Chapter II

DECENTRALISED PLANNING

2.1 Introduction

Decentralised planning refers to the process of planning where some of planning functions and responsibilities of decision-making are delegated from the centre to the lower levels of administration. As a first step, planning process get decentralised from national level to state level planning, then state to regional level, from regional to district level, district level to sub-divisional level or block level and ultimately to village level. Decentralised planning may also be called as grass-root level planning or planning from below. Planning from the top or planning by direction is known as centralised planning or macro-level planning. In the case
of macro planning, the planning is done for entire nation or country as a whole. Although planning at the top may be made more precise and coordinated and may take account of the overall requirements of the country, it may not pay equal attention to the needs of all regions. But planning by inducement or planning from below or decentralised planning fixes its targets in lower level (below the national level) and is achieved by real beneficiaries who participate both in formulation and implementation of the plan.\footnote{Najundappa, D.M., "Planning from Below", Yojana, Special Number, 26 January, 1989.} Thus, decentralisation provides an opportunity for involving the people in their planning process and thus demonstrate their capabilities.

Decentralised planning is sometimes linked with spatial planning relating to a particular geographical unit. In such cases, it involves an integrated area development plan and, will imply a well-coordinated planning for development of a specified geographical space encompassing all aspects of the areas' endowments. The basic concepts of spatial planning relate with:

i) Von Thunen's Ring Model of land utilisation around a city;

ii) Central Place Theory of Christaller, and

iii) Losch's concept of economic landscape.
i) Von Thunen's Ring Model of Land Utilisation around a City

This model was devised by Von Thunen who was the forerunner among the theorists who had attempted to explain organisation of space through a workable model. He developed a theoretical model of land-use pattern, giving a particular arrangement of towns and villages in a situation experienced in Mecklenburg. The main aim of Von Thunen's analysis was to show how and why agricultural land-use varies with the distance from a market.

The basic proposition of the location theory is that the location of an industry should be in that place/region where it can achieve the lowest average cost of producing a product and delivering it to the market. For purposes of location policy, however, the planner has to consider the location of an 'industrial complex' and not a single industry.

ii) Central Place Theory of Christaller

Walter Christaller, a German Geographer, wrote his classic Central Places in Southern Germany and he advocated a theory that there was order in the patterns and functions of settlements. He tried to explain that the size, number and distribution of towns has some ordering principle governing the distribution.
The most important aspect of Christaller's idea of the Central Place Theory is the central place itself. The basic unit is no way related to a city or a town or even a community. But his research on the question of size, number and distribution of settlement is predicted upon a specific understanding of the measuring of settlement. He points out that the role as a market centre is the chief characteristic of the central place.

iii) Losch's Concept of Economic Development

Losch was an economist. He elaborated and extended the Christaller's model of central place theory, adopting the hexagonal based model and modifying it into complete hexagonal shape which gives nearly the patterns in the real world.

Losch's model about the central places like that of Christaller, however, does not lead to larger market areas containing all the activities of the smaller, or to identical activities in all-settlements of the same size. He points out about location theory which must consider maximum of profits.²

One central point that emerges from the above models is that location of production centres, particularly of manufacturing unit, should be such so as to facilitate not only in the use of inputs, but also of outputs. That is, location should make the way for sale of the products through evolving a market which may enable the economy to be vibrant and buzzing with activities.

2.2 The Rationale

Decentralised planning process has become of late a matter of world-wide concern, whether in socialist or mixed economies. Fundamentally, planning is a means to achieve an end. Ends fluctuate from time to time and from place to place or from country to country. In India, the main objectives of planning are growth, self-reliance and social justice. The growing realization is that the governmental activities must also expand, develop and come closer to the people at the grass-root level and face the challenges of the time. Decentralisation through the involvement of local level people or their representatives and institutions in the formulation of plan for development is being advocated in the interest of efficient utilisation of resources and for ensuring more equitable sharing of benefits from development. Not only that, decentralisation of development planning and management can very well lead us to more flexible,
spatial, innovative and creative administration. Because district and lower level planning administrative units have comparatively greater access and opportunities to test and conduct their innovative projects and plans.

The type of the development task that can be effectively handled by a centralised regime of planning differs radically from the kind of development activity that can be adequately tackled by a decentralised regime. It is argued that formulation of national economic plan in spheres involving the whole or bulk of the country (like large and medium industry, railways, national highways, shipping ports, communications, major power projects, defence, university education, research, inter-state projects, foreign trade, etc.) it is essential to work out the national implications of these programmes, whereas in a number of fields the scope of district planning or sub-divisional planning pertains to chalking out programmes and project and raising the counterpart of resources through the use of state-sponsored subsidies and incentives (like agriculture, animal-husbandry, fishery, forestry, land development, village and small-scale industries, minor irrigation, soil and water conservation, primary education, primary health, cooperatives, water supply etc.).

