Chapter III

EVOLUTION OF DECENTRALISED PLANNING IN INDIA

The concept of decentralised planning was accepted in India even before the beginning of the planning era. For example, as far back as in 1942, Vishveswaraya had visualised a four tier planning structure for the development of Mysore. However, the concept of decentralised planning in the country as a whole has emerged only after the five decades after independence, and that too with variations in theory as well as in practice, across states (Raj, K.N. 1984). The first five year plan document stated: "A democracy working for social ends has to base itself on the willing assent of the people and not the coercive power of the state.... their own views about their own needs and difficulties and the correct solutions must be elicited and given the fullest weight in making the plan, in the execution of which, they will be called up to assist..." [Government of India, 1952, p.48]. The document further stated that "for democratic planning to succeed it will have to energise the entire community. The crucial factor here is leadership, not only leadership at the top but at all levels" (Government of India, 1952, p.2). Besides this, the plan discussed about the problem of breaking the national and state plans into local unit, based on districts, town and villages. However, it has not elaborated the manner in which the idea of decentralisation would be put into operation, how the activities were to be disaggregated and how the coordination was to be achieved.
Community Development Programme (CDP)

Community Development Programme (CDP) was the first experiment in the area of decentralised planning in India which was launched on 2nd October, 1952. The CDP gave much emphasis on people's participation in both planning and implementation of programmes and on around development of the conditions of the people. "One of the major planks of this programme was participation by the people in efforts to improve their local levels of living with their own initiative as far as possible" (Lakshminarayan, H.D. 1975, p. 244). According to Jawaharlal Nehru, its main objective were to bring about changes in the mental outlook of the people, instill them on ambition for higher standards of life and the will and determination to work for such standards it seeks to "build-up the community and the individual and to make the latter, a builder of his own village centre and of India in the larger sense" (Raghava Rao, D V. 1980, p.2).

While enunciating the basic principles of the programme, the first five year plan stated "CDP is the method of rural extension and the extension agency through which the five year plan seeks to initiate a process of transformation of social and economic life of the villages" (Government of India, 1952, p.223). This objective was to be achieved by the initiative of the people themselves. Unless they feel that the programme is their and the value of it has a practical contribution to their own welfare, no substantial result will be gained.

The first five year plan emphasised that the CDP aims at the establishment of a suitable organ to ensure participation of the villagers at the planning stage. Development Blocks were established and an infrastructure was created at the block level for integration of the administrative and development functions. The
block level staff were entrusted with the responsibility of initiating an allround development of the village (Joshi, B.M 1989).

The 55 Community Development projects, later converted into National Extension Service (NES) to cover the entire country, made provision for popular participation in planning and implementation of development programmes through Grama Panchayats, Block Advisory Committees and District Boards. The Grama Panchayat in almost all the states and District Boards in some states were already in existence, then, the Block Advisory Committees were constituted on adhoc basis. This consisted of all the block level officers and leading non-officials, progressive agriculturists, leading co-operators, representatives of voluntary organisations, head of educational institutions in the block, representatives of local authorities and members of parliament and of the state legislature from the area (Srivastava, K.B. 1987). “The purpose of these committees was to advise the development officers at the respective levels as to the implementation of the programmes which originated from the centre or the state governments, to bring them more into line with local needs and requirements and to add detailed local knowledge. Further more, these committees were also to be consulted about the annual and quinquennial development plans pertaining to their areas. In this way, it was thought that the people will consider the development programmes as their own and participate in the process of implementation” (Srivastava, K.B. 1987, p.23).

The CDP was a right step in the right direction. The approach was somewhat closer to micro level planning. Pandit Nehru called it as revolutionary programme: “I think nothing has happened in any country in the world during the last few years so big in content and so revolutionary in design as the CDP in India” (Mukherji, B. 1961, p.89).
In the initial years of its operation, the CDP generated considerable enthusiasm and achieved marked success in different fields. But the initial enthusiasm waned and the programme did not produce desired results as time passed and certainly lacked popular involvement (Krishna Mohan and Gupta, Y.P. 1987). “One major deficiency of these programme was that the planning was done at the top level and officials were directed to fulfil the target. Thus, the programme became highly bureaucratic and hence failed to galvanize people into action” (Ashok Basu, 1991, p.78). Further, the programme could not benefit the people from weaker sections and the benefits have been derived mostly by the well-to-do people. The village panchayats, block advisory committees and district boards were found weak and ineffective to mobilise mass support for the programme.

