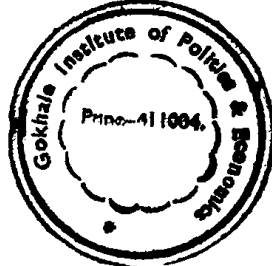


REGIONAL AND DISTRICT PLANNING :
CONCEPTS, EXPERIENCES AND APPROACHES
(A REVIEW OF LITERATURE)



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INTRODUCTION

PURPOSE

The existence of regional imbalances in economic development is a problem facing many countries at present. Growing concern with regional inequalities and the consequent search for alternative theories to explain this phenomenon, have resulted in a vast amount of literature since the late 1950s. It was Myrdal in 1957 and Hirschman in 1958, who initially questioned the validity of traditional trickle down, spread effects and convergence hypotheses to show that an exclusive reliance on market mechanism for redressing disparities can only worsen these disparities by draining the resources of peripheral regions in the vicinity of the more developed regions.

The concept of regional planning was mainly developed to tackle such problems of regional imbalances in development. The developed countries of the West were early starters in this field. Regional planning in these countries was, initially, used for curing the problems of depressed and congested regions. But soon it was realized that for effective national planning, regional approach is indispensable.

The countries of the Third World are late starters in this field. The origin and the nature of the socio-economic spatial structure and hence the regional problems, in these

countries, have been influenced by the external colonial domination. But these countries pay little attention to such qualitative differences and blindly adopt the regional planning concepts and strategies developed in the Western countries. There has been a rather slow realization that these strategies are mostly irrelevant to the completely different socio-economic conditions of the Third World. The Third World countries should build indigenous strategies that would suit their peculiar socio-economic conditions.

The Socialist Countries, like U.S.S.R. and Poland, adopt a very comprehensive approach to regional planning. The Third World Countries can fruitfully learn from the regional planning methods and their scientific and theoretical foundations developed in these countries. Regional planning without science and theory would be a blind venture. Hence international exchange of experiences can be highly useful for developing regional planning methods and techniques.

Elimination of regional imbalances in development continues to be one of the principal objectives of economic planning in India right from the beginning. But, the problem of imbalances in development still exists. Such imbalances in development lead to disparities in income, wealth^{and}/employment opportunities among the inhabitants of different States or different districts of a particular State. Discontent that arises out of these reasons often gets reflected in social tensions and agitations, which may pose a threat to national progress and integrity. A nation that is very much bent upon

creating a socialistic pattern of society cannot allow these imbalances to persist for long. India has been trying to develop its vast backward areas through various policy measures and recently the idea of regional, district and block level planning has been accepted for the same reason.

This dissertation is a modest attempt to review the regional planning experiences in some of the developed capitalist countries, socialist countries and the developing countries. An effort is made to understand how this international experience in regional planning (both the success and failures), can be helpful for India.

ORGANIZATION

Chapter 1 starts with a review of the theories explaining dualistic development.

Chapter 2 briefly deals with the rationale for regional planning and the experience of some of the developed capitalist countries in this field. Likewise the experience of the Third World countries of Latin America, Africa and Asia is dealt with in Chapter 3. Similarly Chapter 4 deals with the experience of the Socialist Countries.

Chapter 5 discusses the evolution and the present state of regional planning in India. The needed re-directions in the policy are also stated.

Chapter 6 reviews the progress of district planning in India and particularly in Maharashtra. After discussing

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the present state of district planning it seemed necessary to give a brief account of the approaches to district planning. This is done in Chapter 7.

Finally in Chapter 8, concluding remarks are presented.

CHAPTER 1

DUALISTIC DEVELOPMENT AND REGIONAL PLANNING

It was only after the Great Depression of 1930s and especially after the Second World War that the developed capitalist countries started thinking of adopting some sort of regional planning in order to combat the widening regional disparities in development. In the developing countries this realization came only after 1960s. The vital issue of uneven regional development was neglected because most of the theories of economic development within a capitalist framework assume a harmonious self-adjustment in the system. The theories maintain that the unfettered play of market forces ensures work to move where labour is available or labour to migrate where jobs are plentiful. The disparities, if any, in profit, wages and employment between regions are considered as only temporary and frictional which automatically tend to be eliminated, by corresponding capital and labour movements. This myth of self-regulatory market mechanism was exposed only after the Second World War and it was only then that the governments thought it prudent to intervene in the process of development.

The simple classical theory of migration argues that the migration of labour from low wage regions to high wage regions, and the mobility of capital in the opposite direction,

will help to remove regional differences in real wages and returns to capital. The real world, of course, is more complicated. There are significant frictions within the economic system that prevent the classical equilibrating forces from working efficiently; and hence interregional wage differentials have exhibited a remarkable long-run persistence.

The basis of neo-classical models of growth is the aggregate production function. The output of an economy is asserted to depend upon its productive capacity, the latter being determined by the supply of factor inputs. Two special features of neo-classical models are that factors of production are assumed to be substitutable and that factor prices are perfectly flexible. The consequence is that no factor of production can remain unemployed, at least not for long, since unemployment of a factor results in a fall in that factor's price and hence an increase in the amount of factor demanded. The neo-classicals also assumed constant returns to scale. This is a major weakness. Neo-classical models that assume constant returns to scale assume away what may be an important source of regional growth differences - namely, internal and external economies of scale. Internal economies arise within the firm as a direct consequence of the growth in its size, whereas external economies accrue to firms located in a specific area on a consequence of the spatial concentration of firms.

Thus the classicals and the neo-classicals ruled out the problem of regional imbalances in the long-run development process by assuming a perfect mobility of the factors of production. They failed to visualize the fact that the interregional movements of factors may actually cause regional differences in factor prices to increase rather than diminish. Firstly, the selective nature of migration may not only make it harder for depressed regions to attract investment necessary for their regeneration, but will simultaneously improve the prospects of the prosperous regions. Secondly, the inflow of migrants into the prosperous regions will have a cumulative expansionary effect on output, employment and incomes in this regions whilst simultaneously having the opposite effects in the depressed regions. By contributing to the growth of market demand in the prosperous regions, migrants enhance the attractiveness of those areas for further expansion of productive capacity. As region's population increases, and as income levels rise, new industries emerge to satisfy the growing demands for locally produced goods and services. This process is a cumulative one.

The capital also does not move smoothly from high-wage region to low-wage region. One reason is that the rate of return on capital is not simply a function of wage costs. A great weakness of the classical and neo-classical models is the assumption of constant returns to scale. Dynamic, expanding regions may offer superior investment opportunities

because of the size of their markets allows internal economies to be exploited and because external economies also emerge. In other words, the rate of return on capital is not only a function of the proportions of labour and capital employed but also of the scale of production. And also, labour and capital are not the only factors of production. There are others like land and organization. The returns to capital are determined by all factor costs, not simply the costs of labour. Again there are some non-economic and subjective factors that influence the locational choice. Non-consideration of these factors led the classicals and neo-classicals to believe that the regional disparities in development would disappear in the process of growth when there is greater unification of factor markets and economic integration among regions.

This problem of regional inequalities in development was neglected by later economists also. In 1943, Rosentein Rodan advocated a "big push" theory for the development of backward countries. "The lumpiness of investment along with external economies and virtue of saving were emphasized. If investment is concentrated on industrial projects, Rodan concluded, it would give the 'big push' and overcome economic obstacles to development."¹ In 1954, A. Lewis advocated a similar unbalanced process of economic development in his dual

1 Patnaik, S.C. (1981), p. 2.

model of "economic development with unlimited supply of labour". The model economy consists of a 'capitalist sector' containing manufacturing, plantation, mines, etc., and a 'subsistence sector' with disguised unemployment. It assumed that the supply of labour from the subsistence sector is unlimited as long as real wages in the capitalist sector are higher. If the real wages in the capitalist sector are held above the subsistence sector, the continued expansion of the modern sector would lead to the absorption of the labour force from the subsistence sector. The marginal productivity of the labour in the subsistence sector was thought to be zero and hence their absorption in the capitalist sector was supposed to add positively to the national product. This process of labour absorption in the capitalist sector was to bring about a complete transformation of the underdeveloped countries.

These unbalanced growth strategies advocated by Rodan and Lewis have certain spatial implications. The concentration of industrial projects and the supply of resources to the capitalist sector implies urban industrial bias. It was thought that once initial impetus of development is given to few selected areas then the fruits of development would percolate to other areas. But the length of the period of this transition is a critical issue. The socio-economic costs of economic dualism between urban-rural areas involved during the period of transition is an agonising process both for rural as well as urban areas. This critical issue was not treated by either

Rodan or Lewis. The practical experience in all the developing countries shows that in spite of massive investment in modern sector the problem of economic dualism remains untouched. Bairoch Paul (1975) in study "The Economic Development of the Third World Since 1900" estimates that 10-12 per cent of the growth of labour force during 1960-70 was absorbed by the modern sector leaving the problem of rural-urban economic dualism practically untouched.

It was only in 1950s that a serious challenge was made to this traditional wisdom of equilibrating market mechanism in reducing regional economic imbalances. Myrdal in 1957 and Hirschman in 1958 questioned the effectiveness of the equilibrating market mechanism in reducing regional disparity.

Myrdal's contention is that "... the play of the forces in the market normally tends to increase, rather than decrease, the inequalities between regions".² To explain this polarised development Myrdal has stated the principle of 'circular and cumulative causation'. Accidentally some industry gets located in a certain region and gives spur to its development. Opportunities of employment and higher incomes are provided for those unemployed before or employed in less remunerative way. Local business can flourish as the demand for their products and services increases. Labour, capital and enterprises are attracted from outside to exploit the

2 Myrdal, Gunnar (1957), p. 26.

expanding opportunities. Due to economies of scale - using the term in the broadest sense - this region advances. These are not just the economies of large scale production, but the cumulative advantages accruing from the growth of industry itself - the development of skill and know-how, the opportunities for easy communication of ideas and experience and specialization in human activities.

Expansion in one locality has 'spread effects' or beneficial impact and 'backwash effects' or exploitative impact on the peripheral areas. The growing region may depend on the peripheral regions for basic raw materials in which case the periphery would be benefited; or it may draw the unemployed, underemployed or disguised unemployed from the periphery. The growing prosperity in the growth region may be implanted in the periphery in the form of investments. All these are beneficial impacts or 'spread effects' on the periphery. The unfavourable effects or 'backwash effects' consist of the flow of capital, entrepreneurs, and young and skilled labour from the periphery.

In 1958, Hirschman independently developed a similar centre-periphery model. The 'spread effects' of Myrdal become 'trickling-down effects' and 'backwash effects' become 'polarization effects' in Hirschman's analysis. Hirschman too exclusively states that "... economic progress does not appear everywhere at the same time and that once it has appeared powerful forces make for a spatial concentration of

economic growth around the initial starting points".³ Apart from the external economies that lead to the agglomeration of economic activities, Hirschman states that "... what appears to happen is that the external economies due to the poles, though real, are consistently overestimated by the economic operators".⁴

The key issue for the development of a region is the relative balance between these two contradictory effects. When the beneficial effects dominate the periphery also develops with the growing centre and there is greater economic integration between the two giving rise to a more homogeneous spatial system. On the other hand, where exploitative effect dominates the periphery, it is reduced to a weak region giving rise to regional dualism with little functional complementarity. The degree to which the centre has to depend on the output of the periphery for its further development, the 'trickling down' effect would tend to dominate. Hirschman argues that sooner or later the centre has to reduce its own congestion, overcome supply difficulties and expand home market. He sees that deliberate policy intervention as an aspect of trickling down in the later phases of his model. Myrdal, however, does not include State intervention as a part of his model and holds to his theory of "circular causation",

3 Hirschman, A.O. (1958), p. 183.

4 Ibid., p. 183.

but he argues that unless Government intervenes the circular and cumulative causation in the process of economic growth would lead to regional dualism.

Myrdal favours Government intervention as the nation prospers and economic dualism widens, while Hirschman argues that Government intervention to increase the spread effects would be inevitable under the pressure of the problem. As such, there is essentially little difference between Myrdal's and Hirschman's approach to core and periphery relationship in the course of economic growth. This shows that there is no firm conclusion in the theory to show that economic convergence is inevitable in the process of economic growth without some kind of Government intervention.

The theoretical work of Myrdal and Hirschman, no doubt, contributed to shaking the confidence of economists in the ability of equilibrating market mechanism in reducing regional economic disparities. It initiated the greatest debate on economic convergence versus divergence as a possible outcome of economic growth. The problem of regional disparities then became the centre of attraction in the academic circles. J.G. Williamson provided empirical information, through his well known article in 1965, on the relationship between economic growth and regional income disparity. In his study of the United States and other countries, Williamson attributes the tendency for regional inequalities to increase as development proceeds to following four factors:⁵

5 Williamson, J.G., Article in, Needleman, N. (Ed.), 1968.

(1) Labour Migration: The migration of educated and skilled people in the productive age groups to the wealthier regions where wages are higher;

(2) Capital Migration: The migration of capital to wealthier regions where returns are higher;

(3) Central Government Policy: Central government policies which concentrate social and economic overhead capital in wealthier regions, where perceived need is greater, and which favour industrial development of wealthier regions through tariff regulations;

(4) Interregional Linkages: A lack of linkages between regional markets, retarding the spread effects of innovations and income multipliers.

Other writers on regional inequality have described its occurrence in terms of the 'export-base' theory. The 'export-base' theory of regional development as put forward by Douglass C. North, has placed a great weight on the role of exports. Growth within a region is initiated and continues to be led by a demand for products in which the region has a comparative advantage. Regional production, investment, and income rise, and complementary industries are established. Local savings are invested locally and their multiplier effects are local. Then a number of 'residential activities' are likely to be developed within the region, providing goods and services for the local market. In North's version of this theory, the export sector remains dominant for the region, playing a vital role in determining the level of income in the region. The

'export-base' theories developed by Innis and MacIntosh state that the regional differences in incomes, wages and growth rates are based on regional differences in natural resource endowments. All regions are not equally favoured by natural resources.

Isard and Reines (1961)⁶ felt that the polarization of economic growth in a nation may largely be due to the unevenly distributed natural resources, unequal access to major markets and unequal distribution of inherited know-how and labour skills. Location theorists see agglomerated development as the result of location decisions by firms which take advantage of the economies of production and transportation, and of well-developed factor and product markets which urban agglomerations provide. Friedmann explains the core region's growth as the result of the ability of its populace to generate, adopt, and control the distribution of development-generating innovations.

So we find that different writers have stated different factors which are responsible for bringing about regional disparities. All of them agree that regional inequalities increase in the initial stages of development, but there is considerable disagreement as to the degree to which such inequalities will lessen at later stages. Williamson's empirical study indicated that inequalities do lessen, and

6 Dholakia, R.H. (1985), p. 4.

regional levels of welfare do converge. He attributes this process to several factors like the reversal of the outflow of labour and capital, as a result of the equalization of returns between the poor but developing regions and the wealthier regions; the creation of agglomeration economies in the developing regions; and, a conscious redistribution of wealth and investment among regions by the central government. This convergence process is a long one, however, Williamson's study notes a clear trend towards convergence in the United States and other developed countries only since 1940.

Patnaik, S.C. has pointed out a number of limitations of Williamson's hypothesis, and has stated that "The poor representation of less developed countries in his cross section analysis considerably reduced the reliability of his findings".⁷ In the light of methodological and conceptual limitations, Williamson's thesis of regional income converge cannot be accepted as conclusive. In 1976, Gilbert and Goodman made a study, which duplicated Williamson's methodology with more recent data, it indicates a much less occurrence of convergence than did Williamson's study. They too suggest that, rather than an equilibrium mechanism operating to adjust regional inequalities, these inequalities will grow unless there is a strong intervention to reverse the process.

The historical experience of a few developed countries

7 Patnaik, S.C. (1981), p. 6.

like the United States towards a slow process of regional income convergence, even if accepted as valid, does not necessarily hold out the prospects of an inevitable trend towards convergence for the third world countries which are situated in a different context altogether. Empirical studies in most of the developing countries reveal that the population below the poverty line has tended to increase. "The World Atlas of 1975 shows that in at least half a dozen States, such as, Chad, Niger, Senegal, Somalia, Sudan and Upper Volta, the average income fell between 1960 and 1973."⁸ International Labour Organization's study of 1976, points out that throughout Asia incomes of small holders and landless workers have fallen between 1956 and 1976. Poverty studies in India also reveal the fact that the income and consumption of the lower dociles of the population has fallen in the planning period. The findings relating to increasing poverty in less developed countries cannot but have regional implications in terms of economic divergence.

In case of India the post-planning era of development presents a picture of uneven regional change and growth in material production. "Various studies in regional development show that regional disparities in development have not declined but on the contrary, have been on the increase through time during the period of planning in India."⁹ The economic dualism

8 Patnaik, S.C. (1981), p. 11.

9 Mishra, G.P. (Ed.), (1985), p. 13.

at the national level can be illustrated by the distribution of economic activities among the different States of India. "Nearly 40 per cent of the total workers in the registered factories were concentrated in the two States, viz., Maharashtra and West Bengal and these two States contributed as much as 45 per cent of the gross value of factory output in India in 1965."¹⁰ Within these States the bulk of the industrial activity is concentrated in the two metropolitan districts, viz., Bombay and Calcutta. It seems that the lopsided character of the industrial development inherited from the British colonial times is being perpetuated and the economic dualism between the advanced modern factory sector and the traditional agricultural sector is widening.

Faced with lagging rural production, low productivity in agriculture, a high level of rural-urban migration, growing poverty, and increasing political threats to national unity, many countries have turned to regional planning as a means of resolving these problems. Regional Planning, which could be understood as planning for any sub-national unit, has as its objectives the more efficient utilization of the region's productive resources (land, labour, and capital) and improved integration of the region with the national economy. In doing so, it seeks to serve the goals of raising the standard of living of people in the region, increasing the rate of national

10 Brahme, Sulabha (1971), p. 52.

development, and bringing about a more equitable distribution of development benefits. The objectives for adopting regional planning and methodologies do vary between the developed, developing and Socialist countries as we shall see in the next chapter.

CHAPTER 2

REGIONAL PLANNING IN DEVELOPED CAPITALIST COUNTRIES

The awareness of the need, and the importance of regional development planning come at different stages in the development process for different countries. Friedmann, for instance, argues that such consciousness becomes noticeable when the share of industry in the gross domestic product of a country rises over 10 per cent. He noted that at such a stage of development the need to attempt a better rationalization of spatial relations becomes compelling as a means of improving general economic efficiency in the country. Friedmann states that pre-industrial societies should devote most of their energies for "... creating human and material bases for further industrial growth,"¹ rather than worry about regional problems. The post-industrial societies in which the output of manufactures as a proportion of total production has already reached a peak and is beginning to decline, yielding to a service sector, are so completely integrated spatially that the regional focus is no longer appropriate one as a basis for national development policy. So it is only the transitional societies which are most directly concerned with regional organization, "partly because of the spatial shifts involved

1 Friedmann, J., (1966), p. 6.

in moving from an agrarian to an industrial economy, partly because of a large portion of their potential resources are still unutilized".² On the face of it, this proposition would appear to have some validity for many developing countries where, after about a decade of industrialization, greater emphasis is now being put on regional development planning. But even the post-industrial societies like the United States and England face regional problems and have to adopt regional planning. Now before reviewing the regional planning experience in the developed capitalist countries it would be worthwhile to probe into the special reason for these countries to adopt regional planning.

2.1 Rationale for Regional Planning

We have already seen in the previous chapter that the regional disparities are not self-correcting and so there is a need of State intervention. "The justification for regional policy in predominantly market economies rests to a large measure on the imperfections of the market mechanisms operating in a spatial framework."³ The free play of market forces, as Myrdal states, tends to increase, rather than decrease the inequalities between regions. The disparities in economic development create problems for both the centre as well as the periphery. It is for this reason that the need for some regional policy arises.

2 Friedmann, J., (1966), p. 8.

3 Stilwell, Frank J.B., (1972), p. 8.

Now, it has been fully realized by the countries of both developed and developing world that sectoral planning at the national level might bring success in varying degrees in terms of higher rate of increase in Gross National Product, employment and higher levels of industrialization; but at the same time there is greater unemployment and more poverty for some groups of people on account of their lack of opportunities to participate in national productive efforts. The capitalist development process helps only those who have an access to the means of production. The majority of those who have only their own labour to sell cannot benefit from this growth process and their situation deteriorates from bad to worse. This class of assetless poor is completely left out of purview in sectoral planning at the national level. This widens inter-personal economic inequality which has intra-regional and inter-regional implications. The regions that fail to participate in the national prosperity lag far behind. The people residing in such regions have to face many hardships. If such problems are neglected for long than they lead to forms of protests which spill over from conventional democratic political channels to mass demonstrations and violence on the streets. The urban riots in Britain in 1981, the protests against steel closures in France in 1978-79, in West Germany in 1980-81, and in Belgium in 1982 could be cited as examples. Such examples, in developing countries, are too numerous to be quoted. If such a depressed region is physically and politically a viable unit, it runs the risk of secession, as it

happened in case of East Pakistan. If it is not a viable unit, it may cause of triggering off socio-economic tensions. Regional planning seeks a solution to such problems, not in conflict with any other region, but in harmony with them. The removal of social unrest and political agitations inimical to the national integration could be one political objective of regional planning.

The second rationale for regional planning is that it leads to greater efficiency in resource allocation. Initially it was held that there can be no long-run problem of regional economic distress because competitive market forces will result in optimal spatial distribution of economic activity. Accordingly it was felt that "... distressed areas are those which have been found by market tests to be non-competitive, and efforts to aid them are likely to be both costly and ineffective".⁴ But the recent theory of planned adjustment assumes that the market processes cannot be depended upon automatically to result in optimal spatial distribution of economic activity, nor therefore to guarantee maximum national GNP. Rather, it is assumed that unnecessary structural unemployment results from such factors as immobility of factors of production, failure to achieve economies of agglomeration and scale, incomplete information, failure to perceive peripheral investment opportunities, and misallocation of public and private investment. Therefore regional planning

4 Cumberland, John H., (1973)

is justified not only on the grounds of equity and redistribution, but also because it can improve the overall spatial distribution of economic activity and also increase total GNP for the nation.

It was felt that there was a conflict between the overall national growth and regional development objective. Investments in depressed areas, it was argued, would bring down the growth rate of the economy. It is necessary, however, to realize that the reduction in regional disparities and acceleration of the rate of growth are not conflicting but complementary to each other. "The economic advantages of decentralized development and the economic costs of concentrated development both occur as accumulated effects over time. And, therefore, it is only by considering an adequately long period that the two can be put in proper perspective."⁵ If the development is concentrated, the external diseconomies of agglomeration will depress the overall efficiency of capital and the factor cost for society will increase resulting in a widening gap between private productivity estimates and the realized productivity for the society as a whole. On the other hand, investment directed to increase the absorption capacity of the lagging regions will have the effect of drawing in the process of production the hitherto unexploited and under-exploited productive resources of the region. In the long

5 Brahme, Sulabha, etc., (1975), p. 23.

period, the social cost of sustaining a given rate of growth will be higher, the more concentrated the development is conceived to be.

Apart from this economic cost the urban society would have to bear the congestion, air, water, and noise pollution, social unrest due to unemployment and low living standards. These social costs are more important even though they cannot be quantified.

Another rationale for regional planning is that it has given greater meaning and realism to the physical planning agencies at the local level. The migration of people from rural to urban areas or from one region to another depending on the prospects of employment and higher income is a normal phenomenon in both developed and developing countries. The development process involves structural changes in the economy causing large-scale migration of people. Physical planning in terms of infrastructure development, transport planning and provision of social facilities cannot be made in urban areas over a reasonable period of time, unless a supra-urban view is taken or an inter-regional perspective is adopted. The cities or towns cannot be planned in isolation. The peripheral setting in which they are located must be also considered. Regional planning, thus, tends to aid urban and local authorities in drawing integrated plans.

Another rationale offered is that the regional planning, being attempted at the regional level, can get much more

closer to the regional population. The felt needs of the population, either through them or their representatives, can get reflected in the plans. There could also be more direct participation in the planning process by the people. Thus regional planning meets the aspirations of the people and also provides an institutional framework for a more rational ordering of development activities in greater harmony with other regions and the nation as a whole.

Regional planning, however, is different from regional policy. There may be a regional policy by the Central Government towards certain regions to cope with special problems or to achieve certain specific goals in regard to those regions, without having any sort of planning at that level. "Regional planning is operational, programmatic and institutionalized at a sub-national level."⁶ Its goals cannot be said to be completely identical with national planning though they have to be in conformity with national planning objectives. Its goals are much more wider than those of urban or local planning with its stress on physical aspects of development alone. "Regional planning can be used as an instrument for a more direct regulation of the development of different regions through providing appropriate guidelines and principles for regulation of the amount, composition and phasing of investments."⁷ As the canvas of regional planning is smaller a

6 Patnaik, S.C., (1982), p. 50.

7 Brahme, Sulabha, etc., (1975), p. 24.

regional plan can include more specific suggestions about the locational pattern and, keeping in view the structural peculiarities of the region, indicate appropriate methods for organizing production activity for sustained economic development of the region. But as yet, there are many things which still remain vague and imprecise in this area, requiring articulation, innovation, development of tools and methods for making regional planning effective enough to fulfil its cherished role.

2.2 Regional Planning in Developed Countries

Regional planning is comparatively new. It is still on an experimental stage both in developed and developing countries. "Regional planning, it will be useful to point out at the outset, has its origins in the experience of the developed countries."⁸ The economies of these countries grew as a whole to huge magnitudes but the growth was not uniform spatially. The advantages due to the economies of scale, made available by the technological advances, in the industrial infrastructure and the indivisibilities inherent in the creation of such facilities create strong forces of agglomeration. Once a region gets into the process of development, whether by accident or due to the advantages in terms of natural endowments, the region with magnetic force, attracts all new industrial investments making the economic activity concentrated in such

⁸ Rao, R.S., Brahma, Sulabha, (1973), p. 57.

regions. This naturally gives rise to (i) uneven development, (ii) problems that arise due to concentration like congestion, pollution on the one hand and alienation on the other. The regional planning, in such circumstances necessarily aims at solving these problems.

The neglect of the spatial aspect in national planning has created three main types of problem areas, viz., (1) underdeveloped regions, (2) depressed regions and, (3) congested regions. In underdeveloped regions, different barriers hamper the regions participating in the modern process of industrial and technological development and it is left out of the process of national economic development. As we have already seen, in the transitional phase certain regions get industrialized and achieve faster growth rate while the remaining regions are stagnant. If no positive measures are taken such stagnant regions are further deteriorated by the 'backwash effects' emanating from the prosperous regions. Such regions are characterized by agricultural production and lower labour productivity and also sparse population. Such type of regions exist in all the developed countries. The depressed regions are areas developed during the first industrial revolution. In this case, economic and social depression is brought about by the difficulty of replacing declining industries (coal, steel, cotton, lead, etc.) by modern, quickly growing industries (electronics, chemicals, metals, etc.). Such areas suffer from low per capita income, low activity

rates and high unemployment. The root problem is the slow growth of demand (in relation to its supply) for labour in such regions. The congested regions are areas in which the growth has reached beyond optimal limits from the point of view of the internal environmental conditions of the congested regions. Further development of such regions entails greater social costs than benefits. Congestion is not synonymous with concentration of economic activities in space but refers only to situation where, at the margin, increases in concentration add more to total diseconomies than to total economies. In such areas there are problems mainly of traffic congestion, environmental pollution, housing and provision of other social overheads.

All the developed countries have resorted to regional planning for dealing with such problem areas. Initially the intention was to provide redress to these problem areas; but now it is increasingly realized that for achieving growth with equity regional policy is indispensable. The first thing that has to be done for meaningful regional planning is the delineation of the planning unit. We find that various countries have used various concepts for demarcating planning units. The strategies used for regional planning also vary between countries as per their size, level of development and nature of the regional problem.

