CHAPTER 2.

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2.1. Introduction

Planning is the keynote, the cornerstone of modern civilization. Today, it has become quite a common practice even outside the socialist countries covering a very broad social spectrum. Planning is organized rational thought and is helpful in the determination of national objectives and in formulating policies, programmes and projects for their achievement. It has implicit relevance to institution, institution building, and institutionalization of the decision-making. Planning involves decisions on inter-sectoral priorities for making investment to achieve a desired socio-economic development of the country. This is done in the context of social values and on an assessment of the problems of the society which the planners want to solve and the needs of the society which they want to meet. Planning is necessary for achieving certain stated objectives related to a time frame and with the optimum use of resources (Handa, 1984).

Indeed, planning is a gift of socialism. It is concerned with decision-making about investment in each sector for the optimum pace of growth as well as to decide how much to invest in which sector to achieve the targeted growth. Thus planning refers to decision-making process for investment, allocation and efficient utilization of resources, economic welfare and improving the living conditions of the citizens of a country (Gedam, 1991).
The programmes and projects which are required to be implemented for achieving the national objectives need to be related to various public policies the country has adopted. This can be done by a systematic planning carried out by an apex body with the active assistance of administrative authorities, executing agencies, and other planning bodies in the country (Handa, 1984).

The United Nations Publications may be cited here, which reads as follows: “The most important task facing the developing countries today is the problem of economic and social development in all its aspects (Krishnamachari, 1962). To ensure an orderly development process, it is, therefore, necessary to establish priorities, to choose rationally between realistic alternative policies and to pursue these consistently and in a coordinated manner so as to attain the short-term and long-term objectives. The concept of planning provides a logically integrated framework for taking a whole set of such decisions and the techniques of planning furnish tools for the translation of policy objectives into specific task and programmes of action. A plan then becomes a body of economic and social policies expressed in quantified targets and defined task” (United Nations, Govt. Budg. & E. P. in Devg. Countries, 1996)

The planning concept ensures harmony in philosophies, ideologies and theoretical justification. It is a rational method of application of resources for the fulfilment of specified objectives. As a systematic approach to goal achievement, planning could be undertaken by simple as well as complex organizations by private and public sectors; at the macro and micro levels; by national and regional entities; to achieve strategic and tactical objectives (Thavaraj, 1984). Planning organizes the
conditions which determine and regulate economic growth. By operating the growth determinants, planning initiates the developmental process. In a strict sense, planning by itself does not bring about economic growth; it only organizes the growth factors and thereby fosters and accelerates the growth process. Planning is thus only a means, a tool, and a method of action – an organized and purposive way of doing things to achieve better results (Bhattacharya, 1963).

2.2. Conceptual Framework

Planning is a concept which is at the foundation of all types of organizations. It existed at all stages and ages of human civilization. Whenever rational thinking was done, planning was done. Tracing back the origin of planning, to quote Mamatha Patankar it can be dated as far back as the 4th century B.C. The concept of planning is said to have been formulated by the great Greek Philosopher in his book 'Republic' nearly about 2,400 years ago (Patankar, 1977).

Planning is necessary for systematic management of affairs, judicious and calculated use of resources aiming at making those things happen which are kept in view.

Planning is associated with various aspects. In its essence it aims to provide betterment in the living style of the people preferably to the population in lower strata. It can be defined as a conscious effort on the part of any government to follow a definite pattern and route for achieving predetermined pace of economic development in order to initiate transition from one state of the traditional to new state of modernity pursued by upholding the human value without eroding the culture (Gedam, 1991). L. Urwick defines planning as fundamentally an intellectual
process, a mental pre-disposition to do things in an orderly way, to think before acting, and to act in the light of facts rather than of guesses. It is the antitheses of gambling, the speculative tendency (Urwick, 1943). Planning is deciding in advance what to do, how to do, and when to do it, and where to do it. Planning bridges the gap from where we are, to where we want to go. It makes possible for things to occur which would not otherwise happen. Although the exact future can seldom be predicted factors beyond control may interfere with the best laid plans, unless there is planning, events are left to chance. Planning is an intellectually demanding process, it requires the conscious determination of courses of action and the basing of decisions on purpose, knowledge and considered estimates (Koontz and O’Donnell, 1980).

Planning provides a window to peep into the future. It helps in chalking out the future course of action. Every details of the action can be worked out with the help of plan. The scope of planning is very wide as it touches each and every aspect of the future course of action. Planning is a preparation for action. It is the vital first step in any major administrative action. Planning is a means to an end. It is the process of formulating the objectives to be realized by administrative enterprise. Decisions about financial requirements, organizations, personal ends, physical facilities, supplies and equipment, work processes and many other phases of administration flow from the determination of purpose. There can be no efficient management of work performance without planning (Marx, 1968).

In Public Administration, the planning process is an important part of the way in which administrative agencies participate in the political decision-making.
The administrative agencies play their part in determining public policy. There is a
great inter-play of political and administrative system in the country in the policy
planning, which is infact the essence of an administrative agency with its present and
future operation (Marx, 1968).

Robbins defines “to plan is to act with purpose, to choose; and choice is the
essence of economic activity”. On the other hand Pt. Jawaharlal Nehru Chairman of
the National Planning Committee, 1937 of Indian National Congress defines
planning under a democratic society as, “the technical co-ordination by disinterested
experts of consumption, production, investment, trade and income distribution in
accordance with special objectives set by bodies representative of the nation. Such
planning is not only to be considered from the point of view of economics and
raising of the standard of living; but must include cultural and spiritual values and
human side of life” (Kumar, 1962).

2.3. Genesis of Planning

Planning for economic development is entirely a gift of Marxism to
Mankind. There has, of course, been development without a plan and plans for the
achievement of some partial or limited objectives which do not directly owe anything
to Marxism. But a total plan for sustained and balanced economic growth was for the
first time embryoconically conceived by Marx and Engles, and the first country to
actually undertake such a venture was the Soviet Union (Roy, 1965). In other words,
Soviet Union was the pioneer country to apply the principles of planning as a
component part of its State policy to the task of economic reconstruction.
The Marxian concept of planning is, in fact, organically linked up with its analysis of capitalist social relations on the one hand and the dynamics of a socialist society, which is to replace the former, on the other (Roy, 1965).

