CHAPTER VI

PLANNING FOR RURAL DEVELOPMENT

In chapter V, the policies for rural development have been discussed in order to highlight the need for rural development policy, constitutional provisions, policy approaches, strategies and Plan-wise rural development policies.

In the present chapter we would be discussing the planning for rural development. This chapter is divided into nine sections:

(i) the first section pertains to meaning and need of planning and historical overview; (ii) the second section deals with the constitution and planning; (iii) the third section comprises of Plan-wise planning process; (iv) the fourth and fifth sections pertains to the levels of planning and planning machinery at various levels; (v) the sixth section deals with the various steps in plan formulation and role of planning personnel; (vi) the seventh section comprises of plan implementation; (vii) the eighth section deals with the planning machinery in Himachal Pradesh; (viii) the last section pertains to plan investment.

Planning is recognised as the most significant function in managing any system. In fact, the success of any programme as per the specifications of the policy-framework,
by and large, depends upon or is determined by the quality and comprehensiveness of its planning. Planning is of particular importance to an underdeveloped country where a lot has to be achieved with limited resources, and within a specified period. The basic aim of economic planning in India is to bring about a structural transformation of the economy so as to achieve a high and sustained rate of growth, a progressive improvement in the standard of living of the masses leading to the eradication of poverty and unemployment and provide the material base for self-reliant socialist economy.

6.1 MEANING

Planning is preparation for action. It is drawing up a plan for future action. To achieve the best results, every action should be well thought out and planned. Thus, planning can be defined as an organised and systematic attempt, calculated use of resources and to make rational arrangements for dealing with future problems to fulfill the objective.

In the words of John D. Millet, "Planning is preparation the process of determining the objectives of administrative efforts and of devising the means calculated to achieve them."¹ According to Seckler Hudson planning is "the process of devising a basis for course of future action."² In the words of Dimock and Dimock planning is "the use of rational design as constructed with change, the reaching of
a decision before a line of action is taken instead of improving after the action has started."³

Today, we see energy crisis, cultural crisis, economic crisis, social crisis, cultural crisis etc. It is all due to mismanagement. It may be mismanagement of resources, mismanagement of activities, mismanagement of organisation, large or small or mismanagement of society in general. However, it is becoming increasingly clear that many people do not manage well. If we define management as planning and using resources such as time, money, and energy etc. to obtain stated objectives (goals), then the ability to manage well can have a significant impact on almost every life experience. According to William H. Brickner Donald Cope, "Planning is a process by which an individual or organisation decides in advance on some future course of action. The process consists of a series of steps, some of which may be taken immediately to reach desired goals. Planning can be equally valuable to organisations in achieving their objectives and to individuals in attaining personal aims."⁴

6.1.1 NEED FOR PLANNING

Planning is the conscious process of selection and developing the best course of action to accomplish a defined objective. For the success of any action, it should be properly planned. Planning helps to achieve the desired goals by way of well throughout the plan of action.
"Planning is a rational, because it demands a systematic analysis of several possible means and ends, followed by a selection of those means thought best suited to the designated end." Planning is not a static process, it is dynamic and needs continuous adaptation in the light of experience. Planning is also comprehensive and integrated process, it is common for all branches likewise, Planning fulfills the very significant functions and provides the best solutions to any social, political economic and cultural problems of the society. Best utilization of human, economic and material resources is fully and wholly dependent upon the best and well thought out planning. Another important aspect of planning which is generally emphasised is that it involves government control and regulation of economic activities. All activities are so co-ordinated as to avoid any kind of duplication.

In programme like rural development meant specifically to improve the living conditions of poor, the planning functions assume much greater importance because of the complex working environment of the poor. There are not only the economic factors that are responsible for their present conditions but other factors such as social, political, cultural etc. are also equally responsible. Thus, any meaningful programme planning has to have all these inter related factors, taken in view for better and effective performance. Government of India, has also laid due importance for sound planning for such development.
programmes.

6.1.2 HISTORICAL OVERVIEW

India, for some time, has been playing with the idea of planned economy in the country. As early as 1876, when Dadabhai Naoroji wrote his 'Poverty of India' it was realised that India's poverty could be eradicated only if some planned efforts were made. Planning is quite new. The idea of planning was given some practical shape during the First World War with the object of gaining military strength. It was in 1927 that the idea of planning was put into practice in the USSR when the First Five Year Plan was adopted with the aim of rapid transformation of a backward agricultural State into a modern industrial power. From Russia planning spread to other countries. Nehru at the time of his First visit to Moscow had taken strong impression of economic planning of that country. To speak of Nehru as a planner one has to go back to 1920's. In May 1929, All India Congress Committee passed a resolution stating that "in order to remove the poverty and misery of the Indian people and to ameliorate the conditions of the masses, it is essential to make revolutionary changes in the present economic and social structure of the society and to improve gross inequalities". This was not acceptance of socialism but indicated an approval of "socialistic approach".6
The Congress won the elections in India in 1936 and formed Congress Governments in most of the provinces. On the initiative of the Congress President, a conference of Ministers of Industries was convened in Delhi in October, 1938 which was of the opinion that the problems of poverty and un-employment of national defence and the economic regeneration cannot be solved without industrialization. And, on its recommendation in 1937, the Congress appointed a National Planning Committee with Pandit Jawahar Lal Nehru as its Chairman. The Committee laying down the objectives of planning in India stated "Planning under a democratic system may be defined as the technical co-ordination by disinterested experts of consumption, production, investment, trade and income distribution in accordance with special objectives set by bodies of representatives of the nation. Such planning is not only to be considered from the point of view of economics and of raising the standard of living; but must include cultural and spiritual values and human side of life." This committee produced a number of reports which were discussed in the congress sessions and in the national press. Thus, the work of the National Planning Committee came to an end.

Another attempt in planning was the Bombay Plan, issued early in 1944 by prominent industrialists. The plan devoted thought to problems connected with the State control and State Ownership. For the Planning Organisation, it proposed that there should be a National Planning Committee,
representing different interests to prepare a detailed plan, and that execution should be the responsibility of a Supreme Economic Council under the Central Government.

In October 1946, the Government of India appointed a Committee called the Advisory Planning Board. The Board recognised the need for central planning and control for the development of large scale industries. The Central Government's approval should be necessary for the expansion of existing units or establishment of new units of industries. The work of the Advisory Planning Board had also to be conducted under the limitation. The plans were not coordinated. The plans became inadequate, though the thinking on the techniques was useful for the future. Likewise, lot of planning talk was going on in the world press. The Marshall Plan, the Master Plan and so many other plans were being raised to rebuilt the shattered economies of the world. India also had become plan minded.

6.2 THE CONSTITUTION AND PLANNING

The struggle for Independence was thus over by 15th of August, 1947. But the attainment of independence was not an end it itself. It was only the beginning of a struggle, the struggle to live as an independent nation, and at the same time, establish a democracy based on the idea of justice, liberty, equality and fraternity. The need of a new constitution forming the basis of law of the land for the realisation of these ideas was paramount. Therefore, one of
the first task undertaken by independent India was framing of a new constitution.  