England:⁹ Regional problem in England is predominantly

⁹ Based on (i) McCrone, G. (1969) "Regional Policy in Britain." (ii) Secretariat, EFTA (1965) "Regional Development Policies in EFTA."

one of depressed industrial areas. There are underdeveloped agricultural regions, but their problems have not assumed urgency as the population involved is small, while depressed industrial areas accounted for 15 per cent of total English population in 1969. Another aspect of regional problem is the over-congestion in London conurbation, which has a population of over 12 million. Upto 1960s the main thrust of the British regional planning was mainly on creating a better environment, usually for the population of large urban areas like London and Clyde Valley. The regional plans were mainly city plans devoid on any regional context. "The plans were advisory in character, and there was therefore no official commitment to carry them out and remained unimplemented."¹⁰

After 1960s, for vigorous regional planning, the country was divided into eight planning regions and for each region a Regional Economic Council and a Regional Economic Planning Board was created. Regional planning now in England is viewed as a part of the national planning for growth. It is now the growth consideration which influences the regional plan more than the depressed area consideration alone. As a matter of regional planning strategy the Government is striving to decentralize development away from the already congested areas and trying to infuse developmental impulse in the underdeveloped and depressed areas. Through licence and fiscal policies the Government is trying to prevent the establishment of firms in

10 McCrone, Gavin, (1969), p. 223.

congested areas. While there are various concessions given for firms moving in the underdeveloped areas. The Government has also started providing social overhead capital to the underdeveloped areas to make them more attractive for private investments. In certain areas the Government itself has made direct investment in productive activities. The trading estates programme is also important in this respect. The broad policy behind the programme appears to be to build infrastructure facilities including subsidized housing for factories in the backward regions to attract the entrepreneur. Along with this various tax concessions are also offered.

We find that the major objectives of regional development i.e., the decentralization of development in congested areas and revitalizing development in depressed areas, have not been achieved in any considerable major. Commenting on the failure of England's regional strategies Barry Moore and Jhon Rhodes¹¹ state that the problem of depressed areas and the resultant unemployment was under-estimated by the planners. Right from 1920s the textiles, coal-mining, ship-building and the capital goods industry as a whole was in decline and the problem of unemployment was getting severe in Lancashire, the North-East Scotland, and particularly Wales. The situation deteriorated still further in the depression of the 1930s and after the short time boom after Second World War. The policies of diverting economic activities in the depressed areas have

11 Moore, Barry, Rhodes Jhon, (1974).

not worked effectively. Until 1967 much of the assistance to the firms in backward areas was given in the form of capital subsidies. This encouraged capital intensive firms into the backward areas, leaving the problem of unemployment untouched. Less emphasis on training of labour also accounted for the failure of regional planning. The spending of large sums on new factories and public works is unlikely to benefit the unemployed unless special efforts are made to help them overcome the handicaps which contribute to their initial unemployment: lack of education, training, motivation, health and productivity. A more effective way to alleviate regional economic distress is to invest heavily in human capital through improved programmes of education, vocational training, rehabilitation, retraining, health, family planning and removal of discrimination.

Italy:¹² The most classic instance of regional planning in Europe is that of Italy. The economic dualism in that country between the backward agricultural south and relatively more advanced industrial north, commonly known as "north-south" problem, is being tackled by the creation of a State institution known as the Cassa per il Mezzogiorno. The Italian Government has attempted to carry out the theoretically attractive procedure of developing external economies by a massive dose of public works and social overhead capital while leaving

¹² Based on: (1) Report of OECD (1970), "The Regional Factor in Economic Development".

the direct investment in commodity production to private individuals. In this policy it has received substantial support from the U.S. Government, the World Bank, and other international agencies. The 'growth center strategy' was also introduced. Government investments were concentrated in these centers.

In spite of heavy infrastructural investment in the South, the growth rate remained around 4 per cent. The private investors still seemed unwilling to invest in the Southern region due to the fear of competition from the established firms in the north. Also the liberal trade policy of Italy is unable to protect new emerging industries of the south. Writers on the Italian 'growth center' experience have generally been critical of its implementation. The State Corporations had concentrated investments in two areas and these were largely in non-propulsive industries. There was lack of coordination between public and private activities, and lack of inter-industry linkages. The 'growth centre strategy' had very little success in general.

France:¹³ France has also developed a most comprehensive system of regional planning. The French regional planning is directed to cope with the dualism of excess congestion of the Paris region and stagnation in rural Southern and Western regions. Special institutions, like The National Commission

¹³ Based on (1) Report of OECD (1970), "The Regional Factor in Economic Development".

For Area Re-development and Delegation for Area Re-development and Regional Action, have been created in 1963, for achieving balanced regional development. Since 1963, the national budget is being planned on a regional basis. In order to cope with the problem of urban congestion in Paris region development of eight satellite towns is undertaken. While permits are required for developing industries in Paris region, decentralization grants are offered to firms for moving out of Paris. The French Government offers grants, fiscal concessions and loans to private enterprise for expanding or setting up in Western and Southern regions. In France encouragement is being given in certain cases for regional specialization.

In spite of the legal and fiscal barriers created for limiting growth of the Paris region, it continues to exercise its attractive force provoking the fragmentation of the rest of the country. In the West, there is a new dynamism, but is unevenly distributed and has so far not been strong enough to close the traditional gap. Certain regions in the West have not yet fully participated in the general movement. In the north and east, there are continuing problems, arising mainly from the ageing of the traditional industries. Employment difficulties in these regions are aggravated by the presence of a young and numerous population. Thus we find that when infrastructural and capital investments are concentrated at certain points in the backward regions, these points develop leaving grey areas of underdevelopment around them. This

happens mainly due to the non-propulsive nature of industries located at these centers. The care should be taken to see that the industries located in a particular region suit the natural and human resources available in that region.

Japan:¹⁴ Japan, like France, has a problem of over-congestion in the Pacific Ocean belt consisting of densely populated cities of Tokyo, Osaka and Nagoya. There is a concentration of population and production in this area while the rest of the country is mountainous and comparatively less populated. Regional disparities arise due to the productivity differences between industries and agriculture. There is also problem of declining industries like the coal mining industry.

Japan's impressive economic development after the Second World War resulted in regional economic disparities. The "National Income Doubling Plan" of 1960 aimed at doubling the national income in the next ten years, but it was feared that this plan would widen the existing regional disparities. This plan then had to be corrected by an additional plan, i.e. the Comprehensive National Land Development Plan of 1962, to promote the regional development of backward regions by designating development centres closely related to the advanced industrial regions. This Comprehensive Plan aimed at lessening congestion in developed area and activating development in rural stagnant areas. "As a means to achieve the goal, the

14 Based on (i) The Report of "The U.S.-Japan Conference on Regional Development" prepared by Japan Center for Area Development Research.

plan focused on the growth pole scheme and the local development city scheme."¹⁵

In spite of the strong measures adopted to arrest the development of Tokyo and Osaka, their growth is still on the increase. This has brought about an imbalance in land utilization. There is a greater need to reduce pressures on these areas by re-locating firms in other areas. The designation of growth poles was an important political problem for local interests in underdeveloped regions vied with each other to seek the designation. So under political pressures, the number of growth poles, which should be few in principle, increased. Heavy infrastructural and social overhead investments were undertaken in these growth centres. There has been some industrial development at these growth centres but the capital still tends to shift towards the already developed metropolitan regions.

U.S.A.:¹⁶ In the U.S.A. also regional policy is used to cope with their depressed area problems. The Area Redevelopment Act of 1961, the Appalachian Regional Development Act of 1965 and the Public Works and Economic Development Act, 1965, have created five new multi-State regions for the purpose of promoting economic growth in depressed areas. The major U.S.

¹⁵ Report of the U.S.-Japan Conference on Regional Development

¹⁶ Based on: (i) The Report of OECD (1970), (ii) Miller, J.C. (1979) "Regional Development: A Review of the State-of-the-Art".

experience with growth centers has been in the Appalachian Region, an area containing some of the worst poverty and lowest standards of living in the entire country. Nearly 125 centers were identified which covered 63 per cent of the regional population. The Federal Government was to spend for infra-structural facilities like roads, schools, health facilities, and resources, while the individual States were responsible for planning and implementing their portions of the programme.

Due to regional planning in the Appalachian Region there has been some improvement in the main statistical indicators of welfare, but "it is difficult to determine the extent to which the improvements in the economic indicators for Appalachia are attributable to the growth center strategy".¹⁷ Employment generated was mainly due to large Federal and State expenditures on social overheads and infrastructural investments. "Manufacturing employment, which would be expected to be the main target of growth center strategy, has grown only slightly more in Appalachia than in the U.S., 18% vs 15%."¹⁸ Hansen (1974 and 1976) has suggested that the major benefit of the Appalachia programme has been the provision of social services rather than employment creation, while out-migration has been the major contributor to lessening unemployment. All this clearly suggests that the Appalachian growth center

17 Miller, James C., (1979), p. 31.

18 Ibid., p. 31.

strategy has not been a major factor in the development of the region.

In case of the U.S.A. also it is amply clear that the growth centre strategy has not worked well in developing the depressed areas. Mere provision of infrastructure and social overheads does not help in attracting private investors. Adequate demand and availability of low-wage labour are the main attractive features, rather than infrastructure and social services, for the private investments. The capitalists of the developed countries find it more profitable to invest in developing countries, where the labour is cheaper than labour in backward regions of their home country. The proliferation of multi-nationals in some developing countries is the direct result of this policy. The comparatively unorganized labour and loose legal structure becomes an attractive source for exploitation of the third world countries.

2.3 Evaluation of the Regional Planning Experience in Developed Countries

The previous discussion of various developed countries shows that the process of development has not been even in time and space and this has led these countries to adopt regional planning policies and the concept of regional planning. The problems of over-congested metropolitan regions; rural, stagnant agricultural regions and depressed regions comprising of declining traditional industries were mainly sought to be solved through regional planning.

It was the problem of over-congestion in metropolitan

centres, like Paris, London, Tokyo, etc., which necessitated some action on the regional scale. The over-growth in these regions accounted for many social and environmental problems. The concerned governments adopted both positive and negative approaches to curb the further growth of these regions. The positive approach comprised of giving decentralization grants to firms moving out of congested regions. Economic incentives were provided for establishing firms in other backward areas. The negative approach consisted of restrictive measures which prohibited new investments and extension of existing ones in the congested area. Fiscal measures to make the congested region less attractive to new entrants were also adopted. Building of satellite towns around these congested regions, to diffuse population and production, was also done in some countries. In spite of all these ventures we see that no country has been successful in arresting the further growth of its metropolitan regions. The governments have been helpless in keeping out the private investors, who for profits, have been thronging to these metropolitan regions. The new firms usually pay the same for services as all firms in the congested area, but their establishment raises the costs for all firms already in the area, so what the new firm considers as costs under-estimates the costs for society as a whole. Congestion also increases costs for the society in terms of air, water, noise pollution, traffic congestion, housing and sanitation problem and other environmental problems. But it is often difficult to translate these costs into financial

terms and the private investors do not account these social costs in their profit accounts. It is precisely for this reason that the city sizes, in developed and in developing countries, have increased beyond points where benefits from economies of agglomeration are outweighed by the social costs of congestion.

For activating development in rural, stagnant regions, which have been left out from the general process of development, most of the developed countries use the 'growth centre strategy'. This strategy is considered to be a solution for wide range of problems. It is expected to invigorate the region, stimulate commercialization of agriculture, generate exports, reduce unemployment and out-migration and integrate the region's population into the modern mainstream of economic development. The selection of growth points is more of a political exercise than economic one. Huge investments in infrastructure and social overheads is made at these growth centres. Often capital intensive and advanced technology using plants are set up there. But this has little or no impact on the growth and employment situation of that rural region. The industries located fail to have propulsive effects as they have no vertical or horizontal linkages within the region. So such investments necessarily result in the formation of industrial enclaves rather than dynamic centers linked to other growing economic sectors. The linkages of such industries are not with producers in the rural hinterland but rather in other major urban centers, considerable distances away. Whatever

chances of development the rural region has are further frustrated due to the 'backwash effects' emanating from such growth centres. The experience with growth center strategies has, thus, been disappointing. The mere creation of infra-structural facilities and other social services fails to attract private investments. The demand for the product and the availability of low-cost unskilled labour, seem to be the main factors in a firm's decision to locate in non-metropolitan areas. The availability of incentives, such as social infrastructure and fiscal incentives, tend to have a secondary role in the location decision. It is due to these reasons that the capital inflowing from the developed countries to the under-developed ones.

In case of depressed areas, where the traditional industries like coal mining, lead mining, textiles, steel, etc., are declining, the problems of unemployment, out-migration, fall in the revenues of local governments, deterioration of social services and the growing unattractiveness of such areas are increasing at alarming rates. The hardships faced by the resident population have given rise to violent protests and violence on the streets. This has disturbed the social peace and the problem endangers national integration. The governments, in vain, have tried to support the declining industries. The support policies are against the ethics of free market principle where it is supposed that the industries which had played their roles and are now no more required

should disappear. Maintaining them at public costs is not supposed to be a wise policy. Other measures of implanting growth propelling industries have little success. So these areas continue to face the problems of unemployment, low standards of living and large out-migration.

To conclude, we can firmly state that the developed countries still have a major problem of regional disparities in growth. It is argued that the process of growth itself is destabilizing and it favours certain regions only. The other regions must cope with the developing regions. But the forces of free market and government policies further widen these disparities. The population residing in such left-out regions have to bear the costs of unemployment, low levels of living and inhuman degradation. The regional development strategies adopted so far, and particularly the 'growth centre strategy', have failed to activate development in these backward areas.

CHAPTER 3

REGIONAL PLANNING IN THE THIRD WORLD

Recently the third world countries have also realized the importance of the regional issue and are attempting some form of regional planning. The concept of regional planning is still in a formative stage in most of these countries. The late arrival of these countries in this field, does not suggest that they do not have regional problems. On the contrary their problem is much more serious than in the developed countries of the West. But their regional issues were submerged by other pressing problems like agricultural and industrial backwardness, unemployment and underemployment, poverty and hunger, droughts and floods and other socio-political problems. Most of the Asian and African countries, which became independent of the European colonial rule in 1950s and 1960s, were initially more interested in growth rather than distribution. In most of the third world countries, unemployment and underemployment are so widespread, per capita income is so low and disproportionately large sections of population are at such a low level of living that regional problems obviously paled into insignificance. So, initially, the major thrust was on increasing the overall growth rate of the gross national product. It took quite some time till the importance of regional issues came to be fully realized by

planners and politicians of the third world countries.

After independence most of these countries embarked upon sectoral national planning for achieving economic development. The problem of regional imbalances in development was not considered by planners, who mostly relied on the 'trickle-down' effect. Most of the economists and planners had their training and derived inspiration from the West. Most of them were occupied in building unsuitable macro-economic models for their countries, without considering the domestic problems pragmatically, until the pressure of events made them do so. Regional disparities had, by then, began to threaten their national integration. West Pakistan had to pay heavy price, as its major part, the erstwhile East Pakistan, completely separated from it. In most of the countries planning was attempted only at the central level. The regional planning machineries, wherever existed, had little or no importance. The paramount importance of one party monopoly to political power in some countries also contributed for the monolithic growth of the central planning authority. The international agencies and their aid policies were also more oriented towards national rather than the regional issues. The aid given was firmly tied to national objectives neglecting the regional allocation. This is one of the reasons why aid objectives have more often failed in the third world countries.

While elaborate sectoral planning was tried at the

central level the regional and sub-regional economic problems were left to the care of sub-national Governments like States or provinces. These Governments lacked both finance and expertise to tackle the regional problems. The administrative machinery, inherited from the colonial rule, was not accustomed to taking up independent work in activating economic development in the stagnant rural economy. The pressure of the regional problems made them undertake regional planning with inadequate preparation in terms of regional planning machinery, tools and strategies. Some of the countries, as we shall shortly see, uncritically implanted Western regional development strategies which further distorted their original regional imbalances.

3.1 Regional Planning Experience in Latin America

Most of the Latin American countries had inherited lopsided development from the Spanish and Portuguese rule which ended in the beginning of the nineteenth century. Later efforts at national planning resulted in patches of prosperity amidst overall poverty. In late sixties most of these countries initiated some efforts at the regional level to correct the regional imbalances in development. However, they are still at an experimental stage, mostly reflecting Western experience of town-centred redevelopment approach. In some of the Latin American countries, for instance, the Superintendencia do Desenvolvimento do Nordeste (SUDENE) in the North East Brazil, the Corporacion Autonomadel Valle del Canca (CVC) in the Canca Valley of Colombia and the Corporacion Venezolana

de Guyana (CVG) for developing a city in the interior of Venezuela have been set up for implementing programmes largely of urban development or redevelopment.

A number of Latin American countries have also attempted the 'growth center' strategies, in many cases incorporating the strategy into national development plans as a guide for sectoral investments.

Chile¹: Chile had a problem of concentration of production and population in the area around Santiago. During the 1960s, the nation was divided into 12 regions plus the Santiago region, and a two-part strategy was devised. The first part, intended only for the Santiago region, was to disperse industrial growth to other urban centers around Santiago. The second part included the identification of growth centers in the 12 other regions of the nation. In several centers large industrial investments were made while infrastructural investments were undertaken in all the centers. Within a decade this programme was abandoned due to the change in the ruling political party. None of the growth centres was effective in inducing growth, on the contrary "two centers, Arica and Punta Arena, had negative impacts, due largely to their extreme geographic isolation".²

1 The experience of Chile and Other Latin American countries is based on accounts cited in Miller, J.C. (1979) "Regional Development: A review of the State-of-the-Art".

2 Miller, James C., (1979), p. 33.

Peru : Peru also tried similar strategy, to diffuse development from Lima region and activate development in other four regions. Six growth centres were identified in these four regions, the development of which was based on utilization of the surrounding natural resources and industrial production for export goods. The strategy failed to curb the development of the congested Lima region and the wrong choice of industries and weak policy instruments failed to activate development in the underdeveloped regions.

Colombia : Colombia, in its 1969-1972 national plan, defined nine development regions and a growth center in each. Infrastructure development and subsidies for propulsive industries were aimed as tools for the development of these growth centres. But due to a change in political power the strategy was not implemented from 1970. Writers on Colombian 'growth centre strategy' comment that, even after implementation, the strategy would have had little impact on the hinterland.

Venezuela : Venezuela has implemented one of the best known growth centre projects at Ciudad Guayana. The Government has developed a new industrial city by linking the two existing towns. The city is intended as the major growth center for a region rich in natural and energy resources. The Government, through the Corporacion Venezolana de Guayana (CVG), has invested heavily in infrastructure and industries like steel mills, aluminium mills, natural gas, cement, and paper mills.

The city is expected to utilize and promote the development of the whole Guyana region. This programme, it is claimed, would activate development of the whole Guyana region.

To conclude, we can say that the awareness of regional problems in development is found in all the Latin American countries and efforts to lessen regional dualism are undertaken by all of these countries. However, the Latin American Approach, which still anchors in the urban redevelopment strategy, seems to be of little use in solving their regional problems. The regional problems of the third world countries, apparently similar to the problems of developed countries, are organically different. The solutions to these problems should also be radically different from those of the developed countries. But the third world countries are desperately trying to implement regional strategies of the developed countries, and in turn complicating their own regional problems. Most of the measures adopted for regional planning in these countries are highly restrictive in their operations and generally more urban-biased. To see the problems of economic development of the third world countries in the mirror of the developed countries is at the root of the major misconception of applying wholesale the regional planning practices of Western developed countries to the third world realities. The third world countries need regional planning approach on a much wider front so as to serve as a dynamic instrument of socio-economic change in transitional societies. The 'growth centre strategy' has many limitations like the long time

needed to bring about regional structural change; poor guidance from the theory regarding the choice of centres and nature of industries; lack of success in attracting industries to the centers; and problems in creating linkages between the centers and their rural hinterlands. There are high planning and investments costs, which lead to uncertain results.

3.2 Regional Planning Experience in African and Asian Countries

Most of the developing countries of Africa and Asia were until recently under the colonial system, directly controlled and administered by Western metropolitan powers, and few would now dispute that this entailed the exploitation of the wealth of these colonies for the exclusive benefit of the metropolitan power. The imperial powers exploited the subterranean wealth like coal, iron ore and other minerals for the development of their industries. But they deliberately hindered the development of industrialization in the colonies. The imperialists, by industrializing colonies, did not wish to create competition for their home industries. Also "colonialism is necessarily conservative in nature. It seeks above all to perpetuate the status quo, i.e. to continue to dominate. Industrial revolution is, by definition, revolutionary."³ Apart from changes in technology, industrial revolution brings about changes in social relations and the structure of power.

3 Dasgupta, A.K., (1974), p. 11.

The imperialists thought it best in their interests to maintain the traditional social structure in the colonies. Thus between colonialism and industrial revolution there is always a conflict. In fact the imperialist deliberately left the colonial industries unprotected, which in the course of time declined. Through their policies, the imperialists made the emergence of a powerful native class committed to industrialization exceedingly difficult.

Myrdal in his "The Challenge of World Poverty" states that, in colonial times and till the Second World War the causes of poverty in the developing countries were attributed to laziness, very limited economic horizons, survival-mindness, carefree disposition, culture, racial inferiority, etc. This was deliberately done to put the blame of underdevelopment on the people of the colonies themselves. The imperial powers propounded the theories which suited them. This disposition can be best described in Myrdal's statement which goes, "there is a tendency for all knowledge, like ignorance, to deviate from truth in an opportunistic directions."⁴ The colonial regimes were not such as to call forth large-scale research on economic underdevelopment by giving political importance and public interest to such research.

Now the situation has changed radically, due to rapid

⁴ Myrdal, Gunnar, (1970), p. 3.

liquidation of colonial power structure and the craving for development in the developing countries themselves. The Asian and African countries which became independent in 1950s and 1960s are now vigorously pursuing the path of planned development. In most of the countries greater stress was laid on sectoral planning for achieving faster and higher growth-rate in the gross national product. Planning for growth was mostly attempted at the central level without any decentralization. It was soon discovered that such centralized sectoral planning led to further widening of the gap between inter-personal and inter-regional distribution of incomes. Initially regional disparities were accepted as a part of development process. It was believed that the process of development initiated at few spots would slowly percolate to all the regions and there would be even development. But the reality was different. The regional disparities kept on widening, creating problems for both the developed and the backward regions. It was soon realized that the trend towards rising inequality stand as a complex of inhibitions and obstacles to development and that, consequently, there is an urgent need for reversing the trend and creating greater equality as a condition for speeding up development.

Most of these countries are predominantly agricultural with substantial rural population. The agricultural sector is characterized by low labour productivity. Decentralized planning is much more relevant in such situations. Whatever the centrally determined strategy for agricultural revolution

and rural transformation, only local agencies can be closely enough acquainted with local conditions to organize appropriate programmes. Thus it was evidently clear that for balanced growth and development regional planning was essential.

Since last two decades most of the African and Asian countries are adopting some sort of regional planning. But here also we find that most of these countries, like the Latin American countries, are trying to apply the strategies of the developed countries uncritically. In the developed countries "... an analysis in purely "economic" terms — employment, unemployment, savings, investment and output, all in aggregate terms; and demand, supply, and prices, all assuming markets and that too fairly effective markets — may make sense and lead to valid inferences, this is so because these concepts and models and theories incorporating them are fairly adequate to reality in developed countries. But in the developing countries this approach is simply not applicable, except at the price of making the analysis irrelevant and grossly faulty."⁵ The markets are non-existent or grossly imperfect in the developing countries. These countries have substantial non-monetized sectors. Also the strategies adopted by the developed countries neglect the attitudes and institutions. But these non-economic factors are of such paramount importance in the developing countries that they cannot be abstracted from the economic theory and in planning.

5 Myrdal, Gunnar, (1970), pp. 9 and 10.

Most of the developing countries have experimented with the 'growth centre strategy', without considering the existing economic and socio-cultural factors. In the developed countries, where the problem is of evenly distributing the expanding industrial sector, the 'growth pole strategy' has been used as a catalytic agent for industrial development in the backward areas with some success. But "in the stagnant economies, however, it is not merely a question of dispersal of new economic activity but of initiating the growth process in a region where the appropriate socio-cultural milieu for industrial development does not exist."⁶ So the mere provision of infrastructural facilities and other social services would not, by itself, initiate development in the backward regions of the developing countries. The provision of such services is a necessary pre-condition for development but not a sufficient condition. Also planting of public or private manufacturing units, for infusing development in the peripheral stagnant regions would not be successful unless these units are in tune with the existing socio-economic set-up and the skill levels of the region. Often highly capital intensive and high technology using units are implanted in the backward regions and they invariably fail in forging supply and demand links in the hinterland. "As a matter of fact, very often, the implanted units remain essentially 'foreign' in character and act as such, taking most of investment out of the region

⁶ Brahme, Sulabha, etc., (1975), p. 26.

to the highly industrialized regions. In absence of the economic spread effects, the growth remains localised in or around the growth pole."⁷ Also the growth pole strategy cannot succeed unless the further development of the advanced regions is effectively restricted. In free market societies, we find that the policy measures are too weak to accomplish this task and in no country the government has successfully curbed the growth of the congested regions.

Finally the aim and objective of regional development in the developed and developing countries are different. "Regional development has been defined as a process resulting in a secular rise in regional output or real income. Increasing regional output and income implies both expansion of the region's productive capacity and growth of effective demand for the region's output. Both conditions are necessary and combined will represent a sufficient condition for regional development."⁸ In developed countries the distributional aspect of the growth process is not considered as an objective of regional development. Their primary concern is the efficient use of resources and increasing the effective demand within the backward region. In the developing countries, along with these objectives, the distribution of the fruits of development becomes the major objective. Regional planning,

7 Brahme, Sulabha, etc., (1975), p. 26.

8 Krutilla, Jhon V., (1955), p. 126.

in the developing countries, is mainly concerned with elimination of poverty in the backward regions. When poverty-elimination is accepted as a major objective, then the identification of the poor assumes priority. In the stagnant rural regions of the developing countries it is the landless agricultural labour and the marginal land-holders, who are at the lower end of the economic scale. It is mainly for these groups that regional planning has to cater. In the developing countries "the objective of planning, therefore, must be expressed in terms of the most appropriate utilization of the available productive resources to ensure a universally shared improvement in the levels of living based on meaningful participation of the people in the process of development."⁹ The planning, in the developing world, should concentrate on the common man. Now in the light of these objectives, it would be worthwhile to examine what is actually being attempted in the developing countries of Africa and Asia.

3.3 Regional Planning Experience in Africa (Case Studies)

Most of the African countries, like Nigeria, Ghana, Tanzania and the rest, suffer from regional problems which have been directly inherited from the colonial period. The colonial exploitation has left these countries with only a few industrial towns, mainly seaports, and vast stagnant agricultural, rural regions. In the colonial regime these urban centres and

⁹ Brahme, Sulabha, etc., (1975), p. 27.

mainly the seaport towns were developed to facilitate the export of products, such as minerals and agricultural raw produce. The imports of manufactured commodities from the colonizing industrialized countries entered the colonies through these towns. These industrial towns draw on the countryside for cheap labour and raw materials but feed nothing back to stimulate rural growth. In fact rural growth was retarded by the destruction of traditional industries in most of these countries. Most cities, in Latin America, Africa and Asia, especially those that have achieved primacy, tend to be exploitative and inimical to the development of rural society.

Most of the African countries, like other developing countries, are overwhelmingly agrarian. Even then they are unable to feed their population securely and adequately. In most countries, the inadequacies of the agricultural production of food and other raw materials are retarding other economic developments. Scarce foreign exchange resources have to often be diverted to food imports. Most industries, dependent on agricultural raw produce, have to be run below capacity levels for want of raw materials. The labour resources, though abundant, are mostly engaged in low productivity agricultural sector, which is unable to produce sufficient surplus for economic development. Agriculture and the rural economy is thus central to the problems of developing countries. Planning, at the national or regional level has to pay greater attention to the rural agricultural sector.

We find that in most of the African countries this central problem has been neglected and the regional planning measures adopted are highly restrictive in their operations and generally more urban-biased. In Africa both the largest country, Nigeria, and the smallest, Malawi, have relocated their capitals in planned new towns. This act itself is not objectionable but it reflects the negligence of priority issues, and the high-faulting ambitions of the politicians that can lead to a disastrous waste of scarce economic resources.

Nigeria¹⁰: Nigeria inherited regional imbalances from its colonial past, when it got freedom in 1952. The country was divided into three political regions wherein, the East and West regions were comparatively more developed than the North. Industrial concentration is mainly in the two major ports of Lagos and Harcourt. After 1960s, the growing industrial development accentuated the regional imbalances. The varied impact of industrial development has been super-imposed on the earlier regional contrasts in the country and has had the effect of further exacerbating them. The growing industrial centres have created a wealthy class of rentiers, while the plantation ownership is mainly with the foreigners.