This is not to belittle the historical role of capitalism in economic development, to which Marx and Engels paid their unstinted tribute: "The bourgeoisie, during its rule of scare one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground-what earlier century had even present events that such productive forces slumbered in the lay of social labour" (Marx and Engels, 1953)

But in all this, there was neither any concrete action, nor any clear pre-vision of ultimate outcome of the totality of actions undertaken by innumerable separate entities. As Maurice Dobb puts it, 'the decisions affecting development', in a capitalist economy "are in the hands of autonomous entrepreneurs or firms motivated by considerations of individual profit ... in such an economy development does not occur as the result of any thought-out and co-ordinated plan. It just happens accidentally as it were -- as the result of a large number of autonomous individual decisions, each of them taken in ignorance, of other and parallel decisions, on the basis of market data plus guess-work or 'expectations' as to the future movements in that market data. In such circumstances the horizon of each decision-taker is straitly limited both in space and over time (Dobb, 1951). At times Dobb elaborates on
another occasion, these expectations, spread to become a general market ‘mood’ which evokes something like unanimity of action among all and sundry. In this way an investment boom may develop, under capitalist conditions; however, such booms are wont to be short-lived and to collapse as soon as any wide-spread conditions of excess capacity becomes apparent (Dobb, 1951).

Planning as has been stated earlier, was first embryonically conceived by Marx and Engels as the antithesis of anarchy inherent in capitalism. As early as in 1948, in the first mature document of the merging new social philosophy, i.e. the manifesto of the Communist Party, they made a broad formulation of the main tasks which later came to be designated by the general term ‘planning’. The German term planwirtschaft (meaning Planned Economy) could be treated as appropriate term to signify origin of the concept of planning (Gedam, 1991).

It is well known that it was the Soviet Communist who first translated the dream of a planned society into reality. As well as early as 1903 the Bolsheviks had adopted in their programme substitution of “...the social ownership of the means of production and exchange for private ownership” and the introduction of “the planned organization of the social production process in order to ensure the well-being and all sided development of all the members of the society”. After 1917 revolution the implementation of five years plans changed the face of that country within a considerably short period. Soviet Government set up in December 1917, the Supreme Council of National Economy under its direct control. The council was entrusted with the task of regulating and co-ordinating the economic life of the country. Along with the progress of nationalization of industry and transport, its
functions also continued to be enlarged. The new regulations governing the Supreme Council, adopted in August 1918, authorized this body besides the task of organizing and regulating production and distribution to directly manage all the State enterprises as well (Roy, 1965).

The next step in planning was the GOSPLAN (State Planning Body), constituted in 1921, which was commissioned by the USSR Government in 1927 for drafting of plans, and consequently the First Five Year Plan was put into action in 1929. Since then the economic structure of that country has always been governed by plans.

Attracted by the spectacular achievements of planning in USSR, some countries tried to introduce planning, in their countries, for regulating the economy. Nazi and Fascist economies were built around planned efforts. The ‘New Deal’ of USA was also a plan for recovery of the economy from the shadow of depression of 1930. Now almost all the countries of the world have launched their plan for development.

2.4. Chronology of Plan

Modern economics, particularly development economics, national accounts system, commitment to socialism tenets etc makes planning as scaffolding on which growth and welfare struggle is continued. Planning is an American but pro Russian. Infact, planning process is a unique gift of Soviet Union to the world community. Planning machinery of Soviet Union was established in 1925 and its first five year plan came into existence in 1928. Other plan dates are as follows: (Gedam, 1991).

Germany 1933 first Nazi four year plan.
Italy 1933 Vanoni Plan.

U.S.A. 1933 Development of Tennesse Valley in USA.

India 1951 after independence first five year plan.

Ghana 1951 when British colony its first plan.

1957 Second and Third Plan of Ghana.

In 1964 about 125 nations had development plans. Out of 125 nations about 93 were termed as developed countries in 1964. In Western Europe among the democracies United Kingdom was the first nation to have overall plan after World War II. Other countries to follow U.K. were Netherlands, Norway, France, Sweden and Denmark.

India is seen, by world communities in general and developing countries in particular, with great curiosity for her development, governance and struggle for amelioration of poverty. India after her independence in 1947 had opted for transformation of agrarian, traditional and dead economy on to the path of industrialization and modernization. In consonant with prevailing thinking of 1950s. India has also created an agency called Planning Commission in March, 1950.

2.5. Objectives of planning

We have seen that planning is a scheme of action covering entire structure of the economy, an attempt to pool together the available resources of the country and direct them in a manner that will realize the defined social and economic goal. In industrially advanced countries the emphasis is given on correction of short-comings of the economic system and ensuring of more equitable distribution of benefits. As
the problem is of underemployed equipment and resources and under utilization of labour in the form of unemployment the planning may be aimed at increasing the “aggregate demand with a view to stimulating the economy to full employment”.

In underdeveloped countries the difficulty is that of insufficient equipment and utilizable resources and under utilized labour, therefore the problem is that of increasing the rate of capital formulation – capital equipment and utilizable resources. According to Dr. V.K.R.V. Rao “the process of economic development is essentially one of increasing productivity or output with a view to raising the national income, standard of living and economic welfare, for which the measures required are :-

i) increasing value of utilizable resources,

ii) increasing value of capital equipment, increasing value of efficiency of labour,

iii) increasing value of state of knowledge, and

iv) increasing incentive for maximizing output.”

The planning may aim at the achievement of the following objectives:-

1) Full Employment;

2) Equality of Incomes;

3) Lower Prices;

4) Maximum Production; and Increase in National Income for Raising of Standard of living (Kumar, 1962).
These objectives are, though interrelated, competitive in nature and all of them can not be realized simultaneously. There is, therefore, the problem of choice, balancing of these competitive objectives – the problem of balancing, selecting is the core of all economic problems.

The ultimate aim of planning is the increase in National income on which the standard of living of the community depends. In the initial period there is a problem of choice between immediate increase in the standard of living by producing more essential consumption goods on one hand, and capital formulation for future and stable growth of the economy by concentrating on producers and capital goods on the other. The later is the better choice. Effort should be made in the direction of diverting a major part of additional income accruing for development purposes. Increase in the national income is the devise of economic progress (Kumar, 1962).

