

CHAPTER III
POLICY ISSUES RELATING TO AREA PLANNING

Planning has now come to stay in almost all the Countries of the World. It has emerged, in various Countries, during the post-Second World War era, as a vital tool for gearing up the rate of economic growth. With all the massive investments in the agricultural and industrial sectors, Plans have failed to solve the basic twin problems of poverty and unemployment, particularly in the rural areas of many Developing Countries in the World. This is particularly so in India because despite the fact that there has been substantial growth in the Country's Economy, since the advent of Planning, the fruits of Planning have failed to reach the rural poor in the Country. In other words, Planning seems to have benefited only a few and that too mostly in the Urban and Metropolitan areas only. Thus, there is not only a huge disparity between the standards of living of the rural and urban people but the disparity also seems to widen in a growing measure. Rural employment is, therefore, fastly becoming less attractive. Consequently, there is a growing tendency for labour to move from rural to urban centres in search of employment and better standard of living, which leads to several problems such as over-crowding that afflict the Urban and Metropolitan centres in the Country. One effective panacea for all these economic ills and evils would be the adoption of 'Area Planning'.

Area Planning is of two types. One is Planning for the purpose of intensive development of an independent area and this Plan may perhaps constitute an integral part of the Macro Level Plan. This type of Planning is intended for the uplift of certain backward Regions or for the development of a particular activity or a few activities

in a particular Region or Regions in the Country. Schemes and Programmes such as the Integrated Rural Development Programme, Small Farmers Development Agency, Drought Prone Area Programme etc., which are implemented in the Country, are of this kind.

The other type of Area Planning is grass root level planning which is adopted for a basic planning unit and the aggregation of such Plans prepared for all the Planning units in the Country will ultimately provide the basis for drawing up the National Plan. While, as mentioned earlier, the former type of Area Plan will be an independent Plan drawn up, for a particular purpose, for select Regions in the Country, the latter type of Plan will constitute an integral part of a comprehensive National Plan. This Study is concerned with the latter or the second type of Area Planning.

Composition of 'Area' for the purpose of Planning in India:

'Area', for the purpose of Economic Planning, is a spatial location, which would constitute a comprehensive unit of Planning, possessing natural and other resources, a systematic and schematic utilisation of which would improve its production and income. Thus, Area is homogenous in character and composition. However, the size of Area would depend upon its natural and other resources, the scope available in it for marketability and mobility of factors of production. The size of the Area cannot be so big or vast as to make it impossible to be localised in terms of geographical and administrative coverage, as the very purpose of Area Planning is to bring planning to the grass root level so that the local resources can be put to the maximum use and thereby the rate of growth of the Economy can be accelerated considerably on a time bound basis. It need not, however, necessarily be a geographical Area based on the Country's administrative set-up. Nevertheless,

Area would be helpful in the process of planning, as data required for planning are readily available with it. Further, if the Area chosen for the purpose of Planning happens to be already an Unit of Administrative set-up of the State or Country, as it is normally found in this Country, it would facilitate the effective implementation of the Plan and the close monitoring of the performance of the Area in regard to the implementation of the Plan.

What would be an ideal Unit for the adoption of Area Planning (Micro Level Planning) in India? This is really a pertinent question in this context. India is a union of different States. Each State has been bifurcated, for the sake of administrative and development convenience, into various Districts and each District into several Taluks or Tehsils, each Taluk into several Blocks, each Block into different Panchayat Unions or Panchayat Samithis and each Union into different Village Panchayats covering specified revenue villages.

States are geographically quite vast, each containing different Regions or parts which are dissimilar to one another in regard to availability of resources, potential for growth, extent of growth already recorded, availability of labour etc. If Planning is done for the State or at the State Level, it would be impossible to identify precisely the resources and needs of all the villages and Blocks in the State and localisation also would be found difficult.

The next tier in the administrative set-up of the Country is the District. Planning programmes and their implementation should synchronise at a certain spatial level and as such, District may be treated as the Unit, if found suitable, for the purpose of Regional Planning in India. In fact, as mentioned earlier, Gadgil also conceived the idea of District as the Unit, suitable for Planning. But, Districts as Units of Development administration are very big. Further, Districts vary in their size.

For instance, the population of Darbhanga District in Bihar State exceeds 5 million which is an indication of the vastness of the District and availability of good resources inclusive of labour. Whereas, there are Districts in the Country, which are small in size and population. Thus, Districts in India differ vastly in their size, population etc. Hence, effective and efficient planning with District as the Unit would be possible, if only, inter-alia, the differences in size of various Districts in the Country are evened out by a suitable re-organisation of all Districts in the Country.

