"The relevance and acceptability of the outcome of rural development programmes rests upon the degree of public participation not only in the decisions themselves but in details that lead to those decisions."  

- H. A. Hiatt

EFFICACY OF DECENTRALISED MODEL
Integrated planning strategies for a system divided into a set of subsystems require methods of resolution of intra-regional goal conflicts and inter-regional interest conflicts emerging from the inter and intra regional interaction. This chapter highlights the problem of coordination and integration in the decentralisation process and provides a theoretical synthesis between the multi-objective programming and multi-level planning in a decentralised framework. This chapter highlights the need for functional peoples participation, regional information system and projects the agenda of the protagonists of decentralisation in order to ensure the efficacy of decentralisation process.

Most of the countries of the world whether capitalist community or socialist have accepted the policy of economic centralism and have adopted planning which presupposes a set of objectives to be achieved within a period of time. Central planning and administration were considered necessary to guide and control the economy and to integrate and unify nations that were emerging from long periods of colonial rule. Central Planning was prescribed by inter-national assistance agencies as a way of promoting modernisation, accelerating social and political change, generating employment and mobilising capital for further investment.
It allowed the state, as Myrdal noted, to initiate, spur and steer economic development. It was believed that Central Planning would not only direct public resource allocation but also guide private investment and the activities of parastatal organisations. The benefits of the industrial investments concentrated in one or two major metropolitan centres would 'trickle down' and spread throughout the economy to alleviate poverty and generate income and employment at the sub-national levels. The capital mobilised through savings would be reinvested, thereby expanding production and employment, raising income, drawing large number of people into productive process and eventually pushing the poor section into a stage of self-sustaining economic growth. It was expected that regional disparity would gradually be lessened and the majority of people would benefit from the continued growth and development.

8.1 DISILLUSIONMENT WITH CENTRAL PLANNING:

Many countries prepared very elegant, sophisticated national development plans. But by the end of 1960's it was widely recognised that Central Planning had not achieved these goals in all developing countries of the world.

Central Planning is largely meant to satisfy the requirements of international lenders and agencies or to impress other countries with an image of unity and control over national economic and political issues. But this plan is often useless in guiding internal decisions. Its goals are stated in vague and amorphous terms. It does not deal with real problem and possibilities. The objectives are grandiose which fail to disaggregate goals into programmes and projects that could be carried out. They often lack cost estimates, ignore limits on resources and fails to consider the differing needs and conditions of various regions of the country and groups within the society. The economic growth remain sluggish even where the growth rate were high, only a small group usually benefitted from the increased national production. Income disparities between rich and poor and among regions widened. The living standard of the poorest section declined and number of people living in absolute poverty have increased. Many development planners and administrators began questioning the effectiveness of strategies based primarily on Central Planning framework aiming at increased industrial output and challenged the existing theories of economic development.

8.2 BEYOND ECONOMIC GROWTH:

Historically, development in the pluralistic societies has been like an oasis in the desert. Its benefit have accrued to the elite class and developed areas such as port towns, selected metropolitan areas, and a few agriculturally rich regions. Even the present pattern of developmental priorities is such that the situation tends to perpetuate itself. Now it is high time to reexamine and resurrect the policies to reduce regional imbalances. It is the product of centralised planning, where question of spatial distribution of productive forces was not given to due importance. Many of the basic premises of development theory consistent with Central Planning came into question during 1970's. Planners and Policy makers began to recognise that development requires a basic transformation in social, economic and political structures that enables poor people to help themselves to increase their productivity and income. The market structures that seemed to be so effective in promoting development in industrial countries rarely worked in most developing countries. Incidence of poverty is not ameliorated 'automatically' through "trickle-down" and "spread effect."

So far as India is concerned, the common people have been led astray time and again by vested interests. Innumerable promises have been made by political leaders, but they have proved to be nothing more than cruel hoaxes. The policy of
economic centralisation stands exposed as merely a strategy to accumulate increasing capital in the hands of few capitalists. On the one hand the incredulous masses are kept in good humour by promising them something negligible and on the other hand the capitalists go on amassing enormous wealth.

It was also found that deficiencies in market mechanisms were not necessarily overcome by central planning. Gradually there has been a shift in the directions and priorities of development policies. The very concept of development has stretched beyond that of maximising gains in Gross National Product and indeed beyond economic growth as a primary objective. Such a trend is evidently not just technical and administrative, rather it has political and economic implications. It involves a transfer of power from the group who dominate at the centre to those who have matter at the local level. It gives more attention in providing the basic needs of the poor so that they could become more productive participants in the development process and in raising the income and purchasing power of the rural population and to build stronger and more self-reliant rural economy.

Decentralisation in India in the present circumstances, given the differences in resource endowments, enterprise, dynamism and character of people, among the regions and havin

in view the stratification based on class, caste, religion, can make a substantial dent. For instance, India's great diversity with regard to its cultural, social, economic, ethnic, religious, ideological, geographical and historical dimensions, demands a diversity of approach in planning, each appropriate to different locality, habitat and regions, both in space and in time. It can at least help in carrying the technologies to the peasant population and deflate social tension and differentiation.

Central Planning is considered not only complex and difficult to implement, but inappropriate for promoting equitable growth and self-sufficiency among low-income groups or regions. An elite group of economists, technicians, administrators and political leaders through Central Planning attempts to preempt decision-making and prescribe for private concerns, local authorities and governmental authorities, such courses of action that reflect their own values and priorities. They use it to devise the criteria in such a manner that others would follow rather than to promote and facilitate courses of action that would be planned and implemented by those who are to benefit from development exercise. The growth with equity policies adopted in India (like many other countries) during this last decade highlights the inconsistencies between the Central control and peoples participation and equitable distribution of benefits that the planners have been attempting to generate.
At present the Government in developing countries are continuing to decentralise development planning and management responsibilities not only because of political groups seeking new roles for regions and units of administrations continue to bring pressure on them but because they have discovered that the ever-concentration of decision-making and management responsibilities at the centre leads to inefficiencies and delays in carrying out centrally conceived schemes and plans.

8.3 THE DEBATE:

Decentralisation has surfaced and resurfaced as a prominent issue in the literature of development Economics. Debate over the desirability of decentralized approach to development focused on the acceptability of Soviet type of Centralized Planning as a means of mobilising scarce resources optimally in countries that were emerging from colonial rule during the period following the second world war. The debate relates to freedom and liberty. Those who argued against Central Planning believed that it would lead developing nations down the road to serfdom. The issues were political and ideological. Those who argued for the cause of Central Planning were labeled supporters of a socialist State.

The new debate over decentralisation emerged from the failure of centralised planning and implementation to provide for equitable distribution of the benefits of development and from the realisation that inequity creates political instability and social strife. Whatever other questions may have arisen, attempts to decentralise development planning and implementation in Asia were closely associated with increasing concern for reducing regional disparities in standards of living, which constitutes a real threat to national stability. The cause of decentralisation is now being advanced because it is assumed that a decentralised mode of policy and programme implementation is conducive to more effective coordination and consistency, greater access to governmental activities, increased involvement of people in the development process, more efficient delivery of public services for meeting basic human needs and increased accountability of government agencies.