2.6. Typology of Planning

Within a broad classification of centralized and decentralized planning process there could be substantial diversity. The multi-dimensional phenomenon in economy, region and space is germane to articulation of the development process along different bases. Typology of planning is conceived from different perspectives. There could be comprehensive planning or partial planning; indicative planning or imperative planning; planning by compulsion or planning by inducement totalitarian planning or democratic planning; sectoral planning and spatial planning, physical planning or financial planning; perspective planning or long range planning, short range planning or annual planning.
2.7. Comprehensive or Partial Planning

Comprehensive planning connotes planning for the totality of the economy. It takes into account the aggregate resources available within the economy and aggregate targets to be reached by the economy as a whole. In socialistic economies where all except the most minor means of production are socially owned, planning of necessity has to be comprehensive (Dubhashi, 1983). On the other hand partial planning signifies planning for a part of the economy. Partial planning partakes the nature of planning for a particular element in the economy, like public investments, and its influence on the economy as a whole is left to be taken note of in national accounting and statistical analysis. Infact, the distinction between comprehensive planning and partial planning, is based on the substance and scope of planning.

2.8. Centralized Planning and Decentralized Planning

The planning process can be differentiated between centralized and decentralized planning, based on territorial levels where they are sought to be operationalised. In centralized planning the entire plan is conceived, implemented and monitored from a central location, for the country as a whole, and despite existence of a hierarchy of economy planning regions and administrative delineation. In a decentralized planning framework, on the contrary, planning at several levels for the relative level of economic planning region or administrative boundary, is conceived, executed and evaluated. Centralised and decentralized planning are often referred to as “single level” or multi-level” planning, and the appellations reveal the character and concept involved in these planning phenomena (Yugandhar and Mukherjee, 1990).
2.9. Rural, Urban and General Planning

Rural, urban and general planning classification is based on environmental phenomenon. Rural planning is concerned with planning for rural areas. A plan that relates to rural development is a rural plan. Urban plan similarly relates to plan for the urban areas. The plan that encompasses both a rural and an urban territory without having regard to either its urban or rural bias, is the general plan. An urban or a rural plan seems to have more operational significance when the regionalisation of the economy is directed to demarcate the territory as urban or rural.

2.10. Typology of planning at local level

The pressure of international and domestic circumstances that affect local needs in the process of local economic development, and the realization that intra-national local economics are affected differently, that is, some have growing economy while others are experiencing stagnation, are the two conditions that affect local economic development. There are two economic development perspectives; responsiveness to external needs or responsiveness to local domestic needs. While the external needs characterizes much of the prevailing practice, local responsiveness is identified with a new, emerging (or latent) practice, which has set the stage for proposing a typology of four distinct planning orientations: two prevailing models (contingency planning and strategic planning) and two emerging models (contingency planning and strategic planning) for local economic development that are growing or declining. These four approaches has been called preactive, reactive, practive and interactive approaches respectively to planning.
2.11. Recruitment Planning

Recruitment Planning is the traditional approach to economic development used in many sub-national economies, to attract firms and industries, where public involvement is limited. Private sector vitality and initiative tend to displace expressions of local concern for explicit planning, to operate on the assumption that all business is good for the local economy. Industrialisation of the area is taken for granted as an obvious policy, which is generally linked with a tacit understanding that industrialization will benefit the entire community. Planning based on this approach includes a wide range of industrial inducements and efforts to enhance the image of the territorial tier's "business climate". Because it is the most familiar style of local economic development planning, variants of recruitment planning can be found in nearly every locality in the developed countries, particularly the United States. Recruitment planning represents a typical preactive approach to external conditions, that is, the local economy is initiating action to build or preserve its economic super-structure as a response to competitive conditions (Yugandhar and Mukherjee, 1990).

2.12. Impact of Planning

Impact of Planning is of relatively recent origin, which focuses attention on efforts to mitigate or reduce the worst effects of industrial losses in a local economy, and is grounded on the concern for the effects of lock out, particularly the impacts on the labour force, and is of episodic nature. This activity constitutes the most recognizable public sector planning approach to economic development, an approach based heavily on the continued availability of funds from higher levels of
governments. The main assumption underlying this approach, is that action is taken only at the time of crisis, which does not admit of flexibility in response and over-emphasizes the obtention of external funds. In backward areas, firms close down or gradually reduce operations of older, less profitable plants, which is a strategy that is basically the mirror image of the industrial growth cycle for growing areas.

Development activities are implicit in the term impact planning, and typically a programme is brought on by sudden, unexpected lock out and similar employment activity cutting down actual and potential employment opportunities. Development policies and planning in this approach have an orientation of dealing with the local impacts of necessary, but uncontrollable, acts of industry. And as Blackly rightly points out the “programmes associated with such policies are generally targeted on, or other strategy is subordinate to, the real long-term needs” of the area (Blackley, 1989). Clearly enough the planners wait till the circumstances change adversely. Impact planning is thus reactive planning in reaction to loss of existing industrial base (Yugandhar and Mukherjee, 1990).

2.13. Planning in India

India is listed among the Third World countries. The Third World with 70 per cent of total population, subsists on only 20 per cent of the world income and even this meager income is so man-distributed internally as to leave the bulk of its population in object poverty (Sinha, 1986). The third world countries are characterized by lower level of living, poor quality of human resources, high rate of population growth, unemployment and disguised unemployment, dependence on the primary sector of the economy, i.e., agriculture based industries, low capital
formulation, etc. Thus these countries share a common goal, i.e., reduction of poverty, inequality and unemployment, provision of minimum level of education, health, housing and food to every citizen (Prasad, et al., 1989).

To achieve these goals, planning has become essential. In fact, in any social system planning has become the major instrument to achieve the social and economic goals. Planning is essential for development. Development and planning go hand in hand. There can be no development without proper planning. India’s experimentation in democratic planning on such a vast magnitude to reconstruct, rebuild a new India, the entire structure of national life, is perhaps first of its kind in the history of mankind.

2.14. Historical Background

From early times, the movement for political advance in India was linked up closely with social and economic development. Leading public men like Dadabhai Naoroji, M.G. Ranade, R.C. Dutt wrote extensively on social and economic problems. Their main themes were the poverty of the people and the recurrence of famines, which they attributed to the defective land-revenue policies of the government, the high cost of administration and deficits in the balance of payments. They were convinced that no solution could be found for the economic backwardness of India by British Governments pledged to a policy of laissez-faire and non-interference in social matter. It was their view that only national Government which would actively promote economic development by direct governmental action could bring about improvement in living standards. The resolutions of Indian National Congress from 1929 onwards emphasized the need ‘to
make revolutionary changes in the present economic structure of society and to remove grave inequalities in order to remove poverty and ameliorate the condition of the masses (Krishnamachari, 1962).