The second five year plan envisaged the need and necessity in incorporating local initiative and resources in formulating plans and carrying them out. This was on the belief that as “this would help to relate the plans to local needs and conditions and secure public participation and voluntary efforts and contributions” (Government of India, 1957, p.151). Recognising the need for comprehensive village planning, which would take into account the needs of the entire community including weaker sections, the plan suggested village panchayats along with co-operatives as the most suitable agency for this task.

The second five year plan stressed the need for creating a well organised democratic structure of administration. The plan suggested the setting up of District Development Committee at the district and block level and outlined their composition and functions. “The idea of creating such councils was quite good, but it did not succeed because it was conceived in isolation. It did not fit into any framework of
multi-level planning, in which its relationship with other levels are precisely defined and integrated. Hence, they merely remained as advisory bodies” (Joshi, B.M. 1989, p. 100). The village development plans were also formulated but they became a charter of demands only because they were prepared according to the felt needs of the villages without any relationship with the available resources (Dubashi, P.R. 1984). Hence, they could not be incorporated in the district and state plans and remained a paper exercise only.

In its report on third five year plan, the planning commission observed: “from time to time evaluation reports on the CDP have drawn attention to the fact that the benefits did not reach the less-privileged sections of the village community in adequate measures. The welfare of the weaker sections is closely related to that of village community as a whole and in a sense a large part of the village economy are low income, low productivity and lack of continuous employment……. the essential aim must be to bring about a more productive agricultural economy and a larger range of non-agricultural occupations in the village” (Government of India, Planning Commission 1962, p.332).

Balwant Rai Committee (1957)

The Central Government set up a committee in 1957 under the chairmanship of Sri. Balwant Rai Mehta to study the working of Community Development Projects and National Extension Services. The Committee had also been asked to study and assess the extent to which the Community Development Programme has succeeded in utilizing local initiative and in creating local institutions to ensure continuity in the process of improving economic and social conditions in rural areas.
The Committee in its report observed: "so long as we do not discover or create a representative and democratic institutions which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms to the needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances, we will be able to evoke local interests and excite local initiative in the field of development" (Government of India, Planning Commission, 1957, p.155).

The Committee found lack of people's participation was the main cause for the failure of CDP. So the committee suggested massive people's participation through democratic decentralization which is popularly known as 'Panchayati Raj'. Accordingly, the Team recommended adoption of the concept of 'democratic decentralisation' for the development work and proposed that the old District Boards and other executive bodies like the District Planning Committee may be replaced by new bodies, namely, Village Panchayat, Panchayat Samiti and Zilla Parishad.

The Study Team laid down the following principles for bringing about these institutions: (a) there should be a three-tier structure of local self-governing bodies from the villages to the district, the bodies being organically linked up, (b) there should be a genuine transfer of power and responsibility to these bodies, (c) adequate resources should be transferred to these bodies to enable them to discharge their responsibilities, and (d) the three-tier system should facilitate further devolution and dispersal of power and responsibility in the future.

In 1957, the Committee submitted its report and in 1958 National Development Council recommended this report for implementation. Pandit Jawaharlal Nehru, while inaugurating the Panchayati Raj System in the state of
Rajasthan on 2nd October, 1959, called it as revolutionary and historical set up (Bargava, B.S. 1980). It was followed by Andhra Pradesh, Assam, Tamil Nadu, Karnataka in 1960, Orissa, Punjab and Uttar Pradesh in 1961, Maharashtra in 1962; Gujarat in 1963 and West Bengal in 1964. By mid 1960s almost all states in India introduced Panchayati Raj.

The story of the Panchayati Raj has been a story of ups and downs. It seems to have passed through three phases. During 1959-65, the Panchayati Raj were on an ascending phase, then set in the phase of stagnation during 1965-69 and from 1969-77 the phase of decline (Planning Commission, 1978 - a, p.4.)