However simply creating decentralised structures for development decision making and announcing new procedures for 'peoples participation' in the development process do not guarantee that they will be effective or that they will generate economic growth with greater social equity.


Decentralisation is not an end in itself. Obstacles to administrative reorganisation in all developing countries are overwhelming. Even the strongest advocate of decentralisation recognise that it is not a panacea for the social and economic ills of what affects the rural economy and poorer sections. It is conceivable that powers in the local level is likely to be more concentrated, more elitist and applied more ruthlessly against the real poor than at the centre.\textsuperscript{10} Thus greater decentralisation does not necessarily imply greater democracy let alone "Power to People". Panchayat Raj institutions and other local institutions in India, for instance, have tended to act as hand maiden of vested interest. Interest in decentralisation therefore has faded and attention has turned to creating organisations that perform specialised development tasks. Such programmes as SFDA, MFAC, DPAP, IRDP etc. have reduced the orbit of progress under local institutions.

If all depends on the circumstances under which decentralisation occurs. The desire to equate peoples participation with the participation of their elected representatives who in their turn can then be controlled by the ruling political party machine. This is rather means of abjuring in practice the perspective of changing this brutal socio-economic structure.\textsuperscript{11} This is a path of


\textsuperscript{11}. Bose A.N. (1990) p.57
accepting in practice the near permanence of the existing circumstances and so become a victim of it by trying to distribute whatever paltry relief is available now for 'domesticating' the poor working people.

The result of decentralisation in Africa and Asia are disappearing. It can be explained firstly by the absence of or weaknesses in supporting institutions—both public and private—needed to complement and bolster the managerial capacity of local government and secondly by the weaknesses in the interaction and linkages between central and local administration. In India since mid 60s there has been an increasing tendency towards the politicisation of planning. Of course in a broad way planning is a political process; but the last few years have witnessed that where the planning process and regularities have increasingly been subordinated to shortterm political options. This can be seen in the legitimisation of the 20-point programme over riding the plan schemes and such other actions.

8.4 SPATIAL AND HIERARCHICAL VIEW OF DECENTRALISED PLANNING:

Central plan in most of the developing countries has essentially remained only as plan documents. Planning has become highly an esoteric profession and the planners have become an "elite élite." As a result, the rural poor who are the actors in the drama of life which the planner plan

for them, find it impossible to understand the role they are expected to play. Rural people are not even consulted. When, as a result, plan fails or are not implemented, the planners blame the politicians and implementors for faulty implementation or blame the common people for not having behaved as planned, on the other hand the politicians, implementors and the people blame the planner for preparing an unrealistic plan. Most of these plans are only allocative plans and comprehensive in nature. The comprehensive or macro planning covers the entire economy. It deals with production consumption, investment, savings and capital output ratio at the level of national aggregates. It deals with the sectoral allocation and sectoral aspects of economic growth at the national level.

However for integrated rural development, we need local level spatial planning, which need to plan for different sectors/activity, but it is very important to maintain the relationship to each other, so that these sectors can be coordinated functionally, spatially and temporally. Relationship between planning at various levels need to be understood. A hierarchical view of multi-level planning is shown in Fig. 8.1 It shows that sectoral allocations are done at the national level. Different sectors are: agriculture, industry, transport, health, education, tourism etc. Inter-regional allocations are also made at national level. Similarly sectoral allocation and
inter regional allocations are made at sub-national levels. A spatial view of the relationship between planning at various levels is shown in Fig. 8.2. It shows that the national level planning is necessarily an inter-regional planning and sectoral planning. It concentrates on large projects, having multi-regional impacts. It pursues projects like, rural electrification, rural industrialisation, irrigation projects etc. At the intermediate level, Regional Planning integrates the local level plans with national level plans. But the local level planning helps in the implementation of the projects devised by national planning.
8.5 RATIONALE FOR DECENTRALISATION:

Many International Organisations have attempted to define the raison d'être for decentralisation in formal terms with many conceptual issues. Proponents of decentralisation offer a variety of justifying arguments for transferring more responsibility for development to local governments in the third world countries. 13

(i) It is a means of overcoming the severe limitations of Central Planning by delegating greater authority to officials who are working in the field, closer to the problems.

(ii) It allows them to disaggregate and tailor development plans and programmes to the needs of heterogeneous groups and regions. ¹⁴

(iii) It cuts through the enormous amounts of 'red tapism' and the highly standardised procedures of central planning, that result in over concentration of power, authority and resources. ¹⁵

(iv) It is possible to obtain more accurate informations to formulate more realistic and effective plans and projects. It raises the sensitivity and concern of central as well as local authorities to peoples want. ¹⁶

(v) It allows better political and administrative 'penetration' of national Government policies into remote villages, resulting in greater local support.


¹⁵ The problem is discussed by Christopher Trapman, Changes in Administrative Structure: a Case Study of Kenyan Agricultural Development, Overseas development Institute, London, 1974.

(vi) It gives greater representation for various political, religious, ethnic and tribal groups in the development decision-making, which ensures greater equity in the allocation of national resources.

(vii) It raises the efficiency of central authority to supervise effectively the implementation of rural development policies.

(viii) It provides a structure through which an effective coordination between activities of central authorities and local agencies involved in development is ensured.

(ix) It institutionalise peoples participation in the decision making and management.

(x) It leads to more flexible, innovative and creative administration. If any experiment fails, their impacts are limited to small jurisdiction and if they succeed, they can be replicated in other areas of the country.


(xi) It increases political stability and national unity by raising the 'stake' of various groups in maintaining the political system.

(xii) It reduces diseconomies of scale inherent in the over concentration of decision-making at the centre and raises the efficiency and lowers the cost of providing goods and services. 22

(xiii) It ensures scientific prioritisation of the various goals.

8.6 DECENTRALISATION FOR INDIA:

Rural development in India is the end result of interactions between various technological, economic, social and institutional factors. So the approach to rural development should be integrative, in the sense that it assumes the significance of all the factors affecting the development process. Macro Planning, that India has been pursuing is of necessity, based on highly aggregated data and on considerations that are usually of broad significance. The macro-approach has reduced planning to a set of sterile exercises where the plans and programmes are formulated mechanically without considering the resource base, development potentials and needs of the rural mass. Decentralisation through micro-planning is therefore, required to m

make development plans realistic and effective. The term decentralisation is used in many different ways and in vast divergent contexts. Decentralisation in order to achieve rural development should be identified with regionalisation of planning. Decentralisation development Process is a logical step for a democracy. This is a movement which permits the wider involvement of people in the process of planning and suplementation, reduces various discrepancies between national and sub-national plans which arise from regional or area characteristics that differ from national assumptions.