2.15. The National planning Committee [1937-41]

The Government of India Act of 1935 introduced provincial autonomy. This led to the formation of Congress Governments in eight provinces. Soon after this, in August 1937, the Congress Working Committee passed a resolution suggesting that an inter-provincial committee of experts should be set up to consider 'urgent and vital problems, the solution of which is necessary to any scheme of national reconstruction and planning' and 'to suggest how and in what order those should be tackled'. This was followed later in the year by the constitution of the National Planning Committee of which Shri Jawaharlal Nehru became the chairman (Krishnamachari, 1962). This was the first practical attempt to draw up a coordinated plan for national economic regeneration in 1938. This committee was the outcome of the conference held in July, 1938 which fest that the problem of poverty and unemployment, of national defense and economic regeneration could not be solved without rapid industrialization (Tandon, 1975).

The committee consisted of 15 members including well-known industrialists, economists, financiers, professors and scientists; and in addition representatives of the Provincial Governments (the non-Congress Provincial Governments of Bengal, Punjab and Sind also co-operated) and those of the Indian States of Hyderabad, Mysore, Baroda, Travancore and Bhopal. It was a remarkably representative committee cutting across political boundaries as well as the high barrier between
official and non-official India, except for the fact that the Government of India was not represented (Krishnamachari, 1962).

The principal objective of planning was to attain, as far as possible, national self-sufficiency. The fundamental aim was to give to the masses a basic irreducible minimum of human existence.

The committee appointed 29 sub-committees to study and report on different sectors of the economy. However, the work of the committee was interrupted due to the outbreak of the World War II and the imprisonment of its members. The sub-committee carried on this work inspite of various impediments and submitted report on their respective fields – some in 1939 and 1940 while some in 1945 and 1946. This appreciable work of the committee generated great interest and discussions in the problems of national planning (Punjabi, 1965).

2.16. The Bombay Plan (1944)

Another systematic effort towards evolving a national plan for the country was made in 1944 in the form of "A Plan for Economic Development in India" by eight leading businessmen of the country, popularly known as the Bombay Plan. The plan envisaged an outlay of Rs. 10,000 crores, spread over a period of 15 years, the principal objective being to bring about a doubling of the per capita income by tripling the national income. The outlay was divided among different sectors.

The plan devoted thought to problems connected with state control and state ownership. It also recognized that during the planning period controls might have to be instituted similar to those which are in force at present under were conditions'.

Dealing with methods of state intervention the plan defined the respective fields of
ownership, control and management of economic enterprises by the state of the three factors, the plan considered state control to be more important than ownership or management from the point of view of maximum social welfare. It contemplated a wide field for state control which might assume the following forms: fixation of prices, limitation of dividends, licensing, auditing, prescribing conditions of work and wages of labour, etc. The plan also defined the fields considered desirable for state ownership. In its view state ownership had a place in two classes of causes: ‘(i) where the state finances an enterprise which is important to public welfare and security; and (ii) where the state ownership is a necessary means of enforcing state control’. As for the planning organization, it proposed that there should be a National Planning Committee, representing different interest to prepare a detailed plan and that execution should be the responsibility of a supreme economic council under the Central Government. Details of the relationship of those bodies with provincial and regional Governments were not worked out. Finally, the plan described the general shape of the economic organization which would emerge if the proposals were carried out – “it will be not unlike the type of society which Prof. A.C. Pigou foreshadows in his book Socialism vs. Capitalism” (Krishnamachari, 1962).

Infact, the publication of Bombay Plan resulted in initiating and stimulating lively discussions on economic planning in the country. A number of other private plans viz., “The Peoples Plan”, “The Gandhian Plan”, and “Sir M. Vevesvarays Plan” followed the Bombay Plan (Vakil and Brahmananda, 1952). As these plans were more or less based on varying objectives and different approaches, their significance for the country at large was limited.
2.17. People’s Plan

The ‘People’s Plan’, promoted by M.N. Roy of Radical Democratic Party and the Indian Federation of Labour in reply of Bombay Plan. The plan envisaged satisfaction of basic needs, cloth, food, shelter, with 10 years at an expected cost of Rs. 15,000 crores. Lured by the spectacular achievements of Russian and German plans, People’s Plan advocated nationalization of Agriculture and liquidation of rural indebtedness on finances, it was even more utopian than the ‘Bombay Plan’, for it believed that with the extension of public ownership to industry and collective ownership to agriculture, development could become ‘self-financing’ within six years. It also proposed a control of private industry and commerce, during the ‘transitional’ period, so rigorous that complete stultification could have been the only result (Chansarkar, 1983).

2.18. Gandhian Plan

The Gandhian Plan was drawn by S.N. Agarwala in his book “The Gandhian Plan”. The central point of emphasis was very different from all the other plans. Its inspiration was Gandhi’s view of life which no other plan reflected – not even the N.P.C, report. Agarwala derived his position on economic development from Gandhi’s economic thought which, in a sense, controverts the first axiom of economics, viz., that wants are unlimited and illimitable. This is reflected in the following quotation from Dr. J.C. Kumarappa, an ardent follower of Gandhi: “There are wants which are primary needs and there are also wants which are artificially created” (Kumarappa, 1957). Agarwala talked of the need to preserve human values in a rapidly decaying world of little or no sense of values. The village would,
therefore, be the pivotal point of development. This was justified by India's unemployment problem and because it was in line with the Gandhian ideal of simplicity. Moreover, it would have none of the exploitative violence of industrialization. Agarwala quoted Gandhi: "Pandit Nehru wants industrialization because he thinks that, if it is socialized, it would be free from the evils of capitalism. My own view is that the evils of capitalism are inherent in industrialization and no amount of socialism can eradicate them" (Agarwala, 1944).

