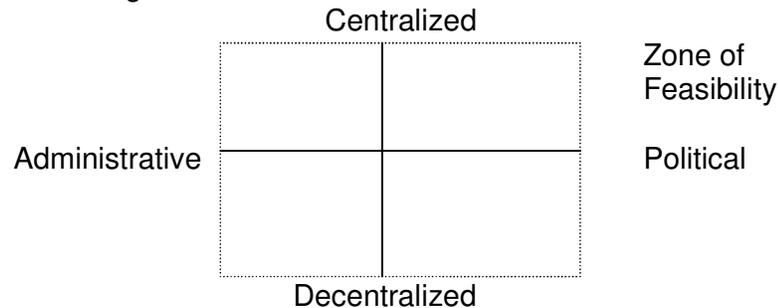


Fig. 1.1: The Administrative and Democratic Decentralization mix.

The integration of "administrative" and "political" decentralization is achieved through appropriate institutional structures, which will link the bureaucracy and the implementing agencies with the people and their institutions (i.e. local governments and voluntary agencies). Thus an appropriate model of democratic decentralization implies the combination and cooperation between the official machinery of administration and the non-official leadership and control through the mechanism of local governments.

Rhetoric and Reality of Decentralization

Decentralization, in its ideal and pristine form, with genuine decentralization to democratic structures, has not been realized to its fullest potential, as far as we know, in any part of the globe. The hiatus between the idea, which is undoubtedly noble, and its implementation or realization is disturbingly wide. In most countries, what we find is an extended deconcentration of some administrative functions and powers with limited local participation. In many African countries, which are ruled in a non-democratic way with authoritarian structures, sometimes the bogey of decentralization is raised, but there is hesitancy to extend local autonomy for the fear that the nation may break up. In many other countries, in the absence of democratic structures, local governments lack an effective political power base from which to generate local control over decision-making. Even in some Asian countries, where some progress has been made in establishing suitable institutional mechanisms, the actual decentralization that has been effected is disappointingly short of expectations. Further, many developing countries, which have experimented with democratic decentralization, have not succeeded in drawing the less privileged sections of the society

into its local bodies. Decentralization has only further empowered the elites and marginalized the poor. Thus there seem to be genuine limitations to decentralized planning and the people' s participation in the Third World countries. The UN Human Development Report(1993) rightly remarks, "Many of the most effective forms of decentralization are not based on the institutions of local government. Some of the most important local bodies, which can serve as a countervailing power to the influence of central governments are voluntary associations-including people' s organizations and nongovernmental organizations." It is by strengthening these organizations at the grassroots levels that democratic decentralization can truly achieve its ultimate goals.

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DECENTRALISED PLANNING : AN OVERVIEW OF EXPERIENCE AND PROSPECTS IN INDIA

C.H.HANUMANTHA RAO

I. THE CONTEXT:

Decentralisation of the planning process has become, of late, a matter of world-wide concern, whether in socialist or mixed economics. Decentralisation through the involvement of local level representative institutions in the formulation of plans for development as well as their implementation is being advocated in the interest of efficient utilisation of resources and for ensuring more equitable sharing of benefits from development. In the case of public enterprises, decentralisation or de-bureaucratisation is advocated for securing autonomy for the management in respect of decisions on important matters relating to investment, product-mix, pricing, wages and labour relations, with a view to ensuring result-oriented performance.

This general concern for decentralisation has been preceded by long periods of planning when fairly high rates of investment and high levels of development have been achieved particularly in respect of physical infrastructure, e.g., power, irrigation, roads and communications etc. In socialist countries, basic change in property relationships were brought about before the start of the planning process itself besides achieving a high level of social development, e.g., education, health and recreation facilities, etc. over the plan period. In India, however, the pace of structural changes and social development has been slow, although certain institutional measures undertaken such as abolition of intermediaries in land, ceilings on the ownership of land holdings, nationalisation and development of major financial institutions did contribute of opening up the opportunities for development for wider sections of population.

The present concern for decentralisation should thus be seen in the context of the slow rate of benefits flowing from the infrastructure already build up as indicated by the slow growth of productivity and, in the case of India, insufficient percolation of benefits to the poor and socially disadvantaged sections, despite the proliferation of several poverty alleviation programmes in the recent period. Improvements in productivity through speedy absorption of modern technology as well as better allocation and utilisation of the available resources, and greater impact of such productivity improvements on the living conditions of the weaker sections of population are sought to be achieved through decentralised planning. It is also recognised that certain pre-requisites for decentralised development such as education, general awareness, technical and organisational capabilities are found in greater measure now than in the early years of planning.

Decentralisation in decision-making is expected to be limited to certain sectors where the concerned unit of planning has a comparative advantage. These are generally activities and investments which are located in, and the flow benefits largely confined to the area concerned. Therefore, the process of decentralisation envisaged is not likely to weaken central planning, much less to obviate the need for it. Indeed, an intelligent process of decentralisation may contribute to strengthening the planning process in general by relieving the higher levels of planning from detailed decisions-making and overseeing and thus strengthening their capabilities in taking overall allocative decisions including those having a bearing on planning and development at the lower levels.

II. THE ISSUES :

In this paper, we are concerned with decentralised planning essentially at the sub-state level, i.e., regional, district, block and village levels, although the focus of attention will be decentralised planning at the district level. In India the concern for decentralised planning is as old as planning itself. The first Five Year Plan was as clear and eloquent as any latest official document on this subject. The following lines from the First Plan document bear this out:

"A democracy working for social ends has to base itself the willing assent of the people and not the coercive power of to state...their own views about their needs and difficulties and the correct solutions must be elicited and given the fullest weight in making the plans. In the execution of which they will be called upon to assist... Mans have, therefore, to be devised to bring the people into association both at the stage of formulation of the plans and in their implementation from state to stage."

The same position was reiterated in one form or another in all the subsequent plan documents including the Seventh Plan. The Balwant Rai Mehta Team appointed in 1957 recommended constitution of statutory elective local bodies with the necessary resources, power and authority devolved on them and a decentralised administrative system working under their control, which became the genesis of the Panchayati Raj System introduced in the country. The Planning Commission issued guidelines for District Planning as far back as 1969. In 1977, the Planning Commission appointed a Working Group under the Chairmanship of Prof. M.L.Dantwala to draw up guidelines for block level planning. Another Committee on Panchayati Raj headed by Shri Ashok Mehta was appointed in 1977. Both the committees submitted their reports in 1978. In 1983, the Economic Advisory Council to the Prime

Minister presented its Report on Decentralisation of Development Planning and Implementation in the states. The latest in the series of such reports is that of the working group on District Planning submitted to the Planning Commission in 1984, which formed the basis of the Seventh Plan proposals on decentralised planning.

Barring a few exceptions, the performance in respect of decentralised planning has been dismal, despite periodic reiteration of intentions and the setting up of formal structures like Panchayati Raj Institutions on a statutory basis. After the initial enthusiasm in the late fifties and early sixties which raised expectations, there has been a retrogression for over two decades now. Although the idea of decentralised planning at the district level has been revived recently with some vigour. It is necessary to bear in mind that a periodic revival of the idea, has been a part of the history of our planing. It is important, to understand why the idea, though all along with us, has failed to work. In the absence of a proper understanding of the forces operating against decentralised planning, the present exercises are bound to result in the repetition of platitudes. A hard and objective look at the factors inhibiting meaningful decentralisation of planning and those conducive to it is called for.

In the discussions on decentralised planning it is readily assumed that our growth performance would have been distinctive better and the distribution of benefits from development far more equitable if only we had effective planning at the sub-state, particularly at the grass roots, levels. However, it is necessary to examine the validity of this proposition in the light of the factors or elements contributing to growth in the post-independence period and the competing claims, under the prevailing social structure, on the gains development at the grass roots levels. In the light of such analysis, it would be necessary to identify the desirable degree of decentralisation in planning land the socio-political preconditions for making it feasible consistent with equitable distribution of benefits from development.

III. DECENTRALISED PLANNING : EXPERIENCE OVER TIME

Political and bureaucratic resistance at the state level to sharing power and resources with the local-level institutions for planning from below, is often cited as the single most important reason for the failure of decentralised planning to strike roots. Therefore, those from the centre who advocate decentralised planning have been exhorting the state governments time and again to implement the agreed schemes and guidelines on decentralisation. In view of the tardy progress on this front, there are moves now to secure constitutional sanction for periodic elections to the Panchayati Raj Institutions and delegation of certain planning functions as well as devolution of resources to them by

specifying subjects under the District list, the State List and the Concurrent List. It may be noted, however, that Panchayati Raj Institutions do enjoy even at present some kind of statutory position in the states, which has not prevented the state governments from encroaching upon their powers and functions under various pretexts and through various devices. It may be noted, on the other hand, that the Planning process in the country, both at the centre and in the states, has been working reasonably well despite the absence of constitutional provisions either in regard to the planning functions or the devolution of plan resources to the states.

The experience of the working of the Panchayati Raj Institutions has revealed that under the prevailing social structure and properly relations, the rural elite has often come to dominate these institutions and appropriated a major share of benefits from development so that the improvement in the living conditions of the poor and the under privileged has been negligible. In view of this, those who see decentralised planning as a means for improving the socio-economic condition of the weaker sections, are skeptical about the prospects of decentralised planning unless structural changes are brought about to ensure the rise of the rural poor to a position of dominance in these institutions.

It is true that lack of political will at the state level and the dominance of the rural elite at the grass roots level are basically responsible for the failure of decentralised planning to materialise and for the non-fulfillment of its avowed objectives in most cases where it is on ground. But what is overlooked is that lack of political will at the grass roots level is equally responsible for the failures. It is puzzling to observe that despite the improvements in educational levels, general awareness and political consciousness over the last few decades, the pressure for decentralisation is coming now not so much from the grass roots as from the grass roots in this regard introduces a measure of skepticism about the prospects for decentralisation in planning.

Since decentralised planning involves delegation of decision making powers to the sub-state levels with corresponding devolution of resources, the performance in this respect is very much linked with the politics of planning and development within a democratic framework. In the early years of planning, the political leadership both at the central and state levels had an ideological commitment to decentralisation, as most of them were in therefore front of national movement for independence and hence shared the perspectives of development in a free India as espoused during the freedom struggle. This generation of leadership also felt politically secured and confident because of their pre-eminent position earned even before independence. Also, in the early years of planning, the levels of public expenditure was

relatively small, accounted largely by the essential infrastructural investments.

Over a period of time, however, the struggle for political power began to manifest itself at the state level. The state leaders almost everywhere encountered challenges to their power and within the ruling party itself and became increasingly controversial and weaker and hence began to feel insecure. On the other hand, planning and public expenditure steadily grew in importance. The rising importance of public expenditure provided opportunities for political consolidation to the ruling elites at the state level. The allocations for schools, hospitals, roads, water works, etc. which can potentially be decided upon at the district level by the elected institutions, began to be increasingly made by the dominant groups at the state level by superseding the local-level institutions. The conflicts became sharp in cases where such institutions were dominated either by those belonging to a different political complexion or to a different political group within the ruling party itself.

In this process of decision-making from above, a large part of the local elite at the district and other levels became as beneficiary from such dispensations. The local elite in course of time got recruited into one or other channel of political power and patronage flowing from above and thus became an integral part of the political establishment. These developments may indeed explain why there is no discernible movement and pressure from the local-level elite for effective decentralisation in planning at the district and block levels.

It is also important to recognise that the imperatives of development planning in the initial stages favoured centralised decisions at higher levels. For one thing, development of infrastructure, e.g., power, major and medium irrigation accounted for the bulk of the state plan outlays, which could be planned better at the state level. Even the divisible outlays on items like education and health could be decided upon at the state level, without serious loss of efficiency.

Secondly, technological changes introduced in agriculture around the mid-sixties were, of necessity, exogenous to the sub-state levels, as they had to originate from research stations and universities. The extension of new methods of cultivation and the supply of modern inputs like high yielding seeds, fertilisers and pesticides through centralised agencies led to the strengthening of line departments at the expense of the community development and Panchayati Raj Institutions.

Thirdly, the initiative for institutional changes such as land reform, nationalisation of banks, etc. came from above from the central leadership and the leadership at the state level merely fell in line. Thus the initiative for such basic structural changes did not originate from the

`grass roots' where the vested interests got fully entrenched and indeed put up resistance to measures on land and credit reform and managed to sabotage them to a considerable extent.

Fourthly, by the late sixties and early seventies, the development experience had belied the assumption that economic growth will automatically result in the reduction of poverty. Population growth at well over two percent per annum and the highly inadequate percolation of benefits from development to the poor under the prevailing social structure, was leading to social tensions and political unrest. Local-level institutions functioned well as long as they were concerned with problems such as roads, schools, hospitals, etc. which were common to various interest groups. But the rural elite were not interested in programmes which benefited mainly the poor and the underprivileged.

When poverty removal was incorporated as an explicit objective of development strategy in the early seventies, several programmes for the benefit of small and marginal farmers, landless labourers, scheduled castes and tribes were launched at the initiative of the government at the centre. Given the prevailing social structure and dominance of the rural rich at the local-level, it did not appear, at least in the initial stages, that decentralisation was necessary for the effective implementation of such programmes. Indeed, the experience with institutional reforms pointed to the need for a contrary course of action. The rural elite which continued to be opposed to be various beneficiary-oriented programmes meant for the poor, was largely by passed in the initiation and implementation of such programmes. However, these programmes continued to encounter resistance from them in subtle ways including the appropriation of a large chunk of benefits meant for the poor.

In view of the above experience, it appears an exaggeration to think that lack of decentralised planning has proved to be a serious impediment either to growth or social justice. After all, the ideas of planning, moderanisation, democracy and social justice did not originate from the grassroots. They were largely borrowed from the experience of the West in the course of their own struggles for independence, democracy, development and social justice. A national consensus was built around these goals in the course of our own national movement for independence over a long period.

This is not to suggest, however, that these ideas are either alien to our culture or can not be implemented through the democratic institutions at the grass roots levels. In fact, we are reaching a stage in the developmental process and the evolution of our democratic polity when decentralised planning has become both necessary and possible. The outlays on social development and poverty alleviation which are

divisible in nature are becoming increasingly important as a proportion of total plan outlay and, potentially, most of them can be planned best at the local level. Secondly, the dominance of the rural rich in the elected local level institutions, though very real in most places so far, is not an unchangeable phenomenon. As discussed later in this paper it should be possible to devise an electoral system whereby the poorer starta come to dominate such bodies. As it is, the awareness on the part of the poor and the underprivileged is much better now than in the initial stages of our planned development. By introducing certain measures for social change, it should be possible to ensure an effective participation of the poor in such institutions. Such a participation has become necessary not only for better planning for various poverty alleviation programmes but, more importantly, for minimising leakages in their implementation so that the benefits of these programmes reach the poor.

IV. EXPERIENCE ACROSS THE STATES:

The above discussion should not lead to the interference that decentralisation as such in planning did not matter at all in India so far either for achieving growth or for ensuring social justice. The effective decentralisation in planning in India exists today at the state levels vis-à-vis planning at the central level. The effectiveness of decentralisation at this level did seem to affect growth and where institutional reforms have been successful, it did seem to make an impact on social justice also. The effectiveness of decentralisation at this level did seem to affect growth and where institutional reforms have been successful, it did seem to make an impact on social justice also. The effectiveness of decentralisation in planning at the state level seems to depend very much on the size of the state, the greater seems to be its ability to take decisions quickly and implement the programmes effectively by promptly reaching the grass roots levels and responding to their felt needs. Similarly decentralisation at the sub-state levels seems to be effective and percolation of benefits to the poor satisfactory wherever land reforms have been effectively implemented. The viability of the size of the state and structural changes brought about seem to have had a greater impact on growth and social justice than formal decentralisation of planning below the state level.

The experience of Punjab and Haryana illustrates how smaller states with progressive land tenure systems can grow faster with more equitable sharing of benefits of growth even without decentralised planning at the sub-state levels. The per capita income of these states is highest among all the states of the country and the growth rate in income has also been about the highest among states. The system of land tenures is progressive and the proportion of people below the poverty line is the lowest in the country. There is hardly any decentralised planning

worth the name below the state levels nor is there any enthusiasm visible among the politicians and administrators for decentralised planning, e.g, district planning in these states. Indeed, they seem to be somewhat skeptical about the need for decentralised planning, as bulk of the resources are committed for the development of irrigation and power so that there is already a clear leg between the development of such infrastructural sectors and sectors of social development which can be planned at the state level. However, owing to the increase in demand for labour in agriculture and rural industries, the wage rates are high resulting in a greater reduction in the poverty ratio than among other states. In view of the ease with which various government functionaries are able to communicate with grass roots levels, decentralisation in planning does not appear as an immediate felt need in these states. At the sub-state level, the effective units for decentralised decision-making seem to be the millions of farm and non-farm households whose initiative has been released on account of progressive land tenures, good infrastructure, profitable technology and responsive administration.

At the other extreme are big states like Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan where decentralisation of planning at the sub-state levels is highlighted as a felt need and one finds a visible concern among politicians and administrators for decentralised planning. However, it is precisely in these states that decentralised planning is least successful. It appears as if the very largeness of size which necessitates decentralisation militates against it. For one thing, a larger state is also, as a rule, a more powerful unit in terms of concentration of political as well as bureaucratic power. Devolution of planning functions and resources to a large number of districts would mean immediate parting away with enormous power enjoyed by the politicians and bureaucracy at present as also foregoing the opportunities for the political dissent and instability and the ruling elite can ill-afford to surrender the instruments for consolidation of its power. Secondly since decentralisation in planning does not amount to giving complete autonomy to sub-state levels and indeed involves considerable amount of work at the state level by way of coordinating and monitoring development work through decentralisation, a switchover from the existing style of work of taking decisions directly to an indirect management through decentralisation among innumerable units is not an easy job. These states are thus too big and centralised to embark upon decentralisation.

These states account for the lowest per capita income among all states and their rate of growth in income has in general been lower than the national average. The proportion of peoples below the poverty line among these states is highest when compared to other states in the country. There is, therefore, a severe resources crunch in these states in relation to the essential requirements for infrastructure development and poverty alleviation. The scarcity of available resources

also militates against their adequate sharing with units at the sub-state levels. These states are also characterised by outmoded land tenure systems with the vestiges of semifeudal relationships. The Panchayati Raj Institutions are, therefore, easily dominated by the rural elite and, in quite a few places, even by those lacking commitment to the democratic norms and processes. In such a situation, one cannot expect genuine concerns at the grass roots levels for decentralised planning, much less for an equitable distribution of benefits to the poor and the underprivileged. The technical capabilities for planning are also lacking at the lower levels, although this cannot be considered a significant bottleneck in these states.

Whatever decentralised planning that is practised at the district level in these states, and indeed in most other states in the country, is done essentially by the bureaucracy by putting together the various schemes undertaken by the different departments within the parameters set at the state level. In quite a few cases, this can even be described as district planning done at the state level. Even planning at a regional level such as for Hill Areas in Uttar Pradesh is reduced essentially to the putting together of schemes undertaken by various departments at the state level and at best monitoring of the flow of resources into the region on account of such schemes.

Even states like, Gujarat and Maharashtra which have pioneered decentralised planning at the district level in the country, find the area of freedom for the allocation of resources at the district level extremely limited. In Gujarat, for instance, where about 30 percent of the state plan outlay is accounted by district-level schemes, a bulk of it is accounted by the departmental schemes and only about 20 percent of it or about 6 percent of the total state plan outlay is amenable to free allocation at the district level. Besides, as much as 80 to 90 percent of the outlays on district level schemes are accounted by the expenditure for on-going schemes and very little is left for the new schemes to be undertaken.

A more serious limitation to the effectiveness of district planning even in such advanced states, not adequately appreciated so far, arise from the failures to reduce disparities in development between different regions. Marathwada and Vidarbha in Maharashtra, Saurashtra and Kutch in Gujarat, Telangana and Rayalaseem in Andhra Pradesh and Uttarakhand in Uttar Pradesh are some clear examples of the less developed regions. When some of these areas were merged to constitute the linguistic states at the time of states reorganisation, as in the case of Maharashtra and Andhra Pradesh despite the recommendation to the contrary by the states' Reorganisation Commission, it was done with the assurance that special steps would be undertaken to bring these backward regions on par with the developed regions. However, the

politics of planning in a democratic set up within the state as a political unit have been such that it has become increasingly difficult to impose sacrifices on the developed regions to the advantage of backward regions. The evidence, on the contrary, points to the accentuation of disparities as in the case of Marathwada and Vidarbha in Maharashtra, Rayalaseema in Andhra Pradesh and Uttarkhand in Uttar Pradesh. This has happened despite the constitutional provisions to safeguard the interests of the backward regions through the establishment of Regional Development Boards with special powers to the Governors for Monitoring progress, as in the case of Maharashtra and Gujarat.

It is wrong to expect that decentralised planning at the district level by itself can go a long way in reducing regional disparities in development. For one thing, the backwardness of each of these regions consisting of a number of districts, arises either from specific agro-climatic factors or from long periods of neglect before they were merged into the composite states. Because of these reasons, an integrated approach to the planning on infrastructure for each of these regions is required for removing backwardness. This is necessary even for making district planning effective by providing infrastructure which is beyond the district level outlays. The potential district level plan outlays account for only about 25 to 30 percent of state plan outlay. Maharashtra shows a higher figure of around 40 percent. This means, as much as 60 to 70 percent of outlay is still planned and allocated at the state level for various infrastructural items, including particularly power and major and medium irrigation which have a bearing on the development of individual districts. Besides, in a mixed economy like ours, the level and pattern of private investment, particularly in the non-agricultural sectors, which can be influenced by state policies, is an important determinant of development. The major infrastructural investments and measures to induce private investments can be planned at the level broadly homogeneous region consisting of a number of districts.

The distribution of resources for the district level outlays among districts in several states is broadly analogous to the Gadgil Formula for the distribution of central plan assistance to states. Thus population of a district gets a major weightage together with some indicators of social and economic backwardness. In some cases weightage is also given to urbanisation. It is not clear, on balance, whether the backward districts end up by getting significantly larger allocation in per capita terms than the developed districts. In any case, the implied progressively is likely to be modest considering the backlog of development in the less developed districts. Therefore, unless there is a mechanism to ensure that the flow of benefits from the remaining 60 to 70 percent of the plan outlays has a significant degree of progression, the observed progressively in the district-wise allocations can not make a significant impact on the removal of backwardness. It is possible to

conceive of a situation where the pattern of state-level outlays is such that it more than neutralises whatever progressively that exists in the district level allocations. That this is indeed so has been alleged time and again by the leaders of backward regions.

Where Maharashtra and Gujarat have pioneered district planning, their performance in respect of regional planning has been dismal, despite the existence of constitutional provisions in this regard. Indeed, there is evidence to believe that the move for district planning got a special impetus in Maharashtra towards the seventies when there was widespread discontent in the backward regions. District Planning began to be considered seriously as an alternative for countering the 'narrow' and 'separatist' regional sentiments. The ready acceptance of the idea of district planning has its basis in the reluctance on the part of a number of states to pursue planning at the regional level. However, there is no doubt in the measure in which problems of regional backwardness are simultaneously addressed through appropriate mechanisms.

It is interesting to note that states where decentralised planning at the district level is effective are precisely the states whose performance in respect of land reforms has been better. West Bengal, Karnataka and Jammu and Kashmir belong to this category. West Bengal is poised for decentralised planning down to the village level. Karnataka has embarked upon a bold legislation for delegation of planning functions to the district-level elected institutions and for creating the institutional mechanism for the devolution of resources on the lines of the Finance Commission at the National Level. In Jammu & Kashmir, the whole cabinet including the Chief Minister attends the district level meetings, conduct public hearings and sanctions the schemes on the spot. Although this cannot be a substitute for decision-making by the local-level institutions, it is certainly an improvement over the practice of taking decisions in the state capital and is an effective mechanism for expediting implementation. Because of some structural changes brought about in these states, there is reason to believe that benefits of development are likely to be shared more equitably.

V. EXISTING POSITION, PROSPECTS AND MAJOR AREAS OF ACTION

We have come a long way from the romanticism of fifties in regard to decentralised planning. Planning at the regional level is conspicuous by its absence and whatever planning that is practised at the district and lower levels is virtually divorced from the Panchayati Raj Institutions, which have often been superseded despite the statutory status enjoyed by them. There are nor proposals for bringing in constitutional provisions for holding elections to these bodies regularly; for devolution of resources by specifying their functions; and for adequate

representation to weaker sections.

A number of assumptions underlying the current optimism need critical examination in the light of the past experience. Statutory provisions are no doubt desirable but do not seem to be sufficient to effect a break from the past. We have seen that regional development boards became defunct and virtually extinct in course of time despite constitutional provisions and, in the case of Maharashtra, despite the unanimous resolution passed by the state legislature urging implementation of the constitutional provisions. Constitutional provisions can not be a substitute for the requisite political culture and political will. If the elected state governments can be superseded on account of political exigencies, there is no basis for entertaining different expectations in regard to the local-level institutions. Further, in view of the fact that even the recommendations of a constitutional body like the Finance Commission are not mandatory on the Union Government, it is not reasonable to expect that statutory provisions alone would be sufficient to ensure adequate transfer of resources to these institutions.

We have pointed out the possible motivation of certain state governments behind the ready acceptance of the idea of district planning. At the central level, there seems to be a naïve and somewhat exaggerated feeling that something has basically gone wrong with planning in India because the decisions are made at the centre and state capitals and that, therefore, future plans should be built from below, i.e. from the district and village levels. It is overlooked in this process that planning at the district levels, under the best of circumstances, can concern itself with not more than one-fourth to one-third of state plan outlays and the rest has, of necessity, to be planned at higher levels. One, therefore, gets the feeling that there is a temptation to find softer solutions to the harder problems of development and deficiencies in planning in general. It also needs to be understood that centre's role in decentralised planning is purely advisory and such of the assistance that it can render for district or regional planning has to be done through the state governments whose consent and participation is therefore a necessary precondition. Decentralised planning should not become a factor in the deterioration of centre-state relations.