Decentralisation to be effective, economic Planning should be undertaken for improving the welfare of the local people. Economic planning should utilise the mundane and suprememundane potentialities of the local area to meet the local requirements. All types of economic problems can be sloved only when economic structures are built on the basis of decentralised economy. It is the only way through which people can attain all-round welfare. It does not dissipate economic potential. Rather decentralisation removes regional disparity because wealth is distributed almost equally everywhere. One does not find situations where people in some places cryout in agony due to scarcity and starvation, while people in other places become immoral due to excessive affluence and over abundance. In fact industrial centralisation is detrimental to a welt knit social order.
Sukhomoy Chakravarty has made out a case for decentralisation for rural development in India. According to him (1) agro-climatic reasons, (2) efficient land and water management, (3) marketing linkages, (4) existing supply side bottlenecks, (5) duplication of work and (6) overlapping parallel and vertical lines of control cable for decentralisation. In the context of Indian economy a genuine decentralised economic policy can:

(1) lead to lesser interregional disparity though it is difficult to visualise inter-class equality in the context of the dynamics of mixed economy.

(2) deflate social tension by facilitating mass participation in the development process. It creates a sense of hope and optimism among local people, which is the essence of democracy;

(3) facilitate the integration of elites in a systematic way which minimises the evil impact of vested interest of local people and outsiders.

8.7 NEGLECTED ISSUES:

Decentralised planning is an area of ignorance and inconsistency. There is lack of conceptual clarity about what is sought to be achieved, how it is to be achieved and for whose benefit it is to be achieved. This is alarming. Great deal of confusion persists about the nature of practical measures through which decentralisation is
expected to be realised. The confusion in the minds of most Indian proponents of decentralisation arises from the fact that they are seeking to achieve the benefits of decentralisation without giving up centralist philosophy of development planning.

Unless we are clear about the conceptual apparatus of multi-level planning, its theoretical foundations and political implications we shall be confused regarding what we are setting out to achieve. Devious attempts have been made so skirt these basic issues and work upon multi-level planning merely as an exercise with the objective of shuffling the best deal such attempts at model building without a clear cut methodology are bound to blunder.

Prerequisites of multilevel planning are:

1. Strong political will and commitment.
2. Effective planning machinery at the block level.
3. Devolution of resources.
5. Real peoples participation.

It is still a debatable issue whether these prerequisites are present both at central and state level. Going by the rhetoric of decentralisation and actual process of centralisation is evinced by the proliferation of central agencies to implement decentralisation in all its totality and its consequences seems to have been parried. The
relative lack of political will and ideological lacunae in the framework of decentralised planning make the sailing difficult and outlook, not all that optimisation. An integrated planning system, requiring an integrated ideology, methodology and information system, seems to be still lacking in most of the developing countries.

What is needed in that BDP should be properly nurtured and its foundations be strengthened by taking appropriate steps, so that the mechanism works most efficiently not only at the district level but right down to the grassroot level in all blocks and villages of the state. One has to identify major gaps and shortfall in DPP, both in terms of formulation, and implementation.

Both districts and blocks should be treated as the two complementary units of planning. In practice however Blocks level Planning has not yet been introduced although the aggregation of block plans of a district should be a right step in the formulation of an integrated District Plan. It was in the late sixties that the idea of block level planning was conceived at official level, when the pilot Research Project in Growth Centres was launched in the country. In spite of the face that sound techniques have been evolved since mid-seventies, for the formulation of Block plans, the methodology of Block level plans have not yet been operationalised in the states.
The crucial issues of decentralisation which are neglected or sidestepped are:

(a) How can the irreducible minimum of the centralised development planning be designed as to help rather than hinder the community level planning of local self-government agencies.

(b) How can community level planning efforts be directed towards the build up of local socio-infrastructural systems and promotion of community-based self-employment facilities.

(c) How can the agencies of local self-government be enabled to function as planning and plan implementation units enjoyed research autonomy with respect to centralised planning from the top.

(d) How can the centralist investment planning be prevented from carelessly destroying local, ecologies, environment and socio-cultural life.

The answer to these issues would determine the nature of the programme for an effective decentralisation of the existing regime of planning and implementation. It is necessary to degress to appreciate how Gandhiji visualised the solutions to these crucial issues. These four are the central issues of Gandhian philosophy of economic reconstruction in India. Gandhian approach is based upon the distinction between western industrial civilisation and Indian-way-of life.
The former is characterised by large industrial enterprises, large-scale transport system, large industrial centres, ports, metropolies, megapolies, while the later is characterised by village committees, traditional handicrafts industries, village-exchange systems, local land-water utilisation systems, the community-integrating religious cultural institutions etc. His objective was to have a development which preserves and bring creative reforms of institutions of latter society. He only accepts the modernism to the extent that it can positively contribute to development of local institutions and arrangements. In terms of planning, this involves an interesting dualism. The development of cities and modern infrastructural/industrial are to be subjected to strict Centralist Planning so that they can be made instruments of the process of socio-economic reconstruction of rural India. But the development of village committees and local socio-economic institutions are to be achieved through planning from below by autonomous agencies of local self-government.

The national government composed of representatives from the district level units would be responsible for planning relating to large industrial units, large infrastructures and area planning of urban centres. But for the rural areas there would be a three-tier structure of local self-government agencies of village cluster, block and district levels organised on direct democratic
principles at the bottom and an indirect representative principles at the top.

The centralised planning would relates to:

(i) the creation and maintenance of large-scale infrastructure for facilitating the development of village economy.

(ii) the development of large-scale industrial units.

(iii) the planned development of urban centres, ports and industrial clusters.

(iv) the establishment of nationwide system of cooperative trade, credit and technical extension for promotion of household industries and other self-employment activities.

The development effort of the local community would relate to:

(a) the production of a investible surplus sufficient to pay for the imports of raw materials, capital goods, infrastructural services from the centralised sector.

(b) the creation of sufficient locally-based self-employment opportunities in order to attain full utilisation of local labour power and resources.

(c) the development of community integrated and locally-based institution for water supply, sanitation, primary and secondary education, recreation and cultural activities.
The central planning regime shall extend down to the district level for implementation. Below this the local-self government system shall be responsible for all implementations. Coordination of the two sub-regimes shall take place at the district planning level, would alert the central planners as to the exact nature of support needed by self-government system. Hence Gandhian approach represents an ideal approximation of the target of decentralised planning. It requires rethinking at several specific points. None the less the picture of an ideal decentralised planning regime can be developed from Gandhian philosophy, in order to identify the broad guidelines and directism of decentralisation.

8.8 THE MODEL OF INTEGRATION WITH DECENTRALISATION:

The traditional model of central planning was based on the assumption of a single central decision-making unit aiming at achieving a uni-dimensional goal such as maximization of social welfare, maximization of GNP, economic profit, growth rate or minimisation of inequality, poverty of unemployment etc. The policy analyses are developed on the assumption of a wonderland having no other decision-making unit while external "spillover effects" are frequently excluded. Recently however, there is growing concern of the existence and relevance of spillover effects between both economic agents and decision-making units (region or state). A simultaneous analysis of all
relevant policy objectives and of all relevant decision unit complicates and makes the traditional policy and programming models inappropriate to a considerable degree.