The new constitution of India was adopted on 26th November, 1949. Under it, India adopted a system of Democratic Welfare State with a Parliamentary and Federal Systems of Government. The new constitution based upon the principles of liberty, equality and social justice was put into practice on 26th January, 1950, which is the date of the commencement of this constitution. Soon after that a National Planning Commission was set up by a resolution of the Government of India dated 15th March, 1950 for formulating development plans aiming at socio-economic welfare of the people in the country. At that time the people of India were facing number of serious problems such as huge population, poverty, hunger, diseases and several million persons displaced from their homes and occupations. It then draws attention to the fundamental rights guaranteed to the citizens under Articles 12 to 35 (Part III) of the Constitution and the Directive Principles of State Policy under Articles 36 to 51 (Part IV of the Constitution, which lay down the broad lines of the new social order which is the prime duty of the State to secure. In December, 1952, the Planning Commission was engaged with due regard to these rights and in furtherance of these principles as well as of the declared objective of the Government to promote a rapid rise in standard of living of the people by calculated exploitation of the resources of the country, increasing
production, and offering opportunities to all for employment in the service of the Community. Most significant task of the Planning Commission is to explain the principles kept in view and the methods adopted in the preparation of Five Year Plans and in revising them from time to time in the light of changing conditions.

6.3 PLAN-WISE PLANNING PROCESS

After attaining independence in 1947, the Government of India decided to adopt the path of planning for rapid development of the country. In March, 1950, the Planning Commission was set up to prepare a plan for the most effective and balanced utilization of the country's resources. In July, 1951, the Planning Commission submitted a draft outline of the First Five Year Plan covering a period from April, 1951 to March 31, 1956. Final version of India's First Five Year Plan was submitted to the Parliament.

First Five Year Plan (1951-56) involved a total outlay in public sector of Rs. 2356 crores. The aim of the plan was to increase production of foodgrains and raw materials, and to develop irrigation and power projects. It also aimed at enlarging the scope of employment and to make progress in the field of social services. Priority was given to key industries, like Iron and Steel and manufacture of Electrical Equipments. Out of the total outlay, 15.1 percent was for Agriculture and Community Development; 28.1
percent for Irrigation and Power; 7.6 per cent for Industry and Mining; 22.6 percent for social services and 3.0 percent for miscellaneous (Table 6.1).

Efforts were made to establish the fundamentals of a social structure by launching Community Development Programme (CDP) in 1952, for the upliftment of the masses of the rural population. The programme aimed at intergation of the efforts of the people and the government to improve the economic, social and cultural conditions of the society. Community Development as method and National Extension Service as the agency of initiating the process of Socio-economic change of the rural community through community action and in a community fashion. The most significant development of these years has been the establishment of community projects and national extension services. The development of team spirit in national work is also important towards social revolution.

Dr. Hoshiar Singh mentioned in his book 'Rural Development in India', "The process of planning out-lined in the plan document envisaged a systematic formulation of plan, programme and Scheme, and ensured planning from bottom or what subsequently became a fashionable term, planning at the 'grass root level'. Development activity was to spring from the lower ring of spatial unit and eventually was to be integrated with district plan, the state plan and finally the national plan."
1956-61 period was covered under Second Five Year Plan, which was launched on 1st April, 1956. It was a much bigger plan than the first involving a total outlay of Rs. 4800 crores in the public sector. The main objective was to considerably increase national income and to take India on the path of industrialisation. It stressed on development of basic and heavy industries. The plan also promised a large expansion of employment opportunities and reduction of inequalities in income and distribution of economic powers. Out of total outlay, 11.8 percent was provided for Agriculture and Community Development; 19.0 percent for irrigation and power; 18.5 per cent for industry and mining; 28.9 percent for transport and communication; 19.7 percent and 2.1 percent for social services and miscellaneous respectively (Table 6.1). The Table 6.1 further reveals that the percentage share of agriculture and community development; irrigation and power; and social services declined from 15.1 percent to 11.8 percent; 28.1 percent to 19.0 percent and 22.6 percent to 19.7 percent respectively.

However, in the Second Five Year Plan it was emphasised that for balanced development in different parts of the country we should improve the socio-economic service facilities and infrastructure like schools, health care units, power, roads and water supply by initiating state plan. Special Programme such as establishing industries should also be instituted in backward areas. Further, in addition to sectoral programmes of agriculture and
irrigation, area community Development Programmes and local development works were also encouraged. "In order to have area plans for districts, the state plans which were drawn up by disaggregating the national sectoral plans, were further broken down on the basis of development sectors and schemes". During this plan period, new programmes were undertaken such as Khadi and Village Industries Programme (KVIP); Village Housing Project Scheme (VHPS); Multi-Purpose Tribal Development Blocks programme (MIDBP); Package Programme (PP -and Intensive Agriculture District Programme (IADP).

The Third Five Year Plan covered the period from 1961 to 1966 with a total outlay of Rs. 7500/- crores in the public sector. In order to achieve the various objectives, it was necessary that the Third Five Year Plan must be of a considerably bigger size. An important programme in this plan was the introduction of free and compulsory elementary education for boys and girls in the age group of 6-11, throughout country which is in the light of directives of the constitution. The plan outlay in the agriculture and community development sector was nearly doubled from Rs. 568 crores under the Second Five Year Plan to Rs. 1068 crores in Third Five Year Plan (Table 6.1).

Under the Third Plan the principles of balanced development for different parts of the country were also followed. In addition to community development programmes
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Total: 2356  1  00.0  4800  100.00  7500  100.00  24882  100.00  39287  1  00.0

Source: Government of India Planning Commission, first Five Year Plan to Fifth Five Year Plan.
implemented and spread over the entire country, tribal and famine area also received special attention. The grass root planning process existed during the period of this plan, and planning was initiated at the lowest level and integrated into District, State and National Plan. The plans were prepared at block levels as per guidelines issued by the central as well as state government from time to time. Major programmes were: Applied Nutrition Programme (AMP); Rural Industries Projects (RTP); Intensive Agriculture Area Programme (IAAP) and High Yielding Variety Programme (HYVP).

The adverse economic situation in the country due to Indo-Pak conflict and severe drought conditions made the Government declare a plan holiday, and in the place of Five Year Plan, India had three annual plans for 1966-67, 1967-68 and 1968-69. Under these plans, a number of new programmes were introduced. These were Farmer's Education and Training Programme (FETP) 1966; well construction programme (WCP); Rural Works Programme (RWP) 1967; Tribal Development Programme (IDB) 1968; Rural Manpower Programme (RMP) 1969, and Composite Programme for Women and Pre-School Children (CPWPSC) 1969.

The Fourth Five Year Plan (1969-74) had an outlay of Rs. 24882 crores. Although agriculture has been given a higher priority but the outlay on agriculture was not the highest. Table 6.1 shows that maximum outlay was provided to industry i.e. Rs. 5338 crores (21.4 %), next comes social services and miscellaneous accounting for Rs. 4996 crores
(20.2 %) and agriculture 4328 (17.4 %) of the total outlay in the public sector. As regards investment, the priority for transport and communication comes after agriculture. It was also made clear that new schemes would be undertaken which were essential to keep up the momentum of growth already built up and to meet basic needs of the country during the plan period. In order to check population growth, it was provided that there would be a massive family planning drive in the country.