There are two more tiers down the District Level for the purpose of Development; they are Blocks and Panchayats. Normally, a Block is comprised of 50 to 125 villages spread over a fairly limited area. Although Panchayat is the Unit in the administrative set-up, yet Block is taken as the basic unit for implementing rural development programmes. Block is small enough to be administered efficiently and large enough to include a group of villages, around a central place, with inter-linkages which can be developed effectively, provided suitable basic development programmes are drawn up and implemented. Panchayat comprises of a very small area and planning at this level would be quite unrealistic, as most of the Panchayats in the Country do not have the necessary infrastructural facilities, resources etc. for the purpose of Planning. Whereas, Block offers the necessary scope and facilities for Planners to draw up realistic Plan in the light of its natural resources, needs and problems and to implement and monitor closely the implementation of the Plan.

Thus, in India, Blocks are ideally suited for the purpose of Planning. The District Plan would be the aggregation of Block Plans and the aggregation of District Plans would lead to the emergence of State Plans. The National Plan would be prepared on the basis of aggregation of State Level Plans. A National Plan drawn on this basis would tantamount to a grass root level Plan and as such it would truly reflect the felt needs of the people in the Country and the proper implementation of such a Plan would help stamp out inter-Regional economic imbalances. Further, under such a Plan, the local resources would be utilised to the fullest extent possible. This would help ensure equitable distribution of Plan resources between various Regions and there would also be a better appreciation, on the part of the Planners, of the problems of the rural areas, in particular.

However, Planning is still done in India at the National Level only, with the result that there are always complaints about inequitable distribution of Planning programmes and funds between various States in the Country. Further, while several areas still continue to remain backward in the Country, a few areas, particularly the Urban and Metropolitan centres, have become very prosperous and, at the same time, even within developed States and Districts, there are several pocket regions which are still economically backward. Consequently, there has been a large scale movement of labourers from villages to urban areas in search of employment and livelihood. This has resulted in paucity of labour in villages, rendering the cost of cultivation very high. Thus, there is a lop-sided intra-regional growth in the Economy & despite fairly heavy investments under various Programmes during the past more than three decades of Planning, per capita Net National Product in Real Terms (inflation adjusted) has not increased appreciably in several States and millions of people are still below the poverty line.

Hence, to alleviate the distress of the people, particularly those belonging to the 'Weaker Sections' of Society and to ensure economic equality, at least upto the margin of sufficiency for all, and growth with stability, it is necessary to switch over, ere long, to Block Level Planning and the National Plan should be drawn up ultimately on the basis of such Block Level Plans prepared for all Blocks in the Country.

The next stage is to analyse the various other major policy issues involved in Area Planning in the Country and evolve common and acceptable criteria to be adopted for formulation of Area Plan for all the Blocks. Some of these major policy issues are discussed in the following paragraphs:

a. Self-sufficiency or specialisation in Planning Unit:

As mentioned earlier, a Block which is the Unit for the purpose of Planning is comprised of 50 or 125 villages, spread over a fairly limited area. It is a small unit and is not self-sufficient due to non-availability of different types of raw-materials, technology and labour essential for the production of various goods, commodities and services required to meet the demands of the people in the Block. Hence, it would not be possible to make Blocks self-sufficient units. Each Unit should, therefore, specialise in the activity for which it has the necessary raw-materials, expertise, technology etc., so that it would be able to utilise fruitfully the locally available skills and resources. In other words, Planning at the Micro Level would concentrate primarily on optimising or maximising production of goods, commodities and services with the help of the locally available skills, expertise, raw-materials etc., though it may not be able to ensure making the Planning Unit hundred per cent self-sufficient.

b. Inter-Sectoral relationship:

As individual Blocks are normally specialised units and would not become self-sufficient ⁱⁿ in view of lack of proper inter-sectoral relationship within them, the Block Plans should be formulated on the basis of the availability of raw materials, labour, technical skills etc. in the Blocks. However, those Blocks which have no scope for being developed into specialised units due to non-availability of any special features may be developed into units wherein all sectors may be developed simultaneously. Inter-sectoral relationships in such Blocks should be so regulated that the resources available in those Blocks are utilised fully and production is kept at the maximum level possible. It would be rare to come across a Block wherein all raw-materials, factors of production etc. are available in a judiciously combined form so that a Plan, which would contemplate the conversion of the Block into a self-sufficient unit, could be formulated. Till such time the Block is converted into a self-sufficient unit, a sectoral inter-relationship among the locally available resources may be developed so as to maximise production, employment opportunities etc. in the Block.