In the current discussions on district planning, the overriding issue seems to be the improvement in the decision making process through the delegation of functions. Decentralised planning as an effective instrument for the formulation and implementation of poverty alleviation programmes has not been brought into the focus, presumably because of the belief that once the power is delegated to lower level, implementation of these programmes will automatically improve because the elected representatives are accountable to the poor and the underprivileged who constitute the vast majority of our electorate.

While this is true in the long run, a formal delegation of power is not sufficient to ensure this unless simultaneous measures are taken to bring about structural changes to weaken the socio-economic power that the rural rich wield over the poor, ensure adequate representation to the poor in these bodies through the necessary electoral reforms and improve the bargaining power of the poor themselves by organising them into activity specific groups and associations and through the involvement of voluntary or non-governmental organisations in the formulation as well as implementation of these programmes.

As mentioned earlier, notwithstanding the dismal performance in regard to decentralised planning, the need for such planning is greater now because of the increasing importance of programmes for social development and poverty alleviation and also because the prospects for such planning are better now on account of better unavailability of infrastructure at the lower levels, improvement in education levels, public awareness, etc. At the same time, if past experience is any guide, there should be no room for euphoria in this regard.

In addition to the statutory provisions currently under discussion, five major areas of action are indicated from the past experience, for making decentralised planning effective. These are :

- 1) Suitable modifications in the Centrally Sponsored Schemes so as to impart greater flexibility for local level planning;
- 2) Measures for planning at the regional level, particularly in bigger states;
- 3) Electoral reforms to ensure adequate representation to the poor in the local level institutions;
- 4) Structural changes to release the initiative of the rural poor by freeing them from various forms of socio-economic exploitation; and
- 5) Strategy to ensure people's participation, among other things, by involving voluntary organisations.

All these measures would require considerable political will on the part of both the central and state governments. These are briefly discussed below:

Centrally sponsored schemes usually embody national concerns and, despite the opposition from certain state governments, their importance has increased in the recent period. They mainly relate to agriculture, rural development of poverty alleviation, health and education. Being divisible in nature, central assistance for such schemes together with matching outlays may account for bulk of the outlays at the

district level. Assuming that such schemes are intended to meet certain national goals and are essential in the sense that these are not likely to be taken up by the State Governments without the central initiative, a major reform needed for the fulfillment of the objectives of the schemes is to make the schemes only indicative from the central level, that is, to define the broad purpose of the schemes and leave the detailed planning of the schemes including target-setting and devising instruments for achieving the objectives, etc. to the institutions at the district level. It is extremely important for central ministries dealing with such schemes to indicate clearly the area of freedom in planning available to the local institutions. Indeed, the central ministries can ensure through these programmes that decentralised planning is practised at the local level. On the other hand, if the central ministries insist on doing detailed planning of these schemes themselves then decentralised planning will be highly circumscribed, the objectives of the schemes may not be fulfilled and centre's credibility in its advocacy of decentralised planning will be called in question.

Regional planning for backward areas provides the test for the credibility of state governments in regard to their avowed policy of removing regional disparities in development. As pointed out earlier, district planning, by itself, can not be effective in removing regional disparities without a corresponding effort at the regional level. In some cases, such as Maharashtra, the existing constitutional provisions provide for an executive role by the governor in the implementation of regional development programme. Fears have been expressed that such a practice may lead to parallel centres of authority within a state which may result in friction and disruption of administration. If this is indeed likely to be the case, alternative mechanisms have to be found with the consent of the people's representatives of the concerned regions to undertake and monitor developmental measures at the regional level, so as to carry conviction with the people of the regions concerned. The centre, on its part, should take as much interest in regional planning as in district planning, particularly in respect of the backward and sensitive regions in bigger states.

Given the prevailing social structure dominated by the rural rich, the existing election process for Panchayati Raj Institutions based on the territorial wards provides an opportunity for the rural elite to get elected to these bodies in large numbers and acquire a dominating position. As mentioned before, the dominance of the rural elite in these institutions is the single major factor accounting for implement the poverty alleviation programmes.

Unlike planning at the central and state levels, planning at the district and lower levels is concerned essentially with the specific schemes which benefit identifiable areas and individuals who are in direct

contact with the elected representatives. What is involved at these levels is not basic policy making or major decisions on inter-sectoral allocations but translating the plans into concrete schemes suited to local conditions, mobilisation of local resources, identification of beneficiary areas and families, and minimising leakages by ensuring public vigilance and participation.

These tasks can be performed best if those occupational or functional groups who are affected most by such planning are adequately represented in these bodies, where the candidates themselves belong to such groups. This can be ensured through proportional representation to broad occupational categories such as small and marginal farmers, agricultural labourers, artisans, etc. which cut across castes and tribes can be built into this system which can be made simpler and manageable. This system may not appear necessary in states where the social structure is such that the functional groups can be adequately represented even under the existing system of elections. But for other areas the system of proportional representation to occupational groups is worth trying to begin with at least on a pilot basis in some selected blocks and districts.

In the long run, however, there is no alternative to democratising the rural social structure by eliminating the exploitation of the poor and the underprivileged by the big landowners, usurious money lenders and contractors. There has been a continuous interaction between democracy, planning and socio-economic structure ever since independence. However, the experience shows that the impact of the existing socio-economic structure on the functioning of democracy and planning has been more pronounced. Planning and democracy as instruments for structural change have not been tapped adequately so far.

Towards this end, it would be necessary to pursue the effective implementation of land reforms, minimum wages and provision of institutional credit including for essential consumption. It would also be necessary to ensure reasonable prices to the small producers including the tribals for their minor forest produce by abolishing the contractor system and the middle-men. Such reforms relentlessly pursued can change the balance of socio-economic power in rural areas in favour of the vast majority of the poor and the underprivileged and thus create the necessary conditions for the effective voice for these groups in the local level institutions.

The former structures for the participation of the people in the form of the Panchayati Raj Institutions can be effective only in the measure in which the initiative and awareness of the people, particularly the beneficiaries from the local level planning, is raised by organising

them into activity-specific groups, associations and cooperatives, and by using mass media to disseminate useful information to them. The role of voluntary or non-governmental organisations is extremely important in this respect. Although the involvement of voluntary organisations these tasks has been accepted as a matter of policy, the progress has not been very encouraging so far due to bureaucratic inhibitions and even resistance.

The crux of the problem in raising the initiative of the poor is the lack of leadership which is pro-poor, motivated and has the courage to mobilise people against injustice. A leadership with all these qualities is necessarily scarce. Perhaps the scarcest among these leadership qualities is the ability to overcome all the procedural difficulties or formalities in dealing with the official programmes, and the capacity to fight against the vested interests in the rural areas. If it is the question of only providing skills and selfless services and motivating the people for group endeavor and running their institutions, such people - the teachers, engineers, doctors, scientists and technicians - are available in large numbers, thanks to the long tradition of voluntary work in the country. Government intervention can play a major role by way of simplifying rules and regulations, lending full moral and material support to individual leaders and associations against harassment from vested interest, petty-bureaucrats and police. If this support is forth-coming from the government, the leadership bottleneck will not be as formidable as it appears now.

Source : Background Material, National Workshop on Implications of 73rd and 74th Constitutional Amendment Acts on District Planning and Development, School of Planning and Architecture, New Delhi.

INFORMATION NEEDS AND SYSTEMS FOR DECENTRALIZED PLANNING

- K.V.Sundaram

Our contemporary society in the Third World countries has witnessed, and is still witnessing, some rapid and extraordinary changes and challenges in various directions - political administrative, economic, social and technological-which are perhaps far more spectacular in terms of magnitude and impact than any experienced so far during a comparable period of human history. The major changes witnessed during the 1950' s and 1960' s included decolonization (in a number of countries), central control of government functions and ushering in of a massive effort directed towards national reconstruction and development. This was followed during the 1970' s and 1980' s by a succession of far reaching changes in development design and administration. Perhaps it is more appropriate to characterize this latter period of change as a phase of "development challenges," i.e. challenges that are being thrown up by the very dynamics of development. To meet these changes and challenges, the developing countries are adopting various methods, which include adaptations, adjustments, rationalization, restructuring and even total transformation in government and administration.

It is perhaps better to start this essay by examining how the development scenario is changing in the developing countries and what specific challenges are being faced in the context of the subject of our discussion. The changes, and the challenges experienced here are broadly in the following four directions:

- Changes in the orientation of planning from a growth-oriented paradigm to one based on growth with equity, stability and sustainability, demanding new planning strategies.
- Changes in the structure of planning from a centralized approach to a more decentralized approach directed towards improved sub-national development planning, characterised by multiple development objectives.
- An enormous need for disaggregated data and information for planning purposes at different levels and also the need to handle and analyze this data with speed and accuracy.
- The revolution in the field of information technology itself, involving the multiple application of micro-technology and optical electronics.

The above development challenges, however, could not be effectively met in most countries, with the result that some notable gaps have appeared between what is obtaining and what desirable. Perhaps in no area of development planning are these gaps so striking in their manifestations, as in the information sector at the sub-national levels. Here, the present situation is so critical that I would prefer to characterize the problem context as one of an "Information Crisis". This crisis has a historical basis, particularly in the colonial history and the subsequent developments in many countries, which led to centralized control of government functions and the establishment of a "top-down approach" to planning. These political and administrative changes profoundly influenced the structure of development in every sphere of activity.

In the information sector, this resulted in establishing a system of data collection favouring those aspects and activities relevant to macro-level planning, e.g. national accounts-covering national income, savings and investments, foreign trade and the monetary system. Such data, as generated, were at a rather aggregated level with, of course, a fair degree of sectorial disaggregation suited to planning at the national level. With the changes that have now come about in these countries, necessitating the introduction of decentralized planning characterized by multi-objective approaches, the network of development planning information "systems" established earlier has demonstrated its irrelevance and non-utility to the changed context. Governments in the developing countries are struggling with the existing structure and organization of data and information systems, and are seeking to adapt it for meeting the new needs of planning-related data at the sub-national levels. However, in many countries, these changes have not come about quite satisfactorily. What is perhaps needed now is a total reversal of the earlier system and its substitution by consciously designed (networks of) planning information systems suited to a multi-level planning context. In fact, the nature and degree of transformation called for in the information sector to cope with the emerging needs of planned development is the major preoccupation of this paper. As we go along in this discussion, the problem of how to bring about the requisite degree of transformation in information provision activity, in the technical, technological and organizational directions as well as in country-specific contexts will be commented upon. The changes taking place in a dynamic planning context in India will receive special attention in the latter part of this paper.

Decentralized Development Planning : Critical Issues in Change and Transformation

Our point of departure here is Decentralized Planning or Multilevel Planning, in the context of the new orientations or strategies that are emerging, to make planning and development increasingly

attuned to the structural, demographic, economic and social characteristics peculiar to each country and areas within a country. This essentially involved the sharing of planning functions at different area levels and devising of appropriate mechanisms and procedures for the effective capture, processing and "flows" of detailed information, interface between and among the area levels, as well as interaction for the meaningful participation with the people. All such arrangements are intended to make the planning process at the various spatial levels, on the whole, harmonious, interdependent and participatory and the plans themselves geographically relevant, authentic and implementable.¹ What is very significant about multi-level planning is that it is a technical exercise as well as a management and negotiation process. Decision-making here is based on a "participatory or negotiated planning approach"², which means that such decisions are not made on a unilateral or even bilateral basis, but are the result "negotiations" among a number of concerned parties. In the information context, this means that we have to reckon with not one, but several information users and often several distinct needs. Taking these varied requirements into account, we now need data and information at different spatial levels of aggregation and disaggregation. Particularly in the context of the changes planning orientations and strategies, we now need data on a large number of micro variables, touching on a wide range of distributional and equity issues-income, poverty, employment, standard of living, basic services (their access and delivery), quality of life and sustainable development-either on a universal or on a large sampling frame basis. Further, as decentralized planning is increasingly area as well as people specific, we need to know more about the cultural and behaviour patterns of the people, their asset ownership systems, the way they handle or practise their economy as well as their institutional and organizational capacities. It is only with such knowledge that we can plan for feasible technological packages for their benefit, provide systems of support facilities and services to backstop their economy and make appropriate organizational and institutional arrangements to facilitate their development. This is one aspect of our data and information need, i.e. the need for more information, more authentic information and micro-level information, which so far has not been effectively captured by our traditional statistical machinery in the various countries. Experience with data and information availability in many developing countries has indicated that, generally speaking, the amount of data decreases as the area unit changes from larger to smaller. Also some local-level data are low powered and undependable.

Thus decentralized sub-national planning, cutting across a number of hierarchical levels, would result in the introduction of a

planning process, which may be seen as increasingly information intensive as well as information selective. In this context, not merely has the need for data and information at disaggregated levels grown tremendously, but also the need for some extremely specialized and specific information in relation to the new development strategies. It is to be emphasized here that while these data and information needs have been, by a large, perceived and identified by planners and administrators, the information provision activity itself in many countries is yet to respond fully and appropriately to the varying perceptions of development planning and to the different strategies that are being sought or to be introduced from time to time.

The problem today is not merely one of proper identification of data and information needs for different levels and stages (or phases) of planning. This, no doubt, is an important item in our agenda for discussion and will be considered in the latter part of this paper. With the need to collect an increasing volume of information, and the need to use this information for performing a wide range and depth of analyses for planning, there has also surfaced data handling and processing problems, while developing countries can no longer ignore. There is also a speed or time factor implied here, because the decentralized planning process is a time-bound activity. Here the plans have to be prepared according to a time calendar (often specified in legislations pertaining to the particular area level) and integrated with each other, and ultimately with budgeting/allocating machinery of the government and submitted in time for authentication and approval to the appropriate authority in accordance with the democratic traditions and practices prevalent in particular country. So there is a rigid time frame to be adhered to in all planning-related activities. This means that the processes of data collection/updating, transformation, processing and analyses for planning have to respond with speed and commitment to conform to this time frame. This "time squeeze" is a factor that has to be carefully understood. It, more or less, sets a limit to the nature and volume of data and information to be collected, the way in which these may be collected, the kind of processing and analyses for planning that may be performed, and the kind of compromises that may sometimes be necessary.

It is here that we have perhaps to pay some attention to certain concepts like "critical minimum information" and "reduced analytical approaches" for planning. All these are closely linked to some concepts like the concept of "limited or bounded rationality" (i.e. not trying to know what is not worth knowing), the concept of "appropriate imprecision" (i.e. not measuring more precisely than needed), and techniques like "rapid rural appraisal", "key informants approach", "successive approximation", "progressive learning", learning through

transects",³ etc., which are now and then raised and discussed in several forums today, with a view to getting over or lessen the "nightmare" of data collection and the "tyranny" of statistical analysis.

The increased speed and accuracy needed in the processing of large quantities of information for decentralized planning could be met by the developing countries through an intelligent application of the rapidly advancing information technology, based on computers and telecommunication advances. These developments in information technology have placed at our disposal tools that can quickly collect, store, process and transfer data and information of all kinds. Indeed, the developing countries cannot afford to ignore these developments, because what we are dealing with here is nothing less than a powerful "technological avalanche", which is unstoppable because of its innate dynamism and also because of the economic conditions of today' s international market place⁴. The problems before the developing countries, therefore, are : how to match these two needs, i.e. the users' needs and the need to take advantage of the potentials and capabilities of the information technology and how to benefit through the innovative approaches of data and information handling and processing.⁵

If we accept the contention that the information challenges of the developing countries are to be met through a rigorous assessment of critical minimum data and information needs and the intelligent application of information technology, one must be prepared also to effect some necessary degree of organizational and administrative changes and also to modify the strategic planning process, as necessary, so as to incorporate information technology as an explicit and major support to decision-making for sub-national level planning. Changes in organization needed to support the new information technology have been termed as "orgware" by Nijkamp and de Jogn.⁶ While the changes implied in "orgware" are indispensable to achieve maximum benefits from the technology, in a multi-level planning context, they are to be preceded by the establishment of what this author would like to call "multi-level information structures". In the dynamic system of multi-level planning, the planning authorities at different spatial levels have to continuously act and interact with each other, before firming up decisions on programmes and projects. If this is to be dealt with efficiently, data and information for planning must flow up and down and in all directions. These flows cannot happen automatically, unless specific institutional structures are created for that purpose and procedures established for the direction of the flows. Thus one major step in the innovation needed in the context of the application of the new technology is to establish suitable Information Structures to match the Planning Authority Structures. In other words,

what we need at this stage of transition is the establishment of a system, which will effectively link the users of information with those engaged in providing that information.

In the changes and reorganization that have to come about, I consider the establishment of these linkages as of crucial importance. Without such linkages, the operationalization of decentralized planning in many countries has tended to become less effective, as available data for planning have not consciously related themselves to the users' (i.e. planners') needs. In fact, in many countries today, both "Authority" and "Information" Structures are not only weak, but also "Unmatched". Further, such changes as are being introduced in many countries are merely responding to symptomatic deficiencies, as opposed to planning and managing more fundamental changes, which is very much desired.⁷ In this context, we would like to place great emphasis on the organizational changes that are called for—in particular, for the matching of information structures with planning authority structures. These two types of structures have to match and mesh and mutually complement each other, if decentralized planning activity is to become realistic and effective. There are different ways in which this coordination can come about. One approach may be to build the information structures into the planning authority structures themselves. Alternatively, if they remain separate, some consultative mechanisms may be established for interaction and understanding. In some countries, the planning and statistical personnel are brought into the same "Economic Service" for career development. Thus they move freely across planning and information provision jobs, thus bringing about the required coordination and understanding.

Current State of Art on Data and Information and Sub-national Levels

Several critical observations have been made in regard to the present state of art on the data and information obtaining at sub-national levels in the developing countries. The picture is sometimes confusing. In the mainstream debate on data inadequacies, some points which have been emphasized are :

- Paucity of data, refreshing to lack of data, sometimes called "under-information". This is specially in regard to primary data relating to income, consumption, employment, housing, health or nutrition behaviour.
- Conflicting data, with the existence of multiple estimates of the same phenomenon in the files of different ministries or in the files of different divisions of the same ministry, providing different estimates.

- Irregular data, referring to lack of a definite periodicity or timeliness in the availability of information.
- Imperfect data, referring to data of doubtful validity.
- Irrelevant data, referring to the existence of abundant data on some aspects that are strictly not necessary for planning.
- Insufficient data, referring to gaps in information, either in terms of spatial coverage, or subject coverage, or both
- Incoherent data, referring to information which does not relate to each other.

One view that has been expressed is that in many countries, there is adequate data with numerous agencies and the problem is one of selecting the "best data set" and coordinating future data collection on systematic lines. According to an assessment, "the rural problems is not one of insufficient data, but one of an abundance of imperfectly veracious data".⁸ Proponents of techniques like Rapid Rural Appraisal (PRA) assert that :

- Too much data is collected;
- Irrelevant data is collected;
- Late and inappropriate results are produced; and
- In data collection, there is too little/no participation by the local people.

In the above context, less adherence to long and costly formal surveys, resort to some more informal and participatory approaches to data collection and reliance on local insights have been advocates.

On the other hand, countries which have embarked on local-level planning and decentralized programmes of the poverty alleviation type find themselves seriously hamstrung by lack of adequate data pertaining to several micro-variables. Even in countries, which have established a regular National Sample Survey Organization (NSSO), the data and information that are collected are often inadequate to meet the requirements of local-level planning, e.g. India.⁹ On some aspects, like employment for instance, data have been found to be inadequate for rural manpower and employment planning. Apart from quantitative data, decentralized planning has to rely a lot more on some important qualitative information on the ordinal scale.

Particularly on some important aspects like socio-economic behaviour, intra-generational aspects of development, some aspects of development like indigenous development practices, development impact and development monitoring, the qualitative information is very relevant. Such qualitative information is usually contained in the several formal

field studies undertaken by various agencies. But there is no systematic means of "extracting" such information and providing them to the planning bodies for the meaningful analysis and interpretation of development problems. Several suggestions are being made to overcome such problems, e.g. suggestion by UNRISD for the setting up of "socio-economic observations" in rural areas in order to obtain periodic data on socio-economic changes.¹⁰

In a heterogeneous context, where different countries are developing their decentralized planning systems in different ways, it is difficult to generalize whether the present data and information available for planning is adequate or inadequate or in what respects or directions, they should be supplemented and how (i.e. the methods of survey/data collection). The data problems listed here (lags, snags, gaps, inadequacies, etc.) need country-specific assessments and solutions.

A Conceptual Base for Deriving Data and Information Needs

Data and information are essentially tools or means to planning. In this context, their potential roles are :

- For problems definition, measurement and analysis;
- For inventorying and decision-making;
- For evaluation of plans, programmes and projects; and
- For orienting planning to people' s perspectives (not merely to planner' s perspectives).

To meet the above planning-related purposes, various types of data and information will be required. They could be spelt out or derived conceptually by adopting some rational approaches and building into them relevant considerations.

To elaborate such a conceptual base for the derivation of the data and information needs, four distinct levels for planning may be assumed, viz. regional, local, community and household levels.¹¹ For each level, the data and information requirements may be derived through a combination of four major approaches, in which the key determinants are:

- Goals/sub-goals and Policy Areas (sectorwise and programmewise);
- Scope of Planning Functions;
- Programmes/Projects included in the plans; and
- Methodology/Techniques used for planning.

The identification of data and information could be further aided and refined by two other considerations, viz. the various planning

stages (pre-planning, action planning and implementation planning) and the major planning tasks or steps involved in each one of these stages. The rationale and approach indicated here for the identification of data and information requirements would call for very meticulous work in its actual application. Some illustrations are available.¹²

Information System and Information Technology : current Applications

While the term "Information System" may refer to any apparatus or method, which allows the transfer of information between producers or sources and users of information, in the modern context it is used in the sense of sophisticated technology and computerization, with its components of human actors (users and staff), information, information processes (i.e. relating one information element to another), data, data processes (i.e. processing of data) and hardware (equipment). Statistical and other information processed and presented in readily usable form, no doubt, greatly assists in advancing both the planning process and its supporting analyses. In the planning context, an information base that is oriented towards both "problems finding" and "solution finding" is essential. All these would suggest that an information system has to be purposive. In a multi-objective framework like decentralized planning there could be, therefore, a number of information systems, which, however, must relate to each other. For meeting the data and information requirements for multilevel planning, the information system may perhaps be conceived in two broad contexts : (i) as a non-specialized general purpose system, which could be utilized by a heterogeneous group of users concerned with policy-making and planning at the regional and local levels (i.e a policy and planning-oriented information system). This can handle the planning tasks of diagnosis (i.e. the setting of goals), strategies, priorities and targets), which constitute the first stages in planning cycle; and (ii) as specialized, individual action-oriented systems, focusing on specific requirements (i.e designed for sectoral planning and other specific planning orientations). For this, we must start with identifying the various programme/project segments associated with each sector of planning and their objectives. Then we should design the information system appropriate to that segment of planning. A Geographical Information System (GIS) would also fall in this special category, dealing with spatial data set, the sources for which may include field surveys, air photography, remote sensing, satellite imagery and existing maps and records.

As for the use and application of modern information technology for planning purposes, the progress in the developing countries is quite slow and uneven. What has been achieved in most cases are incomplete inventories of some baseline data and the automation of routine, record keeping applications primarily in finance

and revenue raising services. Some applications for planning have been attempted in a few countries, e.g. China, India, Thailand, Nepal, Sri Lanka and Indonesia.

This shows that the application of information technology to planning related tasks is in very formative stages of development in the developing countries of the Asian region. The attempts made so far are piecemeal and selective and not designed to cover the entire spectrum of planning activities at the various levels. In order to take advantage of the potentials and possibilities thrown up by the new technology, and introduce it in a big way in a comprehensive and wide-ranging context, it would be necessary for these countries to establish some essential prerequisites as follows :

- i) Establishing a reliable collection of data at the sources and imparting knowledge as to how to feed these into the system;
- ii) Installing micro-computers for performing specific planning and analytical tasks at various spatial levels and networking them with the mainframe computer, thus establishing a viable communications network in the country;
- iii) Developing a suitable software to handle the variety of planning problems;
- iv) Building up a sound personnel base, with experts conversant not only with the technical side of their equipment, but also with the methods of handling the vast volume of statistical materials; and
- v) Sensitizing or rendering the top policy experts in government, particularly in the ministries of finance and planning, knowledgeable about the potentials of the new information technology and information system.

Transition to Information Age

Towards a "Stages Approach" and a "National Information Policy"

Overcoming the numerous existing constraints and establishing the above prerequisites at one stroke would be a tall order for the developing countries. In this context, a search for feasible solutions and making some compromises seem necessary. Perhaps a useful approach could be a "blending" of old and new technologies and gradual adoption of the new technology. Proceeding in a modular, way i.e. stages in steps. In this case, the new information technology will not suddenly replace, but slowly supplement existing technologies. Such an approach would be in response to the various existing constraints in the developing countries and would ensure :

- i) A smooth transition from existing to new technology
- ii) The optimum utilization of existing equipment and skills;

- iii) Possibilities of upgrading equipment in case of growing demand;
- iv) A wide diversity of outputs to meet all types of needs; and
- v) The possibility of step-by-step progress in establishing equipment to allow for staggered investments and training.