Especially, in the field of rural development, a number of programmes were undertaken which were essential as per the situation, existed at that time and these included, Drought Prone Area Programme (DPAP) 1970; Crash Scheme for Rural Employment (CSRE) 1971; Small Farmers' Development Agency (SFDA) 1971; Tribal Area Development Programme (tADP) 1972; Pilot Intensive Rural Employment Programme (PIREP) 1972; and Command Area Development Programme (CADP) 1974.

On the basis of the experience gained from the first three Five Year Plans, the Fourth Five Year Plan adopted new direction and focussed on multi-dimensional area development. Regional Plans were prepared in accordance with problem areas and for regions of extreme backwardness. Further target groups were identified and programmes initiated for them which included Small Farmers Development Agencies for forty six districts/areas and projects for marginal farmers and agricultural development in forty one
districts/areas. However, very few district plans could be prepared. Rural Development was separated from economic planning during the Fourth Five Year Plan. Specific Planning based on physical location was introduced by accepting the 'growth central approach' for rural development.

Fifth Five Year Plan (1974-79) began on April 1, 1974 at the same time when the economy was facing severe inflationary pressures. It had total outlay of Rs. 39287 crores in the public sector. Removal of poverty and attainment of economic self reliance were two major objectives which the country had set to accomplish in Fifth Five Year Plan. An analysis of Table 6.1 brings out that maximum outlay was fixed at Rs. 10200 crores constituting 26 percent for industry and mining. The power; Transport, Communication, Agriculture and Allied Programmes accounted for Rs. 7293 crores (18.5 %), Rs. 6881 crores (17.5 %) and Rs. 4643 crores (11.9 %) respectively.

The following programmes were undertaken during this plan period especially relating to rural development: Hill Area Development Programme 1975 (HADP); Special Livestock Production Programme (SLDP) 1975; Food for Work Programme (FWP) 1977; Desert Development Programme (DDP) 1977; Whole Village Development Programme (WVDP) 1979; Training of Rural Youth for Self Employment (TRYSEM) 1979, and Integrated Rural Development Programme (IRDP) 1979.
Under Fifth Five Year Plan, Minimum Needs Programme was proposed. District Plans were also sought to be implemented, and for that purpose broad policies for the development of different sectors were spelled out at the national and state level. In order to promote rural development, it was decided that the conditions of individual poor be improved and the overall economy of an area developed. Under this Plan the provisions were made for extension elementary education, rural health, water supply, nutrition, rural roads and rural electrification. In 1978, a new approach called Integrated Rural Development was announced. Its main aim was the optimum utilization of local resources.

Again during Janta Regime, the Draft Five Year Plan (1978-83) adopted many objections towards full employment, the eradication of poverty and the creation of more equal society. A Rolling Plan concept was introduced to monitor the schedules of implementation in different sectors and the schemes within these sectors for achieving the annual targets.

The draft of the Sixth Five Year Plan (1980-85) was approved by the National Development Council on February 14, 1981, with a total outlay in public sector of Rs. 97500 crores. Out of this, 60 percent of the investment for new projects. The removal of poverty was the prime aim of Sixth Plan, although it had been recognised that, given the
magnitude of the task, it cannot be accomplished in a short period of five years. Under this plan, only Rs. 5363 crores (5.5 %) of total outlay was allotted to Rural Development and Rs. 5695 crores (5.9 %) for Agriculture (Table 6.2). During this plan, a major and very significant programme named Integrated Rural Development Programme (IRDP) was introduced which was basically an anti-poverty programme. The Integrated Rural Development Programme (IRDP) sought to formulate schemes of specific beneficiaries oriented assistance in a bid to bring them above the poverty line. It aimed at raising production in agriculture and allied sectors as well as imparting assets and skills to increase the earnings of vulnerable groups in the rural sector. The plan provided "Any developmental strategy which aims at improving the lot of rural poor must aim at creating new productive assets for them."14

"The major thrust of the Sixth Plan was on strengthening the socio-economic infrastructure of development in the rural areas, alleviation rural poverty and reducing disparities. Specific programmes and strategies would be put in operation during the plan period to achieve these goals and also to create additional employment and income generation for the rural poor".15 This plan included the following rural development programmes: - National Rural Employment Programme (NREP) 1980; Prime Minister's New Twenty Point Programme, 1980; Development of Women and Children in Rural Area (DWCRA) 1983 and Rural
Landless Employment Guarantee Programme (RLEGP) 1983.

The Seventh Five Year Plan covering the period of 1985-90 provided for a Public Sector outlay of Rs. 1,80,000 crores. It was expected that there would be growth in foodgrains production and increase in employment opportunities. It aimed at direct attack on the problems of poverty, unemployment and regional imbalances. The basic needs of the people in terms of cloth, shelter, basic education and health facilities will be fulfilled.

Out of the total outlay for public sector distributed among various sectors, Rs. 54821 crores or 12.8 percent for transport; Rs. 22460 crores (12.4 %) for industry and minerals; Rs. 29350 crores (16.3 %) for social services and only Rs. 9074 crores (5.0 %) for rural development (Table 6.2). Rural Development Programmes such as National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) remained in operation upto 1.4.89 with other programmes. It was decided to launch a new scheme for intensive wage employment programme in backward districts with acute poverty and unemployment with effect from 1.4.1989. "The new Programme was named as 'Jawahar Rojgar Yozna', (JRY). The existing wage employment Programme NREP and RLEGP were also merged into new programme"16 It aims at generation of additional gainful employment for the unemployed and under employed persons both men and women in the rural areas.


<table>
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"DRDAs/Zila Parishads shall prepare Annual Action Plan equivalent to the value of 125% of their shares of funds allocated in the preceding years before the beginning of the financial year. No work can be taken unless it forms the part of the Annual Action Plan".17

The Planning Commission, decided that the Eighth Five Year Plan will commence from 1.4.92 covering the period 1992-93 to 1996-97 and the last years viz. 1990-91 and 1991-92 be treated as two separate Annual Plan periods.

The main objective of the Eighth Plan is ellevation of poverty continuous to be major concern of development planning. Expension of employment opportunities, augmentation of productivity and income level of both and underdeveloped and employed poor workable the main instrument for achieving the objective during the Eighth Plan. Out of total outly, Rs. 7.93 percent was allotted to rural development (Table 6.2).

6.4 LEVELS OF PLANNING

Planning can be undertaken at the National State, district and block level. At the national level there is a Planning Commission for the purpose of preparing national plans and all the plans drawn up so far as well written documents. The Commission's task is to assess the national resources, draw up a plan use them with proper priorities and allocations, determine the conditions, machinery and
adjustments needed to make the plan successful, appraise the progress of the plan from time to time and make recommendations necessary to facilitate it. The success of a large scheme like national plan very much depends upon a proper machinery for co-ordination. The need for co-ordination is greater in the Indian National plan because her political structure is federal in nature and the large part of the plan is to be implemented by the State Governments. Therefore, the Planning Commission is in lose contact with State government as well as with the Central Ministeries concerned with the development subjects. Till recently, Indian Planning has been a normative and centralized process. Though India has built up a vast decentralised administrative net work but it has been used only for the implementation of the plans. A serious effort to decentralise the planning process was started during the Fourth Five Year Plan (1969) by allocating the task of planning to the State Governments. In the States, suitable machinery for planning at secretariat level has been set up. As a rule, this machinery consists of an inter departmental Committee of Secretaries. One of the Secretaries is the Secretary Planning Committee of the Cabinet and also acts as the Chairman under the direction of the Chief Minister.

