

# DEVELOPMENT PLANNING IN INDIA



MARY PARMAR

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## *Abbreviations*

Admn.	Administrative
BDO	Block Development Officer
BPC	Block Planning Council
Coop.	Cooperative
CSS	Central Sponsered Schemes
DADPGRC	District Level Antyodaya, Development and Public Grievances Redressal Committee
Distt.	District
Dy.	Deputy
DPDC	District Planning and Development Committee
DRDA	District Rural Development Agency
F & S	Food and Supply
HP	Himachal Pradesh
HPKVV	Himachal Pradesh Krishi Vishva Vidyalaya
HPSEB	Himachal Pradesh State Electricity Board
HRTC	Himachal Road Transport Corporation
ICDP	Integrated Rural Development Programme
I & PH	Irrigation and Public Health
IRDP	Integrated Rural Development Programme
IREP	Integrated Rural Energy Programme.
ITDP	Integrated Tribal Development Project
LPG	Liquid Petroleum Gas
MLA	Member of Legislative Assembly
MP	Member of Parliament
NDC	National Development Council
NEDC	National Economic Development Council
NREP	National Rural Employment Programme
PAP	Pradesh Armed Police.
PEO	Programme Evaluation Organisation
Pol. Sc.	Political Science
Pub.Admn.	Public Administration
PWD	Public Works Department
SCA	Special Central Assistance
SSI	Small Scale Industries
UT	Union Territories

## *Preface*

India has a federal system of government in which there is defined division of authority between the Centre and the State Governments. In view of the varying socio-economic conditions, differing resource potentials of the various States and dual polity, the States have a significant role in the national planning effort and the State Plans constitute an important part of the National Plan.

Planning is a challenge to be met by a variety of agencies operating at different area levels. This book provides an insight into the varied facets of multi-level planning. Though the problems relating to planning machinery, planning process and implementation have always evoked great interest, yet enough published material is not available on these aspects especially at the State level. This work is a significant contribution to this effect and is a pioneering effort to present a descriptive, analytical and empirical account of planning in a hilly region.

The strategies and directions of development planning are greatly influenced by the nature of political approach. Political administrators and civil servants especially the top echelons have an important part to play in the planning process. The attitudes and perception of these two sections towards planning greatly affects the planning system. An attempt has been made in this book to present their views and their role in the plan formulation and plan implementation in the State.

I wish to thank and express my deep sense of gratitude to Professor R.D. Sharma, Himachal Pradesh University for his painstaking efforts, inspiring and mature guidance. I am also grateful to the University Grants Commission for the award of the fellowship to undertake this study.

I am specially thankful to the officials of the Planning Commission, New Delhi, Indian Institute of Public Administration New Delhi, Planning Department, Himachal Pradesh and the Tribal Development Department, Himachal Pradesh for the help rendered in the collection of data as well as for enlightening me on the various aspects of planning.

I am grateful to all the Ministers of Himachal Pradesh, the Financial Commissioners-cum-Secretaries, the Deputy Secretaries and the Under Secretaries to the Government of Himachal Pradesh who spared precious moments from their busy schedules and filled in the questionnaire as well as spared time for the interviews.

I acknowledge with thanks the help rendered to me by Professor Satya Deva, Punjab University, Chandigarh, Professor B.S. Khanna, Chandigarh, Professor M.K. Sharma, Himachal Pradesh University, Shimla, Dr. Shiv Raj Singh, Dr. (Mrs.) Suneera Kapoor, Dr. (Mrs.) Mita Biswas and many other teachers of Himachal Pradesh University.

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# CHAPTER I

## *Introduction*

A national plan is a charter of action which holds out hope and describes the effort that the nation has to put in. It is a blueprint to ensure better and more satisfying levels of living. Planning has assumed an important place in the affairs of the nations. Irrespective of the political ideologies, all nations resort to planning, though they may differ in their techniques and methodology, the common goal in view is the socio-economic prosperity of the people.

In India, the concept of planning had pre-occupied our economists, social and political thinkers even before Independence and significant attempts were made to set up planning mechanism for the national economic re-generation in the pre-Independence era when a National Planning Committee was appointed under the Chairmanship of Pt. Jawahar Lal Nehru. In 1944, a Planning and Development Department was created. After the establishment of the Interim Government headed by Pt. Jawahar Lal Nehru, an Advisory Planning Board was established towards the end of 1946 which reviewed the post-war economic reconstruction, and recommended that a Planning Commission should be constituted at the Centre for effective economic reconstruction of India.