c. Methodology for Planning:

Once the issues relating to specialisation and inter-sectoral relationship are settled, the methodology to be adopted for planning for the Block would become the next major issue. A Block is comprised of, on an average, about seventy five villages or so, eight to ten thousand households and a total population of thirty to forty thousand. Block Plan should, therefore, be broken up into smaller Plans, each covering one village so that the needs of individual villages in the Block are incorporated to the maximum extent possible in the Block Plan. The Plan should be based on a Survey of each and every individual household (family) in all the villages of the Block, covering its income, standard of living, technical skill, aptitude, needs etc. and also the

climatic conditions of the villages , the raw-materials available in the villages, local marketability of products in the individual villages of the Block etc. Thus, Block Plan is an aggregation of the Plans that are formulated for the individual villages that constitute the Block, based on a Survey of individual households in those villages.

d. Term of the Plan:

Normally, socio-economic development requires a fairly long period of time to materialise and as such any Development Plan should be for a minimum period of a few years, say 5 years. Accordingly, Block Plan also should be prepared for a minimum period of time which would be absolutely necessary for effective implementation of the development schemes envisaged therein. Further, as the final aggregation of Block Plans would provide the basis for the formulation of the National Plan, they should necessarily co-terminate with the National Plan. Thus, in the Indian context, Block Level Plan also should be for a period of five years, in consonance with the National Five Year Plan.

e. Massive investment oriented Schemes for Blocks:

As Block Plans are drawn up to harness the potential available in the Blocks, Schemes which would involve huge investments would not be normally incorporated in them. Projects which require huge outlay should be incorporated directly in the National Plan in such a manner that there is a fair and suitable distribution of such Schemes and Projects between the various States in the Country according to their needs. Thus, Area Plans would not normally include Projects which require huge investments, as they primarily require national outlook and perspective.

f. Financing Area Plans:

A vital issue relating to Area Planning is financing the Plan. The issue is whether the financial resources required for the implementation of the Plans are to be generated from and within the Blocks themselves or are they to be provided by National and State Level units and the Central and State Governments as well, at least partially. Of course, Blocks, being revenue units, do have some income of their own. However, such income may not be sufficient to finance the entire Plan and hence, contribution by the State and Central Governments would be quite essential and imperative. The Finance Commission sets out the formulae to be adopted by the Central Government for provision of assistance to and sharing the proceeds of taxes etc. with the State Governments. In the same way, a Commission may be appointed at the State Level, as detailed later, for the purpose of deciding on the formulae to be adopted by the State Governments for allocation of funds to various Blocks to enable them to implement their Plans successfully. This would help ensure equitable distribution of funds between Blocks.

g. Approval of the Plan:

Blocks cannot formulate their Plans in isolation. They have to prepare their Plans by taking into consideration several factors such as (a) the overall interests of the Nation, (b) inter-sectoral relationship at the National and State levels, (c) availability of financial resources for the implementation of the Plan, (d) objectives of the National Plan, (e) Regional disparities, (f) income inequalities etc. Hence, though Block Plans are prepared at the Block Level, yet they should be formulated within the overall framework of the basic guidelines issued by the National Planning Commission in this regard. Further, individual

Block Plans should be studied and examined in detail at the State as well as National Levels so as to ensure consistency, coherence etc. between the various Block Plans in the Country. In other words, Block Plans should be examined, revised or modified, if found necessary, and finally approved by State Level and National Level Planning authorities.

h) National and Block Level Objectives:

As the aggregation of Block Level Plans would provide the basis for the formulation of the National Plan, Blocks can fix their own priorities, in their Plans, for various Sectors, within the broad objectives of the National Plan. In other words, the National and Block Level objectives should be closely similar to one another. The question that now arises is, whether it is necessary that the basic objectives of all Block Plans should be similar to each other or be more or less the same? The answer is 'No'. In fact, the basic objectives of Plans relating to different Blocks in the Country would vary vastly between one another, as they are drawn on the basis of the needs and potential of individual Blocks and the level of development achieved by them already. Thus, though the basic objectives of both the National and Block Level Plans would be met ultimately, yet it is quite possible that different Blocks may have different priorities and objectives according to their own needs and potential, despite the fact that they are drawn up strictly within the overall framework of the basic objectives of the National Plan.