This problem of regional imbalances received attention

¹⁰ Experience of Nigeria, based on an Article by Mobogunje, Akin "Emerging Policies for Regional Development in Nigeria," in Mishra, R.P. etc., (ed.) (1978).

in Nigeria after 1970s. Still the country has no comprehensive regional planning. The central government policies concerned with evening out opportunities for economic development have taken a variety of forms. These include the provision of infrastructural facilities, particularly roads, electricity and housing, and subsidization of states under special stress conditions. Recently special authorities, on the lines of Western experience, are set up for the development of two river valleys. These two Authorities are empowered to promote land and water development schemes.

Tanzania¹¹ : Tanzania, like Nigeria, suffers from colonial legacy which left it with only few urban centres that have benefited from the impoverished rural hinterland. There are no significant towns in its interior. Regions with good potential for internally-oriented production suffer from the absence of markets and links to the national economy. The city of Dar-es-Salaam is already over-congested.

To overcome these problems, the 'growth centre strategy' was adopted in 1970s. Nine towns plus the Capital city of Dar-es-Salaam were identified as growth centres. A body was created to control new industrial investment in the congested region and guide it to the other designated centres. Public bodies were created to invest in these centres. Writers on the Tanzanian growth centre strategy, have pointed out several

¹¹ Experience of Tanzania based on account given in Miller, J.C. (1979), p. 35.

deficiencies in the strategy, which are common to other experiences with growth centres. The major problem is the inappropriate selection of industries to propel growth. Due to this many centres lack necessary linkages with their hinterlands, a situation which prevents benefits from flowing to the rural areas. Poor hinterland linkages result in a large portion of the growth opportunities generated in the region leaking out. Most of the growth centres have failed to attract capital from outside and the growth of the already congested region, Dar-es-Salaam, continues. These centres offer few services or benefits to the rural population. Most of the centres are too small to offer more than marginally-improved market for local agricultural produce.

Ghana¹² : Ghana has also inherited structural and regional imbalances from the colonial system under which the country was ruled for over a hundred years until independence was achieved in 1957. It has few industrial port towns thriving at the expense of the countryside, which is predominantly agricultural.

To overcome this regional problem, since 1966-67, regional planning committees are set up for the nine regions. It was felt that with this new set-up greater emphasis could be given to agriculture and to the establishment of closer links between industrial and agricultural development. The

¹² Experience of Ghana based on account given in Miller, J.C. (1979), p. 47.

new approach aimed at providing maximum possible participation of the local people in the grass-root plan formulation. But the responsibility for regional plan preparation did not rest with the committees but as before with the various sectoral planning units in the ministries. The recommendations of the regional committees are often rejected by the Ministries. So the committees have been reduced to a discussion forum, information bureau and project inspectorates. So regional planning has not meaningfully materialized rather, it has been 'mechanically' imposed on the earlier prevailing sectoral planning.

Uganda : Uganda too has similar problem of vast under-developed rural regions with few cities, where the industrial activity is concentrated. There is considerable gap between urban and rural incomes. The government has no conscious regional planning policy. It is stated that a shortage of capital, limited size of the local market and the lack of skills and managerial ability are the main constraints to the spread of any developmental impulses through the country in response to equity considerations. The government has no definite policy on industrial location and no pressure has been exerted on private investors to influence them in this matter. The key to more even distribution of economic activities is seen in bringing about a considerable dispersal of agricultural activities. Schemes for bringing more land under cultivation and irrigation are visualized. Provision of social services in rural areas is also being discussed. But no provision for

an administrative machinery is made to ensure the implementation of this programme or to accord regional planning its role in the national development strategy.

Kenya¹³ : Kenya too suffers from the same problems as discussed above. The 1969 census revealed that over 90 per cent of Kenya's 11 million people live in rural areas. Over 70 per cent of Kenya's urban population lives in Nairobi and Mombasa and there are only eleven towns with a population of over 6,000. Upto 1970 the general central planning paid little attention to the rural development problem. But the Third Development Plan for the years 1970-74 made rural development its core.

The new plan establishes structures to facilitate local involvement both at the provincial and the district level. A district development committee has been created for each district for formulating district plans. The committees mainly consist of government employees and in many cases they are not local people. There are no elected members and no provisions for local people to be part of this decision-making committee. The plans prepared by these committees are little more than 'shopping lists' of desirable numbers of new staff, houses, schools and various special programmes. Considerable time, training and other measures would be required to prepare these committees for producing meaningful district plans.

¹³ Based on Taylor, D.R.F.'s Article "Spatial Aspect of Kenya's Rural Development Strategy," in Hoyle, B.S. (ed.), 1974.

Kenya's rural development planning revolves round the concept of growth centres of which there are four main types: urban centres, rural centres, market centres, and local centres in descending order of importance. The country is divided broadly into seven regions and growth centres are identified in each of these regions. It is planned to concentrate infrastructural, social services and government services at these centres. A growth centre in functional terms, in rural Kenya, has two purposes: firstly, to provide adequate services for the rural areas and, secondly, to stimulate the economic and social development.

In theoretical terms the strategy used leans heavily on central place theory. This theoretical framework is adequate to meet the first purpose of providing the most efficient service pattern for the rural areas but is less than adequate for the second purpose of stimulating economic and social development. Commentators on Kenyan strategy are critical about the choice of growth centres. It is stated that most of these centres are more of service centres than growth centres. More thought and adequate calculations should have been made before choosing the growth centres. The concept of growth, rather than service, should be the primary aim in selecting such centres. Small number of centres could have been established to allow effective local involvement. Local planning could be decentralized at least to the rural centre level rather than at the district level as at present.

It is difficult to say that this concept of growth centres would solve Kenya's rural development problem but it will give some opportunity to the people to get some social services.

3.4 Regional Planning Experience in Asia (Case Studies)

It is rather a recent trend in the Asian countries that their governments have directed economic policies towards regional development in their countries with the explicit intention to place more emphasis upon agricultural development in the rural areas. This switch-over was necessary due to the failure of industrialization policy to bring about even regional development. Initially during 1960s, ad hoc projects were implemented in backward regions in these countries in the sense that they were not integrated into a consistent framework of regional development, though they resulted in development of certain points they failed to activate development in the regions. In 1970s, attempts were made to integrate ad hoc projects with a new policy measures from the viewpoint of overall regional development. The new regional strategies were expected to encourage and stimulate agricultural production, promotion of agro-based industries and more efficient utilization of natural resources. The objectives of regional planning have been more or less similar in these countries, but the strategies differed according to socio-economic and historical conditions of these countries.

Indonesia¹⁴: In Indonesia, in 1970s, the strategies for regional development have been pursued in two forms; one is the sectoral development strategy with such large-scale projects as dams, reservoirs, road networks, etc., and the other is budget allocation strategy by means of subsidies allotted to local governments.

Malaysia: In Malaysia, the primary strategy for regional development is centred around land development coupled with the transmigration of poor people living in land-locked regions. As unused land was available, new land development strategies were undertaken to develop agriculture, agro-based and forest-based industries. Attempts were also made to disperse industries.

Philippines: In Philippines, the Reorganization Plan of 1972, aims at decentralization of plan formulation and implementation at regional levels which would be coordinated by National Economic Development Authority. Since 1972, the concept of integrated area development is followed, laying more stress on identification of target groups.

Thailand¹⁵ : In 1970s, Thailand also decentralized its planning process upto the district level. The country is

14 Experience of Indonesia, Malaysia and Philippines based on Report of the Institute of Developing Economies, Tokyo, 1979. "Regional Development in Southeast Asian Countries".

15 Based on Kerr, Alex (1970) "Regional Planning in Thailand: Concepts, Problems, Strategies".

divided into five economic regions, each with a regional committee, having wide planning and administrative functions. The regional planning strategy of Thailand relies on the growth centre strategy.

The strategies adopted by the Indonesian, Philippine and Thai governments have centred upon bulky investments in infrastructures, improvements on traditional agricultural technologies and streamlining of administrative systems all of which are presumed to be directly conducive to increase in supplies of agricultural and industrial production. Most of their strategies are 'regional' replicas of the 'national' economic strategies pursued during the 1950s and 1960s, that had resulted in regional disparities. So these regional strategies, relying heavily on bulky investments, would naturally result in greater inter-regional disparities. We have already pointed out the limitations of the growth centre strategy in case of developing countries.

Nepal¹⁶: Nepal's main regional problem is that the economic activity is concentrated in the Kathmandu Valley while the hilly and mountainous regions have lagged behind. In 1970s, the country was divided into five development regions each having a growth centre and a growth corridor. The development activities are being implemented on regional basis, with an aim of integrating the northern and southern regions of the country

¹⁶ Experience of Nepal based on Pant, Y.P., Jain, S.C. (1980), "Regional Imbalances and Process of Regional Development in Nepal".

through a series of north-south roads. The growth centres will be urbanized centres for agricultural marketing and processing and for location of resource-oriented industries. The role of these growth centres would be to facilitate the transition of the rural population into urban employment and to develop marketing and service centres for the regional population.

The success of such growth centre approach depends much on the choice of industries that get implanted or set at such centres. If these industries fail to establish demand and supply links with the hinterland then the policy fails.

Bangladesh¹⁷: The Comilla model of Bangladesh offers a better solution for the development problems of the third world countries. The Comilla Academy was established in 1959 as a training centre for civil servants, but then began to design development programmes for farmers in its district. The 'farming district' in this case is the Comilla thana, a minor administrative unit of 107 square miles, with 300 villages, and characterized by small farms of less than three acres. The academy initiated the setting up of cooperative societies at the village level to assist marketing of agricultural produce and inputs, thereby developing the 'farming localities'. Links to the district centre were formed through the federation of village cooperatives into a Thana Central Cooperative Associa-

¹⁷ Experience of Bangladesh based on account given in Miller, J.C. (1979), p. 50.

tion, to provide extension, savings and credit, and purchasing services. The academy itself became a centre for training of cooperative society leaders, and established a demonstration farm. Other development-oriented government services moved their offices to the academy campus, and a Thana Council was formed to coordinate their activities. The Comilla model has been extended to over 200 thanas in Bangladesh, through the construction of Thana Training and Development Centers and replication of the two-tier cooperative structure. A major vehicle for this extension of the model was an Integrated Rural Development Programme, launched in 1970.

The Comilla experiment offers a lesson for the development of rural areas in Bangladesh. But for this the experiment at Comilla Thana would have to be replicated at other thanas. Also the problems at other thanas would be less likely to be similar to those of Comilla Thana. So with due modifications this experiment could be implemented in other thanas. For agricultural development the provision of improved inputs is most essential. Also these have to be accessible to the farmers. The farmers would be best served by locating these services at the taluka, thana or block levels, which is easily in the reach of the farmers. Provision of these inputs through cooperatives is another essential condition for getting these inputs nearer the weaker sections. The new innovations in farming technology could be disseminated through such academies located at the thana level. If the new innovations could be placed right at the thana level then there would be no need to

create a hierarchical chain of settlements, where it is assumed that the innovations would filter down from larger centres right upto the villages.

In India also the importance of regional planning is being increasingly realized and since 1960s some measures have been adopted. We intend to review the regional planning efforts in India in the next chapter. The experience of some of the Asian countries, we reviewed, shows that there is a strong realization of the problem of regional disparities and that of rural development. The countries have adopted different strategies, but most of these lean heavily on the strategies developed in the Western developed countries. It is amply clear now that these strategies have many limitations if used in developing countries. The developing countries should try to develop their own strategies. They can accept as guidance the regional planning methods and their scientific and theoretical foundations in all countries, regardless of their political and social systems. But the final strategies of development should be their own, suited to their economic, social, cultural and historical settings. The strategies and theories they practise are too abstracted from reality, too clean of people.

CHAPTER 4

REGIONAL PLANNING EXPERIENCE IN THE SOCIALIST COUNTRIES

It is a matter of common knowledge that social equality is one of the basic development goals in socialist countries. We need not repeat everything that has been written on this topic in the Marxian theory. The essential, and the generally accepted, premises could be briefly stated as follows:

(1) Social equality implies the creation of the same conditions of work and of life for everyone, whereby the emphasis is placed on the equating of the conditions of production and abolition of differences among classes.

(2) The Marxian approach enhancing this value stresses the conditions for its realization, associating these with the socialization of the means of production.

(3) Equality is a multi-dimensional social value. In addition to the economic dimension, it covers equal condition for education, medical and social insurance, political influence and social mobility.

(4) The creation of equal conditions is in the long-run connected with the process of development and must be distinguished from the utilization of these opportunities in

current production and in other activities, where the principle of remuneration according to work is in force.

Presently it is not the case that a perfect equality has been achieved in all the socialist countries. It is because these countries are at different levels of development. U.S.S.R., G.D.R., and Czechoslovakia are highly developed industrial countries, while Hungary and Poland are medium-developed countries and Albania, Bulgaria and Yugoslavia are still in a developing stage. The case of Albania indicates that "polarization is inevitable at very low levels of development".¹ Unlike Albania, Bulgaria, Romania and Yugoslavia inherited an economy in which the initial industrialization was already polarized in a few regions and the larger urban agglomerations. In U.S.S.R. also, due to historical-cultural reasons and the uneven distribution of natural resources, there are wide differences between national republics. The Eastern zone of U.S.S.R., comprising of Kazakhstan, Central Asia and Siberia are economically less advanced than the Western zone.

The consideration for equality imposed obligations on the Socialist Countries to lay stress on the regional consideration of development. It was opined that there cannot be national equality without economic equality and this provided a spur to more rapid and fuller affirmation of the doctrine of

1 Kosta, Mihailovic (1972), p. 37.

regional development. Regional aspect is also essential for proper planning at the national level. Investment decisions have to be taken in the context of regional setting. Initially when development began in these countries there was a conflict between growth and equality considerations, which is a usual case at low levels of development. So a compromise on pragmatic basis had to be made. Respect for equality could be seen particularly in the relatively broad territorial dispersion of non-economic activities. The items of collective consumption like schools, cultural, medical and social institutions were provided to the underdeveloped regions also. The distribution of income in favour of collective consumption helped initially in bridging the regional gap. As right to job is a constitutional guarantee, there is no unemployment in the formal sense of the term. So even though there is no uniform territorial expansion of industries, the population of the backward regions do not suffer much, as in the case of free market countries.

In Socialist Countries regional policy is officially and theoretically held to be an integral part of socio-economic development as a whole. "This point of view is based both on the fact that territorial and sectoral mobility of capital formation, an attribute of the collective economy, makes it possible to integrate regional development in overall development and on the opinion that social and economic phenomena form an indivisible whole."² As a matter of public policy the

2 Kosta, Mihailovic (1972), p. 148.

Socialist Governments are striving to prevent the concentration of excessive activity and population in certain regions and developing the underdeveloped areas. The matter of developing the backward regions, is policy-wise much easier in the Socialist Countries than the Capitalist Countries. In the Capitalist Countries, the Governments often fail to allure the profit-seeking investors to the backward areas. The mere provision of infrastructure and economic incentives, as we have already seen, does not necessarily succeed in diverting investments to the backward regions. But in the case of Socialist Countries, they do not have to depend on the vagaries of the private capital. Their problem may be shortages of resources but not of diverting the resources. Once it is decided as a policy matter, the resources are automatically transferred to the backward areas. The development of Siberia, Central Asia and KhazaKhstan in the U.S.S.R. can be cited as an example.

4.1 The Case of U.S.S.R.³

The Central Asian Republics, i.e., Kirgizia, Uzbekistan, Tadjekistan and Turkmenia, "were absolutely backward both culturally and economically in the Tsarist period when they were treated as colonies of the Russian Tsar".⁴ In this region

³ Based on: Gidadhubli, R.G.'s Article "Soviet Strategy for the Development of Backward Areas: A Case Study of Central Asia", in Mishra, R.P., etc. (ed.), 1978.

⁴ Alec Nove, (1977), p. 17.

a significant portion of the inhabitants were leading a nomadic life and the agricultural practices were very primitive. It is worthwhile to note that the regional factor was considered by the Soviet planners right from the beginning of the planning era in 1928. From the inception of planning, the reduction of economic disparities and early liquidation of backwardness of various regions were considered to be prime objectives of planning.

The Soviets made an integrated approach to the development of backward areas, in the sense that they were interested in bringing about a radical socio-economic transformation of these societies and helping them to build a new society, with different values of life and different production relations. In the Central Asian Republics between 1920s and 1930s collectivization of agriculture and nationalization of industrial enterprises was done to end the feudalistic set up, which hinders the trickling down effect of development. After creating the necessary political set up economic development and social change was brought about simultaneously.

On the social side, between 1920 and 1940, a high level of literacy was reached. The number of technically skilled persons like engineers, doctors increased, the death rate was reduced and significant changes were brought about in the social and cultural life of the people. Large investments in education and health contributed to the building of human capital in Central Asia. This building up of social infra-

structure, in the initial period is the crux of the Soviet strategy of removing backwardness in Central Asia.

At the same time, on the economic front, the initial emphasis was on agriculture and large investments were made to increase irrigation facilities. Between 1925 and 1932 the total irrigated area increased more than 2.5 times. There was large-scale importation of various agricultural implements into this region. Hiring stations were set up, which possessed a fleet of modern, specialized agricultural machines. Besides machine hiring stations, there were a network of other agricultural establishments to promote the efficiency of production, like selection stations, veterinary stations, agricultural warehouses, experimental stations, model farms, etc. The Government followed an effective pricing and subsidy policy from the very beginning.

As various measures were adopted to develop modern agriculture, steps were also taken to develop a modern industrial base in Central Asia. Large-scale modern industry was shifted from other parts of the country to Central Asia in 1922. In 1928 a number of modern factories were installed that suited the local material and labour resources. As the region specialized in cotton production, cotton ginning mills and oil mills were mostly set up. Power industry was also developed to supply power to these modern plants. The engineering industry in Central Asia mainly specialized in the production of agricultural machinery for cotton cultivation, machinery and equipment for textile industry and equipment for

food processing industry. Substantial resources were diverted from other regions, along with the mobilization of the region's to develop it.

So we find that the strategy used by the Soviet planners to develop the backward region of Central Asia, is radically different from what is done in the capitalist countries. While developing their backward regions the capitalist countries concentrate on heavy capital investments in infrastructural development and manufacturing plants. On the contrary the Soviet planners initially invested huge amount on the development of human capital. Large scale investments were made in education and medical care. This aspect of the investment in human capital is mostly neglected in the capitalist countries. Spending large sums on new factories and public works is unlikely to benefit the unemployed unless special efforts are made to help them overcome the handicaps which contribute to their initial unemployment: lack of education, training, motivation, health and productivity. The most effective way to relieve regional underdevelopment is to invest heavily in human capital through improved programmes of education, vocational training, health, family planning and removal of discrimination. The Soviet strategy has rightly stressed this aspect right in the beginning. Simultaneously they industrialized the backward region. The region was first developed agriculturally by promoting the specialization of cotton. The industrialization was directly linked with cotton culture,

promoting activities directly lending to input requirements of cotton cultivation or activities based or related to cotton output. This provides a perfect case of 'propulsive industry', which has demand and supply links with the region. The region has immensely benefited by this strategy. This has led to a self-sustaining growth in the region. In most of the country cases, we have seen, there is no link between the industries set up in the region and the resources of the hinterland. The lack of linkages account for the failure of regional planning.

4.2 The Concept of National-Economic Complexes in U.S.S.R. 5/

The problem of rational distribution of industries was given great consideration in Soviet planning strategy. It was realized that the rational location of productive forces reduces public costs and enhances the national economic growth rate. It also helps in establishing horizontal and vertical links in industries and building rational complex of the material production in each region. Increasing efficiency in production and provision of some definite level of living to population over the regions was given overriding consideration in the location of productive forces. Comprehensive studies are carried out in the U.S.S.R. with a view to determine scientifically-grounded location of productive forces and regional development for the future. These studies are headed

5 Based on Nekrasov, N.N. "A System for the Planned Development of the National Economic Complexes," in Mishra, R.P. etc. (ed.), 1978, pp. 31-42.

by the Council for the Study of the Productive Forces attached to the Gosplan (State Planning Committee) of the U.S.S.R. Hundreds of industrial research and designing institutes, Economic research institutes, academic institutes, etc., took part in these studies under a unified programme.

After this comprehensive study a perspective plan (10-15 years) for location of productive forces was accomplished. This plan is based on the scientific economic division of the country into regions and provides for rational utilization of natural and labour resources, most rational distribution of population in regions and further development of the historically developed system of cities and formation of new towns.

In the Soviet Union the process of the intensive improvement of already existing, particularly industrial, complexes is going on simultaneously with that of the creation of new large national-economic complexes in the regions of the new developing territories. The effectiveness of the comprehensive location of enterprises is determined by lowering current costs of production and given investments mainly due to the territorial concentration of production obtained by the more effective use of infrastructure, auxiliary industries and services. Among the most important factors of economizing the investments and current costs are:

"(a) the organisation of common network for all enterprises and transport and warehouse systems;

(b) the creation of the common water-supply system,

sewerage, district heating system, etc.;

(c) the organization of a block system at the enterprises and separate buildings, etc.;

(d) the creation of supply, storing, maintenance, tool-making and other auxiliary shops common to a group of technologically related enterprises;

(e) the reduction of production territories;

(f) the creation of united construction base;

(g) the organization of a single system of settlement and provision of cultural and welfare facilities for the population."⁶

"The comprehensive location of enterprises reduces the investments 15 per cent and the operational expenses from 10 to 20 per cent of the expenses which are taking place in case of isolated location of enterprises."

In Soviet Union various complexes are built for different branches of industries like power, chemicals, ferrous and non-ferrous metal industry and machine-building. Most complexes are limited in their development by one large city. Power complexes are built at Zaporozhine-Dnieproges, Volgograd, Bratsk and at several other places. Machine-building is concentrated at Ukraine, Byelorussia, Baltic and Central regions, the Urals, and the land along the Volga. A new oil region is

⁶ Nekrasov, N.N. "A System for the Planned Development of the National Economic Complexes," in Mishra, R.P. etc. (ed.) (1978), p. 39.

developed in Byelorussia while a new automobile complex is built in Togliatti.

In building such complexes the central enterprise is constructed in a large city while its branches are located in other, mainly small and medium towns. This serves to achieve the growth of production capacities of the main enterprises without the rise in the number of workers, that is of great importance for the limitation of the increase in the population of large cities. At the same time small towns having the reserve of labour force from rural districts are drawn into the sphere of production.

Due to such planned complexes there can be comprehensive development of industries directly coordinated among themselves and based on the manifolded economic life of the region concerned. Such complexes are built for the comprehensive development of new resource regions. For example, the West Siberia had large deposits of oil and natural gas, iron-ore and many other minerals. Now large industrial complexes using these resources are being developed in West Siberia.

The creation and development of national economic complexes goes through many stages. The development and distribution of different industries is scientifically worked out. While doing this problems connected with infrastructure, auxiliary industries and organization of the complex are worked out. While developing a new territory infrastructure

and construction of houses has to be given primary attention. On the basis of techno-economical research the optimum inter-industrial balance model of the complex is worked out providing for interconnected development of the fields of economy, both of productive and non-productive spheres.

4.3 The Case of Poland

In Poland also the regional plan is understood as a complex perspective economic plan for the given region, taking into account all the physical problems involved. In the Socialist Countries and particularly in Poland, regional planning acquired greater significance after the Second World War. After 1945 there were significant changes in the structure of the economy. There was rapid industrialization and urbanization. In 1950s, there was an extension of the process of decentralization which increased the scope of regional planning. In the same period the idea of perspective or long range planning was introduced and regional planning was considered as an essential tool in perspective planning. The ever increasing cooperation between the members of the CMEA has also enlarged the scope for regional planning. A special Regional and Town Planning Section has been constituted within the organization, which formulates regional plan schemes treating the various member countries (with the exception of U.S.S.R., because of its vast area) as political and economic regions. The Socialist Countries have accepted the basic principles of the international socialist division of labour,

in June 1962. The regional aspect of the international socialist division of labour expresses itself both by locating products destined for exchange within the trade agreements and by distributing certain investment projects, to increase the productive power of particular industries. Coordinating various networks such as railroads, highways, pipelines and high-power lines also has a regional aspect.

All these reasons and the commitment to the equality principle necessitates regional planning in the Socialist Countries. In Poland, regional planning is a comprehensive exercise. Comprehensive and detailed regional plans are drawn for various regions with different resource endowments. Though voivodship or district is the basic unit for planning, the planners are free to take up any area for comprehensive planning if the physio-geographic or socio-economic conditions demand it. Once the region is demarcated, comprehensive data is collected and an integrated plan is formulated for that region. The available natural and human resources and the typical problems of the region are thoroughly considered while formulating the regional plan.

To understand the comprehensive nature of regional planning in Poland, it would be worthwhile to review briefly, the three case studies of regional plans prepared for regions with different problems and resources, cited in "City and Regional Planning in Poland" edited by Jack C. Fisher (1966). The idea is to provide just a glimpse of those comprehensive regional plans.

(1) Regional Plan for Upper Silesian Industrial

District⁷ : The Upper Silesian District is an important coal, lead and zinc producing region of Poland and it accounted for 85 per cent of total coal and 90 per cent of total lead and zinc production of the country in 1950. But the development of this mining region was chaotic and resulted in numerous problems. There was over-concentration of various types of industries which also hindered the mining operations. There was non-planned extension of railways, roads and power-transmission network. The big industrial towns, in the region were heavily congested. The natural resources of the region were being indiscriminately destroyed and air-pollution had reached beyond permissible limits.

For overcoming these problems the State Planning Commission issued two principle directives, viz. (i) The creation of conditions for the full development of the productive forces of the region and limiting the growth of industries that did not use the local raw materials, (ii) Bettering the living conditions of the population by creating suitable settlements.

The Regional Plan was drawn after demarcating the region and dividing it into two parts. Of the two parts, 'Area A' included the predominantly urbanized central part and 'Area B' surrounded 'Area A'. The Regional Plan envisaged the gradual

⁷ Based on an article by Ryszard Szmitke and Tadeusz Zielinski in "City and Regional Planning in Poland", Jack C. Fisher (ed.), 1966.

decongestion of 'Area A' by creating new settlements and re-locating industries in 'Area B'. The industries that did not use the raw materials of 'Area A' were shifted to other parts, and the mining operations in 'Area A' were strengthened by mechanization. Comprehensive plans for the development of both areas in terms of industrialization, communications, housing, removal of industrial waste, conservation of natural resources, water supply, recreational facilities, etc., were formulated.

(2) Regional Plan for Krakow Region⁸: The Krakow Region suffered from uneven economic development, with industrial activity concentrated in the West Central part, which led to income disparities. To correct these imbalances, a perspective plan for the period 1961-1980 was drawn in 1961. The Region was divided into three main zones according to their dominant economic function — Industrial, agricultural and recreational. Comprehensive plans were drawn for bringing about an integrated development of these three zones. In decisions between different investment projects, the dominating function was the decisive factor in determining whether first place be given to industry, agriculture or services.

For the industrial zone, the principal aim of the plan was to ensure proper exploitation of the rich mineral resources and the provision of better living conditions for the popula-

⁸ Based on an article by Jerzy Kruczata in, "City and Regional Planning in Poland," Jack C. Fisher (ed.) (1966).

tion. For the agricultural zone, the plan aimed to increase the production of vegetables, fruits and fresh milk to provide for the industrial population. Detailed plans were drawn for road expansion, for the provision of services connected with the mechanization of agriculture, for drainage and irrigation, for agricultural schools, for appropriate fiscal and social policy and so on. The third zone which was mainly mountaineous was to be developed as a recreational spot. The plan provided facilities for tourism, recreation and sports. All the other economic activities that were incompatible with the main function of the area were to be eliminated.

(3) Regional Plan for Biatystok Region⁹: Biatystok Region had a problem of acute economic stagnation, which led to low per capita incomes and a high rate of out-migration. The regional plan aimed at increasing the per capita incomes and arresting the outflow of population, mainly of the young people.

The problem of this region was entirely different from the problems faced by other two regions just considered. The problem of these two regions was mainly of unplanned or uneven development, and the regional plan tried to correct these imbalances. Here the problem was lack of economic development

⁹ Based on an article by Bogustaw Welpa, in "City and Regional Planning in Poland," Fisher, Jack C (ed.) (1977).

and the regional plan sought to activate and initiate self-sustaining development process.

The regional plan, drawn in 1961, envisaged decisive changes in the vocational structure of the population and its distribution. By developing industries and other non-agricultural branches the share of agricultural population was sought to be decreased from 63 per cent in 1961 to 41 per cent in 1980. The plan envisaged almost sixfold increase in industrial production and threefold rise in industrial employment. Choice of industries was done by considering local resources. For the development of agriculture the region was divided into four zones on the basis of soil, climatic and physio-geographical conditions. Number of basic changes were to be made in these zones regarding crops, cropping pattern, irrigation, mechanization, etc., which would double agricultural production. In addition to detailed plan for agriculture and industry, plans for development of forestry, transport and communications, provision of services and settlement network for towns and countryside were worked out.