However, it was after Independence and with the enactment of the Constitution and the incorporation of the Directive Principles of State Policy in Chapter IV of the Constitution, the way was laid for the establishment of an economic and social order based on the principles of equality of opportunity, social justice and social security. The Constitutional framework and the political ideology conditioned the character and the system of planning within a democratic framework of a parliamentary system.

Planning has been placed under entry 20 of the Concurrent List as per Seventh Schedule of the Constitution of India, as such, planning, both at the formulation and execution stages is a shared process between the Centre and the States. There are various levels of planning in India. These levels have significance for the purpose of policy making, as political



authority is vested at a number of levels. As such there are also various agencies operating at each of these levels for the purpose of planning.

The formulation and implementation of the plan is a complex process in a vast country like India and planning is a cooperative process of shared action between the Union and the States, as such, the States have a significant role to play and this study is an examination of the planning system operating at State level i.e., in Himachal Pradesh. However, before planning in Himachal Pradesh is taken up in detail in the subsequent chapters, a conceptual framework followed by objectives and methodology of the study is given in this chapter.

## Planning: Conceptual Framework

Planning is a concept which is at the foundation of all types of organisations. It existed at all stages and ages of human civilization. Whenever rational, thinking was done, planning was done. Tracing back the origin of planning to quote Mamatha Patankar it can be dated as far back as the 4th century B.C. The concept of planning is said to have been formulated by the great Greek Philosopher Plato in his book *Republic* nearly about 2,400 years ago.<sup>1</sup>

Planning is necessary for systematic management of affairs, judicious and calculated use of resources aiming at making those things happen which are kept in view.

Planning is the conscious effort to achieve desired ends. It is a rational method of application of resources for the fulfillment of specified objectives. It is a systematic approach to goal achievement.<sup>2</sup> Urwick defines planning as fundamentally an intellectual process, a mental pre-disposition to do things in an orderly way, to think before acting, and to act in the light of facts rather than of guesses. It is the antithesis of gambling, the speculative tendency.<sup>3</sup> Planning is deciding in advance what to do, how to do, and when to do it, and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes possible for things to occur which would not otherwise happen. Although the exact future can seldom be predicted and factors beyond control may interfere with the best laid plans, unless there is planning, events are left to chance. Planning is an intellectually demanding process, it requires the conscious determination of courses of action and the basing of decisions on purpose, knowledge and considered estimates.<sup>4</sup>

Planning provides a peep into the future. It helps in chalking out the future course of action. Every details of the action can be worked out

with the help of a plan. The scope of planning is very wide as it touches each and every aspect of the future course of action. Planning is a preparation for action. It is the vital first step in any major administrative action. Planning is a means to an end. It is the process of formulating the objectives to be realized by administrative enterprise. Decisions about financial requirements, organisations, personal ends, physical facilities, supplies and equipment, work processes and many other phases of administration flow from the determination of purpose. There can be no efficient management of work performance without planning.<sup>5</sup>

In Public Administration, the planning process is an important part of the way in which administrative agencies participate in the political decision-making. The administrative agencies play their part in determining public policy. There is a great inter-play of political and administrative system in the country in the policy planning, which is in fact the essence of an administrative agency with its present and future operation.<sup>6</sup>

Planning pervades all aspects and form of enterprises, whether it is private business or Government. Change and economic growth bring opportunities but they also bring risk, particularly in an era of world wide rivalry for markets, resources and influence. It is exactly the task of planning to minimise risk while taking advantage of opportunities.<sup>7</sup>

Charles R. Blitzer defined Development Planning as a complex process involving many different organisation and individual agents interacting in the formulation and execution of the country's economic and social policies.<sup>8</sup> A systematic planning keeping in perceptive long-range consequences is a must. Arthur Lewis lists out the following features of a development plan: (1) A survey of current economic conditions, (2) A list of proposed public expenditure, (3) A discussion of likely developments in the private sector, (4) A macro-economic projection of the economy and (5) A review of government policies.<sup>9</sup>

Economic development is generally defined as increase in real per capita output or income, it is imperative that natural resources should be so harnessed in the process of production that there is optimum utilization of resources realising in a maximum increase in national income.<sup>10</sup> Planning is a devise which helps in the optimum utilization of resources.

National planning can be defined as a conscious effort on the part of the government to create conditions for the maximum utilization of the resources-both human and material for engendering and directing development. In India, the Five Year Plans are the instrument for changing the social and economic structure of the country.

