"There are several endogeneous reasons rooted in the political economy and in the social structure which slow down the beneficial effects of the growth process on the poor".

- Jagdish Bhagwati

POLITICAL ECONOMY OF DECENTRALISATION IN INDIA
The principle of decentralisation has been adopted by several developing countries as a basis of the strategy of socio-economic development. With the current emphasis on decentralised planning and rural development several issues are exercising the brains of researchers, planners and administrators. This chapter makes a modest attempt to this end, having a large number of issues. It attempts to reveal the economic, political and spatial dimensions of decentralisation process in India. It analyses the present profile, problems and future prospects of decentralised planning in various states of India.

6.1 MEANING OF DECENTRALISATION:

Decentralisation means different things to different people. It refers to counter-agglomeration policies of an economy. The process which discourages urban and industrial concentration and facilities dispersal of economic activities, promotes rural development with a view to restoring sectoral, administrative and spatial balance is known as decentralisation. Decentralisation is essentially the process of social mobilisation or a process of subverting attitudes, structures and institutions that are an antidote to the goals of modernisation and conditioning the masses attitudinally
and behaviourally positive towards the planning process. That requires a major ideological thrust at convincing the people on the basis of their own experience that they stand to gain as a result of the operation of the planning system. Decentralisation entails various complexities. It is not mere "breaking the bulk" but ensuring many "complementaries," "consistencies" and "flows" as well as eliminating the gaps and restoring an equilibrium.¹ Decentralisation is defined quite broadly in this chapter to mean the transfer of planning, decision-making, or administrative authority from the Central Government to its field organisation, local administrative units, semi-autonomous and parastatal organisations, local governments or non-governmental organisation.² In order to understand the nuances of the concept further it should be distinguished from three well-known expressions viz, "deconcentration" "delegation" and "devolutions". The term "deconcentration" implies only breaking the bulk i.e. to decrease the quantity in unit space. It involves the redistribution of administrative responsibilities only within the central government. "Delegation" implies, entrusting some tasks to a lower level for administrative convenience.

It involves delegation of decision making and management of authority for specific functions to organisations that are not under the direct control of central authority. "Devolution" implies relinquishing certain functions or creating new units of government that are outside the direct control of central government. Devolution in its purest form has certain fundamental characteristics. First local governments are autonomous. Second local governments have clear legally recognized geographical boundaries. Third they have corporate status and the power to secure resources. Fourth they have the ability to interact reciprocally with other units in the system of government. Decentralisation on the other hand is defined broadly to mean the transfer of planning and decision making from central authority to its field organisation local administrative units, semi-autonomous and parastatal organisation, local government and non-social organisation. Specifically it implies assigning a particular "role" in the process, that is the level to which decentralisation takes place is made to have a viable stake in the process. It means entrusting of both powers and responsibilities and rendering the level

4. Ibid.
fully accountable for its activities. The "clear role" and "accountability" seem to be the hall-mark of decentralisation. It involves a combination of central control and local autonomy. It implies a progressive devolution of decision-making and implementation to people.

Decentralisation enables better perception of the needs of local areas, makes better informed decision-making possible, gives people a greater voice in their development process, helps to achieve better coordination and integration among various programmes, enables the field-needs of the people to be reflected in the public policy, enables better exploitation of local resources and growth potentials of the local areas, raises local production and productivity and ensures effective participation of people and self-reliance. The main components of the decentralist philosophy of development planning are:

(a) communitarian component
(b) libertarian component
(c) appropriate technology component

From the above mentioned ambience it is easy to develop a trenchant critique of existing centralist ideologies of development planning as:

1) Centralist development philosophy is elitist in character.
2) Giantism tends to make the rich richer and the poor poorer.

3) It grossly ignores the real determinants of human welfare.

4) It functions apart and away from the people and fails to secure genuine participation of the rural mass.

5) It leads to concentration of political and economic power and ruin of the rural poor.

6) It contains the seeds of political totalitarianism as a method to coerce the common man.

Decentralisation is not only a new approach to economic and social development, but also a new political and administrative arrangement for implementing development programmes and projects. The increasing interest in decentralisation arose from three converging forces.

i) from disillusionment with the result of highly centralised planning and control of development activities during 1950's and 1960's.

ii) from implicit requirements in the growth-with-equity policies adopted during 1970's.

iii) from growing realisation in early 1980's that the society tend to become more complex and government activities expan, which make it increasingly difficult to plan and administer all development activities effectively from the centre.

In an economic perspective, the case for decentralised planning rests on four objectives:

(i) First, it is difficult for macro-level planning to control effectively the resources of local level significance and spatially dispersed economic activities pursued on small scale at household and village levels.

(ii) Second, bringing the peripheral groups of poor and disadvantaged within the main stream of economic process, minimum needs programme, personnel and organisational structures at the grass root for identification, delivery and initial support and guidance towards viability.

(iii) Third, given the likely slow and halting pace of the rehabilitation of these groups and the frequent periods of stress and distress through which they pass, stable and dependable arrangements are required for provision of relief and supply of minimum needs to the rural poor on an adequate scale.

(iv) Fourth, it is important to have participatory mechanisms in the planning for resources and needs with a view to promoting motivation, habits of self-help, local level leadership and active role in

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strategic and planning decisions among the people at the grass root.

6.2 DECENTRALISATION IN INDIA:

After the colonial era when the Indian Planners accepted instant developmentalism and put some kind of a soviet veneer on it, they had no other alternative but to adopt the model through a mixed economic structure. Planning in India, by and large despite several emphasis to have 'people based planning' has been highly aggregative and sectoral, devoid of spatial dimensions. India is a large country with an area of over three square kms; inhabited by a population of over 8.5 hundred millions, out of which 6.3 hundred million, constituting about 75% of the total population live in rural areas. The natural environment is typified by extreme differences in climate, typography, vegetation and so on. The resource endowment is very uneven over geographical space. Socially the country is highly differentiated in terms of languages as well as institutions. The levels of economic and social development vary enormously among different regions. In such a situation it is exiomatic that uni-level centralised planning would be relatively inefficient to comprehend and deal with such a diversity of factors.9 It is particularly

difficult to deal with diverse non-quantifiable socio-economic situations within a democratic framework. The centralised type of planning cannot adequately take care of all the requirements at different territorial and sectoral levels of planning process. So decentralisation is needed in order to counteract the evils of a highly centralised planning and decision-making.

Through out a long history of colonial administration and post-colonial period of independence, political leaders in India consistently contend that increased popular involvement in the local governing process would improve administration and presumably thereby improve the lot of the vast majority (75%) of people living in rural areas. 10

The task of planning requires not only the formulation of a broad policy framework but also specification of the details. A specification of details is possible only in the light of relevant information and data. This kind of information is more readily available "on the spot." Planning has therefore, to move closer to those levels where better informed decision-making is possible. When planning gets decentralised it becomes more area-specific.

Then it is possible to establish close complimentarity between development schemes and local problems, potentials and priorities.\textsuperscript{11}

Centralisation creates lags between development and the utilisation of resources and capacities. Decentralisation can reduce the lags considerably. Moreover the planning process cannot succeed purely on bureaucratic lines. Active participation, involvement and support of the local people are needed if planning and implementation are to succeed. Participation of the people can be achieved only if planning is carried to the lower sub-national levels. Thus it is warranted for active mobilisation of public participation. In developing countries like India, which is characterised by inter-regional disparities in development, the problems of poverty and unemployment are "group-specific" and "region-specific" and demand a decentralised approach towards their solution.\textsuperscript{12}

Decentralisation ensures higher standard of living to all citizens. It ensures urban deglommeration and rural upliftment. It aims at reducing the disparity between rural and urban development. High degree of urban conglomeration and industrial concentration causes environmental deterioration. "Big cities big problems."

\textsuperscript{11} Cohen J.H. et al p.223.
\textsuperscript{12} Raj KN (1971) Vol. 30-32.
commutation, congestion, pollution and noise of intolerable proportion. Decentralisation seeks to eliminate sectoral imbalances and stops urban decay. Rural development has to be spread over a large number of dispersed remote villages, and it is only through a decentralized approach that it would be possible to reach them. It builds up local institutions which provide an enduring base of national development. It builds up leadership and entrepreneurship in the rural communities by working as a school of education in the are of decision-making and administration. Finally it ensures better spatial convergence and sequencing of interrelated activities and optimisation of investments.

6.3 MULTI-LEVEL PLANNING IN INDIA:

In the decentralisation process of planning, multi-level planning is basically an exercise. The essence of multilevel planning is decentralisation. Decentralisation does not simply mean disaggregation of targets and resources to different levels. Such a disaggregation would be a static breaking-down exercise and not multi-level planning. On the other hand multi-level planning implies

that planning would be undertaken at each level independently, the plans at each level to be matched with those at the other levels and fitted together to produce a unified plan. While the unified plan itself has certain unity and internal consistency, the plans drawn up at the different levels will also be characterised by such unity and consistency. Planning for economic development of the rural sector can be done at the top (known as uni-level macro planning) or at the bottom (known as multi-level micro planning) or at both the levels. Although the planning at the top may be made more precise and well coordinated and may take account of the overall requirements of the entire country, it may not pay equal attention to the needs of all regions, which eventually tends to result in regional imbalances. Multi-level spatial planning from each area identified for development through coordinated plans and programmes for the area concerned may be more realistic and appropriate for rural economic development but one should remember in this connection that there is however no conflict between the two approaches and there exists

16. Ibid. p.28.
high degree of complementarity among both, in fact.

A sound multilevel planning avoids at least one set of imperfections—What are primarily termed as dangers of over-centralisation and lack of popular participation. The concept of multi-level planning incorporates the principles that proper decision-making is possible at any level if the strategy at each level is determined after a careful consideration of the potentials, needs and limitations of the next higher as well as the next lower levels of planning. It is a two-way approach. It requires a lot of preparatory efforts from both ends. The higher level should give all macro-framework indicators and guidelines for planning. The lower level must feed the higher level with information and has to prepare the plan from below. The two approaches will then have to be harmonised. Three procedures are involved in multi-level planning in a regular sequence:

1. determination of appropriate levels of decision making,

2. organising inter-action between different-levels in terms of exchange of informations and organising iterative consultations at different stages of formulation and appraisal of plan.