4.4 Conclusion

To conclude, we can state that the even regional development is accepted as an ideological commitment in the Socialist Countries. If a country is at a low level of development then the goal of regional equality clashes with that of general growth. Capital resources are too few to be scattered over the whole country. But, as we have seen, the socialist

countries lessen the regional inequality by expanding collective consumption to the underdeveloped regions also. Backward regions do not suffer from lack of schools, cultural, medical and social institutions. The labour productivity in backward regions may be lower but there is no unemployment. The Socialist system recognizes the right of every region to equal development. Hence large amount of resources are drawn from other regions into the backward regions. Comprehensive regional plans are drawn to develop the congested and the backward regions. While planning for the regional, greater attention is paid to the natural and human resources of the region. There is a complete realization that an efficient national economic policy must inevitably include and consolidate special forms of differentiated regional economic policies.

The experience of the socialist countries in regional development could be very useful to the developing countries. The majority of these countries, especially the East European countries, started as underdeveloped, which means that their problems were nearer to those of the developing than to those of the developed Western European countries. India, which aims at establishing a socialistic pattern of society, can gain a lot from the experience of the socialist countries. In India, majority of the poor living in urban and rural areas lack the basic minimum social services. Dispersal of such services in all the regions should be the initial aim of

regional planning. Low level of productivity in agriculture is holding down the general development of the country. The Russian experience of the development of stagnant agricultural Central Asian Republics affords a good example. The Russians brought about a radical socio-economic transformation of the Central Asia by an integrated approach. Initially the feudalistic set up was ended and then economic development and social change was brought about simultaneously.

India still retains a semi-feudal system, where the land and economic and political power associated with it, are concentrated in few hands. The assetless land labourers and marginal farmers come at the bottom of the economic scale. After independence measures were taken by the Indian Government to pass legislation giving some security of tenure and better terms to tenants. The Government also tried to check concentration of landownership and give the poor and landless peasants some land, by putting a ceiling on landholdings. The ceiling limit varied from State to State. "However, both these measures were ineffective, because of large-scale evasion. Tenants were evicted, or retained on condition that they did not register themselves as tenants or share-croppers. Land above the ceiling was registered in the names of relatives, domestic servants or even farm servants."¹⁰ So the distribution of land continues to be uneven with large number of the families being landless.

¹⁰ Bagchi, Amiya Kumar (1982), p. 157.

National or regional planning in India has no chance of succeeding unless this imbalance is removed. Until then, whatever programmes are undertaken for the rural development, would only benefit the rich land-owning class. Indian experience with the so-called green revolution has proved this beyond doubt. For the development of the agricultural rural regions the need for radical land reform measures is thus inevitable. Without effective re-distribution of land in the rural India, the programmes of agricultural development may not succeed. Social and economic development can be done only after this initial condition is met. When land redistribution measures are adopted, social tensions are invariably created in rural areas. Even the distribution of credit and other inputs to the poorer section is resisted by the richer sections of the rural society. They try to sabotage the distribution by creating bogus cases of poor farmers to knock away the benefits. The bureaucracy also aids the richer section, in doing this. Thus conflicts arise in various spheres, but it should not be taken for granted that progress is possible in rural areas without any such conflicts or clashes. Rural development is not a readymade plan. It has to live through these conflicts.

For developing the backward areas, the Socialist Countries made large scale investments. These investments were financed to a considerable extent by the more developed regions, as, for example, happened in the U.S.S.R., Poland, Yugoslavia

and Czechoslovakia. In the Capitalist Countries, as we have seen, the governments are unable to direct the private investment to the backward areas. Due to economies of scale, private investors prefer more developed areas, though the society has to pay more in terms of social costs. Due to this situation, the Socialist's contention that a more balanced regional development can be achieved only under socialism seems to be quite sound. Rapid growth of the underdeveloped regions depends on massive investment and simultaneous decision-making which are possible only in a Socialist planned economy, in which the state owns the material resources and manages the national economy. The market forces in the capitalist economies, in contrast, are too weak and too slow to obtain results comparable with those under socialism.

CHAPTER 5

REGIONAL PLANNING IN INDIA

Most of the developing countries, as we have already seen, are now adopting some kind of regional planning, mostly to change their regional structure inherited from the colonial past. Despite the termination of old colonial ties, the metropolitan areas of the imperialist nations continue to exploit the underdeveloped countries by virtue of long-established economic relationships. "Almost 90 per cent of the exports of the Third World Countries to the imperialist nations is made up of primary products and, for many of these countries, the greater part of such exports, or almost the whole of them, is made up of a very limited range of products (often only one)."¹ Not only are the developing countries depend on the imperialist countries for their trade, but they also often find their exports subject to the conditions prevailing in the markets for an extremely limited number of products. Since last 15 to 20 years the prices of many products have risen but those of many primary products have fallen. This has led to an improvement in the terms of trade for the imperialist countries, a deterioration in these terms

1 Pierre, Jalee (1968), p. 53.

for the countries of the Third World and, consequently, in their balance of trade positions. Private capital of the imperialist countries invested in the Third World is still directed mainly to the extractive industries, (petroleum and raw materials) and its purpose remains the direct or indirect extraction of the highest possible rate of profit. Aid from these imperialist countries brings political servitude and economic subjection. It is given, received, and applied, in such ways as to strengthen business circles in the country giving it, and the local oligarchies in the country receiving it. Aid, dispensed by international agencies is also dominated by the imperialist countries. Due to all these factors, it appears that the imperialist exploitation of the countries of the Third World is growing more severe. So the strategies adopted by the Third World Countries are failing to bring about an even development of their countries.

India is the only country among the Third World nations having the longest experience in planning, for about three and a half decades. It presents a complex picture of a typical backward agricultural country with traditional farming practices. In contrast, its modern manufacturing sector is largely comparable to its counterpart in most of the Western countries in the range of diversification and sophistication of technology. Not only is India the second largest nation with a population estimated as 690.2 millions in 1981, she is, if measured in per capita terms, one of the poorest. In 1981

the GNP per capita stood at US \$ 260 putting India in the bottom half of the World Bank's category of low income countries. Most of India's large population, 69 per cent in 1980, are agriculturists. Bulk of the population has a standard of living which is much lower than the civilized material existence, by Western standard. India represents most of the Third World countries in her range of problems, beginning from the development of her tribal population with almost primitive existence to that of the problems of congestion of its urban agglomerations. The transformation of the stagnant economy and the provision of employment and minimum living income to the vast majority is a challenging task. Therefore, the treatment of India's development planning in its spatial aspects is of special interest and it may also offer some useful lessons to other Third World countries.

This chapter is divided into two parts. In the first, the general impressions as to the evolution of the planning process at different levels and its impact are sketched. The second part will refer to the needed redirections in the sphere of regional planning.

5.1 Evolution of Regional Planning

It has only been through a gradual process that Indian planners have put increasing emphasis upon regional planning. Initially the spatial aspect of development was completely neglected by the planners, who mainly concentrated on the more traditional aspects of economic growth: the ordering of

investment priorities; the determination of what belonged in the public and private sectors; the mobilization of savings and their matching with investment and the strategy of import substitution. Planning was undertaken, mainly at the Centre and no State possessed a planning department capable of producing integrated plans. It is not possible at the national, or State levels to take into consideration the diversity in the levels of development and living and make realistic plans taking into account possibilities for development and the resources available. The kind of planning that has been attempted so far at the national level and at State levels has contributed to regional and social imbalances. Inter-personal and inter-regional disparities in income, employment, earning capacities and social change have not narrowed down to a manageable extent. One of the important reasons for the growing regional imbalances in the country is the lack of clarity in matters of goals and objectives of planned development. Further, nowhere has been the divergence between the pronouncements and practices more wider than that in respect of decentralization in the planning and the operational mechanism.

The First Five Year Plan launched in 1951, envisaged that planning would be done at the national, State, district and local community levels. The community development programme of the First Plan, could be viewed as an experiment in decentralized planning. Community Development block was

conceived as the lowest territorial unit for rural development. Because of the tendency to order things from above, non-association of the people at the grass-root level and by passing of the intermediate layers of the State, the district and the taluka, the programme degenerated into a bureaucratic exercise aimed at nothing but routine agricultural development work. Even though several evaluation reports brought out clearly that the failure of C.D. Programme was due to bureaucratized implementation and non-association of the people at the grass-root level, no attempt was made to invoke people's participation and refashion administrative machinery. The utter failure of this programme gave the impression that the block was too small a unit for planning and block was replaced as a planning unit by district as a planning unit. Though different government departments were brought together, there was no machinery to integrate their work. Hence, there was no actual regional planning in the First Five Year Plan.

The Second Five Year Plan, stating the position of regional planning more explicitly, drew attention to the question of the district as the basic geographic unit in planning and plan implementation. The Plan emphasized the creation of district development councils and village production plans. The district development councils possessed few powers, fewer were used, and in the absence of technical expertise, degenerated into essentially advisory, official, bureaucratic bodies. In the absence of integrated machinery for planning, the village production plans proved to be a

mere barren paper exercise. The Plan also directed the States to design phased programmes to survey the possibilities and prepare master plans for all important cities, especially Delhi, Bombay, Calcutta, Madras, Ahmedabad, Hyderabad, Kanpur, Lucknow and Poona among the older towns, and Sindri, Durgapur, Bhilai, Rourkela, Chittaranjan, and Neiveli among the newer towns. In addition, it was suggested that regional planning surveys be made for all river valleys. As a result, twenty-one city surveys and regional surveys for Mysore, Kerala and Damodar Valley were undertaken. These surveys yielded a wide range of technical, economic and social data that began to provide the basis for regional planning in India.

The Administrative Reforms Commission, during the Third Five Year Plan, criticised the highly centralized character of Indian planning, and advocated the strengthening of the machinery for planning at the State and district levels. The Third Plan showed some serious concern to the problems of balanced regional development for the first time and enunciated some policies and programmes for reducing the regional disparities. Among the various programmes specially intended to promote regional development, the most important were the industrial estate programmes, intensive agricultural development programme, tribal area development programme and the community development programme. Community development programme was started in 1952, with emphasis on rural welfare measures. During the Third Plan some emphasis was given to production orientation. But these programmes were lacking

any regional framework for their proper implementation. The absence of a spatial focus in their operation and the vertical organization in their administration often divorced all such well meaning programmes from the environmental realities of the place where they were operated. These programmes for all practical purposes were formulated and administered largely from the State capitals on the guidelines of the Central Government. The three-tier administration which was developed during the Third Plan, such as panchayats at the village level, panchayat samitis at the block or taluka level and Zilla Parishad at the district level were actually meant to be associated with plan formulation and implementation. But their association with the plan was more formal than operational. The regional perspective of some of those programmes were designed to trickle down the benefits of development to the grass-root level. But there was no mechanism or spatial framework to make the process of "trickling down effect" operative. So most of the benefits of those programmes were reaped by the affluent sections of the people and other intermediaries both in the manufacturing and agricultural sector, who had easy access to resources, organizations and decision-making power.

The Planning Commission, during the Fourth Plan period, initiated an incentive scheme for the strengthening of the planning machinery at the State level. Due largely to these efforts, all the States in the country have constituted planning boards and induced some technical staff in planning

department at the State level. Yet no State in India has a State Planning Board worth the name. They do not have long-term perspective of sectoral and regional development, nor are they willing to decentralize planning and development processes to the lower territorial levels. Unwilling to tap the resources in their jurisdiction, the States depend too heavily on the Central allocation of resources and have seldom taken the initiative in ameliorating the lot of the assetless rural poor. Although the States have accepted regional integration as an important objective of planning, none of them has a technical wing manned by trained and experienced regional planners. The planning machinery at the district level in all the States continues to be very weak. Due to these shortcomings the regional disparities continue to grow.

Late Prof. D.R. Gadgil, who was the leading proponent of district planning, had given a fairly clear idea about the components of a district plan in his lecture on District Development Planning.²

The Planning Commission made special efforts to promote district planning during the Fourth Plan period by issuing comprehensive guidelines in 1969, which provided a list of activities which could be included in district plan and hints on planning methodology.

Although several States have taken to the formulation

2 Gadgil, D.R. (1967), R.R. Kale Memorial Lecture, 1966.

of district plans, there are several weaknesses. No State has a technical cell at the district level which specializes in area development and regional planning. District planning is still considered as miniature state or national planning exercise. The districts do not have their own funds, their main source of funds is the State. The State level sectoral departments have control over the personnel working at the district and lower levels. In these circumstances, district planning turns out to be nothing but a collection of demands that each sector can place on the State exchequer.

In the Fourth, Fifth and Sixth Five Year Plans, regional planning for important or backward areas such as command areas, drought prone areas, desert areas, Tribal and Hill area sub-plan, and small farmer's development agency were started. Most of these are Centrally sponsored schemes, are operated through remote control and hang loose from the main development programmes going on at the State or district level and pose problems of integration and coordination at the functional level. All these programmes, plans and schemes proved to be failures at the operation level because they are conceived in isolation, implemented without proper and progressive devolution of genuine authority, resources and responsibilities.

The "Approach to the Seventh Five Year Plan, 1985-90" document assigns first place to decentralization of planning and full public participation in development in its twelve-point "important features" of the Seventh Plan. This document

stresses the need to decentralize planning to the district level in the first phase and then eventually to the block level. It has also indicated the possibility of introducing a larger unit than the district at the intermediate level for planning some of the infrastructural facilities, as district may be a too small unit for this.

Planning, in India, was done at the Central level only upto the Second Five Year Plan. In the Third Five Year Plan, planning boards were established at the State levels. The need of decentralizing planning below the State level was seriously considered during the Fourth Five Year Plan. But in the absence of well-defined regions which correspond with the political-administrative regions, the Planning Commission came upon the idea of multi-level planning. A working group was also set up to formulate the concept and the framework of the multi-level planning within the framework of the national plan. But nothing concrete was done to adopt this multi-level planning approach. Instead the planners mentioned the need for micro-level plans at district, block and village levels. Right in the First Plan itself, block was accepted as the basic planning unit, but the failure of the community development programme gave a feeling that block was not a suitable unit for planning. Then the emphasis shifted to the district as the planning unit. Now again, we have come a full circle, and block is again accepted as the basic unit of planning. Presently planning in India is attempted at the national, State and district level. Some States have decentralized

planning upto the block level. But no State has a competent planning cell below the State level. So even today, for all practical purposes, planning in India, is done at only national and State level. The Centrally sponsored programmes, which have regional implications, are not integrated with either State or district plans. This is the main reason for their failure and also there is no regional machinery to implement them. In the absence of a regional framework, regional policy tends to get submerged by much stronger economic forces like optimization consideration, external economies and agglomeration trends which operate more in favour of richer States and regions, as it happened in India by accentuating economic dualism over space.

Metropolitan Planning³ : Regional planning, initially, was applied to tackled some of the urban problems. After independence, the problems of Delhi reached a crisis proportion on account of large influx of refugees from West Pakistan. In 1955 the Government of India set up a Town Planning Organization for preparing a master plan for Delhi. It was the first attempt in the direction of urban-oriented regional planning in the country. The master plan for Delhi proved to be unsuccessful as it failed to take account and coordinate the development of the surrounding areas. So in 1961, a High Power Board, with the Union Home Minister as its chairman, was

³ Based on: Town and Country Planning Organization's Monograph "Regional Planning Efforts in India" (1982).

set up by the Central Government. This Board was entrusted with the task of coordinating the development of urban and rural areas in the specially created National Capital Region. The central Town and Country Planning Organization functioned as the Technical Secretariat for drawing up the regional plan. After several studies, the Town and Country Planning Organization drew a comprehensive plan for the national capital region. The regional plan mainly sought to disperse economic activities away from Delhi, to the newly developed towns around it.

The Monograph prepared by the Town and Country Planning Organization in 1982, admits that excessive growth is still taking place in Delhi and the national capital region plan has remained a paper exercise only. The primary reason stated for the failure of the plan is the lack of a statutory basis of the plan. The High Power Board was only an advisory body and it failed to generate and coordinate development activities in the various parts of the region which belonged to different States. The concerned State Governments did not bother to develop these areas as they were fringe areas. Now a statutory body is being created to replace the High Power Board.

The plan for the national capital region of Delhi was followed by the preparation of similar plans for Calcutta and Bombay. The scope of the Calcutta plan extends much beyond the metropolitan area. The plan envisages to develop a hierarchy of towns around the city hinterland, which includes the whole of West Bengal and some of the neighbouring States

as well. Maharashtra Government enacted the Maharashtra Regional and Town Planning Act in 1966. Under this Act, a Board was set up for the Bombay Metropolitan Region in 1967, and a plan for this region was ready in 1970. The plan seeks to solve the problem of congestion in Greater Bombay through the development of a Twin City. Some of the administrative, business and commercial functions would be shifted to this Twin City. The development of a satellite-port at Nahava-Shava is also designated to take out some of the pressure from the Bombay port.

These master plans for Delhi, Calcutta and Bombay are some of the isolated experiments in metropolitan planning largely under the Western influence. The problems of these urban areas is sought to be cured without affecting the surrounding rural hinterland. It is completely overlooked that most of the social, economic and physical congestion problems of these areas are the outcome of dualism in the Indian economy and deprivation in the countryside. Without planning for the rural hinterland, such efforts would meet with limited success only.

Inter-State Level Planning⁴: India has also evolved some sort of regional planning approach at inter-state level. The first major experiment was the Damodar River Valley Project, which was to be taken up jointly by the Central Government and

⁴ Based on Town and Country Planning Organization's Monograph "Regional Planning Efforts in India" 1982.

Governments of West Bengal and Bihar. The aim of the project was to bring about an integrated development of the Damodar River Valley. However, it has now been reduced to power generation only, on account of inter-State rivalry and the failure to produce an integrated plan for the development of that inter-State region.

In 1958, Dandakaranya Development Authority was established to bring about an integrated development of the Dandakaranya Region with particular regard to the promotion of interests of tribal population and rehabilitation of the refugees from East Pakistan. But the development of this region could not proceed on its envisaged lines on account of the failure to produce a comprehensive and integrated plan for the region.

During the Third Plan, the study of these two regions by the Town and Country Planning Organization revealed that they were similar in respect of physiography, geology, climatic conditions, soil types, vegetation and raw materials. It was felt that for the purpose of balanced regional development, these two areas should be treated as one planning unit. Hence the areas of Damodar Valley and the Dandakaranya Region and areas contiguous to these two formed what is known as the South East Resources Region. It comprises of parts of West Bengal, Bihar, Orissa, Madhya Pradesh and Uttar Pradesh.

As a strategy for development of this region, huge public sector investments in iron, steel, coal and aluminium

have been undertaken. It was felt that the establishment of large-scale industries would have impact on the whole region, resulting in substantial improvement in the living standards of the regional population.

But it was found that the beneficial effects of large investments were concentrated in only five of the twenty-six districts and in about twelve cities belonging to these five districts. The benefits are confined only to the areas directly involved in the project. Except for the wages earned by the employees directly involved in the project, there has hardly been any impact of these projects on the Region's economy. The type of industries that were established failed to attract other small and medium industries of auxiliary and ancillary character. The Project failed to increase the incomes and hence generate larger demand for consumer goods in the region. So consumer goods industry could not get established. The income originating from the manufacturing and mining sector has been almost wholly siphoned out of the region. The Region is thus a picture of contrasts; highly industrial complexes have come up at a few centres while large areas hold on to primitive agricultural practices. In spite of large mineral wealth the regional population is mostly poor.

Planning has mainly been sectoral and at no time a total view has been taken of the development of the Region or any of its part. The efforts have been confined only to the three aspects namely, power generation, irrigation and flood control and beyond that no attempt has been made towards the compre-

hensive development of the Region. The character of the population has been completely neglected. Nearly one-third of the population of this Region is tribal, living on subsistence economy under social and economic system quite alien to the modern industrial society. The regional development strategy completely neglected this aspect. So in spite of the fact that this Region received Rs. 1,067 crores or 57 per cent of the Central industrial investment in the first three plans, the socio-economic position of the tribals and the poor has remained the same. Unless this disabled population becomes the focus of the planning strategy there are no hopes of development for them. More emphasis has to be given on the education and training of the tribals, so that they can find employment in the industrial sector. All the socio-economic factors that hinder their personal development have to be removed in the first instance. This would again involve some tension as the privileged class would oppose these radical measures. But there cannot be development, in the real sense, without altering the present feudalistic pattern.

Similar area development plans are being contemplated for Goa Region and the Western Ghat Region. It is a general experience that the States after making efforts to attract the big projects to their territories do not make efforts to exploit these projects for the development of the Region itself. Another problem is the lack of coordination between the activities of the Central, and the various State Governments. There is no attempt to integrate the sectoral

activities spatially and formulate the projects on comprehensive and integrated basis. Regional planning is merely taken to be the establishment of large, capital intensive industrial projects. The social standards and the skill-levels of the regional population are not at all considered. Due to this aspect the local population is unable to take advantage of the employment opportunities generated by these projects. All these aspects lead to the conclusion that regional planning at inter-State level, in India, is more a promise than a reality.

Regional Planning at the State Level: At the State levels also there has been some awareness regarding the regional disparities in development. Some States have taken some ad hoc steps for providing some regional solutions to some of their specific problems. The intra-State regional inequality in terms of income, employment and social welfare measures are often more pronounced than inter-State disparity. This has induced some States to formulate regional plans for their problem areas. Among the plans implemented during the Third Plan period were those of Rajasthan canal region, Rihand region in Uttar Pradesh, Bhakra Nangal region in Punjab, Kosi-Gandak region in Bihar, the Brahmaputra plains, the Krishna Valley, the Sundarban area in West Bengal, Rayalseema and Telengana Region in Andhra Pradesh and Delta region in Orissa, etc. All these regions were ad hoc regions. Their focus for specific programming was largely intended to seek solutions to some of their more pressing problems. "However,

the administration of planning being organized on 'the vertical chain of command' rather than on the 'horizontal integration of programmes' at a specific regional level, the effectiveness of regional approach was considerably reduced."⁵

5.2 The Needed Redirections in Regional Planning

The review of regional planning in India shows that there is growing appreciation for regional approach to development planning and some ad hoc measures have already been taken by the Central Government and some States in that direction. But regional planning has not yet crystallized as an operational system.

Once we decide to integrate regional planning into five year plans we have to explore the best possible alternatives of achieving such integration. One may think of ideal methods or pragmatic methods. An ideal method would be that which seeks to reorganize the boundaries of the States in such a way as to make them coincide with natural regions. This method compels the administrative boundaries to coincide with natural regional boundaries. It would make regional planning efficient and when integrated into the national plan, make it effective from the point of implementation. However, this ideal method is not practicable in the near future in this country. Hence, one has to think about the alternatives of retaining the existing State boundaries and still formulate

5 Patnaik, S.C. (1981), p. 126.

regional plans for natural regions whose boundaries cut across the State boundaries. While doing this the experience of the earlier experiments like, Damodar Valley Project and Dandakaranya Project, must be kept in mind. The different States had conflicts while developing the regions, and this retarded the regional progress. These earlier efforts are not very encouraging, but sustained efforts have to be made to make regional planning a success.

The general approach to regional planning in India has been, to stimulate economic growth through implantation of modern technology and infusion of capital in the backward regions. "However, adoption of modern technology which is unrelated to the factor endowment of the economy, particularly overlooking the factor of labour abundance, cannot generate adequate employment and incomes and create a strong base of domestic demand for sustained economic growth."⁶ As long as the need to adopt appropriate technology is not realized and rigorous and effective measures are not pursued at the national level for curbing the monopoly industry so as to create a climate for the growth of small industry dispersed over different regions of the country, the various ad hoc schemes for stimulating economic growth in backward areas are bound to prove to be an exercise in frustration.

Another problem in India's regional strategy is that

6 Brahme, Sulabha (1972), p. 57.

of lack of integration between industry and agriculture of any given region. If the implanted industries demand the raw materials from the hinterland and also provide employment to the rural population then it benefits the hinterland. By creating demand for the regional raw produce it can boost the regional production and could lead to regional specialization. By drawing labour from the agrarian sector, it can disturb the low level of equilibrium that has set in with low wages and low capitalization. Unless such an integration of agriculture with the growing industry takes place, the development induced by setting up of large-scale industries creates only pockets of plenty amidst plenty of poverty. The over-development of urban centres, which have no demand and supply links with the hinterland impoverishes the hinterland and reduces its chances of development in the future. As a case in point we may present the data relating to the State of Maharashtra. "Maharashtra has 31.20 per cent of its population staying in urban areas and a large concentration of which is at the metropolitan centre of Bombay. Between 1961 and 1971, the urban population has grown by about 40 per cent from about 11.1 million in 1961 to about 15.7 million. It may be mentioned that the factories grew from 9,090 in 1963 to 10,241 in 1971. The factory workers correspondingly increased from 8.58 lakhs to about 10 lakhs in 1971. In spite of such phenomenal growth, the hinterland i.e. the rural Maharashtra does not seem to have benefited in terms of growth. Quite on the other hand, the agrarian sector presents an overall stagnation except in

pockets where industry like sugar extraction has grown in the rural areas."⁷

Finally, the regional planning undertaken has done nothing for attaining the basic goal of human development. The hiatus between the rich and the poor and the urban and rural areas has been widening. The bureaucratic planning structure is not at all responsive to the aspirations and the minimum needs of the assetless and the rural poor. The superficial policies of providing some assets to the rural poor founder in the thick mesh of complex, traditional, power relationships that have been in existence since centuries. The existence of such relationships is only dimly and incompletely understood by the planners or they try to turn a blind eye to them. Hence the developmental efforts and programmes for the poor are emasculated by the village elite. Despite all the developmental planning, the economic relationships in the rural areas, which underlie the power relationships, have undergone little changes. These relationships would not change until the allocation of existing assets and power, now distributed by caste, family, and sex, undergoes a radical transformation. Until then, the lives of the poor and oppressed can only be marginally touched by programmes intended to uplift them.

The elimination of poverty, hunger, unemployment and socio-economic inequality together constitute a test of development but the objective of development should be to improve

7 Rao, R.S. and Brahma, Sulabha (1973), p. 64.

the quality of life of the masses of people and unleash their creative energy. People should be the focus of development and it is the poor, helpless majority that should receive priority. They live in the countryside and are overwhelmingly - peasants, tenants, share-croppers and the landless labourers. Development is not 'catching up' with the industrialized West through capital and technology transfer; it is indigenous to each society and must build primarily on its own resources — land and people. In the Indian situation, therefore, the rural poor should become the target group and must be involved in the development process in its vital aspects. Instead of people's active participation, we find that development is administered to them.

The concept of self-reliance is central to the approach for participatory development. The mobilization of energies and resources of the rural poor themselves emerge as the key-factor in increasing their productivity and self-reliance. Such mobilization requires the formation, adaptation and strengthening of community structures including organization of the rural poor.

Land ownership is synonymous with control of wealth, social prestige and political power. The legislative land reform programme in India attempted to by-pass the local power structure, and has been unclear in definitions, uncertain in implementation and piecemeal in efforts. The implementation was essentially bureaucratic without an alliance between the

Central and State administration and the peasantry. The rich landlords had the power and resources to get around these land-ceiling laws. In such an unequal society, a minority of the rich and powerful usually appropriate a large share of benefits for itself and leaves the majority of the poor people, absolutely dependent upon itself. If the poor are not to remain meek spectators in the development process but to participate effectively therein they have to be mobilized. Mobilization has to be around economic and social activities, participation in which gives the poor a hope of gaining more material benefits for themselves. Distributive justice or what may also be called the people's participation in benefits must be achieved in meeting basic minimum needs for the under-privileged section of the population. Like people's participation, employment is both a means and end in itself — in terms of the use of labour resources for production and for providing income to the people as well as dignity and meaning to the lives of individuals.

For the provision of the basic minimum needs and employment to the vast poor majority, a redefinition of the goals of planning, evolution of well-defined spheres of action at different planning levels, decentralized planning and implementation mechanism is the need of the hour:

Presently, planning in India is attempted at the national, inter-State, State, intra-State, district and block levels. But in practice, we find that it is only the national

level planning that is stressed and the State and lower level planning goals and objectives become at most an adjunct to the national plan. No doubt this is due to a very large extent, to the failure of the State administrative structure to develop a truly efficacious planning machinery. But more fundamentally, this flows from the philosophy of planning which endows greater importance to the fulfilment of national plan targets rather than to the balanced growth of the various regions and linkages and inter-dependence of region-based economic structures in some rational fashion. It is due to this that the problem of poverty has remained unsolved and the disparity among social groups and regions has in many cases widened. Planning at the national level has failed to bring about a mutual process of adaptation between the national goals and priorities and locally felt needs, between Centrally sponsored programmes and the feasibility of the society to accept and benefit from them.