Planning for economic development implies external direction or regulation of economic activity by the planning authority which is, in most cases identified with the Government of the State.<sup>11</sup> Gadgil considers that planning is not a once for all effort, it has to be a continuous, consistent and forward-looking effort, sustained for decades. Planning effort is an organisational effort undertaken systematically by an external authority. Planning is aimed for all round progress and economic planning is only one aspect of planning. There are other aspects of planning which influence economic planning. In this respect, the First Five Year Plan Report had observed that economic development depended upon a variety of factors which constitute the psychological and sociological setting within which the economy operated.

Planning today is supposed to be the panacea for all economic ills. The modern government has become the agent to use the instrument of planning for improving the socio-economic conditions of the people. Planning means conscious and coordinated efforts organised by the States. When State interference expands and covers the whole of national economy with certain pre-determined objectives, it is called economic planning.<sup>12</sup>

Economic planning essentially works out a rational solution of economic problems by coordinating means and ends. A planned economy functions under a great measure of control over economic resources and varying degrees of State intervention and is concerned with creating adequate institutional framework, policies and measures which would uplift the lot of the people. It is through planning that various processes of social and economic changes can be initiated.

Planning is an instrument of socio-economic development of the people. Modern States are welfare States and the administration is development oriented. Development administration is one which is geared towards implementing the socio-economic and political development programmes. Planning for the nation as the term now used is for the all round development of the people.

## Objectives and Methodology of the Study

India is a large and diverse country with a dual polity and administration. Planning is a matter of common interest to the Union and the States and hence planning has been placed on the Concurrent List. The Indian Constitution has specified the distribution of subjects between the Centre and the States. A formal distribution of responsibility thus exists

and in view of the federal structure of the country, State Governments have an important role to play, both in planning and implementation. State plans constitute an important part of the national plan and in many ways the Central and State plans are complementary to one another. Keeping in view the equal and joint responsibility of the Centre and the States for economic and social planning and the importance of the part played by the States in the planning process, the objectives of the study have been framed.

The main objectives of the study are:-

- i) to critically examine the organisation structure entrusted with the planning responsibility in the State, i.e., in Himachal Pradesh;
- ii) to investigate the process of planning in the State;
- iii) to delve into the implementation aspects of planning at the State level; and
- iv) to present an assessment of planned progress under the various indicators of development, i.e., to present a development profile of the State to see how far planning has been successful in uplifting the lot of the people of the Pradesh.

Broadly speaking, the structural aspects and the functional aspects of planning in Himachal Pradesh are being covered in the study. A critical study of the administrative structure of the planning machinery as well as the functions carried out by the planning structure at the various levels in the State would be made.

It is an undeniable fact that successful planning largely depends on a well organised planning machinery. The first objective is to examine the planning organisation in the State. Thus an examination of the planning machinery at the State level, district level and departmental level is being made. A detailed critical investigation of the organisation structure at the various levels, the hierarchical composition and the functions entrusted to the various planning organs of the State would be made.

The second important objective of the study is to unveil the current pattern of planning procedure in the State, i.e., to examine how the planning process is undertaken in the State within the given administrative framework, the personnels involved in the preparation and finalisation of the plan, the amount of time spent on the planning process etc. Apart from these, the implementational aspects of planning would also be examined, i.e., how coordination of plans is effected at different levels with special reference to problems of coordination at district level. An exam-

ination of plan appraisal as being undertaken in the State would also be made.

Political administrators and civil servants, especially the top echelons have an important part to play in the planning process. The attitudes and perception of these two sections towards planning greatly affects the planning system in the State. An attempt is being made to present their views on their role in the plan formulation and plan implementation in the State.

Planning in Himachal Pradesh was initiated in 1951 soon after the merger and the formation of Himachal Pradesh in 1948. The last four decades witnessed implementation of various development programmes in the State. An attempt is being made to make an assessment of the planned progress in the Pradesh on the basis of some of the prominent indicators of economic growth to see how far planning has been successful in the State.

In brief, the main objectives of the study are to give a descriptive analytical account of planning in Himachal Pradesh. The agencies involved at the various levels, i.e., at the Centre, (in brief) and in detail the agencies at the State and district level, their role and the inter-relationship between the various agencies. The various constraints at the different levels will be pointed out and suggestions offered. Apart from this the view point of the two important elements, i.e., the political administrators and the civil servants whose attitudes and perception towards planning greatly affects the planning system would also be presented.