In the context of the present phase of scientific
progress and technological advancement, a centralist approach to development planning often fails in the task of genuinely improving the lot of ordinary people. Besides, a country of India's size and dimension having diverse language, culture and tradition can hardly rely entirely on the centralised planning process. Under such circumstances, centralised planning approach would be insufficient to meet the needs and aspirations of the people.

Planning, if only concentrates on growth, i.e., a rise in national income by some percentage, may fail to achieve reduction in inequality; rather if uncontrolled and unregulated, growth itself may bring in wide disparity in social justice.

Secondly, securing a reduction in the concentration of economic power would help in reorienting the production process and thereby employment and income distribution.

Thirdly, and as a corollary to this, the process would help in tackling the problem of poverty and unemployment, both disguised and open form.

Fourthly, as said above, decentralisation of the planning process besides involving the people including those who would be the beneficiaries in the planning process is expected to ensure growth with social justice.
Fifthly, decentralisation would also help in taking up albeit in a small area specific physical and resource-specific (including human) projects.

Sixthly, the evaluation performance of projects and programmes executed by the people in their area may make the government personnel accountable which would reduce mismanagement of resources.

Lastly, decentralised planning is imperative not only due to wide regional variations in resource endowment, attained levels of development but also for reducing information cost and administrative costs as well. Thus, planners can have better information about the cost and efficiency of group activities.

Whether the benefits of decentralised planning is more or less than those of centralised planning is a question involving subjective assessment and so it is not easy to arrive at definite conclusion. However, because of the increasing realisation of the unsatisfactory performance of the centralised planning and top down development strategy pursued so far, the balance of arguments seems to tilt in favour of decentralisation.
2.3 Decentralised Planning in India

From the point of view of the Indian economic perspective, the case for decentralised planning rest on certain arguments. Firstly, it is difficult for the macro level planning to cover effectively the resources of local level and of spatially dispersed economic activities pursued on small scale at household and village level.³

Secondly, bringing the peripheral groups of the poor and the disadvantaged within the mainstream of economic processes needs programmes and organisational structure at the grass-roots for identification, delivery, initial support and guidance towards viability.

Thirdly, given the likely slow and halting pace of rehabilitation of these groups and the frequent periods of stress and strain through which they pass, stable and dependable arrangements are required for provision of relief and supply of minimum needs to them on an adequate scale.

Fourthly, it is important to have participatory mechanisms in the planning of resources and needs with a view to promoting among the people motivation, habits of

self-help, local level leadership and active role in strategic and planning decisions.

Decentralisation to regional or local levels allows officials to disaggregate and tailor development plans and programmes to the needs of heterogenous regions and groups, cuts through red tape, enables better information flow, facilitates integration and local elites with the national elites, leads to greater equity in allocation of government resources, develops administrative capability for economic development, institutionalises participation of citizens in planning process and it creates an atmosphere of political stability and national unity. ⁴

It must, however, be admitted that translation of the above conceptual formulation into action would imply radical structural changes or rather a total restructuring of the planning and implementation systems. It would also imply revolutionary changes in the present day socio-political milieu besides attitudinal changes among the politicians and bureaucrats. Under the present circumstances, in India bureaucracy has so much fattened that without any reform no rational policy at any level is feasible. Indian experience of decentralised planning

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reveals that instead of the package of practices and procedures, merely wishing for democratic decentralisation or participatory planning would not lead us any farther.

In Indian federal constitution, below the state level, the relationship between the various tiers i.e., between the district and the state, between the sub-division and the district, between the district and block, block and panchayat level etc. have not been clearly defined and delineated in the constitution. Therefore, micro level planning remains rather vague unless the actual operational level of planning is defined clearly. How can the planning process descend from top to bottom if autonomy is not given either at the state level or below the state levels? No decentralised planning can take place without the accurate devolution of political and financial power to the local bodies (below the state). Even in respect of centre-state relations there has been so much ambiguity and the centre has been appropriating such a large proportion of financial resources that the centre-state relations have reached a breaking point. A more detailed plan of fiscal resource responsibility, accountability as well as rights of the three or four tiers of governments still have to be constitutionally established in a manner which is fair and just to all. If mutual matching political and financial powers are not
given to the institutions of decentralised policy there will be neither democracy nor planning. Rather detailed planning from above at the district or below the district level will tend to decrease the autonomy of agencies of local self-government.