In the context of the adoption of the new information technology and preparing themselves for the transition to an information age, in which the emphasis will be on evolving and end-user and decision-support information systems, developing countries have to proceed with much caution, deliberation and care. Quality control, technical competence and systems compatibility are important issues associated with the implementation of the new technology. A blind imitation, in our euphoria for innovation and change, may result in unnecessary data duplication and inconsistencies. It is necessary to take a clear view of the "planning task environment" as a whole in the context of each country, and then decide the way in which information technology can be applied. Which of the key areas of planning should receive the first and foremost attention (i.e. identification of the strategic information system opportunities), what organizational structures and related procedures should evolve, as information systems are developed, are important questions for decision-making. These are essentially policy issues. What is clearly indicated at this moment of transition, therefore, is a "National Information Policy", which incorporates information technology as an explicit and major component of the policy, and spells out the "what, where and how" of the adoption and utilization of the new technology in the country's development context, particularly the emerging "planning task environment". Two recent international conferences-at Kawasaki (Japan and Visakhapatnam (India)-ended their deliberations with a "declaration", calling upon the developing countries to adopt explicit policies for the information sector. My reliable knowledge is that no country has, as yet, come forward with a national policy declaration on this subject. This shows that countries are moving towards the information age in a "policy vacuum", which is a risky venture and a dangerous portent. The best that can be done at this moment will be to make a very strong reiteration and lay emphasis on this strategic need, so that the developing countries can build up a reliable, scientifically sound and coordinated data and information system, avoiding the mistakes and costs associated with their haphazard development.

The Case of India

Changing Information Scenario for Development

Now I discuss the present state of art on data and information system in India. The Indian case is particularly interesting, because the country has relatively a rich acquisition of planning-related

data and information at sub-national levels and has made some striking adaptations and adjustments in its administrative and organizational structures for data collection and dissemination, in response to several policy and programme changes that have been initiated, particularly during the 1970' s and 1980' s. Being a country of vast sub-continental dimensions. (Area : 3.3 million km² Popn : >700 million), federal structure (twenty-four states and eight centrally administered territories), heterogeneous population (differentiated in term of castes and economic classes) and development experience representing a wide spectrum of approaches to development, planned in the framework of individual projects and regional and area programmes, the data and information requirements here are indeed stupendous and varied. India has also a vast reservoir of scientific and technological manpower, with the result that the technical personnel constraints that usually inhibit technological advances in many developing countries do not pose a serious problem for India. However, efforts to harness the science and technological capability towards innovations in the information sector had barely started during the Seventh Plan period (1985-1990) and is now gathering momentum. It cannot be over-emphasized that the next phase of developments in India is going to be in the direction of a revolution in information technology, involving extensive applications of the new technology in a wide range of planning and development contexts.

In considering the data needs in the Indian context, the development approaches, strategies, policies and programmes that are adopted at the sub-national levels constitute a crucial consideration.

Soon after Independence, the country addressed itself to some essential tasks. These included :

1. Conversion of the law-and-order system of administration into a welfare and development oriented system;
2. Building up of popular institutions at the grassroot level, which could motivate the masses into identifying themselves with the national development efforts;
3. Co-ordination and streamlining of the technical services, which under the traditional administrative system had been working in isolation from each other and from the people; and
4. Generation of development oriented local leadership suited to the changing circumstances.¹³

Following the experimentation with community development programmes, central intervention continued in rural areas, trying to give programmatic content to the various problems thrown up from time to time in the form of special programmes. These special programmes impinging on local areas (districts, blocks and villages) have created the need for a tremendous volume of disaggregated information, touching on

various micro-level aspects. Simultaneously, since the Seventh Plan period (1985-1990), a major thrust or emphasis in planning is being directed towards decentralized district planning and in creating a responsive administration aimed at changing the power structure in the countryside. Thus the point that we would like to emphasize is that the changes in the orientations of planning at the sub-national levels, leading to a plethora of special programmes, the vigorous push towards decentralization and the changes in the institutional aspects of rural development have brought to surface the numerous data lags, gaps, inadequacies and inconsistencies at the regional and local levels, and equally the necessity to quickly process and analyze this data for planning and monitoring tasks. The developments that are taking place in India in the information sector have to be viewed in the light of these changes and are intended to cope with the requirements of the present development situation, particularly decentralization.

Existing Database and Organization

In countries like India, it is important to realize that the data and information system has evolved as part of the administrative organization of the country. Now that it is serving the needs of administration as well as development, it cannot be overemphasized that in a dynamic development context, organizational flexibility is one of the foremost requirements.

In the developments that took place in India during the 1960' s and 1970' s, with the emergence of several new "differentiated" area-specific and target group-specific programmes, a number of new agencies with their own organizational structures within the district/division were created, leading to the development of pluralistic planning and development structures and increasing the problems of coordination and integration. These "differentiated" structures are now yielding place to "integrated" structures, with the formation of a new agency at the district level - the "district Rural Development Agency" (DRDA). Simultaneously, with such organizational integration, a multi-level planning process has emerged, which views planning as an inter-linked activity. This has served to emphasize effective data and information flows between the among the different territorial levels and the establishment of organizational and communication linkages among them, so as to facilitate reciprocal inter-action, exchange, cooperation and resolution of conflicts. Against the desired organizational changes as envisaged above, we may now examine the nature of the existing database and how it is organized. For the purpose of this analysis, we may classify the data and information into seven major categories : (1) Geo-based information; (2) Socio-economic information; (3) Special purpose information : (a) special programme-wise; (b) sector-wise; (4) District level Information; (5) Sub-district-level information; (6) Village level information; and, (7) Household level information.

(i) Geo-based Information

This consists of information with spatial dimensions or locational distribution. The various geo-based data and information on natural resources are scattered among numerous agencies. At present, the updating the flow of this information is irregular and spatially unintegrated. Such regular updation and revision of natural resources data is now possible, thanks to the advancements in satellite imagery, remote sensing and computer sciences, which have revolutionize

the data acquisition and processing methods in this context, cutting down the time and increasing the precision. In order to use the natural resources data meaningfully for planning purposes at the different spatial levels, it is necessary to ensure a joint and interrelated presentation of the resources information. In this context, the building up of an "integrated resource information system" on a scientifically established database is emphasized. The next phase of development in regard to geo-based information in India has to be an "integration and consolidation phase", intended to bring together the various raw data generated by the various agencies for numerous applications, after paying due attention to the question of standardization and compatibility. This would mean carrying out the required degree of processing and analysis and converting the raw-data into meaningful information that can be readily used by the Planning agencies for various development purposes. The Survey of India and the National Remote Sensing Agency will have a crucial leading role in this respect.

The Survey of India is an important apex organization, with its counterpart in all State Governments and together with the National Remote Sensing Agency (NRSA), which is a more recent development it is today in a position to provide "integrated" information for planning at decentralized levels. The Surveyor General of India had drawn up a blueprint to develop a common database, using multi-disciplinary groups for integrating spatial data, including statistics, maps and aerial photographs (including space imagery, as relevant) and computer graphics for generating alternatives.¹⁴ It envisages a multi-level effort with a National Level Task force to coordinate and standardize procedures and monitor the programmes. Under this scheme, the geodetic and resources information generated through the various Central Agencies would be passed on to planning teams at the state level, where these teams will be organized to process the information according to districts, using micro-computers and computer assisted mapping systems.¹⁵ The Surveyor General's proposal is to be seen in conjunction with a recommendation made by an important Working Group on District Planning appointed by the Indian Planning Commission,¹⁶ which has emphasized that for every district in the

country, the following seven thematic maps should be prepared : (i) Geological; (ii) Groundwater; (iii) Soils; (iv) Forest; (v) Existing Land Use; (vi) Optimal Land Utilization; and (vii) Integrated Resource Information. In a demonstrative exercise undertaken for one district-Karimnagar District in Andhra Pradesh-NRSA has prepared a set of such maps and indicated how it can be used in scientific district planning. The replication of this exercise on a country-wide scale should be undertaken by the Survey of India in cooperation with NRSA. Developments steered in this direction will result in substantial building up of integrated resource information, which will be a great support to decision-making at the sub-national levels. For improving the decentralized planning methodologies, such developments have to be accelerated with speed, commitment and decisiveness.

Socio-economic Information

Information in the socio-economic domain covers a wide range of human, social, economic and employment aspects, information on basic services and community facilities, besides information relating to production, technological, financial, infrastructural and institutional aspects of development pertaining to the various development sectors. For some basic information, e.g. Population, Income, Consumption, Agricultural Infrastructure, Industrial Establishments and Employment Market Information, periodical information is thrown up by various organizations. The population census, the national sample survey, the agricultural census, the census of industries, economic census and labour statistics, which provide fairly good quality and dependable information. So far as information on sectorial aspects is concerned, the data provision activity is organized at the central and state levels in a well-integrated manner. The Central Statistical Organization and the State Bureaus of Economics and Statistics constitute the organizational pillars of such information. These have their support at the district level, where a statistical officer is invariably available to collect and transmit relevant information. Below the district level, at the level of blocks (a group of about 100 villages), there is a Block Development Office, in which is posted an official designated as Progress Assistant, who maintains development information pertaining to the block. At the village level, the revenue officials maintain all relevant information and as the revenue system in India is very well organized (a British legacy), all the basic data required are available on a systematic basis (every year updated in a routine manner). The organizational structure with vertical and horizontal levels of integration may be seen in Fig. 9.1. In point of time, the state bureaus are a later development and their organizational growth occurred with the generation of an increasing volume of development data at the sub-national levels in the wake of the emergence of special area-specific and target-group-specific programmes and new emphases given from time to time to district and

block-level planning in the country. These developments took place during the 1970' s and 1980' s and it is during this period that several state governments made concerted efforts to build up their economics and statistical bureaus, to bring about the required vertical and horizontal integration of data at the different spatial levels. These developments are still not complete. There is much streamlining yet to be brought about to establish regular "flows" of information from the numerous programme agencies and special-purpose authorities and vice-versa. There is also the need to strengthen the linkages between planning authorities at the district and block levels and the statistical bureaus. Further the differences in methodologies adopted for computation of certain essential information, like the state income estimates at the central and state levels, have led to discrepancies in estimations between the different

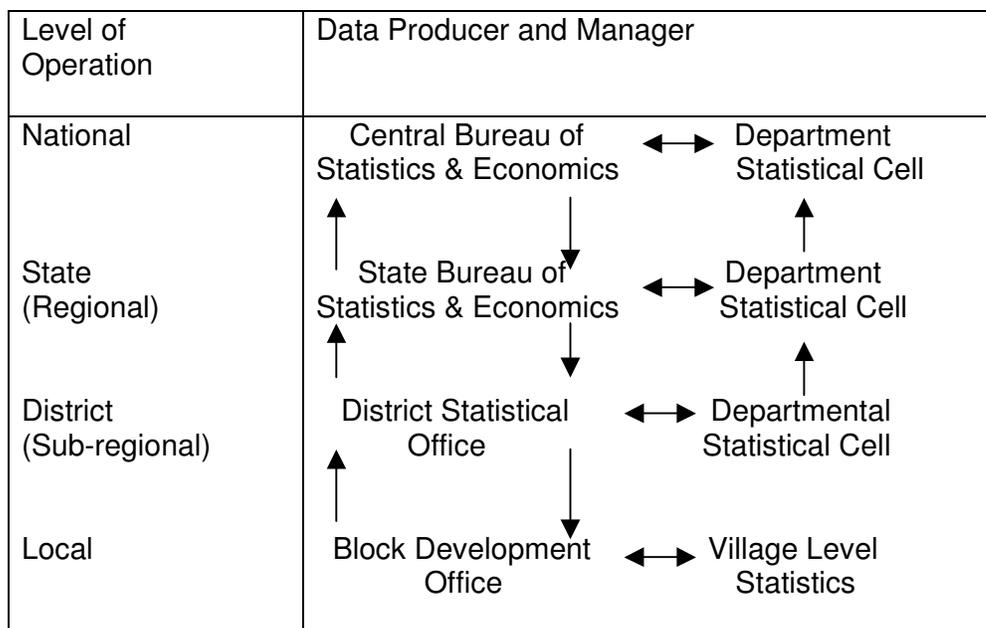


FIG. 9.1 : Vertical and Horizontal Levels of Integration of Socio-economic Statistics in India.

Source: Routray, J.K., Data Base : An Aid to CIS Application for Decentralized Micro-level Planning in Developing Countries - Indian Experience. Paper presented in the International Conference on ' Geographic Information Systems, Application for Urban and Regional Planning : A State-of-the-Art Review' , Organised by the United Nations Centre for Regional Development, Nagoya (Japan), Jakarta 3-6 October, 1989.

sources. Now coordination mechanisms have been introduced to reconcile these differences. In some states, the bureau of economics and statistics and the planning service at the state and district levels have

a common cadre of personnel, with the result that coordination has become easier. The situation in this regard varies from state to state. Nevertheless, there is acute consciousness in every state on the need for the consolidation well as the vertical and horizontal integration of data and information at the different spatial levels. An important point to be emphasized here is that the statistical machinery at the state level has shown the resilience and flexibility to adapt, assimilate and to respond to the dynamics of development in the country and to the challenges that are thrown up in this context. Not only this, the bureaus function not merely as data collection agencies, but also as instruments of social and economic surveys and have conducted several studies, throwing up both quantitative and qualitative information of various kinds.

Thus, it may be seen that in India, the socio-economic data and information base is quite well organized, and an agile and flexible structure which is growing at the state level is effectively performing the bridging and coordinating function. Not only are data and information relating to all major variables available on a fairly reliable basis, but also such information is periodically updated (cutting down the decay rate) and maintained to provide data systematically on a time-series basis. Nevertheless, there are still some problems associated with the currently available database in India. Routray¹⁷ has listed the following problems:

1. Multiplicity of data management institutions;
2. Neither need specific nor adequate;
3. The quality of data and question of reliability;
4. Non-matching data sets on a common theme between two different sources;
5. Discrepancy in geographical area for the level of data aggregation;
6. Inconsistency of data in relation to time and areal units;
7. Weak vertical integration of the data sources and organization;
8. Non-adoption of common format/data structure for district and sub-district level within a state for basic information;
9. Non-availability of some basic data because of unnecessary restrictions by the data managers; and
10. The data organizations (mostly government departments) orient very much to fulfil the data needs of the government administration rather than maintaining data objectively needed for universal use of planning, development, monitoring and evaluation.

Special Purpose Information

In India, several special-purpose area-specific and target-group-specific programme have been launched since the 1970' s to assist the development of certain types of backward areas and backward groups. Examples are the Integrated Rural Development Programme (a poverty alleviation programme), programmes for the drought-prone

areas, tribal areas and hill areas, the small and marginal farmer' s programme, the command area development programme, employment programme, etc For the effective planning of such programs, in-depth data and information are needed in problem-specific and target-group specific contexts. The problem-specific data may comprise both natural resources inventory data as well as data on human resources. The target-group programmes need information and household level. Thus both primary and secondary data are to be collected. For the planning and implementation of many of these special-purpose programmes, new organizational structures have been created. These organizations have generated a lot of programme-specific data. The problem has arisen in handling the voluminous data and processing them, as needed. Computerization and use of micro-computers in this context has become indispensable and some interesting developments are taking place in this direction. This will be discussed later in this chapter.

District-level Information

As noted earlier, the major thrust in planning in India is now shifting to district and micro-level planning. In this context, much thinking has gone ahead to visualize the data requirements, their availability in various organizations and the significant gaps yet to be filled through fresh surveys and other means.¹⁸

Keeping in view the planning functions at the district level, "the critical minimum" information (to avoid over-collection of data and "data graveyards") necessary for planning and decision-making have been identified. This consists of data and information covering all those areas defined as the "District Sector", plus such background information as may be helpful in their meaningful interpretation. Such data and information have then been arranged under certain meaningful analytical rubrics under six data sets as follows:

- i) Natural resources data set
- ii) Demographic data set
- iii) Agro-economic data set
- iv) Socio-economic data set
- v) Infrastructure data set
- vi) Data inputs from primary surveys.

Besides the data and information indicated in the six data sets above, detailed information about on-going development programmes and their achievements will be necessary. These are particularly indicated when new developments, like zero-based budgeting, are being introduced at the state level. Besides the statistical information, some maps intended to reveal the spatial relationship among the various developments have also been suggested.¹⁹

Sub-district Level Information

At the sub-district level, the Block (a cluster of about 100 villages), has emerged as an important developmental administration unit in India, with democratic decentralization also established at this level through a people' s organization, called "Panchayat Samiti". A subdistrict level organization like the block has an essential role in bringing about balanced spatial development, eliminating intra-district disparities in development and enabling closer public participation in development. Of late, the thinking has emerged in some states that even the block is a large unit for planning at the sub-district level, and a smaller unit named as Mandal (a cluster of about 15-20 villages) will be more appropriate for this purpose. Some states, e.g. Karnataka, and Andhra Pradesh, have already adopted such a unit for sub-district level planning. Probably developments, such as this, would be desirable in all the states, as it will lead to the emergence of a viable unit for micro-level planning, which would enable the better functioning of the government delivery system on the one hand and the building up of effective people' s receiving mechanisms on the other. Currently, the data and information machinery at the block level, which is centred on one multi-purpose official-the Progress Assistant functioning under the Block Development Officer-has proved to be a very unsatisfactory arrangement, as the Block Office has become an overloaded apparatus of development administration, with the proliferation of several development agencies at the sub-district level and the operation of a plethora of poverty alleviation programmes. In this context, a revamping and energizing of the sub-district level data and information has become imperative in many states.

Village-level Information

As noted earlier, because of the existence of a sound revenue machinery in the states of India, extending from the collector at the district level to the patwari (known by different names in the various states) at the village level, the land records, and information pertaining to the primary sector (agriculture) are available in the villages on a fairly satisfactory basis. The development information at the village level is available with the extension machinery. To enable the essential village-level information to be compiled systematically, the village index Card system has been introduced since 1982. Many states have adopted this system and some are also taking steps to computerize the village-level information. The village level again is an area, in which more innovative changes can be introduced, to render the collection, maintenance and flow of information more systematic and organized.

Household-level Information

With the proliferation of special-purpose and area-specific and target group specific programmes, micro-level planning has become data intensive and reliable and authentic data at household level (with particular emphasis on "Profile of the Poor") has become an urgent necessity. Such data are now being collected through special household surveys designed for each individual programme. A lot data and information are also being generated during the monitoring of these programmes. The handling and processing of all these voluminous data is posing serious problems. Further, the micro-level data relating to the beneficiaries of several poverty alleviation programmes have to be maintained carefully "over time", to monitor and study the behaviour of these households after initially crossing over the poverty line. For the efficient collection, storage, processing and retrieval of such data, the use of the new information technology is particularly indicated, as it will bring speed and sophistication in the analytical process. Developments in this regard will be discussed in the sequel.

Development of Information Systems

In the field of information technology, many important developments are taking place in India. These are still in various stages of trial and experimentation (i.e. pilot research and development stage) and evolution, although some programmes are past this stage and have entered a stage of operationalization on a country-wide scale. The four major directions in which the current efforts are focussed are:

1. Development of an integrated geographic information system (NRDMS Project);
2. Computerization of Rural Information System (CRISP);
3. Developing an Urban and Regional Information system (URIS), and
4. Networking all districts in the country through a system of computers and satellite, for efficient multi-level planning and management called "District Information System of National Informatics Centre: (DISNIC).

It is interesting to note that all the above-mentioned efforts are directed towards the establishment of decentralized information systems and are mutually complementary. The consolidation, integration and unification of these efforts may take a long time. Nevertheless, by themselves, they seek to cover certain distinct components of the planned economy in stages. In a vast country like India, where the pace and pattern of any development effort is bound to be uneven among the states and "unified approach" is difficult to implement, technological developments must necessarily come about in "stages and steps". This

is what is happening. A brief account of the state of art in this respect has been attempted below.

Development of an Integrated Geographic Information System

This is an attempt to develop a computer-aided spatial-oriented database for data storage, retrieval, dissemination and analysis as well as the economic aspects of planning. It is called the Natural Resources Data Management system (NRDMS). It is intended to generate area-specific profiles of natural resources and socio-economic parameters and decision-support models for micro-level planning. The database store information on attributes, location (geo-coordinates) and time-the primary constituents for generating dynamics resource profiles of an area. Under the NRDMS project, pilot data bases have been set up in nine places located in eight states with different geo-enviornments.²⁰ For extending the project throughout the country, Aggarwal' s blueprint²¹ approach referred to earlier is quite relevant.

Computerization of Rural Information system (CRISP)

Attempts to introduce a decentralized information system, to make the planning and implementation of the rural development programmes more effective, started during the Seventh Plan Period (1985-1990) by the Department of Rural Development, Government of India. The idea was to gradually make it a major component of district planning. The Department has developed a comprehensive system of monitoring and concurrent evaluation of major programmes of rural development. The emphasis is on a strong database and feedback on the implementation of the programmes. Computers are being installed in all DRDA' s, based on the experience of pilot project on Computerized Rural Information System (CRISP). CRISP became operational in 1988.²² States are developing a technical support organization as a nodal agency to take over the ongoing process of software enhancement, training of staff and general technical support to DRDAs.

In the various states of India, computerization is also extending into certain other selected areas. But the developments in information technology are uneven across the states. A state like Rajasthan, for instance, has set up during the Seventy Plan period(1985-1990) a Directorate of Computer as the nodal agency for coordinating all developments. This has ushered in a new era of information technology application in a number of government departments and autonomous bodies. Madhya Pradesh has computerized the collection of land records and settlements. Thus a database has been created to record every detail to a piece of land-name of the holder, crop patterns, tenancy details, irrigation details and land utilization details. Any individual, on paying a nominal fee (Rs. 10), can get a copy containing every detail of

had land. Thus the computers are heralding the information revolution in the country. The right mix of technology and tradition continues to be a database issue.

Development of an Urban and Regional Information System (URIS)

This is a development initiated by the Town and Country Planning Organization of the Union Ministry of Urban Development with the assistance of UNDP. Installation of hardware, development of software and training are the major components of the project. It is being sought to be operationalized with the active assistance of the State Town Planning Departments. Data entry forms have been standardized, which are sent through the state governments to the district headquarters and from there to various agencies for collecting information. URIS is still evolving and trying to tackle the various administrative and coordination problems.

District Information System of National Informatics Centre (DISNIC)

The National Informatics Centre (NIC) under the Planning Commission is the most important organization in India, which is in the process of accomplishing a very challenging task of "networking" all districts in the country through a system of computers and satellite for efficient multi-level planning and management called the District Information System of National Informatics Centre (DISNIC). NIC has established an inter-city network in Delhi called NICNET (National Informatics Centre Network). NIC is expected to facilitate through this network (NICNET), the fulfilment of long-flet information gap for the planning agencies and provide decision-support information for economic and social development, programme implementation and project monitoring.

During the first phase of development during the Sixty Plan period (1980-1985), NIC formed an inter-city network of 20 minicomputers and 80 terminals around a Cyber 170/370 main frame system. It also acquired and installed four large main frame systems, NECS-1000 at Bhubaneswar, Pune, Hyderabad and New Delhi. Since then, the system has been extended from time to time. For the Eighth Plan period (1990-1995), it is envisaged to strengthen NICNET further by installing 7,000 earth stations and another 3,000 for special groups like banks.

As of 1989, 238 out of the 422 districts have been brought under NICNET. Each of these districts has got a District Information Office, with PC super AT with four terminals (300 M-byes hard disk, 8 M-bytes onboard-memory and a heavy duty printer). A NIC satellite-based network links each of these through a "controller" type earth station in

New Delhi to their respective state units. The micro-earth station provides two ports and has a data transmission speed of 1,200 bytes per second and a receiving speed of 9,600 bytes per second.²³ The state units located at the state capitals are in turn linked to mother earth station located in Delhi.

Thus a massive country-wide computerized network with an impressive hard-ware build-up has been achieved under DISNIC. This is now to be followed by the development of the district Information System consisting of three major aspects, viz:

- i) A Monitoring Database;
- ii) An Administrative Database; and
- iii) A Socio-economic Database

The data components under each database have been worked out by involving concerned departments at district, state and central levels. Studies have been conducted for identifying the input parameters required at both micro and macro levels in all the sectors for decision-support system. Twent-six sectors are proposed to be covered to start with.²⁴ NIC has set up the district Informatics Centre at all the district headquarters, with fully trained officers and staff, consisting of one District Informatics Officer and one District Information Assistant to manage the District Centre. The necessary hardware/software has been made available at the District Informatics Centre. These centres are supported by a core group of scientific/technical professionals of NIC in the State Capital. All the officers and staff in the District Informatics Centres have been fully trained by NIC. Simultaneously, NIC is also taking steps to train the field staff of those organizations and agencies, who are capturing the data in the field, in modern techniques of data capture, data entry, data reconciliation, querying databases and in the use of information analysis techniques. When this phase is completed and DISNIC becomes fully operational and effectively linked to the district planning process, it will be one of the most important application areas of information systems, realized on an extensive scale and functioning as a multi-level planning and management system.

From the foregoing account, which indicates the evolutionary trends in the development of computerized information systems in India, we may now consider in broad perspective the likely future developments. In my view, the future developments will be in two parallel directions of systems integration. These will be : (a) the full-fledged development of the Geographic Information System (GIS), which will come about through a logical expansion of the NRDMS project on the lines envisaged by Aggarwal, Hopefully, the Urban and Regional Information system (URIS) will be linked to this development; (b) In the second major likely development, NICNET and DISNIC will become

operational and while doing so, they will integrate CRISP and play a significant role in strategic planning at all levels. It is also possible that development of information systems may encompass certain other aspects of development planning, e.g. Environmental Planning.

Notwithstanding a simple statement as above, these developments along with the integration as envisaged here should not be construed as a natural, inevitable and easy process of change. In fact, the challenges that will have to be faced in this context of systems integration will be many. It is in this context that the formulation of suitable policy guidelines by the government, to guide the information systems and information technology along the desired path of change, is very essential.