Although multi-level planning and the problems associated with it have come to be discussed and subjected to examination only in recent years, the idea of decentralisation itself has figured quite prominently in Indian plans and in the literature on Indian Planning for a long time. Even the first Five Year Plan was seized with the necessity for some measure of decentralised planning. But in those formative years of planning there was neither clear appreciation of the principles of multi-level planning nor awareness on the part of the Government as to the manner in which powers and responsibilities should be divided among different territorial levels and the activities of the different levels should be coordinated.

There are several reasons for the necessity of multi-level planning in a large country like India. Two are most significant (a) politico-administrative set up (b) socio-economic conditions.

(a) Politico-administrative set up:

In an unitary system of government regional planning has to differ from those in a federal system. In a federal system the constituent units are autonomous in many respects and even if their boundaries are changeable their
constitutional position as autonomous units gives them the privilege to manage their affairs in the way they consider most prudent. Indian union consists of 25 states and 6 centrally administered territories. The State were semi-autonomous political entities and are administered by their own elected representatives answerable to their own legislatures.

Lieutenant Governor or Chief Commissioner is the head of the Union territories. The division of power bet between the centre and the states is governed by the seventh schedule and article 246 of the Indian constitution which provides 3 lists of subjects: union list consisting of 97 items, state list consisting of 66 items and the concurrent list consisting of 49 items. The Central government has the power to legislate on the subjects given in the union list and the state government on those given in the state list. Both the central and state governments can legislate on subjects appearing in the concurrent list, but in the event of conflict with each other, the central law prevails. An examination of these lists shows that the states have considerable autonomy in the management of the social and economic system. In matters of planning and development the states have far more important position than indicated by the constitutional

provisions. The administrative apparatus used in implementing plans is controlled by the states. Unless the state governments are superseded the centre cannot interfere with the day-to-day administrative processes. Each of the States and union territories are subdivided into districts. The district is headed by a collector or deputy commissioner, who is a multi-purpose civil servants through whom all administrative and developmental works are done. The district is divided into Taluks or Tahsils for revenue purposes and development blocks for planning and development purposes. At the lowest rung are the villages and municipalities. Thus the politico-administrative system which has evolved in India during the last 4 decades makes it imperative to operate planning and development processes at a number of territorial levels. The constitution makes the role of the national government pre-eminent in the higher realms of policy and resource mobilisation. But it also makes it imperative on the part of the central government to allow the states to manage their economy in their own way. In the recent years, the centre has offered incentives and funds to the state governments to decentralise planning and development to the district taluk/block and village levels.
(b) Socio-Economic Conditions:

The socio-economic realities of India also make it necessary to adopt multi-level planning. Indian society is multi-ethnic, multi-lingual and multi-cultural. Much of the cultural diversity in India is region-specific and gives rise to space-specific cultural, social and economic structures. The spatial extent of these structures and patterns varies depending on the degree of cohesion and inter-action each group has with the rest of the group. The space-bound socio-economic structures need space oriented action.

The development experience of the past 45 years has not been satisfactory as far as the fulfilment of the basic needs of the people is concerned. Inter-personal and inter-regional disparities in income, employment, earning capacities and social change have been persisting. Over-centralised planning is often considered to be the main factor generating these disparities. It is argued that the over-reliance on large scale industries, advanced technology, large irrigation and power projects and "giantism" in general emanates from the lack of appreciation of the problems of the people at the grass root level. 21 Hence there is growing demand that planning must be decentralised and the people should have a greater say

in the decision making at various territorial levels. When the country moved through successive Five year Plans the question of equity became prominent. By the end of 4th FYP the popular pressure was strong enough to force the Planners and decision-makers to eliminate regional imbalances in development. It is pertinent to note here that exercise of regional planning was attempted in India even during the early years of planning. But during that period it was not considered to be a tool to generate equity and equilibrium. It was a device for resource development. Region was comprehended as a physical resource region, the most obvious form of which was a river basin. The Damodar Valley Corporation is the product of this type of thinking. Now the things have altered. Multi-level regional planning is now accepted as an exercise of eradicating poverty and as a means to involve the common citizen in their own development. Therefore, the emphasis has now shifted from macro-resource region for industrial and power development to multi-level regional approach. It appropriately illustrates the local needs, priorities and the felt-needs of the common peoples. Hence Development is not a process which can be triggered off by outside agencies, it has to emerge from within. Multi-level planning is only a tool for unfolding the latent energy of the people and the locality.

Despite all the efforts, the task of multi-level planning has not yet been taken up systematically and seriously. Although several state have taken some action in this regard, district planning has not made much headway mainly because of the absence of an effective planning machinery. While the deficiencies in the district planning process are still to be rectified Indian Planners diverted their attention to "small geographic areas below the district i.e. the Block. Since 1978, blocks are reintroduced as the basic unit of rural area planning. It is expected that during the next five years 3500 block will be covered by scientific planning aimed at full employment. All the 5000 blocks of the country are to be covered within the next 10 years. It is important to note here that the Block level planning as conceived at present is not an exercise in disaggregating the targets fixed at the state and district levels. Nor is it a substitute for district planning. It is meant to revive and recapture the concept of planning from below in conjunction with planning from above.

Thus in the country a four-tier multi-level planning system has been envisaged.

(1) National (sectoral-cum-inter state/inter-regional planning)

(2) State(Sectoral-cum-inter-district/inter-regional planning)
(3) District/Metropolitan (Regional Planning)
(4) Block (Area-Planning)

Of these the first tier views planning from above while last one from below. The state and district planning serve as the link between the two. The block-level planning has not emerged in the true sense in India. So our discussion highlights district-planning and its future prospects in a separate section.

(1) National Planning

National Planning Commission is the apex planning authority in India. The commission has subject specialists as staff members headed by the prime minister as its chairman. It, not only formulates plans but also coordinates the developmental activities of the sectoral ministries at the centre, states and union territories. The activities of the commission are overseen by the National Development Council, the central ministries and the constituent states. It helps to steer and clear up over politicisation of planning and resolve differences among various ministries and states in regard to allocation of scarce resources to various sectors, programmes and projects. The commission prepares 3 types of plans; perspective plans for 15-25 years, five year plans; and annual plans within the framework of five year plans.
The perspective plan is not a plan in the real sense, it is a type of projection and direction for each sector and also for the overall developmental goals. The five year plans are medium term attempts to lead the economy in the direction set by the perspective plan. Each Five year plan has to be appraised midway to enable the commission to further readjust the allocations to meet the changes of the emerging situations. The annual plan is essentially a device to review and allocate funds for projects proposed by the central ministries and state governments to implement the programmes included in the FYP.

(2) State Planning:

Planning at the state level was initiated on the promptings of the National Planning commissions. Therefore, the methodology of planning evolved and practised at state level is no different from that prevailing in the planning commission. At least this was the situation in early 1970s. The state planning Boards/departments tend to play the same role with regard to state ministries and districts as the planning commission with regard to central ministries and the states.

But the states are expected to carry out for more

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regnous planning and project formulation using more detailed informations than Planning Commission does at the Centre. Further they are expected to relate their plans more intimately to the socio-cultural ethos of the people. They are also expected to lay greater emphasis on spatial and equity aspects of planning,\(^{24}\) for they are nearer to the people and have more dependable data on inter-personal and inter-regional disparities in income, wealth and quality of life in general. The states are also supposed to initiate grass-root level planning and development processes to revamp the administration and to carry out required institutional and structural reforms to meet the imperatives of development.\(^{25}\) The centre can only offer incentives and guidelines. Implementation and achievement is by and large left in the hands of the state government.

The planning commission launched a scheme for strengthening the planning machinery at the state level in 1972 and it was thought that once the state planning machinery was set up the district planning could be strengthened at the second stage of decentralised planning. The planning commission, has set the following task for state planning boards.

\(^{25}\) Reddy Venugopal (1979) Multi level Planning in India, Vikas, New Delhi, p.78.
(1) Assessment of the level of development in important sectors.
(2) Critical quantitative and qualitative appraisal of ongoing projects.
(3) Determination of the priorities.
(4) Preparation of resource inventories.
(5) Synthesising spatial and sectoral plans into balanced or operationally integrated state plans.

Thus the role of the state planning board in many respects is far more important than that of the planning commission. But no state in India today has a state planning board worth the name.

(3) **District Planning:**

In the Indian federal system, districts are not constitutional units but below the state they happen to be the most viable units for planning. The District has a sizeable geographical area, population threshold and a resource structure. There is also administrative convenience as almost all the departments of the State Government have responsible officials at the district level, to draw up schemes and lay down time schedule and abide upon the lines of coordination between one department and another. They are administrative units and can be created and abolished by the state governments at will.