In most of the states of India and in the centre there seems to be apathy for a strong political commitment to decentralisation and multi-level planning. It is, therefore, important that so long as India's plans remains centrally oriented, their success would lie in the devolution of power to check economic concentration, corruption, inefficiency as well as the creation of a just society.

In addition to the problems of agrarian restructuring in respect of land, there is the question of tackling poverty and reducing unemployment as structural problems in India. Unless there is a reasonable change of such infrastructures and a firm commitment to the removal of these problems, there is little hope that decentralisation within the existing institutional parameters will bring about more than a marginal change in the situation. Yet we hope that, decentralisation would bring the planning process within reach of the people.

The above discussion should not lead to the inference that decentralised planning ideas are either alien to our culture or cannot be implemented through the democratic institutions at the grass-root levels. In fact, India is reaching a stage in the development process that it has become necessary not only for better planning of various beneficiary-oriented programmes but more importantly, for minimising leakages in their implementation so that benefits of these programmes reach the poor. The viability of the size of the state and structural changes brought about seem to have had greater impact on growth and social justice than formal decentralisation of planning below the state level. The experience of Punjab and Haryana illustrates how smaller states with efficient land tenure systems can grow faster with more equitable sharing of benefits and growth without decentralised planning at the sub-state levels. Whereas, Maharashtra and Gujarat though pioneers in district planning, their performance is not better than Karnataka, West Bengal or Jammu and Kashmir where land reforms have been more progressive than others.6

2.4 The Multi-Level Concept

Decentralised planning, as we have stated already,

is a process of planning that starts from the grass-root level of planning taking into confidence all the beneficiaries. In other words, it is a planning by the people, planning of the people and planning for the people. The Panchayat Raj Institution has a number of strata, namely Gaon Panchayat, Anchalik Panchayat, Mahkuma Parishad, sub-division, district planning unit etc., each is linked with the other and ultimately with the state planning body as its apex body. In India, the idea of decentralised planning may be found in the Gandhian economic thought. But the attempt at conceptualisation and its introduction may be said to be of recent origin.

The multi-level concept in the form of decentralised planning would encompass the different levels of rural urban social hierarchy - the village, the panchayat, town, block, sub-division and the district, thereby the state and ultimately the country as a whole. Thus complementing each other macro and micro-level planning should go hand in hand in a common path and achieve the goal of required growth.

Among the countries in the world, Yogoslavia may be regarded as one of the pioneers in implementing decentralised planning in 1948. It was introduced in that country as an empirical solution to render greater autonomy to industrial enterprises. The local enterprises
were left free to determine both in plan formulation and its implementation. They were also left relatively free to fix the prices of their products. The market economy and practical blending of socialistic and capitalistic devices were recognised and reordered.7

2.5 District Planning - Its Background

The idea of district planning arose primarily out of pragmatic considerations though theoretical arguments for micro-level planning supported the case for it. The Community Development Programme (CDP) initiated in the First and Second Five Year Plans failed to make much impact at the grass root levels. The important shortcomings may be listed as follows:

a) Too much bureaucratisation
b) No supportive agencies
c) Lack of sincerity by government
d) A lack of popular support
e) Departmental prejudices etc.

The least successful aspect of the CDP was its attempt to evoke local initiative. Among the other factors the main ones responsible were the lack of durable strength and leadership necessary to provide the motive.

for continuing the improvement in economic and social conditions in rural India. CDP could not draw adequate support and cooperation from the officials. Most of them did not consider the block as their own. On the other hand, people's reactions in most of the blocks were not generally favourable to this model. The majority of the villages did not regard it as their own programme and seemed to rely mainly on the government to bring the development of the rural areas. The basic philosophy and approach of the CDP were, therefore, inadequately subscribed to by the people in those areas. Perhaps, lack of adequate training programme for the CD workers in India, the areas of selection of trainees, selection of instructors and the content of the pre-service and inservice training explain a bit of apathy. It was due to a failure to relate the issue to the realities of rural India, weak communication between the extension services and the rural people, resulting in a gap between official expectations and people's response - all these contributed to the weak implementation of the CDP.


The lack of coordination of development departments at the district level with its echo-down to the block level contributed to the poor performance of the block, resulting almost in the disintegration of the block organisation. The reason was, as said above, that the personnel in-charge of this programme lacked planning perspective, administrative and financial authority and also technical competence for formulating and implementing micro-level plan on their own.