In this section an attempt is made to provide a theoretical synthesis between multi-objective and multi-level planning in a decentralised framework. It gives a brief introduction to multi-objective programming and multi-level planning and highlights the co-ordination problem of a combined multi-objective multi-level planning. Integrated planning strategies for a system divided into a set of subsystems (say districts) require methods of resolution of goal conflict or interest conflict emerging from the interaction among the spatial components of the system. Hence a decentralised system of decision-making should guarantee an allocation of resources which must ensure a meaningful compromise among various policies of different spatial segments.

The informations and data on the following three aspects inter alia, are required in order to analyse the interaction among the spatial components of the decentralised system and the complexity involved in the decentralised policy or decision-making levels.

23. The model has been developed on the basis of the paper "Multiple Objectives in Multilevel multiregional planning model" presented by Peter Nijkamp and Piet Rietveld at 5th Advanced Summer Institute in Regional Science, held at Amsterdam in Aug. 1980.
(i) **Linkage Pattern**— It refers to the nature and magnitude of interaction and interdependence subsisting among various components of the system.

(ii) **Interior conflict**— It refers to the conflict that exists among various priorities and goals of each component. It may be termed as intra-component (intraregional) conflict.

(iii) **Exterior conflict**— It refers to the conflict that exists among various interests and strategies that are adopted by several competing decision units. It may be termed as inter-component (inter-regional) conflict.

The linkage pattern and interdependence are better represented and explained by structural models, which describe all interactions within and between the components of the system. For example an inter-regional input-output model describes the functional economic relationships within and among the regions of a national economy.

Interior conflict is properly resolved by the use of a multi-objective programming in which a vector optimization problem represents the conflict existing among a set of multidimensional objectives. For example a multi-dimensional programming resolves the friction between the maximum production of industrial goods and a maximum of environmental quality within the given spatial component. Hence a multi-objective programming aims at dealing with multi-dimensional
nature of choices and conflictual options of a given region.

Exterior conflict is studied and described by the use of a multi-level programming which ensures a co-ordinating mechanism such that a meaningful balance among the conflicts of various policy level of various components can be maintained. For example a multi-level planning resolves the problem of allocation of investible funds by the central Government in order to stimulate regional development process.

Hence a multi-level planning aims at co-ordinating either as a top-down centralisation policy or a bottom-up decentralisation policy between different decision levels in order to eliminate the sub-optimal or less efficient social choices.

The figure 8.3 depicts an illustrative representation of such a multi-objective and multi-level policy in a decentralised framework.

It reflects the multi-objective and multi-level conflict profile. It illustrates the interaction and interdependence among various components of the relevant policy strategy. The various objective functions are denoted as:

- Spatial unit-1 = \( g_1, g_2, g_3, \ldots, g_r \)
- Spatial unit-2 = \( g_1, g_2, g_3, \ldots, g_s \)
- Spatial unit-3 = \( g_1, g_2, g_3, \ldots, g_k \)

The model clearly represents a double-choice conflict viz between intra regional goals and inter regional interests. The goal conflict emerges from the diverging nature of objectives and priorities within a given spatial unit in the face of resource constraints. This kind of problem involving conflictual choice are dealt in the field of multi-objective programming. But the interest conflict among the spatial units emerges from:

(i) linkage or spillover effects among various spatial components. For example input-output linkage of a multi-regional system or spatial negative externality etc., are the source of exterior conflict.

(ii) Competition or rivalry to secure large portion of the scarce resources by the policy units. For example spatial components do fight and continuously complain for larger percentage of resources which obviously reduces the share of other regions.

Let us conceive of a decentralised system where the policy unit has three regional components. Let they be denoted as x and y. The intra-regional and inter-regional structure of the first region can be represented by means of the following function.

\[ A_x = f(\{a_x, a_y, a_z, s_x\}) \]

Where: \(a_x\) denotes a set of relevant variables for region x like volume of employment, sectoral levels of production, nutritional standard and health, use of fuel and energy consumption level etc. \(a_y\) and \(a_z\) denote the vector of the corresponding variables for the regional y and z. \(s_x\) represents a vector of all exogeneous variables of the first region x.

Analogously one can perceive another function for region y and z.

\[ A_y = f(\{a_y, a_x, a_z, s_y\}) \]
\[ A_z = f(\{a_z, a_x, a_y, s_z\}) \]
Where: 'a_y' refers to the set of relevant variables for region y, 'a_x' represents the vector of corresponding variables for region x and s_y is the vector of exogeneous variables for region y. a_z refers to the set of relevant variables for region z, a_x, a_y represent the vector of corresponding variables for region z and s_z is the vector of exogeneous variables for region z.

In this multi-regional decentralised system, input-output linkage, transport flows, labour-flows migration flows, commuting pattern and environmental externalities are several examples of inter-regional interaction. Such interdependence among the regions (or decentralised units) can be illustrated by the following matrix:

**Fig. 8.4: INTER REGIONAL INTERACTION**

<table>
<thead>
<tr>
<th>Region - x</th>
<th>Region - y</th>
<th>Region - z</th>
</tr>
</thead>
<tbody>
<tr>
<td>a_x</td>
<td>a_y</td>
<td>a_z</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region - x</th>
<th>a_xa_x</th>
<th>a_xa_y</th>
<th>a_xa_z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region - y</td>
<td>a_ya_x</td>
<td>a_ya_y</td>
<td>a_ya_z</td>
</tr>
<tr>
<td>Region - z</td>
<td>a_za_x</td>
<td>a_za_y</td>
<td>a_za_z</td>
</tr>
</tbody>
</table>

In the Figure 8.4 the diagonal cells of the matrix represent intra-regional interaction (including goal-conflicts) while off-diagonal cells represent inter-regional interdependence (including interest-conflict).
However this kind of structural relationships and interactions are normally constrained by a set of conditions, which demarcate the action space of the decision units. These constraints may be technological, economic, environmental or institutional. So the feasible zone of $a_x$ may be represented by $m_x$ such that;

$$\bar{a}_x \in m_x$$

Analogously, the feasible zone of $a_y$ may be denoted by $m_y$ such that;

$$\bar{a}_y \in m_y$$

and feasible zone of $a_z$ may be denoted by $m_z$ such that;

$$\bar{a}_z \in m_z$$

with the existence of such a constrained situation one can specify the following type of multi-regional and multi-objective programming in a decentralized framework.