It was felt during the third FYP that the stage was set for...
for embarking on district level planning in the country. The idea was to carry planning as close to the people as possible. The approach was still centre-down. The reason for the choice of district as the third level unit of planning was: it is the only level below the state where adequate administrative and technical expertise is available. Secondly Zilla Parishad elected by the people provide adequate popular leadership to carry out the task of planning and development and thirdly it is the only territorial unit nearest the grass roots where adequate finances and information required for planning and readily available. District planning is conceived in a multi-level planning framework, wherein there is a hierarchy of planning decisions at different levels. These different levels may be entrusted with different planning function viz, planning, implementation, coordination and review with suitable vertical and horizontal linkages to ensure proper coordination of these function and the achievement of the overall objective of the activity concerned.

(4) **Block level Planning**

Planning cannot be done by bureaucratic fiat. It is necessary to involve people themselves in drawing up programmes and their implementation. Peoples participation enriches the plan process in a number of ways. It helps
check the reliability of data, ensures the commitment of people to the projects formulated, restricts the vagaries of the technical and bureaucratic agencies, restraining them to rationalise their proposals, reducing the scope for pressures of vested interest groups and make the schemes based on experience, knowledge and judgement and felt-needs of the people at large. District is two large for an action programme. District level planning has its own limitations and drawbacks, due to which plan implementation could not be undertaken very successfully by the state governments. In the absence of strong planning machinery and the planning process at the grass-root level, government's commitment to a new agricultural and employment oriented allocation of plan outlay would be infructuous. In view of this when Janata Government in March 1977, carried the decentralisation of planning further down and advocated block level planning.

Planning commission had constituted a working group under the chairmanship of Prof. M.L. Dantawala to draw up detailed guidelines for block level planning, and the way in which it should operate. The Committee gave its report in 1978. It suggested that the block is really at the bottom base of a planning machinery which extends through the districts, state and the centre. As stated earlier, block plans are to be prepared and implemented
for all the blocks of the country within next 10 years. One of the major points of departure in the newly initiated block level planning is the recognition that planning has to be a bottom-up process and block should be the basic grass-roots unit for planning. Thus a block planning is not supposed to be a disaggregation of the district plan. Rather it is to form the basis for district and state level planning. It adopts a block as the planning unit and integrated the block plans with the district and state level plans. The Committee observed that the existing pattern of staffing available for planning purposes at district level, both qualitatively and quantitatively leaves much to be desired. While there is some staff at the district level, but even this modicum staff is absent at block level. The committee stressed the need to strengthen the planning machinery at district level which will have the responsibility for preparing the block level plans. The block level planning is meant to achieve the following objectives.

(1) **Resource inventory, identification of priorities and selection of catalytic programmes.**


(2) Optimum utilisation of the growth potential of the area leading to increase in income and employment.

(3) Ensuring that a larger than proportionate gains of development accrue to the weaker sections of the population: small and marginal farmers, share croppers, agricultural labourers, rural artisans etc.

(4) Fulfilment of the minimum needs programme, health and medical facilities, drinking water, housing, education and supply of essential goods through a public distribution system.

(5) Building up of social and economic infrastructure to achieve the above objectives.

(6) Reorienting the existing institutions/organisations in order to protect the interests of the poor.

(7) Building up of appropriate organisations of the poor especially to protect them from exploitation.

(8) Promotion of a progressively more egalitarian structure of ownership of assets.

(9) Augmenting the duration and productivity of employment of the poor and the underemployed in their existing occupations.

(10) Alleviating residual unemployment through employment in public works.
The 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. Its relevance as a unit of planning is based on the reasons as follows. The block is distinguished by a certain community of interest. It is sufficiently small in terms of area and population to enable intimate contact and understanding between the planners, those responsible for implementation of the plan and the people. It provides an observatory platform in close proximity of the beneficiary group and thus helps to:

(i) understand more clearly the felt needs of the people.

(ii) ascertain area specific physical and human resources potential.

(iii) identify constraints inhibiting socio-economic and technological growth.

(iv) expand the area of people's participation in the preparation and implementation of plans.

(v) find out the forces hampering the upliftment of weaker class.

(vi) monitor, concurrently evaluate and modify development from time to time.

An indicative area of activities which could be planned and executed at the block level are given below:-
(a) minor irrigation (b) animal husbandry (c) forestry (d) local infrastructure (e) processing of agricultural produce (f) cottage and small industries (g) soil conservation and water management. (h) organising input, supply of credit and marketing (i) training of local youth and unskilled population (j) social services:—

I) Housing ii) Sanitation iii) education iv) local transport v) drinking water supply vi) health & nutrition vii) welfare programmes

6.5 INDICATORS OF BACKWARDNESS OF DISTRICTS AND BLOCKS:

The government of India has appointed several expert committees in order to study the regional disparity and to identify backward districts of different states. The working groups have evolved several indicators of backwardness of the districts and suggested objective criteria for allocation of investible funds to the district planning units for different developmental programmes. We need to peruse here the essence of these committee reports in the context of decentralisation process both at the district and block level.
The working group on identification of backward areas, known as Pandhey Committee, was appointed by the Government of India in 1968 to determine the basic criteria for identifying backward districts, mainly in the context of providing incentives for industrial development. The Committee recommended the following indicators for determining backward districts in the country:

(a) Per Capita Income (PCI)
(b) Distance from larger city and larger industrial centres.
(c) Proportion of population engaged in secondary and tertiary sectors.
(d) Underutilisation on non-utilisation of natural resources.

Finally the Planning Commission adopted the following criteria:

(a) Per capita industrial output.
(b) Factory employment
(c) Proportion of agricultural workers.
(d) Per capita food grain production.
(e) Per capita electricity consumption.
(f) Length of railway lines and surfacr roads in relation to population.

Both Pandey Committee and Planning Commission recommended that the district should have minimum level of infrastructural facilities for providing incentives for industrial development. Initially the state should identify only one or two districts with development potential which can act as "growth centres" for future development of backward regions. In total two hundred forty seven districts were classified as industrially backward district by the Planning Commission.

**Chakravarty Committee:**

Chakravarty Committee examined the problem of identification and classification of backward areas with a rigorous methodology. The committee developed a composite index of backwardness by using three different methods for aggregating fourteen indicators as follows:

1. Density of population per Sq.Km.
2. Percentage of agricultural workers to total worker.
3. Gross value of food grain production PHRP.
4. Gross value of non-food production PHRP.
5. Gross value of all crop production PHRP.

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30. PHRP = Per Head Rural Population.
(6) Percentage of number of establishments electricity to the total.

(7) Percentage of household establishments using electricity to the total.

(8) Percentage of non-household establishments using electricity to the total.

(9) Number of workers in registered factories per lakh of population.

(10) Percentage of male literates of male population.

(11) Percentage of female literates to female population.

(12) Percentage of total literates to total population.

(13) Length of surface roads per 100 square K.M. of areas.

(14) Length of surface roads per lakh of population.

Three methods used by the committee are:

(1) Ranking method

(2) Index method

(3) Principal component analysis.

By using the first, second and third methods 164,206 and 181 districts are respectively categorised as backward districts. The use of all the three methods has resulted in declaring 155 common districts as backward, which according to the committee constitute "the Land of backward areas in the country."

NCDBA Committee:

The National Committee on the Development of Backward Areas argued that the composite index, developed by Chakravarty Committee is not suitable from the operational point of view. Composite index could not classify district into problem categories. It hold that poverty and unemployment may be manifestations of backwardness but are certainly not causative factors. The usefulness of income estimates such as domestic product at district/block level is always questionable. The income generated in an area is not the same as the income accruing. The NCDBA also examined the appropriateness of using sectoral indices to identify backwardness with respect to specific sectors of development eg. agricultural backwardness, industrial backwardness educational backwardness etc. The committee observed that such indices can not be used to identify backward areas, but certainly they can be used for monitoring regional inequalities at the sectoral level.

The Committee does not approve any overall index to identify backward areas. Instead it holds that the followin

problems areas should be recognised as backward.


32. Ibid, Para 4.22-4.23
(1) Chronically flood affected areas.
(2) Chronically drought-prone areas.
(3) Desert areas.
(4) Tribal areas.
(5) Hill areas.
(6) Coastal area affected by salinity.

The committee viewed these six types of problems areas as fundamental backwardness. Besides these, it pointed out two other handicaps:

(a) prevalence of feudal elements in the production relations and social structure and
(b) administrative deficiency and backwardness.

Dandekar Committee:

The fact finding committee, known as Dandekar Committee, was appointed by Government of Maharashtra in 1984, to look into the complexities of indicators for assessing imbalance in development and also to suggest remedial measures. This committee did not approve the use of single indicator, composite index or otherwise to identify backward areas. It also did not endorse the view of NCDBA about "the areas of fundamental backwardness."

It made an attempt to examine disparities in development

and eliminate the backlog of the districts lagging behind in each sector in greater detail in order to make identification operationally more meaningful. The committee has chosen following indicators of development.\textsuperscript{34}

\begin{enumerate}
\item a) PCDP (Per Capita Domestic Product).
\item b) PCDP originating in agriculture.
\item c) PCDP originating in registered manufacturing sector.
\item d) PC Consumer Expenditure.
\item e) PC Consumption of Electricity.
\item f) PC Bank Credit and Deposit.
\item g) PO Urban population.
\item h) PO workers engaged in non-agricultural activities.
\item i) PO SC/ST, agricultural labour.
\end{enumerate}

The Committee suggested that underdevelopment must be identified and attended to wherever it exist and not swept under the carpet of district or a regional average. The committee examined different sectors/sub-sectors/schemes, identified corresponding appropriate indicators and ascertained the development backlog districts where the achievement in terms of chosen indicators, fall below the state average.\textsuperscript{35} Main indicators of rural development are:

\textsuperscript{34} Ibid P.32.