Towards an Integrated Organizational Network

Building up a scientific database and information system for an effective decentralized planning and management is a task which is full of difficulties and challenges. Any system that is built up has to integrate natural resources data with socio-economic information on the one hand, and data and information on beneficiaries with those relating to infrastructure and economic activities on the other. It has also to be integrated with the planning process operating at the different levels and finally it has to be integrated with the planning process operating at the different levels and with the higher order areal units in the hierarchical planning system of the country. The Indian case, set out here, shows that the growing demand for data and information in the context of decentralized planning have been, by and large, met through effectively manipulating the existing data sources and organizations. This is now again to be integrated into the organizational structures that are emerging in the context of the developments in information technology. Lastly, these information structures have to match and mesh with the planning structures at the various levels, a point which we emphasized in the very beginning of this chapter. We would like to emphasize this point again in our concluding remarks, as this organizational linkage is very crucial. In the context of the changes that are occurring, the following organizational elements need to be intermeshed:

1. The traditional statistical system in the country, which is changing and adapting itself to the new orientations and structures of development planning.
2. The modern computerized information systems and network that are evolving in the wake of the new developments in information technology.

3. The new planning structures that are evolving, together with their counterpart people's organizations at the critical administrative levels to support the planning process and the participatory approach implied in this development.

An integrated organizational network comprising the above elements, in which they can mutually and effectively interface and interact, leading to a narrowing of the gap between users' needs and suppliers' provision, will ultimately lead to an improved decentralized planning. How this may be achieved in the Indian context is indicated illustratively in Fig. 9.3. But the identification of data and information needs and organizing their collection and processing in compatible structures alone are not enough. The entire spectrum of changes envisaged here has to be carefully visualized and implemented in appropriate stages through a well conceived "National Information Policy".

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CASE FOR DISTRICT PLANNING

- H.B.Singh

District Planning pre-supposes the understanding of the processes of district development. This knowledge is either derived from surveys and studies or from intuition. As is the case in India today, district level studies are very scarce. Social scientists in India have tended to take up national problems for investigation, leaving the local and regional problems and issues unanalysed. The techniques and methods used in a few available micro-level studies are often the same as found in macro-level studies. For example, the input-output analysis, a powerful tool of sectoral integration at the national level, cannot be fruitfully applied at the regional and local levels in the present context of information system. Sectoral approach to development, important as it is at the national level, cannot be equally important at the regional and local levels. Lower the level, less relevant is the sectoral approach.

There is a sort of in-built inhibition among social scientists and development institutions to study local problems. Even the national Institute of Community Development, Hyderabad, has no study on Community Development problems of the area it is located in. Every one tends to portray a national or international image by studying problems which are nationally and internationally important, and which require less academic and technical rigour to handle.

One can then understand why the processes of development of a region or district are yet to be understood. We do not know what really brings a major economic change in a region. We are unaware of the processes of social change. Our contribution to the understanding of social development in India has been through the theories formulated in environments not necessarily similar to those India. This is not to say that theories or concept formulates elsewhere need be rejected. They are parts of the tools that must continue to be used to sharpen our own tools. But if we also develop concepts or theories which explain the indigenous environment better, we will not only add further to the store of the knowledge but will also help social scientists in other parts of the world to improve their own conclusions. There is thus a need, nay a great and urgent need, for Indian Social Scientists to engage themselves in micro-studies and thus to improve our understanding of the processes of development, economic, social, technological, etc., at the local levels.

There is almost complete lack of understanding of area or regional development. While the nation as a whole prospers, we find areas and regions develop slowly, stagnating or deteriorating both economically and socially. We do not have the "Instrumentalities-public,

private, federal, state and local-adequate to cope with regional and local situations, or endless variety and complexity".(Perloff, 1963).

District Development Process

District development is the combined product of a variety of decision made at different levels in politico-administrative hierarchy (external forces) and the relative preparedness of the local populace to grab the opportunities for development (internal forces). The two forces must work harmoniously; one cannot be a substitute to the other. Deficiency or weakness in one can only partly be compensated by the other.

We will now further examine these two forces and the harmonious blending of them in order to achieve rapid economic development and social change.

External Forces

The national development programmes have their impact on the district level, as the local economy is closely knit with the national economy through a network of communication, administrative and socio-economic channels. When a new steel mill gets located somewhere because of the national level decision, the relation of the constituent territorial unit of a country such as the district with the whole national economy and the economy of the surrounding regions undergoes a change. Similarly, when a new national policy on agricultural prices gets implemented, it has its repercussions on the economy of the district. To take another example, added emphasis or de-emphasis on the growth and expansion of a particular sector or industry, in the national economic plan, benefits regions endowed with matching resources better than those with resources not so relevant to the chosen sector or industry. Green revolution in the wheat growing irrigated tracts of the country can be taken as another illustration.

Technological changes also have influences on regional economies. Since the capacity of various regions to adapt to new technology is variable, certain regions benefit more than the others from new technological developments. In the same way the national transport network consisting of trunk railway lines, air routes, highways and water ways have varying impacts on the economy of regions because of the wide differentials in accessibility. Improvements in transport technology do not favour all the regions equally, partly because of accessibility and partly because all regional products or industries do not need the same quantity and quality of transport services.

One of the very important factors which influences regional development is the degree of urbanisation. The region which is endowed

with growing urban centres is likely to have better infrastructure, social, capital and development than those which are mainly rural. The degree of urbanisation and the location of urban centres, however, considerably depend upon a variety of national policies on urbanisation, taxation, etc.

Internal Forces

The external forces mentioned above only induce change; they are often catalytic but only when the internal forces are ready to accept the change brought about by external forces. In a tribal region, a steel mill of modern sophistication would be of no avail even though it might be of greatest economic significance for the nation. This has been very well demonstrated by the Bhilai and Rourkela Steel Plants in India. The location of these plants was determined partly by the backwardness of the regions. The contribution of both the plants to national economy is great indeed, but they could do precious little for the region they are located in.

One cannot forget the basic reality; underlying all natural phenomena, i.e., uneven distribution. Whether it is water or petroleum or thorium, it is not found everywhere. Only a few ubiquitous sources of energy, like light, are abundantly found on the earth; but even in the case of light, the polar regions are not endowed with the same amount as the tropical regions, for instance. Added and related to this are the variations in the population distribution. Thus the raw materials for productive purposes are not found equally everywhere, nor are the markets for the finished products equally distributed.

The above variations lead to variations in the cost of production. The industries seeking location are of three types. Some are space bound - they are input oriented or market oriented. Others are foot-loose and can be located anywhere. The primary activities such as agriculture, mining, fishing, forestry are space bound and space utilising. The manufacturing (secondary) activities can be located either at the site of raw material or market or in-between the two. Whereas the tertiary activities, such as transportation, banking, marketing recreation, etc., have to be at or near the market. Different regions offer different locational advantages for different types of activities. This naturally leads to regional variations in locational patterns.

Apart from the above locational factors, the factor of past decisions, is of considerable importance in locational decisions. Past decision have led to concentration or dispersion of activities. These together provide the market inputs and transfer factors. Once a location decision is made, inter-industry linkages evolve and more industries get located at the same place, other things remaining the same. This would happen so long as the sunk costs are high. A time, however, comes,

when the location costs outweigh the location advantages. New locations are sought then.

The advantage that a region has at a particular time often fades with change in technology, change in demand for goods produced and discovery of alternative inputs. The region would grow only if it has a relatively larger share of the activity which is increasing nationally. As Perloff has mentioned, it may also grow if it has a relatively declining share of a declining industry. There can be very many combinations in-between the two extremes. They must be understood, then and then alone a sound basis for regional development can be created.

Typology of Regions/Districts

Different regions exhibit different growth potentials. There are several classifications of regions but from the point of view of growth, the one formulated by Perloff appears to be most rational and detailed. This typology is based on the principle of accessibility. It indicates the limitations within which each region (in our case, the district) functions. The region, which has poor access to inputs as well as market has almost no potential for development.

The above typology helps us to achieve two things. First, it classifies regions on the basis of growth potentials and hence helps us to choose strategies for regional development. Secondly, it helps us to understand the role or place of a particular region in the national economy. A region's growth often depends upon its ability to produce export goods or services at a competitive advantage with respect to other regions. As exports increase, the income flows into the region. This in turn expands internal market by improving the purchasing power of the people. This is known as multiplier effect. The multiplier does not, however, work equally in each region. Much depends upon what the people do with the extra income generated from exports. In any case, this leads to a variety of structural changes in the socio-economic system.

The current theories lay excessive reliance on the manufacture of exports for regional growth. This is also proved empirically. In manufacturing we include here the processing activities too. The theories, however, do not say much about what sustains economic development once it has been initiated by export industries. According to Perloff, 'the occurrence of rapid self-sustaining growth involves a shift in the relative importance of growth factors away from the dominance of the export sector and in the direction of the internal organisation of production-which makes it possible for the region to play a more elaborate role in the national economy'. Some empirical evidences, however, indicate that it is the tertiary sector which really supports and promotes growth. Specially after the first flash of growth generated by the export sector.

Not every element of the tertiary sector, however, appears to support and promote growth. This sector can be classified into two sub-sectors-production oriented (POT) and consumption oriented (COT). It is the POT which supports and promotes regional development. The POT includes these tertiary activities which are linked directly to productive sector - agricultural marketing, agricultural extension, agricultural education, training in agriculture, industry, etc. While the COT activities play their own important service roles, it is really the POT' s which support development.

To think that all manufacturing activities have the same impact on development has no empirical support. Manufacturing including processing based on local resources and labour producing enough surplus for export (to the markets outside the region) are the ones which are most conducive to regional development. Very sophisticated capital intensive plants located in backward areas fail to generate regional development partly because of the non-involvement of the local population in the plant' s activities and partly because the income generated in the region is subjected to so many leakages that very little finally remains for regional investment. Labour and management for such plants are rarely drawn from the region. The commercial and service infrastructure are also alien to regional culture. All these forbid the plant and its associated activities to be integrated with the regional economy.

The typology of regions given above can help us to understand the potentialities of the district selected for planning and to identify activities which determine regional development.

Approaches to District Development

The approaches to district planning can be said to be (i) general, and (ii) specific. Specific approaches are designed to tackle certain specific or special problems of a district, while the general ones are applicable to all districts. We propose to discuss in this sector the general approaches. The approaches are derived from the following propositions and considerations.

1. In a developing economy, regional differences in economic growth and social development cannot be avoided. The market conditions on the one hand and natural endowments on the other generate cyclical changes in regional growth rates. All that can be done through planned endeavours is to evolve methods of continuing adjustment so that the regional economy would not reach a point of no return. This continuing adjustment is, however, extremely difficult specially in a traditional society where the institutional structure is less responsive to change.

2. The capacity of a region to attract industries producing goods for export, is vital for regional development yet no region can sustain growth for a long enough time unless there exists substantial internal development both in economic and social sectors. It must develop the supporting activities specially the production oriented tertiaries and must make a bold attempt to distribute the new income as equitably as feasible. In the absence of these developments, internal market and infrastructure would not develop fast enough to support growth.
3. The concept of growth industries has to be modified and divorced from certain specific industries. For each region there is a different set of growth industries. For one region, the growth industry may be agriculture, for another animal husbandry, for the third tourism and for the fourth steel. An industry which is one decline in the nation, can thrive in a region and pay large dividends. While it is obvious that certain industries are more conducive to regional growth than others, not all regions have the relative advantages as to input-output access enabling them to attract such industries (Perloff, 1963). Some regions, therefore, have to make do with whatever growth is feasible under the circumstances and perhaps wait for the technological changes which may offer better advantages. "In terms of such relative advantages as resources, markets, human skills, amenities, climate and transportation facilities, some areas can hope to grow only by attracting labour-intensive industries; others by attracting certain processing industries which exploit relatively untapped natural resources; some may have advantages for certain assembly operations; still others for relatively intensive recreation activities, etc. Attraction of industry is a competitive matter. A realistic appraisal of the region's relative advantages and disadvantages with regard to input-output access is an essential starting point for an understanding of its growth potential". (Perloff, 1963).
4. Regional development is very closely tied up with urbanisation, leading to the evolution of large and small urban centres. The regions having well distributed urban centres with efficient and attractive urban communities can attract capital from outside and stop capital outflow. A well-developed regional urban system supported by an efficient network of transportation and communication lines can be a great asset to a region.
5. Regional development has to be closely linked with population growth. Where the region's potentials do not allow growth at a desired rate and where the pressure of population on the available

resources is too great, inter-regional planning designed to siphon off part of the population to adjoining regions having better prospects of development has to be attempted. This means that no region or district can be considered in isolation for development purposes. Its plan must be in harmony with the plans of the adjoining regions/districts.

This means that regional/district planning must form a part of the national planning effort and each government-national, State and local-must take responsibility for its implementation. The broader questions of locating national industries, providing power, extending national programmes touching various sectors have to be handled by the State and national governments.

6. Finally, regional/district development requires investments in four major sectors. It should not be considered to be a programme of economic development leading to increase in per capita income alone. In essence, district development attempts to achieve a higher level of welfare, elements of which cannot be measured in quantitative terms. The four major sectors are:

- (1) Human Resources,
- (2) Natural Resources,
- (3) Plant and Equipment, and
- (4) Social overhead.

The focus of all regional/district planning should be man and not the sectors. "In intensive effort to improve education, to prepare young persons for a life time of skilled, productive work is the keystone of any development programme. Compared with other government measures that have been proposed, public investment in education promises the greatest relative returns". (Perloff, 1963).

In the context of India, what we need today is a complete overhaul of our education system, greater emphasis on primary and secondary education based towards learning skill and under-privileged class of the society and relating education to indigenous, production processes.

In the initial stages of development, natural resources play a very significant role in accelerating growth. To some extent they work as substitutes to technology and as sources of external resources. The base for development can be broadened and strengthened through the intensive development of natural resources. Natural resources also attract industries and investment.

Investments in plants and equipments are important sources of development where the farms are not viable they must be made viable through supporting activities based on agriculture, etc. Similarly, modernisation in industry pays. Investment in social overhead-towns, villages, roads, railways, etc., has always paid dividends in terms of economic development.

Thus district planning has to be treated as an exercise in comprehensive planning for development of a district. It should not be an exercise in sectoral planning. It is here that the integration of economic and physical planning is required most.

Source : Background Material, National Workshop Sustainable Rural Development, Concept & Application, School of Planning and Architecture, New Delhi.

PLANNING FOR VILLAGE DEVELOPMENT IN THE CONTEXT OF CONSTITUTIONAL AMENDMENTS : A CONCEPTUAL APPROACH

- H.B.Singh

1.0 The Context

Indian villages are often described as 'cultural artifacts' or 'repositories of culture' specially by those who are proud of Indian heritage and its culturally rich past. Some romanticise villages, seeing them as flowing with milk and honey, poignant with rustic charm where people burst into heady folk song and colorful dances at the slightest pretext. Others modestly and sympathetically, consider villages as places where a poor peasantry lives a simple life closer to nature. For others, they are filthy places where uncivilised rustics live with marginal or non-existent facilities and services. But for politicians, they are vote banks and easy target for manipulation to serve their political purposes.

With all these differentiation and variations in perceptions, India still lives in villages. Three fourth of its citizen population lives in 5.8 lacs villages spread everywhere, in every nook and corner of the country - from the Himalayas to the indo-gangetic plains to coastal areas down south; and from arid areas of the west to hot and humid areas of the north-east. All these settlements have their own individuality, fervour profile, problems and potentials. Being 'cultural artifacts' they deserve to be treated as such - keeping intact their individuality and mitigating their problems. Initially, development efforts started off with the same basic premise of Gandhian thought. But somewhere along the way, with Gandhian philosophy losing out to political compulsions, villages as self-ruling entities, as originally envisaged, were forgotten, and in their place emerged a faceless 'rural development' programme. The government came out with many sets of such policies and programmes in successive five year plans treating villages not individually but collectively as 'rural areas'. However the need was always felt and accordingly, the 73rd and 74th Constitutional Amendments were undertaken to turn villages into local self governments through the strengthening of Panchayati Raj in 1992.

Eleventh Schedule (Article 243-G)

1.1 The Need for Village Development Plans

The 73rd constitutional amendment enjoins that the village Panchayat will have to perform basically two functions:

- a) the preparation of plans for economic development and social justice;
 - b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule (Government of India, 1992).
1. Agriculture including agricultural extension
 2. Land improvement, implementation of land reforms, land consolidating and soil conservation
 3. Minor irrigation, water management and watershed development
 4. Animal husbandry, dairying and poultry
 5. Fisheries
 6. Social forestry and farm forestry
 7. Minor forest produce
 8. Small scale industries, including food processing industries
 9. Khadi, village and cottage industries
 10. Rural housing
 11. Drinking water
 12. Fuel and Fodder
 13. Roads culverts, bridges, ferries, waterways and other means of communication
 14. Rural electrification, including distribution of electricity
 15. Non-conventional energy sources
 16. Poverty alleviation programme
 17. Education, including primary and secondary schools
 18. Technical training and vocational education
 19. Adult and non-formal education
 20. Libraries
 21. Cultural Activities
 22. Markets and fairs
 23. Health and sanitation, including hospitals, primary health centers and dispensaries
 24. Family welfare
 25. Women and child development
 26. Social welfare, including welfare of the handicapped and mentally retarded
 27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes
 28. Public distribution system
 29. Maintenance of the community assets.

It is imperative therefore to have a village development plan not only because it is mandatory in the act, but also to reflect people' s felt need and perceptions. From the environmental point of view and in line with the popular phrase "think globally act locally", it is desirable to take each village to draw up a plan to ensure eco-balance and sustainable development. In fact, the first task of every village Panchayat will be to have a plan to guide development of the village. This paper, endeavors to put forward a conceptual framework for just such a plan.

2.0 The Variant Village Profile

Indian villages have varied form and structure in different parts of the country in physical, socio-economic and cultural terms. It should also be appreciated that villages have an altogether different profile compared to urban centers. For in villages -

- a) the social structure are much stronger and more intimate
- b) the place is meant to be a habitat for not only the human beings but also for their much treasured cattle
- c) the production system is different - it in mostly primary sector related either to the land, water, vegetation or animals.
- d) Spatial organisation is not segregated and defined but mixed and fluid
- e) its physical environment is very close to nature
- f) there is low level of technology, facilities and awareness
- g) and there is resistance to change.

With these deferring characteristic, obviously it is clear that the concepts of urban planning are rendered meaningless in the rural context. It is because of such insensibility on the part of planners that many village development plans, and `Model Village' concepts were not successful. It is imperative, therefore, to appreciate the different way of life, activity pattern and value system of the rural community (Singh, 1991). The occupation of agricultural and allied actives of cattle, keeping, horticulture, village artistry and handicrafts call for a different approach to village development than the conventional urban planning approach.

2.1 Physical Structure

The structure of the village has to include the built-up abadi area, agricultural farms, movement channels, pasture lands, orchards, waste lands and water bodies within its revenue boundary. The living, working socialising and movement in villages are so interlinked that they cannot be segregated. All these elements from the indispensable part of settlement structure of a village and should be taken together for any planning purpose.

2.1.1 Land Uses

There are no standard land use categories in villages as in urban areas. However, there are six discernible land use categories within which many linked subsidiary uses can be identified. These are as under:

(a) Village Abadi Area

- Residential-houses, compounds, cattle sheds, community facilities - wells, chaupals, panchayat ghar, religious places
- Commercial - provision and service shops, periodic market place
- Rural industrial - artisans' workshops, cottage industries
- Movement Nodes - bus stop, railway station, steamer ghat
- Public facilities and services - schools, medical and veterinary clinic, post office, police station etc.
- Open spaces for occasional social events

(b) Multi-purpose/Transitional Area

Buffer area around the abadi, poultry farms, dairy farms pastures, orchards, forests, harvesting places, burial/cremation grounds, bundhas, dams, embankments, wastelands, etc.

(c) Agricultural Farms

Irrigated multicrop area, dry farming single crop area, fallow lands, horticulture vegetable growing areas.

(d) Movement Channels

Railways lines, roads, tracks, chakroads, foot paths.

(e) Water Bodies

Streams, canals, lakes ponds, fish-ponds and water-logged areas.

(f) Others

Quarries, Forest and other government lands.

The land use pattern in the village is not segregated and hence cannot be measured accurately. To identify an area of a particular land use, which is a street as well as an extension of a compound and also a community meeting place, is difficult. The same place is utilised for transport channel, residential use as well as public use at different times, apparently without causing any problem to any one. Though land-use

categories mentioned here remain almost common throughout the country, their pattern and configuration changes considerably in nucleated villages of the northern plains, to dispersed settlements in tribal areas, and to the linear disjointed developments along the transport channels as in Kerala.

2.2 Social Structure

Social structure dictates the physical structure in the village at family, cluster and community levels creating corresponding physical spaces. The caste system separates people by physical and social distance. (Unni, 1965).

Traditionally, the social welfare and security of the lower castes had been the responsibility of the higher castes of the village. This system worked along with gradually increasing degree of exploitation of the weaker sections. In the modern context when social institutions are breaking and the government is coming into provide social welfare and security to the lower castes (SC&ST), the good-will that existed between the lower and higher castes, has eroded. The visible implication of this phenomenon is the increased emphasis on the sub-group solidarity in the villages. Since SC/ST are the targeted beneficiaries of most of the government programmes, the higher castes are not taking such stances in the right spirit. They try to grab all opportunities to subvert the benefits meant for SC/ST with the connivance of the implementing authorities. This has further alienated the ethnic groups physically and socially. The planning efforts should be responsive to such a situation wherein the solidarity of a micro-habitat is protected as well as the functional relationship and the feeling of unity among the units in the village is fostered.

The village community is divided into traditionally established groups and sub-groups. This division may or may not be analogous to the popular secular concept of economic class or categories of HIG, MIG, LIG and EWS. The planners have to identify, priorities and study their target groups or sub-groups to emphasise their welfare in the plan considering the ground realities (Sharmas, 1979).

2.3 Movement System

Movement systems and settlement structure are complementary to each other in the villages. Unlike urban areas where houses are often sited simply facing the road, in villages the movement system with interconnected and closed spaces, forms the spine around/within which the clusters occur. Yet clusters maintain their identity, independent of the movement systems. The movement channels for men, animal and machines evolve organically in abadi,

transitional areas and the farm lands, informally with irregular widths. The arrival of tractors, trolleys and other automobiles on the rural scene and the paving of tracks and village streets required under various development programmes have brought some degree of formality in the rural movement system.

3.0 The Concept of Development

In the context of villages the theoretical and academic concepts of development may have to be modified in view of the realities and the lessons drawn from experiences of the last 4-5 decades. It is also imperative to note that there is one a clear departure from the concept of charity to the concept of involvement in the government policy on rural development (Sahay, 1995). Now development is conceived as an involved process for the people and by the people at all levels. Rural development programmes, specially the Green Revolution, has no doubt benefitted some states like Haryana and Punjab in terms of increased agricultural production. The additional wealth thus generated, however, has had no equivalent beneficial effect on the community. The consequent extra hands and the capital generated were not suitably utilised and planned for the next state development of secondary and tertiary sector activities. There should have been an equally vigorous programme of imparting new skills related to entrepreneurship, processing, value addition, investment management, and marketing etc. Such a programme would have channelised the additional wealth and excess labour into more constructive avenues in the absence of such an effort, it was easier for the new generation to fall prey to social evils like alcoholism and violence degenerating into terrorism and related problems.

3.1 Development Thresholds

From the experience of rural development programmes so far as mentioned in the preceding para, it is obvious that optimal production in agriculture is not good enough in itself. It may only be a threshold and must be followed by the next stage of a proper utilisation of the additional produce, creating new kinds of jobs for the villagers. Poverty alleviation without creating employment opportunities may not be of much use in the socio-political context. Increase in agricultural produce may ensure only food supply but for better quality of life, many other things are needed. Every-one should have a worthwhile job to contribute constructively to community development and social upliftment.

3.1.1. First State of Village Development

It is generally agreed upon that most basic requirement for the process of development is the quality of human resource. Its

receptivity to new ideas and willingness to change is a crucial point, to initiate development as mentioned below:

(i) Making people Aware and Motivated to Improve : Environmental Support Systems

The first step is making people aware of what is possible and making them realise what is at stake, if they do not care for the basic elements of Environmental Support System (ESS_ - land, water, vegetation and cattle, also referred to as the life support system and well respected in the villages. In the background of people' s traditional beliefs and value system, it is easier to convince them through illustration of success stories of other villages and availability of technology and help at their doorstep. However, it should also be made clear that success lies in their motivation and degree of involvement. Thus, with the help of various government departments, banks, non-government organisation, research institutions and their own community-based organisations, well-planned improvement programmes related to soil conservation, land reclamation, water harvesting, forestation, and animal husbandry may be started effectively.

ii) Diversification in Primary Sector Activities, through improved inputs

After improvement of basic natural resources, inputs to agriculture, horticulture, cattle rearing and forestry in the form of irrigation, provision of HYV seeds, fertilisers, package programmes for dairy, poultry, fishery, sericulture, vegetable/fruits/and flower growing may be made available to the villagers. Such a diversification in agro related activities may not only increase production in the primary sector but should also create more employment opportunities for economically weaker sections and the landless in the village community.

iii) Optimisation of Primary Sector Produce

With diversification in different primary sector related activities, and requisite infrastructure availability, inputs from all the heeling organisations and government departments may be improved. This should lead to optimal use of land, water, flora and fauna and other material and non-material resources available in the village, increasing the wealth generation, poverty alleviation, job creation and enhancement of the quality of life in the village. More importantly, the stage should instill the much needed confidence in the villagers in their effect to progress.