In each State there is a State Development Council/Committee. Each such council is headed by the Chief Minister and includes many important Cabinet Ministers. The committee is responsible for planning, co-ordination and
supervision. There is also a Development Commissioner, who is usually a very high placed man and acts as Secretary to the Committee. He is also responsible for co-ordinating the work in all the rural development projects.

6.4.1 DISTRICT PLANNING

Although the idea of decentralised planning is as old as Gandhian economic thought, attempts of figuring out what is and how it should be brought about may be said to be recent. Both during the constitution making process and thereafter since the inception of the planning process in the country, certain choices had to be made between the needs of national security, National Unity and economic growth on the one hand and considerations for achieving a measure of re-distribution with growth on the other so as to bring about the widest distribution of the benefits of development among the masses with a view to make an impact on the people below the poverty line. To remove deficiencies and to enable village organisations to become effective agencies of community development programme, the Balwant Ray Mehta Committee recommended democratic decentralisation. Only such organisation can understand local problems, adopt realistic planning, exercise necessary powers and fulfil responsibilities. The Committee recommended three tier organisational pattern of village development administration with in the district consisting of Panchayat at village (bottom) level, Panchayat Samiti at Block level and Zila Parishad at District Level. This recommendation was based
on the idea of planning from below. But these ideas did not pick up nor were operationalised. The idea of District Planning arose primarily out of pragmatic considerations, though theoretical arguments for micro level planning also supported the case for it. The Community Development Programme initiated in the First and Second Five Year Plans failed to make much impact at the grass root level. This was mainly because the personnel incharge of the programme lacked planning perspective, administrative and financial authority and also technical competence for formulating and implementing micro level plans of their own. At the beginning of the Fourth Five Year Plan, it was realised that the macro level national plans formulated by the Planning Commission also failed to make requisite impact at the grass root level because they could not understand local problems and were unaware of the local resources-pattern. Therefore, the idea of district planning emerged as a micro level plan strategy for development from below and for the reduction of regional disparities.

District Planning in our view, is a kind of idea based sub-State Planning and rises from the need to implement the national and state plans with a more detailed examination of the resources, problems and potentials of local areas (i.e. District), so that investment programmes more specifically tailored to the particular needs of each district could be evolved and implemented. In fact, the Planning Commission indicated to the State Governments to formulate district
plans during Fourth Five Year Plan period. As a step towards assisting such efforts of State Planning Agencies, the Planning Commission circulated a set of model guidelines for formulating district plans. Thus, district level planning exercise has been in operation in India for more than two decades.

At the district level, the Deputy Commissioner (or Collector) functions as the Chief Development Officer. He comes next to the Development Commissioner in the official hierarchy. He co-ordinates the activities of the various technical officers at District level.

6.4.2 BLOCK LEVEL PLANNING

Next comes block level planning. The whole of rural India was divided into small units called Development Blocks, each with a team of multi-disciplinary functionaries to carry out the programmes. Since then, the block machinery has been playing an important role in the implementation of rural development programmes. However, it has not been specifically utilised for plan formulation or in the decision making process (Thapliyal, 1982). Its importance has now been realised and, therefore, the Block has been recognised as the lowest unit for planning and implementation of I.R.D. Programmes.

6.4.2.1 CONCEPT OF BLOCK LEVEL PLANNING

The very concept of block-level planning has emerged
from the need to prepare plan for optimum utilization of resources to meet the felt needs of the local people, unemployment and under-employment, to have socio-economic facilities within accessible distance, to provide employment and adequate income to rural poor, and to have public participation in the plan formulation process. If we take the first objective of optimum utilization of local resources, it requires detailed knowledge of the available resources in terms of distribution, quantity, quality, level of utilization potential and problems.

### 6.4.2.2 Objectives of Planning at the Block Level

The main objective of the planning at the block level are as under:

(a) Maximising production in agriculture and allied activities in the rural areas:

(b) Removal of unemployment and under employment:

(c) An appreciable improvement in the standard of living of the poorest sections of the population; and

(d) Provisions by the State of some of the basic amenities like drinking water, elementary education, adult literacy, health care, rural roads, rural housing for landless, etc.
After the inception of Integrated Rural Development Programme to facilitate its effective planning and implementation, the Planning Commission formulated detailed operational strategies in the shape of guidelines. The strategies and guidelines emphasised the following aspects of the programme.

(a) Preparation of a five-year development profile for each block that would indicate the resources' potential and possibility of achieving them in a realistic period of five years.

(b) Identification of the productive activities that details into the development prospects on one hand and available infra-structure support on the other.

(d) Representation of the beneficiaries in the implementation process at the block level.

(e) Preparation of annual and five year credit plan to ensure loaning support from bank.

(f) Strengthening of the block level planning and implementation machinery.

However, the specific objective of preparing a block level plan is to identify viable productive activities/package of activities according to local needs.
and resources' potential and to ensure support for such activities in the form of extension, training, supply of inputs and marketing at remunerative prices. As such to ensure integration aspect in planning, making it an integral part of the regular block level development plan, is an obvious choice. For giving practical shape to this end, the guidelines further suggested the following steps.19

1. Preparation of an inventory of local resources which includes data on population and human resources, location of specific resources, economic activities with details of institutions engaged in these activities, other infrastructural facilities and social and institutional facilities.

2. Appraisal of all ongoing development activities in the block in order to assess the relevance of each of these activities in the context of the needs of the target group.

3. On the basis of above analysis, a perspective plan may be prepared. The perspectives are expected to indicate the magnitude and dimension of the potential for development of various activities sector-wise. Based on the perspective plan, sectoral projects indicating the location, size of the programme, quantum of credit required, credit and marketing agencies may be prepared.
4. It may be followed by the preparation of credit plan. The credit plan will give a broad indication of the type and magnitude of activities envisaged, cluster of villages identified, and quantum of credit likely to be provided by the branches of banks in each village cluster.

5. Around 3,000 prospective beneficiaries are expected to be assisted in a period of five years. Thus, it is expected to phase the implementation of the programme in the selected village clusters. The following criteria have been suggested for clustering:

(a) existence of programme specific infrastructure,
(b) availability of credit institutions,
(c) present level of development in the area and the capacity to absorb credit to the extent envisaged,
(d) concentration of Scheduled Castes and Scheduled Tribes, and other weaker sections,
(e) any other specific criteria relevant for the purpose which will facilitate optimum utilization of resources and effective implementation of the programme. So chosen cluster may either be spatial in terms of contiguous villages or functional.

6. The next step would be to prepare an annual plan based on the perspective plan and the selection of the clusters. For this, it is essential to conduct household survey indicating the asset position, present
occupation and perspective asset preference of each household.