\textsuperscript{35} Ibid p.449-50.
<table>
<thead>
<tr>
<th>Sector/Scheme</th>
<th>Indicators of physical achievement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Roads</td>
<td>PO rural population concentrated to main road.</td>
</tr>
<tr>
<td>2. Irrigation</td>
<td>PO irrigated area to net sown area.</td>
</tr>
<tr>
<td>3. Rural Electrification</td>
<td>PO villages electrified.</td>
</tr>
<tr>
<td>4. Primary/Secondary Education</td>
<td>Number of teachers per lakh of population.</td>
</tr>
<tr>
<td>5. Primary Health Centres</td>
<td>Achievement in relation to minimum needs programme.</td>
</tr>
<tr>
<td>6. Hospital</td>
<td>Hospital beds per lakh of population.</td>
</tr>
<tr>
<td>7. Water supply</td>
<td>PO villages supported with</td>
</tr>
<tr>
<td></td>
<td>a) Water by dug /bore well</td>
</tr>
<tr>
<td></td>
<td>b) Water by pipe.</td>
</tr>
</tbody>
</table>

The committee has generally chosen districts as the unit in assessing the districtwise back-log for all sectors/schemes, with only exception for irrigation development at the Taluka level.

*Rao Committee:*

With a view to entrusting one of the important task of directing the procedure for decentralised planning at the state level to make district planning agriculturally more effective and resting the district plan into state plans, the planning commission set up a working
group known as Rao Committee on district planning in September 1982. The group was given the special responsibility to examine the specific recommendation of NCDBA and to taken fresh look at the whole matter. Ultimately the report was submitted in May 1984. The committee came out with various recommendations on organisational framework, methodology, division of responsibility at different levels and other operational problem connected with decentralised planning. It recommended that it could be more realistic to think in terms of three kinds of district plans in relation to different time span;

(i) Perspective plan,
(ii) Five year plan.
(iii) Annual Plan.

The concept of district planning, according to the Rao Committee, was akin to the concept of integrated area planning. The committee found that the states are at different stages of progress towards decentralisation and hence advocated a gradual step by step approach (sequencing approach) for achieving the ultimate goal. It recommends that the state plan should have two fold classifications, one dealing with the district plans and other dealing with the state plan. But the dichotomy should not be very rigid. For allocation of outlays, it recommends

Dantawala Committee: The planning Commission appointed the working group in 1977 under the chairmanship of M.L. Dantwala in order to draw up detail guidelines for block level planning. The group recommended the following guidelines for planning at the block and district levels.

1) Preparing and analysing resource inventory to assess the development and development potentials and identifying various constraints on future development.

2) Formulating programmes and projects for development and establishing their spatial and temporal linkages within an integrated framework.

3) Divising plan for fuller harnessment of manpower.

4) Determining priorities of various programmes proposed for the area and identifying a catalytic programme.

5) Assessing the availability of financial resources from various sources and mobilising the same.

6) Monitoring and evaluating the development schemes and modifying from time to time in the light of experience.

The committee demarcated four district agencies to prepare the block level plans, namely:
1) District Secretariat, the Collector and the departmental officers.
2) The elected representative of the people and their institutions like Zila Parishad.
3) Voluntary agencies, and
4) Professional institutions with special competence in planning technique.

The Committee has recommended to launch an intensive training programme for developing the technical competence of the official machinery for the preparation of plans. It has been emphasised that the district as well as block officials know the areas of their working, the operational problems, why and how work gets done or hindered. District development officer and block development officer, district level officers at all the departments involved in the rural development programme, other specialists, lead bank officers, non official head of the Zila Parishads and kshetra Samities and some other cadre of staff should be given a through training in block/district planning techniques. Besides higher level officers at state and regional levels also require some orientation and exposure to these new techniques of planning.

It is visualised that within the decentralised and planning and implementation process at the district level,
the major thrust in the long run would narrow down the existing inter-district and inter-block disparities so that fruits of development and general prosperity are uniformly enjoyed by all sections of people. These following types of interblock disparities exist on.

1) Geo-physical and Geographical characteristics.
2) Endowment of Geological and mineral resources.
3) Specific types of fundamental backwardness.
4) The land use pattern.
5) The levels of agricultural production and productivity.
6) The composition of population.
7) The modes of transport and linkage pattern.
8) The priority needs of people.
9) The infrastructural development.
10) The educational and medical facilities.
11) The occupational structure.

It should be appreciated that a reduction in the inter-block disparities is a long time process and no spectacular result can be achieved in a short span of time. It will be gradually possible. All the recommendation of the Dantawala Committee should be implemented in letter and spirit. The economic officer and statistical officer at the district level should have extensive tour and intensive knowledge about the indicators of backwardness.
of different blocks/districts. The updated indicators would ensure appropriate spatial and sectoral strategies for backwardness. The allocation of outlays should no more depend on political process. It is high time to determine an appropriate formula according to the priority needs. A need-based and resource-based integrated area plan for the block and consolidated integrated area plan for district should be prepared by the District planning cell for a perspective of 5-10 years. Annual plans should be operationally feasible. The lapses and strength in the implementation of various sectoral programme should suggest to adopt alternative strategies in order to reduce inter-block disparities.

6.6 PROFILE OF DECENTRALISED PLANNING IN THE INDIAN STATES:

In spite of many valuable recommendations of several committees and expert groups the regional dimension of the sub-national planning remain neglected till today. State planning machinery even at the state level has remained very weak. It lacks adequate flexibility. District planning is conceived as an exercise of disaggregating the state plan and fitting it into the pertinent needs of the district. However it cannot be a substitute for regional planning. The approach to district planning is also technocratic and bureaucratic. It is an appendage of state planning activities.
It is not mere positioning of some personnel and creating some structures. It is meant to infuse skills, weaponry and tactics into them and endowing these structures with functions and financial powers and authority, evolving procedures, methods, techniques, organising flows, communications, reciprocal interaction and exchange of ideas.

Let us analyse the present status of sub-national planning in various states of Indian Union.

a) **Karnatak**

Though the state has a long history of district planning from the days of Viswasarya, the spatial dimension of local level planning remained neglected. In the 5th plan due considerations were given to regional imbalances and regional dimensions of poverty. Taluka-wise plan statistics relating to occupational pattern, distribution of land holding, area under HYV, irrigation, power, health, educational facilities, transport, drinking water facilities were prepared and was mandated to be updated on an annual basis. In early seventies, perspective plans for each district keeping a planning horizon of 10 years (1974-84) were prepared. As a preparatory measure for the introduction of district planning, the state planning department organised a 3 months training programme jointly with the institute for social and Economic change, Bangalore, and a nucleus planning team was
constituted. Schemes were clearly bifurcated into district level schemes and state level schemes. The District Planning Committee (DPC) for each district with the collector as the chairman was constituted for each district. An objective criteria akin to the Gadgil formula is followed in allocation of plan funds among the districts. The DPC distributes the lumpsum among different sectors depending on the priorities decided by it and approved by District Development Council. In order to rectify any distortions, and to meet any emergent situations, the discretionary outlay is kept at the disposal of DDC. It is expected to mobilise people’s involvement and participation through their initiative and responsibility for tackling their urgent needs. With the establishment of Mandal Panchayats and Zilla Parishads in April 1987, Karnataka began three-tier planning structure i.e. state Zilla Parishad and Mandal Panchayats with clearly identified areas of planning.

b) Maharashtra:

Zilla Parishad, came into existence in Maharashtra in 1962. This marked the beginning of the decentralisation of economic power as a sequel to the decentralised of political power. But this functions could not be carried out by the Zilla Parishads as was intended by the State government. DPDCs were constituted in every district in
1974; with the district minister as the head, with MLAs and PPs as its members. Representatives of land development backs, district cooperative banks, KVI Board and 14 non-official members having special experience in different economic and social fields are nominated to the DPDC. Its main function of to provide guidelines to various implementing agencies, approving the perspective plan and annual plans, coordinating and reviewing the action of implementing agencies, State Government is adopting over last 20 years a scale of weightages for determining the allocation of funds to different districts, in order to remove inter-district imbalance. Allocation of funds to district level and state level schemes is in the ratio of 60:40. From 1989-90 the state government has decided to allocate ₹.62 crores (21.5 lakhs per legislative constituency) annually for small works programmes, based on felt needs of the districts. 10% of the amount is earmarked for programmes benefitting SC/ST class and 20% for rural water supply etc. The implementation of the new procedures is closely watched by planning department at the state level and by the collector at the district level. The overall activities of DRDA are well knitted in the district plan process. The presidents and chief executive officers of Zilla Parishads and presidents of Panchayat Samitis are all invited to the meeting for formulation of district plan.
c) **West Bengal:**