Commenting on the Gandhian Plan, A.H. Hauson writes: "Essentially, this was no plan at all, but an essay in economic morality, preaching the virtues of simplicity, manual labour, local self-sufficiency, decentralization, and independent village community. Where strictly economic arguments were used, they merely provided additional support for proposals based on moral principles" (Hauson, 1966). In his plan, Mr. Agarwal put a case for use of natural as distinct from artificial fertilizers and for location of key industries in villages. This plan revealed the impossibility of reducing Mahatma Gandhi's scattered and sometimes ambiguous dicta in economic organization to a logical and coherent system. Yet it was not without a more positive importance. In its popular emphasis on popular participation and its insistence that the welling co-operation of the ordinary villager must be won, it anticipated panchayathi raj. Also of value was its attempt – however unrealistic – to define the objectives of planning in terms of a way of life, as well as in terms of percentage increase-in per capita income. Gandhian plan also advocated four-fold increase in standard of living and ir per capita income respectively in 10 years.
2.19. The Planning Commission

After Independence and with the integration of former Indian States with the rest of the country and the emergence of new geographical and economic order, a fresh assessment of the financial and other resources and of the essential conditions of progress became necessary. The need for comprehensive planning based on a careful appraisal of resources and factors became imperative. It was felt that these purposes could best be achieved through an organization free from the burden of the day to day administration but in constant touch with the Government at the highest policy level. Accordingly, the then Finance Minister in his Budget speech on the 28th February, 1950 announced the Government’s decision to set up a Planning Commission with the passing of the Cabinet Resolution of 15th March, 1950 the Planning Commission was constituted. The only major departure from the recommendations of the Advisory Planning Board is in respect of the character and status of the Planning Commission which is much high-powered and more political body than one envisaged by the Board.

Functions

The following were the task assigned to the Planning Commission vide Government of India Cabinet Resolution dated 15th March, 1950:

i) make an assessment of the material, capital and human resources of the country, including technical personnel and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation’s requirements;
ii) formulate a plan for the most effective and balanced utilization of the country’s resources;

iii) on a determination of priorities define the stages in which the plan should be carried out and propose the allocation of resources for due completion of each stage;

iv) indicate the factors which are tending to retard economic development, and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the plan;

v) determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the plan in all its aspects;

vi) appraise from time to time the progress achieved in the execution of each stage of the plan and recommend for adjustments of policy and measures that such appraisal may show to be necessary, and

vii) make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the duties assigned to it; or, on a consideration of the prevailing economic conditions, current policies, measures and development programmes; or on an examination of such specific problems as may be referred to it for advice by Central or State Governments.

Besides the above functions, the Government of India (Allocation of Business) Rules have assigned responsibilities to the Planning Commission in respect of—

a) Public cooperation in national development,

b) Hill area development programme,
c) Perspective planning and


2.20. Nature of the Indian Planning

Planning in India is neither capitalist nor communist. As we know by this time, there is no national planning in the capitalist countries with macro-economic projections, output targets or priorities in the investment programme. Individual firms of course make their own plans to increase their productive efficiency. But this cannot be considered planning in the conventional sense in which it is used. In India, there is a conscious effort on the part of Government to create conditions for engendering and directing development. The Five Year Plans embody the policies and programmes of the Government for changing the social and economic structure of the country. These plans form a continuing series, both in terms of investment and in benefit. Each Five Year Plan is conceived against longer perspective. The first Plan was set against a simple projection of economic growth over a period of thirty years from 1951 to 1981. The second plan was worked out in relation to a perspective upto 1976. The third plan was drawn up as the first phase of a fifteen year plan for the period 1961-76. The projections of the fourth plan are presented upto 1980-81, so that detailed investment planning in the fifth plan (1974-75 to 1978-79) will take fully into account the need for advance preparation in respect of additional output in long gestation sectors to be realized in the early years of the sixth plan. This shows that plans in India present a picture of continuity. Of course there are important changes from one phase to another, in output targets, in investment priorities, in social and economic policies and in programmes of economic activity,
reflecting both changing conditions and problems and the results of fresh experience and evolution. But planning at the macro-level continues as a regular process, an indication of fundamental differences between India and the advanced capitalist countries (Misra, 1972).

On the other hand, the socialist goals of the Indian economy along with macro-economic planning delude many people to think that India is going the communist way. The goals and methodology may look alike, but the operational mechanism is very much different. There is a world of difference between the goals of communist countries and those of India. The point we need to emphasise here that the Indian Plan is dissimilar to that of the former Soviet Union since India is not prepared to accept the totalitarian and monolithic state, it does not want a planned economy with state monopoly of international trade and finance and with complete nationalization of the means of production. In fact, planning of a command type as prevalent in former Soviet Russia and other Communist Countries can not be possible in India where eighty-five to ninety per cent of production is done in enterprises over which the Government has no direct control (Misra, 1972). The important features of Indian planning is as follows.

2.21. Democratic Planning

Indian planning is essentially democratic in character. It aims to enlist not only the support of the masses but also their active participation and co-operation should emerge voluntarily, so that state policies can be carried out without regimentation or coercion. As stated is the First Plan, “Public co-operation and public opinion constitute the principal force and sanction behind planning. A democracy
working for social ends has to base itself on the willing assent of the people and not the coercive powers of the state. In this way any programme is conceived, offered and carried out, action by the agencies of the government must be inspired by an understanding of the role of the people and supported by practical steps to enlist their enthusiastic participation". This only implies that India has a deep attachment to the values of freedom. That is why each plan has been developed by a prolonged process of consultation and public debate, so much so that planning in India has emerged as a feature of national consensus largely passing beyond party lines (Misra, 1972).

2.22. Decentralization in Planning

Indian planning is not so comprehensive even though aggregate targets are fixed in each plan. The greater part of the plan refers to programmes of development undertaken by the Central and State Governments. These include a variety of measures, some involving direct enterprise and management, some in the nature of extension and promotion and others providing for training, research and other methods of raising productivity. The private sector which constitutes a major part of the economy is not planned in detail. Plans in this sector are in nature of estimates and forecasts undertaken in consultation with the representatives of industry, but sufficient provision is made for financial resources, including foreign exchange, and the requisite material resources to facilitate the execution of these plans. The levels of production aimed at are also in the nature of estimates, although they serve as target guides (Planning process, 1963). The five year plans in India do not have also force of legal enactment. The plans do not automatically come into force; special legislation has to be undertaken in the context of specific objects to attain the desired
change. The Planning Commission which is entrusted with the responsibility of drawing up the plans in the country is just an advisory body. The resolution of the cabinet which specified the duties of the Planning Commission also indicated the Commission's role in the system of Government: "The Planning Commission will make recommendations to the cabinet. In framing its recommendations, the commission will act in close understanding and consultation with the ministries of Central Government and the Governments of the States. The responsibility of taking and implementing decisions will rest with the Central and the State Governments". This shows that the Planning Commission does not have any legal authority, nor have its power, responsibilities and terms of reference changed during the period of its existence (Misra, 1972).