7. At this stage the consistency between preferences of the identified families and resources' position will have to be examined with reference to available physical potential and infrastructure facilities. It may then be necessary to select the second or the third options of the beneficiaries having due regard to the resources' position. On these very basis, proposed activity or package of activities and income generating plan for each family may be prepared. The scheme to be suggested and total amount of investment per family will depend upon the level of per capita income of the family. Therefore, a package of activities of different type involving all working members including assistance for upgradation of skills for the young members and women under TRYSEM will have to be devised.

8. So prepared cluster plans will collectively become annual block plans and will also reflect the requirement and availability of both institutional credit and subsidies. The guidelines further suggest that while estimating credit requirements, the unit costs approved by NABARD (National Bank for Agriculture & Rural Development) and credit institutions may be adopted for various activities. The annual plan will also reveal the total credit which is to be mobilised during the year for various activities bank-wise.
Organisation of Planning Machinery at State, District and Block Levels in Himachal Pradesh

Chart - Chart-1

Minister (Rural Development)

Planning process routed through him

Secretary (RD)

Approval of the plan

State Planning Department

State Planning Board

Plan preparation, appraisal and finalisation

Directorate of Economics

Collection of data and compilation

Directorate of Rural Development

Plan preparation

Directorat of Economics

Collection of data

& Statistical Department

Directorat of Rural Development

Plan preparation

Director at State Planning Department

District Planning Board

Approval of the plan

District Level Officers

Collection, compilation of data

District Level Officers

Project Officer

Planning Branch

Block Development Officer

SEBPO

VDCs and LVDCs

District Statistical Officer

Collection and compilation of data

Sectoral Officer ADOs

Data collection and compilation

Inspectors

Planning machinery at State, District and Block Levels:

- **State Level:**
  - Planning process routed through the Minister (Rural Development).
  - Secretary (RD).
- **District Level:**
  - Plan preparation by the Directorate of Rural Development.
  - Deputy Commissioner.
  - NREP Assistant.
  - Statistical Assistant.
  - Block Development Officer.
- **Block Level:**
  - SEBPO.
  - VDCs and LVDCs.

Collection and compilation of data at various levels:

- District Level:
  - District Statistical Officer.
- Block Development Officer:
  - SEBPO.
  - VDCs and LVDCs.
- Sectoral Officer ADOs:
  - Data collection and compilation.

The planning process is routed through the Minister (Rural Development) and involves various officers at different levels for collection, compilation, and approval of the plan.
9. The Project authorities are required to fix responsibilities as also the time schedule of the various stages of the implementation of the plan. It outlines conduct of credit workshop, purchase camps, etc. and

10. For the purpose of monitoring, an identity card (Vikas Patrika) may be printed and distributed to the blocks. An experiment is being made to carry the process of planning to the village plan is to be prepared by the village Panchayat or village council and co-operatives with the help of the extension staff at the block and village levels.

6.5 PLANNING MACHINERY

The organisation of planning machinery at State, district and block levels in Himachal Pradesh consists of three tiers and is given as under: (Chart 6.1).

6.5.1 STATE LEVEL

State Planning Board, Planning Department, Ministry of Rural Development, Secretary of Rural Development, Directorate headed by Director of Rural Development.

6.5.2 DISTRICT LEVEL

Deputy Commissioner, District Planning Branch, District Development Committee, District Rural Development Agency, District level officers relating to Development Department.
6.5.3 BLOCK LEVEL

Block Development Officers, Sectoral Officers, Social Education Block Planning Officers, Village Development Coordination, Lady Village Development Co-ordinators, Panchayat Secretaries and other local agencies.

6.6 STEPS IN PLAN FORMULATION AND ROLE OF PLANNING PERSONNEL

In Himachal Pradesh, in addition to Integral Rural Development Programme, some other rural development programmes are sponsored by the State Government for implementation. Steps followed and the staff responsible for different tasks in this regard are presented below in Chart 6.2.

**CHART 6.2**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Process</th>
<th>Functioning/ functionaries involved at each step.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Preliminary identification of the beneficiaries.</td>
<td>Identification of the beneficiaries should be done through base-line survey as per guidelines of the Government of India as well as State Government. But in actual practice, the village development co-ordinators with the help of local panchayat identify the beneficiaries using their own parameters and consciousness.</td>
<td>Village Development Co-ordinators assisted by panchayat secretaries, etc.</td>
</tr>
</tbody>
</table>
Final selection of beneficiaries. The list of identified beneficiaries prepared by the village development co-ordinator is submitted to Block Development Officer who scrutinises and prepares a final list assisted by Social Education Block Programme Officer and other staff.

Selection of schemes for the beneficiaries. The scheme for each beneficiary is decided on the basis of his own choice/preference.

Planning for individual household project and compilation of block plan. No specific project profile for individual beneficiary is prepared. The norms decided at the State Level are used to estimate the cost of each type of scheme. Aggregate of the cost, subsidy and bank loan admissible under different schemes and number of beneficiaries under each scheme is thus prepared which is termed as block plan.

Tentative approval of the plan. After compiling the block plan schemewise with financial requirements, the B.D.O. submits for the approval of Project Officer DRDA assisted by Statistical Assistant.
district authority and NREP (Project Officer), District assistant. 
Rural Development Agency.
The plan is examined by Statistical Assistant. 
NREP Assistant supervised by the Project Officer.

Finalisation and tentative approval. The District Planning Committee evaluates the district plan with respect to expected resources to each sector and accordingly gives tentative approval.

Final approval. The plan document duly completed, the DRDA submits it for the approval of the Director of Rural Development, Himachal Pradesh. The proposals of different sectors are appraised by them in the light of budgetary allocation in respective sectors and final approval. After completing the process, the plan is approved.

6.6.1 PROBLEMS IN PLAN FORMULATION

To achieve the goals of development, effective implementation of plan is necessary. It is possible only when the plan has been formulated on real and practical lines. Thus, formulation is not merely an exercise to list a number of activities to be implemented over a period of time it is a complete blueprint of the actions as well as efforts to be made for implementation of the schemes and projects. The draw-backs and lacunae in this process as observed in the study area are as under:-
6.6.1.1 LACK OF RATIONAL FRAMEWORK

Many programmes or schemes designed for an area do not justify their formulation due to location, specially area and the impact they are likely to make on the socio-economic environment of a particular locality. It is also added that plans formulation at both block and district levels are mostly dependent on the instructions and guidelines received from the State Government and there is very limited scope for formulating programmes and schemes according to the local needs and potential. This top down approach still seems to be in vogue in the local level planning process.

6.6.1.2 LACK OF CO-ORDINATION

Co-ordination in plan formulation implies making the optimum use of funds available from the different sources. The real problem in co-ordination at the district and block level arises because the organisation which has to establish horizontal linkeages has no power to make alterations in resources allocation or take appropriate location decisions and to issue fresh sanctions wherever it becomes necessary. Each department also wants to maintain its own hierarchy upto the field level that could be directly controlled departmentally. This type of compartmentalism tells upon the efficiency of the system.
6.6.1.3 LACK OF OBJECTIVITY

It has been also observed that there is a lack of objectivity in the case of many schemes being implemented at the field level. The majority of beneficiaries belong to farming community, and they are enjoying share of IRDP, whereas they are above poverty line. The agricultural labourers and rural artisans who constitute the bulk of rural do not get adequate share in IRDP. It clearly proves that the plan prepared at the block level is oriented for fulfilling the targets rather than achieving the desired objectives.