With the left front government, Panchayat Raj institutions were established in 1978, with the aim of involving people at the grass-root level in the planning process. After the formation of three-tier Panchayat bodies-gram, block and district level-the Panchayats are acting as the major agency for formulation, implementation and monitoriy of rural development programmes. Panchayat Samities implemented the IRDP, NREP and many schemes. District Man power planning and Employment Generation Council in each district have been established for the purpose of tackling the problem of unemployment and promoting self-employment. The Government has set up Block Planning Committees (BPCs), District Planning Committees and District Planning Coordination Councils. BPCs and DPCs are headed by the Collectors and the minister of State government. A small technical cell, headed by an economist-cum-credit planner and one project appraisal expert has been created in each district. Village level schemes formulated by the Gram Panchayats are integrated into block plans by BPC, which forms the basis for district plan of DPC. Attempts have been made to devetail district credit plans with district plans. Untied funds are sanctioned for priority schemes in the district, which can not be otherwise financed from normal flow of funds from other sources. In 1988-89 untied fund
was Rs.24 crores; but the formula for its equitable
distribution among the districts has not been stipulated.

d) **Gujarat**:

Gujarat is one of the leading states which have been
reasonably successful to decentralise the planning process
to sub-district level. District planning Boards have been
set up in all the districts of the state with a minister
of the state as its head. DPBs have been broad-based in
order to ensure effective people's participation with
peoples representatives like MLAs, President of Panchayats,
representative of municipal bodies and government officials
as members. District Planning Officer, and a technical cell
exist in all the districts. Plan schemes have been
demarcated into state and district sector schemes. Twenty
per cent of the district sector outlay is earmarked as
united fund to be operated by DPBs, only five percent is
provided as incentive outlay to DPBs who raise matching
contributions locally, varying between 25 to 50 percent
depending upon the level of development of the district
which is an unique feature of decentralisation experiment
of Gurjat. DPBs have the discretion of choosing schemes
to be financed by incentive outlays. Allocation for
discretionary outlay is being made since 1980-81. A
total sum of Rs.258 crores has been allocated to DPBs till
1987-88 during which 88662 schemes of local significance
have been implemented Rs.38 crores and Rs.51 crores has been provided as untied funds during 1986-87 and 89-90 respectively. A computer has been installed under NRDMS programme of government of Indian in Kheda district.

e) Kerala:

An attempt at planning from grass-roots level was made in Kerala in late seventies by the State Planning Board. The major steps undertaken by the DPU was the collection and compilation of basic data relating to each district in the state, which was completed in 1977. An attempt was made to prepare a resource inventory for Quilon district, which facilitated the identification of the potential resources of the district and sub regions. Three different committees were constituted: Block Planning Committee, District Planning Committee and Technical Committees for each sector at the district level. In pursuance of the recommendation of the working group on Block level planning the DPU was assigned the task of preparing a status paper for the districts in the nature of a bench-mark report. A policy paper for each district bringing out special problems and potentialities were prepared. Keral district Administration Act enacted in 1980 had the objective of bringing about a democratic and decentralised system of administration at the district level. According to the notification issued by the state government on 26th
December 1990, the functions of the District Council are spelt out and 146 sub-areas have been transferred to it. At present the District Council has a maximum strength of 40 and a minimum strength of 20 and the members are elected for a period of 5 years. Kattayam and Cannanore districts are selected for the preparation of district plans on pilot basis.

f) Uttar Pradesh:

The scheme of decentralised planning was implemented in the state in 1982-83. Plan activities have been classified under two sectors viz state sector and district sector. The schemes of district sector have been finalised by the state government in consultation with the Heads of Department on the basis of a careful consideration of local experiences. District sector includes: rural electrification, village and small scale industries, education, public health, water supply and welfare programmes relating to SC/ST women, children etc. An appropriate formula was evolved to allocate the funds among the districts, in order to reduce inter-district and intra-district disparities. 30% of the state’s annual plan outlay was earmarked for district sector. Considerable emphasis was given on the self-employment schemes, including IRDP. Two committees: District Planning and Monitoring Committee (DPMC) and District Plan Coordination and Action Committee (DPCAC) were formed, in order to finalise the
district plan, review the monthly progress and to put proposals for reallocation of funds. District planning is beset with many constraints: viz paucity of data, resources, expertise and trained personnel, narrow compartmentalisation, pruned budgetary allocations. District plans have been prepared on a pilot basis for Jhansi, Hardoi Fatehpur and Sitapur. The draft district plan requires the vetting by the DPMC. At present three committees are working: First looks into the functioning of planning machinery at district level, second looks into the question of simplifying the existing budgetary procedures third looks into the planning set up in the state. On the basis of their recommendations, new proposals for revamping the district planning machinery shall be formulated.

**Madhya Pradesh:**

In order to formulate socio-economic development plans of the districts, and in order to ensure their effective implementation the state government has revised the composition of District planning Boards several times. The DPBs are assisted by the DPCs consisting of all important District Heads of development departments, working under the chairmanship of the Collector. The chairman of the DPB is nominated by the state government from out of three prominent social workers nominated
earlier as its members, with the Collector as the member-secretary. DPBs analyse the material and human resources, identify local-resource based projects and determine their priorities. It ensures maximum participation from different strata of society and assistance of local bodies. DPB confine itself to 21 district sector schemes such as: agricultural Broduction, Forest, Fisheries, Animal husbandry, minor irrigation, rural electrification, health, village roads, water supply, social welfare craftsmen training.

In order to carry out the planning exercise more scientifically at district level, total 530 posts are sanctioned for the appointment in district planning units: 45 economists 90 research officers, 50 investigator, 300 assistant statistical officers, and 45 LDCs. Till 1989, only 239 posts have been filled up.

h) Tamil Nadu:

District Planning Cells were set up in 1972 for each district. District perspective plans for the period 1972-74 were prepared by the State Planning Commission (SPC). SPC provided the guidelines for formulating district plans. 'Development districts', which roughly constituted half the size of revenue district was adopted as appropriate planning Unit. Each development districts was further subdivided into number of homogeneous sub-regions, with identifiable features regarding natural resources, soil
conditions, land use, markets, agricultural produce, cultural activities etc. Department of Town Planning had prepared regional plans for the districts. Manpower planning and Employment Generation Councils have been formed in each district since 1981 under the chairmanship of the district Collector. Special component plans for SC and ST take care of their welfare. IRDP is being implemented in all the 376 blocks in the state, DPAP in 48 blocks. The Hill area Development Programmes cover the entire Nilgiris district and the western Ghats Development programmes cover Nilgiri, Madurai, Tirunelveli and Kanyakumari districts. District Development Councils (headed by the Collector) do not prepare plans, but only reviews plans implementation from time to time and advises the government based on local requirements. In the existing environment, the SPC has the responsibility of formulating plans by examining the plan proposals submitted by different Heads of departments, or Secretaries to government. The government now proposes to prepare district plans on a pilot basis in three districts namely, Pasumpon, Nilgiri and Tirunelveli.

1) Orissa:
At the district level the collectors were invested with development functions as the head of the development machinery and were assisted by a district development
officer. A district Development Committee was constituted in 1973 to provide a forum for coordination of developmental programmes at the district level. The reconstituted DDBs in different districts has the collectors as chairman and officials and non-officials as members. Several sub-committees were setup for preservation of forests, manpower planning and employment generation, DRDAs and DICs were established in all the districts by 1981. The former is responsible for execution of beneficiary-oriented programmes and later is responsible for rendering assistance for industrial growth in the districts. The district development authorities are handicapped in taking up scientific exercises in integrated district planning on account of non-availability of whole-time technical staff. There are DPCs headed by the collectors and there are subject-specific subcommittees under DPC to prepare sectoral plans. The primary function of DDBs is to act as advisory bodies for formulating plans and for reviewing the progress of plan implementation. The primary function of DPCs is to integrate various sectoral plans and prepare a final district plan. There are gram panchayats at village level and also block level, sometimes as other lower tiers in the planning process. District planning machinery consists of the Chief Planning Officer, a credit planning officer and a complement of supporting staff. Untied funds are provided since 7th five year
plan. The state government issued guidelines in January 1986 regarding the utilisation of untied funds. It is being distributed on the basis of population and degree of backwardness measured in terms of selected socio-economic indicators. All the schemes with untied funds are supported by feasibility reports and their inter se priority is approved by DPB so that the collector has the freedom to choose without procedure delays and deviations. In order to elicit greater people's involvement the state government has introduced an incentive scheme, where the people are required to bear a certain percentage of the project cost and balance is to be supplemented by the grant from DPBs.

j) Punjab:

The government decided in 1972 to take up district planning in all the 12 districts of the state. A working group on area planning was set up which prepared guidelines for formulation of district plans in 1974. DPBs with people's representation reviewed the progress of divisible programmes once every quarter to provide coordination and to remove bottlenecks if any. In July 1987, DPBs were reconstituted with the deputy commissioner as the chairman and executive committees for DPBs were set up. The functions of DPBs are: to formulate district perspective plan and short term strategy for planned development,
implement, review and monitor the progress of the development programmes. District Planning Cells have been created for all districts. Linkages with other financial institutions and agencies have been established. Rs. 45 lakhs was disbursed against the approved outlay of Rs. 12 crores in 1989-90 as discretionary funds among the districts due to financial constraints. Various socio-economic indicators have been taken into account while determining the share of each district in allocation of untied funds. Three districts: Patiala, Sargur and Ropar have been selected to prepare district plans on pilot basis. The NCAER, has been entrusted with the task of preparing a perspective plan up to the year 2000 AD.

