

## INTRODUCTION

### Prologue

The concept of Development Planning was first introduced in India in 1951 and it has since then become a vital tool in the hands of the Government to accelerate the tempo of economic growth in the Country and to raise the standard of living of the people, particularly persons belonging to the Weaker Sections of the Society. Though more than three decades of Planning have helped India to register commendable progress in most of the vital Sectors of its Economy and emerge as one of the leading Countries of the Third World, yet due to reasons more than one, it still continues to be a Developing Country. Perhaps, it would have recorded a far higher rate of growth had it adopted the Decentralised type of Planning or Regional Planning or Area Planning instead of Centralised type of Planning. Centralised Planning is the opposite of grass root level Planning. Its major characteristic features are macro level projections and sectoral allocations. Hence, the needs and resources of each and every Region in the Country cannot be taken into consideration under the Centralised type of Planning and consequently, many of the micro level problems in the Country remain unsolved. Though it has been established, theoretically and empirically, by several Economists that regional economic imbalances really constitute the first phase in the process of economic development and that, in the long run, balanced regional development is sure to be achieved, yet this hypothesis does not seem to hold good in India due to its vast geographical area. The various Five Year Plans implemented so far in India aimed at achieving certain laudable socio-economic objectives such as stepping up the production of goods, commodities and services, raising the standard of living and the per capita income of the people etc. These objectives were sought to be achieved by the adoption of suitable policies and programmes and setting up of several Projects. Nevertheless, they failed ultimately to deliver the goods, as, being Centralised type of Planning, they were not based on the peculiarities, poten-

tial and needs of the different Regions in the Country.

Though every Development Project must have a specific location in space, yet no proper spatial analysis is made, under the Centralised type of Plans, in regard to the determination of the location of each Project. Whereas Area Plans or Regional Plans alone take into consideration the locational aspects of different Areas or Regions in the Country and they alone enable Planners to look more intensively at the problems and needs of the various Areas or Regions and to Plan for their rapid development by evolving suitable tailor-made Schemes for harnessing effectively their potential, natural resources and infrastructural facilities and the human skills available therein. Further, under this type of Planning, the sense of involvement of the local people in the implementation of the Plans will be very high and consequently, the success of the Plans is almost certain and the fruits of development will reach the people directly. In short, Area Planning alone will be able to bring in its train the real core advantage of Planning viz. rapid and balanced economic growth with stability.

Though, in India, there has not been any positive effort, so far, to introduce full-fledged Area Planning, yet the Government has been implementing numerous special Schemes and Programmes (which are somewhat similar in nature to Area Plans) such as Small Farmers' Development Agency (SFDA), Integrated Rural Development Programme (IRDP), Minimum Needs Programme, Hill Area Development Programme etc. for the promotion of the welfare of the rural poor. However, these Schemes have been designed to improve only a few sections of the society and as such have failed to bring about a total development of the rural areas of the Country. As revealed by the Rural Credit Committee of 1969 and as admitted by the Fourth Five Year Plan Document, all these Schemes have failed to improve substantially the standards of living of rural folk and this failure has been mainly due to the project approach or the sectoral approach adopted by them for achieving overall rural development. The project approach

has failed mainly because the incidence of unemployment and poverty, potential for agricultural growth etc. are not evenly distributed between the different regions. Hence, Area approach will be more effective and fruitful for achieving balanced regional growth in the Country. This has well been brought out by the Country's experience in Planning in the last three decades.

Core objectives of the Study:

The core objectives of this Study are to (a) analyse, in detail, the need and scope for the adoption of Decentralised type of Planning in the Country, (b) evolve, for that purpose, a Model for drawing up Block or Area Plans, (c) draw up on the lines of the Model, a comprehensive Development Model Plan for one of the Community Development Blocks in the Country and (d) establish how such a Block Level type of Planning will lead to rapid socio-economic development of the Block.