After the death of Nehru, the Panchayati Raj System came down. Structural inadequacies, antagonistic attitude of bureaucracy, lack of political will, lack of conceptual clarity about Panchayati Raj Institutions, (PRIs) more power oriented than development oriented wide spread corruption, inadequate finance and irregular elections are the factors that led to the decline phase (Bhargava B.S. 1987). The institutions lost their dynamics because of unusually long duration of suppression on one pretext or the other. During the period of suppression of these Panchayati Raj Institutions, there has been considerable erosion in their powers and activities. Moreover, in early seventies, the Government of India instituted centrally sponsored special programmes and implemented them through centralised bureaucratic framework. These centrally sponsored programme by passed PRIs (Prabhat Kumar Datta, 1988).

The third five year plan regarded the growth of PRIs as one of the principle task to enable each area to realise its maximum development potential on the basis of local man power and other resources, co-operative self-help and community
effort and effective use of available resources. The idea of decentralised planning was again reiterated in the third five year plan and it was proposed that the states should formulate their annual plans at least in the following activities on the basis of district and block level plans (Planning Commission, 1961, pp. 332-334).

(a) Agriculture including minor irrigation, soil conservation, village forests, animal husbandry, dairy etc.

(b) Development co-operatives

(c) Village industries

(d) Elementary education

(e) Rural water supply programme of minimum rural amenities, including construction of approach roads linking each village to their nearest road; and

(f) Works programme for further utilisation of manpower resources in rural areas.

Report of the Administrative Reform Committee, 1967

The Administrative Reform Committee came out with its reports, which strongly advocated decentralisation of planning. The committee analysed the reasons for continuing ineffectiveness of district planning and suggested remedies for removing these defects. The report emphasised that “the core of district planning should be related to those sectors of development where local variations in the pattern and
process of development are likely to pay dividends in terms of rate of growth" (Government of India 1967, p. 115).

The Study team had difference of opinion regarding the approach of decentralised planning. It believed that at the present moment, it was not practical to think of any area smaller than the district as a suitable unit of planning though it considered that, whatever possible, Community Development Blocks could be made responsible for the preparation of agricultural plans for the blocks. The commission observed that the Zilla Parishads would have no representation in urban areas and are therefore not likely to be the best agency for balanced plan for the district as a whole. The Commission recommended that there should be a district planning committee consisting of the Zilla-Parishads, Municipal bodies in the district and professional talent in the district and with appropriate association of the district officers and others (Government of India, 1967, p. 117).

Although the ideas contained in this report did not fully materialise, it can be considered a landmark in the history of decentralised planning in India.

Guidelines for the Formulation of District Plans

The Planning Commission took the first step to operationalise the oft-repeated need for decentralisation in 1969 when it issued Guidelines for the Formulation of District Plans. The Planning Commission concluded that the area development approach couldn't be undertaken at the state level, given the widely varying physical, geographic and economic characteristics of most states. The district was considered the ideal for area level planning because a database existed for that level and also it had a suitable administrative structure to undertake planning.
The Guidelines specified the procedure for creating a district plan. After a critical appraisal of the existing level of development in the district, an integrated strategy based on availability of resources and hierarchy of priorities was to be drawn up. The Guidelines elaborated the factors that had to be considered in assessing the level of development in different sectors and the approach to be adopted in formulating local-level plans. The plan was to be based on "available statistical and administrative data, the advise of knowledgeable farmers and entrepreneurs, experience of local officials and systematic appraisal of ongoing programmes" (Planning Commission 1969, p. 5). After detailed consultation with department officials, block development officers and 'progressive farmer entrepreneurs,' a round of discussions was to be arranged with "representatives of co-operatives, local self-government bodies, banks and Panchayati Raj Institutions to obtain their views about ideas contained in the preliminary frame work" (Planning Commission, 1969, p.8). Surprisingly, the role of local government was confined only to this round of general discussions.

**Working Group on Block Level Planning (1977)**

The next important document reflecting official thinking about decentralised planning was the 1978 Report of the Working Group on Block Level Planning, chaired by Professor. M.L. Dantwala. By then the rural development blocks were mainly carrying out a rapidly growing number of schemes formulated by the Central Government for poverty alleviation and employment generation. Large amounts of money were going into blocks. It was considered important that they be implemented in an integrated manner keeping in mind their possible linkages with other government programmes and over all development needs of the area. This
provided the context for a greater interest in block level planning. The Working Group suggested methods for preparing block level plans which were to be implemented on an experimental basis in selected blocks throughout the country.