To correct this situation, since 1970s, the Planning Commission has been stressing the need of decentralized planning, which has been equated with planning at the district and block levels. The next chapter attempts to review the progress of district-level planning in India.

CHAPTER 6

DISTRICT PLANNING—AN APPROACH TO REGIONAL DEVELOPMENT

The idea of District Planning arose in India primarily out of pragmatic considerations. The sectoral planning stimulated economic growth and development in an isolated manner while vast rural tracts were left undeveloped. The pattern of development under the plans has failed to provide satisfaction to the large poor mass, inequalities have been aggravated and social tension has also increased due to growing poverty and unemployment. For poverty elimination, the Central Government took up special programmes like community development programme, industrial estate programme, intensive agriculture development programme, hill and tribal development programme, drought prone area programme, etc. But these programmes were lacking any regional framework for their proper articulation in the context of regional environment. The absence of a spatial focus in their operation and the vertical organization in their administration often divorced all such programmes from the environmental realities of the place where they were operated. The lack of follow up measures also resulted in their failure. These programmes were also not integrated with the general State or district plans. All these factors resulted in their failure to achieve the basic goal of poverty elimination.

For lessening regional imbalances the Central Government has experimented with regional planning at inter-State level. As we have already seen, the experiences of the Damodar Valley Project and the Dandakaranya Development Project are not very promising. Different States, in whose territories these projects are located, are reluctant to cooperate with each other. There was no machinery which could effectively coordinate the schemes of the Central and various concerned State Governments. So these highly capital intensive projects resulted in development at few spots, leaving the other area of the Regions as undeveloped as before. This inter-State planning experience has clearly shown that there are many practical problems in planning for any kind of regions that fall across various State boundaries. Probably, for this reason, the work of demarcating the country into natural regions was not taken up seriously. So for practical purposes, it was felt that planning presently, should be attempted within the administrative boundaries like at the State, District or Block (Taluka) levels. Till the Fourth Plan period planning, in India, was mainly done at the Central and the State levels. Since the fifth Five Year Plan, Planning Commission has directed that district plans should be presented by disaggregating the State programmes, targets and plan resources in terms of individual districts. So most of the States have already undertaken the task of preparation of district plans.

This chapter aims at reviewing the progress of district

planning in India. In the first part, a brief review of the objectives of district planning and the 'Guidelines' regarding district planning, formulated by the Planning Commission is attempted. The second part, attempts a brief review of approaches and practices of district planning adopted by some selected States in India. The third part deals with Maharashtra's experience in district planning and, finally in the fourth part, a critical review of district planning in India is attempted.

6.1.1 The Need for District Planning

Once the concept of decentralized or regional planning is accepted, then a point often debated is which unit should be the most suitable for regional planning. Many units such as geo-economic regions, natural resources region, command areas of rivers, regions identified by social indicators like tribal areas, mandi areas, a cluster of villages, growth centres, blocks or panchayat samitis, the district or a group of districts, etc., have been suggested. Obviously, there is nothing like the 'ideal unit of planning'. The choice of the planning unit would be mostly determined by the nature of problem that is to be tackled by planning. For example, if we wish to deal with the problem of irrigation, then the command area could be the most suitable unit for planning. Initially the command area may fall in some particular district, but later on as linkages develop this area could be extended to cover parts of various districts. If we are thinking about developing some natural resources, then the

whole region possessing that particular natural resource could be adopted as the planning unit. The concept of the 'planning unit' is thus related to the nature of the problem and hence it could be dynamic. As the problem changes, the planning unit has to be also changed. So theoretically there cannot be anything as the only ideal unit of planning. As the Dantwala Working Group Report on Block level Planning points out, this is really a false problem, for such an ideal unit of planning neither exists nor is it necessary. In fact, the different economies of scale associated with different technical projects would require different spatial units such that the corresponding unit of planning may also have to be different.

Conceptually, districts are more homogeneous unit areas than States. But when district is chosen as the planning unit it ceases to be homogeneous. "Considering the arbitrary nature of district boundaries, heterogeneity becomes the rule and homogeneity an exception."¹ Therefore, inter-district variation acquires significance in District Planning. The significant and decisive element in selecting the district as the planning unit is administrative considerations. The British Government gave to India and other countries where they ruled, the concept of district administration. The network of public services and the basis of collection and compilation of economic and statistical data are based on the

1 Rao, Prakash V.L.S., etc. (1973), p. 2.

district. Besides, the district has become an emotionally identifiable political unit, and furthermore, the district is the smallest unit for which there exists a competent body of administrators. Administratively, the district is well entrenched unit, with the Collector at its head having the capacity to coordinate, monitor, ensure results and interact with the area's populace. The continuation of the district as an administrative unit over the centuries has made it a homogeneous unit well recognized by the people who have developed linkages with the district headquarters.

Where regional planning is undertaken for a specific homogeneous region, with special characteristics and to attain a particular objective, it is possible to define a region independently and to set up a planning machinery for it. This could happen with a river valley region, or a metropolitan region or region defined as backward or depressed and in relation to which special measures are undertaken. In India, we are interested in planning for the development of the entire country and though the situation and requirements in different areas differ radically from each other, the effort undertaken in each area is a part of the total national planning effort. Moreover, the development planning undertaken in each area has to be equally comprehensive. "As local planning has to be undertaken for all areas, it is obvious that the effort should be associated with the administrative and the self-government areas into which the country is already divided. This special aspect of District Development Planning

also makes it desirable and necessary, that the planning authority be identified with the local administration. ..."²

Now it is generally recognized that the district is essentially a local administrative unit and need not have homogeneous economic features. Hence, it is often suggested that each district be sub-divided on the basis of economic homogeneity into 'economic areas' or 'Mandi areas', which may be considered to be the lowest units for the integrated provision of socio-economic overheads and services. The Guidelines for district planning formulated by the Planning Commission (1969) have also suggested a similar scheme.

Another argument for district planning is that "... Since more intimate, precise and detailed knowledge about physico-geographical, techno-economic, socio-political and organisational-administrative conditions is available at the district level, planning for activities which have strong local foci (like agriculture and allied activities, employment generation in rural areas, raising productivity in predominant economic activities, provision of infrastructure facilities and items of social consumption going into the minimum needs programme, etc.) is more fruitfully undertaken at the district level. ... Thus district planning can lead to better project planning and implementation in fields like agriculture, minor irrigation, animal husbandry, etc., which are normally

2 Gadgil, D.R. (1967), p. 9.

considered too dispersed and unorganized to be amenable to centralized planning."³

Another argument is based on the theory that information cost is a monotonically increasing function of the distance between the action point at which the information is generated and the point at which the decision is made. It has been argued that from the planning viewpoint if a subsystem, e.g. agriculture and allied activities, require a very large volume of data which is widely dispersed over the economy than the information cost can be so large, if used for centralized decision-making, as to yield a negative net benefit of the use of the information. So smaller unit, like the district, is preferable.

Another argument states that with decision making at lower levels it is easier to organize an effective response system for public participation in plan formulation which, apart from other considerations, will make it easier to mobilize local physical and financial resources for local schemes. This consideration also favours a smaller planning unit. But people's participation may mean many things. It may mean the association of the Panchayati Raj Institutions, or direct contribution of voluntary labour by people for the construction of social overheads. But concentration of powers in the hands of bureaucracy and its alliance with the minority

3 Kabra, K.N. (1977), pp. 9, 10.

of propertied and land owning classes may easily make district planning lose its relevance for the majority of the poor people. In such situations majority of the programmes for agriculture and allied activities would be divorced from the needs of landless labourers and weaker sections of the community. Hence district planning involving people's participation can subserve the interests of the rural poor only if they are organized in a planned manner and are enabled through these organizations to bring the planning processes to bear on their needs and aspirations.

Finally, pushing down the level of planning implies that a certain minimum of planning infrastructure — especially properly trained staff — will have to be provided at the lowest planning level for reasonably competent decision making. Even at the district level, it is agreed, there are major gaps in this area. Evidently it is unreasonable to expect that such decision-making capability can be made available even lower down, say at the block level, in the near future. For the same reason the Dantwala Committee on Block Level Planning stated that "... the issue whether a district or block is more appropriate for the purpose of planning need not be viewed with rigidity ... block level planning is to be viewed not as an isolated exercise but as a link in a hierarchy of levels from a cluster of villages below the block level to the district, regional and State level."⁴ The

⁴ Government of India, Planning Commission (1978). Report of the Working Group on Block Level Planning, p. 2.3.

Dantwala Committee, in fact, suggested that presently it would be practical to develop the district as the planning unit and planning for the blocks could be done by the district planning team. Hence, everything considered, in the present position the district seems to be the most suitable unit of planning below the State level.

It would be relevant to point out here that, while the district as a unit for planning below the State level has advantages over other regional units. It cannot be the most significant, let alone the only, component of national economic planning. The factors discussed so far argue a limited, complementary role for district planning along with Central and State planning, mainly with reference to its sectoral, functional aspects. The Central planning encompasses all or many sectors and regions of the economy. The basic factors on which the decision-making at the regional or district levels turns upon are derived from the national economic plan which is primarily based on inter-sectoral, inter-industry, intra-sectoral balancing in physical, financial and temporal senses. For this reason, the regional or district plan has to be in conformity with the Central and the State plans. The district planning has to play a complementary and subordinate role to national economic planning with the intermediation of State level planning.

The district as the unit of planning has also certain limitations. For example only those programmes and projects can be planned for at the district level, which fall totally

within the boundaries of one district. Projects having inter-district dimensions shall have to be planned at a higher level, thus reducing the scope for delegation of planning to the district level. In many cases the district boundaries cut across different physio-agronomic regions and are functionally inter-related areas and therefore are hardly suitable as planning units. The districts, in India, differ in area and population which might need some readjustments.

But presently the advantages of accepting the district as the basic planning unit below the State level outweigh the disadvantages. The idea of district planning has emerged as an attempt for development from below with an emphasis on the removal of regional disparities. It involves the element of examination in the greater detail into the aspirations and requirements of specific local areas to take suitable measures for getting maximum advantage of local initiative, potential and resources by decentralizing the planning process. The regional and spatial dimension thus came into focus in the national and State plans through the district plan.

The origin of the idea of spatial planning at the district level within the framework of regional and national planning can be traced almost from the beginning of the Five Year Plans in India. The First Five Year Plan mentioned that "... district plans are always essential, but they may gain in value if they are also part of well-considered regional plans."⁵

⁵ Government of India, Planning Commission, First Five Year Plan, p. 141.

The Second Plan described a district "... as the pivot of the structure of democratic planning".⁶ The Third Plan gave to the district a very important position in the whole structure of planning, putting emphasis on the reorganization of the district administration consequent upon the introduction of Panchayati Raj institutions at the lowest levels.

The Fourth Plan, prepared under the guidance of Late Prof. D.R. Gadgil, marked a watershed in Indian planning by providing for greater diffusion and growth of activities at local levels and stressed the need to strengthen regional planning and integrated area development programmes "... meaningfully woven into the frame of the district plan and thus, help in the process of planning from below".⁷ The Fourth Plan also pointed out that with the shift of emphasis to district and local planning people's participation can be ensured by strengthening district level planning through Panchayati Raj institutions.

At the end of the Fourth Plan, in 1969, the Planning Commission issued comprehensive guidelines for the formulation of district plans. A brief review of those guidelines is attempted below.

6.1.2 Planning Commission Guidelines of 1969

In September 1969, the Planning Commission, under the

⁶ Government of India, Planning Commission, Second Five Year Plan, p. 58.

⁷ Government of India, Planning Commission, Fourth Five Year Plan, p. 230.

leadership of the late Prof. D.R. Gadgil, developed a set of detailed guidelines for the formulation of district plans. "Even though the concept of district and local planning has undergone important changes in India since then, that document still has great methodological validity and is considered to be one of the most comprehensive and detailed formulations ever attempted by a National Government."⁸

The Guidelines have been laid out in four chapters with related annexures, of which the first is essentially a statement of the rationale for district planning. The district level planning has been advocated on the grounds of the existing regional disparities, the prevailing under-utilization of resources, the uniform application of schemes without regard to their suitability of local conditions, the absence of synchronization between various programmes under simultaneous implementation, the lack of measures for the mobilization of local resources and lack of integrated rural development.⁹

The remaining three chapters deal with the process of district plan formulation. The first task suggested by the Guidelines is the collection of information. Annexure B (pp. 183 to 206) provides a complete set of programmes giving the items, units and format of different sets of tables for collecting information systematically. The second task

⁸ Mishra, R.P. and Sundaram, K.V. (1980), p. 29.

⁹ Discussed in Guidelines (1969) reprinted in the Report of the Working Group on District Planning (Vol. II), p. 163.

suggested is of translating this information into at least four maps, viz. (1) Physio-geographical conditions, (2) Natural resources, (3) Availability of infrastructural facilities, and (4) The nature of economic activities. These maps could be compared to identify sub-regions within the district which are different from one another in any of the above dimensions. This would necessitate a different planning strategy for each individual regions.

After gathering information and translating it into four basic maps, the Guidelines suggest a third task. As detailed surveys were not immediately possible, a suggestion was made to the district level officers to write up their assessment of the existing conditions with respect to activities under their control, using the collected information and their own experiences. Guide-points regarding the items and the nature of information to be written were provided in Annexure C (pp. 209 to 216). It is stated that these guide-points are merely indicative and the "District level officials are expected to prepare comprehensive notes analysing the problems and the variety of conditions in different sub-regions setting forth the long-term perspective, describing the success as well as shortcomings of the on-going development schemes and suggesting the supplemental action to be taken during the next five year or one year period."¹⁰ The major activities for which such assessments are suggested are: land

10 Guidelines (1969), Annexure C, p. 207.

resources, vegetation resources, water resources, mineral resources, livestock resources, communication system, marketing facilities, storage and processing facilities, banking and credit facilities, canal irrigation system, power distribution, educational facilities, health facilities, drinking water facilities, veterinary facilities, agriculture, horticulture, small, medium and large industries, backward communities, cooperatives and Panchayati Raj institutions.

Once all the information tables, maps and assessments are ready, the fourth task suggested is that of consolidating all these into a Statement listing the resources, problems, prospects and priorities of activities in different subdivisions and this Statement was referred to as a 'Preliminary Framework'.¹¹ It was stressed that this task of consolidation and preparation of the 'Preliminary Framework' of the plan will have to be undertaken "... by the authority which would be unimpeded by narrow departmental loyalties and would also have adequate authority to bring together and determine the programmes of the Government departments, local Government authorities, cooperatives and financing institutions."¹²

Once such a 'Preliminary Framework' is ready the Guidelines prescribe a series of discussion with various groups and institutions. The first round of consultations was to be with the Block Development Officer (B.D.O.) and district level

11 Guidelines (1969), p. 167.

12 Ibid., p. 166.

officers in order to determine the comparative positions of different Blocks in respect of various criteria listed above; and to evaluate the 'Preliminary Framework'. The second round of discussions also with the B.D.O.s and district level officers was to draw upon their intimate knowledge of field conditions with regard to (a) the performance of various institutions like cooperatives, panchayats, etc., (b) the problems of programme implementation experienced in the earlier plans, (c) the likely demand levels for agricultural inputs during the plan period; and (d) the likely availability of local resources for infrastructure building. The third round of discussions was to be with selected farmers, entrepreneurs, cooperatives, local self-government bodies, banks and panchayati raj institutions "... in order to obtain their views about the ideas contained in the 'Preliminary Framework'."¹³

At the end of these several rounds of discussions, the major gaps in the 'Preliminary Framework' are likely to have been identified or errors rectified. Then the task is to draw the final 'Broad Framework' for the district plan. This 'Broad Framework' "would indicate firm inter-sectoral and intra-sectoral priorities, specify sectoral and programme objectives, stipulate the lines on which new schemes should be drawn up, existing schemes should be modified and clarify the manner in which the development of backward areas or

13 Guidelines (1969), p. 168.

communities would be undertaken."¹⁴ This 'Broad Framework' has to be discussed in a meeting of the district level officers and representatives of various institutions by the Collector/Chairman of Zilla Parishad to ascertain mainly that the Plan is integrated and follows the guidelines issued by the State Government.

Finally the district plan has to be discussed with the Departmental Heads at the State level. At the State level some pruning may have to be done if the district plan is over-ambitious in financial and physical terms. The Guidelines emphasize that the Departmental Heads should consult the district planners before this pruning exercise or else this process might "... lead to distortion of the plan".¹⁵ Once the discussions are complete, the specific guidelines and targets for each programme will have to be spelt out. After this individual departments, responsible for different programmes, can draw up their detailed programmes giving a time-framed specifications of targets, activities, inputs, physical results, utilization of private and institutional finance and a system of periodic programme evaluation and review for carrying out mid-course changes in case the programme fails to keep its schedule or some contingencies turn up. When each programme has been drawn up, all these have to be brought together and integrated. This may involve some modifications

14 Guidelines (1969), p. 168.

15 Ibid., p. 169.

in order to ensure consistency across programmes at each point of time, where programmes are inter-related. Lastly, the 'Final District Plan' has to be drawn. A suggestive format for the final plan, detailing the main ingredients of a district plan, has also been included in Annexure A (p.182) of the Guidelines.

Thus we find that the Planning Commission Guidelines provide a very detailed set of suggestions for preparing the district plan. Sudipto Mundle and Kabra K.N. have pointed out some shortcomings of these Guidelines. They are considered below.

Gaps in the Planning Commission Guidelines: Sudipto Mundle¹⁶ has pointed out that there are four major gaps in the Guidelines. These are:

(1) An absence of the package of redistribution and resource mobilizing programmes (e.g. land reforms and land revenue programme).

(2) An absence of any exchange of information between district level planners and State level planners in the early stages of plan formulation which could equip the former with information on minimum levels of financial assistance and physical availabilities.

(3) An absence of any analytical exercises to develop a rational plan based on the information that is to be gathered, these exercises are being replaced by a series of discussions.

16 Mundle, Sudipto (1974), p. 38.

(4) The absence of any provision for the systematic development of a planning infrastructure - especially training of the district planners.

Mundle states that these items are so important that their "... exclusion from the Guidelines reduces this document into a totally inadequate blueprint of the district planning process".¹⁷

Kabra K.N.¹⁸ in his book 'Planning Process in a District' (1977) points out the following inadequacies in the Guidelines:

(1) The Guidelines recognize that the district plan has to be an integral part of the State and National plans and prescribes that the persons participating in this process must have a fair knowledge of the overall National and State long-term perspectives, objectives and strategy. But the Guidelines do not specify, how and at what stage, these vital information inputs, which should guide the process of district planning would be communicated to the persons involved.

(2) The Central, State and private sector projects located in a particular district do not directly form a part of the operational plan formulated at the district level, but these projects cannot remain unrelated to the plan of the district. Specially, if these projects are large-sized ones,

17 Mundle, Sudipto (1974), p. 39.

18 Kabra, K.N. (1977), pp. 41, 42 and 43.

their impact on the district economy and hence on its plan would become decisive. The Guidelines do not seem to be specific in this respect regarding how, through a process of interaction, these projects and other sub-plans and special target schemes are to be harmonized and balanced in order to yield an integrated district plan.

(3) The district planners remain unaware of the financial allocations at an early stage of plan formulation, so the State level Departments have to undertake the pruning exercise at the end of the district plan formulation process. This pruning exercise reduces the operational role of the district plan. Hence likely financial allocations should be communicated to the district planners at an early stage of the planning process.

(4) The costs of projects are based on a particular level and structure of relative prices. The fact that these prices do not remain constant is a factor, which influences the planning exercise at the national, State and district levels. So without some assumptions on the extent of price rise in the course of the planning period, the realism of the exercise would be seriously affected. Naturally, assumption on such an issue can be made only at the national level. "In the course of conveying the perspective and approach of the national plan to the district level planners, it is also essential that assumptions regarding price prospects should be conveyed to them to enable them to make operational plans."¹⁹

Kabra states that from the Guidelines it is clear that the official machinery, the bureaucratic apparatus, is called upon to play the leading role in preparing the district plans; and the State level planning machinery has the final decision-making powers. What is intended at the district level is a detailed groundwork, preliminary decision-making after wide ranging consultations and preliminary synthesis of the various decisions into a compact framework.

So in spite of the comprehensive nature of the Guidelines, there are some major gaps in them. Mundle after reviewing the district planning process in the Aligarh District in 1974, observes that the gaps in the suggestions of the Guidelines were transmitted to the district planning process and in addition other distortions also cropped up. In a different study Kabra K.N. also comes to the same conclusion.

After briefly reviewing the Planning Commission Guidelines regarding the district planning process and noting the gaps in those Guidelines, it is time to review briefly the practices of district planning in some selected States in India.

6.2 District Planning: A Review of the State-of-the-Art

The purpose of this part is not to review the district planning attempts of some of the selected States in details but to broadly point out the approaches and practices adopted by them. The Working Group on District Planning, 1984, has indicated that "... Only five of the 22 States in the country

— Maharashtra, Gujarat, Jammu and Kashmir, U.P. and Karnataka can be said to have made some strides ...” in decentralized planning. So we intend to select only these five States. The district planning process of Maharashtra is to be dealt in the next part hence this part deals with the remaining four States.

Before reviewing the present status of district planning in these five States, it would be worthwhile to point out some of the essential prerequisites for district planning, as stated by the Hanumantha Rao Committee on District Planning. The Committee considers the following as the most essential prerequisites:

- “(i) Defining the scope and content of a District Plan;
- (ii) Disaggregation of Plan funds from the State to the District level on appropriate criteria;
- (iii) Establishing a suitable organizational framework for District Planning;
- (iv) Effecting certain Administrative Decentralization Measures;
- (v) Establishing a proper District Planning Machinery;
- (vi) Establishing a District Planning Unit at the State-level; and
- (vii) Making arrangements for the training of personnel.”²⁰

²⁰ Government of India, Planning Commission (1984). Report of the Working Group on District Planning (Vol. I), p. 41.

Now to turn to an analysis of the situation in our five selected States, we find that some of the preliminary prerequisites for the district planning like the division of functions, distribution of funds, organizational framework and planning methodologies have been evolved in these States. There are certain similarities as well as subtle differences in the patterns adopted by them. A brief review of these is attempted below:

Identification of District Sector Schemes: A clear division of functions between the State and the district levels is a crucial prerequisite for operationalizing district planning. The principle for identification is based on the location of the schemes and the coverage of the benefits which should be confined mainly to the district. The States of Gujarat, Karnataka and U.P. have classified the schemes in this way. We find that agriculture and allied activities, minor irrigation, small industries, primary and secondary education, health, urban development, district and village roads and, welfare of the backward classes have been allotted to the district sector.

Many other schemes, which have local relevance could be delegated to the district level, but as the Committee points out, the State Level Departments are unwilling to part with their traditional functions.

Disaggregation of Plan Funds: Disaggregation of plan funds from the State level to the district is yet another important prerequisite of district planning methodology. From

the experience of Gujarat, Karnataka, U.P. and Jammu and Kashmir we may generalize that roughly between 30 and 45 per cent of the total State Plan Outlay (it is 30 per cent in U.P., 35 per cent in Gujarat, 35 per cent in Karnataka and 45 per cent in Jammu and Kashmir) is allocated for the district level schemes. In case of Maharashtra, 40 per cent of the total State Plan Outlay is given to the districts. Once the district outlay is earmarked from the total State outlay it has to be rationally distributed between different districts. For this purpose these States have evolved different formulae which attempt to give weightages to certain factors like population, level of development and special problems of the district. A comparative statement showing the various criteria used in the States of Maharashtra, Gujarat, U.P., Karnataka and Jammu and Kashmir along with the weightages adopted for each criterion is given in Table 6.1.

From Table 6.1 it can be seen that the weightage accorded to population is 60 per cent in Maharashtra, it is 50 per cent in Karnataka and U.P. and 40 per cent in Gujarat. Gujarat and U.P. have accorded a higher proportion of weightage to the backwardness of weaker sections which is 15 per cent while it is only 5 per cent in case of Karnataka and Maharashtra. Gujarat has also accorded higher weightage to backwardness in various aspects like agricultural, irrigational, industrial, roads and drinking water and backwardness in respect of the targets of other minimum needs. In

Table 6.1 : Statement Showing the Formula for Disaggregation of Plan Funds to the District Level

Criteria	States			
	Maha- rashtra	Gujarat	Karna- taka	U.P.
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 SCs and STs	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	-	-	-	5.0
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	-	-	-	5.0
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	-	-	5.0	-
8. Unallocated amount for meeting special problems	0.5	-	-	-
9. Incentive Provision	-	5.0	-	-

Source: The Report of the Working Group on District Planning (1984), Annexure 4.1, p. 133.

Maharashtra, Karnataka and U.P., the cumulative weightage to all factors of backwardness is around 20 per cent, while it is nearly 40 per cent in Gujarat. Maharashtra and Karnataka have provided some weightage to special problems. The State of Jammu and Kashmir has adopted some multiple criteria for determining outlays for districts, but there appears to be no standard system giving weightages to each criterion. Gujarat has reserved 5 per cent as a provision for Incentive and Karnataka has also reserved 5 per cent for local tax effort.

Organizational Framework and Planning Machinery: None of the States in India has delegated the task of district planning to the Panchayati Raj Institutions at that level, although these bodies were mainly created for this purpose. Maharashtra and Gujarat initially had entrusted planning functions to these bodies but later, for various reasons, found it desirable to entrust the planning function to other newly created bodies. Thus in Maharashtra, the District Planning and Development Councils; in Gujarat and Jammu and Kashmir, the District Planning Boards, in Karnataka the District Planning Councils and in U.P. the District Planning and Monitoring Committees have been established. The representatives of the Panchayati Raj Institutions are associated with these bodies, but in practice, they are not performing the planning function.

These newly created bodies are expected to perform the functions of formulating annual plans, five-year plans, perspective plans, implementation, coordination, monitoring,

review and the evaluation of the plans. Though much is desired to be done by these bodies, they do not possess competent technical planning machinery to perform these specialized functions. Commenting on this issue the Report of the Working Group on District Planning states "... the number (not to speak of quality) of purely technical personnel available in the States range from 2-6 officers. They are not necessarily multi-disciplinary in composition. They have been usually seconded from other departments and do not seem to possess any particular planning qualifications."²¹

District Planning Process in the States: The Working Group has noted that the district planning process in most of the States follows a similar pattern with minor variations. Usually, after the State budget is voted in the Assembly, the different heads of the departments make a districtwise break-up of the total outlay earmarked for the district level. This is then communicated to the districts, along with guidelines for allocation of the funds. At the district level this outlay is distributed as per various schemes and thus the 'District Plans' emerge, which are purely an aggregation of departmental schemes. The districts have to stick to the sectoral allocations as indicated by the State level departments. The districts do not have much freedom to suggest their schemes and finally it is the State level departments

²¹ Government of India (1984), Report of the Working Group on District Planning (Vol. I), p. 31.

that have the ultimate powers. There are, of course, some variations here also. In Jammu and Kashmir the whole Cabinet and the State level departments have discussions with the District Planning Boards. These Boards can effect inter-sectoral allocations. The States of Gujarat and Karnataka have started providing untied or free funds to the districts to take up their own schemes. But even then the plan emerges only as an aggregation of the various schemes formulated by sectoral departments. So there is nothing like an independent, well integrated district plan. Apart from the provision of competent planning team, there are other necessary arrangements which have to be done before district planning can be made really meaningful. Presently, as the Hanumantha Rao Committee states, "... very little planning in the real sense takes place at the district level".²²

6.3 District Planning in Maharashtra

In this part, an attempt is made to trace the evolution of district planning in Maharashtra and to briefly explain the district level planning organization and machinery and the practical planning process adopted in the State.

Regional planning in Maharashtra has an urban tradition. It was first applied in the Bombay City to tackle some of the urban problems. The main objective of the Bombay Town Planning Act, 1915, was to enable the local authorities, i.e., municipi-

²² Government of India (1984), Report of the Working Group on District Planning (Vol. I), p. 32.

palties, to prepare town planning schemes for lands within their jurisdiction, which were in course of development. "The erstwhile Province of Bombay was the first in India and perhaps in Asia to have enacted comprehensive town planning legislation."²³ As this Act was of a permissive nature, so that preparation of town planning schemes was voluntary, only a few big municipalities took advantage of it.