In the Second Five Year Plan it was realised that the pattern of district administration envisaged in the national extension and CDP will remain incomplete unless village institutions are placed on a sound footing and are entrusted with a great deal of responsibility for carrying out local programmes.10

The history of attempts to introduce planning at the sub-state levels is also quite old. The idea of planning from below was advocated even at the time of the formulation of the First Five Year Plan, which had mooted the idea of a village production council for agricultural planning. The preparation of the First Five Year Plan in the states took place mainly at state headquarters. Subsequently, attempts were made to break up state plans into district plans. In national extension and community

project areas, as programmes were carried to the village to be worked in cooperation with the people, the significance of village planning was increasingly realised. In the programme, which they could undertake through their own labour, comprehensive village planning taking into account the needs of the entire community including the weaker sections (like tenant-cultivation, landless workers and artisans) did not benefit sufficiently from assistance provided by the government.

In the Second Five Year Plan, one of the most important aspects was the preparation of plans at various levels below that of the state, i.e., for individual villages, towns, taluks, tehsils or extension blocks and districts.

It was recognised that democratic institutions at the district, block and village level should be viewed as parts of one connected structure of development administration within the district. The recommendation of the Balawant Rai Mehta Study Team set up by the Committee on Plan Projects in favour of a system of 'democrative decentralisation' was considered in this regard by National Development Council in January 1958. The second plan clearly visualized a well organised democratic

11. Ibid., p. 156.
structure of administration within the district in which the village plan would be organically linked with popular organisations at higher levels. Moreover, at the district and at the state levels three kinds of programmes sponsored on behalf of public authorities were to be included in the plan, namely,

a) Programme initiated at the level in question, e.g., taluks, district and state,

b) Programmes initiated at lower levels and integrated with those in (a), and

c) Programmes initiated at levels above and integrated with (a), for instance, schemes sponsored by the central government but executed through states or schemes sponsored by the State government and implemented through machinery available at the district.

It was emphasized that a district plan would include programmes prepared on territorial basis for villages, group of villages, taluks, extension blocks, municipal areas, etc. and also programmes to be executed, within the district which are derived from departmental plans formulated at the state level. The part of the district plan which was prepared within the district was important

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both for the range of activities which it embodied and for the fact that it associated people at every level and the opportunity afforded to them to determine their needs and to contribute towards their fulfilment.\textsuperscript{13}

This methodology was, however, abandoned before it was adopted. We get little evidence to show that either the Planning Commission or the National Development Council (NDC) exerted itself to persuade the states to adopt its prescription.

The Third Five Year Plan tried to evolve the role of people's participation in local level planning under the framework of democratic decentralisation or the Panchayati Raj in accordance with Balwant Rai Mehta Committee's suggestions. The Third Plan also described a methodology for preparing state plan for rural development, on the basis of the district and block plans. It was suggested that in the following field proposals for third plan should be drawn up by states on the basis of district and block plan:

1) agriculture including minor irrigation, soil conservation, village forests, animal husbandry, etc.;

\textsuperscript{13} Ibid.
2) development of cooperatives;
3) village industries;
4) elementary education, specially provision of school buildings for local communities.
5) rural water supply and programmes of minimum rural amenities, including construction of approach roads linking each village to the nearest road or rail head; and
6) work programmes for fuller utilization of manpower resources in rural areas.

However, the progress achieved in decentralising the planning process at the district level was negligible. Inspite of the much-proclaimed shift from the traditional revenue administration type to the development administration at the lower levels that has taken place in most of the states since independence, almost all decisions were taken from state and central levels. Not only that, the Community Development Programme had paid little attention to developing planning capability at the sub-state levels. Most of the programmes depended on whether the 50 percent public contribution was forthcoming or not.14

The decades of the fifties and sixties saw a decline in government's faith in community development, people's

participation and decentralised planning. Due to the over-riding need for raising food production to meet the food crisis and pale performance of the CD programme in raising agricultural production, the government of India launched an Intensive Agricultural District Programme (IADP) in 1960. The programme was controlled from above and managed entirely by the bureaucracy. Several other centrally sponsored schemes were introduced in due course, leading to a further centralisation of planning.

2.6 A Brief Summary

In the context of India, decentralised approach appears to be theoretically sound and laudable so far as it seeks to bring the people into the mainstream of the planning and decision making process. In view of the country's vast area, tremendous population diversity and different climatic conditions, etc. it is both impracticable and unadvisable to conduct the administration of planning in the whole country from a single centre, for planning or administration has not merely to touch the surface but also to reach the life of millions of people at very many odd points. In a nutshell, it may be said that the existing system of decentralised planning needs to be radically changed and the lower level institutions specially the district should be streamlined imparting them more and effective fiscal powers.