3.1.2 Second stage Development in Secondary and Tertiary Sector Activities

The full utilisation of natural resources resulting in optimal production in primary sector, marks the beginning of the next stage of development of the village. This is the crucial stage because if it is not planned carefully, the wealth generated in the first stage may go waste in socially undesirable activities or a stagnation may occur due to the inherently fatalistic attitude of the villagers.

i) New Skill Generation

Villagers have to be prepared to face new challenges posed by the necessity of value addition, processing, and handling their produce profitably by themselves instead of allowing someone else to do the same. It is imperative, therefore, to have vocational training in related fields like small scale entrepreneurship, processing/packaging technology, marketing and management. Such a training may be made available in nearby urban centers to enable villagers to benefit without the problem of longer distance, cost and bureaucratic hassles in getting admission therein. The role of NGOs in this regard may also be quite considerable.

ii) Provision of inputs of Value Addition and Marketing

Apart from the provision of basic infrastructure of water, power, transport and tele-communication needed for establishment of small and cottage industrial establishments, the inputs like banking, co-operatives, market and business support system should be planned to initiate and strengthen this stage of development.

iii) Optimisation, Value Addition and Management of Local Produce

This is the stage when all the produce is value added, handled and managed by trained villagers themselves, in their own village. The interlinked production activities in primary, secondary and tertiary sectors may start a process of self sustaining growth. This should generate multiplier effect in various aspects of development leading to a take off stage of local economy, thereby enhancing the quality of village life.

4.0 Planning for Village Development : Basic Premises

- a) Improvement and diversification of the production system is the 'prime mover' of the development process. Other aspects may be built around this core issue while moving along the path of development in a planned manner.

- b) The village as a whole, not only Abadi area but including agricultural farms and other areas within its revenue boundary, has to be taken for planning and development
- c) The approach to plan a village for its development has to be different from an urban area. Here Abadi and the extensive farmlands are to be planned together, as a meaningful habitat for man and his cattle with predominant primary sector occupations, which is entirely different from the urban scene.
- d) The plan has to be inter-related in time and space, to enable its integration with long and short term needs of the villagers, as well as the requirement of block and district plans in their policy and programme aspects (Gupta, 1992).
- e) Professional expertise and help lies in making the plan easier and simpler, benefit of much of professional cliches and jargon to ensure people' s participation. This should also save time and meager resources of the village Panchayat.

4.1 Methodology for Village Development Plan

As mentioned earlier, the village development plan has to be different from the conventional plan for urban areas. It has to take into consideration all the area falling under the revenue boundary of the village including Abadi areas of the main village or hamlets, farm lands and area under other uses. The important thing is to involve the people in drawing the plan for their village' s development. It is imperative, therefore, to have a simple methodology which is understandable by the people so that they can contribute to its preparation, approval and implementation. Accordingly, the following methodology is being suggested.

4.1.1 Formulation of Objectives

The objectives of the plan should be primarily the reflections of people' s needs and priorities. It should also take into consideration the items mentioned in the district and block development plans with regard to the village. Going by experience of rural priorities, it may be worthwhile to consider -

- (i) Poverty alleviation and employment generation,
- (ii) Community welfare,

- (iii) Infrastructure,
- (iv) Landuse, and
- (v) Sustainability;

as the obvious objectives of any village development plan.

4.1.2. Data Base

Generation of data base may be easily done enlisting the help of village youths. But the questionnaire and method of investigations has to be detailed out professionally to the experts. The data generated should be regarding population characteristics, environmental support system, social and physical infrastructure, maps, plans and details of development programmes carried out or currently going on in the village (Planning Commission, 1984).

4.1.3 Preparation of Inventory and Thematic Maps

Based on the data collected by the youths, a professional's help is needed to prepare an inventory of the resources and to have spatial maps prepared with latest cartographic techniques. The information used shall be utilised in such a way that spatial deductions are possible to be understood by the villagers and they are used effectively in the analysis to be undertaken in the next step.

4.1.4 Study of Development Status, Dynamics of Change, Projections, Potentials and Issues

This is the main stage of the analysis to be undertaken by professionals in such a way that its results may be explained to the villagers to make them understand the problems. However, the emerging points of this stage are -

- a) Short term and long term needs
- b) Problems and potentials, and
- c) Issues and Thrust areas

4.1.5 Evolving a Village Development Plan

The development plan for the village should have three time dimensions -

- a) Long term 20 years' development policy to be evolved, particularly with the help of the elders of the village and they should be involved to see that its reviews are undertaken to ensure continuity over a long period of time.

- b) A more detailed spatio-economic development plan of 5 years duration has to be drawn up in line with the manifesto of the elected party or group in the Panchayat.
- c) The annual action plan has to be detailed out based on the priorities and financial availability in a particular year to actually get implemented on the ground. As a continuous process, the annual action plan gets reviewed every year for better performance next year. These annual reviews should be helpful in drawing up of a new five year plan for the new elected party for the next term in office of the Panchayat Raj. These three plans are inter-linked in space and time with higher level plans at the block and district levels.

5.0 Rapid Appraisal Technique (RRA) to help initiate development in the village

To have a detailed plan for the village development as outlined above, though simpler and easier than the conventional planning approach is still difficult and time consuming for the village. The technical expertise of planning personnel is also not available. But the development process must go on as the elected parties should have an agenda for action. It is proposed therefore to use the latest techniques. Rapid Rural Appraisal (RRA) to identify core issues of development and start the process. Other dimensions may be added on while moving along with way. It is in this context that the development process as conceptualised in the para 3 should be taken up as the starting action for the village development.

6.0 Village Organisations

The importance of organisation can hardly be over-emphasised specially in the rural context, where collective wisdom has always been revered and is reflected in the philosophy of Panch-Parmeshwar. The potential human resources can be fully exploited only through organisations of various types. The organised groups, not only pursue their community interest, but also work as pressure group to keep the democratic fabric of the community intact. The receptivity of the organised group to development initiatives and help is enhanced considerably. In fact setting up new organisations is the success mantra of progressive villages, cited as examples, Pani Panchayat, Van Panchayat, Mahila Manglal Dal, Yuwak Manch, and cooperatives get mentioned quite often and their importance is well realised by the villagers.

The institution of Panchayati Raj is a formality enforced on the village people from above. Some feel the need of an organisation of their own, representing their perceptions and having a constitution of their liking. The traditional value system, beliefs and idealism are the backbone of village community. Such phrases and ideas as - Basuchaiv Kutumbakam, Yatra Naryah Punjayante remnant tatra devath. Vidya Dadati vinayam, Panch Parmeshwara, plain living and high thinking, love of nature and respect of elders, etc. - are still very much part of the village methods. It is this that makes villages `repositories of culture'. Recognising the importance of this, it is suggested to have the following community-based organisation within the village.

6.1 Committee of Elders

Elders are the custodians of village culture and, though alienated in the new socio-political set-up, are well respected in the community. Every village has some retired teachers, service men, officers, and professionals, who are enlightened, competent and very willing to contribute to the welfare of their community. This potential resource available in the village itself, must be exploited and integrated into the development process. They may be organised into a forum of elderly people which could act as `House of Elders' to be elected Panchayat, giving useful advice on all matters, development related. This body may play an important role in evolving a policy perspective and ensuring its continuity while the format Panchayat gets changed and elected every five years. This way the elders shall also regain their deserved place to respect in the society and continue contributing immensely on development and culture fronts to their community.

6.2 Women and Youth Fora

Women and youth of the village may get organised to contribute to their own group as well as to the development of the village in general. The role of women has already been emphasised in the constitutional amendments. They should contribute in the planning process accordingly through their organisation. Youth's power and potential as the most energetic and dynamic group may be harnessed in many ways, including information gathering, extension works, literacy and sanitation campaigns, arranging sports and cultural events etc.

6.3 Village Co-operatives

Farmers, vegetable growers, dairy and poultry owners and various interest groups may form co-operative and benefit immensely from them. Co-operative in some states like Gujarat and Maharashtra have already shown the way. The help available from Government departments. NGOs, banks etc. has made formation and functioning of co-operatives simpler and easier for the villages.

7.0 Linkages for Development

Development being an inter-related process, forging of linkages with concerned agencies, nodes and networks becomes imperative. Villages in the present set-up are having three channels of linkages.

- (a) The Planning and Development Channel links the village Panchayat to Block Samity Zila Parishad and District Planning Council (DPC) for development policies and programmes. The much talked finance from the Central government and State Finance Corporation also follows through the same channel.
- (b) Operational and Implementation Channel with government set-up at district head-quarter and block head-quarter, may be further strengthened to make technical and professional services including planning, available to village Panchayats.
- (c) Functional and Business Linkage with Towns and Cities is the conventional channel through which forward and backward linkages with the higher order settlements are established. This aspect of development is now fully recognised by the government and is emphasised in the 74th Amendment (Government of India, 1992b).

8.0 Conclusion

After half a century of planning and rural development and with the 73rd and 74th Amendments strengthening our heads, it is time for serious planning in this area. Village people who are the main actors in the process, should be organised into groups of elders, women, and youths forming co-operatives to pursue development works. The helpers and facilitators like government, non-government organisations, other institutions and banks should now be more effective because of better awareness, respectivity and involvement of the villagers. The tools, technology, training, loans, infrastructure and management may be tailor-made to suit any situation in the new environment of information revolution and liberalisation.

With more organised, and motivated actors, better equipped facilitators and new sophisticated tools, rural development in all its dimensions may now be planned more professionally and more effectively.

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SPATIAL PLANNING

- R.P.MISRA

This chapter is designed to introduce the concept of spatial planning. The need for this chapter arises from the fact that planning as conceived and practised the world over has, until very recently, been essentially sectoral. Most planning documents - the Five-Year Plans for example - discuss the existing conditions of various sectors like agriculture, industry, social services, etc., set certain objectives and targets for development of each sector within a given period of time and state the resources - financial and others - needed and earmarked for achieving the objectives and targets.

A realistic planning should have three dimensions i.e., economic, social and spatial. It is not enough to say which sectors should develop and to what extent. What is equally important to tell is who benefits from the development to what extent? In other words, planned development should lead not only to an improvement in the per capita income measured in average terms but also to progressive reduction in the disparities in per capita income of individuals and areas. Wide differences in the earning capacities of urban and rural populations, industrial and agricultural populations, and socially privileged and under-privileged populations must be progressively reduced.

More often than not, there is close association between low productivity, traditional agriculture, poor health and education facilities, low urbanization, poor accessibility to transportation and communication network, poverty and so on. They together form a vicious circle. It is also seen that such conditions are more prevalent in some areas and regions than others. Such a situation gives rise to what is generally known as social and spatial imbalances in national economy. Sectoral planning in its traditional form emphasizes economic efficiency of investment in a particular sector; the distributive aspects of investment are of secondary importance. The task of spatial planning is to emphasize the equity aspects of planning, without at the same time, neglecting the efficiency aspects altogether. It measures returns to investment both in economic and social terms.

The equity and distributive aspects of planning did not receive the attention, they ought to have in the developing countries in the early stages of planning largely because of the desire of these countries to catch up with the developed countries in average per capita income or GNP, as fast as possible, and the implicit assumption that economic growth automatically benefits all the people in the long run. Experience of these countries, however, indicates that the conditions under which the less-developed countries are developing their economics

are not the same or even similar under which the present day economically advanced countries developed their economies. They now realize that economic history does not repeat itself. In many countries, notwithstanding the high rate of economic growth, disparities in income and production capacities increased because modern technology and production processes tended to favour those who had the intellectual, organizational and financial capacity to utilize them best. Those who were illiterates, had poor economic base and were also in adapting themselves to the changing circumstances and modern methods benefited least.

Had such under-privileged people been few, the developing countries could ignore them. They could have rationalized this by saying : ' the society must pay for economic growth' . It, however, so happens that such people form a large group in the development countries. In some countries they form a great majority; in Iran they constitute about 50 per cent of the total population. If this group is ignored and not taken care of by planners, national development would have no meaning to them. A small minority would reap the fruits of development; economic differences would widen; social tensions would increase; and the orderly development of the national economy would be jeopardized. It is, therefore, important that planning should aim at not only rapid economic growth by also better distribution of the fruits of economic growth inter-personally as well as inter-regionally and areally.

Disparities in socio-economic development manifest themselves in two ways: inter-personal and inter-regional (or inter-areal). More often than not, it is, however, seen that the two go together. The inhabitants of the poorer areas are relatively poorer than those of the richer areas when we measure their incomes in average terms. It is, however, true that even in the poorer or richer areas, there are inter-personal disparities in income and earning capacities.

Spatial Organization

To understand spatial planning, one should first understand the spatial organization of national economy and human activities. Spatial organization means the order in which a given set of activities are organized in space. We see this organization when we fly at an altitude of say 30,000 feet. From that elevation, we see a number of nodes (cities, towns, villages, etc.) - urban and rural settlements. These nodes are linked with each other by a network of communication lines radiating from the nodes. The network consist of railways, highways, etc. If we flay at a still lower level, we observe more details of the nodes and networks. The larger nodes specialize in activities which are not space consuming factors, i.e., commercial establishments, etc. The small nodes specialize in space consuming activities such as agriculture.

The intermediate nodes, such as small towns, have a mixed activity pattern. We also notice that network linkages weaken as the size of nodes decreases so much so that some of the tiny nodes inhabited by a few people and located in resource-poor areas have no or extremely poor linkages.

What binds the various sizes of nodes with each other is the flow of people, goods and services through the network linkages. Larger nodes attract goods consumed by the people such as food and those consumed by industries such as raw materials. They, in return, sent out finished products and a variety of other services to the smaller nodes in their hinterland.

The interaction among the various sizes of nodes depends largely on productive capacity of each node and the surplus of goods and income they generate. The nodes which have no surplus have a very small area of interaction. Those which have more surplus have relatively larger area of interaction. This area of interaction of a node is often referred to as hinterland or the zone of influence. When we refer to interaction for social services, we can call it service area and when referring to economic activities alone we can call it economic hinterland. Urban geographers call it urban field.

The nodes and the activities associated with them and the interaction among them through the networks are called spatial organization. It must be noted here that the spatial organization as seen at a particular time cannot be seen in the same state again. It is always changing. Each birth of a baby, each investment in the factory or farm, each improvement in communication and each new input in transportation changes the organization. These changes are not perceptible to us at a particular moment of time because, taken individually, they are minute. Cumulatively, they however, force the spatial system to re-adjust itself to a new situation. New cities come into being, villages are transformed into towns, many communities disappear, small farms become large, crop patterns change, new communication lines give a new pattern of linkages. All this happens in response to the decision of the people to locate themselves and their activities at some but not other places.

Spatial Structure

The arrangement of nodes and networks in space in relation to each other is called spatial structure. Each country or region has its own unique spatial structure. It has resulted from the past decisions of individuals and governments. Economically developed countries have another type; and those in between have a third type. The typologies, however, not as simple as given above. In fact, one can

think of a continuum of spatial structures from highly polarized to highly dispersed. Each country or region can be placed on this continuum and categories could be made then.

A close study of this continuum reveals that the highly developed countries have evolved spatial structures which have many similarities. The less-developed countries are also marked with a similar, if not the same, spatial structure. It is not accidental. It happens because of the inter-dependence between socio-economic development and spatial structure. They are two sides of the same coin. For a particular type and level of socio-economic development, there is a particular type of spatial structure.

The above analysis leads us to some very significant conclusions.

- (a) Planning has to be sectoral-cum-spatial so that a disfunctional spatial structure does not hinder planned growth of the economy;
- (b) Each country or region has to evolve its own organization and structure of space to meet the specific goals and objectives of planning; and
- (c) Developing countries with a highly polarized spatial economy have to evolve a spatial structure which carries the benefits of planned development also to those who have been bypassed by history.

Spatial Planning

Spatial planning is the sum total of the concepts, approaches, methods and techniques of evolving a desired spatial organization and structure. It is often used as co-terminus with regional planning. Theoretically speaking, the concepts of space are more dynamic and open than the concepts of region. Space cuts across regional boundaries. It is a process which is continuous, temporally, vertically and horizontally. In practical terms, integrated regional planning can be considered to be an important dimension of spatial planning.

Spatial planning is an exercise to determine the allocation of sectoral resources in places and areas in a way that:

- (a) Sectoral investments give highest social and economic returns and maximum support to each other,

- (b) Productive activities and social facilities are available to all those who need and deserve,
- (c) Differences in incomes and welfare among the people and areas are reduced, if not eliminated, and
- (d) A spatial structure conducive to planned development of the country or region is evolved.

It may be recalled that spatial organizations and structures of human activities are determined by the nodes, the networks and the flows linking the nodes through the networks. The efficiency of the spatial structures depends upon the location and density pattern of the nodes, the shape and density of the networks, and the quantity, quality and direction of the flows. The task of spatial planning is to analyze the spatial structures, evaluate the efficiency against the needs of the national and regional economies, and to generate structural changes to meet the objectives of planned development.

How are the structural changes brought about? To answer this question let us take a hypothetical example of a country which has decided to invest rials 1,000 billion on health services to make these services available to all the people. Let us also hypothesize that this country has 10 urban centres and 1,000 small villages spread over in space rather randomly. The economic condition of the rural population is rather poor and is based on subsistence agriculture. The links between the urban and rural places are weak which is apparent from a very inefficient communication network development. The linkages are maintained by a set of intermediaries who collect the surplus rural products in small bits at a subsistence price and transport the same to the urban centres. They also carry the basic necessities of life produced at the urban centres to the tiny villages and sell them at a predetermined price.

Now the question is: How and where to invest the health funds and in what form to carry the benefits of investment in health services to the rural population? It is obvious that the health plan should attempt to develop rural health centres with resident doctor and supporting staff. Where should such health centres be built? It has to be based on certain criteria of distance, doctor-population ratio, etc. The health centre should be easily accessible to people. The spatial planner develops distance norms or standards for each region of the country. He also prescribes the number of health centres required to serve all or a maximum number of people of the region. While prescribing these norms or standards he would keep in view what is feasible given the constraints in development in the region, then he would suggest the vertical linkage

between the health centres and better equipped hospitals so that specialized medical advice can be secured and to which serious cases can be sent. He may recommend that such higher medical centres should be within, say 25 km from each health centre. He may further recommend that there should be at least one large general and specialized hospital at the apex of the hierarchy where chronic and ore serious cases can be handled.

The spatial planner would thus tell: Where to locate these various levels of health services? What norms or standards about distance and population should be adopted? But his problems would not be over with these. If it were only the question of health services, the problem would have been easy. He has to carry out the same exercise for so many other sectors simultaneously. For example, education services, agricultural services, cultural services, economic activities and so on. If he decides to locate each facility independent of the other, he would be diffusing the resources at so many places, and would find it difficult to evolve a spatial structure conducive to autonomous development of regional economy. Further, he would create tremendous strains on the time and resources of the people, so that the facilities would remain unutilized or under-utilized and interactivity linkages which create conditions for further development would not evolve.

Thus, one of the important tasks of spatial planning is to integrate the spatially dual economies through successive locational decisions leading to the development of a spatially balanced social and economic structure. The second task is to identify the economic activities, given the local, regional and national resources - physical, human and financial - and needs which can be located at various places selected to help fill the gaps in the settlement hierarchy and generate greater flow of goods and services among the placed. And, thirdly, spatial planning attempts to evolve a system of transportation and communication network which facilitates the expected flow. And, finally, spatial planning specifies the institutional infrastructure including administrative and planning which can effectively implement the spatial plan.

Problems in Spatial Planning for Rural Areas

The spatial organization of any national economy manifests a clear dichotomy between urban and rural areas. This is now a well known phenomenon. Here, an attempt is made to enunciate certain principles which underline the methodology and methods of solving the problems emanating from such a situation.

Setting the Distance Standards

Locating a large industrial plant has now become an easier task as the methods and techniques of locational analysis for such plants are now well standardized. For the location of social services and non-export-oriented local economic activities and services, however, the industrial location theories are of little use. For these activities one had to rely heavily on the old theories of Von Thunen and Christaller which offer general principles of location of agricultural activities¹ and social facilities.²

Taking these formulations as the base, we can say that the services and activities which are basic to the people and which are to be used most intensively should be located closest to the users' residential placed. Those to be used less frequently should be located at some longer distances.

For different services and activities, there should be different distance standards. Establishing distance standards which are realistic in the light of the local and regional conditions is an essential step in spatial planning specially for the rural areas. This must be done for every area or region to be planned with respect to each kind of service or activity which is to figure in the planning.

Let us take the example of education. What is the range of distance from which children can be drawn for primary schooling. One may say that the school should be located where the children live. But, what to do if the rural settlements are small and none of them can singly provide enough children for the school? Or, if enough resources - financial or human - are not available to provide a primary school for every village? One of the several small villages would have to be selected. If the school is so located that most of the children would have to walk for, say, 10 km to reach it, it would not be efficient in social terms. The objective is to provide primary education to every child within a walking distance.

It is the goal of every developing country to provide primary education to each child of school-going age without impairing the effective functioning of the school, i.e., the school is viable. Let us say that two km radius can be taken as a standard for primary school. If possible, it should be less, but, barring very exceptional situations, it should not exceed two km. Now we will call two km as the distance standard for primary schools. We would then take up each activity and set distance standards, remembering that within a given activity, say education, we have to set distance standards for nursery, primary, secondary, college, etc., levels, separately.

The procedure for setting distance standards has to be evolved by planners.

Setting Population Threshold Standards

Besides distance standard, a population standard has also to be evolved. For each activity, there should be a minimum population in its catchment area carved out by the distance standard. For example, a primary school should have at least 100 children, i.e., 20 children in each class. If we take 15 per cent of the population being in the age group of 6 to 11, and if we assume that every child in the primary school age group should or would attend school, there should be at least 800 persons in the catchment area of the school. The required population will increase, as the strength of the school in terms of children enrolled increases. Thus, we arrive at population standard.

Conflict between Distance and Population Standards

After distance and population standards are set for different levels of each activity, the two should be empirically tested to determine their applicability in different situations. Population density in some areas or regions may be so low that sufficient number of people may not live within the distance standard to make the offering of a particular service feasible. Or, there may be too many people within the radius of the standard distance. In such circumstances, necessary adjustments would have to be made between the conflicting standards. The nature of this compromise will depend on considerations such as future development possibilities, transport impediments improvements, mobile service availability, even on a selected basis, etc.

The conflict between distance and population standards raises the question of equity versus efficiency in spatial planning. If equity expressed as a maximum travel distance is the governing factor, then the efficiency question is: What is the minimum number of places required to put all places in the area of operation within that distance of a centre and where should the services be located? If efficiency governs in terms of minimum population base, then the equity question is : Where should a given number of services be located so that the maximum level distance from all the places selected to the most remote villages they serve is least but that around each place the minimum number of people necessary to support the facilities are present? Spatial planner has to resolve these conflicts.

Setting the Hierarchy of Services and Activities

Another problem needing attention in spatial planning is the hierarchy of services and activities. Certain services are needed by the

people too frequently, for example, primary school, health clinic, extension agent, grocery store, agricultural marketing, agricultural inputs, etc., and some are not needed so frequently, such as specialized hospitals, colleges, wholesale market, etc. When we set the distance and population standards for various services and activities, we have to keep the hierarchy of services and activities in view.

It is, therefore, important that the services and activities to be located to meet the equity and efficiency criteria are classified and standards for each class is worked out.

Each class of the educational service mentioned above requires a separate set of standards. It should be emphasized here that the classification mentioned above is illustrative. For each country and region, different hierarchies would have to be worked out for each service.

Determining the Hierarchy of Settlements

Another problem to be resolved in spatial planning is given the standards and hierarchy of services, where to locate the services to meet the standards? The methodology for settlement analysis and the selection of places for locating various services and activities is not gone in detail here. Suffice it is mention here that the hierarchy should be so conceived that it integrates the national or regional space both vertically and horizontally.

The hierarchy of settlements have to be matched with the hierarchy of services and activities and vice versa before a spatial development plan is prepared.

Making the Spatial Plan Dynamic

It has to be realized that planning and development are dynamic processes. As population change, the standards or norms change. As economy develops, better facilities may be needed. The spatial plan should be so devised as to absorb changes. The service centres selected for rural areas, for example, reflect the realities of the present needs and constraints. It should correct the gaps in the present structure, yet should provide a blue-print and guidelines for an evolving system as resources permit its development. It should neither be a time-bound plan nor a plan tied to rigid notions of ideal sets of distances and populations. It should avoid the latter because of the impossibility of constructing hierarchy of settlements that meet arbitrary distance standards and because of the danger that, in attempting to meet such standards, the suggested plan would appear unrealistic. It should not be time-bound because it is unlikely that an ideal set of distances will remain

unchanged as a settlement system develops, mobility of population changes, needs of the people change, new facilities are introduced, new resources are available, etc. At any point of time, to be useful ideal standards must themselves compromise between fundamental ideals and ends that can realistically be achieved. They should, therefore, change and the most that any service centre plan can offer is a range of options from each village to centres that form the nuclei of ever larger groups of places. The principal virtue of the plan is to ensure that all villages are connected to a hierarchic system. So long as the process of plan implementation proceeds in each area down the hierarchy from top to bottom, the ultimate connection of every settlement to every facility type is guaranteed.

Problems of Implementation

Implementation of a spatial plan is always problematic specially because governmental machinery operates sectorally and co-ordination among sectoral departments is always difficult, if not impossible. There is, however, one welcome feature in governmental organization which lays greater emphasis on spatial integration and location of sectoral investments. It is the political organization.

The elected representatives of the people represent areas and regions, and not the sectors. Since the political institutions - parliament, councils and municipalities - set the policies and goals and are often in the position to over-ride the sectoral bureaucracies, there is every chance of a well formulated spatial plan being implemented. Further, even the administrative machinery cannot remain for long insensitive to the policies laid down by the policy-making bodies, like the parliament in India. It is in response to this 'political pressure' that the concept of integrated area and regional development catches the attention of the administrative machinery in every country.

Innovations take time to be adopted and to percolate down. Every system tends to stabilize itself because system in continuous change is painful to many. From the changes in the attitude of the administrators in India, seen during the past few years, one can foresee a major breakthrough in planning mechanism and organization in not too distant a future leading to better appreciation of the spatial planning process.