k) **Rajasthan:**

During 5th Five Year Plan it was decided to initiate the process of district planning in the state. Location specific exercises were taken up in respect of minimum needs programmes like, education, rural health, rural roads, rural electrification, water supply, etc. To ensure meaningful involvement of local representatives, DPCs, were set up in each district under the chairmanship of the collectors. Long term integrated district plans were prepared on a pilot basis for 4 districts (out of 27) and separate district planning cells were set up in those districts. The district planning Committee has
now been reconstituted with an extended membership, having the responsibility of planning, coordination and implementation of plan programmes. Areas development approach in respect of command Area Development, Tribal Areas, DDP/DPAP has been adopted. A separate authority, Tribal Area Development Commissioner was set up to create a unified administrative structure for implementing development programmes for tribal area subplans for Banswara, Dungarpur, Pratapgarh tehsil, and Abu Road Tehsils of Sirohi district. District Development Agencies (DDA) were constituted for Drought Prone Area Programmes (DPAP) in respect of 10 districts (viz Jodhpur, Pali, Jalore, Jaisalmer, Bikaner, Churu, Barmer, Banswara, and Dungarpur). District level agencies were also created in some districts where SFDA/MFAL Programmes were being carried out. Desert Development Programmes (DDP) started in 1977-78 was subsequently extended so as to cover 8 districts of DPAP. In these agencies the representatives of the weaker section were included. With the extention of IRDP to all development blocks (in October 1980), the agencies created earlier (DPAP, SFDA, etc) were reorganised into DRDA. The schemes formulated by DRDA and approved by SSO at the state level were executed by DLOs and Panchayat Samities. DRDA controls and monitors the progress through monthly returns and monthly meetings. Participation of local people as again revived by the revival of Panchayat Raj Institutions in the state.
l) **Andhra Pradesh:**

With a fresh legislation of 1986, the state government constituted 22 Zilla Praja Parishads (ZPPs) with Chairman directly elected by registered voters. ZPP prepares the district plan and District Development Review Boards (DDRBs) monitors the developmental activities in the districts. No provision of united funds per se has been made, but the state government has introduced some innovations during 1984-85 to the extent that a provision of Rs. 33 crores made at the rate of Rs. 1 crores for each of the 23 districts and an equivalent amount was recommended for 1988-89 as well. There has a new scheme called TGKP (Telugu Grammana Kranti Patham) for execution of a large number of small works in the country side directly by the people through TSD (Telugu Srama Dalam). Three micro computers have been installed in Chittor, Rangareddy and Vishakapatnam under the scheme of NRDMS. State government has selected 3 districts (Godavari, Adilabad and Anantpur) for preparation of district plans on pilot basis.

m) **Assam:**

There is a state Planning Board for the plains areas of the state headed by planning minister along with other

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37. NRDMS stands for Natural Resource Data Management System.
part-time members and there is another planning Board for Hill areas headed by Chief Minister, Assam with other part-time members. These organisation prepare plans with the help of administrative departments and Heads of departments according to the guidelines received from the Planning Commission. The state Government decided to introduce decentralised planning in Assam with effect from 1st April 1986, with the sub-division as the of decentralised planning. The planning set up envisaged consisted of a divisional planning and development council at division level and sub-divisional planning and Development Council at the sub-divisional level and an executive committee at the district level. But Planning Cells were set up at district headquarters of 18 districts. A sum of ₹15 crores was allocated for sub-divisional plans for 1989-90 as 'untied funds', out of which 10% was set apart for meeting emergent needs of sub-division. And 75%, 10% and 5% of the balance amount has been earmarked for the subdivision on the basis of its population, area and backwardness respectively.

n) Bihar:

The State Government reconstituted the district Planning and Development Councils in 1982 with a minister of the State Government as its chairman and government functionaries and elected representatives at the district
level as its members. Since 1985-86, the district planning cells consisting of a district planning officer and some technical and ministerial staff has been created in all the 38 districts of the state. The executive Committee is entrusted with the work of formulation, implementation and review of various sectoral programmes, the District Planning and Development Council (DPDC) with a minister of state is set up as a policy-making body. Public participation is ensured through DPDC. Although Zilla Parishads are not active, Panchayat Samities at block level are very active. The government has selected Monghyr, Purnea and Ranchi for preparation of district plans on pilot basis. DPDC continued as an apex planning body and representatives of Panchayat Raj institutions, Zilla Parishads MP,MLAs, representatives of financial institutions of lead and cooperative bank, divisional Commissioner and economists continue as member of the body. Detailed guidelines have been issued by the state government with regard to methodology and techniques of decentralised planning. State Planning board is given the responsibility of ensuring proper linkage between district plan and state plan, of evolving an appropriate mechanism for close coordination between different development departments. A well defined criteria for allocation of untied funds to the district is adopted by the government. A sum of Rs.115 crores was
allocated to the districts in 1988-89 by way of discretionary outlay. One revised guidelines on the basis of the experience has been issued for proper utilisation of the untied funds.

o) **Haryana**

Serious considerations were given towards imparting a new orientation to the process of planning at the district and sub-district levels. District planning Units (DPUs) prepare status reports covering all sectors of the district alongwith an inventory of local resources, which are examined at the state level planning units in order to identify inter-district disparities and potential for growth. DPUs are responsible for coordination, monitoring and evaluation of all plans/schemes at the district level. DPBs were set up in 1986. They are required to advise and approve district plans, apart from providing necessary guidelines to DPUs for preparation of district development plans. A computer has been setup under NRDMS scheme of Government of India. Rs. 600 lakhs has been provided as untied funds by the state government in 1988-89. It increased to Rs. 1000 lakhs in 1989-90. State government has devised an objective criteria for allocation of these funds to the district. In order to ensure people's participation it has introduced incentive outlay.
p) **Himachal Pradesh:**

Till 1985 District Development Committee were formed and remained in existence in the state, their role was limited to reviewing the plan implementation at the district level. Some attempts were made at involving people's representatives from each District in drawing up the draft annual plan resulting in a long list of schemes. Main plans relating to the policies were considered. DPDCs were constituted and planning cells were created in 10 districts. A comprehensive duty chart, including the resource inventory and village level data 'inventory are prepared, and nucleus budgets for district-level plans are provided for the 10 districts to be utilised by the deputy commissioners for local development works with the approval of DPDCs. The deputy commissioner has the power to sanction schemes out of the untied funds ensuring in the process that each scheme must benefit at least five thousand households. The state government had proposed Rs.5 crores as untied funds in 1989-90. The formula of allocating funds to the districts give 60% weightage to population and 40% to the backwardness. The state government, at the instance of planning commission, has identified three districts (Mandi, Shimla and Kangra) for the preparation of district plans on pilot basis.
This state is a pioneer in District Planning in India. It set up DDBs, with Deputy Commissioner as its chairman in 1986. DDBs are given full powers to determine plan priorities within the district and to oversee the implementation of various development programmes. DDB meets at least 3 times in a year. DPCs are set up in each district to assist the District Development Commissioner in the formulation, implementation and monitoring of the district plans. The state government proposes to adopt the block as the primary unit of planning but the task of preparing the block plan is entrusted to the district level planning machinery. Block level meetings are attended by all Sarpanches, concerned MLAs, VLWs and other block level functionaries. In 1989-90, Rs. 14 crores was provided as untied funds for the districts. Lumpsum outlays for five broad sectors (Agriculture rural development, Industry, Commerce, Power, Transport Communication, Social-Community service) are being apportioned by DDBs. An appropriate formula has been prescribed for the distribution of funds among the blocks where backwardness has been given due weightage. DDBs have the autonomy in determining their
sectoral priorities of the local level. A unique feature of district planning in the state is the review function performed by the state government through the entire cabinet participating in a meeting with the DDB at the district headquarter or at any other place.

6.7. OVERVIEW OF DISTRICT PLANNING:

The functioning of the decentralisation planning process in India can be summarised in the Fig. 6.1 as follows:

**Fig. 6.1 : A FRAMEWORK OF DECENTRALISATION PROCESS IN INDIA**

<table>
<thead>
<tr>
<th>NATIONAL PLANNING COMMISSION</th>
<th>National Development Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicative plan, Spatial plan, Perspective plan, Evaluation &amp; review</td>
<td>Policy decisions.</td>
</tr>
<tr>
<td>Sectoral priorities of the local level</td>
<td></td>
</tr>
<tr>
<td>Financial Agencies</td>
<td>Central Ministries/Cabinet</td>
</tr>
<tr>
<td>Credit, incentives, technical advice, support, motivation</td>
<td>Proposal, suggestion, Scrutiny, direction</td>
</tr>
<tr>
<td>Research Centres and Universities</td>
<td></td>
</tr>
<tr>
<td>Surveys and reports innovation, training advice, appraisal, participation in the plan formulation</td>
<td></td>
</tr>
<tr>
<td>Voluntary Agencies/Public Organisations</td>
<td></td>
</tr>
<tr>
<td>participation in plan implementation, organisational support, mobilisation of public opinion, public felt-needs</td>
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</tbody>
</table>

DISTRICT PLANNING (Intra-regional Planning)
- Mobilisation of local potential, Local priorities, infrastructure resource identification, plan formulation and integration evaluation and feedback.