6.6.1.4 LACK OF EXPERTIES

In the absence of efficient, trained and expert planning machinery, the preparation of a systematic and logically integrated plan on the lines of the policies and strategies formulated by the Government is not possible.

6.6.1.5 LACK OF PEOPLE'S PARTICIPATION

The present strategy for planning and development of rural areas provides good opportunity to mobilise people's participation in development programmes. Unfortunately, the expected level of participation is not forthcoming for the programme. The main cause for this is that people could not be adequately made aware of the objectives of Integrated Rural Development Programme and they take it as a relief Programme for their economic betterment.
Development planning may be envisaged as a three way model, the three components here being the scheme, the machinery and the people. The scheme postulates something to be done by machinery for the people who are both the objects and subjects of planning. For the successful operation of this three way model, the schemes must be well conceived, the machinery must be adequate in quality and quantity and the people must be alive to their rights and obligations. Public participation in planning is an area where the divergence between theory and practice, rhetoric and reality has been the most striking as revealed from a critical study of our plans at the various levels.

6.7 PLAN IMPLEMENTATION

The process of implementation starts after the final approval of the plan. Planning proposals are not approved immediately because it takes time for the district as well as State Administration to ascertain the availability of the final resources. Therefore, the plan is approved in parts. The Integrated Rural Development Programme can be regarded as block sector activities, and the sectoral programmes as district level activities. Though the programmes of both the levels are ultimately implemented at the block level.

Step-wise implementation of activities and the role of the functionaries at different stages in the planning process are as under (Chart 6.3)
<table>
<thead>
<tr>
<th>Stage</th>
<th>Process</th>
<th>Funtisahințės</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Forwarding household schemes for the selected beneficiaries to Block Development Officer and bank for loan.</td>
<td>(2) The household schemes for the selected beneficiaries are forwarded to the Block Development Officer by the Village and Gram Panchayat Vikash Adhikari.</td>
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<tr>
<td></td>
<td>Scrutiny of the proposals and sanctioning of loan.</td>
<td>(3) As soon as the approved list of the beneficiaries reaches the concerned banks, the individual applications with the details of schemes are also presented to the banks by the beneficiaries through the block office. The scrutiny of the proposals is done, and those found bankable are approved for loan.</td>
</tr>
<tr>
<td></td>
<td>Personal verification of the beneficiaries.</td>
<td>(4) After the loan is approved by the banks the final sanction is given only after the personal verification of the beneficiary. Manager or representative of the financing bank and the Block Development Officer or his representative.</td>
</tr>
<tr>
<td></td>
<td>Release of subsidy.</td>
<td>(5) A list of beneficiaries for whom bank loan is sanctioned, is sent to the project Officer. DRDA for the release of the subsidy. After receiving the list, the DRDA office will release the subsidy amount and direct the Block Development.</td>
</tr>
</tbody>
</table>
Ground of the scheme.
The capital part of the scheme is provided in the form of materials/machinery as per the needs of the various types of the schemes. A purchase committee comprising Block Development Officer, Manager(s) of the leading agency(ies) Veterinary Assistant Surgeon and other concerned functionaries arrange the procurement of material of components of the scheme.

Monitoring.
No monitoring is done at any level.

Recovery of the the loan.
In case recovery of the loan is not going as per scheduled, the concerned leading agencies contact individual beneficiary and also communicate to the Block Development Officer.

Evaluation of the progress.
On every second day of the month, all block officials meet at the block office where all progress with regard to coverage of the beneficiaries and position of loan recovery are reviewed and the report is sent to the Project Officer DRDA on a monthly basis.

6.8 PLANNING PROCESS IN HIMACHAL PRADESH

In Himachal Pradesh, there is State Planning Department. The Organisation of State Planning machinery
has been grouped under eight broad divisions namely:

1. Plan Formulation and Perspective Division.
2. Project Formulation and Appraisal Division.
3. Monitoring and Evaluation Division.
4. Manpower Planning, employment and Information Division.
5. Programme Implementation Division.
6. Regional and District Planning Division.
7. UNICEF Assisted Planning Cell.
8. Administrative Division.

6.8.1 PLAN FORMULATION AND PERSPECTIVE DIVISION

The functions of this division are very important. The objectives of this Division are to formulate Five Year Plans and Annual Plans and to strengthen and mobilise the efforts and resources of the State in support of the Plans and keeping liaison with the Planning Commission. The perspective cell also works under this Division which has recently started functioning.

The perspective cell is engaged in the preparation of perspective plan of agriculture and allied sectors, infrastructural facilities in the field of social services such as supply etc. In addition to the above mentioned function, the Division has also been entrusted with the following functions.
1. Component analysis of Important crops in Himachal Pradesh.

2. Planwise growth trends of important agricultural crops in Himachal Pradesh.

3. The Task Group on cold storage.

4. Development and growth trends of Fish production in different States/Union Territories in India.

5. Financial appraisal of Fish Ponds in Himachal Pradesh.


7. A study up to the disaggregation of the contribution of different factors in the production of food grains in Himachal Pradesh.\(^{21}\)

6.8.2 PROJECT FORMULATION AND APPRAISAL DIVISION

This division controls the work of externally aided projects which are on going and also actively participates in the new projects both at the formulation stage and its co-ordination with the concerned Ministry. The Division has been associated with the formulation of economic development Project of Kandi areas. A high power Committee for formulation, monitoring, appraisal and review of externally aided projects has been constituted under the chairmanship of Chief Secretary Himachal Pradesh Government.
6.8.3 MONITORING AND EVALUATION DIVISION

This division deals with the functions of making past and concurrent evaluation of current interest besides monitoring of schemes/projects to avoid cost and time overruns. The Departmental monitoring Committee has been set up under the Chairmanship of Administrative Secretaries which meets monthly to review the achievements of projects set in the plan.

6.8.4 MAN POWER PLANNING, EMPLOYMENT AND PLAN INFORMATION DIVISION

This division is further divided into two sub-divisions namely; (i) Man power Planning and Employment Division and (ii) Plan Information Division.

Manpower Planning and Employment Division deals with the following functions:-

(i) To prepare Fact Book on man power, man power profile of H.P; Estimate of Employment on the basis of 43 rd round of national sample survey.

(ii) Review of Self-Employment Programmes.

(iii) Series of quick estimates of Employment in organised sectors under EMI Programme.

Plan Information Division caters to the need of all plan information date needed for planning purposes. For this, a
data bank has been established in the Division which collects data and stores it in the computer unit established in the department.

6.8.5 REGIONAL AND DISTRICT PLANNING CELL

The State Government has already initiated the decentralisation of planning process in the State in a phased manner. For this, both at the state headquarters and at the District levels, the units have been suitably strengthened. The District Planning Units are engaged in the preparation of district plans; implementation and monitoring of the funds given under local and district planning.