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GLIMPSES OF DECENTRALISED PLANNING IN KERALA

- Arun Ghosh

A brief (eight-day) visit-across six districts - in Kerala recently, was a fascinating experience worth sharing with a discerning readership. Personally, it was a boneshaking experience, involving a ten to 11-hour car drive every day; but the trouble was much more than rapid. English Interpreters helped overcome the language (Malayalam) problem.

The visit, extending over a dozen Gram Panchayats (some quite remote) a couple of Block-level Panchayats, and a few municipalities - was an eye-opener. The devolution of 40 per cent of plan funds by the Kerala State Government to the local Panchayats seems to have worked wonders. There was great enthusiasm among the people. As a result, one also found the resources significantly augmented (locally) through voluntary contributions, principally by way of free labour. The quick results of the first "devolution" exercise is by all means outstanding to an outsider. It is a process which needs to be described in greater detail than possible here.

Some background would be necessary. Having first attempted to introduce decentralised planning in West Bengal (as far back as 1985-86, as Vice-Chairman of the West Bengal State Planning Board), I was amazed to find that people's participation in the task of local area planning in Kerala was perhaps a shade better than it is in West Bengal - except in a few districts. This holds good even today, since 13 years of decentralised planning. There are, of course, several explanations. An important one being sound basic education in Kerala. Another explanation could be that for a few years, the State government in West Bengal did not devolve any significant funds from the State to the local Panchayats which primarily relied on the funds received for Central government sponsored schemes (like the JRY). This has dampened the initial enthusiasm of those who spent their time and energy in "mapping" resources and in drawing up plans to solve the most urgent "needs" of the people. But that lacuna has now been corrected in West Bengal where devolution exceeds 50 per cent; so the level of education and awareness among the people may be the only main reason for the relatively more effective results one saw in Kerala.

That Kerala people are politically conscious, was obvious from the very commencement of my hastily organised tour. But then, West Bengal is no less politicised; and when it comes to brass tacks, lack of education does not prevent people in general either from articulating their most urgent needs or from undertaking the required tasks, once they are empowered to do so.

But rather than discussing generally, let us take a look at "decentralised planning" in Kerala.

In several of the Gram Panchayats, one found a series of "maps" - "resource maps" as it were - of the Gram Panchayat area, which brought out in visual form the extant pattern of land use, the problems, the potential, with the projects/programme proposed for 1998-99. The "maps" - help in a significant way to identify the priority needs of each area. The Gram Panchayat project/programmes are required to be vetted by the Block Panchayats, and then forwarded to the State Planning Board for approval. Since the devolution started from 1997-98, in November 1998, (when the writer visited the Panchayat Bodies), the 1998-99 programme was yet to be approved at the State level, which implies a somewhat lagged implementation of the projects/programmes. Hopefully, this lag can be quickly reduced.

To my great surprise and concern, I found the most pressing problem in most of the villages was shortage of drinking water, and the problem was almost universal, though most acute in the hilly areas. In the higher regions. And predictably, this problem was given the greatest importance. I saw innumerable wells sunk by the Gram Panchayats everywhere, with pumping facilities for storing the water in water tanks, either located high up in the hills or merely raised by iron girders; and during the summer season, (between the months of March and May), the water supply is still required to be "rationed" for each family. In varying amount daily. Essentially, this implies: (a) community control over groundwater resources - something which needs to be replicated throughout the country - and (b) its allocation as between irrigation needs and drinking water purposes, and its equitable distribution.

Incidentally, there was no problem of water supply shortage in November, when I visited Kerala. This year, the monsoon has been both heavy and prolonged. Yet, the supply of drinking water, in many villages, was still available from a few taps.

Frankly, the problem of drinking water shortage in Kerala hit me as odd. Perhaps, the pressure of population is one factor. Perhaps, today' s situation is the result of long years of neglect of the problem of making proper use of surface water. Construction work on a small dam on a river, approved three years ago, was still to even begin; its approved cost (in 1995) was Rs. three crore; but the State PWD has its own priorities. (That is a universal problem; and that in turn underscores the importance of decentralised planning).

Kerala is not short of water supply. It is today a garden state - a land of coconut groves and banana plantations and paddy fields,

and some rubber plantations which presently are most uneconomic. Increasingly, paddy fields are getting converted to coconut or banana groves, for paddy cultivation requires a lot of labour, and wages are high. The Gram Panchayats are focussing on both groundwater use, and a reconversion to paddy cultivation. There remains a long-term problem though; the drawal of groundwater should not exceed the annual recharge; and secondly, in hilly terrain, there is always some sub-soil movement of water away from high ground to lower levels. That requires block-level planning; and one saw several attempts at such block-level planning of water supply. But, land in Kerala is both scarce and high priced; and there are limits to what even "block" level panchayats can achieve in this regard. The problem needs greater though, and state-level planning going simultaneous power and water supply.

The work being done by the Panchayats - at both village and town levels - is threefold. They are required (under State guidelines) to spend 40 percent of the Plan funds for "production"; 30 percent for services (such as housing and uplift of the poor); and 30 percent infrastructure. I was personally delighted to see that some Gram Panchayats had departed significantly from these norms, and that these - with specific projects clearly identified - had been approved at both the Block-level and the State level.

Norms are necessary; departures from norms must also be clearly justified. The procedure for approval of "projects" and programmes is quite strict. At Block level, each project is adjudged in terms of its "costs" and "returns"; and the Approval Committee includes finance expert and a cost expert. The actual cost incurred has, in many cases, been found to be much less than sanctioned because of the supply of voluntary labour. The "services sector" includes subsidies (for housing, for education and health facilities, etc.), especially for the poor, the Scheduled Castes and Tribes people; and they are given on the basis of "income norms"; and the lists of beneficiaries are widely publicised. That ensures that "fake" subsidies are eliminated at the Gram Sabha level; since in a village, there are few secrets as to the real state of living standards of different families.

Three things that impressed me most were; (a) the "scientific" way in which local level planning was being instituted - I saw Land Use board officials help train villagers in drawing up and filling in diverse types of resource (and contour) maps of the villages; (b) the extend of "voluntary" help that villagers had put in, their free labour hours in each project being quantified (and in some areas, the free labour being almost as much as the State-level grant; and (c) the concept of "rural communities" being made in charge of local problems. The latter was very frequent occurrence in distant (highland) villages. Clusters of 25 to 50 households were identified; these "community" level organisations took the initiative

to solve all local problems (including not only the water problems of some families, the schooling of children but also minor disputes between neighbours). There are weekly or fortnightly meetings of these village communities; and quite apart from the fact that they made the presence of State police forces and legal bodies unnecessary in these communities, they also helped to improve social relations within these communities.

In one town, I saw a hospital taken over by a municipality from the State government; and though I cannot vouchsafe for the past, I can vouchsafe now for its immense superiority in both cleanliness and the "services rendered" to any government hospital in the capital.

I have avoided giving names of the Gram Panchayats/municipalities; also, I have avoided mentioning some of the problems I saw. (In one area, for instance, there was a complaint that contractors were still being awarded jobs, instead of the local unemployed labour). Yet, on an overall basis, what I saw in the districts of Thiruvananthapuram, kozhikode, Thrissoor, Malappuram, Palakkad and Kottayam were exhilarating.

It is not as if there are no problems. There exist many problems; and in this note, we have refrained from going into them (which should form part of amore exhaustive study). The main purpose of this article is two-fold. First, this in an unbiased view of an outsider - with some personal experience of decentralised planning - of the undoubted success of the experiment in Kerala within a very brief period. Secondly, more and more States should learn, may be in their own way (for conditions in each state very significantly), to "empower" local people to look after their own immediate interests. That should be one of the first tasks of all governments, no matter which political party comes to power, for that is the surest way to ensure the permanence of democracy in this large sub-continent.

Why not start with Jammu & Kashmir immediately, for which Mohammad Shafi got an excellent enactment done by the J&K House a few years ago?

Source: The Hindu (Dt. 16th May, 1999), New Delhi.

PLANNING PROCESS IN WEST BENGAL

- B.M. Sanyal

To trace the course of development of the planning process in West Bengal we must go back to the pre-independence days. During the British period some acts were formulated by the rulers of the country with the express aim of strengthening foreign rule. These acts were in no way meant to enable local self-government establish itself in the country.

The first such act was the Bengal Chowkidari Act of 1870. This was followed by the Bengal Local Self-Government Act of 1885. This act resulted in the formation of district boards at the district level and local boards at the sub-divisional level. Local boards were later on done away with the Thana level union committees were formed. The Bengal Village Self-Government Act was formulated in 1919 which resulted in the creation of district boards and union boards. No further acts were formulated prior to independence.

After independence Balwant Rai Mehta Committee Report had far-reaching implications towards establishment of grassroots level organisation and decentralised planning in the country. The committee recommended that three-tier panchayat system would be suitable for the country. Following its recommendations a four-tier Panchayat system came into being in West Bengal. The two relevant acts were West Bengal Panchayat Act, 1957 and the West Bengal Zilla Parishad Act of 1963. The four tiers were the gram panchayat at the village level, Anchal Panchayat comprising a group of villages, the block level Anchalik Parishad and Zilla Parishad at the district level. Only at the Gram Panchayat level there was a provision for elections.

The three-tier Panchayat system which one finds in West Bengal at present came into being after the West Bengal Panchayat Act, 1973. Following this general elections for all the three tiers had been held in 1978, 1983, 1988 and 1993. These three-tiers that now exist are the Zilla Parishad at the district level, the Panchayat Samiti at the block level and the Gram Panchayat at the village level.

The system of elections that was initiated for all the three tiers ensured greater transparency within these organisations. Other than these three bodies mentioned there are two other non-political bodies at the lowest level below gram panchayat. These are the Gram Sabha and the Gram Samsad.

Gram samsad is the lowest non-political body of the people comprising all people in a single polling booth whereas gram sabha comprises all voters.

The lowest elected body of the three-tier panchayat system is the gram panchayat which has between five and twenty-five elected members. The elected head of the Gram Panchayat (GP) is called Pradhan. Local members of next higher body, Panchayat Samiti are ex-officio members of the Gram Panchayat. Just above the Gram Panchayat is the Panchayat Samiti (PS) which is the people's elected body at the block level. It has under its jurisdiction a number of Gram Panchayats. The elected members of the PS come from the different grams under its block where a gram as notified by the government comprises a single or a group of mouzas. One gram can send at most three elected representatives of the PS. The ex-officio members of the PS comprise pradhans of the GPs under the PS, local members of the Zilla Parishad excluding Sabhadhipati and Sahakar Sabhadhipati and also local MLAs and MPs. The chief of the PS is called Sabhapati. He is the elected head. The executive officer of the PS is BDO while the Extension Officer of the Panchayat (EOP) is the secretary. Again services of all staff working for the block have been placed at the disposal of the PS. The highest body of the three-tier Panchayat System, i.e., the body at the district level is the Zilla Parishad (ZP). The ZP constitutes elected members where each block (PS) sends two members to constitute it. District MLAs and MPs and Sabhapatis of the Panchayat Samitis falling under a particular district constitute the ex-officio members of the ZP. The elected head of the ZP is called Sabhadhipati while the district magistrate of the district is the executive officer. An officer of additional district magistrate's rank is same as additional executive officer and an officer of the state civil service has the role of a secretary. Technical persons like executive engineers, assistant engineers, etc. work with the ZP.

This is the overall structure though it is debatable whether this structure at all exists and if so, how efficiently it functions in the state in the task of formulating a decentralised plan. We will discuss later how in spite of giving people's organisations the power to spend funds after the 73rd and 74th Amendments of the Constitution there still remains coordination problems between Panchayat members and administrative and/or the department offices. The overall control of development activities has been given to the people by giving the Sabhadhipati of the Zilla Parishad the status of minister-of-state. He is also the chairman of the district planning committee (the executive and planning body for the district with statutory powers) as well as various other committees through which the panchayat system functions.

A somewhat similar structure is also found at the block level.

The Panchayat System of the Panchayati Raj Institutions functions (formulation, execution of plans, etc.) through ten permanent committees both at Zilla (district) and Panchayat Samiti (block) levels. These committees are called Sthayee Samitis. The ten Sthayee Samitis are:

- 1) artha, sanstha unnayan-o-parikalpana (finance, establishment, development and planning)
- 2) Janaswasthya-o-paribesh (public health and environment)
- 3) Purta Karya-o-paribahan (pubic works and transport)
- 4) Krishi, sech-o-samabay (agriculture, irrigation and cooperative)
- 5) Shiksha, sanskriti, tathya-o-kriya (education, culture, information and sports)
- 6) Khudra silpa, tran-o-janakalyan (small industry, relief and welfare)
- 7) Bon-o-bhumi sanskar (forest and land reforms)
- 8) Matsya-o-prani sampad bikash (fish and animal resources development)
- 9) Khadya-o-sarbaraha (food and supplies)
- 10) Bidyut-o-archiracharit shakti (power and non-conventional energy)

The chairman of a standing committee is called Karmadhyaksha. He is elected from amongst the members. However, in case of finance, establishment, development and planning the Sabhadhipati/Sabhapati is the chairman ex-officio.

The standing committees have ex-officio members, nominated members and elected members. In case of the committees at the ZP level and ex-officio members are the Sabhadhipati and Sahakari Sabhadhipati while for the standing committees at the PS level Sabhapati and Sahakari Sabhapati are the ex-officio members. The elected members, between three and five in numbers, are selected from the members of the ZP and PS. Government officers, eminent persons with specialized knowledge and such other individuals are the nominated members of the committees and they are selected by the state government.

So it is clear that these ten committees are the most important bodies as far as planning and other functions of a panchayat are concerned. With decentralised planning making some headway in this country and getting a further boost after the 73rd and 74th Amendments of the Constitution, the powers and functions of the Panchayats in the villages and municipalities in cities and towns have increased. The above two acts have spelt out a number of areas (29 for panchyats and 18 for municipalities), the planning functions relating to which will be under the jurisdiction of these local bodies. Moreover, the 73rd and 74th Amendments of the Constitution have directed that the State Finance Commissions be set-up in each state which would suggest

ways and means for delegating financial powers to Panchayats and municipalities and would recommend devolution of resources from the state level to the local levels. In West Bengal a SFC has been constituted and it has already submitted its report and recommendations which have been heartily accepted by the cabinet. However, no attempts have been as yet made to put these recommendations into practice. Out of the 29 items suggested by the 73rd Constitution Amendment over which panchayats have total financial and planning jurisdiction, 17 have been accepted by the West Bengal Cabinet. According to section 207B (amended in 1994) of the West Bengal Panchayat Act, 1973 the state government may transfer any or all of these 17 items mentioned below to panchayats:

- i) Agriculture including marketing and food processing
- ii) Irrigation, minor irrigation and water management
- iii) Animal resource development
- iv) Health and family welfare
- v) Public health, engineering and rural water supply
- vi) Social welfare
- vii) Land and land reforms, land improvement
- viii) Cooperative
- ix) Khadi, cottage and small-scale industries
- x) Rural housing
- xi) Public works and communication
- xii) Education
- xiii) Fisheries
- xiv) Social and farm forestry
- xv) Rural electrification
- xvi) Poverty alleviation programme
- xvii) Public distribution system

That this state is slowly moving towards decentralisation is clear from the fact that many of the above functions have been and are being handed to the Panchayats. However, maximum decentralisation has occurred in centrally sponsored projects like JRY, IRDP, RWS, etc. have been clubbed together and renamed as Swarna Jayati Rozgar Yojana, and all wage-employment schemes like JRY etc have been renamed as gram Samriddhi Yojana. Execution of these projects has been handed over only to panchayats, but lower bodies have been mere implementers and spenders of government money. No feedback from them regarding local conditions and aspirations of the people have been thought necessary.

The following is a summary of recommendations made by the SFC. It is followed by an item-wise note on the decision of the cabinet regarding individual recommendations, whether it is accepted, rejected or is under consideration.

SUMMARY OF RECOMMENDATIONS

1. Local Self-Government (LSG) institutions will not be able to discharge their responsibilities without adequate funds and staff. As things stand now, they will have to depend heavily on grants-in-aid and sharing of taxes with the state government and on the continuation of grants from the union government through poverty alleviation and other schemes. This report has suggested ways to give the local bodies more powers.

Grants-in-Aid

2. Over the past decades, the proportion of plan expenditure for districts has increased and with further decentralisation, this share will go up. A substantial part of this should be entitlements to the local bodies in the form of united funds and the rest will continue to be grants.
3. Our proposals on modification of some grants to municipalities need mentioning. In spite of entry tax, a surcharge on sales tax has been introduced. As promised, the state government should distribute the fund to the municipalities as grants in the same manner as done so far with money from the entry tax. State grants on parts of collection of profession tax and motor vehicles tax to LSGs may be discontinued.
4. Since price rises are not within the control of the municipalities D.A. subventions to them should cover the whole of the D.A. liability in respect of approved staff. Further, since various benefits to the staff have been introduced at the instance of the state government, it should cover such expenses with grants.
5. A large number of centrally sponsored programmes such as JRY, IRDP, ARWSP, etc. are now in operation in which the central releases have to be matched by proportionate state releases. Such state and central releases would continue to be grants and will not be part of the untied entitlement of the local body concerned.

Tax Sharing

6. Entitlements will be financed by sharing of taxes. In lieu of sharing individual taxes, 16 per cent of the net proceeds of all tax collected by the state in a year should be transferred to local bodies. These

will be untied funds at the disposal of the local bodies. Such funds may be released to districts in suitable installments, quarterly or monthly.

Devolution of Taxes

7. Taxes on entertainments, now collected by the state, should be handed over the local bodies.
8. Urban land tax and multi-storied building tax should be handed over to Calcutta Municipal Corporation.
9. Collection of irrigation rates along with the related responsibility of water management and routine maintenance be handed over the concerned Zilla Parishads.
10. Resources generated in a regulated market should be brought within the purview of DPCs and the net proceeds ploughed back in the market hinterlands.

Own Incomes of LSGs

11. The West Bengal Panchayat Act has empowered the three tiers of Panchayats to raise taxes, levies and tolls from a wide range of fields. These efforts should be stepped up.
12. Fiscal power of LSGs have been set forth in various legislations, but further spread is necessary. Rules have to be framed and clarifications to be given in some cases.
13. Periodical assessment by the Central Valuation Board (CVB) should be made mandatory and the CVB strengthened adequately for this purpose.
14. The state should take up with the Union Government for timely payment of service charges for Union Government properties.
15. Municipalities should be empowered to issue trade licences with fees at a much higher level; to impose tolls at higher rates for heavy vehicles on municipal roads; to impose levy on tourists/pilgrims; to impose water tax on large users and commercial and industrial undertakings; to introduce special conservancy charges for commercial and industrial establishments.

16. There is considerable scope for increasing non-tax revenues.
17. Voluntary contributions have been made a notable feature in the development activities of the panchayats and this should be encouraged to garner more resources as well as to enhance people' s participation. Municipal boards may also try to involve the people to improve urban facilities.
18. Incentive schemes have been suggested to encourage panchayats and municipalities to increase their own incomes. Two percent of entitlement due to a district will be set aside to operate an incentive fund.

Adjustments in District Organisation

19. Transferring of a few hundred crores of rupees to district as entitlements will inevitably affect the present organisational set-up. Supervision of the departmental staff, remittances of non-plan expenditure to districts and breakdowns in the state budget will have a new look.
20. Tax collection in the state should also adopt a new approach. The state tax collecting officials will work in cooperation with LSG functionaries. The existing Decentralised Resource Mobilisation Scheme will no longer be necessary but the existing incentive scheme for small savings should continue.

Planning

21. District Planning Committee (DPC) has now been given constitutional status. In this state for nearly a decade planning committees were functioning at the district level. But the planning process needs to be much more comprehensive. Also the process should start at the GP level and move upwards with appropriate modifications at upper levels including the State Planning Board.

District set-up

22. The three tiers of panchayats and municipalities will get money from three sources, own income including donations, entitlements and grants from the state and the centre. The first two sources are untied and local bodies will be free to spend them according to their chosen priorities.

23. The projects formulated by GPs will be usually small and technically simple which maybe executed with local expertise. Larger schemes will have to be vested with the PS.
24. Maintenance of assets created so far in blocks will be the prime responsibility of PSs. They will also have assigned responsibilities.
25. ZPs will have a greater scope to create new assets and to concentrate on more complex types of maintenance. Besides, as the apex body in a district, it will have various coordinating responsibilities.
26. Maintenance and development in towns will be done by municipal authorities with the help, when necessary, from the ZP and the state.
27. A few districts have some inhabited areas which are outside the jurisdiction of panchayats and municipalities. These have been termed as special areas in this report. These areas will also be allotted funds in proportion to their population and the earmarked funds will be operated in consultation with the DPC.
28. There are development boards in a few districts besides the panchayats. Funds for their operations will come from the state and not from the entitlements of local bodies.

Distribution of Entitlement Funds Amongst LSGs

29. The entitlements suggested in this report do not depend on accretion of additional funds but are only a redeployment of funds which are now being spent in the districts. Instead of basing the distribution on population sizes only a few factors indicating backwardness have also been taken in account, so that backward localities may get proportionately more money. The selection of indicators depends on the availability of reliable data. The entitlements in the tables have been given in percentages.
30. For distribution among districts the factors taken were population, level of non-literacy, proportion of backward population, area of the district, proportion of rural population and inverse ratio of per capita bank deposits and of working capital of primary agricultural cooperatives taken together.
31. Within a district its allocation should be divided among panchayats, municipalities and special areas on the basis of respective total population.

32. The distribution among municipalities has been based on certain factors like population, level of non-literacy, proportion of SC/ST population and population density.
33. Of the total entitlements going to panchayats the proportional allocations among three tiers are : ZP-30 percent, all PSs put together-20 percent, all GPs put together-50 percent.
34. The distribution among GPs has been made on the basis of population, level of non-literacy and proportion of SC/ST population.
35. The distribution among PSs has been based on the same three factors as in case of GPs.
36. Due to the special constitutional status of DGHC, the commission has not earmarked its entitlements further amongst municipalities, panchayats, etc. For Siliguri sub-division, the Siliguri Mahakuma Parishad has been playing the role of the ZP and has been treated accordingly.

Other Points

37. The Tenth Finance Commission has recommended certain grants for the local bodies of the state over and above the devolution recommended by the State Finance Commission. Such additions should flow to the districts so as to be available for use by the local bodies.
38. Works under the state plan sector and district plan sector should be clearly listed by the state government.
39. Departmental maintenance budget should be disaggregated district-wise and communicated to the districts. DPCs should be involved in supervising maintenance works.
40. In the proposed new set-up, the burden of work of Sabhadhipati, Shakari Sabhadhipati and executive officer will increase considerably. Sharing of work with chairpersons of standing committees will be essential. Similar distribution of work in lower rungs will also be necessary. Cooperation of departmental staff will also have to be mobilised.

41. Block level staff of different departments have already been placed under concerned PSs. However, some confusion is still prevailing over deployment of such staff and this should be resolved immediately.
42. The question of regularising excess staff in municipalities was examined according to certain norms by the Second Municipal Finance Commission. The state government should examine the recommendations and take a final view.
43. Auditing of incomes and expenditures is a must for health running of local bodies. Suitable and adequate number of persons from existing employees in the district should be selected for the job who will be fully engaged in this work. No additional recruitment should be necessary.
44. There should be some effective penal provisions for local bodies not falling in line with financial discipline. Penal measures are also to be introduced for those municipalities which divert development grants to meet revenue expenditure.
45. A new standing committee (Sthayee Samiti) may be created in each ZP to help develop favourable milieu for small-scale and large industrial units.

EXPLANATORY MEMORANDUM AS TO
THE ACTION TAKEN ON THE
RECOMMENDATIONS MADE BY
THE WEST BENGAL FINANCE
COMMISSION IN ITS REPORT SUBMITTED
TO THE GOVERNMENT
ON NOVEMBER 27, 1995

1. The report of the West Bengal Finance Commission (hereinafter referred to as the Commission) constituted under Notification No. 1023-FB dated the 30th May, 1994 together with the Explanatory Memorandum on the action taken on the recommendations of the Commission is being laid on the table of the House in Pursuance of Article 243-I(4) and Article 243-Y(2) of the Constitution of India. The summary of the recommendations of the Commission relating to devolution of state taxes, grants-in-aid and other matters is contained in Chapter 7 of the Report of the Report of the Commission. Along with the summary of the recommendations. Chapter 7 of the Report also contains some observations of the Commission. The decisions of the Government on the recommendations of the Commission are indicated in the following paragraphs.

2. Grants-in-aid

Recommendation 2: This has been accepted by the Government.

Recommendation 3 : Surcharge is a part of sales tax and sales tax including surcharge is to be taken into account for the determination of entitlements as per recommendation 7.07. As such distribution of surcharge on sales tax separately to the municipalities is not necessary, the recommendation that state grants in lieu of collection of profession tax and as assignment of part of Motor Vehicles Tax to local bodies may be discontinued has been accepted by the Government.

Recommendation 4: The Government has accepted the recommendation in respect of approved staff subject to review in due course on receipt of the recommendations of the 4th Pay Commission.

Recommendation 5 : The Government has accepted the recommendation subject to the decision that may be taken by the Government of India on the question of transfer of Centrally Sponsored and Central Sector Schemes to State Government.

3. Tax Sharing

Recommendation 7 : The principle that entitlement of local bodies should be financed by sharing of taxes has been accepted by the Government. But this has to be related to recommendation s7.39 and 7.40, i.e. clear listing of the works under the State Plan Sector and District Plan Sector and district-wise disaggregation of departmental maintenance budget for which detailed exercise is being done in consultation with Administrative Departments.

4. Devolution of Taxes

Recommendation 8 : This is being examined.

Recommendations 9 to 11 : These recommendations have been accepted by the Government.

