

Chapter 32

Organisation and Management*

32.1 Regional Development

1. Regional imbalance is a product of the development process itself. It is a known fact that as development goes apace, some regions develop at a faster rate and some lag behind. The laggard regions by and large are found to be:

- (a) those which have inadequate natural resources, or
- (b) those which have resources, but are not able to exploit them to the optimum level because of lack of infrastructure and investment.

2. The initial planning strategy for regional development emphasized on accelerating overall growth with the belief that the rapid growth of better endowed regions would pull up the laggard regions too through market linkages. The theoretical basis for this belief is the spread effect or the percolation hypothesis. As a follow-up to this, the planners set a target growth rate for the economy given the resources. Since the objective of planning was to maximize the growth rate with given resources, the planning methodology followed was to allocate more resources to sectors and regions which showed better results in terms of productivity gains. And since these sectors and regions were incidentally those which were well endowed with resources and infrastructure, they received priority in plan resource allocation. On the other hand, backward regions, which lacked resources and infrastructure, naturally got low priority in plan resource allocation. That explains why the growth process itself created regional imbalances.

3. The planning process which sought to accelerate overall growth rather than regional balanced growth, therefore, did not produce the results as expected under the percolation hypothesis. The reason is that the growth impulses communicated to the less developed regions were too weak to pull them up. The backward regions needed active support in the form of funds for developing or strengthening the existing physical, financial and human development infrastructure facilities.

4. The concept of equalization grants emerged in recognition of the need for equalizing such infrastructure facilities. However, experience has it that equalization grants could be a necessary condition but not a sufficient condition for reducing regional imbalances. Indeed, additional funds to the backward regions have gone into building the needed infrastructure facilities. But even so, in many cases this has not resulted in accelerating the development process in the backward regions for the simple reason that these facilities have not been put to the optimum use or have not been optimally used.

* Some parts of this chapter have drawn heavily from:

1. Abdul Aziz (1993), **Decentralised Planning: The Karnataka Experiment**, Sage Publications, New Delhi.
2. Government of Karnataka (July 1996), **Report of the State Finance commission, Relating to Panchayat Raj Institutions**, Govt. of Karnataka, Bangalore.
3. D.M. Nanjundappa (1996), **Planning at State and Sub-State Levels (including Regional and Decentralised Planning)**, State Planning Board, Govt. of Karnataka, Bangalore.

5. There can be many reasons for the under utilization of the infrastructure created for the development propose. One of the basic reasons is absence or lack of professional organization and management of such facilities. Infrastructure availability certainly promotes development but different levels of quality of organization and management promote different levels/ degrees of development. In the backward regions, since the quality of organization is poor, the level of development turns out to be low even with adequate availability of the infrastructure.

32.2 Instruments

6. When we talk about organization and management as an instrument of optimal utilization of the infrastructure the reference is to the planning machinery at the State and regional levels which plans, implements, manages and monitors the progress in regard to the use to which infrastructure is put and its optimal utilization. In this Chapter, it is proposed to examine to what extent the various aspects of planning are consistent with the requirements of reducing regional imbalances and promoting the development of the backward regions. As part of this exercise, we shall comment on the planning process as also on the implementation of the planned schemes, monitoring and evaluation. In addition, a critical appraisal of the planning organization as such especially the planning machinery at the State as well as at the decentralized governance unit level will be presented, on the basis of which a few recommendations will be made for strengthening the planning machinery and for professionalising the planning process.

7. Effectiveness of planning and implementation of projects depends on the nature and structure of the planning organization. Since our focus is on regional balance in development, our concern here is to critically examine the structure of the planning organization both at the State and the regional level keeping in view its suitability to redress regional imbalance. In this exercise, the nature and structure of the planning organization is evaluated separately at the State as well as at a level below the State.

32.3 Planning Organisation

The State Planning Department

8. With the accent on planning and the need to prepare State plans, the then Government of Mysore established a planning department. The Planning Department which was initially run like any other administrative department underwent a drastic change when an academician, Prof. D.M. Nanjundappa, was appointed as an Economic Adviser and Special Secretary in the early 1970s. The Department was reorganized on the lines of a professional body patterned on the Planning Commission at Delhi. The Department came to have several divisions each headed by a trained economist reporting to the Economic Adviser. These divisions are perspective planning division, manpower planning division, monitoring and planning division and a special studies division. With the recognition of the importance of regional development, a district and regional studies division had also been added.