For regional subsystem $x$

Max $g_{x_1}(ax)$ or min $h_{x_1}(ax)$
Max $g_{x_2}(ax)$ min $h_{x_2}(ax)$

; ;

Max $g_{x_1}(ax)$ min $h_{x_v}(ax)$
For regional subsystem $y$

Max $g_{y1}(ay)$ or min $h_{y1}(ay)$
Max $g_{y2}(ay)$, min $h_{y2}(ay)$

Max $g_{ys}(ay)$, min $h_{ym}(ay)$

For regional subsystem $z$

Max $g_{z1}(az)$ or min $h_{z1}(az)$
Max $g_{z2}(az)$, min $h_{z2}(az)$

Max $g_{zk}(az)$, min $h_{zw}(az)$

For total system

Max $g_{T1}(ax ay az)$, min $h_{T1}(ax ay az)$
Max $g_{T2}(ax ay az)$, min $h_{T2}(ax ay az)$

Max $g_{Tn}(ax ay az)$, min $h_{Tn}(ax ay az)$

Subject to

$a_x \in m_x$
$a_y \in m_y$

and $a_z \in m_z$

(ax, ay, az) $\in m_T$
By synthesising the regional subsystems and total system as a whole a multi-objective matrix can be obtained.

**Fig. 8.5:** INTEGRATED POLICY FRAMEWORK

<table>
<thead>
<tr>
<th>Objective functions</th>
<th>Regional subsystem</th>
<th>Regional subsystem</th>
<th>Regional subsystem</th>
<th>Total system</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$x$</td>
<td>$y$</td>
<td>$z$</td>
<td>$T$</td>
</tr>
<tr>
<td>Max $g_1$</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$g_2$</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>$\vdots$</td>
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<tr>
<td>$g_n$</td>
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<td>Min $h_1$</td>
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<td>$h_2$</td>
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<td>$h_u$</td>
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Where: $n \geq r$, $n \geq s$, $n \geq k$ and $u \geq v$, $u \geq m$, $u \geq w$
In this, figure 8.5 each column represents certain intra-regional profile of all relevant objectives, whereas each row represents the inter-regional profile of a given objective function. Thus the horizontal optimisation yields the maximum (or minimum) value of corresponding objective functions while the vertical optimisation yields a maximum (or minimum) value of all objective functions within one regional subsystem. Obviously both directions involved serious policy contradictions between inter-regional components and intra-regional objectives. Therefore, an appropriate compromise framework has to be devised which leads to a satisfactory results for both the sub-systems and objectives.

In view of this conflictual situation an interactive learning procedure for this policy process is extremely useful to guarantee a coordination at the multi-component level and a compromise at the multi-objective level.26

The three agents in the interaction process are:

1) **the policy-maker**: who is responsible for the decision but who lacks clear insight into the structure and intricacy of the problem.

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(2) **the analyst**: Who does possess the insight into the local problem.

(3) **the local people**: Who can provide grass-root information to the analyst and policy-maker.

The basic idea of interactive programming for conflict resolution is that, first by means of a standard rule a provisional compromise solution is estimated by the analyst which has to be examined by the policy-maker. Then the analyst after having the information from local people/environment needs to indicate which proposed values of the objective functions are not satisfactory. These preferences can be incorporated by the policy-maker as side-conditions in the next iteration of the analysis. Then this method may be repeated again and again until finally a converging satisfactory compromise solution has been attained.

The interactive programming for resolution of conflicts is portrayed in the fig. 8.6 below.

---

**Fig. 8.6:** INTERACTIVE PROGRAMMING

- **Identify provisional compromise solution for all objectives and components**
- **Examine whether the policy units are satisfied with the provisional compromise**
- **d** Incorporate additional constraints arising from the previous step
- **d** Determine maximum value of all objectives for all components
- **c**
- **N** STOP
- **YES**
- **N**
- **YES**

---
There are various methods of calculating compromise solution. Here Theil's method\(^{27}\) is adopted. It consists of the following steps.

a) finding out the solution vector \(\mathbf{a}^*\) which yields maximum attainable level for the given objective, by means of mathematical programming for each objective \(g_j\) or \(h_i\).

b) constructing the payoff matrix \(R\) (from the given solution vectors \(a_j\) (\(j = 1, 2, \ldots n\)) of which the typical element \(R_{jj'}\) is defined as the outcome for objective \(g_j\) when \(a_j\) is the decision vector. Hence the elements of the main diagonal are the maximum attainable level for the objectives \(g_j\) (\(j = 1, 2, \ldots n\)), or minimum attainable level for the objectives \(h_i\) (\(i = 1, 2, \ldots u\)).

c) Constructing the loss matrix \(L\), given \(R\) of which the typical element \(L_{jj'}\) is defined as \(R_{jj} - R_{jj'}\). Consequently \(L_{jj'}\) denotes the loss for objective \(j'\) with respect to the maximum attainable level when objective \(j\) is maximised. Hence

\[
L_{jj} > 0 \text{ and } L_{jj'} = 0
\]

d) finding compromise weights \((\theta_1, \theta_2, \ldots, \theta_n)\) such that for all pairs of objectives \(j, j'\) the weighted loss for objective \(j\) caused by the maximisation of

objective \( j' (\Theta_j L_{j'j} ) \) is equal to the weighted loss for objective \( j' \), when objective \( j \) is maximised \( (\Theta_j L_{jj} ) \). Therefore the number of conditions imposed on the \( \Theta \) is equal to \( 1/2 n (n - 1) \) which is larger than the number of unknowns \( (n - 1) \). According to Theil, the exact equalities for pairs of weighted losses are in general attainable. He suggests therefore to approximate pairwise equalities by determining the weights \( (\Theta_1, \Theta_2, \Theta_3, \ldots, \Theta_n ) \) such that
\[
\sum_j \Theta_j L_{jj'} = \sum_j \Theta_j' L_{j'j} \quad \text{for} \; j'=1,2,\ldots,n
\]
He shows that the weights determined in this way have the attractive property that is they are positive and proof against scale transformation.

e) determining the compromise solution by maximising
\[
\sum \Theta_j q_j \quad \text{given certain constraints, where the } \Theta_j \text{ are the compromise weights found in previous step (d).}
\]
Let us expose now the precise nature of the interactive framework for a multi-level multi-objective programming model. Multi-level planning model provide a framework for the coordination of decisions made in the various regions of the economic system. It is presumed that the coordination has to be accomplished by the central agency which has the authority to give certain directives to the spatial component. The central policy unit has only fragmentary knowledge about the structure of the regional problems. Hence in
addition to the learning process described in previous section another learning process has to be introduced in order to collect sufficient information about the problem. Multi-level models can be delineated as follows. Let us assume that there are W components (W = 1, 2, ..., W). Every component W has a series of objectives to be maximised and objectives to be minimised.

Thus: \( g_w = (g_{w1}, g_{w2}, ..., g_{wn}) \)

or \( h_w = (h_{w1}, h_{w2}, ..., h_{wu}) \)

which have to be optimised and which depend on the instrument and state variables.

\( a_w = (a_{w1}, a_{w2}, ..., a_{wq}) \)

If we assume a linear system then

\( g_w = D_w \cdot a_w \)

Where \( D_w \) is \((n \times q)\) matrix with impact coefficients.