5. Own Incomes of LSGs

Recommendations 12 to 19 : The Government has accepted these recommendations in principle. The details are being worked out.

6. Adjustments in District Organisation, Planning and District set-up

Recommendations 20 to 29 : The Government has already accepted this approach in general. Details will be worked out in due course.

7. Distribution of Entitlement Funds Amongst LSGs

Recommendations 30 to 37 : The Government has accepted these recommendations.

8. Other Points

Recommendation 38 : The Government has accepted this recommendation.

Recommendations 39 and 40 : These have already been dealt with.

Recommendations 41 and 42 : The Government will take a view as recommended, while undertaking the exercise for implementation of recommendations 7.39 and 7.40.

Recommendations 43 to 46 : These will be considered in due course.

Where implementation of any recommendation of the Commission as accepted by the Government requires enactment of a law by the State Legislature, necessary action for introduction of such legislation will be taken in due course.

An important step towards decentralisation of planning, powers and functions was taken in this state by forming the District Planning Committee (DPC) and the Block Planning Committee (BPC). The DPC and BPC were formed in 1985-86 with the Sabhadhipati of the ZP as the leader of DPC and Sabhapati of the PS as the leader of BPC. The members of the BPC are like department officers at block level, Pradhans of GPS and Karmadhyakshas at PS level. The BDO is the member-secretary. Similarly, DM is the member-secretary of DPC and it is constituted of Sabhapatis of Panchayat Samitis, chairpersons of municipalities, district level line-department officers and Karmadhyakshas at ZP level. However, only recently the DPC was made statutory through the West Bengal District Planning Committee Act, 1994 with far-reaching implications for decentralised planning in this state.

The methodology of decentralised planning followed presently starts with informing each districts of the budget allocations of different departments for that district. The sum total of these allocations for a district is called the district divisible pool. The DPCs then have to prepare the district' s plan on the basis of this district divisible pool.

Utilising the various committees the districts prepared their plans and similar actions were undertaken at lower levels like block/municipality. A system of prioritisation of needs elicited from people at grassroots level is supposed to be used to formulate plans at the lowest level and in a bottom-up manner these plans will be sent to the next higher level till all such individual micro-plans accumulate (after prioritisation) to give rise to the total district plan. In West Bengal we have only managed to achieve this; though we are much ahead of other states. If the expenditure can be cited as a measure of decentralised planning then the following statistics can be cited:

District Divisible Pool

Year	Budget allocation for districts (In lakhs)	Percentage
1987-88	34262.39	39.75
1987-89	41495.31	43.64
1989-90	52984.66	47.52
1990-91	65538.90	49.35
1991-92	76087.07	51.20
1992-93	82234.44	55.78
1993-94	91809.00	59.23
1994-95	101251.16	61.00
1995-96	117583.96	53.27
1996-97	154429.82	50.12
1997-98	1197729.01	49.66

To ensure that planning is totally decentralised and bottom-up in nature the West Bengal Panchayat Act, 1973, as amended during 1992-94, has some important sections, namely 16A, 16B and 17A which state that GPs are to formulate plans and implement the same after consultation and discussion with people at meetings of the two non-political lowermost levels of the panchayat, namely Gram Samsad and Gram Sabha.

Sections 16A and 17A state;

Every GP shall hold an annual meeting in May and a half-yearly meeting in November for each Gram Samsad for discussion on the budget, draft plan and audit report of the GP. The GP shall, on collection the information about Gram Samsad, place it before the Gram Sabha in December for its deliberation and recommendations. All these recommendations are taken into account for the purpose of formulating annual plan and deciding the mode of implementation of programmes. The gram Samsad may act as guide and adviser to the GP in regard to the schemes for economic and social development undertaken or proposed to be undertaken.

As far as development planning for municipalities is concerned the relevant act is the West Bengal Municipal Act, 1993. This replaced the Bengal Municipal Act of 1932. An 'area development' concept had been introduced in the 1993 Act. This concept generally deals with renewal of already developed areas and is silent regarding taking up new areas for development.

The act of 1993 spells out that the government of this state can declare an urban development region of a municipality which may comprise municipal jurisdiction, as its urbanised growth area. The municipality, it has been said in the Act, will prepare master plan for upgrading of the human settlement within such region. Again the Act states that the government of this state can constitute urban development committees for any area or areas outside the municipal area for the purpose of implementation of a master plan. The board of councillors of the municipality shall have to consult the urban development committee in all matters of preparation of a master plan and also its implementation as far as they relate to areas outside municipal area. All planning and development activities in an urban development region have to be carried out under the overall supervision and control of the board of councillors of the concerned municipality. Another important Act that will have some bearing on the municipal planning taking shape in this state following 74th Amendment of the Constitution is the West Bengal and Town and Country (Planning and Development) Act, 1979. According to it a planning area has to be declared with the urban and local bodies as the planning authority which will prepare ODP and DDP following the provisions of this Act. But with the introduction of the 1993 Act it seems that the WBTA (Planning & Development) Act, 1979 will be restricted only to Calcutta metropolitan area.

It is clear from a perusal of the two Acts specially in case of the 74th Amendment that these are confusing and how municipal planning will take place remains an open question. In this context it is notable that no urban development region has been as yet declared in this state so as a result no urban development committee could be constituted or a master plan prepared.

The 74th Amendment was a bold step towards decentralisation of municipal planning. A direct fallout of this amendment in West Bengal was the West Bengal District Planning Committee Act, 1994 through which DPC was constituted. The main function of the DPC is to formulate draft development plans for the district and metropolitan areas. As per Article 243 ZD of the Constitution the DPC would be consolidating plans prepared by the Panchayats and the municipalities in the district and this provision is also embodied under Section 10 of the West Bengal District Planning Committee Act. Similarly, as per Article

243 ZE of the Constitution, the Metropolitan Planning Committee would also prepare plans for areas falling within its jurisdiction. This has also been embodied in Section 3 of the Metropolitan Planning Committee Act, 1994. In case of the district (excluding metropolitan area) the system of decentralized planning that will be followed is somewhat clear and has been discussed before. However, for municipalities and for the district (excluding municipalities) little progress has been made and a lot of confusion exists. The WBDPC Act, 1994 says that each municipality is to prepare annual plans and programmes of execution for five years. These plans and programmes will be examined and finalised by the urban developer's subcommittee for consideration and inclusion in the draft development plan for the districts by the DPC.

In a manner similar to the bottom-up planning set-up being tried out by the panchayats, the municipalities have also had to create ward committees as directed by the 74th Amendment to facilitate such planning. The ward committees are the lowest formational constituents or urban local bodies and have important responsibility in the field of planning and execution. These responsibilities are either obligatory or discretionary; they may be functions transferred by the state government. Thus urban people, through the ward committees, can directly participate in the planning process and thus the cause of decentralised planning will be validated. The government of West Bengal has taken important initiative in the formation of these ward committees and these steps have made West Bengal an example among other states moving towards decentralisation. In spite of such hopeful news the move towards decentralisation of planning in urban local bodies falls far behind what has been done in the Panchayats. The 74th Amendment has listed a number of items that will be under the total jurisdiction of urban local bodies and from which these bodies will have to raise resources and plan execution. However, all this is yet to take off and presently the fund raising method of urban local bodies is under consideration.

We can only wait and hope that a parity between urban and village planning is reached in the near future and the overall tempo towards decentralisation is maintained in good spirit aided by spontaneous participation.

Source : Sanyal B.M., India : Decentralised Planning themes and issues, Concept Publishing House 2001, New Delhi.

DECENTRALISED PLANNING AND PANCHAYATI RAJ

Report of Working Group in Tamil Nadu

- Mahi Pal

The concept of decentralised planning in India is as old as planning itself. Several attempts were made in 1950s, 1960s and 1970s to operationalise it across the country. Although in some states model district plans were formulated, they could not be operationalised due to non-existence of people's institutions at district or subdistrict levels. But the 73rd and 74th amendments to the Constitution have created such institutions in the form of panchayats and municipalities providing a permanent structure for people's participation in formulating the district plan. Articles 243G and 243W of these Amendment Acts provide for panchayats and municipalities to prepare plans for economic development and social justice at their levels. Article 243ZD of the 74th amendment provides for Constitution of a district planning committee (DPC) which will consolidate the plans prepared by panchayats and municipalities and draft a development plan for the district as a whole. Keeping in view the constitutional mandate to formulate the panchayat and municipal plans and finally the district development plan, the State Planning Commission of Tamil Nadu constituted a working group on Decentralised Planning and Panchayati Raj in the context of the preparation of the Ninth Five-Year Plan. This working group was headed by K.V. Sundaram, noted development consultant, and consisted of 24 members and four special invitees, with the following terms of reference:

- (1) to review the status of decentralised district planning in the state and suggest measures for improving its effectiveness;
- (2) to identify the scope and content of the district plan and also to elaborate the procedure for implementation of decentralised planning in the context of creation of a district planning committee as envisaged in the 74th Constitution Amendment Act and the Tamil Nadu Panchayats Act, 1994.
- (3) To suggest the methodology for integration of plans prepared by village panchayats, district panchayats, urban local bodies at the district level;
- (4) To suggest the methodology for integration of district level plan with the state plan and sectoral plans;
- (5) To suggest suitable training programme for the officials involved in the decentralised planning process and also for the presidents/chairpersons of panchayat raj institutions; and

- (6) To recommend measures to promote people' s participation in the planning process and involvement of NGOs in formulation and implementation of schemes at the local level.

The report of this working group is a comprehensive document with 12 chapters discussing past efforts and the present imperatives, devolution of functions and powers to panchayats, operationalising the two-way planning process, planning at all tiers of panchayats, planning for integrated rural and urban development, training, administrative support, people' s participation and financial implications.

Before critically examining the various suggestions made in the report a comment on the composition of the working group (WG) is called for. Although the composition is quite comprehensive, it would have been better if it also had representation of panchayat unions and village panchayats.

The 11th schedule of the Constitution contains a list of 29 subjects to be handled by the panchayats. But inter-tier distribution of these subjects has been left to the state legislature. This distribution should be made keeping in view the cardinal principle that what could be done at a particular level should be done at that level only. The WG was aware of this principle as it itself has said that "functions must be unambiguously stated, so that jurisdictional wrangles are avoided". For inter-tier distribution of functions, the WG has endorsed the recommendations of the state planning group on 'Empowerment of Powers to Rural Local Bodies' headed by L.C. Jain.

Although the Jain Committee had classified the functions among the three tiers under four heads, viz, Planning, Implementation, Supervision and Coordination, their mere mention could not have enabled the panchayats to function as institutions of self-government as the committee did not devolve anything worthwhile to the panchayats, which they could plan, implement, supervise and coordinate. Besides, the proposed inter-tier allocation of functions is under a number of subject heads like agriculture, education, etc., including those that are performed at more than one tier. This has introduced diarchy among the three tiers of panchayats, which is injurious to their health. In a more meaningful way, the allocation of educational functions was done in the Report of the CABE, Committee on Decentralised Management of Education, Government of India, Ministry of HRD, 1993. The Occasional Paper published by the Ministry of Rural Development on "Powers and Functions of PanchayatiRaj Institutions - A Framework' (1994) also provides a meaningful framework in this regard.

Further, allocation of functions by an executive order as was done by the state government is inadequate. An executive order can be withdrawn easily. The right approach would have been to amend the laws relating to the 29 subjects and include them in the state's Panchayat Act. For example, agriculture including extension is listed as a function of the panchayat, but if the State Agriculture Act does not entrust the same to the panchayat through an amendment of the relevant provision devolution of powers in respect of agriculture to the panchayat means nothing. V. Ramachandran (1994) rightly observed that, "...merely entering them as functions without corresponding legislation on the subject does not empower the panchayats. Thus, where statutory backing is necessary, subject matter laws should be enacted and such laws, as well as existing ones as are relevant for the functions of the panchayats, should empower them to exercise the functions. Preferably, the laws should specifically list the functions to be devolved on local government." This approach should have been recommended by the WG to enable the panchayats to function as institutions of self-government.

For transferring resources from the state to the local level, the WG has suggested that area, population, degree of relative backwardness, special locational and social characteristics and extent of internal resource mobilisation may be taken into account. These criteria are well taken. But besides these, one additional criterion the WG might have included is that of women's backwardness because the women have an entirely different set of problems. Their illiteracy, mortality rate, intensity of poverty must be tackled differently and not by clubbing them with the rest. Thus, women's social disabilities may be made a criterion for resource allocation from the state to district and sub-district levels.

The WG's recommendation for giving responsibility for allocation of funds between Panchayats and Urban Bodies to the DPC is a practical proposition. The DPC at the district level in real sense provides the their tier of governance and its empowerment in this manner may help deliver the desired results.

The WG's recommendation to constitute the Village Planning Forum (VPF) comprising all members of the village panchayat, members of the Standing Committee or Committees constituted by the Gram Sabha, selected elders, leaders and youth of the village is to be welcomed. The forum may be assisted by the 'makkal nalapaniyalargal' (grassroots level worker) in its planning exercise. The Forum may constitute various WGs for proper performance of its task. It seems that the WG took this idea from the Gandhigram Rural Institute which helped form such forums in the surrounding areas. The WG has also spelt out a detailed planning methodology for preparing plans for economic

development and social justice at village level. But two comments are perhaps in place on viability of the panchayat and the planning machinery.

The demographic size of the village panchayat is very important for determining the economic viability of the unit and economising in various services rendered to the villagers. Reviewing of the village boundaries for efficient working of the village unit with live panchayats has been debated since initiation of the planning in India.

V.K.R.V. Rao expressed the view that a cluster of villages with a population of about 5,000 should be the unit for integrated area planning as it would ensure economic viability. The Ashok Mehta Committee on Panchayati Raj (1978) also expressed the view that an unsound resource of most of the panchayats base is mainly due to their size. The L.M.Singhvi Committee (1986) also pointed out that "village may be reorganised.. in order to make for more viable village panchayats and enlarged villages should continue to be primary and homogeneous units of self-government with a measure of direct democracy". This committee also subscribed to the view expressed by the Ashok Mehta Committee when it said that "the demographic size of the area is no doubt relevant for effective transfer of technology, organisation of service in respect of health, education, agriculture and industrial sectors and other welfare activities". Against this background, let us see the position in Tamil Nadu. As per the government of India document, Panchayat Raj Institutions in India (1991), the average population per gram panchayat in Tamil nadu was 3,837. It would have been better if the WG, keeping in view the state' s topography, had suggested to make it around 5,000 for making panchayats economically viable which is indispensable for decentralised planning based on the integrated area planning approach.

Second, the WG has said that makkal nalapaniyalargal may assist the VPF in preparing the entire village plan. Since plan formulation will be a comprehensive exercise a single official may not be able to perform the task. It would have been better if the WG had suggested strengthening of the planning machinery at the VP level because the plan which will emanate from this level would be fitted in the block plan and the block plan in turn would be made a part of the district plan. And ultimately, the district panchayat plan would be integrated with the urban plan at district planning committee level. Hence, the village plan should be formulated meticulously.

Planning at Panchayat Union Level

The intermediate tier of the PR system is the sheet-anchor of the entire rural development process. The WG has suggested that to

perform its tasks, in the sphere of planning the panchayat union (PU) may set up a block planning committee (BPC), which may constitute the required number of working groups or task forces for formulating suitable project proposals. For preparing the plan at the panchayat union level the WG has rightly said that the existing structure, i.e., one set of personnel belonging to the block set up and another to a number of departments operating at the block level having no horizontal linkages, should be done away with as it has no relevance in the present context of decentralised planning under panchayati raj. In place of the existing practice, the WG has recommended that these two sets of staff should be brought under the control of the chief block development officer for effective coordination at this level. For formulating the plan the WG has suggested creation a small cell consisting of an economist, a planner, a geographer and a statistician.

There is no doubt that the above prescription would strengthen the planning process at this level. But keeping in view the work to be handled in the new environment, strengthening of the accounting wing may also be appropriate.

The Tamil Nadu Panchayat Act provides for constituting food and agriculture, industry and labour, public works, education and health and welfare standing committees to enable the district panchayat (DP) to exercise its powers, discharge its duties and perform the various functions. The WG has rightly suggested constitution of a few working committees comprising elected representatives of the district panchayat and officials to examine the proposals received from the PUs, to decide DP level schemes and to bring coordination among the schemes in the sub-sectors, ensuring supplementary and complementary linkages.

For composition of the district planning machinery, the WG has suggested a four member multidisciplinary team of technical officer and training coordinators headed by the chief planning officer. The work of this team would be supplemented and complemented by the technical officers from the concerned sectoral departments and the experts/specialists from various technical institutions and universities. But it is not understandable why the WG has not recommended strengthening of the budgetary and financial control mechanism at this level as had been suggested by the G.V.K. Rao Committee in 1985. This is necessary in view of the fact that the district planning machinery would be entrusted with examining, suggesting, and guiding the sub-district panchayats in formulating and implementing the decentralised plan at their levels. Further, its importance would be enhanced because the WG has suggested that besides its other responsibilities the DPC would also be required to act as secretariat of the district panchayat. The WG has rightly observed that "...small measures, taken haltingly will not suffice. Nothing short of a dynamic approach in this regard can hope to succeed

in realising the planning objectives" (p 76). Hence, the WG has recommended creation of a planning cadre by locating competent officers from different departments.

No doubt, this may serve the purpose in the transitional period. But ultimately a separate cadre for the panchayats has to be created by amending the Constitution. This will be discussed further while commenting on the administrative support system suggested by the WG.

The WG has deliberated upon the DPC' s composition and functions and institutions functioning parallel to it. It has recommended that where the rural population is more than the urban population, the chairperson of the DPC and mayor/chairperson of the municipal corporation/municipality be made its vice-chairperson and vice versa. No doubt, it is an improved version of the existing system in which the collector of the district is the chairperson of the DPC. Some other states like Rajasthan and Kerala have already made such provision in their Panchayat Acts. But the appropriate provision for chairpersonship of this important committee, which in a real sense could be termed as the third tier of governance, may be the following. If rural population of a district is about 70 per cent of the total the chairperson of the ZP may be the chairperson of DPC for two terms (10 years) and the chairperson of the municipality for one term. In this way it will be a 15-year circle. The vice chairperson might be either ZP or municipal chairperson depending on the situation. It means if the ZP' s chairperson is the DPC' s chairperson, the chairperson of the municipality could be vice-chairperson and vice versa. If the rural-urban population is 50:50 either of the two would be chairperson or vice-chairperson of the committee. The purpose here is that the chairpersonship of this committee may be awarded in proportion to the population of the district. This provision may not create any conflict between the chairpersons of the ZPs and municipalities. Because after enactment of the new panchayati raj system, conflicts between elected representatives of the panchayats and the MPs/MLAs and between the former and the bureaucracy are already visible, the above proposition appears worth considering to avoid tension between the elected representatives of grass roots institutions.

For secretaryship of the district planning committee, although the state legislation has envisaged creation of a separate post, the WG, after weighing various options including the recommendation of the G.V.K.Rao Committee, has recommended that the chief executive officer of the DP should be its secretary as well. Here also what has been suggested for chairpersonship may be emulated, meaning that the CEO of the ZP may act as secretary of the DCP for two terms and the CEO of the municipality of the district headquarters for one term in a span of 15 years.

The WG has endorsed the recommendation of the Committee on Entrustment of Powers to Rural Local Bodies for merging the DRDA with the DP as it appeared to be a redundant structure after the DP's constitution. In this way the administrative structure of the DP would be strengthened which would enable this institution to discharge its duties more effectively. It may be mentioned here that the central ministry of rural areas and employment had already issued instructions to the state governments in November 1995 for placing the functioning of DRDA under the overall supervision, control and guidance of the zila panchayat.

The WG has evolved a detailed district planning methodology for the DPC. For requisite data the WG has suggested putting together the available secondary data of different sectors and aspects. Besides, the data on various aspects may also be collected through sample survey and participatory rapid rural appraisal methods. But for making available disaggregated data at district level on sustained basis, the National Sample Survey (NSS) data may be made available at this level. For this purpose, sample size of the NSS may also be enhanced.

For proper functioning of the DPC, the WG has suggested constitution of working committees of the members themselves to discuss in detail the sectoral, financial, budgetary, rural and urban linkages and other issues before finalisation of the draft development plan of the entire district. This recommendation is worth considering as it will smoothen the working of the DPC.

Rural and Urban Integration

One of the functions of the DPC as per Article 243-ZD(3-a) is to include spatial planning, sharing of water and other physical and natural resources as well as integrated development of infrastructure and environment conservation in the district planning. This important function of the DPC may facilitate interface between municipalities and panchayats. Here, an attempt has been made to integrate rural and urban area, which is essential for meaningful planning of the district as a whole. But the integration should start at the sub-district or intermediate level of the PR system. For this purpose, the WG rightly has said that "In the location of services, (e.g., location of agriculture markets and mandis, etc) consultation with the town panchayats/municipalities would be essential. Since organic linkages between the panchayat unions and town panchayats and municipalities in the area have not to be provided for in the Tamil Nadu Panchayats Act, this lacuna needs to be corrected by making appropriate representations of town panchayats and municipalities in the concerned block planning committee. The working

group recommends that the Panchayat Act be amended, as necessary in this context. Similar provisions should also be made in the act governing town panchayats and municipalities" (p 89). Other states may also follow the same procedure for integration of the rural area with the urban area because without interfacing the two, decentralised planning may not be operationalised in its right perspective. Actually, this is the drawback of the 73rd and 74th Amendments to Constitution which do not spell out integration of rural and urban areas except at the DPC level.

The WG has given a detailed arrangement of training for enhancing the understanding of both officials and elected representatives about decentralised governance, planning and development. The training modules suggested for different categories of officials and elected representatives are listed separately. But the course contents do not say much on the problems of the SCs and STs and the various issues having bearing on them except making a mention of development of the weaker sections under master trainers programme and training of trainers of panchayati raj functionaries. It may be suggested that need of providing reservation for the SCs/STs, provision of the Fifth and Sixth schedule areas, constitutional arrangement for such safeguards, concept of special central assistance, special component plan and tribal sub-plan and operationalising the same in formulating economic development and social justice plans from the village to district level may also be made part of the curricula for training.

Administrative Support System

For effective implementation of the decentralised planning, the WG has recommended establishment of a state development council (SDS) on the line of the National Development Council with chief minister as its chairman and comprising of presidents of the district panchayats, mayors of municipal corporations, cabinet ministers, senior administrators and members of the State Planning Commission. Technical examination and integration of the district plans with the state plan, time bound planning processes for the annual plan, putting district and sub-district staff under the control of panchayats as a temporary phase and, finally, constituting their own cadres to solve the staff problems, separate budgetary system reflecting districtwise allocation and providing for some reasonable reappropriation powers to the local bodies, inducting transparency in the functioning of the panchayats, monitoring and evaluating of programmes and schemes are among the other suggestions made by the WG for strengthening the administrative system of local self-government institutions.

Provision of an administrative support for decentralised planning is indispensable and the WG has suggested a number of measures for it. However, two comments may be offered at this point.

First, the state panchayat council although placed under the chairmanship of the panchayat minister as provided for in the Gujarat Gram Panchayat Act, has not met even once in last 12 years. So how can this council be made to meet regularly is not spelt out in the report. The importance of this council is not in its formation but in its regular meetings for sorting out the emerging problems between the state and the panchayats. Second, although the WG has suggested constitution of the panchayat cadre, on how it would be operationalised, it is silent. The experience of other states like Gujarat where such provision is there shows that in state government still frequently interferes in its actual functioning. For example, the state secretariat of the Gujarat has started issuing transfer orders of teachers and 'patwaris' (revenue official) though they are panchayat employees, recruited by the Panchayat Service Selection Board. Actually, remedy of this malady lies somewhere else. Since panchayats have become the third tier of governance, they should have their own service cadre on the lines of the central and state services. For this, another amendment of the Constitution is needed to provide for a panchayat service in part XIV of the Constitution.

The people's participation package envisaged by the WG consists of panchayat raj institutions, voluntary groups, NGOs and popular movements. But the important issue regarding people's participation, which the WG has mentioned is 'development from within' which will "induce autonomous, self-managed efforts in each community, cutting across all factions and interests among the population". In order to realise this objective the WG has endorsed 'namakku naame' (self help in development) approach of the state government. At the same time, it has rightly emphasised the need to make this approach an "integral part of the state's development policy to protect it from being blown apart by sudden shifts in political power or market forces".

To conclude, the WG has suggested a number of measures to put decentralised planning on track for both rural and urban development. Strengthening of the planning machinery at different tiers of panchayats, integration of rural and urban areas at sub-district level, adequate administrative infrastructure at the decentralised level, people's participation and development within have been over-due in the sphere of decentralised governance, planning and development. The WG's report is relevant not only for Tamil Nadu but for other states also. If this report, along with the suggestions made here, is implemented in letter and spirit, it will certainly strengthen the panchayati raj and decentralised planning in the state.

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STRATEGIES FOR POPULAR PARTICIPATION

- Suresh Misra

The foregoing chapter describe that popular participation can be an effective means of promoting policies for economic and social development. From available experience, it is possible to identify some of the basic elements of a strategy that will encourage citizens to pursue an active role in development. Essential to such a strategy is a sincere commitment by national political leaders to promote popular participation. This means not merely a verbal commitment but rather a willingness to create the necessary institutional structure and other political conditions that make popular participation possible. These leaders, have to be prepared to accept the consequences of popular participation. This latter condition is crucial, since genuine popular participation often produces differences between the government and various groups in society over development priorities. In economic matters, governments tend to view participation as a means of contributing to development in the form of more taxes and work, whereas people tend to regard it as a means of increasing their consumption of the fruits of development. Where differences become acute, governments at times are not loath to stifle or manipulate popular participation rather than seek an accommodation with it. Attempting to mute the voice of a once aroused citizenry by force may create consequences and lead to a serious confrontation between the people and the government.