The Working Group noted that the remoteness of the planning agencies from the area of implementation and vastness of geographical coverage hampens matching of sectoral financial allocation with local specific needs as well as potential for regulating the distribution of the gains of development. Hence, it was advocated that the block level planning will accelerate the process of decentralisation in the hope that a more systematic planning effort with a smaller coverage, will not only help to speed up the development process, but it also improve it qualitatively in the sense of making it more responsive to the needs of weaker sections of society (Planning Commission, 1978-b). The working group opinioned that block level planning was not to be viewed as an isolated exercise, but as a link in the hierarchy of levels from a cluster of villages, below the block level to the district and state levels.

The Working Group suggested that the preparation of the block plans to be entrusted to a single district level planning team. Two reasons were given. Firstly, the capability of preparing comprehensive area plans could be created only at the district level, and even that would require significant expansion in the number and capabilities of technical staff. Secondly, the existence of such a team would contribute to greater integration of district and block level plans. The Committee rightly noted that except in few states, there is hardly any worthwhile set up of Panchayati Raj Institutions (Dantwala, 1978, p.9)

The Working Group on Block Level Planning made an important contribution to local level planning by elaborating the objectives, scope and
methodology of block level planning. However, the Working Group felt that it may not be within the technical competence of the block level administration at present to prepare such plans. In fact, it is very difficult to carry the Indian planning process down to the block level for various reasons. First of all, the required personnel is not available to formulate meaningful block plans for the economic activities which come under blocks. Secondly, the present block level administration is manned by persons who are not adequately trained and are also not sufficient in number” (Thimmaiah, G. 1983, p. 133).

The Planning Commission issued detailed guidelines on the basis of the Working Group’s Report to all states in 1979, in the hope that the states will start the process of formulation of block level plans. Some states prepared block plans through private consulting agencies, though the Working Group wanted that the plans to be formulated as a joint effort of block and district level machinery, with the assistance of the available local experts. For example, Karnataka, “these block plans have been prepared by the Universities, research institutions and private consulting forums. Surprisingly, the State Planning Department has not attempted nor has it encouraged the district planning units to attempt the exercise of formulating block plans” (Thimmaiah, G. 1983, p. 133). Because of the diverse nature of the organisation involved in the formulation, there was lack of uniformity in the block plans formulated.

It is worthwhile to note that even the Working Group recognised the importance of planning at the district level, as is evident from the statement that “below the state level, the issue whether a district or block is more appropriate for the purpose of planning need not be viewed with rigidity. In any case, in the approaches adopted by Working Group, district and block level planning are visualised as a part of the
same exercise, in as much as the planning team charged with the responsibility of block level planning will be located at the district head quarters and would also be attending to all aspects of district planning” (Planning Commission, 1978-b, p.2).

Thus, the recommendations of the Working Group on Block Level Planning was a vital break through for decentralised planning.

**Ashok Mehta Committee (1977)**

A 13 members committee headed by Mr. Ashok Mehta as Chairman was appointed by the Janata Government in 1977 and was entrusted with the task of enquiring into the causes responsible for the poor performance of the Panchayati Raj Institutions (PRIs). It submitted its Report in 1978. The Report observed that PRIs have not been given a chance to serve as vanguard of development in village India (Government of India, 1978).

The Ashok Mehta Committee observed: “PRIs are dominated by economically and socially privileged sections of society and have as much facilitated the emergence of oligarchial forces yielding no benefits to weaker sections. The performance of PRIs has also been vitiates by political factionalism rendering development thrusts either warped or diluted. Corruption, inefficiency, scant regard for procedures, political interference in day-to-day administration, motivated actions, power construction instead of service consciousness - all these seriously limited the utility of Panchayati Raj for the average villagers” (Government of India, 1978, p.77).