In regard to State Plans, the Commission does not have much authority. In view of the fact that India has a Federal Government and the subject of economic and social planning is in the "Concurrent" list, the power of the Planning Commission has been confined to only supervisory and guidance work. In fact, the States make their own plans for submission both to the planning Commission and their own legislatures. The final plan of each State is inevitably the product of a compromise between state and Centre, worked out through discussion with Commission; but it is the State's own planning handiwork that provides the basis for discussion. Further, even though each States has a planning machinery to prepare plans, there is no uniformity in the pattern or procedure of plan - making in the States. This means that planning in India has made possible a degree of enter-
penetration of interest and concern between the Central and State Governments (Misra, 1972).

2.23. An overview of decentralized planning

The decentralization of planning in India follows different impulses and has taken several routes. As a result, the concept of planning at the different level means different things to different people. This diversity is also reflected in the content of planning and the process of plan implementation advocated (Vyas, et al., 1985).

One group of thinkers and activists advocates local level planning and people’s participation because of their idealized view of Indian villages as more or less self-contained communities. This view was most forcefully expressed by Gandhi. Gandhian workers have to translate the concept of self-relian ‘village republics’ into practice. The chief merit of Gandhian approach is the stress on self-reliance. Even this concept of decentralization could not overcome the stratification of rural society and fragmented and fractional regional and local politics. Besides, links between the village and the rest of the world are too strong to be wished away and the influence of the outside world has proved to be overpowering. Gandhians had to face the basic issue of harmonizing conflicting interests in a scarcity-ridden, inegalitarian society (Vyas, et al, 1985).

The next group of thinkers advocated administrative, decentralization, allowing lower units of administration to take decisions in order to ensure better identification of area specific projects, and proper coordination of economic activities. To bring them closer to genuine decentralization local level planning activities were responded and approach was termed “comprehensive”. However, it is
unrealistic to reproduce a local planning system on the lines of national or even state plans because of linkages which spill over local boundaries, economies of scale and the indivisibility of several projects. In practice such decentralized efforts largely entailed loose administrative coordination entrusting certain ‘agency’ functions to the lower units of administration. Self-reliance was totally neglected and, the involvement of beneficiaries degenerated into the domination of the local elite through its control of popular institutions (Vyas, et. al. 1985).

The third view is more selective. It concentrates more on the development of the rural poor and is based on two assumptions: that activities relevant for the poor are determined by specific characteristics of disadvantaged groups in different places and, therefore, should be location specific and that economic activities aimed at helping the poor will only be successful when the poor have sufficient control over local political institutions or can create their own political lobby. Thus, the organization of the poor to generate demand and make claims on scarce resources is considered part and parcel of local level planning (Vyas, et. al. 1985).

In fact, change in the concept of decentralization from administrative decentralization to democratic decentralization necessitated revamping of the planning machinery and the planning process (Inamdar and Keshire, 1986).

2.24. Decentralised Planning: Conceptual Framework

With the publication of report of the Working Group on District Planning (1984), the concept of decentralized planning has become somewhat synonymous with the concept of District Planning, which may not be very appropriate. Decentralised planning connotes a better perception of the need of local areas, makes
better informed decision-making possible, gives a greater voice in decision-making to the people for whom the development is meant, and serves to achieve better coordination and integration among programmes enabling the felt needs of the people to be taken into account. District planning is a kind of area based sub-State planning and arises from the need to supplement the national and the State plans with a more detailed examination of the resource, problems and potentials of local areas. The local area is accepted as the District and the investment programmes are tailored accordingly. It is similar to that of area planning which assumes that the District is sub-State decision-making unit within the system of multi-level planning. Therefore, in the process of decentralized planning, one lower level after the state is represented by planning at the District. Whether that is the most appropriate level and unit of planning and whether further tiers of planning are needed to answer fully the requirements of decentralized planning are needed to answer fully the requirements of decentralized planning are to be determined by the constraints in the administrative system, paucity of required basic data and qualified personnel to undertake planning on a systematic basis (Nanjundappa, 1991).

Decentralized planning is a system through which planning process is brought close to the people, who are the ultimate target of the development. It is a multi-level planning system, in which, planning is attempted at different politics-administrative and executive levels, so that there is greater integration between the developmental needs and priorities of smaller areas (micro-regions) and different socio-economic classes with the regional, sub-national and national level development policies and goals. Decentralised planning is neither a substitute to
centralized planning nor an exclusive bottom-up process of planning. It is in fact a two-way process which begins at both top-level (national or state level) as well as grassroots level (local level) simultaneously, and merge with each other at a point below which centralized planning becomes irrelevant and above which micro-planning is meaningless. This point can be identified at the district level as it is the cutting edge of the development administration. While national planning provides policy perspective for national growth pattern and resources to achieve them, the State (sub-national planning) provides regional development objectives in consonance with national policies and goals. The micro-level planning begins with the analysis of the needs of the people as well as small areas (local-level) and demand for future and provides framework which rationalizes and integrates them with the State and national goals (Thapliyal, 1990)

Decentralised planning can also be defined as “planning at different levels” or “multi-level planning”. This may consist of planning at National level, State level, District level, Block level, Panchayath level or could be planning for a region.

In order to understand the concept of decentralization of planning, we must first understand why decentralization of planning is necessary in the country like India? A simple answer to this question would be that decentralization is needed in order to counteract the evils of a highly centralized type of planning and decision-making. The centralized type of planning cannot adequately take care of all the requirements at different territorial and sectoral levels of the planning process. The task of planning requires not only the formulation of a broad policy framework but also specification of the details of this framework. A specification of details would be
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 would be possible. When planning thus get decentralized, it would tend to become more area-specific that is, it would be possible to establish close complimentarity between development schemes and local potentials, problems and priorities (Mishra and Sundram, 1988).

Centralised planning results in lags between development and the utilization of resources and capacities. These lags can be considerably reduced in decentralized planning (Mishra and Sundram, 1988).

The planning process cannot succeed purely on bureaucratic lines. Active participation, are needed if planning and implementation are to succeed. Participation of people can be achieved only if planning is carried to the lower sub-national levels. Thus decentralization is needed for effective mobilization of public participation (Mishra and Sundram, 1988).

Further, in developing countries like India characterized by inter-regional disparities in development and heterogeneity in social structure, the problems of poverty and unemployment are "area-specific" and group-specific" and demand a decentralized approach towards their solution (Mishra and Sundram, 1988).