## Hypothesis

For the purpose of this study, we have hypothesised that planning has proved to be an inadequate instrument to accelerate the development of Himachal Pradesh due to the short-comings in the planning system—structure, process and implementation. Thus, the research is directed towards the study of:

- i) the organisational structure of the planning machinery in the State and short comings thereof;
- ii) the process of planning in the State and problems thereof;
- iii) implementation aspects of planning.

These three aspects would be thoroughly examined to see whether the planning set-up in the State is capable to cope up with the challenges which the development planning throws up, if not, then to make suitable suggestions on these aspects.

## Scope of the study

Planning is a topic which is multi-dimensional and covers a vast field, but since we are concerned with planning at the State level, the scope of the study has been restricted to the State of Himachal Pradesh; limiting the study to the planning structure, process and some aspects of implementation. The study is not without its limitations too. The topic of study being of such extensive nature, it has not been possible to cover in depth other important aspects of State planning especially the aspect of people's participation, the role of Panchayati Raj Institutions, voluntary agencies and other non-governmental organisations. It is hoped that other researchers on State planning would pick up the threads on these important aspects for further research on this topic.

## Utility and Importance of the study

Administration is one of the important factors intervening between planning and implementation. For successful planning we need a vibrant, efficient organisation which is the most powerful tool to fulfill the specific goals of planning. The organisational aspect thus needs a thorough examination to see whether they are capable to cope with the challenges which the development planning throws up.

India is a vast country. Each State differs geographically and culturally. There are tremendous interstate variations which demand that planning should be done by the States according to its needs and priorities. Further, planning has been placed in the Concurrent List, hence, the States have equal right to plan especially in view of the fact that the responsibility of the State in respect of the State subjects is exclusively its own. However, the review of the literature brings out the fact that State planning has not been so effective.

A plethora of literature is available on planning. However, the review of the literature brings out the fact that there is not much research work done especially in the area of State planning organisation and process. Keeping in view the responsibility of the States in respect of planning, it is very essential that the State planning machinery is properly equipped both structurally and functionally at all levels for effective plan formulation and implementation. But this aspect of State planning has not received much attention.

A large number of books and government documents were reviewed by the researcher in order to get a bird's eye view of planning in India

and abroad, and which was also related directly and indirectly to the present study. A mention of few books and government documents is being made here and includes the work of; S. Narayan, (Towards the Gandhian Plan, 1964 and 1978), H.K. Paranjapa, (Jawaharlal Nehru and the Planning Commission, 1964 and The Planning Commission: A Descriptive Account, 1964), Kewal Panjabi, (The Civil Servant in India, 1965), A.K. Das Gupta, (Planning and Economic Growth, 1965), D.R. Gadgil, (Planning and Economic Policy in India, 1965), Arthur Lewis (Development Planning; The Essentials of Economic Policy, 1966, and Principles of Economic Planning, 1969), E.M.S. Namboodripad, (Economics and Politics of India's Socialist Pattern, 1966), A.H. Hanson (The Process of Planning. A Study of India's Five Year Plans, 1966), Gunnar Myrdal, (Asian Drama: An Inquiry into the Poverty of Nations, 1968), P.K.B. Nayar, (Leadership Bureaucracy and Planning in India, 1969), V.G. Patel, (An Analysis of Plan Implementation in India, 1969), Keith B. Griffen & John L. Enos, (Planning Development, 1970), A. Vasudevan, (The Strategy of Planning in India, 1970), B.C. Tondon (Economic Planning: Theory & Practice, 1970 and Economic Planning in India, 1975), M.L. Seth, (Theory and Practice of Economic Planning, 1971), Sudipto Mundle, (District Planning in India, 1977), Mamatha Patankar, (Economic Planning, 1977), Charles R. Blitzer, (Economy Wide Models and Development Planning, 1977), P.R. Mishra, (Regional Planning and National Development, 1978), Shrinivas Y. Thakur, (Indian Economic Development, 1978), P.B. Desai, (Planning in India, 1979), Y. Venugopal Reddy, (Multi Level Planning in India, 1979), Benudhar Pradhan, (The Socialist Thought of Mahatma Gandhi, 1980), Vinod Mehta, (Soviet and the Chinese Economy, 1981), B.A. Chansarkar, (Models for Planning in India, 1983), N. Somasekhara, (States' Planning in India: Techniques, Procedure and Management - An Across the State's Account, Vol. I & II, 1984), K.N. Subrahmanya, (Economic Development and Planning in India, 1985), Kamta Prasad, (Planning in a Market Economy: A Study of French Planning System, 1985), Rakesh Hooja, (District Planning Concept, Setting and State Level Applications, 1986), N.R. Inamdar and V.K. Kshire, (District Planning in India: A Case Study of Maharashtra, 1986), J.N. Mongia, (Economic Planning and Policies the World Over, 1986), Jai Narain, (Gandhi's View of Political Power, 1987)