After analysing the whole set up of PRIs in the country at that time, Ashok Mehta Committee in its 132 recommendations stated that to give due status to
Panchayati Raj and to ensure their continued functioning, some provisions in the Constitution of India deserve careful consideration. The Committee proposed a new approach towards Panchayati Raj which favour a two tier system of these institutions, namely, 'Zilla Parishads' at the district level and 'Mandal Panchayat' consisting at a cluster of villages at the grass root level. To avoid the possibility of Zilla parishads overshadowing the Mandals the Committee spelt out the interrelation between these two units in a careful manner. The Committee stated that, "with the assistance of the district planning cell, the concerned departmental functionaries at this (Mandal) level, will be able to build up suitable projects. The planning units at the district should be taking note of these and incorporating them into block/Mandal plans" (Government of India, 1978, p. 77).

The committee favoured transfer of substantial power from the State Government to the local bodies. Regarding the distribution of financial resources from the State Government to the PRIs, the Committee made the following recommendations.

(a) Apart from the budgetary devolutions from the State Government, the PRIs should mobilise enough resource of their own. They should have compulsory powers of taxation.

(b) Certain professions and occupations in which weaker sections predominate should be exempted from such taxation to ensure social justice.

(c) Incentives in the form of matching grants etc. should be offered for optional taxes, released by PRIs.
(d) Land revenue, cess on land revenue, cess on water rate, surcharge on stamp duty, entertainment tax and show tax should be transferred to the PRIs in different proportions.

(e) Public properties like village forests, porombokes etc. should be transferred to the Mandal Panchayats in order to enhance their income and

(f) All plan and project funds should be given to the PRIs with suitable devised formula to achieve equity among districts and with adequate weightage to backward areas.

The Committee did not feel it necessary to set up a separate finance commission for distribution of resources from the State to Zilla Parishads on the lines of the Central Finance Commissions between the centre and the states. It recommended district as a viable administrative unit to enforce planning, coordination and resource allocation in conjunction with available technical expertise. The Committee recognised the Mandal - larger than the village panchayats and smaller than the Block or Panchayat Samithis as another feasible unit at micro level. The recommendations were considered at a conference of Chief Ministers in 1979 who unfortunately did not agree with them.


The next important document on decentralised planning in India is the Report of the Working Group on District Planning, headed by Professor C.H. Hanumantha Rao. 1984. As the name suggests, the focus had shifted back to
district level planning. The committee advocated the concept of integrated area planning within the framework of multilevel planning.

The Committee favoured the establishment of single body to carry out the planning activities as is evident from the following lines: "In our concept of district planning, the district is seen a sub-system of multi-level planning. The totality of all planning activities at the level of this sub-system would vest with a single District Planning body would determine the priorities and allocate funds accordingly among the various development sectors" (Planning Commission, 1984, p. 23). The committee further noted that, when this change has been affected, a large part of the public resources would be mobilised and controlled by the district itself. The district will have the largest say in the utilization of resources allocated to it by the states. The Working Group hoped that the report would stimulate district planning activity in the states. But the Working Group failed to visualise decentralised planning within the umbrella of the democratically elected Panchayati Raj bodies may be regarded as the weakest spot in its report.

G.V.K. Rao Committee, 1985

Recognising the fact that an integrated concept for growth and poverty alleviation would continue to be one of the principal areas to be tackled which was emphasised in seventh plan, the Government appointed a twelve member committee under the Chairmanship of Dr. G.V.K. Rao in 1985 to review the administrative arrangements for rural development and poverty alleviation programme. The committee recommended that district should be the basic unit for policy planning and programme implementation. The report emphasised the need to activate PRIs. Apart from reiterating the concept of properly prepared district plans, the Committee
suggested the concept of district budgeting. The Committee observed that one of the reasons why the decentralised district planning has not got off the ground is that the "arrangements of preparations of budgets have not been suitably modified to incorporate the suggested district wise preparation of budgets" (Government of India, 1985, p.33). The Report of the G.V.K. Rao Committee eventhough highly critical of the district budget and planning degenerating into mere 'mechanical disegregation' of state budget and plan could not move away from the top down approach. It has been remarked that according to the scheme of the committee "the development departments indicate district wise distribution of their respective budgetary allocations, plan and non-plan, and these allocations together constitute each districts budgets, to all intents and purposes and does not bring out the effective involvement of Panchayati Raj bodies in the formulation of expenditure plans at that level (Gulati, I.S. 1986).