BLOCK LEVEL PLANNING (Intra-village Planning)
- Local planning, land reforms, surveys, social services, rural industrialisation, intra-village monitoring, peoples participation.
After having an overview of the functioning of decentralised planning, we can identify five stages of district Planning (DP) and the place different states of India as shown in Fig. 6.2 below:

### Fig. 6.2: Stages of Decentralisation

<table>
<thead>
<tr>
<th>Stages</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>First stage</td>
<td>Conceptualisation and constitution of D.P. machinery</td>
</tr>
<tr>
<td></td>
<td>Tripura, Sikkim</td>
</tr>
<tr>
<td>Second stage</td>
<td>Preliminary exercises in DP</td>
</tr>
<tr>
<td></td>
<td>Orissa, Bihar, Assam, Rajstan, Meghalaya, Nagaland</td>
</tr>
<tr>
<td></td>
<td>Manipur and H Pradesh</td>
</tr>
<tr>
<td>Third stage</td>
<td>Rigorous exercises in DP</td>
</tr>
<tr>
<td></td>
<td>M.P., A.P., J.K., Assam, Haryana, Punjab</td>
</tr>
<tr>
<td>Fourth stage</td>
<td>Methodological experimentation in DP</td>
</tr>
<tr>
<td></td>
<td>UP, Kerala, Karnatak, Tamilnadu</td>
</tr>
<tr>
<td>Fifth stage</td>
<td>Sound methodology of DP</td>
</tr>
<tr>
<td></td>
<td>West Bengal, Gujrat, Maharstra</td>
</tr>
</tbody>
</table>

A present district planning machinery exist in most of the states in one form or other. Nine type of nomenclatures are found in different states, as shown below:
The composition of the planning bodies differs among the states. In almost all the district planning units there are official as well as non-official members. Representation is given to the elected members of the legislatures, parliament, Zila Parishads and Panchayats. The development officer at the district level are the members of the DPBs. On account of these representatives, the DPBs are quite large in size. In order to carry out day to day business many states have standing committees which identify problems, proposes inter-sectoral and intra sectoral transfers and supervises budgetary allocation and expenditures. The following four patterns are observed:

<table>
<thead>
<tr>
<th>States</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bihar, Gujrat, Maharastra, Uttar Pradesh.</td>
<td>Minister</td>
</tr>
<tr>
<td>2. Sikkim</td>
<td>MLA(rotation)</td>
</tr>
<tr>
<td>3. Assam, HP, JK, TN, WB, Orissa, Punjab, Rajstan, Manipur, Karnataka, Kerala, Nagaland.</td>
<td>Collector/</td>
</tr>
<tr>
<td></td>
<td>Deputy Commissioner</td>
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The functions of DPB differs among the states. But coordination, monitoring, review, finalisation of annual and five year plans and data feeding to the higher level are the common functions of all DPBs. The way the DPBs
function is also diverse. Some DPBs lying some autonomy in preparing district plans in respect of discretionary funds. Different states have tried different methods and formula in the allocation of plan funds to the districts. Unfortunately, barring a few, almost all DPBs do not have much administrative and financial powers. The result is that the decision making and planning function rest somewhere else and these Boards work as advisory bodies only.

6.3 PROBLEM OF DECENTRALISED PLANNING IN INDIA:

To sum up, it is observed that in all the states development of economic and social infrastructure covering rural health, education, rural roads, veterinary services, agriculture, horticulture, fisheries even minor irrigation have not received as much consideration as they ought to have. In the wave of euphoria about decentralised planning detailed and fragment monitoring of plan implementation were attempted in all the states. Many councils, sub-committees and working groups, were constituted. But unfortunately all the committees and sub-committees set up at the district level usually with the collector as the chairman were counter-productive, because of their numbers, functions and insensitivity to the local problems. All the schemes were "Collector-centric" and peoples participation in all the schemes remained peripheral and
rhetoric. District planning in the right perspective with effective decentralisation both functional and operational at the district level is yet to be taken up in most of the states. Decentralisation of Powers entails power of administrative sanction and power of financial sanction. But in reality power to accord administrative sanction for regular plan programmes, both for ongoing and new schemes, is invested with the government. Monitoring of development programmes at the district level is never adequate, not even uniform in all the districts, and informations received are doubtful in nature, and no remedial measure is taken as a follow up of such reviews. Though intra-departmental vertical linkages are workedout, the horizontal linkages, where different agencies are involved, are lacking at the field level. The organisation, which has to establish such linkages at the field level had no power to take locational decisions.

On account of meagre outlays, much headways could not be made. The role of District Planning Committee as a result remained largely confined to monitoring of development programmes. Criteria for allocation of untied funds remained arbitrary rather than scientific. The district planning did not contain any provision for the realisation of the following objectives; despite their criticality in the decentralised planning. District
Planning should adequately deal with the following.

(1) Assessment of resource endowment and development potential of the region; and identification of projects according to priorities and economic viability.

(2) Reflection of needs, and aspirations of the people by effective people’s participation and involvement of all stages.

(3) Highlighting the inter-district economic and social disparities and interregional imbalances and to adopt a built-in mechanism for the moderation of such disparities.

It is observed that several gaps and constraints persisted in the process of planning at the district level such as:

(1) Inadequacy of data-base for lower level of planning.

(2) Inadequate financial and functional decentralisation

(3) Ineffective coordination between different sectors.

(4) Inflexibility and inadequate reorientation of programmes.

(5) Non-availability of adequately trained and experienced planning personnel.
The significant cause for growing regional imbalances in the country is the lack of precision in matters of goals and objectives of planned development. The emphasis to achieve sectoral production still continues with the problem of social justice. Since the sectoral investments are linked with the resource endowments and skills of the people, the richer regions tend to benefit more from this type of planning exercise.

Despite the slogans of decentralisation the inertia of the past still carries the day. All the Five year Plans have been dominated by a sectoral approach to planning. The large scale centralised approach with its heavy emphasis on capital intensive industrialisation still takes up most of the investible capital. The concept of spatial development involving as it does crucial locational choices, has so far played a negligible part in its planning exercises. This neglect of spatial planning has persisted in spite of the emergence of increasing regional imbalances; both interstate and intra-state. Secondly all the plans and Administrative Reforms Commission in theory insisted on the decentralisation of planning process and emphasised the need for grass-root approach and people's participation as a corollary. Inspite of all this the practical record of decentralisation and multi-level planning is not at all impressive. Even that decentralisation of the first order,
namely centre to state planning has not taken place in some state with the same degree of efficiency.

More serious are the problems at the state level. Some of the states do not have a technical planning agency. They do not have long term perspective of sectoral and regional development nor are they tending to decentralise planning and development processes to the lower territorial stages. The states have to depend too excessively on the allocation of central resources, leaving only a limited scope for initiative and innovation.

None of the states really attempted to achieve the targets prescribed by the planning Commission. They carry on the planning process as in the past. Many of them have not revamped their planning machinery. Regional or inter-district disparities continued to grow and inter-sectoral integration is attempted only superficially. Though the states have accepted spatial integration as an important objective of planning few of them have a technical wing manned by trained and experienced personnel. None of them has gone through a drastic kind of land reforms. Acts passed by state legislatures were left with enough loopholes to allow the landlords to evade the ceiling provisions. The Panchayat Raj Institutions which were to be involved in the planning and development have been weakened, leaving them inert and helpless.
The state planning has become a mere bureaucratic exercise generating growth here and there but little of development. If states like Punjab have shown rapid progress, it is because of the new technology available to the people and not because of any breakthrough in institutional reforms. Since technology without proper assimilation in the societal milieu has its limits, even in Punjab the growth may not be sustained for a longer time without accompanying changes in socio-economic structures.

The district level planning has far more serious problems. Districts do not have their own funds, their main source of income is the state. The state level sectoral departments have control over the personnel working at the district and lower levels. The Zilla Parishads which were supposed to be popular bodies for planned development have not taken roots except in a few states like Maharashtra. Firstly, District Planning is not at all comprehensive. They leave much to be desired. The rationale behind it has not been appreciated. Moreover district planning can not be extended to be anything more than a routine follow up of state plans, unless decentralisation of the first order has worked well. Basically there is no technical cell at the district level which specialises in area development and planning. Secondly, it is still treated as miniature of state or
national planning. It is rarely realised that it is essentially a spatial planning exercise. Thirdly, a district is often treated as a closed system. It is not realised that it forms a unit of a system of districts. In the system each unit is dependent on the other and hence for most purposes it is an open system. District planning does not have a longterm perspective. The absence of a conceptual framework inhibits treating district planning as a meaningful exercise. It is this which has resulted in the lack of thorough statistical investigations and socio-economic enquiries into the resources—physical, fiscal and human and their real potential for development.

It is too early to express any opinion on Block planning being attempted since 1978. But the problems it faces are very much apparent. There exists no planning machinery at this level. The district planning officer can neither cope with the task of block planning nor is capable of handling this work. So the Government of India has decided to appoint voluntary agencies for this purpose. But unfortunately there are few such agencies which can do this job well. They lack expertise in integrated plan formulation.

Thus the history of decentralisation movement in India has shown that most of the initial experiments in decentralisation were adhoc in nature. Three major lacunae may be distinguished in such experiments as
discussed earlier.

1) lack of people's participation in the administrative system in the required degree.

2) absence of well-defined spheres of action at different planning levels.

3) lack of proper and effective functional arrangements to make decentralisation operational.

Thus, the bureaucrats insistence on hierarchy, the intellectuals obsession with consistency and the convenience of the political executives to retain power are blamed for avoiding the development of a rational process of decentralised planning in India.

6.9 FUTURE PROSPECTS:

Planning in India is now reaching the stage of maturity. Much has been attained in the past, but there is a lot more to be done. The accent has already shifted from agglomeration to despersal and degglomeration, from production alone to production-cum-distribution, from centralised planning to decentralised planning from plan expenditures to actual achievements, from bureaucratic approach to popular participation and from economic development to sustainable development and welfare.