This Act was amended, in 1954, to enable the local authorities to prepare and execute master plans for the entire area within their jurisdiction. This Bombay Town Planning Act, 1954, made it obligatory for every local authority to prepare a development plan for the entire area under its jurisdiction. But this Act was not applicable to the whole of Maharashtra but only to Western Maharashtra, i.e., the districts of the erstwhile Bombay State. As separate planning legislations were in force for Vidarbha and Marathwada regions, it created administrative and other difficulties. As a corrective measure, in 1966, a uniform Act was passed for all the regions of Maharashtra.

This new Maharashtra Regional and Town Planning Act, 1966, recognized the need for a balanced development of city and surrounding areas. Keeping in view that urban areas are inseparable from the rural hinterland and as such their problems cannot be viewed in isolation, a regional approach to planning

²³ Government of Maharashtra (1964). "Town Planning in Maharashtra: 1914-1964", p. 5.

and development in Maharashtra has, therefore, been adopted. Regional plans for the metropolitan regions of Bombay, Pune and Nagpur and also for agro-industrial regions of Kolhapur-Ichalkaranji, Sangli-Miraj, Aurangabad and Nasik have been prepared. "Out of these, the regional plans for Bombay, Pune and Nagpur, Kolhapur-Ichalkaranji and Nasik regions have been sanctioned by the Government."

Under the statutory provisions of Maharashtra Regional and Town Planning Act, 1966, separate regional planning bodies have been constituted, for preparing comprehensive plans for the development of these metropolitan regions. Except Sangli-Miraj Region, which covers the entire area of Sangli district, other regions comprise of areas falling in different districts. The Regional Planning Boards are just advisory bodies and have nothing to do with the implementation of the regional plan. These Boards, in fact, have suggested the creation of various other institutions for implementing the regional plans. So we find that there is no planned development of the growing metropolitan regions in Maharashtra. Due to heavy growth of population the man-land ratio is worsening, leading to unemployment and poverty in the rural areas. The rural landless labourers, unemployed artisans and marginal farmers migrate to the cities, in search of jobs, which are non-existent. These unskilled or low-skilled rural labour remains unabsorbed in

the high-technology using urban industries. This creates slum-areas and other social problems in the urban areas. So merely planning for the development of metropolitan regions would be futile unless the problem of rural development is tackled effectively.

Since 1974-75, mainly for achieving a balanced regional development, Maharashtra has adopted the concept of district development planning. District planning can be viewed as a species of regional planning in a broad sense of the latter term. In this broad sense, regional planning covers in its objectives national planning seeking to achieve balanced regional integration, investment in particular geographical areas to boost up their retarded growth and regionalized economic planning. In its application, the concept of regional planning includes metropolitan development, comprehensive growth of resource complexes and rural reconstruction programmes. District planning could be conceived as an offshoot of regional planning in its objective of regionalized economic planning and programmatic aspect of rural reconstruction.

Evolution of District Planning in Maharashtra: "District planning in Maharashtra has essentially emerged through an evolutionary empirical process of political and bureaucratic initiatives, improvisations and inter-actions. This process is still continuing. District Planning was, in the first instance, introduced as a corrective to regionalism."²⁵

²⁵ Sundaram, K.V. Article in "Report of the Working Group on District Planning," (Vol. II), p. 96.

Balanced regional development, one of the prime objectives of district planning, was already contemplated by the Maharashtra Government while accepting the Nagpur Pact. In 1960, when Maharashtra was formed, out of the three regions viz., Western Maharashtra, Marathwada and Vidarbha, the two regions, Marathwada and Vidarbha, were less developed than the Western Maharashtra region. According to the Nagpur Pact, the State Government had accepted the responsibility of bringing these underdeveloped regions in line with the other regions in Maharashtra. Accordingly, Third Plan, which was the first plan for the new State, provided additional allocations to the regions of Marathwada and Vidarbha. It was stated in the Third Plan document that the policy would continue in subsequent plans so that the shortfalls in expenditure during the First and Second Plans, would be wiped out completely by the end of the Fifth Plan or possibly even at the end of the Fourth Plan. But this sort of regional policy could not achieve balanced regional development due to following reasons:²⁶

(i) These three regions were artificially created for the sake of administrative convenience. As they were territorially extensive and their districts possessed varying resources in different quantities, the problems of specific parts of these regions could not be tackled effectively.

(ii) Even in one region, balanced development could not be achieved in various sectors.

²⁶ Discussed in Inamdar, N.R. and Kshire, V.K. (1986), p. 16.

(iii) Economic resources in certain sectors remained unutilized.

(iv) Regional policy of this nature, encouraged larger regional demands. Competition was intensified for securing more funds without fully utilizing the resources in the region for productive purposes.

Since this regional policy accentuated regionalism and affected the State integration, the idea of district planning to remove inter-district and intra-district disparities was promoted. On August 20, 1969, Shri V.P. Naik, the then Chief Minister made a statement before the State Assembly to the following effect: "At the time of formation of Maharashtra in 1960, the view was accepted that Vidarbha, Marathwada and Konkan which were less developed relative to the rest of the State should be given maximum assistance for their development. However, seeing that, except for one or two districts, the rest of the State is largely underdeveloped, we should now reject the view that a certain district or a certain region is underdeveloped and hence should be given additional assistance. Instead, we should direct our efforts to secure a balanced development of all the regions of the State, the whole of which is more or less underdeveloped. Taking into account this fact and objective, the Government has now decided to treat the district as the primary unit of planning."²⁷

27 Government of Maharashtra, Fact Finding Committee Report (1984), p. 7.

The above statement, of the then Chief Minister, makes it amply clear that district planning, in Maharashtra, was adopted as a political move to curb the growing regionalism. In 1962, the Panchayat Raj system was introduced in Maharashtra. The Zilla Parishads were vested with an obligatory function to promote planned development of the districts by utilizing to the maximum possible extent, local resources and to prepare annual and long-term plans giving regard to the plans prepared by the Panchayat Samitis at the Taluka level. In fact, the planning function entrusted to these bodies must be construed as a process of decentralization of economic power complementary to the decentralization of political power.

But the planning function was not seriously undertaken by the Zilla Parishads. This lapse on their part is understandable because even today the State has no district level body which can formulate meaningful district plans. It seems that too much was expected from these newly created bodies. The Report of the Evaluation Committee on Panchayati Raj, 1971, showed that there was no conscious and systematic planning in the local sector. As recommended by this Committee, the Zilla Parishads were further strengthened by vesting larger financial resources in them and transferring to them most of the remaining development schemes which were originally with the State Government. Mere provisions of additional financial resources and administrative powers did not improve the technical capacity of the Zilla Parishads to produce meaningful district plans.

To overcome this difficulty, the District Planning Boards were constituted in 1972, for providing proper planning machinery at the district level and the secretarial responsibility for these Boards were entrusted to the Chief Executive Officers of the Zilla Parishads. This could be regarded as the first phase of development of district planning in Maharashtra.

The District Planning Boards were expected to formulate integrated plans for the districts in the light of local conditions and resources and in conformity with the broad policy of the National and State Governments. This Board was to be assisted by a District Planning Team, which consisted of the Chief Officer of the Zilla Parishad, the District Deputy Director of Agriculture, the District Deputy Registrar of Cooperative Societies, the District Statistical Officer, the Divisional Forest Officer and the Industrial Officer. The Planning Officer of the Zilla Parishad was to act as the Member-Secretary of this District Planning Team.

One of the criticisms about the composition of the District Planning Board, as it was constituted then, was that it did not include the representatives of the Legislature and Parliament. To fill this gap the State Government was ultimately persuaded and prevailed to constitute a 'District Development Consultative Council', consisting of the representatives from State Legislature and Parliament and also persons representing various interests such as industry, trade and

commerce, universities and social welfare. The 'District Development Consultative Council' was meant only as an advisory body.

In 1974, the State Government reviewed the working of these two bodies. "It was felt that the elected representatives of the people should be more directly associated in the process of the formulation and implementation of plan of the district and it was, therefore, decided to amalgamate the above two bodies and to constitute a new planning body at the district level, known as the 'District Planning and Development Council'. The membership of this body did not change and remained the same as the combined membership of the two bodies."²⁸

The 'District Planning and Development Council' (DPDC) was expected to offer guidelines to the implementing agencies in the task of plan formulation and ensure coordinated action by the implementing agencies including the Zilla Parishad. The day-to-day task of plan formulation and implementation was entrusted to a small Executive Committee, of which the designated Minister of the district was the Chairman and the Chief Planning Officer of the Zilla Parishad was the Secretary.

From 1st December 1975, an important change is made by designating the Collector of the district as the Member-Secretary of the DPDC in place of the Chief Planning Officer

²⁸ Sundaram, K.V. Article in the Report of the Working Group on District Planning (Vol. II), p. 97.

of the Zilla Parishad. This change, it is stated, was done to ensure more effective coordination amongst the various district developmental agencies. This has shifted the focus from the Chief Executive Officer of Zilla Parishad to the District Collector. It was stated that district development in addition to rural development included many other spheres of activity which are better coordinated by the Collector. On the other hand the Zilla Parishads had limited sphere of activities as sanctioned by the Zilla Parishad Act.

The DPDCs now formulate the district plans. The Executive Committees of the DPDCs have been given certain powers and it has been made incumbent on the heads of Departments and their district level implementing officers that decisions of the Executive Committee are implemented by them and also that no modifications in the Annual Plan, as approved by the State Government, will be made by them without prior approval of the DPDC or its Executive Committee.

Planning Machinery: The District Collector, who is now the Member-Secretary of the DPDC, is assisted by the District Planning Unit in attending to the work of the formulation, monitoring and evaluation of the District Plan. This unit is headed by a District Planning Officer who belongs to the cadre of Deputy Director of Economics and Statistics. It also consists of two Research Assistants, one Planning Assistant, two Clerk-cum-Typists and one Peon.

The function of this planning unit are at present

limited to routine functions of preparing the agenda and minutes for the Executive Committee or DPDC meetings, sending returns to the State Government, compiling the district level schemes for preparing the annual plan, etc. No independent studies or analysis are undertaken by this unit. The unit does not also have the necessary technical competence to undertake such studies.

Distribution of Functions and Outlay: As a preliminary to introducing district level planning the plan schemes in the Fifth Five Year Plan of the State Government were classified into State level and District level schemes. Programmes like agricultural production, soil conservation, minor irrigation, animal husbandry, dairy development, forest, fishery, warehousing and marketing, cooperation and community development, small industries, etc., were allotted to the district level.

In 1973, while formulating the Fifth Plan, a formula was evolved for allocation of funds to the districts for planning at the district level. Subsequently, in 1975, this was slightly modified. The original as well as the revised formula are given in Table 6.2.

From the experience it can be said that roughly about 40 per cent of the total State Plan Outlay is distributed among the districts as per the formula. But when new schemes or Centrally sponsored schemes or schemes for which provision is not made in the district plans are undertaken, they are

Table 6.2 : Formula for Allocation of Funds to Districts in Maharashtra

Sr. No.	Criterion	Percentage Weights	
		Original Formula	Revised Formula
1.	Population	60	60
2.	Backward Class Population (SC/ST/Nav-Budha)	5	5
3.	Urban Population	5	5
4.	Agricultural Backwardness	5	5
5.	Communication Backwardness	5	5
6.	Irrigation Backwardness	5	4
7.	Industrial Backwardness	5	5
8.	Coastal Districts	1.5	1.5
9.	Drought-prone areas	2	3
10.	Forest areas	1.5	3
11.	Reserved at the State level for special problems	5	5
		100	100

Source: Government of Maharashtra, Report of the Fact Finding Committee (1984), p. 281.

planned and funded from the State level. Each year, the outlays required for all such schemes are taken out of the purview of the DPDCs and constituted into what is called 'State Level Pool Schemes', though the schemes continue to be classified as District level schemes. Taking account of this, the DPDCs actually receive only about 30 to 32 per cent of

the State Plan expenditure. From a comprehensive statement given in the Report of the Fact Finding Committee (1984) we can get an idea about the expenditures incurred through the DPDCs on district level schemes from 1974-75 to 1982-83.

Table 6.3 : Expenditures Incurred Through DPDCs

Year	Total Annual Plan Expenditure (Rs.in crore)	Total District Plan Expenditure (Rs.in crore)	Percentage of District Plan to Annual Plan
1974-75	300.98	124.84	41.47
1975-76	385.59	178.80	46.37
1976-77	514.41	220.00	42.76
1977-78	677.07	248.16	36.65
1978-79	781.98	283.91	36.30
1979-80	812.23	301.56	37.12
1980-81	906.46	341.78	37.70
1981-82	1,110.47	463.15	41.70
1982-83	1,357.67	580.93	42.70

Source: Culled from The Report of the Fact Finding Committee (1984), Statement 2, pp. 55 and 56.

As can be seen from the above Table, about 40 per cent of the total State Plan Outlay is allotted for the district level schemes. It would be useful to note here that in case of districts which have tribal areas there is a separate 'Tribal Area Sub-Plan'. In order to ensure that the outlay on the district level schemes falling within the Tribal Area

of a district is not transferred to the Non-Tribal Area, a Tribal Sub-Plan is carved out of the total district level plan.

District Planning Procedure in Maharashtra: District planning procedure in Maharashtra is very much similar to what we have seen in case of other States. The DPDCs are required to prepare the Draft District Plan within the ceilings communicated by the State Government, following special guidelines issued by Planning Department and also sectoral guidelines given by respective Administrative Departments. Discussions with the DPDCs are expected to be held at the State level for finalization of District Plans. Then the District Plans are dovetailed in the State Plan. Since 1975-76, the practice of incorporating district plans in the State's Annual Plan is followed.

The DPDCs have authority to reallocate plan funds as a result of monthly monitoring of development programmes. For this purpose, the DPDCs are given powers of reappropriation of savings in the budgeted outlays or the district level schemes. These reappropriations require formal sanction of the Government. Experience shows that over 90 per cent of the proposals are approved by the Government without change. The powers of the DPDCs to review, monitor and reappropriate are regarded important features of district planning of Maharashtra.

District planning was adopted for achieving full

development of natural and other resources of the district and removing the inter-district disparities in levels of development. However over the years, there has been a growing realization that in order to ensure balanced development in all the parts of a district, the planning process might have to be carried further down. Hence, Block level planning has been introduced in the State from 1983-84. Methodology for devolution of funds to the blocks and principles for distribution of funds among the blocks have been tentatively worked out. Regarding the planning machinery at the block level, it has been decided that a Sub-Committee of the DPDC should be formed at the taluka level for the purpose of preparation of proposals for the block level plan. The DPDC would continue to be the final authority in formulation, implementation and reviewing of the block level plans. Thus the success of block level planning would also depend on the efficiency of the planning machinery at the district level.

6.4 Critical Evaluation of District Planning in India (With Special Reference to Maharashtra)

A number of administrative and development units exist just below the level of the State in India. There are command areas, metropolitan regions, special underdeveloped regions, declared famine areas, city-feeder regions, resources development regions, revenue divisions, districts, blocks and like. Very few States in India have tried to demarcate homogeneous natural macro and meso regions and have systematic planning for such regions. Such homogeneous regions cut across

administrative boundaries and pose practical problems. So regional planning in India is mainly done for metropolitan regions and now district is being considered as the basic unit for planning. The district, as we have already seen, is not the only best unit for regional planning but the administrative consideration has been decisive in selecting it as the basic planning unit. Hence we find that the adoption of the multi-level planning framework in India has led to the formation of, among others, National, State, District, Block, Command Area, and Metropolitan Planning.

Presently our concern is with the district planning in India. Discussion regarding district planning has been going on since the inception of planning in India, but actual progress in that direction is visible only since last ten years. The States in our country are in different stages of development in regard to decentralized district planning. The Working Group on District Planning states that, "... the most disturbing conclusion that we come to is that most of them are at the beginning of the scale of decentralization. ... In fact only five of the 22 States in the country - Maharashtra, Gujarat, Jammu and Kashmir, U.P., and Karnataka can be said to have made some strides. ...".²⁹ In these States also the progress is limited to some distribution of functions and funds and the creation of planning bodies at the district level.

29 Government of India, Planning Commission, The Report of the Working Group on District Planning (Vol. I), p. 27.

But the setting up of district planning bodies does not necessarily imply that district development plans on an integrated and scientific basis are being formulated by the State Governments. The exercises made at the district level have been more in the nature of a break-up of State information on somewhat mechanical lines rather than a well-integrated and forward looking plan of development of fuller utilization of resources and manpower at the various levels.

The district planning bodies have only a limited role in influencing the pattern of schemes formulated at the State level. The districts are usually asked to suggest schemes. But there is neither time nor the required technical competence available with the district planning bodies to formulate viable schemes. The districts are not assured that the schemes suggested by them would be included in the final plan. So the districts are prone to suggest only those schemes which would be likely to be included in the final plan. So the felt needs of the people do not get reflected in the plan. This means that the district plan is not formulated at the district level but at the State level.

The work done at the district level, which is mainly of sectoral break-up of funds as suggested by the State level departments, is termed as the 'District Plan'. Actually the construction of a meaningful district plan "... requires much more effort than a plan which merely puts together standard departmental schemes ...".³⁰ A realistic district plan has

30 Gadgil, D.R. (1967), p. 29.

to be related to the resources, both financial and physical and to the overall priorities of the State and National Plans. The district plan just cannot be an aggregate of departmental schemes, or an aggregate of village or blockwise demand without any consideration either of priorities or of the constraint of resources, but it will visualize the scope of development of the district in terms of the interaction of different factors of development within a specific spatial context. Integrated development planning implies visualizing the impact of programme of development in one sector or the other sectors of the economy of the district. The process of formulation of the district plan has to be an iterative exercise, in which all the concerned agencies will interact with one another to evolve a common programme of action based on realistic assessment of resources and developmental potential of the district. Late Prof. D.R. Gadgil and others have provided some valuable suggestions regarding the formulation of the district plans. The next chapter would deal with these aspects. So far there is no meaningful district planning or as the Report of the Working Group on District Planning states "Very little planning in the real sense takes place at the district level".³¹

Another criticism is about the nature of the planning machinery. In case of Maharashtra the Collector, who is the

³¹ Government of India, Planning Commission (1984). The Report of the Working Group on District Planning (Vol. I), p. 32.

member-secretary of the DPDC, is assisted by the district planning unit in attending to the work of the formulation, monitoring and evaluation of the district plans. This planning unit, as it consists today, is not capable of drawing an integrated district plan. Dr. Dundaram K.V.³² states that the members of the Planning Unit have no adequate training and technical competence to do so. So the system of district planning becomes just the replication of the present system of planning adopted at the State level under which allocation of resources to various schemes are made in order to priorities of projects and the plan emerges as an aggregation of the various schemes formulated under the various sectors. With the meagre and untrained staff at the disposal of the existing planning unit, it is ill-equipped for the voluminous statistical and highly technical work involved in the plan formulation. Late Prof. D.R. Gadgil³³ has stated that the real planning has to be continually associated with research and investigation activity. Hence the planning team has to be technically competent. This shortcoming has been pointed out by various writers. H.K. Paranjape states, "The bulk of the work of conducting studies and investigations for the preparation of detailed schemes of development can only be

32 Dr. Sundaram, K.V., Article in, The Report of the Working Group on District Planning (Vol. II), p. 98.

33 Gadgil, D.R. "Theory of District Planning," Article in 'Proceedings of Orientation Course in Planning Methods' - Government of Maharashtra.

sponsored by the district planning agency; it will have actually to be carried out by various other agencies whose services will have to be drawn upon by this agency."³⁴ The technical staff of other local bodies and academic staff of institutions located in the district, he suggests, could be put to appropriate use in this connection. "The agency itself should only have a small but really capable staff. It would probably be necessary to have a planning officer specifically trained for this work and also having experience of development administration. It may be necessary to provide for a statistician, an agro-economist and an expert in town and country planning."³⁵

Even if a competent planning machinery is created at the district level it must have sufficient resources and power to carry out its plan proposals. The districts depend heavily on the State Governments for funds. One of the basic reasons for decentralizing planning upto district level was the possibility of mobilizing more local funds for local programmes. But this has not happened. "The experience in Rajasthan, it was stated, had been that very few of these panchayat raj bodies were inclined to burden themselves with taxes. On the other hand in Maharashtra and Gujarat, the experience is that quite a few of the Zilla Parishads have taken advantage of the

³⁴ Paranjape, H.K., "Planning from Below - Why and How?" Article in, Mathur and Narain (ed.) (1969), p. 154.

³⁵ Ibid.

provisions in the legislation under which they tax themselves to a greater extent and correspondingly receive greater assistance from the State Government."³⁶ Just as the Central Government and the Planning Commission have to urge upon the States to mobilize their resources and adopt some measures to make the advice little more effective, in the same manner the State Governments have the obligation to find ways by which the pressure to raise resources at the local level is constantly kept up. In case of Maharashtra about 90 per cent of the outlays of the district is covered by continuing schemes and inevitable expansions. Thus, there is hardly any scope for taking up new schemes. Due to large resources being committed to the on-going schemes the relatively under-developed areas are being neglected.

Another problem, which is applicable to the country as a whole, is that the administrative machinery has yet not fully accepted its role as a catalyst to development efforts. This machinery performs its routine work mechanically but is not tuned to generate developmental impulses in the traditional Indian society. This is probably due to the fact that the District Administrative machinery has not been radically changed from what it was in the British days. Khera S.S.³⁷ in his "District Administration in India" states that the

36 Tarlok Singh, "Reflections from the Chair," Article in Mathur and Narain (ed.) (1969).

37 Khera, S.S. (1979), p. 12.

British policy, in order to maintain imperial power, was to maintain the status quo of personal law and custom in India. But today the district administration is looked upon as an engine to development, particularly in the rural areas. Unfortunately the district level administration today lacks imagination and creative thinking. In practice, therefore, there has been much bureaucratization in the planning process.

Another problem is the multiplicity of agencies at the district level. The role of the district planning agencies, Zilla Parishads, DPAP, IRDP and other agencies is not clearly defined and there is no proper mechanism to coordinate their working. In case of Maharashtra, the Zilla Parishads are statutory bodies while the District Planning and Development Councils are constituted only by Government Order, so the Zilla Parishads are resenting the taking over of the planning functions by the DPDCs.

Then there are criticisms regarding the role of the Collector in the district planning process. One of the basic aims of decentralized planning was to seek active participation of the people in the plan formulation. Initially in Maharashtra, the planning function was entrusted to the Zilla Parishads. As the Zilla Parishads failed in taking the planning function seriously, separate bodies i.e. District Planning and Development Councils (DPDCs) were established at the district level. Initially, the Chief Executive Officer of the Zilla Parishad was made the Member-Secretary of the

DPDC, and to that extent, he could exercise influence over the planning activities in the district. But in 1975, the Planning Branch was transferred to the District Collector. This has shifted the focus from the Zilla Parishads to the District Collector. Dr. Inamdar and Kshire (1986) comment that "The Panchayat Raj Institutions have thus been made a subordinate partner in the planning machinery. All development activities are not channelised through the Panchayat Raj Institutions."³⁸ The authors feel that the district Collector is a very busy official performing various different functions and it would be difficult for him to cope with the additional heavy task of plan formulation. They further state that "... the prime consideration while effecting changes in the planning machinery was administrative. Considerations relating to participation and grass-roots planning were more or less subordinated to the considerations of administration."³⁹

The Working Group on Block level Planning, 1978, recommended that planning task at the district level should be entrusted to a Chief Planning Officer. The Working Group Report states, "The Chief Planning Officer himself should be a person who can coordinate and guide the entire planning team under him and also coordinate the working of planning team with that of the departmental officers. He can be from

38 Inamdar and Kshire (1986), p. 25.

39 Ibid., p. 26.

any discipline. He should be the principal aid to the District Collector and the next to him on the planning side."⁴⁰

The Report of the Working Group on District Planning states in this regard that, "The experience with the implementation of PRI's in both Maharashtra and Gujarat has revealed that the development programmes of a district cannot really take-off without the active participation of the District Collector. ... Therefore, in District Planning bodies, the Collector must play the role of the Chief Coordinator."⁴¹

Patnaik S.C. (1981) states, "The District Collector being at present at the head of the development organisation at the district level, it suffers from the same glaring defects as at the State level development machinery at whose head stands the civil service, the foundation of which is the preservation of 'status quo', 'precedents' and 'negative attitude' under which it becomes difficult even for an enthusiastic civil servant to keep his enthusiasm alive."⁴² The author further states that "The practice of putting civil servants at the head of the planning organisation at the district level should be replaced by people with expertise. However, the responsibility of implementing the programmes

⁴⁰ Government of India, Planning Commission. Working Group Report on Block Level Planning, 1978, p. 8.

⁴¹ Government of India, Planning Commission. The Report of the Working Group on District Planning (Vol. I), p. 45.

⁴² Patnaik, S.C. (1981), p. 136.

should continue with the executive departments with greater degree of horizontal coordination among such departments and the planning cell."⁴³

To sum up, we can state that the process of decentralized district planning has yet to catch roots in India. Few States like Maharashtra, Gujarat, Karnataka and Uttar Pradesh have made some progress in meeting the preliminary requirements needed for decentralized planning. Here too they have to go a long way in devolving more funds and functions to the district level and strengthening the planning machinery at that level. The basic objective for adopting district level planning was to achieve full development of the natural and human resources of the district and removal of inter- and intra-district disparities. It would be an overstatement to say that we have made any progress in that direction.

The adoption of meaningful district planning would mean a radical change in the formulation of schemes and the allocation of plan funds. This would also mean a substantial reduction in the funds and freedom of the various departments at the State level. This would increase the responsibility of the district planning unit, which should be capable of preparing an integrated district plan paying attention to the State and National Plan priorities.

Now the basic question would be of drawing a meaningful

43 Patnaik, S.C. (1981), p. 137.

district plan. "Though there is some awareness in the country for district level planning and some isolated efforts have been made in that direction, still the operational experience in that field is very limited. The only significant experiment made at district level planning in the country is the preparation of a district plan for Wardha district in Maharashtra State. ... The Wardha experiment offers major lessons for district planning in the country."⁴⁴

In the next chapter, we would deal with the approaches to district planning and examine the various district plans prepared in India along with the Wardha District Plan.

⁴⁴ Patnaik, S.C. (1981), p. 139.

CHAPTER 7

APPROACHES TO DISTRICT PLANNING

The district, as we have seen has now been accepted as a unit of sub-regional planning in India. But most of regional planning techniques and methodologies, developed in the Western countries, deal with regions having homogeneous characteristics. "The district is essentially a local administrative division and the area divisions of governmental authority or administration do not necessarily or even usually coincide with regions defined as contiguous territory sharing common economic characteristics."¹ In India, the districts are mostly composed of diverse soil, climate, natural resources, demographic conditions and social conditions. "In such a case the development plans of all the districts will have to adopt the appropriate approach for regional development in relation to the particular part of a homogeneous region contained within them."² So for the purpose of formulating a district plan, it would be necessary to classify districts into "(i) homogeneous natural sub-regions, (ii) developed economic regions, (iii) backward economic regions, and (iv) heterogeneous natural and economic regions."³

1 Gadgil, D.R. (1967), p. 7.

2 Ibid., p. 8.

3 Thimmaiah, G. (1978) in Mishra, Urs and Natraj (ed.), 1978, p. 417.

"Thus district development planning presents problems which are comparable with those of planning for the development of a large State with a heterogeneous composition."⁴

This heterogeneous nature of the district makes it necessary for the district planner to adopt a very different planning methodology for the district than what is usually adopted in case of homogeneous natural regions. We have already reviewed the Planning Commission's Guidelines in this regard. Now in this chapter, in the first part, we deal with V.K.R.V. Rao's and particularly with D.R. Gadgil's approach on district planning. In the second part, apart from the Wardha Plan we would be reviewing other district plans.

7.1.1 V.K.R.V. Rao's Approach on District Planning

V.K.R.V. Rao's⁵ views on district planning were quite similar to those of the Planning Commission Guidelines. After taking account of the National and State Plans, Rao states that "At the level of each district, the planner has to set before himself the targets of economic growth, integrated and effective utilisation of resources, both natural and human, increase in employment, increase in social services, and social consumption, redressal of regional imbalances, improving the lot of the socially and economically backward sections of the

4 Gadgil, D.R. (1967), p. 8.

5 Rao, V.K.R.V. "District Planning Concept: Getting to the Grassroots," Times of India, May 23, 1973 (Reprinted in Working Paper on District Planning Officers Training Programme, Institute for Social and Economic Change, 1973).

population and a speedy abolition of poverty. It is in the translation of these programmes at the grass-roots levels in the district that the main function of the District Plan lies."⁶

Rao has stressed the need of taking all necessary measures to get the maximum advantage for the district from the implementation of the national and State projects located in the district.