In 1986 the Government appointed L.M. Singhvi Committee to prepare a concept paper on revitalisation of PRLs for democracy and developments in order to make these institutions truely effective instruments in the constructive task of rural development and nation building (Jha, D.N. 1991, p. 134). The Committee found the unviability of panchayats. So to make them viable the Committee recommended two or three villages to be brought under a panchayat. The Committee further recommended financial devolution in an adequate amount for the effective working of the panchayats. So planning and rural development should be integrated.

The seventh and eighth five year plan documents also reaffirmed its faith in the process of decentralisation.
Constitutional sanctions

The village panchayat was a unit of local administration since the early British days, but they had to work under government control. The British Government, under compulsion from Indian leaders, gave powers of self-governments to panchayats under various local enactments. In the Government of India Act, 1935, of the British India, the power to enact legislation was specifically given to Provincial Legislature to vest powers in the hands of panchayats.

In the Constitution of India, Article 40 was incorporated as a Directive that the State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self governments. Notwithstanding this Directive, not much attention was given to hold elections in the local units as a unit of representative democracy.

To further the organisation of local units, it was considered necessary to insert specific provisions in the Constitution itself compelling the State Legislature to enact detailed laws for the formation of local governments. Hence, the 73rd amendment inserting Part IX relating to Panchayats containing Articles 243 to 243-O and 74th amendment inserting Part IX A relating to Municipalities containing articles 243 P to 243 ZG in the Constitution. The 73rd amendment came into force on 24.4.1993 and the 74th amendment on 1.6.1993 (Durga Das Basu, 2001).

Some of the most important features enshrined in the 73rd constitutional amendment are noted below:

(1) They brought about a uniform three-tier structure: district, taluk/block and village levels.
(2) The local self governments were to have a uniform five year term and in the event of dissolution elections were to be held within six months.

(3) There was to be SC/ST reservation in their proportion to the population, both as members and chairpersons of local self-government at all levels.

(4) One-third reservation was made for women, for all levels.

(5) A separate schedule (11th schedule) was added to the Constitution listing 29 subjects that could be devolved to local self-governments.

(6) Every State governments was to periodically appoint a State Finance Commission.

(7) The local self-governments were to be involved in planning. A new constitutionally mandate structure, the District Planning Committee, was to be formed in every district (Durga Das Basu, 2001)

The 73rd and 74th constitutional amendments provide the basis for the deepening of democracy at the grass root level and for bringing into realization the dreams of ‘Grama Swaraj’ of the founding father of our nation. The panchayats are the pillars of our national democracy of which the dome is the national parliament. The strength of the panchayat is based on the strength of village community or the gramasabha. If Panchayati Raj has to be genuine, the legal recognition and rights of the village community must be translated into praxis. This foundational power of local democratic unit of governance in environmental management and economic
production must be the basis for making decisions about foreign investment, industrial locations and economic development. Globalisation based on the handing over of centralised power by centralised state structures to corporate monopolies violate the principles of grass root democracy, defeat the very objectives of Panchayati Raj and becomes a major threat to the survival of village communities. Grass root democracy embodied in Panchayati Raj requires that even the process of globalisation and liberalisation should be based on recognition of the primary ownership of village communities over their natural resources and on their decision making power to determine their utilization (Bidyat Mohanty, 1996).

The 73rd and 74th constitutional amendments guarantee that local self-governments throughout the country will have a uniform structure. By imposing such a rigid uniform structure the amendments forced the state legislatures the creation of the intermediate tier disregarding the size of the districts in the state. There is consensus among the political leaders against formation of intermediate tier of the block panchayat in the State of Kerala.

The constitutional amendments paved the way for division of rural and urban areas into separate compartments. The urban areas are not under the district level local governments. The constitutional provision barred the formation of integrated elected governments for rural and urban areas at the district level. The District Planning Committee which co-ordinates planning for urban and rural areas is not an administrative mechanism at the district level governance. The democratic decentralisation at the district level and below requires further constitutional amendments to remove constraints to true self-governments (Namboodiripad, E.M.S. 1997).
Reference