Lastly, it has been established that decentralized planning ensures better spatial convergence and sequencing of inter-related activities and optimization of investments (Mishra and Sundram, 1988).

In a broader sense, the move towards decentralized planning is the reaction to the following present day procedural aspects of centralized planning:
(a) Carrying out the theoretical and applied exercise at the national level by the planning Commission which has the overall responsibility for the planning process including formulation of national plans and the outlays of the State plans:

(b) Determining at the centre the share of the public and the private sector outlays in relation to the suitable objectives of the growth of the country.

(c) Procedures followed for discussing the strategies, priorities, outlays (both of the Central and State plans) financing and implementation;

(d) Approval of sectoral outlays of the state plans by the Planning Commission right up to the last insignificant head of development; and

(e) Imposition of Central Sector and centrally-sponsored schemes without any discussions at working Group meetings with the State Teams (Nanjundappa, 1991).

The above discussion provides us a conceptual framework for decentralization of planning process. The decentralization of planning process requires certain conditions to be met, if it is to be successful. In this context, it may be noted that:

(a) Were delegation of some powers and functions to sub-national units does not achieve all that is required;

(b) genuine popular involvement in the process of planning is absolutely necessary. “In other words, participation of people at every stage and trusting the people is an indispensable precondition for bringing any kind of radical change in society”; and
(c) the roles of different agencies should be properly defined. Duplication should be avoided. It is necessary to clarify the work to be done at different levels and to indicate how their work is integrated with that of the Planning Commission.

In fact, the extent of decentralization in the planning process needed for a country and the context of that decentralization would depend on the problems and needs, perceptions and value systems of the country. The decentralization of planning procedures are determined largely by the country's situation, its socio-political climate and its "development setting". Thus the concept of decentralized planning system has to be designed for the specific situations and cannot be generalized.

The conceptual framework for decentralized planning clearly indicates that micro-level planning (district planning) is the most important one not only the cutting edge of administration but also the most appropriate level of planning where a suitable mechanism for distributive aspect can meaningfully be built into the development planning and also could be integrated with the overall growth system of the state and the nation (Thapliyal, 1990).

Based on the objectives of the decentralized planning, there are three important components of the district planning. These are growth, equity and quality of life. Growth-oriented planning is essentially area based approach which includes development of local resource potential and basic infrastructure to maximize production in all sectors of the economy. Equity-oriented planning is a target group approach in which identification of weaker sections of the society followed by creation of income and employment generating opportunities and/or transfer of the
production assets and skills to the target people are dovetailed in the planning process. The third component, which is focused on the provision of social amenities and minimum needs that are essential for improving the living conditions and, therefore, achieving quality of life is community-oriented planning. Integration of all these three components on a geo-physical and socio-economic spatial plan-framework leads to the Integrated Rural-Urban Development Planning and provides a framework for ‘district planning’ (Thapliyal, 1990).

2.25. Approach to Decentralized Planning

The approach to decentralized planning are still in a formative stage. There are, no doubt, many conceptual and methodological issues which are still unresolved. This is a continuous process with various dimensions (Nanjundappa, 1991).

The Expert Group meeting on decentralized planning convened by Lal Bahadur Shastri National Academy of administration, June 1990, considered the question of ‘approach to decentralized planning’ in detail. Dr. D.M. Nanjundappa in this meeting, bring out the areas of conflict and the issues which are still unresolved e.g. bringing out a conformity between national priorities and State priorities, taking the planning further below the district level either to a homogeneous resource region or to block/mandal level with the primary objective of removing regional imbalances. The Group recommended for covering ‘Local Sector’ below the district: a level where a particular activity or scheme/project can be formulated and implemented successfully. The Group observed that one of the most difficult approaches under decentralized planning was one of securing integration of schemes in a consistent planning framework (Prasad, 1991).
The integration is needed in terms of the activities which are inter-dependent within the same sector and among the different sectors. While, even the existing sectoral programmes do take into account the needs of local people and target groups, generate employment opportunities, they include programmes for development of infrastructure and provide the resource as per needs, but they do not consider the resources potential and needs of the area by involving the local people in the planning process. Hence, it is necessary to consider integration of materials and the products of the area considered more appropriate for sustaining the development. This would mean taking into account forward and backward linkages, rural-urban linkages and need and resource linkages (Prasad, 1991).

Present system of planning is basically vertical planning where the process moves from top to bottom where policies and sectoral outlays move from National level to State level and from State level to District level. The area of operation, however, gets widened even now when we move from National level to State level to bottom because apart from the special plan (tied and untied) funds, the districts receive large amount of funds through centrally sponsored schemes (like IIRDP and several poverty alleviation and other programmes) and also funds from institutional source like banks, voluntary agencies etc. The system of planning is, however, basically a sectoral planning (i.e. development of agriculture and allied activities, industries, education, health etc.). The proposed system of multi-level planning is a combination of both top down and bottom up planning and also widens the area of activity at the district level by including additional area and need based schemes. This expands the horizontal base at village level and provides a new point of
integration of top down and bottom up planning at district level. This represents the integration of planning process from top to bottom which is not present in present planning process.

2.26. Decentralised Planning in India

Decentralised planning is not a new concept in India and goes back to 1951. It has, however, been limited to sectoral programmes at lower administrative levels rather than comprehensive planning for units below the Centre or State (Vyas, et. al. 1985). While planning at the national and state levels are well organized and established, planning at the micro-level was initiated with the introduction of Community Development Programme of which a vast decentralized network of development administration was created by dividing the whole country into more than five thousand blocks. It was also contemplated that these development units will be responsible for preparing village production plans and by aggregating them at the block level, formulating block plans. Though the contents of these plans were restricted to a few village level activities, nevertheless, it was a worthwhile exercise. This process, somehow did not last long as the CD Programme itself dwindled and ultimately faded away towards the end of the sixties (Thapliyal, 1990).

Another attempt in this direction was made during the period of Third Five-Year Plan and three Annual Plans (1961-66 and 1966-67, 1967-68 and 1968-69). It was here that the idea of decentralized planning started taking shape. By the end of the Second Plan the States had strengthened the administrative machinery at the district level and established below the district a new administrative unit called Block for implementing Community Development Programme, equipped themselves with
statistical information, and started insisting for participation in the planning process. Realising the capabilities of the State governments, the Planning Commission initiated the process of involving the States in plan preparation. The States were asked to compile data in respect of their developmental performance, indicate their developmental performance, indicate their developmental priorities, show their resource position and suggest the ways for bringing the gaps between developed and underdeveloped regions. The plans, as emerged, were made flexible so as to allow the states to adopt such strategies which suited to the circumstances imposed by geography, climate traditions and customs. This was evident from the fact that the Central Government changed its procedures of giving schematic grant to block grant from the Third Plan (Srivastava, 1990).