If we assume that the spatial components have solved their interior goal conflicts, we may take for granted the existence of a regional welfare function

\( g_w = \sum e_{nw} \cdot g_{nw} \)

Where \( e_{nw} \) is the weight attached to \( n \)th objective of \( w \)th component.

Each component may face two types of constraints.

(i) Internal constraints: \( V_w a_w \leq v_w \)

(ii) Joint constraints: \( \sum E_w a_w \leq e \)
Hence when only internal constraints exist the component are independent from each other, so that no coordination is required. Consequently the need for coordination stems from the occurrence of joint constraints. So the centre has to formulate the objectives in order to coordinate the decisions of regional components. In many multi-level studies it is assumed that the central objective is simply the sum of the regional objectives i.e.

\[ g_T = \sum_{w=1}^{n} g_w \]

By retaining this assumption in this section the central planning problem can be formulated as:

\[
\begin{align*}
\text{Max} & \quad \theta^T a_1 + \theta^T a_2 + \ldots + \theta^T a_n \\
\text{Subject to} & \quad E_1 a_1 + E_2 a_2 + \ldots + E_w a_w \leq e \\
& \quad V_1 a_1 + \ldots + V_w a_w \leq \psi_1 \\
& \quad \ldots \\
& \quad \ldots + V_w a_w \leq \psi_w \\
\end{align*}
\]

and \( a_w \geq 0 \), \( w = 1, 2, \ldots, W \)

The Problem cannot be solved easily, because we assume at the beginning that the centre has limited knowledge about the \( V_w \) matrixs. Therefore, multi-level planning aims at determining the optimal values of \( a_w \) by the Component \( w \) themselves, being guided by the coordinating role of the centre.
There are two methods of central coordination: direct or indirect: direct and indirect. In the direct method the centre allocates directly the common resources among the regions. The centre generates a provisional allocation of resources \( e_1, e_2, ..., e_w \) satisfying  
\[ \sum_{w=1}^{w} e_w = e. \]
Then each region \( w \) solves and reports the shadow prices \( P^w \) of the common resources back to the centre. Then each region maximises its function:

\[
\begin{align*}
\text{Max} & \quad g_w = e'_w T_w a_w \\
\text{Subject to:} & \quad V_w a_w \leq v_w \\
& \quad E_w a_w \leq e_w \\
& \quad a_w \geq 0
\end{align*}
\]

Given this information about prices, the centre reallocates the resources to increase the efficiency of common resources. When all shadow prices are equal \( (w = 1, 2, ..., W) \) a reallocation does not raise \( g_T \). Which implies that the optimum point has been achieved.\(^{28}\)

In the indirect method the centre estimates the allocation of resources only after the optimal prices of resources have been determined. The centres starts with the provisional prices \( P \) for common resources. The regional components then optimises:

\[
\text{Max } e_w' n_w a_w - p'_w V_w E_w \\
\text{Subject to: } V_w a_w \leq V_w \\
a_w \geq 0
\]

and reports back the optimal amounts \( e_w \) that they require from \( e \) to the centre. If
\[
\sum e_w = e
\]
then the overall optimum has been ensured. If not then the centre has to revise the prices in order to achieve this equality. The main difference between the two methods is that in the former the centre provides information about the quantities to the regions and receives information about prices in turn, while in the latter it is just the reverse (see Fig. 8.7).

Fig. 8.7: FLOW OF COMMUNICATION

a) Direct method

\[\begin{array}{c}
\text{Centre} \\
\text{quantities} \quad \rightarrow \quad W \\
\downarrow \\
\text{Prices} \\
\end{array} \quad \begin{array}{c}
\text{Spatial components} \\
\text{(\( w = 1,2,..W \))}
\end{array} \]

b) Indirect method

\[\begin{array}{c}
\text{Centre} \\
\text{Prices} \quad \rightarrow \quad W \\
\downarrow \\
\text{quantities} \\
\end{array} \quad \begin{array}{c}
\text{Spatial components} \\
\text{(\( w = 1,2,..W \))}
\end{array} \]

The multi-dimensional character of the objectives has not been sufficiently explained. It can be recognised at least in two respects:

(a) Each regional component can easily determine the weights $0$ that they attach to the various objectives they pursue. Consequently the internal conflicts gets less attention.

(b) The conflict between the regional components, are neglected. Central objective is simply the unweighted sum of the objectives of the regional components.

The multi-level planning as exposed above is characterised by a certain degree of decentralisation. The centre does not prescribe the regional units which decision $a_w$ they have to take, it only specifies the boundaries $e_w$ within which they have to operate. This decentralisation in general yields a lower value of the central objectives when the central and regional authorities do not coincide. Consequently in the case of conflicting objectives between central and regional objectives, a certain cost of decentralisation from the point of view of the centre will emerge. The second demerit of the standard multi-level planning is its neglect of the conflicting objectives. It takes into account uncertainties about the decision structure, but not about the priority structure. When the learning process about both are combined a double interactive
structure emerges with \( 2W = 2 \) agencies which are of the following categories:

- \( W \) Regional decision-making body
- \( W \) Regional body for analytical decision aid
- \( I \) Central policy-making body
- \( I \) Central body for analytical decision aid.

The figure 8.8 entails the communication network. It shows how the information exchange between centre and region has been extended with two phases of deliberations at the central and regional level.

Fig. 8.8: Communication Network Multi-level, Multi-Objective Planning Process.

It is not possible to identify beforehand the most preferred decomposition by the centre. It is important to point out an interesting implication of the possibility of 3-level Planning model, where there is existence of two way decomposition: regions \( (= 1, 2) \) or policy fields \( (P = 1, 2) \)
Fig. 8.9:
Regional and faceted policies.

(a) Centre

(b) Centre

(c) Centre
In the fig. 8.9(a) the regions are first responsible for facet policies, while in fig. 8.9(b) the facet agencies are first responsible for regional policies when the centre is not content with such a delegation of responsibilities. It may try to achieve a direct integration of regional and facet policies. In practice, regional and facet policies are frequently a very complex mixture of (a), (b) and (c).

Thus multilevel planning is an important concept for regional planning, since it explicitly recognises that lack of information induces communication in hierarchical networks. This model shows that the range of multi-level planning methods can be extended when it is placed in the context of multi-objective decision (MOD) methods, which take uncertainties about priorities and conflicts between divergent objectives into consideration.

8.9 REGIONAL INFORMATION SYSTEM:

Efficacy of decentralisation very much depends on the regional information system. An information system at village, block and district level is still lacking in most of the developing countries including India. Besides a thorough familiarisation of the areal units, district, block, villages, periodic markets, town mandis etc., the development of information systems in the following areas of formulation and implementation of district plan are very much necessary.
(1) Information systems regarding general reconnaissance of the District, Block and Villages.

(2) Information system for working out inter-block variations and delineation of sub-regions.