Research Studies made earlier  
in regard to Area Planning:

Area Planning is not a new concept. Several Studies have been made earlier in this regard. But, most of them considered Area Planning as only an independent exercise. They mainly sought to:

- a) evaluate the growth of a select Area vis-a-vis the growth of a few other similar Areas;
  - b) evaluate the success of the various Schemes implemented by the Government;
  - c) draw up Plans on the basis of potential available in select Areas and
  - d) study spatial inequalities and justify, in the light of such inequalities, the need for adopting Area Planning.
- Of course, the Working Group on Area Planning set up as a part of the Sixth Five Year Plan exercise, in its Report submitted in 1978, conceived of ~~Block, District and State Level Planning~~ Block, District and State Level Planning as an inter-linked exercise to be adopted in the Country.

Nevertheless, the present Study is totally different from them and breaks new ground in that, apart from focussing on the need for the adoption of Area Planning as an integral part of the National Planning exercise and treating Block as the Unit or the Area suitable for the purpose of adoption of Decentralised type of Planning in India, it (a) suggests a Model for Area Planning suitable, particularly to India, and (b) establishes the applicability of the Model by drawing up a Plan, on the lines of the Model, for a select Block viz. Nagari Block in Chittoor District of Andhra Pradesh based on primary data collected through a Household Survey conducted in the Block for this purpose.

A brief resume of the literature available on the subject is set out below:

An attempt was made, in 1948, by R Balakrishnan to evolve a Regional Plan by investigating the propensity of Industries to locational changes<sup>1</sup>. Perhaps, this was the earliest attempt made in this regard in India. G H J Daysh in Great Britain made a Study in 1949 on Regional Planning and this was a fairly refined attempt made in this regard<sup>2</sup>. The National Council for Applied Economic Research (NCAER) developed, in 1968, a District Plan for Moradabad<sup>3</sup>, which was of course, a good exercise in local level Planning in India. But, its major weakness was that it considered District as the proper Unit for Area Planning in India, though it was very big for that purpose, and it did not try to link Area Plan with National Plan. The subject 'Town Planning', which is similar to Area Planning, was dealt with, in detail, in several Papers submitted in a Seminar conducted by the Andhra University in 1972<sup>4</sup>. Regional Development Banking was the subject of the Dissertation of R M Saksena<sup>5</sup> who stressed the need for Regional Banking Development for achieving Area Development. A Study on Regional variations and pattern of trade between different parts of a select Country was made, in 1973, by John Bunden and others<sup>6</sup>. A similar Study

on 'Regional Economic Development of Madhya Pradesh' was made by Chatterjee Sushmita<sup>7</sup> in 1973. 'Regional Development Planning in India' by R P Misra, K V Sundaram and V V S Rao published in 1974 and 'Local Level Planning and Development' by R P Misra<sup>8</sup> in 1985 throw considerable light on Area Planning in India. But, none of these publications suggest any Model for Area Planning in India. Peter P Wallers dealt with some Models for Regional Planning, in his Book 'Action Oriented Approach to Regional Development Planning', which includes 'Trial and Error Approach' and 'Comprehensive Planning Approach'<sup>9</sup>. Though this deals with Regional Planning, yet its applicability in India has not been tested. An attempt to study the regional imbalances in the economic development of Madhya Pradesh, with special reference to Gwalior Region was made by Nagar Manmohan<sup>10</sup> in his Dissertation, in 1976. Papers submitted in a Seminar on 'Backward Area Development - Strategies & Policies' conducted by the Management Development Institute, New Delhi in 1977<sup>11</sup> brought out the need for financial institutions to extend liberal credit support for the development of backward areas in the Country. But, they did not draw up or outline any comprehensive Plan for the development of any Backward Area. In other words, they viewed 'Area Approach' in a different perspective and not as an integral part of a comprehensive National Development Plan. The Report of an Expert Meeting of the UNESCAP<sup>12</sup> stressed the need for the adoption of local level Planning in the Third World Countries. B.L. Tripathi<sup>13</sup> suggested the adoption of Block Level Planning in India but did not build up or suggest any comprehensive Model for this purpose. The role of Small Farmers Development Agency (SFDA) in rural development in India was the subject of a Seminar conducted by the Indian Institute of Management, Ahmedabad<sup>14</sup> wherein the advantages of the 'Project Approach' were highlighted and they were substantiated by several Case Studies conducted for this purpose. Similarly, a Study on the Development of Drought Prone Areas in India was conducted by N K Jaiswal and N V Kotte and it was published by