6.8.6 UNDER ASSISTED PLANNING CELL

An important quantum of resources is received by the State Government through various United Nation International Children's Emergency Fund assisted Programmes. Some of the important programmes which are going in the all 12 districts of the State are assistance for ICDS projects, Urban Basic Services in the Una District, DWACRA Project in Kangra and Shimla Districts etc.

6.8.7 PLAN IMPLEMENTATION DIVISION

The Division deals with the plan expenditure and its physical targets. This division transmits the various returns/statements to the Government of India, Ministry of Finance and Planning Commission. These returns are very
significant and of high priority in nature and have a strong bearing on the release of Central Assistance for plan financing to the State by the Government of India.

6.8.8 ADMINISTRATION DIVISION.

This division deals with the strengthening of the State Planning machinery in order to make its all divisions fully functional and to genrup the plan work down to the district level. This division is also responsible for admsitrative supervision and monitoring aspects.

6.9 PLAN INVESTMENT

The guiding principles of the national Seventh Five Year Plan were growth, equity and social justice, self reliance and improved efficiency. The plan of Himachal Pradesh was approved for a size of Rs. 1,050 crores. This had been agreed to be financed by way of a contribution of Rs. 183 crores from State's own resources and Rs. 867 crores as central Assistance.

According to the revised cleassification as received from the planning commission, the entire plan frame has been divided into three major sectors such as (a) Economic Services, (b) Social Services and (c) General Services. The economic services include such important heads as Agriculture, Horticulture, Rural Development, Animal Husbandry, and Power Generation etc. The social services sector comprises of such important heads as Education,
Health, Water Supply, and Housing etc. However, the last sector i.e. General Services includes Printing and Stationary, HIPA, Neuclus Budget etc.

It can be seen in the Table 6.3 that the Economic Services sector constitutes the major share of Rs. 81563 lakh (77.7 %) of the total seventh plan outlay. The shares of Social Services' and General Services' sectors come to Rs. 21204 lakh (20.0 %) and Rs. 2233 lakh (2.1 %) respectively.

The table further revealed that the expenditure incurred during Seventh Year Plan (1985-90) was Rs. 131787 lakh. Out of total expenditure, the Economic Services accounted for Rs. 99593 lakh (122.1 %) of the total plan expenditure.

During the Seventh Plan, Rs. 4990 lakhs (135.5 %) of total proposed outlay was spent on programmes for rural development viz. IRDP, IREP, NREP, Land Reforms and Community Development and Panchayat. The actual expenditure incurred under these programmes during the Annual Plan 1990-91 was Rs. 1305 lakh (97.3 %) of the total outlay of Rs. 1341 lakh. Similarly Rs. 1341 lakh were spent during Annual Plan 1991-92 as against the outlay of the same amount. (Table 6.6).
TABLE 6.3

SECTORAL DISTRIBUTION AND SEVENTH PLAN

Actual Expenditure (in Lakhs of Rs.)

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</thead>
<tbody>
<tr>
<td>Economic Service</td>
<td>81563</td>
<td>(77.7)</td>
<td>(18.90)</td>
<td>(22.8)</td>
<td>(25.1)</td>
<td>(25.5)</td>
<td>(29.8)</td>
<td>(122.1)</td>
<td>(100.0)</td>
<td>(98.0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td>21204</td>
<td>(20.2)</td>
<td>(17.8)</td>
<td>(23.4)</td>
<td>(28.7)</td>
<td>(34.2)</td>
<td>(34.3)</td>
<td>(138.4)</td>
<td>(100.0)</td>
<td>(107.5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Services</td>
<td>2233</td>
<td>(2.1)</td>
<td>(20.0)</td>
<td>(22.6)</td>
<td>(29.0)</td>
<td>(32.0)</td>
<td>(23.1)</td>
<td>(126.7)</td>
<td>(100.0)</td>
<td>(93.2)</td>
<td></td>
<td></td>
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</tbody>
</table>

Grand Total

| 105000          | 19610                                            | 24067   | 27248   | 23789   | 32073   | 37500   | 37662 |

Source: Government of Himachal Pradesh, Planning Department, Draft Annual Plan 1990-91
The approved Seventh Plan outlay under the heads IRDP, IREP and NREP was Rs. 724,275 and 690 lakh respectively. During the year 1985-86 to 1989-90 an expenditure of Rs. 1266 lakh (174.2 %), 163 lakh (59.0 %) and 1021 lakh (141.2 %) was incurred. Against an approved outlay under heads Land Reform and Community Development and Panchayat of Rs. 1365 lakh and 575 lakh respectively, Rs. 1998 lakh (141.2 %) and Rs. 612 lakh (106.4 %) were spent (Table 6.4) during the period 1985-86 to 1989-90.

Table 6.4 reveals that expenditure made under all above mentioned heads was more than the approved outlay except under IREP, and the spending pattern during the plan under various heads had been almost the same.

Table No. 6.5 shows that the per capita annual investment under all the plans launched in the Pradesh. It has increased over time. It would be seen that the per capita annual investment which was Rs. 4.00 during the First Five Year Plan (1951-56) increased to Rs. 454.00 during the Seventh Five Year Plan (1985-90).

In Himachal Pradesh, there is a State Planning Board which consists of the Chief Minister as Chairman the planning minister as Dy. Chairman, Chief Secretary and All Secretaries of the State as its members. This Board assists the State Government in the formulation of main policies, and providing to solutions to the basic problems of implementation.
### Table 6.4

#### SEVENTH PLAN OUTLAY AND EXPENDITURE

<table>
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<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. IRDP &amp; Allied Services</td>
<td>724</td>
<td>(19.9)</td>
<td>(30.2)</td>
<td>(31.9)</td>
<td>(28.2)</td>
<td>(31.5)</td>
<td>(53.0)</td>
<td>(174.5)</td>
</tr>
<tr>
<td>2. I.R.E.P.</td>
<td>275</td>
<td>(7.6)</td>
<td>(5.0)</td>
<td>(10.5)</td>
<td>(17.4)</td>
<td>(26.1)</td>
<td>-</td>
<td>(59.0)</td>
</tr>
<tr>
<td>3. N.R.E.P.</td>
<td>690</td>
<td>(19.1)</td>
<td>(26.0)</td>
<td>(21.0)</td>
<td>(31.0)</td>
<td>(31.7)</td>
<td>(33.2)</td>
<td>(147.9)</td>
</tr>
<tr>
<td>4. Land Reforms</td>
<td>1365</td>
<td>(37.6)</td>
<td>(19.5)</td>
<td>(21.7)</td>
<td>(28.6)</td>
<td>(35.9)</td>
<td>(35.5)</td>
<td>(141.2)</td>
</tr>
<tr>
<td>5. Community Development &amp; Panchayat</td>
<td>575</td>
<td>(15.8)</td>
<td>(15.8)</td>
<td>(19.1)</td>
<td>(22.3)</td>
<td>(24.9)</td>
<td>(24.3)</td>
<td>(106.4)</td>
</tr>
</tbody>
</table>