(3) Information system for the preparation of block and district profile.

(4) Information for preparation of block and district resource inventory.

(5) Basic data required at the village level.

(6) Base-line survey for identification of poor Households.

(7) Information system for identification of rural growth centres for spatial planning.

(8) Information system for manpower planning and budget.

(9) Information system for formulation of district perspective plans.

(10) Information system for monitoring and evaluation of programmes.

The data for district planning should be in relation to the four sectors of the economy and various sections of the society. However, it is necessary to avoid the data graveyard and delimit the data, which can be used.

Information can be structured under the following sets.

(1) resource

(2) demographic

(3) Agro-economic

(4) Socio-economic

(5) Infrastructure

(6) Sectoral
The data base could be greatly improved by the use of aerial photo interpretation and remote-sensing technology. By using the scientific tools, the following theoreatic maps can be prepared.

(1) geological  (5) land use
(2) ground water  (6) Optimal land use
(3) Soil  (7) Optional resource 
(4) Forest.  exploitation.

Any policy choice for rural development should take into account the various actors involved and their conflicting interests. The appropriate geographical information system (GIS) increases the awareness of current frictions and future incompatibilities in rural development and environmental sustainability. The GIS both as a research and planning tool should fulfil at least two requirements:

(1) It should meet standards of scientific credibility, this mean that GIS should allow for linkage with existing analytical tools and multi-criteria evaluation.
(2) It should comply with the demand of planning agencies or even the rural society at large.


An appropriate Management Information System (MIS) is essential for the efficient and effective control and management of a rural development programme. MIS in a functional system which is characterised by its synergy i.e. all elements in the system work together to produce a greater effect than the sum of the result of these elements operating independently. In the context of multi-level and multi-objective decentralised planning for rural development, MIS can be conceived as a set of socio-economic system concerned with assembling and processing informations for decision-making at various levels.

Flow of information required for planning and management of rural development programmes can come from both ways - top to bottom and bottom to top (Fig. 8.10). Information obtained both internally and externally are utilised for decision making at each level of organisation.

Fig. 8.10: Flow of Information for MIS.

A Frame work for setting up an MIS for rural development is illustrated in Fig. 8.11 as follows.
Four important steps are involved in setting an appropriate MIS for rural development:

1. Identifying the type of informations required for decision making.
2. Evolving a method of collecting, and analysing data with reasonable degree of accuracy, promptness and coverage.
3. Creating an institutional base for a continuous dialogue between the suppliers and users of information.
4. Highlighting critical indicators, discrepancies in actual and planned performances and its quick reporting.

8.10 REFORMATORY AGENDA:

The strong protagonists of the decentralist philosophy emphasises on the certain basic principles of decentralisation. The main five principles are:
(1) **The first principle:**
All the resources in a socio-economic unit should be controlled by the local people.

(2) **The Second principle:**
Production should be based on peoples consumption but not on producers profit. The commodities produced by a socio-economic unit will be sold in the local market itself.

(3) **Third principle:**
Production and distribution should be organised through cooperatives.

(4) **The fourth principle:**
The local people must be employed in local economic enterprises.

(5) **Fifth Principle:**
Commodities which are not locally produced should not enter into the consumption basket of local people.

An effective decentralisation of planning and its implementation necessitate a number of reformations in the constitutional regime, planning regime and administrative regime.

(A) **Constitutional Reforms:**
1) Districts should be the basic-democratic units. State parliaments should be abolished and the constitutional powers of the present state parliaments should be transferred to the districts.
2) The district sized units should be organised on a three-tier federal principle with direct election to the first tier and indirect elections to other two.

3) It is necessary to constitute the union parliament by indirect elections from destructuralised units and from the counterpart elective institution of urban self government.

4) A new finance Commission should be established to recommend the principles of allocation of public revenue between the central government and districts.

5) A new commission should be established to restructure the distribution of legislative and administrative authority between the central government and districts.

(B) Planning Reforms:

6) The role of National Planning Commission should be redefined. Its main function should relate to detail planning of large-scale infrastructural and industrial units. On the otherhand it should shift to purely indicative planning of activities controlled by the basic democratic district units.

7) The district level units would provide informations to the national planning about the development opportuniti and manner in which it proposes to utilise them.

8) The informations flows from sub-district level would be coordinated and processed to generate the people's
plan for development on a three year rolling plan framework.

9) The peoples plan shall deal with community development components based production, social services labour utilisation, poverty eradication etc.

(C) Administrative Reforms:

10) A national commission should be established for training and placement of:
   i) experts with specialised training in community-based sociologically oriented planning, required for district units.
   ii) experts with specialised training in physical planning, capable of integrating peoples' plan into national planning.

11) Zonal level civil service commissions would be required to supervise the training, recruitment and placement of implementation agencies and technical personnel.

12) The upper echelons of the bureaucracy would have to be integrated with central development administration bureaucracy.

13) A wider network of trade, credit and technical extension system has to be set up at the district level and central level.

Above 13-point agenda though not a blue print represents an indicative programme for an effective reforms in
developmental planning according to the decentralist philosophy. Its aim is to redirect the current debate from small questions to basic significant issues.

8.11 DETERMINANTS OF EFFICACY:

The gaps between the goals of decentralisation and the results of policy implementation in the developing world remain very much wide. In several cases, however, relatively successful decentralisation has taken place, which implies that there do exist factors and conditions in those countries which are conducive to the achievement of decentralisation objectives. So the implementation strategy for decentralisation should attempt to maximise the impact of support factors while at the same time minimising the constraints. It is contended that the reality of the situation in developing countries is such that an incremental implementation strategy clearly articulated and continuously implemented in stages over a long period of time would be politically feasible and would lead to meaningful results.

Ultimately decentralisation can be effective only when agencies and actors at the regional and local levels have developed the capacities to perform effectively the planning, decision-making and management functions that are formally granted to them. Their effectiveness as participants in a decentralised system depends on the ability of local organisation to:
i) Identify development prospects and opportunities.

ii) Create possible solutions to development problems.

iii) Make decisions and resolve conflicts.

iv) Mobilise resources.

v) Manage development programmes and projects.

Thus the essential features of a programme for decentralising developmental functions to regional or local level must be matched with the capacities of implementing agencies. Where the administrative capacities are weak, steps must be taken to expand and strengthen them. In India and other Asian countries, administrative support and local capabilities for implementing decentralisation are inadequate. Personnel structure encourages qualified and ambitious managers to gravitate towards the centre. Those who are appointed at the local level, they see such duty as temporary until they are transferred to the centre. Those who remain in local administration are often frustrated by low salaries, poor amenities and low morale. In the existing highly centralised civil service system, local agencies are commonly viewed as mere data-feeding units rather than decision-making organisations.

Successful implementation of decentralisation policy however requires some degree of coordination among national agencies.