Each Five Year Plans has generated new thinking and opened new vistas for planned development. From the high
pitched centralised planning of 1950, we have now come
down to block level planning. These 45 years have made us
realise that the western models of economic growth would
not answer Indias developmental question for the obvious
reasons that experience of 19th century cannot be transplanted in 20th century and that too from western societies
to the eastern ones. However after 4 decades of development
planning, strategy for rural development still displays serious faults and deficiencies. It has failed to
deliver goods and services efficiently and equitably to
the rural mass. The failure is due partly to inadequate
resources, partly to an elitist bias and to a lack of
coordination and people participation. The traditional
attitudes have prevented any synthesis of local institutions
with the common people of rural India.

India is now in search of an indigenous model of
development - a model which must emerge from its own
experience of the last 45 years and which must take note
of exceptional circumstances in which the country is
placed today. Such a model cannot be divorced from the
ideology favouring the poor and the marginalised. It is
in that search of a model that we have now tumbled on the
idea of bottom-up planning without throwing away the
centre down approach altogether. It may not take too
many years before we are able to perfect an indigenous model of multi-level regional planning suited to India,
but such a model will be of no avail if it demands socio-economic, political and structural changes in favour of western model, and fails to generate rural upliftment. There is no dearth of thinking about decentralisation of planning process. The experience of planned development has demonstrated that merely wishing for decentralisation would not be enough, unless backed by sound practices and political will to introduce radical changes, create suitable structures not only at the centre and state levels but also down the block and village level.

District planning should visualise decentralisation of economic power as complementary to the decentralisation of political power. In order to maintain a close watch over the running of the district plan schemes, a system of regular flow of informations from villages to the district headquarters has to be evolved. Local initiatives and needs have to play a vital role in decentralised planning.

Primary function of district planning should be to generate more opportunities for employment and development, particularly so far weaker sections of society, harness local initiatives and potentials, raise the productivity of land, labour small and cottage industries, achieve minimum needs and develop the infrastructural facilities. Therefore it is expedient for all states to
first segregate the sectoral programmes into 4 broad groups:

(a) State Level Programmes.
(b) District level programmes
(c) Block level programmes
(d) Village level programmes.

The District planning mechanism with different ramifications is yet to take firm roots. Tardy implementation of the projects is mainly due to lack of effective peoples participation in all stages. It is therefore, imperative to rejuvenate the moribund P R system with the aim of involving peoples at the grassroot level in the planning process. The absence of panchayat raj elections, dampened the enthusiasm of the people. With the flux of time involvement of people reduced and development activities were withdrawn gradually from PRIs. These institutions lost all lustre and their existence made no difference. Important departmental functionaries were withdrawn from Panchayat Samities and the whole burden of extension of various schemes and ensuring peoples participation fell on the depleted block machinery. Therefore, effective measures should be taken by the states to revitalise the PRIs functionally, financially and administratively in all the states.
The district planning board (DPB) should have complete autonomy in respect of various schemes of the district sector. The main functions of the DPB should be:

1. Identifying the local potentials and taking stock of natural and human endowments.
2. Articulation of local needs and objectives.
4. Preparation of district plans.
5. Formulation of policies, programme and priorities.
6. Execution, coordinating implementation.
7. Monitoring and review of implementation.

The permanent cell, having a planning officer should take care of the technical aspect of planning. It should invite the expertise from various disciplines such as economics, statistics, agronomy, economic geography, engineering, sociology, banking, agriculture, animal husbandry, horticulture, etc. The actual size and composition of the cell should be determined, on the basis of the needs and workload of the district.

Now the stage has come, when the centre, states and districts should have well defined areas of jurisdiction. Such classification should be flexible enough to reconcile any conflicts or any specific urgent needs and priorities of people. The decentralisation of administration and
financial powers shall accelerate the pace of economic development of districts. At the same time it will ensure welfare to the majority by adopting suitable measures for redistributing the wealth and creating job opportunity for the rural people. Till today implementation, evaluation and monitoring are not properly done. It is a fact that local people are in a better position to evaluate and monitor the schemes provided necessary expertise is extended by the district planning cell, academic institutions and voluntary and research organisations. If the development schemes are placed under the responsibility of DPB and if it functions effectively, the implementation of the schemes shall definitely improve, because the people. Because the people for whom schemes are really intended are at the spot to observe the progress of the scheme in operation.

All the developmental activities should come under the umbrella of DPB. There are many independent discrete, poverty alleviation, area-development programmes and beneficiary oriented schemes. This results in huge wastage, duplication and over staffing, which could be avoided if DPB really shall coordinate those programmes. It is noticed that people are trained in skills without identifying their interest, aptitude, or determining the local needs and potentials, in various employment generating schemes. But the training should be realistic
and practical in order to alleviate the unemployment problem. Additional support in terms providing marketing facility for their finished product can be effectively extended by the DPB. It is highly imperative to extend autonomy to the DPB, so that undue delays can be avoided. At the same time enough expertise should be at the disposal of DPB so that they are properly advised about the feasibility, constraints and usefulness of different schemes. Further, the experts should be allowed to monitor the progress and suggest corrective measures as and when required. Very often the administrative sigmaroles pose stumbling blocks for which many good schemes fail at the very stage of its inception, unless they are conceived and formulated within the existing administrative framework. In order to solve this problem the DPBs should have adequate administrative support, which should consist of committed workers who should be able to iron out, the constraints and expedite the progress rather than get lost into administrative labyrinth.

Despite repeated failures, many steps have not yet been streamlined. Even for regular routine work no time limit has yet been determined. In respect of annual plan the various departments and agencies fail to do the exercise well in advance, as a result they produce a plan in a hapahazard manner for which the targets either becomes very flimsy or very ambitious. So it is very
much necessary that DPB should stipulate time-schedule for every activities. Even for the completion of other developmental schemes, the time schedule should be strictly adhered to. It is a well known fact that many schemes becomes extremely expensive on account of inordinate delays. The cost overruns so resulted disturb the entire scheme. It dishorts the priorities and depletes the financial resources; for which many useful schemes have to be postponed or abandoned. Peoples clamour, for the non-completion of the projects, schools without buildings or teachers, roads without bridges, irrigational dams without canals, hospitals without equipment or doctors, are too painful and precarious experiences.

Thus to sum up, decentralisation in India requires certain conditions to be met if it is to succeed. The following points appear to be very significant prerequisites for decentralisation process in the country:

1. Functional peoples participations.
2. Integrated rural development and establishment of "agropolitan growth centres."
3. Locating "rural-industrial catalyst points."
4. Identifying levels and functions to be performed at each level.
5. Establishing planning machinery at each strata with suitable trained staff.
(6) delegating powers and responsibilities in consonance with assigned role.

(7) indicating outlays that would be available at each level.

Taking all these prerequisites into consideration an appropriately conceived indigenous model for decentralisation process of planning and the various interactions emanating out of it can be a significant measure to solve the problem of rural underdevelopment.

Decentralised planning in the scientific sense of the term has not been introduced in India so far, though the need for decentralised planning and peoples participation has been customarily reiterated in every five year planning. Decentralised planning in India is still in a rudimentary stage in most of the states. The present staffing pattern at the district and block level in largely attuned to implementation of planning and not to plan formulation. Mere disaggregation of funds to the district level and showing district allocation in the state plan document does not lead to effective decentralisation, when the powers to plan out these funds are concentrated at the state level. In a planned mixed economy of Indian type, whole mechanism of control, regulation, incentives and disincentives are operated by Administrative machinery of the state. In view of its significant role in the development process, administrative machinery has to change its role and character. Bureaucracy relies on supremacy
of rules over results, procedures over performance and
takes shelter under the myth of civil services neutrality.
Decentralised planning, if it is to be more than a mere
political slogan has to become institutionalised and proper
machinery has to be created for its success. Decentralised
Planning cannot be a success unless grass-root people's
participation at various levels is built into it.

Peoples participation in the true sense has to be
built in the plan process. It facilitates proper
execution of the plan on the one hand and equitable
sharing of the benefits of the developmental efforts on
the other. The involvement of the people in the so-called
"participatory decentralised planning" has been infact
verymuch restricted so far to the elected political
representatives, elite class along with few technocrats and
bureaucrats. The present set up at the block level has
an 'elite bias' and as such benefits earmarked for the
poor are grabed in the midway. In respect of adult
education, public health, children - women welfare
programmes, day after day we have this nauseatingly
hypocritical phrases of peoples involvement. In reality
there has been no involvement of poor people, who constitute
75% of the rural population, but only there is creation of
middleman, local oligarchies and oppressive elites. As
we all know, the Indian Political and economic systems are
reeling under all-pervasive corruption. It will not vanish
by itself or by the dictates of the ruling class and elites who are themselves opportunists and corrupt. All forms of corruption will go only when people take up problems of development in their own hands, only when development priorities, potentials of income and expenditures are openly discussed. There shall not be any form of closed-door decentralisation. This practice can be changed in favour of the real poor by seeking the active involvement of rural people from all classes/sections as well as by having a more than proportionate representation of the poor and unprivileged section in the tasks of implementing, and monitoring beneficiary-oriented schemes. The schemes may be executed at the village level on community basis with the help of gramsabha in order to check distortion and misappropriation. Thus true democratisation of planning process, resurrection of the existing purely bureaucratic-cum-technocratic exercise is warranted to secure active involvement of rural people and make plan effective in solving the problem of the people. Planning should be of the people, for the people and by the people. People should have a dominant role in preparation, execution and monitoring of all plans and schemes. The genuine policy of democratic decentralisation of power among rural masses can strengthen the ability of rural people in decision-making which shapes their living standard, social and natural environment and promote the spirit of local self-help with mutual cooperation among themselves.