Chief among the institutional requirements for successful popular participation is decentralization of the governmental institutions so as to bring public decision-making processes as close as possible to be people. To ensure that the public is informed about major issues and that the government is responsive to their preferences, it is necessary to create an effective rapport between the government and the people. There is also need to establish representative institutions at the village and intermediate levels around which citizens participation can be organized. Whatever form this institutional structure may take, its effectiveness will ultimately depend on the public's perception of how efficiently and effectively it can resolve their problems.

A strategy of popular participation should pay careful attention to the way people are initially motivated for active participation in development. Not uncommonly, governments attempt to mobilize people through promises of immediate benefits. When these are slow in forthcoming, there is danger of a psychological let-down which could give way to public apathy or violence. There is a need to offer the people realistic incentives for participation; emphasis should be placed on the benefits to be derived from the realization of medium and long-term goals rather than on immediate gains that are unobtainable. To encourage the

population at large to accept deferment of the present benefits for greater future gains, the governments should reveal their goals and the methods they expect to use in achieving them and also indicate the burdens that the various groups in society can be expected to shoulder. This can be facilitated through education programmes that attempt to foster among the people a sense of social responsibility. Great care should be given to projecting "authentic and realistic images of the future societies that would justify the striving for development and permit the ordering of objectives and instruments within coherent societal policies. The practicability of popular participation depends largely on progress in this direction but at the same time is a condition of such progress."

Since the roles of government officials, local leaders and the masses of the people for continuing decision-making are highly uneven, training should be an integral part of a popular participation strategy. Such training, on the one hand, should involve orientation about the nature of popular participation in decision-making and, on the other, impart those necessary skills, such as management methods and local development planning techniques, that may be required by the particular institutional arrangements in a given country. The effectiveness of such training has been shown by experience to depend in large measure on the particular techniques used for conveying the desired information, skills and attitudes as well as on the subsequent monitoring of activities. For example, experience in successful community development programmes indicates that training techniques, combining theory with practice appear to be the most effective.

Monitoring and evaluation of popular participation constitute a final component of a strategy. Since the effectiveness of popular participation depends on institutional arrangements, it is essential to assess their performance, so that corrections can be made, should they begin to fail. Such evaluation should be approached systematically and for this a number of techniques have come into use.

By taking these components into account, it is possible to outline a popular participation strategy. Such a strategy must focus attention primarily on the local level, where direct participation by the people is most possible, but must also be concerned with linking local institutions to intermediate or national institutions, or both. The existence or establishment of local institutions, around which participation can be mobilized, is an essential condition for achieving citizen involvement. While the nature of these institutions will vary, depending on the social and economic system of a country, they must perform two functions. First they should serve to organize discussion and transmit local opinions to higher level decision-makers, (this could be termed the advocacy function). Next, they should serve as a vehicle for making and implementing decisions of local concern, as in the case of community

improvements. Both of these functions have been a part of normal community development practice, but it should be emphasized that they should be performed simultaneously.

There is a little evidence to indicate that popular participation on a sustained basis emerges spontaneously. Rather it must be initially mobilized and then maintained over time. The types of institutions in which the people are to participate can vary from those in which participation is episodic and ritualistic to those which involve people on a continuing basis. Evidence points to the need for institutions which centre on people's most salient concerns and, therefore, can maintain popular interest and involvement. These are most frequently economic institutions, such as factory or farm. Co-operatives and other forms of community economic association are institutions which can give a tangible pay-off and thus stimulate participation. However, much depends on the degree to which the local institution is invested with real authority to take and implement decisions within its area of competence and the extent to which the activities and programmes of one institution are supported by other institutions with different functions.

While the creation of effective local institutions for popular participation is frequently a difficult process, the rewards in terms of development are correspondingly greater. Not only can the institutions serve as focal points for detecting and influencing public opinion about development issues but they can also facilitate increased use of local resource, especially labour, for local development. Moreover, such institutions can help structure economic production and services in a more efficient and socially equitable manner.

An adequate infrastructure of local institutions, the mobilization of the people around them and the training of leaders, local government officials and the people themselves are necessary but not sufficient. There is also a need for procedures to link the diverse local institutions with the national planning and administrative machinery to achieve a balanced development effort. While the exact nature of such procedures will vary from country to country, a type of arrangement which is gaining favour is the creation of intermediate-level institutions at the regional or micro-regional (area) levels. The primary functions of such institutions is to act as a bridge between the local and the national levels. This takes two forms. On the one hand, the regional or micro-regional institutions consolidate the opinions and demands of the local institutions in their areas and present a regional view of development problems, like consolidating cooperative activities, through a regional co-operative union. On the other hand, regional institutions can facilitate disaggregation of national plans. Moreover, they may determine the spatial allocation of development projects based not only the resources made available from central authorities but also on those that can be

generated locally. It is this function which makes popular participation can be most effective, since increases in popular contributions can be obtained and activities performed in an organized sequence. Thus a regional co-operative union can assist in obtaining and administering the necessary large-scale inputs, e.g. credit, and assets marketing of products.

There are a number of conditions for the successful functioning of intermediate-level institutions. These must have direct links with local institutions without which their activities would be largely meaningless. They must have the authority to take decisions on the allocation of available resources within the region. Since the making of a regional plan and the supervision of its implementation are complex technical tasks, there is a need for trained regional development officials. It is also desirable to train local official and leaders in the essentials of regional development. Moreover, to maintain the links between intermediate-level and the local institutions and ensure that the technical requirements of projects do not give rise to social problems, there is a need for a steady flow of information about programme performance, monitoring and evaluation. Such a flow has proved most useful in promoting the success of popular participation.

In short, a comprehensive strategy for promoting popular participation within an overall framework of the national development strategy can prove most effective if undertaken at all levels of decision-making within a society. At the national level, leaders must give the guidance and symbolic content to mass citizen involvement in decision-making. This requires institutions and procedures that facilitate transmission of popular opinions and preferences. At the local level, individual participation must be aggregated, oriented and given purpose through decentralization of decision-making authority as appropriate to the particular national context. Between the two levels, it has often been found useful to encourage intermediate-level institutions capable of aggregating local preferences opinions and activities and disaggregating national plans, programmes and policies. In this sense, popular participation can become an integral strategy for promoting development and the national, local and regional levels by making available to planners the voluntary efforts and experience of the people.

FISCAL DECENTRALISATION AND DEVOLUTION OF FINANCIAL RESOURCES

(A study of village panchayats in India)

O P BOHRA*

1. Introduction

The decentralisation is a term generally referred as various kinds of arrangements of issues of intergovernmental relations. It ranges from transfer of administrative, functional and financial powers from national governments to sub-national (state/province and local) governments. The issue of decentralisation in general and fiscal decentralisation in particular has been a matter of discussion, internationally and nationally. It has attracted a debate amongst a large number of fiscal experts. One school of thought argued in favour of fiscal decentralisation with logical and empirical support. On the other hand the other group of fiscal experts strongly disfavor it.

Let me quote Oates's view with regard to "Fiscal Decentralisation and Economic Development", He mentioned that "the basic economic case for fiscal decentralisation is the enhancement of economic efficiency: the provision of local outputs that are differentiated according to local tastes and circumstances results in higher levels of social welfare than centrally determined and more uniform levels of outputs across all jurisdictions. Although this proposition has been developed mainly in a static context (see treatment of Decentralisation Theorem, 1972), the thrust of the argument should also have some validity in a dynamic setting of economic growth. There surely are strong reasons, in principles, to believe that policies formulated for the provision of infrastructure and even human capital that are sensitive to regional or local conditions are likely to be more effective in encouraging economic development than centrally determined policies that ignore these geographical differences. There is incidentally no formalized theory of such a relationship between fiscal decentralisation and economic growth".

While discussing the issue of fiscal decentralisation Ebel and Vaillancourt (2001), explained the case for decentralisation with the three economic factors such as economic efficiency, revenue mobilisation and the size of jurisdiction. They argued that the local governments in the proximity of the masses can adjust budget (costs) to

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the local needs and tastes (preferences) in such a manner that it leads to best delivery of local public services ¹. In the case of revenue mobilisation by local governments he cited the example of property tax, which is collected more efficiently by local govt. than central govt., in the developed countries. The third factor is, appropriate pricing of local services done more efficiently by local govt.

In the literature the issue of macroeconomic mismanagement and instability in the federal countries has drawn immense attention and it has been concluded by some of the fiscal experts that decentralised governance, is incompatible with prudent fiscal management (See Prud'homme, 1995; Tanzi, 1996). Anwar Shah (1999) has reflected upon the "dangers of decentralisation" for macroeconomic management and provided a synthesis for theoretical and empirical literature as well as some new evidences. ² He has drawn an overall conclusion that the application of fiscal federalism principles to the design of economic constitutions offers a significant potential for improving the institutional framework for macroeconomic policy, provided that careful attention is paid to the design of institutions vital for success of decentralisation policies. Amongst the fiscal experts a broad consensus has been arrived in the context of Musgrave's trilogy of public functions, namely, allocation, redistribution, and stabilization, that the function of allocation can be assigned to lower level of governments, the other two would be more appropriate for the national government. Therefore, the macroeconomic management, particularly stabilization policy largely consider as clearly a central function (Musgrave, 1983; Oates 1972).

The allocative functions indicate that suitability of extent of decentralisation for a particular state. It answered the queries, such as, which taxes are best collected and retained by the central or local governments; extent of local autonomy (for local taxation); what are taxes most suitable for revenue sharing and the local governments possibility of piggy-back on central taxes. With regard to expenditure, it deals with the questions such as, best division of expenditure responsibilities of the various tiers of government for efficient delivery of public services.

The distributive function relates to how best the resources can be divided among different levels of government to achieve income redistribution through various mechanisms like revenue sharing formula

¹ The proximity to the local masses would lead to gains in local welfare is derived from median voter theories of public expenditure determination. These models are generally applied in the developed countries and are heavily influenced by the democratic process of budget making. The model predicts that the level of tax effort and expenditure mix in local areas are responsive to (i) changes in the relative prices of public services; (ii) community income, and (iii) local preferences. Moreover, not only are people likely to get what they want and are willing to pay for but they are more likely to hold elected representatives accountable for the quality of services delivered. Research in the United States demonstrate that as the cost of services go up, local governments purchase less. If local income rises communities spend more on local services; and , if the structure of population changes, so does the mix of public services (Bahl 1991).

² See: Anwar Shah (1999), "Fiscal Federalism and Macroeconomic Governance: for better or for Worse?"

or assignment of expenditure etc. It focuses on issue of how a particular expenditure assignment across levels of government or an expenditure allocation within a particular tier of government affects different income or expenditure classes.

The rules and practices of fiscal federalism very much affect the macroeconomic management and economic stabilization. In a flexible federal government, the local governments are given free hand to borrow without any constraint from central government; the impact is bound to affect the overall fiscal position of the economy and consequently fiscal stabilization. The larger revenue sharing rather than assignment of particular taxes to individual tier of government would tend to narrow down the potential for reducing the overall fiscal deficit. Therefore, Tanzi (1995) had advocated for the design of fiscal federalism structures on both the tax and expenditure sides have important ramifications for macroeconomic management.

Another problem associated with the issue of decentralisation is of corruption (Tanzi, 1995c; Prud'Homme, 1994). It has been argued that the local governments are less equipped and sophisticated than national government. The brightest people would have more inclination to go to national government with better career prospects.³ It has been further argued that at the national level the public administration is more transparent and accountable.⁴ It is also argued that by and large best and most talented people will go to the national government and the quality of local government institutions will tend to be lower. In this direction another argument put forth that the lower salaries, many regulations⁵ and greater contiguity of employees and citizens, would have more possibility of corruption or low quality of local governments. Tanzi (1995c) has expressed his observation that in several countries more corruption is prevailing at local level than at national level.⁶ He cited the example of United States, where in many cases of explicit corruption have been reported over the years in local level but much less at the national level.

3 In India, with the implementation of Vth Pay Commission recommendations, all the states and local governments (Urban) employees are treated equally. This has attracted a good people at local level to some extent.

4 *In the case of India, transparency and accountability at all the three levels of governance is more debatable with a large number of scams at national and state level, and also at local level, of course, with less quantum at local level. The local governments (particularly PRIs) are accountable to various financial audits as well as social and physical audits.*

5 With the administrative reforms in many States, have reduced the regulations and made the procedure simple.

8. Globally, the phenomena of corruption are common to national level of government also. (See, Global Corruption Report). It is difficult to provide authenticated proofs of corruption at all the three levels in India. However, a casual observation is that the however, the number of cases of corruption is in the order of more at local level (being large in numbers), than at state and national level, whereas the quantum of corruption is more at national and state level than at local level.

The issues of fiscal decentralization, public finance and intergovernmental fiscal relations have been discussed and debated in the literature internationally OECD-member countries in general and, in the context of decentralised federal countries like Argentina, Brazil, Canada and Germany, and centralized countries federal countries such as Australia, India and Pakistan particular. In the case of India, for long, since independence, the Constitution provides arrangements regarding the fiscal transfers from Centre to sub-national governments, States (and now to local governments).

The rationalization and harmonization of revenue sharing and tax assignment as well the allocation of expenditure responsibilities among different tiers of government comprise important elements in the many economic functions of government. These fiscal federalism rules include allocative and distributive considerations as well as increasingly, of macroeconomic stabilization.⁷

Allocative Issue- Extent of decentralisation and tax collection- It deals with the issue of extent of decentralisation and its suitability for the particular federal state, like, what are the taxes best collected and retained by the which tier of government, central, state or local; autonomy of state/local govt. in structuring their own taxes.

2. Delegation or Devolution of Powers:

Delegation – It is a situation where local governments act as agents for the central government executing certain functions on its behalf. This is known as “top-down” approach, that is from the viewpoint of central (state) government.

Devolution- It refers to situation where not only implementation but also the authority to decide, is in the hands of local governments- that is “local autonomy”, this is called “bottom-up” approach, from the viewpoint of local citizens.⁸

3. Fiscal Federalism in OECD – Member Countries

The OECD member countries are facing a complex public management issue. The unitary and federal members countries faces a different problems of public management. In some of the countries there are strong sub-national governments (SNGs). On the other hand few countries are having weak sub-national governments and some are in

⁷ Shome, P. 1999, “ Fiscal Federalism in India: Experience and Future Directions, in Fukasaku, Kiichiro and R. De Mello Jr. (1999) (eds.) “ Fiscal Decentralisation in Emerging Economies- Governance Issues”, OECD, Paris.

⁸ (See, Bird, R.M. (1998) Designing State-Local Fiscal Transfers in Uttar Pradesh (Unpublished).

between. Therefore, there is no single OECD model. It is generally observed historically that the federal countries tend to have larger/stronger SNGs. In the case of unitary countries, such as France, Greece, Italy, New Zealand and the United Kingdom, the SNGs are of the weakest case. In the recent years, the SNGs in these countries have grown stronger than earlier.⁹

4. India Scene- Decentralisation at the third level of governance

The issue of decentralisation is much discussed in most of the federal countries as well as in India. In the recent past it has received different opinions for and against (McLure Charles Jr.; 1995 and Prud'Homme Remy; 1995). In India, the 73rd Amendment to the constitution is a major step in this direction. The amendment is designed to revitalise the sub-national rural Governments (Panchayats) to promote growth in rural economy. As it has given legal recognition to the third tier of governance, i.e., Panchayati Raj Institutions (PRIs), it became an important landmark in the history. It provides for a uniform three-tier structure of the Panchayats- specifically at the district, block and village levels and specification of areas of responsibilities (as enlisted in the 11th Schedule of the Constitution) of the Panchayats at the three tiers. In conformity with the amendment (73rd CAA) most of the States amended/enacted their Acts and went for panchayats' elections. However, the devolution of power has been far from smooth.¹⁰

In the planning process the issue of decentralisation was also discussed in the Shukla Committee report. The Committee has suggested a number of measures aimed at devolving more power for utilising plan funds (see Shukla Committee Report. 1996).¹¹

It is expected that the step of decentralisation may help in the efficient provision of some of the public goods and services (Rajaraman, Indira and Amaresh Bagchi, 1995). It is also expected that the delivery of public goods and services are most effective when the responsibilities of discharging of these functions are performed by these levels of governance, which are closet to the people. In the Eleventh Schedule in which there are about 29 subject matters enlisted as the functions of the third rural tier (Village Panchayats) governance in the country. Of this, more than 21 functions are of developmental and social responsibility. Some of the development and maintenance nature of functions which are more responsive to the local conditions are expected

⁹ Blondal, John, (1999), 'Fiscal Federalism in OECD Member Countries'.

¹⁰ For instance, in Rajasthan the elected representatives had complained about the delay in devolution and in some of the states the elections are also being delayed.

¹¹ In one of the meeting of Planning Commission it was also announced that the "decentralisation of the planning process" would be a "thrust area" in the formulation of Plan.

to deliver more effectively at the local government (VP) level, (for example, child welfare and education of development nature and of maintenance variety- water supply and sanitation). Due to inadequate formal skills available at the village level do raise some doubts about the efficient delivery of these functions. But some empirical evidence (of west Bengal) does indicate that there is all the possibility of improved delivery of goods at the lowest tier of PRIs (Rao, 1995).

These sub-national governments, i.e., VPs would need some additional resources and skilled manpower to discharge the assigned functions. It is generally felt that the administrative skills deteriorate at the lower level of governments, in this case the third tier of PRIs. Therefore, at the VP level there is a need of flexibility to meet additional requirement of manpower. There should be freedom to enter into fixed - term contracts. There is a need to reassign manpower from the state-level administration to Panchayat cadres.

Hence, it is expected that the VPs should be given some autonomy in the spheres of functions assigned to them to cater to the needs of people at the grassroots level. Autonomy in functioning in turn requires at least some measure of fiscal autonomy.

In the rural context the fiscal autonomy is very complicated issue because the number of VPs are very large ¹². Moreover, lack of clear demarcation of functions at three tiers of PRIs adds to its complexity. The rural local bodies are also made responsible for the development of rural economy because most of the subject matters enlisted in the Eleventh Schedule are of development and social responsibility.

After the implementation of this amendment, a fair degree of fine-tuning of local functional assignment should be possible (at least in principle) in the rural sphere because of the three-tier structure of governance introduced by the 73rd Amendment, is an effort in this direction.

5. Financial Devolution to Village Panchayats

It was incumbent at the part of state government to transfer the financial powers to the VPs according to the amended Panchayats Act, in conformity with the 73rd CAA. Most of the States enlisted the financial powers in the Act, which were already entrusted to the panchayats. Barring a few States where some new financial powers have been transferred, for the remaining states, the situation was

¹² There are about 2.40 lakhs Village Panchayats

remained unaltered. The fiscal position of the VPs as per the new Acts is analysed in the following discussion.

(a) Taxation Powers Assigned to the VPs as per the State Panchayat Acts:

Across different States the village panchayats are entrusted with a number of taxes, the important taxes amongst them are: (i) land tax (non-agricultural); (ii) house/building tax; (iii) vehicle tax; (iv) tax on profession, trade, and callings; (v) tax on fair and other entertainment; (vi) tax on advertisement; (vii) lump sum levy on factories in lieu of taxes and (x) special tax for construction and public works. For the provision of public facilities, VPs also levy fees and charges (user charges). These include (i) water rate; (ii) lighting rate/fee; (iii) street cleaning fee; (iv) conservancy fee; (v) drainage fee; (vi) sanitary fee for public latrines; and pilgrimage fee. The VPs also levy some kind of fee for the use of common resources like: (i) fee for the use of Panchayat shelter; (ii) user charges for hospitals and schools; (iii) fee for the use of common resources (grazing land etc.); (iv) fee on markets and weekly *bazaars*; (v) fee on animals sold.

(b) Taxes in practice (actually) levied and collected by the VPs :

Though as per the Acts there is a big list of taxes and fees assigned to the panchayats but in practice the taxation powers have been narrowed down either the effective notices/government orders have not been passed or these powers have not been entrusted to the VPs. In practice the major taxes levied and collected by the VPs are: (i) House/building tax; (ii) Lighting rate/tax; (iii) Profession tax; (iv) Entertainment tax/fees; (v) Vehicle tax/tolls; and Pilgrim tax etc.

6. Significance of revenue sources at Village Panchayats level:

(i) Own revenue: The revenue composition for the major 20 States for the period of pre and post 73rd CAA, i.e. 1990-91 and 1997-98 is being discussed here. The revenue composition in per cent and per capita terms are expressed in the next section Amongst the major States the VPs in the State of Maharashtra has mobilised from own sources the highest amount (Rs 96.76 crores) in 1990-91 and the lowest was for Tripura (Rs 0.01 crores). The impact of 73rd CAA seems to be very little on the revenue mobilisation from own sources at the VP level, because most of the States have not transferred any new taxes/fees to the VPs. In 1997-98, these two States, Maharashtra and Tripura have collected Rs. 328.58 and Rs. 0.06 Crore, respectively. It indicates poor financial performance of the third tier of governance with abysmally low impact of the new amendment.

(a) Own Tax Revenue: In respect of revenue from own taxes, in 1990-91, Maharashtra has collected the highest amount (Rs. 91.93 crore), and the lowest revenue was mobilised by Himachal Pradesh (Rs. 0.02 crore). The situation did not change in the post-73rd CAA period. The States of Maharashtra and Himachal Pradesh have mobilised Rs. 312.29 crore and Rs. 0.68 crore, respectively.

(b) Non-Tax Revenue: In 1990-91, the highest revenue from non-tax sources was collected by Himachal Pradesh, Rs. 28.41 crores and the lowest by Tripura, Rs. 0.01 crores. The corresponding figures for the year 1997-98 were Rs. 48.51 crores, for Maharashtra and Rs. 0.03 crores for Assam.

(ii) State Transfers – The dependency of the VPs on State transfers is indicative of fiscal autonomy at the sub-national (VPs) level of governance. The State transfers include the revenue from assigned taxes, shared taxes and the State grants. It was observed that in the States of Andhra Pradesh, Gujarat, Punjab and Tamil Nadu, the VPs are more dependent on the State transfers. In these States the State transfers accounted for more than Rs. 50 crores in 1990-91. The post 73rd CAA effect is visible to some extent in some of the States. The VPs in the States of Andhra Pradesh, Kerala, Madhya Pradesh Tamil Nadu and Uttar Pradesh had received more than Rs 100 crore.

(a) Assigned taxes: The States of Andhra Pradesh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra and Tamil Nadu assigned certain taxes to the VPs and accordingly transferred the revenue from assigned taxes on origin or formula basis. It is observed an increase in the revenue from 1990-91 to 1997-98 by way of revenue from assigned sources.

(b) shared taxes: Similarly, the States of Assam, Gujarat, Kerala, Orissa, Punjab and Tamil Nadu share some the taxes and pass its revenue to the VPs. In the States of Kerala and Orissa, an increase in the revenue from shared taxes was noticed from 1990-91 to 1997-98.

(c) State grants: Barring Haryana, in most of the States the grants from States to the VPs has increased from 1990-91 to 1997-98. This increase in the grants from pre to post 73rd CAA indicates that the fiscal autonomy of the VPs had declined over the period.

In per cent term, the extent of fiscal autonomy of the panchayats are indicated where the revenue from own sources are more than half and if the transfers from the States forms the major constituents of the local fisc, indicates less fiscal autonomy and more dependency of the panchayats on the States. As shown in the table, revenue from own

source in 1990-91 were more than half in the case of Assam, Haryana, Karnataka and Maharashtra. The post reform (73rd CAA) period the impact seems to become negative. However, the States of Haryana and Maharashtra still continued to collect more than 50 per cent of revenue from their own sources. The transfers from the States were more than half in the case of Goa, Gujarat, Himachal Pradesh, Punjab, Tamil Nadu, Tripura and West Bengal, in pre 73rd CAA (1990-91). In 1997-98, the panchayats in the states of Kerala, Punjab, Tamil Nadu, Tripura and West Bengal received more than 50 per cent of revenue by way of transfers from the States.

If the per capita revenue from own sources mobilised by the panchayats is considered as an indicator of revenue effort made by the VPs during pre and post reform (73rd CAA) period, it was observed that the VPs in the States of Andhra Pradesh, Goa, Haryana, Kerala, Maharashtra and Punjab have mobilised more than Rs 10 per capita in 1990-91. In 1997-98, the situation has improved in terms of per capita amount, however, the States remained the same. The scenario of states' transfers to VPs in per capita term indicates that the panchayats in the States of Andhra Pradesh, Goa, Gujarat, Kerala, Punjab and Tamil Nadu have received substantial per capita revenue from the states during both the years.

7. Estimation of Buoyancy Coefficients of own revenue (tax and non-tax)

For the period from 1990-91 to 1995-96, the growth in own revenue (tax and non-taxes) of VPs has been estimated in terms of its response to increase in the non-primary Gross State Domestic Product (GSDP) (excluding mining and quarrying) of the State. It was observed that in the States of Andhra Pradesh, Goa, Himachal Pradesh, Kerala, Maharashtra, Punjab, Tamil Nadu and Tripura the coefficients were found to be more than unity, while in the remaining States it was less than unity. The States of Rajasthan and West Bengal, had the negative coefficients. It indicates that the barring 8 states as mentioned above, in the remaining states the impact of new amendment was not very much encouraging. The panchayats have not been given substantial financial powers to mobilise more revenue from its own sources. Therefore, there is a need to strengthened the financial autonomy of the panchayats through more fiscal devolution to the VPs.

8. Conclusion

From the above discussion it can be infer that in most of the States the devolution of financial powers to the VPs has not been taken place. The taxes, which were levied before 73rd CAA, are still continued and no new taxation powers have been assigned to them. To strengthen

the sub-national governments at the lowest level of federal structure, it is needed in addition to the effective exploitation of the existing taxes the more financial powers should be transferred to the VPs so that these bodies can meet the increased demand of basic services of the rural masses.

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