Regional and local agencies viable linkages must be established and maintained among them to achieve complementarity. Function should be allocated in a way that takes advantage of the strength of agencies at different levels of government. Creation of supporting linkages is likely to produce more positive responses to national developmental priorities from local and regional agencies than central regulations and controls. However in all Asian Countries including India, the factor most severely inhibiting the successful implementation of decentralisation policy has been the inability of local agencies to coordinate and integrate their activities with those of central authorities. Proliferation of governmental agencies has led to compartmentalisation and lack of complementarity further weakening the administrative capacities of local agencies. The planning in India has basically remained top-down in its approach despite several slogans of bottom-up approach. Although many decentralised institutions have been created, departmental loyalty usually impedes coordination and cooperation at regional and local levels. Besides all this uncertainty about the extent and purposes of decentralisation, ambiguities in assigning roles and responsibilities to organise at various levels of government undermines the success of policies for decentralisation in India in particular.
In many cases, we find that the government of developing countries including India enact decentralisation policies that are vague and amorphous in their purposes, goals, scope, leading to confusion among administrator, political leaders and citizens as to what is warranted and how it is to be achieved. The factors that determine the efficacy of decentralisation policies in developing countries are as follows:

(1) **Regional and Local Capacities**:

An assessment of regional and local capacities should precede decisions about the scope of decentralisation and the allocation of function. Some countries have delegated or devolved functions en masse without taking into account of the fact that state, provincial, district or local organisation in different parts of the country have different levels of administrative capacity, different amounts of resources and different levels of commitment to decentralisation.

(2) **Political support**:

Proper attention should be given to determine the extent of political support and opposition to various forms of decentralisation among national leader, high-level administrative officials, field staff, local elites and

---

local leaders, before any decision is made on decentralisation policies and allocation of function.

(3) Central support:

It is very much necessary to gauge the capacity and desire of officials in central administrative agencies to provide financial, technical and managerial support to decentralised organisation to achieve an improvement in the implementation of decentralisation strategies.

(4) Socio-economic constraints:

The existing political set up, tradition, culture or behavioural characteristics, national economic conditions and trends, the present state of development in various regions etc., are very crucial factors in determining the success of decentralisation policies. Although a precise measurement and comprehensive analysis is not possible in most developing countries, the proper consideration of potential effects can lead to more carefully designed and executed policies. All these four factors are illustrated in the Fig.8.12.

After a feasible scope of decentralisation is determined, policies must be translated into programmes and organisational arrangements must be designed for transferring planning and management functions. Secondly decentralisation can be very successful if the process is incremental and iterative. Those aspects or programmes that
are least likely to be opposed and for which there is adequate administrative capacity should be expanded, as the political support and administrative competence increases. Thirdly the mass media, training and public information programmes and political bargaining must be used to forge a base of support for decentralisation policies. Fourthly means must be found out to reorient the perception of central administrators about their roles from control and direction to support and facilitation. Lastly the implementation of decentralisation policies must be seen as a continuing process of modifying government structure and procedures as conditions become more conducive to incremental expansions in their scope and application. The ability to adjust and adapt depends on effective monitoring and evaluation process that gauge the pace and impact of decentralisation and from which information can be derived to make policy changes in more appropriate direction.

Fig. 8.12: FEASIBLE SCOPE FOR DECENTRALISATION POLICIES
Thus in order to improve the efficacy of decentralised model of rural development the following steps should be strictly adhered to:

1) Delineation of areas for planning viability
2) Determination and quantification of plan objectives
3) Identification of target sections/groups
4) Appraisal of resource availability
5) Identification of various constraints
6) Selection of development projects
7) Working out the optimal mix of projects.

The Decentralised planning process in order to be successful has to follow some identifiable sequential phases or stages. Fig. 8.13(a) portrays the stages of planning for comprehensive regional development. It shows that diagnosis is followed by building macro-framework, sectoral planning, intersectoral coordination, plan finalisation action programme coordination and planning for implementation. Fig. 8.13(b) portrays the stages of problem-oriented planning. The six stages are:

1) Identifying social problem,
2) Reconciling problems with resource availability
3) Devising policies and projects
4) Devising a strategy
5) Setting the targets
6) Choosing overall objectives to solve social problems
Effective planning should never be considered as once for all exercise. It is essentially an ongoing process. An efficient decentralised planning involves a continuous process and follows cyclical phases. The plan has to be reformulated and modified on a continuous basis. Fig. 8.14 shows the planning cycle existing local conditions of rural villages are to be analysed in order to identify problems, opportunities and constraints. Then objectives and targets are fixed. Then alternative strategies are generated, priorities are fixed, and projects are identified. Then it is necessary to evaluation resource requirement. Then
projects are implemented and coordinated. Finally evalua-
tion is made. After proper monitoring, again the existing
conditions of the locality are analysed.

**Fig. 8.14: THE PLANNING CYCLE**

In order to ensure the efficacy of decentralised
system, each of the projects should specify the followings:

(a) Rationale for the project
(b) objectives, duration, location of the project
(c) target groups to be covered
(d) implementing agency
(e) details of technology to be adopted
(f) financial requirement/strategy
(g) cost-benefit calculations
(h) employment to be generated
(i) impact on income distribution
(j) externalities, environmental and ecological impacts
(k) linkages with other projects.

There is always the possibility to identify new projects on the basis of a project that is being implemented. Therefore the end of one project could become the beginning of another, thus initiating a new cycle.

The following activities can be identified as the stages in a project cycle.34

1. identification  
2. feasibility  
3. preparation  
4. appraisal  
5. Implementation  
6. monitoring  
7. evaluation

34. Project cycle is a term commonly used in discussing the dynamics of a project. The life of a project from its beginning to its end can be divided into a number of stages, which are not entirely separate activities. In reality they are linked to each other. That is why the process is called a cycle.
These six stages stand for a multitude of measures, procedures, methods and techniques relating to the wide range of possible activities in the course of project planning and implementation. In order to highlight the underlying unity of process, Goodman has devised the concept of the integrated project planning and management cycle (IPPMC), which is a framework to clarify the set of procedures arising out of this process. (Fig. 8.15)

**Fig. 8.15:** Integrated Project Planning and Management. Cycle: Four Phases.


The IPPMC may be divided into four major phases:

1. Planning, appraisal and design
2. Selection, approval and activation
3. Operation, control and handover
4. Evaluation and refinement.

Goodman points out that the tasks of the cycle, are not necessarily sequential. They take place at the same time or in a different order, nor are all of them necessarily required. When the unknown is yet to be explored, field survey as a means of collecting information becomes the reliable method, which serves to:

1. Understand existing conditions
2. Articulate the problem
3. Identify matters that need improvement
4. Identify potentials for development
5. Defect intellectual and manual capabilities
6. Discover talents and skills among people
7. Establish feasibility (what could be done and viability; now to be done).

In the preparation of this rigorous type of fact finding, reconnaissance in rural areas and preliminary enquiries, encouraging people to name problems and needs of their community as well as spontaneous suggestions for solution are the recommended initial steps.

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