Rao further states that the district planner should identify "... the district's resources, the extent of utilisation, the nature and extent of the infrastructure needed for optimum utilisation, the district's social and cultural profile and its relevance to the human factor, the pattern of land-cultivator relations and its relevance to programmes for increasing production and bettering distribution, the nature and extent of the social infrastructure in terms of education, health centres, hospitals, family planning, nutrition and social welfare and its relevance to both economic growth and social justice, the employment and production generating infrastructure and facilities such as banking, markets, transport, construction storage, supply of inputs and procedural requirements and the measures needed to strengthen them."⁷

After identifying resource position the district

6 Ibid., p. 19.

7 Ibid., pp. 20, 21.

planner should attempt to fix five year and perspective plan targets, indicate priorities and drawn integrated programmes taking account of the limited financial and other resources. Rao stresses that "The whole raison d'etre of District Planning rests not only on technical grounds but also on the involvement and participation of the people. ... I would suggest that an essential part of the District Plan should be the attempt made to gauge popular feeling, identify felt needs and test their urgency partly by the local effort that people are prepared to put in to satisfy them."⁸ For this reason Rao has suggested that the district plan, apart from being discussed at the district level, should be discussed at the taluka level and the village panchayat level.

In this short article, Rao has broadly discussed the concept of the district planning and has stressed the need of taking account of the national and State projects in the district plan and has also stressed the need of public participation. But he has not discussed systematically the steps that district planner should follow in drawing practical district plans. On the other hand the approach of D.R. Gadgil is much more comprehensive as it was based on the practical experience of drawing workable plan for the Wardha District of Maharashtra. We now turn to D.R. Gadgil's approach on district planning.

8 Ibid., pp. 21 and 22.

7.1.2 D.R. Gadgil's Concept of Mandi Areas and District Planning

Prof. Gadgil considered district planning as an integral part of national development planning. He feels that, for a realistic comprehensive planning which would take care of the resources, potentialities and the felt needs of the people district level planning is indispensable. District planning is a species of regional planning in a broad sense of the latter term. But Prof. Gadgil cautions that the theoretical work done in the field of regional planning, mostly in the developed countries, cannot be accepted as a total blueprint for practical district planning in India. Regional planning in the developed countries concentrates mainly on the problems "... connected with the growth of large metropolitan centres and those connected with the existence of patches of depressed economy within a fast growing and affluent society."⁹ But in case of underdeveloped countries, like India, the main problem is that of stagnancy and underdevelopment. So the regional planning techniques developed in the Western Developed Countries can be used only in case of metropolitan regions and depressed areas. For activating the stagnant areas the underdeveloped countries have to find their own techniques, suited to their socio-economic development level.

Another problem, as Prof. Gadgil saw it, was that the

9 Gadgil, D.R. (1967), p. 7.

districts would not necessarily coincide with economic regions defined as contiguous territory sharing common economic characteristics. Districts in India have diverse socio-economic and physio-geographical conditions. For this reason he came up with the proposal of dividing districts, for planning purposes, into smaller, homogeneous units. He stated that "... this unit should be small and compact, it should also be large enough to serve as a unit of integrated planning. This means that it must embrace within it the variety of economic activity typical of the particular rural economy and that it must be capable of being treated as an integrated economic unit for purposes of planning. The most common factor of integration at this level of rural economy would be sale and supply activity; and in most parts of India where there is some commercialization of agriculture, such a unit may be identified as the primary market area."¹⁰

The proposal of the 'market or mandi area' as the lowest area-unit for integrated planning was not put forward by Prof. Gadgil just as a purely theoretical concept but as a practical operative planning device. This idea was actually operationalized in the Wardha Plan of 1960s. For planning purposes this unit may be looked upon as the lowest areal unit for the integrated provision of socio-economic overheads and services. In case of Wardha District, such an area-unit was termed 'the mandi-area unit' and such mandi-centres were

10 Gadgil, D.R. (1967), p. 18.

identified and provision of socio-economic overheads was proposed for such centres. Prof. Gadgil is of the view that "... In conceptual terms the market area has a centre or nucleus and by reason of specially convenient means of communication or other reasons it serves a fairly well-defined surrounding area as the primary marketing, sale and supply centre. In planning for the future it would be convenient to start with such existing centres and provide, for the surrounding areas, the overheads which must precede development as radiating from the centres."¹¹

Thus Prof. Gadgil's approach clearly rejects the village as the lowest area-unit of planning because it looks upon planning as involving coordinated formulation and execution of a number of socio-economic measures and activities for unfolding a given pattern of development. Planning thus, postulates a strategy and a programme for each mandi area and district, "... of economic activity in the State and public sectors combined with a regime of fiscal, monetary, physical, etc., measures of encouragement and inducement, of regulation and prohibition. The plan is integrated in the sense that the effect of the implementation of the plan is expected, according to the implied strategy, to lead to the initiation and cumulation of different types of public and private economic activity, which will bring about development along the prescribed route."¹²

11 Gadgil, D.R. (1967), p. 18.

12 Ibid., p. 19.

Now we turn to Prof. Gadgil's views on the various steps in the formulation of a district plan. It would be appropriate to state here that these stages suggested are based on the actual experience gained at the formulation of the Wardha Plan.

The first stage in district plan formulation is the "preparation of the physico-geographic plan of socio-economic overheads",¹³ so as to be able to properly influence and direct the activities of thousands of producers and, in turn, consumers. This involves provision of basic services and amenities like communication facilities, water and power, marketing and credit, storage and processing, education and health; and the provision of incentives as well as disincentives. "This is important for subsequent economic development. Communications is the beginning of all. A community that is cut off from the rest of the country is a community that cannot develop."¹⁴ Communications are also necessary for distributing the economic development between different places. Now all the places cannot be provided with all the facilities. The provisions of costlier utilities and services must be arranged from an hierarchy of convenient centres. Centres which would effectively cover an area should be chosen. "The industrial development plan of the district may select

13 Gadgil, D.R. (1967), p. 20.

14 Gadgil, D.R. "Theory of District Planning," Article in 'Proceedings of Orientation Course in Planning Methods. Government of Maharashtra (1966).

some of these centres for intensive development of some types of non-farm activity or find it necessary, for whatever reasons, to develop other centres for particular purposes."¹⁵

The second stage of the district plan is that "concerned with the conservation and development of natural resources".¹⁶ The natural resources are very widely spread. These resources can be depleted by local actions. To conserve land, water, forest and other resources are essentially local matters which, unless the local community takes interest, can never be done. There are great variations in the characteristic of resources and the problems of conservation from area to area and full conservation and development of all resources would necessarily require the most detailed local action."A preliminary division of the district into homogeneous economic areas will have to be made for this plan of conservation and development of natural resources and the mandi-area unit may be found convenient for this purpose also."¹⁷

The third stage is that of the production plan. "The plan of development of production, agricultural and non-agricultural, is at the centre of the planning process."¹⁸ While the first two activities, i.e. the provision of social

15 Gadgil, D.R. (1967), p. 22.

16 Ibid., p. 22.

17 Ibid., p. 22.

18 Ibid., p. 23.

overheads and conservation of natural resources are largely undertaken by the governments, the third, planning for production, is dependent upon individual farmers, workers, managers and entrepreneurs. Thus this aspect of planning has perforce to be implemented by the government through a series of incentives, disincentives and assistance. Our problems of agricultural production differ from crop to crop and area to area. "The agricultural production programmes today, given very uneven results, because they do not analyse and take into account the local situation. ... Programmes for the development of agricultural and non-agricultural productive activity have to be framed not only to suit local circumstances and conditions but also to suit the requirements of the different classes of producers. ... Existing programmes have to be specially adapted to or special programmes framed for the small holders and part-time farmers if these are to profit from the planning effort."¹⁹

The programmes of conservation and development of natural resources and step to encourage productive activity would benefit only those who have a minimum viable base of productive resources. Those who command inadequate or no productive resources cannot hope to benefit directly from any of these programmes. This group, which mainly consists of landless agricultural labour; rural artisans and seasonally unemployed, must be provided gainful employment. At the same

19 Gadgil, D.R. (1967), pp. 23 and 24.

time, the programme of providing employment for this group, cannot be independent of the activities suggested above. This programme has to be linked with the provision of socio-economic overheads, or conservation and development of resources or the maintenance of these or of existing works. Employment of such landless labourers should be the basis while formulating the three stages in the district plan. Planning for employment of the landless labour involves a choice of the type, and volume, of employment giving projects to be undertaken and their siting and location. Such efforts have to be made with a long-term perspective in mind. "The employment requirement should thus not only affect the size and shape of the annual plan but also deeply influence the perspective and strategy of all planning. The employment aspect of planning thus colours and orients the whole process."²⁰

Finally the plans have to be dovetailed. This brings up the problem of priorities, of balances and availabilities and of financial resources available. All these are defined and determined by the State and national plan and care has to be taken to form the district plan within the framework of national objectives and policies.

The question of need for the setting up of new organizations, changing the existing work pattern of the existing organizations, or of reallocating functions amongst various

20 Gadgil, D.R. (1967), p. 26.

existing institutions may also prove to be highly important for the success of the development programme. It is evident that the present organizational set up inhibits the flow of benefits to the lower strata of the society. The "... problems of organization loom specially large where a departure from the traditional pattern becomes necessary or where the disadvantaged are sought to be benefited."²¹ So for formulation of plans and particularly in the plan implementation, attention has to be paid to indicating carefully the organizations entrusted with operation and coordination and, in many fields new types of organizations may have to be created.

The district planner would have to ensure coordination and synchronization. "Given the size of the plan and the farming of objectives, the extent and nature of each activity and its chronological order would have to be determined in close relation to all the other activities which it supports or by which it is supported. ... Coordination and synchronization become specially important for implementation to be effective."²²

It is clearly evident from the above brief discussion, that formulation of integrated district plan requires much more effort than a plan which merely puts together standard departmental schemes.

21 Gadgil, D.R. (1967), p. 28.

22 Ibid., p. 29.

Now it would be of interest to see how this approach was actually followed while drawing district plan for the Wardha District.

7.2 Brief Review of Some of the District Plans

Wardha District Plan (1961-62): Though there is some awareness in the country for district level planning and some isolated efforts have been made in that direction, still the operational experience in that field is very limited. "The only significant experiment made at district level planning in the country is the preparation of a district plan for Wardha district in Maharashtra State."²³ The Plan "... claims to be a novel experiment and a pilot project in planning at the micro-regional level."²⁴

Wardha District Plan²⁵ was formulated in 1961-62, under the guidance of Late Prof. D.R. Gadgil, by the Gokhale Institute of Politics and Economics of Pune. The objectives of the Wardha Plan were threefold: to draw up a consistent, integrated and concrete plan of development of the district; to plan from below; and to indicate development schemes for the uplift of the downtrodden.

With these objectives in view a detailed survey of 54

23 Patnaik, S.C. (1981), p. 139.

24 Rao, V.L.S.P., Mazumdar, H.K. etc. (1973), p. 4.

25 Based on G.I.P.E. (1964), "Wardha Zilla Vikas Yojana" (in Marathi) and Inamdar, N.R. "District Planning in Maharashtra", Article in 'The Public Administrator' (1974).

selected villages from 21 groups of villages within six broad regions of the district was carried out. These preliminary surveys revealed several significant and locally important problems which were neglected by the sectoral planning exercise. These problems were mainly related to land utilization, soil conservation, dry farming, irrigated farming and water management, animal husbandry and dairying, pasture development and fodder and fuel supply. The survey revealed that the Arvi area of the district had extensive forest and waste lands which were practically unutilized; and hence the district suffered from an acute shortage of fodder. The survey also revealed the problem of waterlogged area (panbasan lands) and problem of conservation and drainage in the region of black soil and heavy rain. The problem of waterlogged lands required detailed research and experimentation, while conservation and drainage required the use of various techniques like contour bunding, deep ploughing, strip-cropping, nallah plugging and control of gullies. Another typical problem revealed by the survey was that 66 per cent of the total wells were not in use, the average land irrigated per well being below two acres. In addition to these problems other peculiar problems of the District were also revealed by this survey and the plan had to take account of these problems.

The Wardha Plan consisted of programmes bearing on three aspects: the physico-geographic aspect or the creation of the framework of socio-economic overheads; the conservation

and development of resources; and the increase in production and efficiency. We have already seen Prof. Gadgil's views on these three aspects.

The creation of the framework of socio-economic overheads brought in the concept of 'mandi centres'. Considering the aspect of communications 37 mandi centres (13 existing and 24 new) in the district were selected in descending order of importance on the criteria of availability of an established market, centre of administrative services, nucleus for serving a minimum size of population within a specific radius and existence of health and education facilities. These mandi centres, in addition to provision of basic socio-economic services, were to act as catalysers for extensive and intensive development of the district. The plan offered suggestions regarding the location of important functions like health, education and other socio-economic facilities.

Wardha Plan made comprehensive suggestions for the conservation of natural resources and improvement of agricultural production. Schemes regarding land development, soil conservation, provision of irrigational facilities, and yield improvement were suggested. Schemes like K-T weirs and percolation tanks were suggested for improving the underground water level so that the problem of unused wells could be solved. Schemes for increasing fodder production, local manures and milk production were suggested. Centres for training agriculturists and agricultural research centres were also suggested. Schemes for improving and strengthening

cooperative sector were also suggested.

Provision of employment to the landless agricultural labour, marginal farmers and artisans was central to the plan formulation. The provision of socio-economic overheads and the conservation and development of natural resources was expected to provide employment. The Plan cautioned that the situation of marginal farmers and landless labourers would not improve unless they unite and form cooperatives. And unless this happens the last objective of the Plan, that of 'upliftment of the downtrodden', would not be possible.

Wardha Plan: Planning Process: For the formulation of the Wardha Plan the planning process consisted of three stages: discussion of the district plan; consideration of the block plans; and finalization of the district plan. The Zilla Parishads were not constituted under the new Act during the first stage, but they participated in the discussions during the second and the third stages. The participants in the discussions of the plan during the first two stages included, besides the officials and the non-officials involved, outside experts, social workers and progressive farmers as well as non-agricultural producers. This made the discussions more broad-based and representative. Solutions to many problems were also offered by these discussions. The third and last stage covered discussions in the Zilla Parishad and its constituent committees.

Direct involvement of the people in the plan formulation process is a novel feature of the Wardha Plan. The Planners

state that the deliberations in these meetings not merely highlighted unknown aspects of the known problems but also threw up novel suggestions to tackle the problems. The need of a hydrological survey to assess the underground water potential, as also of a survey of surface water resources was stressed in the discussions at the meetings. A fresh suggestion to deal with the shortcomings of the forest department in the management of the grazing land was put forth at the same meeting; it hinted at transferring the work to the animal husbandry department. The discussions at the Block level proposed locations for the schools, dispensaries, drinking water wells, milk collection centres, and roads. Another suggestion deserving consideration was regarding the need of conducting experiments to increase milk production on various breeds of cows and buffaloes. Organizational problems of small farmers and landless labour were also discussed in these meetings. Apart from substantive suggestions on the contents of the district plan, these deliberations also briefed the planners on the adequacy of the procedures of the planning process, as also on the methods of implementation, such as cooperatives, for solving the problems of the landless labour. The meetings also provided forums to the planners and development authorities to explain the objectives as well as the frame of the national plan.

The entire programme outlined in the Wardha Plan was sanctioned later by the State Government to be implemented over a seven-year period. "Although the State Government

recognized the Wardha Plan as being helpful in formulating the district plan, actually the experiment in district planning was extended only to two more districts, Kolaba and Osmanabad. The net result was that a valuable lesson of the Wardha Plan was lost sight of and the district plans in Maharashtra within the Fourth Plan were prepared without any planned collection of initial information in the frame suggested by the Wardha Plan."²⁶

The next district plan was the Moradabad district plan (1968) in U.P., the Karnal district plan in Haryana, the Miriyalaguda plan (1971) for the development of a taluka in Telengana in Andhra Pradesh and the Mushari Plan (1971) for the development of a block in the Muzaffarpur district in Bihar. A brief review of these plans is given in the 'Working Paper on District Planning Officers' Training Programme', prepared by V.L.S. Prakash Rao, H.K. Mazumdar, etc., of Institute for Social and Economic Change, Bangalore in 1973. Based on their account, a brief review of these plans is given below.

The Moradabad District Plan (1968): This Plan was mainly a production oriented agricultural development plan, with its logical emphasis on the full use of irrigation potential and the provision of agricultural inputs. Other development programmes suggested like the livestock improvement

26 Inamdar, N.R. "District Planning in Maharashtra," Article in 'The Public Administrator', June 1974, p. 46.

programme and agro-based industries were also related to the agricultural resource base. As a part of planning process a departmental step-by-step procedure was outlined. Right from the information gathering to the output estimates twelve steps were suggested. Financial outlay requirements were worked out for the Fourth Plan period for different heads of development like, agriculture, livestock, dairying and milk supply, power transport, small scale industries and community development.

The Karnal District Plan (1971) : This Plan too laid emphasis on the development of agriculture, dairying and agro-based industries. Essentially, the Plan was a production plan in agricultural and allied sectors. Irrigation planning, as in any other district of the Gangetic plains, had the problem of integrating the seasonal and absolescent canal systems with perennial tube well irrigation system. In tube well irrigation, the problem was one of haphazard location of tube wells and lengthy power transmission lines. It was the irrigation potential in the district and the plan objective to tap the export potential in crops like Basmati rice that determined the cropping pattern. In full support to the agricultural production plan, plan for adequate agricultural inputs and infrastructure claimed priority.

After being drawn into the green revolution, the district had to face problems relating to the information gap between research and extension agencies. The emergence of a new class

progressive farmers, increased the disparity between different agricultural income groups.

Ancillary to the district's agricultural plan, an afforestation plan was prepared for raising strip and block plantations, and experimental plantation work was taken up to afforest saline, alkaline and water-logged lands.

The Miriyalaguda Plan (1971): This Plan was formulated for an underdeveloped taluka, in backward Telangana region in Andhra Pradesh, which had just received a major thrust through the completion of Nagarjunasagar Project. This irrigation project command area is on the threshold of agricultural change from dry farming to irrigated farming. In Miriyalaguda taluka both types of farming co-exist. This Plan is basically a plan for social and economic infrastructure for agricultural development. The central-place theoretical framework, with modifications, was used to determine the functional hierarchy of settlements (villages and towns). The plan provides a base for "corrective or developmental investments" mainly in social and market services.

The Mushari Plan (1971-75): This plan was formulated for the development of a block in the Muzaffarpur district in Bihar. The Plan had selected specific objectives like the achievement of rapid increase in employment, agricultural output and income and the attainment of a minimal level of living of the people in the block. Consumption of 2250 calories per capita was taken as the index of minimal level.

To reach this level, Rs. 360 per capita annual income (at 1970-71 prices) was fixed as target. Full exploitation of the irrigation potential, resulting in the irrigation of all dry land, was taken as the strategy to promote both agricultural production and employment of landless agricultural labourers. Based on field survey and feasibility studies, the plan for irrigation saturation was prepared. This Plan is a sectoral (agro-industrial) development plan for a backward block, essentially oriented to the employment of the poor and the attainment of a minimal level of food consumption.

Comments on the Above Five District/Block Plans :

V.L.S. Prakash Rao, H.K. Mazumdar, etc., while commenting on the above five plans state:²⁷

"(1) These plans differ in approaches and specific objectives. (2) They are essentially sectoral (agro-industrial), and production oriented. (3) They are annual and/or five year plans without the framework of a longer term perspective plan. (4) The regional settings of the districts/blocks selected for plan preparation, and their levels and stages of development are different. These differences partly lead to differences in data base and methodology and hence they cannot suggest any general approach to District Plan."

Due to differences in socio-economic development,

27 Rao, Prakash V.L.S., et al, op.cit., p. 6.

natural resources and physio-geographical conditions there are going to be differences in the developmental problems and hence the plans of the different districts in India. The brief review of these plans highlights that district planning is a complex exercise and not a mere disaggregation of State outlay. The Wardha Plan provides an infrastructural frame for the provision of socio-economic services, through a mandal area approach combined with production plan. It sought to harness the 'work potential' created by the programmes of conservation and development of resources and by the provision of socio-economic services to a systematic 'employment plan' for unskilled landless labourers. Great emphasis has been placed on the allocation of priorities to the various programmes, such priorities being based on an appreciation of the sequence of development, resource constraint and the need to ensure that the benefits of development percolate to the lower strata of society. Even today "... The Wardha experiment offers major lessons for district planning in the country".²⁸

In any district plan there has to be proper integration of different sectors like agriculture, industries and tertiary sector and also of different areas within the district. The Planning Commission Guidelines of 1969, have stressed this aspect and as we have already seen issued detailed guidelines

²⁸ Mishra, R.P., Sundaram, K.V., etc. (1974), p. 159.
Quoted in Patnaik, S.C. (1981), p. 139.

regarding the plan formulation. Recently few studies have been made, which deal with district planning process mainly with a view to see how far the suggestions made in the Planning Commission Guidelines are followed in the actual practice. It would now be appropriate to take a brief account of these studies.

Aligarh District Plan (1974): Sudipto Mundle,²⁹ conducted the study of district planning process of Aligarh District in 1974, to see the extent to which the Planning Commission Guidelines of 1969, are followed in practice. Mundle, as we have already seen, had pointed out some of the gaps in the Guidelines. He observes that the gaps in the suggestions of the Guidelines were transmitted to the district planning process and in addition other distortions also cropped up. He points out following deficiencies in the Aligarh District planning process of 1974:

(1) The district level departments had performed elaborate exercises of information gathering but they were unaware about the quantum of financial resources they would receive from the State. So the "... Plan could not be anything more than an inventory of needs from which priority items would be picked out and programmes launched as and when the financial assistance came down."³⁰ This was because the Guidelines had no provision for exchange of information at the

29 Mundle, S. (1974) "District Planning Process" (Mimeo.).

30 Ibid., p. 59.

early stages of the district planning process which would enable the district planners to know the minimum financial allocations from the State Government.

(2) The posing of alternative development strategies in terms of rigorously worked out exercises was not attempted in the district plan. This is because the Guidelines have also not suggested any such rigorous exercises but has suggested several rounds of discussions with various individuals and institutions. The Author observed that in reality these discussions have also been dispensed with and sectoral allocations are made by a mechanical application of formulae determined at the State level. These formulae are totally unrelated to the specific local conditions; and the massive volume of information collected at the district level is put to little use.

(3) The District Plan had provided targets for the production of sectors like agriculture, industry and animal husbandry. But as these activities are carried on in private sector and public intervention is mainly restricted to support activities, target-setting for them appear to be unrealistic. Instead in a District Plan it would be worthwhile to forecast their future performance and design support activities accordingly.

(4) Another major gap is the total absence of any serious attempt at integration for whatever little planning is there. The entire process of plan formulation is carried

out departmentally - each department following instructions from the State or Circle level.

(5) There was no proper planning machinery technically competent of preparing integrated district plan. The district level officers had not undergone any training in regional planning nor was there any scheme for such training. The Guidelines are also silent on this very vital issue.

(6) Looking at the schemes and programmes in the District Plan the Author found that the entire package of redistributive schemes like land reforms, rural employment schemes and self-employment schemes for small farmers have been left out in spite of the redistributive logic that went into the determination of the domain of Central, State and District planning.

(7) Finally, the Author observes that "... the exclusion of comprehensive 'town and country planning', together with the district transport and communication systems has also deprived district planning of the very backbone of regional or spatial planning."³¹ The Guidelines were also silent on this issue.

K.N. Kabra's Study³²: K.N. Kabra has also studied the District Planning Process in one of the IADP districts, for whatever reasons, the Author abstains from naming it. Like

31 Mundle, S. (1974), p. 62.

32 Kabra, K.N. (1977). "District Planning Process".

Mundle, Kabra also states that the gaps in the Planning Commission Guidelines get reflected in the actual district planning process. In addition, following other deficiencies crop up:

(1) At the district level the amount of information collected is impressive but information on some crucial economic variables like levels of living, consumption, savings, propensities to consume and save, income and price elasticities for goods of mass consumption, spatial points of origin of income and employment and a host of other factors which are essential for planning decisions are not collected.

(2) As per the Guidelines, the District Collector was the senior-most Government official who looked after the plan formulation and implementation process in the district. But the Collector has many additional duties and is a very busy official. "The amount and variety of work which is entrusted to the Collector gives us the impression that, in effect, he is more de jure planning head than de facto."³³

(3) The Guidelines had stated that the Block and Village level plans should be prepared at that level and then dovetailed into the district plan. But technical expertise, even at the district level is lacking, and hence it cannot be expected at the Block and Village levels.

(4) The Guidelines are vague about the methods of estimating private investments. In case of the concerned District,

33 Kabra, K.N. (1977), p. 57.

for many programmes private investment was calculated on the basis of a flat rate of 50 per cent of the cost of the project which is being assumed to originate from private sources. The private sector which undertakes major investment, is thus left out partially from the district plan.

(5) Discussions with individuals and institutions, as prescribed by the Guidelines, were held. But issues like plan strategy, objectives, priorities and financial allocations were not discussed. Deliberations mainly centered around the location of infrastructure and social service facilities. As such, the consultations are formal, and do not rise to the level of participation in any meaningful sense of the term.

(6) "In the process of implementation, significant role is played by special drives or abhiyans, like Rabi or Kharif Abhiyan, Family Planning drive, Cooperative Membership drive, etc."³⁴ Whenever there are shortfalls in the targets envisaged such 'drives' are undertaken. But in such 'drives' the targets are fulfilled somehow and later no follow-up action is taken.

Regarding the operational reality of district planning in the study District, the Author concludes, "... that the district planning as practised in our district is primarily a process of data-collection at lower levels in which implications

34 Kabra, K.N. (1977), p. 63.

of such data for various programmes are worked out (informational decentralization) and final decision-making is not delegated to lower levels (absence of decision-making decentralization) ...". The Author failed to come across with any evidence to suggest that an analysis of the socio-economic situation is undertaken with a view to suggest a strategy of economic planning for development.

Pune District Plan (1979-82): Dr. Inamdar and Dr. Kshire³⁵ have studied the district planning process in Pune District from 1979-82. The principal focus of their study was on plan formulation process and the degree of public participation in district planning. They too state that the district planning process adopted in Maharashtra, specifically the operational aspect, deviates much from the Planning Commission's Guidelines. They have pointed out following shortcomings:

(1) The knowledge base of even those concerned with plan formulation appeared to be quite narrow. Scarcely they had overall knowledge about the objectives of the district planning or the methods of plan formulation.

(2) The political leaders did not appear to have taken a serious view about the planning process. They were not inclined to accept that development was one of their important responsibilities. That is why they were not serious about

³⁵ Inamdar and Kshire (1986). "District Planning in India: A Case Study of Maharashtra".

attending the meetings of the DPDC or its Executive Committee. Exaggerated demands were made in the DPDC by the political leaders.

(4) Since the bureaucracy was comparatively more knowledgeable, the bureaucratic element was important in the district planning process. So in practice, there has been much bureaucratization in the planning process.

(5) Panchayat Raj Institutions, which have been created for performing developmental functions have been given a minor role, that too related to the implementation aspect rather than the plan formulation aspect. The lower level bodies are completely out of the picture.

(6) The system is centralized in so far as the financial aspect is concerned. This has led to the dependence of the planning bodies on the State Government grants, which are not released on time.

(7) The role of the DPDC in plan formulation was not very significant. The growing proportion of the continuing schemes as compared to the new schemes approved by the DPDC further limited the scope of the DPDC as plan formulating agency.

7.3 Conclusion

Late Prof. Gadgil and Planning Commission Guidelines have stressed the need of dividing the districts, for planning purposes, into smaller and homogeneous units. Comprehensive plans for such units have to be formulated and then dovetailed

into the district plan. In case of Wardha Plan such units, termed as 'the mandi-area units' were identified and plans for each mandi-area were formulated. Wardha Plan has also shown that it is necessary to have techno-economic surveys for the formulation of economically feasible schemes. The planning process adopted for the formulation of the Wardha Plan also shows that direct participation of the people can be of great help in knowing the felt needs, problems and even likely solutions to these problems. It has shown that planning can be a device for allowing many people of moderate skills to contribute to wise decision-making, rather than leaving it wholly to the great skill of small group of experts.