Important Government documents which were reviewed were; Final Report of the Study Team on the Machinery of Planning, Administrative Reforms Commission, (1967), Report of the Working Group on Block Level Planning, (1978), Proceedings and Papers of the First Con-

ference of the Heads of the State Evaluation Organisations, Programme Evaluation Organisation, (1978), National Committee on Backward Areas, Report on General Issues Relating to Backward Areas Development, (1981), National Committee on the Backward Areas, Report on the Development of Hill Areas, (1981), Report of the Working Group on District Planning Vol I & Vol II (1984-85), Report of the Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes (CAARD), (1985), The Seventh Five Year Plan: Perspective, Objectives, Strategy, Macro-Dimensions and Resources, (1985), Towards Improved Local Level Planning for Rural Development - Lessons from Some Experience, (1986), Annual General Administration Report Planning Department (1979-1991), Economic Review of Himachal Pradesh, (1985-91), Report of the Commission on Centre-State Relations, (1988).

Though a lot of studies have been undertaken on planning specially at the national level, but, the studies on State planning is very scarce and on Himachal Pradesh no comprehensive study has so far been undertaken. The State due to its peculiar geographical conditions needs special attention and the importance of this study lies in the fact is that this is a pioneering study and the aspects which this study cover have not been covered in such a comprehensive manner earlier. This study would specially contribute to the following ends:-

- i) highlight shortcomings in the planning organisation and offer viable and effective suggestions;
- ii) expose the limitations in the planning process and suggest ways to make planning process more effective;
- iii) help in evolving a feasible methodology and planning machinery at the grass root level, i.e., at the block level;
- iv) indicate ways of achieving better implementation of the plans in the State.  
Its academic utility lies in the fact that the study would;
- v) promote better understanding of planning and problems of planning in a hill area;
- vi) provide reading/teaching material to the faculty engaged in teaching developmental issues;
- vii) present the economic development scenerio of the Pradesh vis-a-vis-planning and provide material on the development of the Pradesh to students appearing for competitive examinations in the Pradesh - an inadequacy which is being seriously felt by students.



### Methodology

To collect the data for the study, a multi-pronged approach has been adopted. The study is based both on primary as well as on secondary data.

For secondary data, extensive literature on planning was available, but, there were very few studies on the State planning machinery and planning process except perhaps by Y. Venugopal Reddy<sup>13</sup> and N. Somashekra<sup>14</sup> and few others but their studies however, have not covered all the aspects which this study proposes to highlight. On Himachal Pradesh practically no literature was available on planning and hence the researcher approached the State Planning Department, the Tribal Welfare Department, Himachal Pradesh Secretariat, the Economics and Statistics Department as well as the Planning Commission for their draft plans, approach papers, annual plan and five year plan documents, mid-term appraisal reports, evaluation reports, budget documents, annual administration reports on the tribal plan, Special Component Plans for the Scheduled Castes etc. Further information was gathered from office files/circulars of the district and state level planning agencies on the various aspect of planning.

For the collection of more detailed information, the questionnaire technique had to be adopted. For carrying out the empirical survey two questionnaires were devised:

- i) Questionnaire 'A' pertained to the political administrators. All the twelve ministers who headed the various ministries/departments in the State at the time of undertaking this research with the exception of the Chief Minister were administered the questionnaire.
- ii) Questionnaire 'B' pertained to the civil servants. Purposive random sampling was done and the sample included Secretaries -cum-Financial Commissioners, Deputy Secretaries and Under Secretaries. The top echelons of the civil servants were administered the questionnaire keeping in view their considerable influence in moulding the plan strategies in the State. (Sample characteristics is depicted in Chart I).

Questionnaire 'A' has been divided into three Parts i.e., Part A relating to Plan Formulation, Part B relating to Plan implementation and Part C pertaining to the Bio-data of the respondents. To obtain divergent views, the questions were open ended.

Questionnaire 'B' which pertains to the civil servants has been divided into six sections namely:- Section I: Role Perception; Section II: Information and Plan Formulation; Section III: Plan Formulation & Skill/Expertise; Section IV: Plan Consolidation and Politico-Administrative Aspect of Conflict Resolution; Section V: Role Performance; Plan Execution and Politico of Administrative Convenience and Section VI contains the bio-data of the civil servants.