the National Institute of Rural Development<sup>15</sup> in 1980. It looked at 'Area Approach' in a different perspective and treated it as a Project by itself and not as a part of a Development Plan. A Case Study of Planning for Industrial Development by T S Papola<sup>16</sup> dealt with the need for development of Industries in India. An attempt has been made on different lines by A H M Abdul Hye<sup>17</sup> for Bangla Desh. But this attempt did not take into consideration 'Area' as an integral part of the Planning process. Alternatively, he took Saemaul Undong (of Korea) as a Planning Model and evolved on that basis an Area Plan for a particular Region in Bangladesh. A Study on the Economics of Regional Development and Planning in the Third World Countries by S C Patnaik<sup>18</sup> brings out, in detail, the theoretical and conceptual postulates about Area Planning. However, it does not suggest a Model for Area Planning in India. The Study deals with the methodology to be adopted in regard to Area Planning and the problems and the solutions thereof in regard to the adoption of Area Planning in India. A Plan for a Block in Karnataka has been developed by K Puttuswamiah<sup>19</sup> on the basis of a sample Survey of Households. But the Plan remains in isolation without providing for any effective linkages with the National Plan. Integrated Rural Development as a Project was dealt with in a comprehensive manner in various Papers submitted in a Seminar conducted by Indian Bank<sup>20</sup> in 1981. Several Articles have appeared in Economic and other Journals in India, emphasising the need for adoption of Area Planning in the Country. G Thimmiah<sup>21</sup> has brought out, in an Article, the advantages of Area Planning and the need to adopt it in India and has evaluated the experience of Karnataka State in this regard. Chetan Chadha has suggested, in an Article, the adoption of 'Household Approach' for the introduction of Area Planning in India<sup>22</sup>. Dr V K R V Rao, while evaluating, in an Article, the Planning exercise carried out in the Country over a period of two and a half decades, stressed the need for adoption of Area Planning as a new approach to Planning<sup>23</sup>. G N Seetharaman has dealt with, in detail, the policy issues involved in decentralised planning, particularly in Developing Countries<sup>24</sup>.

Kartar Singh, in an Article, has evaluated the usefulness of the Integrated Rural Development Programme (IRDP) as an effective tool for alleviating poverty in India, particularly in the rural areas<sup>25</sup>. The problems of Decentralised Planning and its contribution have been well brought out by Nanjundappa in one of his Articles in a recent Issue of an Indian periodical<sup>26</sup>.

Thus, as mentioned earlier, while most of the Studies made so far in India and elsewhere on Area Planning merely stressed its importance as a vital tool for stepping up appreciably the rate of economic growth, this Study brings into focus the urgent need for the introduction of Area Planning in India by formulating and implementing a Plan for each Block which will be the Unit for the purpose of Planning and contends that the National Plan should be essentially based on the aggregation of Plans drawn up for all Blocks in the Country. Thus, under this System, the National Plan will be essentially a grass root level Plan, based on the potential and needs of all Blocks in the Country. This would help ensure a sense of commitment and involvement on the part of the beneficiaries in the implementation of the Plan which will make Planning exercise a successful one.

The Chapter-wise Scheme of the Study is set out briefly hereunder:

Chapter I deals with the concept of Planning as a vital tool for achieving rapid economic development and traces briefly the history of Indian Economic Planning and critically evaluates its achievements.

Chapter II explains, in detail, the Area Approach to Planning, its advantages and constraints, the semblance of Area Planning under implementation in India and the need for switching over to full-fledged Area Planning.

Chapter III sets out the various vital policy issues involved in regard to the introduction of Area Planning, particularly the definition or delineation of 'Area' for the purpose of Planning.

Chapter IV is devoted to building up a Model for evolving a National Plan, on the basis of Block Level or Decentralised Plan in India.

Chapter V presents a Model for evolving Block Level Plans in India.

Chapter VI sets out a Case Study by developing a Model Plan for one of the Community Development Blocks in the Country viz. Nagari Block in Chittoor District of Andhra Pradesh, on the lines of the Model suggested in Chapter V. The outlay envisaged under the Plan and the higher income or increased production expected to be generated as a result of the proposed investments have been tested with the help of a Linear Programming Model developed for this purpose.



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