As we have seen, it should be obvious that "... nowhere did these guidelines get a fair trial ...".³⁶ The Wardha Plan was an indicator of the tasks involved in district planning as well as the limitations on and requirements of fullfledged district planning. But the lessons of the Wardha Plan were not followed in case of Maharashtra. It is obvious that the Wardha Plan or the Planning Commission Guidelines, however comprehensive, cannot be accepted as total blueprints for district planning in India, because the problems and socio-economic conditions vary between different districts. But today we find that there is actually no meaningful planning at the district level. What is attempted is just a 'sectoral break-up' of funds provided by the State Government. Now the

36 Hooja, Rakesh (1986), p. 188.

question is, why is there no meaningful district planning?

Presently, the States, which have been classified by the Working Group on District Planning, as progressive in decentralized district planning, have some kind of planning bodies at the district level. A list of subjects in which they can plan is indicated to them and a certain devolution of financial powers is done. But all this is only the minimum requirement of district planning, and the planning task only commences after these minimum requirements are guaranteed. The project formulation is a highly specialized exercise and the planning cells at the district level do not have the technical competence to carry it out. Initially techno-economic surveys have to be carried out and some sort of cost-benefit analysis has to be undertaken to formulate economically feasible schemes and projects. While integrating the plan, physically and financially, some idea of input-output ratios and cash flows, etc., may be essential. Unless the district plans are prepared by such trained persons after examining the various technical aspects of schemes, there will be no real planning at all. We shall at best have only a listing of schemes.

The Working Group on District Planning states that to make decentralized planning a success, it has to be backed up by sound practices. "The capabilities for decentralized planning have to be assiduously built up, the right procedures and suitable structures have to be evolved and necessary technical and administrative changes, including attitudinal

changes have to be brought about among the bureaucrats and the politicians."³⁷ The Working Group feels that bringing about all these changes would require time and determination. Hence they have suggested a slow evolutionary process whereby true district planning may become possible after passing through three stages;³⁸ the Stage of Initiation, the Stage of Limited Decentralization, and the Final Stage, which they hope shall be reached about 2000 A.D. In its anxiety to keep its recommendations within the realm of the possible, the Working group has left it to the States to determine the extent and content of decentralization that they want to take up in the initial stage and the speed at which they want to progress.

Thus, there are sufficient indicators in the Report and its annexures (including the 1969 Guidelines which have been re-endorsed by the Working Group) for practical models of district planning to be attempted by all the States, provided they want to evolve and work such models. The Wardha experiment also "... offers major lessons for district planning in the country".³⁹ Due to the federal nature of our Constitution, the Working Group had to be flexible in permitting each State to evolve its own way in achieving decentralized district planning. Since 1982, the Central Government has also

37 Working Group on District Planning Report, 1984, p.21.

38 Ibid., p. 93.

39 Patnaik, S.C. (1981), p. 139.

initiated a scheme of assistance to the States for improving their planning cells at the district level. Finally the progress of the decentralized district planning would depend on the political will of the State Governments.

CHAPTER 8

CONCLUSION AND SUGGESTIONS

The major part of this dissertation deals with the regional development strategies adopted in the developed capitalist countries, the developing countries of Latin America, Africa and Asia, and the Socialist Countries like USSR and Poland. The need and practice of regional and district level planning in India and particularly in Maharashtra, is also reviewed.

8.1 Regional Planning

There is an increasing interest in regional development and planning since last two or three decades, both in developed and developing countries, mainly due to the dissatisfaction with the pace at which the benefits of national economic growth have spread to different regions and various sectors of the population. It was realized that the process of economic development was not evenly distributed among the various regions of a country; and with development these imbalances tended to increase rather than decrease.

Writers on regional inequality have described such regional inequalities in terms of a centre-periphery or polarized development model. This model, which has been variously formulated, portrays development as occurring at a

limited number of points (core regions), which attract resources (both capital and human) from surrounding rural hinterlands (periphery regions). Growth at these core regions tends to be self-sustaining and cumulative, causing regional disparities to intensify rather than lessen. Myrdal¹ attributes this polarized development to a "circular and cumulative causation" process, whose beneficial impacts on the periphery (spread effects) are overcome by its exploitative impacts (backwash effects). Hirschman² attributes the continued concentration of economic activity to the over-estimation of the economies of scale by firms.

While there is agreement on the point that regional inequalities increase in the initial stages of development, there has been considerable disagreement as to the degree to which such inequalities will lessen at later stages. Williamson,³ in his empirical study, has indicated that regional inequalities lessen as the country develops. But he admits that this convergence process takes a long time. Some writers⁴ have pointed out serious limitations of Williamson's hypothesis, in the light of which, it cannot be accepted as conclusive. Recent empirical studies of most of

1 Myrdal, G. (1957).

2 Hirschman, A.O. (1958).

3 Williamson, J.G. Article in Needleman, N. (ed.), 1968.

4 Discussed in Patnaik, S.C. (1981), pp. 6-9.

the Asian and African countries reveal that the percentage of population below the poverty line has tended to increase. This finding relating to increasing poverty cannot but have regional implications in terms of economic divergence.

Economists until after World War II were generally paying allegiance to the wisdom of equilibrating market mechanism in reducing regional inequalities. But Myrdal in 1957 and Hirschman in 1958 made it explicitly clear that the regional inequalities are not self-correcting and free market forces tend to accentuate these regional inequalities. In fact, Hirschman advocated governmental interference for correcting these imbalances. Later, in capitalist countries, there was a debate on the nature and extent of government interference.

In sixties, most of the developed capitalist countries accepted some sort of regional approach to deal with regional problems. Later the developing countries of Latin America, Asia and Africa too followed them. The regional problems of the developing countries, though apparently appear to be similar to those of the developed countries, are in fact qualitatively different. They are different in respect of historical backgrounds, stages of economic growth, socio-political institutions, patterns of settlements and economic activities. The developed countries face regional problems mainly concerning the underdeveloped depressed and congested regions.⁵ In case of underdeveloped regions, different

⁵ Discussed by (i) Stilwell, Frank J.B. (1972); (ii) Brown and Burrows (1977).

barriers hamper the region's participating in the process of urban and industrial development. In case of depressed regions the depression is brought about by the difficulty of replacing declining industries by modern quickly growing industries. In case of congested regions the problem is of more than optimal growth. So in the developed countries the problem is mainly of distributing growth between various regions. But in the developing countries the main problem is that "... of initiating the growth process ...".⁶ While reviewing the regional planning policies adopted by the developing countries we find that there is very little realization of this qualitative differences in the nature of their regional problems and these countries non-critically adopt the regional policies adopted by the developing countries.

For understanding the nature of the regional problems in the developing countries it would be essential to know the conditions which have led to the formation of the present socio-economic spatial organizations. In most of the countries of Latin America, Africa and Asia these have been shaped "... under the influence of external domination in a long period of political economic expansion of the developed countries of Europe. Economic expansion targets which took into account only the interests of the metropolis did not lead to the harmonious development of socio-economic forces of dependent countries. This development covered only some areas

6 Brahme, Sulabha, etc. (1975), p. 26.

which, from the functional point of view, were closely linked with dominating countries. The rest of the territory where the majority of indigenous population lived was characterized by traditional system of socio-economic relations."⁷

Thus, in these countries, under conditions of external domination both economic and social structure as well as spatial structure acquired pluralistic features. On the one hand, a system of modern economy has been established with export-oriented sectors and activities aiming to meet internal requirements. On the other hand, there is in these developing countries a vast sector of traditional economic and social relations.

In case of India, the problem of backwardness and inequality has two aspects: (1) Inter-personal inequality: some people or groups of people are extremely poor even in the prosperous regions, (2) Some regions are poorer than other regions. Often these two phenomena are simultaneously perpetuated while the country at the national level develops by increase in national income, industrial development and agricultural development. "This can be better described by the term 'double helix structure' of the process of economic development in India. It implies two themes: (1) the development process in India is the result of circular and cumulative causation, (2) two distinct development spirals have developed rather than a single upward path of development moving the

7 Rosciszewski, Marcin (1978), p. 23.

entire nation to a higher standard of economic life and a more homogeneous spatial order. One path is a rapidly rising helix representing the phenomenon of small groups of individuals, mostly from the modern manufacturing and trade sectors, metropolitan centres and some agrarian regions largely benefited by the 'green revolution' deriving the fruits of economic development demonstrating modernity of life-style and organisation comparable to most of the industrialised countries of the West. The other path slowly creeping ahead and sometimes back-sliding represents the vast multitude of population, urban places and regions, still struggling behind with their primitiveness in life-style, deprivation, and outdated organisations."⁸

In spite of this unique nature of their regional problems, most of the developing countries blindly adopted the regional strategies used by the developed countries. For example, the concept of the 'growth poles' has been unsuccessfully tried in most of the developing countries. This mainly takes the form of provision of infrastructural facilities or implantation of capital intensive plants. "Planting growth poles as a catalytic agent for industrial development has been used with some success in the developed economies where the problem is that of evenly distributing the expanding industrial activity. In the stagnant economies, however, it is not merely a question of dispersal of new economic activity but

8 Patnaik, S.C. (1981), p. 117.

of initiating the growth process in a region where the appropriate socio-cultural milieu for industrial development does not exist."⁹ The scale and technology of the industries, either private or public, implanted in the stagnant regions are often out of tune with the existing socio-economic set-up and the skill levels of the region. For this reason, the implanted units cannot forge supply and demand links in the hinterland.

The Indian experience of Damodar Valley and Dandakaranya Projects could be cited as examples. As we have seen, except for the wages earned by the employees directly involved in the projects, there has hardly been any impact of these projects on the region's economy. Most of these capital-intensive projects have literally remained "... isolated monuments of modernity".¹⁰ The experience of other developing countries with growth centre programme has been equally disappointing. In spite of this, the concept continues to be popular in most of the developing countries. Gilbert Alan rightly states that "... in particular, growth center strategies have definite virtues for governments which wish to appeal to regional sentiment and feelings of exclusion, while effectively doing nothing."¹¹

9 Brahme, Sulabha, etc. (1975), p. 27.

10 Ibid., p. 27.

11 Gilbert, Alan (1975). "A Note on the Incidence of Development in the Vicinity of a Growth Centre" Quoted in Miller, J.C. (1979), p. 37.

In developing countries, the problem of underdeveloped regions more often boils down mainly to the problem of backwardness of its inhabitants. They are generally poor and backward in education, skill and technology. There is generally an extreme inequality in the ownership of productive assets which results in an extreme inequality of incomes. In addition to this, the social and institutional framework deprives the poor of any opportunity to participate in the development efforts, while the rich minority develops a vested interest in keeping the majority backward. In such a situation the programmes of implanting industries requiring high skills, provision of inputs and subsidies remain out of reach of this vast poor majority. Unless the poor people of the region and not the geographical area as such, are made the focus of the regional development policy, there is no chance of lessening the regional imbalances. Spending large sums on infrastructural facilities and new industries is unlikely to benefit the unemployed unless special efforts are made to help them overcome the handicaps which contribute to their initial unemployment. A good case can be made that the most effective way to achieve balanced regional development is to invest heavily in human capital through improved programmes of education, vocational training, health, family planning, sanitation, etc. It needs to be emphasized that poverty, ignorance, institutional rigidities and lack of technical skills prevent the poor people from participating in development efforts. All these obstructions will have to be overcome.

The provision of infrastructural facilities is just a preliminary condition for development. Poverty alleviation would necessitate policy measures which would bring about changes in the asset-distribution in favour of the poor and employment programmes which would productively employ the remaining assetless poor.

The regional policy has thus, a difficult job of inculcating developmental attitude in the inhabitants and building an appropriate socio-cultural milieu for development. An approach which tries to change the face of the geographical region without overcoming the weaknesses and handicaps of its inhabitants is doomed to fail.

The approach of making the people of the region the focus of regional development efforts was followed by USSR in developing its backward regions. "The Twelfth Party Congress held in April 1923, gave great attention to the problem of economic and cultural inequality of the various nationalities in the USSR and recommended to the Soviet government a series of practical steps to bring about equality among nationalities and to ensure greater local participation in overcoming social and economic backwardness."¹² This policy has been translated into reality in case of the development of backward regions of Central Asia. "The Soviets made an integrated approach to the development of backward

¹² Tuxmuhamedov, R. 'How the National Question Was Solved', Moscow (1973), pp. 129-130; Quoted in Gidadhubli, R.G. (1978), p. 45.

areas, in the sense that they were interested in bringing about the basic socio-economic transformation of these societies and helping them to build a new society, with different values of life and different production relations."¹³

In case of Central Asia the first thing the Soviets did was to end the feudalistic set-up. The socialization of means of production, collectivization of agriculture and nationalization of industrial enterprises was a significant step in that direction. "Many Western scholars like Nove and Wilber have recognized the role of new institutional factors in the development of Eastern regions in the USSR and in speedy transformation of these backward areas."¹⁴

After preparing the necessary political climate, the Soviets brought about a simultaneous social and economic development of their backward areas. Right at the initial stage of development large investments were made in education and health which contributed to the building of human capital in Central Asia. "... the policy of the Soviet government and the various measures that were undertaken to strengthen the necessary social infrastructure right in the initial period of development have received wide appreciation in the West. In a sense this forms the key element in the Soviet strategy for development of Central Asia."

It is a sad fact that in developing countries the human

13 Gidadhubli, R.G. (1978), p. 45.

14 Ibid., p. 46.

resource development does not receive much importance. In case of India "... the educationists, economists and manpower planners are of the opinion that the aspect of human resource development has been totally ignored in the rural development strategies. HRD, being the crucial input, has not been built in the programmes itself."¹⁵

The regional planning experience of USSR and Poland reveals that the Socialist countries adopt a very comprehensive approach to area development than the free market economies. This is due to the basic differences in the characteristics of economic planning as it is practised in capitalist and socialist economies. In capitalist countries, where resources are mostly privately owned, planning has to be done by fiscal and monetary policy measure. These policy measures may be active but they are essentially indirect. "They are active to the extent that they push the economy in a desired direction. They are indirect in the sense that they are intended merely to create favourable conditions in which private decision makers will be influenced to behave in a manner conducive to the continuous realization of stable economic growth."¹⁶ We have already seen that these policy instruments prove to be too weak to influence the behaviour of the profit-seeking firms. Hence, no capitalist country

15 Nagaraja, B. "Rural Poverty and Human Development," Article in Yojana (Vol. 31, No. 6), April 1-15, 1987, p. 28.

16 Todaro, Michael P. (1971), p. 3.

has been in a position to curb effectively the growth of its over-congested metropolitan centres. Though the society has to pay more in terms of social costs of such over-congestion, the private firms find it much more profitable to operate at such centres as they do not take account of these social costs in their profit calculations. Due to this, the policy instruments fail to diversify growth to the backward areas and regional imbalances go on widening.

In case of Socialist countries, "... the government actively and directly controls the movements of the economy through a centralised decision-making process. ... Resources, both material and financial, are allocated not on the basis of market prices and conditions of supply and demand as in the market economies but rather in accordance with material, labour and capital requirements of the overall plan."¹⁷ The Socialist countries can directly control the activities of practically all productive units in the entire national economy. Through plan, they can dictate the future position of all the economic variables. Due to this aspect it is easier for them to diversify development to the backward areas.

For rational distribution of economic activities, provision of better standard of living throughout the country and for solving the problem of regional imbalance in development the Soviets have adopted the strategy of development of

17 Todaro, Michael P. (1971), p. 3.

the 'national economic complexes'. "Hundreds of various research and academic institutions carried out wide studies for determining scientifically-grounded location of the productive forces and regional development for the future."¹⁸ Such location plans are worked out for a period of 10 to 15 years. The effectiveness of the comprehensive location of enterprises is determined by lowering current costs of production and investments mainly due to the more effective use of infrastructure, auxiliary industries and services. "The comprehensive location of enterprises reduces the investments 15 per cent and the operational expenses from 10 to 20 per cent of the expenses which are taking place in case of isolated location of enterprises."¹⁹ Various territorial production complexes of machine-building, power generation, automobile production, oil and iron ore extraction and development of various natural resources are initiated in different regions of the Soviet Union.

The Soviet strategy of building territorial complexes has more relevance to the developing countries, like India, where industrial and other project locations are mainly decided on political grounds. An academic exercise of attempting economic regionalization of India for the purpose of perspective planning was conducted as far back as in 1961.²⁰

18 Nekrasov, N.N. (1978), p. 33.

19 Ibid., p. 39.

20 Sen Gupta, P. and Sdasyk, Galina (1961).

On the basis of various principles a tentative framework of economic regions for India was worked out. "The country is divided into seven macro regions, each conforming generally to a group of States. Each of the macro regions is further divided into specialised parts, which gives rise to forty-two economic regions at meso level. Within these meso-economic regions there are the primary economic cells in the system displaying specialized production-forces."²¹ But this remained a paper exercise only and was never implemented in practice. Even now in case of India, we find that different schemes and projects are launched by different ministries and their departments without paying attention to the integration of these projects. Often the socio-economic characteristics of the region, in which these projects are located, are not taken into account. "A close scrutiny of forward and backward linkages of the bundle of project proposals may reveal an unsuspected scope for economy in resource use and cost reduction."²² The attempt should be to get the best return from the total area development plan rather than from each individual project. Single industrial projects cannot be harmoniously developed if they are not combined with several others, which diversify the given industrial complex. Such diversification has to be comprehensively planned so that the whole region benefits from the project.

21 Sen Gupta, P. and Sdasyk, Galina (1961), p. 194.

22 Dantwala, M.L. (1986), p. 195.

Poland has been successful in adopting planning techniques which combine the merits of centralized direction with the advantages of delegation. Poland has adopted comprehensive regional planning for each voivodship (i.e. district). The three district plans, we reviewed, reveal that apart from the general regional plan for the whole voivodship, detailed plans have also been drawn up for the parts of voivodship taking into account the availability of natural resources in the regions.

On the background of the regional planning experiences in the Socialist countries, like USSR and Poland, the efforts in the developing countries and particularly in India are not very encouraging. In India the earliest experiments in regional planning were the Damodar Valley Corporation and the Dandakaranya experiment. The inspiration and direction for these early experiments came from the Central Government and there was a noticeable gap in the purposeful participation by the concerned State Governments. There was no coordination in the activities undertaken by the Central and the concerned State Governments. This perhaps was one of the factors which retarded the progress of regional planning at inter-State level. At the State level some States have taken some ad hoc steps for providing some regional solutions to some of their specific problems. "But these were also ad hoc regions. Their focus for specific programming was largely intended to seek solutions to some of their more pressing problems. However, the administration of planning being

organized on 'the vertical chain of command' rather than on the 'horizontal integration of programmes' at a specific regional level the effectiveness of regional approach was considerably reduced."²³

The review of regional planning efforts in India shows that though there is growing appreciation for regional planning it "... has not yet crystallised as an operational system".²⁴ Indian planning, as late Prof. Gadgil observed, is still "highly centralized"²⁵ at New Delhi and at the State Capitals. What is considered regional aspect of Indian planning is only the ad hoc policy measures towards the disadvantaged groups of people in certain areas and the ad hoc institutional set-up, devoid of inter-related connections over space.

During the last 35 years various schemes and projects were launched. Some of the important programmes for rural and agricultural development initially launched were: Community Development Programme (CDP), Intensive Agricultural District Programme (IADP), and High-Yielding Variety Programme (HYVP). These were followed by the creation of Small Farmer's Development Agency (SFDA) and Marginal Farmers' and Agricultural Labourers' Development Agency (MFAL), in the

23 Patnaik, S.C. (1981), p. 126.

24 Ibid., p. 127.

25 Gadgil, P.R. (1967), p. 9.

Fourth Plan (1969-74), to provide assistance to poorer sections of rural population. A special programme known as Drought-Prone Area Programme (DPAP) was introduced in 1970-71 in chronically drought-affected areas. In late seventies the Desert Development Programme was taken up. The Food For Work Programme (later developed into National Rural Employment Programme) was started in 1977, so as to provide employment to rural poor particularly, during the slack season. The Integrated Rural Development Programme was initiated in 1978-79. Throughout this period various social welfare programmes pertaining to health, nutrition, family planning and education were also initiated.

These programmes were operated for a span of years in selected areas and in several cases simultaneously in the same area and for the same target groups in a large number of blocks in the country, but none of these programmes covered the whole country. These programmes contributed in some way to improve the agricultural production and rural infrastructure. However, social and economic development of an increasingly large mass of people living in rural areas below the poverty line is still to be achieved. All these programmes and activities undertaken have "... essentially been a dimension of political strategy to ensure political stability It was, in essence, a strategy to gain time in the absence of any viable alternative."²⁶ In spite of

heavy criticism regarding the non-integration and less effective nature of such programmes the Central Government has progressively extended the coverage of such Centrally Sponsored Schemes (CSS). "The expenditure on CSS has increased from Rs. 2,860 millions during the entire Second Five Year Plan to Rs. 8,740 millions in a single year 1978-79."²⁷ So while there is a talk about decentralization of planning, the tendency to centralize finance and planning seems to be also increasing.

Thus, in India we have a number of programmes and institutions initiated for bringing about a balanced development of the country. But there is no integration between such various programmes and the activities carried out by the various institutions. After the unsuccessful attempt at inter-State level planning, no efforts were made to regionalize the nation on scientific basis. Instead "... the political and administrative compulsions made it necessary to forget the scientific criteria for regionalisation of the country and to adopt the existing administrative areas as fairly dependable units for regional planning. ... the States were accepted to planning units from 1950 itself. ... Realizing that State level planning is no different from national planning in matters of approach and methodology, a beginning was made, in the Third Five Year Plan period (1961-66) to

27 Dantwala, M.L. (1986), p. 197.

launch district planning. In other words a three-tier multi-level planning system was accepted."²⁸

In 1969 the Planning Commission issued comprehensive guidelines regarding the content and the formulation of district plans. The actual progress of district planning in India, and particularly in Maharashtra is dealt in the next section.

8.2 District Planning

"While decentralised planning has been talked for a long time and the first guidelines for the formulation of district planning were laid down in as early as 1969, the activity has remained a 'non-starter'."²⁹ The review of the progress of district planning in case of the States, classified by the Working Group on District Planning (1984) as progressive, shows that "... it is more of planning for the districts by the departments at the State level than by or of the districts".³⁰ What we observe is that in most of these States the preliminary requirement to district planning is met to some extent but no district level body is in a position to produce comprehensive, integrated district plan.

Commenting on this failure M.L. Dantwala states "Any one or a combination of the following explanations is possible. One, the State leadership, whatever may be its rhetoric, is

28 Mishra, R.P., Sundaram, K.V. (1980), p. 56.

29 Lakdawala, D.T. (1986), p. 163.

30 Ibid., p. 163.

averse to the idea of decentralisation mainly out of political consideration of preventing the emergence of a rival political force at the district level, emanating from the same political party or a party in opposition. Two, the line bureaucracy at the State headquarters is not reconciled to the idea of dilution of its departmental authority implied in the establishment of a horizontal decision-making body entitled to alter or amend departmental plans for the purpose of integration. Three, which would reject the argument of personal jealousies or power equations as the principal obstacle to decentralisation becoming operational, would contend that in the very nature of things there are genuine limitations to decentralised planning and people's participation."³¹

For whatever reasons it is a fact that "... very little planning in the real sense takes place at the district level".³² The Working Group on District Planning observes that "The slow and uneven pace towards decentralised planning among the States only underscores the fact that there are several constraints in the system making the transformation difficult. The problem is much greater than merely overcoming the stresses and attitudinal barriers involved in developing planning functions within district administration functioning within the context of age-old traditional roles and patterns.

31 Dantwala, M.L. (1986), p. 213.

32 Working Group on District Planning (Vol. I), p. 32.

A whole new set of relationships is demanded, a new pattern of rationality that takes into account not only new functions, but new technology, new time frames, new space dimensions and new orders of magnitude."³³

If district planning is to be successful, a number of changes have to be instituted. The powers and functions of the Central and the State Governments are well defined by the Indian Constitution. There is also a provision for the appointment of Finance Commissions, which decide the allocation of funds to the States. On the other hand, the powers and functions of the districts are not recognized by the Constitution, neither is there an agency to decide the devolution of the funds to the districts. The districts have to solely depend on the mercies of the State Governments. In practice, we find that the devolution of powers, functions, finances and planning is very marginal in most of the States.

As a preliminary to decentralized district planning, there has to be proper demarcation of functions and finances between the State and the districts, provision of greater discretionary powers to the districts, setting up of a single body to control and coordinate plan activities at the district level, building up of districtwise data banks for collection of relevant data for planning, and setting up of competent planning teams that can perceive local problems, resources and formulate integrated district plans linked with State and

33 Working Group on District Planning (Vol. I), p. 27.

and National plan objectives.

The lack of competent, interdisciplinary planning teams at the district levels is a major drawback which has retarded the progress of district planning. The Working Group observes that "... the number (not to speak about quality) of purely technical personnel available in the States range from 2-6 officers. They are not necessarily multi-disciplinary in composition. They have been usually seconded from other departments and do not seem to possess any particular planning qualifications."³⁴ The Working Group has suggested the creation of "... a more realistic staffing pattern avoiding duplication of staff between planning cell and line departments".³⁵ The practice of appointing a civil servant i.e. the Collector, as the head of the planning machinery, has also been criticised by many writers. The Working Group suggested that "... the head of the District Planning Office should be the Chief Planning Officer who should be next to the Collector in rank. He should have considerable experience in developmental work and should be conversant with techniques of socio-economic planning, spatial planning, project planning and analysis, programme evaluation and so on. ... The Chief Planning Officers should be assisted by an able team of experts, drawn from various disciplines like economics, statistics, agronomy, cartography/economic

34 Working Group on District Planning (Vol. I), p. 31.

35 Ibid., pp. 31-32.

geography, engineering, sociology, banking, etc., as well as from subject areas like agriculture, animal husbandry, horticulture and so on."³⁶ Apart from the necessary technical training this team should be made aware of the socio-economic dimensions of planning with due consideration of people and their problems. At the district level the plans should be both socio-economic and physical. The physical programmes and projects included in the district plans should be further disaggregated, as necessary, to that of the block, group of villages or mandi-area levels.

As for the contents and the district planning process, the 1969 Guidelines of the Planning Commission and the ideas of Prof. Gadgil³⁷ still have methodological validity. These have to be given a fair trial in the practical process of district planning. The Working Group on Block Level Planning (1978) and the Working Group on District Planning (1984) have also made useful suggestions regarding various issues of district planning. The shortcomings of these approaches and suggestions would not be revealed unless they get a fair trial.

Presently no State in India has attempted meaningful district planning. For number of reasons "... many district plans could be finalized only at the end of the five year plan period."³⁸ So the operational experience in the field of

36 Working Group on District Planning (Vol. I), p. 48.

37 Gadgil, D.R. (1967).

38 Mishra, R.P., Sundaram, K.V. (1980), p. 67.

district planning is very limited. "The only significant experiment made at district level planning in the country is the preparation of district plan for Wardha district in Maharashtra State."³⁹ Late Prof. Gadgil worked out certain concepts regarding the framework of the district plan while formulating the Wardha Plan. He identified four principal components of the district plan, viz.:

- (i) Development of natural resources of the district,
- (ii) Development of infrastructure facilities,
- (iii) Development of productive employment in the field of agriculture and industry, and
- (iv) Development of growth centres (mandi areas) in the district economy.

The Wardha Plan provides an infrastructural frame for the provision of socio-economic services, through a mandi (market) centre plan combined with 'production plan'. It sought to harness the 'work potential' created by the resource development programmes and development of infrastructural facilities to a systematic 'employment plan' for unskilled landless labourers. Great emphasis has been placed on the allocation of priorities to the various programmes, such priorities being based on an appreciation of the sequence of development, resource constraint and the need to ensure that

39 Patnaik, S.C. (1981), p. 139.

the benefits of development percolate to the lower strata of society.

The formulation of an integrated district plan on such a basis would require a genuine understanding of local problems and resources (both physical and human), adequate collection of data, interpretation of this data and formulation of concrete and feasible plans, programmes and schemes for the various components of the plan. As we have noted, in this and other chapters, there have to be a number of administrative and technical changes before the districts can produce such meaningful plans. And as D.R. Gadgil has stated this would also require "... entirely new methods of work and new attitudes toward it".⁴⁰

40 Gadgil, D.R. (1967), p. 37.

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