#### ACTUAL EXPENDITURE (Rs. in lacs)

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<tr>
<th></th>
<th></th>
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<td>4. Land Reforms</td>
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<td>296</td>
<td>390</td>
<td>491</td>
<td>485</td>
<td>1928</td>
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<td>5. Community Development &amp; Panchayat</td>
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<td>128</td>
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<td>612</td>
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#### Source:
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<th>Plan</th>
<th>Period</th>
<th>Total Investment (Rs. in Lakhs)</th>
<th>Per Capita Annual Investment Rs.</th>
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<td>Third Plan</td>
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<td>1985-90</td>
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Source: Five Year Plans, 1951-56 to 1985-90
In view of the IRD guidelines provided by the Planning Commission, let us examine the programme planning process of block and district level in Mandi and Shimla districts. It has been found that none of the blocks of Mandi and Shimla Districts had prepared five year perspective plan. However, the district lead bank does prepare 'District Credit Plan' or 'Annual Action Plan'. Thus, in the absence of such plan, the development efforts will lack coherent direction of thrust and the vast potentialities of a district and block may remain untapped. It has been found that in Mandi and Shimla District, 5 years comprehensive block plans have not been prepared during the study period. Consequently, there is no perspective 5 years district plan formulated by integrating block plans. However, the Annual Action Plans are prepared but they are based on the allocated targets and is only the sum of the activities.

Both the districts are simply divided the fixed target uniformly among the blocks without any consideration for the resources-endowments, available infrastructural facilities and magnitude of poverty.

As a step in the process of decentralised planning, district planning cells have been set up at Mandi and Shimla
districts. The Deputy Commissioners of the respective districts are the sanctioning authorities as well as they exercise administrative control over the cells. The funds are allocated to the districts in the ratio of 60 percent on population basis and 40 percent on basis.

The Blocks are the basic units at Mandi and Shimla-districts for preparing perspective and Annual Plans. Governing body of the DRDA of the respective district approves these plans. The Block Development Officer is required to perform the role of the Chief Co-ordinator in the block and also see that plans are prepared in time and implemented effectively. These plans are sent to the state Department of Rural Development to enable them to see that the plans conform to the guidelines.

An analysis of Table 6.6 indicates that out of total 51 personnel, 41 (80.4 %) personnel in Mandi district and out of total 30 personnel, 25 (83.4 %) in Shimla district are of the opinion that the existing plan process is not quite suitable for proper implementation of rural development programmes. Table further reveals that as many as (3.9 %) personnel in Mandi district and (10.0 %) personnel in Shimla district who felt that the existing planning process is quite defected.

During field survey, the sampled officers connected with rural development have been interviewd regarding planning cells at district, block and village levels. The
TABLE 6.6
OPINION OF THE OFFICERS WHETHER THEY AGREE WITH THE PLANNING PROCESS OF RURAL DEVELOPMENT PROGRAMME

MANDI DISTRICT

<table>
<thead>
<tr>
<th>Nature of Response</th>
<th>DC/ADC</th>
<th>PO/APO</th>
<th>BDO</th>
<th>SDO/JE</th>
<th>RO Planning</th>
<th>Bank Manager</th>
<th>Extension Staff</th>
<th>SA</th>
<th>Total</th>
<th>Percentage</th>
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<td>4</td>
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SHIMLA DISTRICT

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<th>SDO/JE</th>
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<th>Bank Manager</th>
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<tr>
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<td>-</td>
<td>-</td>
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<td>2</td>
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<td>6</td>
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related data have been arranged in Table 6.7 that shows that out of 51 personnel, 43 (84.3 %) in Mandi district and out of total 30 personnel, 27 (90 %) in Shimla district are of the opinion that planning cells are available at block level only in Mandi and Shimla districts respectively while (14.0 %) in Mandi district felt that the planning cells are available at district, block and village levels where as in Shimla district, (18.5 %) personnel are of the opinion that planning cells are available at district and block levels only.

6.12 SUMMING UP

A solution to the problems of rural poverty and unemployment lies in planning as it is the best means to make the full utilization of resources, natural and human. There are still number of problems associated with rural development programmes. The solutions to these problems require proper planning because without such planning, no development can take place.

1. Still planning is entirely centralised. The district and block level plans are to be prepared as per directions given by the central and state governments. There is a difficulty in getting the district level schemes fully reflected in the state plans.

2. There is no trained and adequate staff provided to the district and block level planning purposes. It
**TABLE 6.7**

**OPINION OF SAMPLED OFFICERS REGARDING PLANNING CELLS**

MANDI DISTRICT

<table>
<thead>
<tr>
<th>Nature of Response</th>
<th>DC/ADC</th>
<th>PO/APO</th>
<th>BDO</th>
<th>SDO/JE</th>
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If Yes, Specify Level

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G. Total 2 2 7 3 1 9 14 3 2 43 100.0
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If Yes, Specify Level

1. District Level
2. Block Level
3. Village Level
4. District & Block Level
5. Block & Village Level
6. District & Village & Block Level

G. Total: 1 2 2 5 6 10 1 27 100.0
is, therefore suggested that a planning cell in each district as well as block may be set up for proper planning.

3. There is no proper planning procedure for the identification of beneficiaries. The beneficiaries are identified fully by the village development coordinators without consideration of available infrastructure, area and environmental conditions. It requires immediate attention of the authorities.

4. As per existing planning process, no such provision exists through which the entire population could be covered, and special attention be given to the weaker sections of the community like small farmers, marginal farmers, agricultural labourers, etc.

5. Hand in hand with decentralisation is the principle of participation of the local communities in the programme of rural development. This ensures that the rural development programmes deal with the real problems of the rural people rather than those are perceived by the planner in his air conditioned office in the administrative capital situated far away from the rural communities. It also enables the local resources to supplement resources from the central budget.

6. At the district level, the problems are mainly related to managerial aspects of plan implementation. There are delays in releasing financial grants, inadequate
infrastructure facilities; instability and fluctuations in prices; and lack of proper co-ordination between various departments.

7. Lack of clear guidelines from the government, unrealistic target setting, and political interference in the selection of schemes and also in their location.

8. The very concept of local planning has emerged from the need to prepare for the optimum utilization of resources to meet the felt need of the local people, to have socio-economic facilities within the accessible distance to provide employment and adequate income to rural poor, and to have public participation in the plan formulation process. If we take the first objective of optimum utilization of local resources in term of distributing; quantity; level of utilization; potential and problems. Villagewise information for different resources under these heads is not available.

9. Next problem is non-availability of reliable data which are very significant for plan formulation process at any level. In absence of reliable data; the objective of the plan cannot be achieved in the true sense. It is suggested that there should be competent and sufficient staff so that they may be able to supply correct information to the head offices. In spite of all the efforts, the test of decentralised and multi-level planning has not yet been taken up systematically.
and seriously due to the reasons mentioned above.

It has been noticed that DRDA had not prepared five year perspective and long term plans, which is necessary for expected development of the programme. Annual Action Plan are prepared simply derived fixed target among the block without any consideration of resources endowment and infrastructural facilities.
NOTES AND REFERENCES


10. Ibid., pp. 18-21.


15. Ibid., p. 190.


17. Ibid., p. 17.