The period of Fourth Five Year Plan (1969-74) was a landmark so far as decentralized planning is concerned. During this period the call for decentralized planning came into prominence. When the preparation of the Fourth Five-Year Plan started, the attention of the government was drawn to the widening of inter-personal and inter-regional disparities resulting from the adoption of new agriculture technology and thus the need for shifting to the newer concept of equity and social justice. It was also pointed out that the States were not able to strengthen their own planning apparatus because of the shortage of financial resources. This led to introduce certain important departures both in the planning process as well as in the concept of planning. These changes were related to (i) the pattern of devolution of plan funds to the state level embodying in it a measure of weightage to backward States (ii) emphasis on wide diffusion of initiative, decision making and
participation, and (iii) initiative for strengthening the planning apparatus at the State level, through a centrally sponsored scheme, so as to enable them to share the responsibilities (Srivastava, 1990). The draft report on Fourth Five Year Plan (1969) emphasized district planning and provided detailed guidelines. Simultaneously, the Planning Commission initiated 20 Pilot-Projects for 'planning growth centres' in 18 States of the country with an aim to evolve area development planning methodologies using 'growth centre' model to suit different geo-climatic and socio-economic conditions of the country. This attempt also did not succeed in establishing district planning process in its real sense (Thapliyal, 1990).

From Fifth Five Year Plan till the Seventh Five Year Plan (1985), it became possible to consolidate the gains of previous efforts for decentralized planning. By this time, it became clear that isolated efforts for decentralized planning would not be sufficient and that to make it functional it would need to be strengthened by organizational support. The capabilities for decentralized planning have to be constantly built up, the right procedures and suitable structures have to be evolved and necessary administrative and technical changes have to be affected. The important actions related to: (i) expanding of the centrally sponsored scheme for strengthening planning machinery at appropriate levels, (ii) emergence of a broad consensus that the district should be the functional unit for decentralized planning, (iii) establishment of appropriate budgeting and reappropriation procedures, and (iv) strengthening of Panchayathi Raj Institutions (PRIs) for facilitating people's participation in plan formulation and implementation (Srivastava, 1990).
The review of the past attempts on district and lower level planning indicate that for quite sometime efforts are being made in this regard in some parts of the country, most of which are ad hoc and partial in nature. A serious effort to initiate district planning in its totality is still a distant dream because of various organizational as well as policy factors (Thapliyal, 1990). The G.V.K. Rao committee also pointed the same.

Thus, the evolution of decentralized planning process in India is based on gradual step by step approach. One significant point that emerges from above analysis is that it was the Government of India, the Planning Commission which took the initiative for decentralizing planning process so as to enable the State Governments to share the responsibilities. Though, the State Governments have started preparing their own Five-Year and Annual Plans, it is national planning that occupies even now a pre-eminent position in the planning process and the Commission (in effect the Government of India) influences the planning priorities of the States. There are at least three ways through which the Central Government can influence the planning process at the State level. These are: (i) allocation of Central resources, particularly the quantum of Central assistance to States; (ii) the distribution of Central investments among the different States; and (iii) the regulatory measures for channelising private and institutional capital through licensing and preferential lending policies (Nath, 1967).

The nature and pattern of decentralized planning in India are varied because of the variety of institutions and practices in different states. There is a lack of uniformity in regard to social conditions, political compulsions and institutional
structures. The constraints on decentralized planning are varied and many. Some of the important ones are: Political vis-à-vis lack of decentralization of power, Administrative-Infrastructural inadequacies, Financial, Geo-physical and social constraints i.e. Bottlenecks imposed by the human resources.

Decentralised planning is not as simple as it looks on paper. Capabilities have to be built up, suitable structures have to be evolved, changes have to be brought about in the administrative, technical and political arena. Equally important is kindling the zeal and enthusiasm of the people. But the most important agents to make decentralized planning a success, is the political and administrative will to decentralize powers to the lower levels.

There have been frequent attempts to decentralized planning. However, the failure of most of these plans and programmes suggests a crucial omission. Decentralised planning has never gained real acceptance in important quarters. In principle, the central administration has accepted the idea of decentralization but plan functions have not been delegated accordingly and the overwhelming central financial power remains without effective links between planners and politicians at various levels has been to officials and technical departments, who would like to retain tight control over their counterparts at lower levels. There is no evidence that local bureaucrats, technical hands, politicians or people have carried out any systematic planning, nor has any sustained effort been made to persuade them. More powerful, wealthy, and better entrenched groups have continued to siphon the benefits meant for the masses. Only the Block level planning exercise has any scope for comprehensive planning.
In fact, few real efforts to decentralized planning have been made and that these were marred by (i) the financial predominance of the centre; and (ii) the highly centralized administration. Due to this the problems have largely remained unsolved.

While decentralized planning, and role of administrator and public participation appear to be operational matters requiring understanding, awareness and procedures; in reality it is a far more complex process best with greater problems now than ever before. It deserves to be understood and pursued vigorously both as a value in itself and as a means of achieving societal ends because the success of micro-level planning depends heavily on relationships at different levels of public authority. The implications of multi-level planning have to be spelled out in order to make decentralization a success.

The crucial importance of decentralized planning for a balanced and meaningful development of our country has been recognized since the very beginning of the planning era. But it has not been an easy concept for operationalisation due to various constraints. Now the majority of the States have introduced the decentralized planning to their planning process. In depth study of the decentralized planning reveal that block Planning should form the hub of this process and the decentralized planning, which is till now confined only to the district, must percolate down to the block and panchayath level. The experience gained during the last four decades of planning has demonstrated that merely wishing for decentralized planning would not be enough. To be successful; it has to be backed up by sound practices. The capabilities for decentralized planning have to be assiduously built up, the right procedures and suitable structures have to be evolved and necessary
technical and administrative changes including attitudinal changes have to be brought about among bureaucrats and in all those associated with this process. If these changes are not brought, then tall proclamations made in the Five Year Plans about introduction of dynamism in the planning process through Decentralised planning are going to remain, what they have been rhetoric for the galleries.


Urwick, L., 1943. The elements of administration, Harpur and Brothers, New York, p. 33.