9. With the reorganization of the planning department, a large number of studies were conducted whose results went into planning as useful inputs. Planning thereafter was

professionalised – a development which attracted the attention of many other States and served as an inspiration for similar action at those ends.

- A later development in further professionalizing the plan formulation is the appointment in 1983 of a “Think Tank” – Economical and Political Council, a body of top experts drawn from different branches of knowledge. The members of the think tank brought to bear their expertise on issues relating to social and economic development in the State and guided economic development and economic administration. The Think Tank in course of time got integrated into the existing State Planning Board – the apex advisory body at the State level with the Chief Minister as the Chairman who is assisted by the Deputy Chairman and some official and non-official members appointed on a term basis.

10. Simultaneously, attempts were made for strengthening the planning machinery for planning at the sub-regional levels with focus on the district as the unit of planning. Attention was paid to developing three important elements of planning infrastructure:

- a taluk wise data base – to be updated every year – was developed by the planning department to enable the planner to take a resource inventory with a view to assessing the development potential;
- a technically qualified planning team was put in place in each district through a well structured training program; and
- perspective plans for the districts with a ten-year time frame starting from 1974 were prepared.

32.4 Planning Process

11. Macro economic planning undertaken in the State since 1951 had to some extent succeeded in promoting the growth of State Domestic Product (SDP) and changing the structure of the economy in favour of secondary and tertiary sectors from primary sector-orientation. However, when, among others, regional inequalities widened and poverty levels remained unabated, a view developed during the late sixties that planning should be taken down from the State capital to district level also. Hence, the Fourth Five-year Plan added the district planning dimension to the planning process which found its full expression from 1973 onwards.

12. When the district plan process led to the creation of planning infrastructure down the line and some progress in employment generation and poverty reduction registered at the district level, and when a more progressive decentralized governance system was established in the third quarter of the 1980s by grounding a three-tier Panchayat raj system, planning was taken down to the village level also. The objective of decentralized planning was meant in the first instance to promote local development by utilizing the locally available resources and to alleviate poverty by providing to the poor the required support system. These two measures were expected to promote development of the backward regions and thereby to consciously pull them up to the level of the developed regions.

13. The rationale for assigning the development of backward regions to decentralized planning machinery is derived from the drawbacks of the macro sectoral plans carried out from the State capital. Experience has it that such plans with their basic objective of

maximizing output tended to allocate resources to well-endowed regions and sectors causing the backward regions and backward sectors to miss the benefits of planning. On the other hand, it is recognized that since the decentralized planning organization which takes into account the needs and aspirations of the local people it will ensure the equity concern in development. Secondly, since under decentralized planning people's participation is ensured all along, the planning focus is attuned to solving problems of local poverty and unemployment, and under utilization of local resources. Besides, people's involvement ensures quality of works and cost effective implementation and management of plan projects.

14. The district plan formulation was entrusted to two district bodies' viz., the District Planning Committee and the District Development Council. The Deputy Commissioner chaired these bodies and was assisted by the district officials, district level development officials and the elected representatives of the people.

15. With the initiation of planning at the district level and the need to (a) clearly demarcate the district level and State level planning sectors and (b) evolve a basis for resource allocation to the district planning agency by the State exchequer arose.

16. Employing two criteria viz., (i) whether a given scheme would benefit the district and promote the socio-economic interests of the people over there and (ii) whether such a scheme could be planned and supplemented at the district level, the district sector schemes were identified. The schemes identified for district sector were in regard to agricultural production, soil conservation, forests, fisheries, minor irrigation, small-scale and rural industries, primary and secondary education, water supply and sanitation, welfare of weaker sections, district and village roads. As for the financial allocations, the formula used was 50% of the resources to be allocated on the basis of population and 50% on the basis of backwardness of the districts as measured by agricultural and industrial output, irrigation, communication, financial infrastructure, medical and health facilities, power supply, incidence of unemployment, problems of weaker sections and so on.

17. Using the above formula, from out of the total district sector outlay for the State, the plan outlay of the individual district was arrived at and communicated to the District Planning Committee which in turn allocated that amount among the different development departments keeping in view the priority structure evolved by it. The district development department heads formulated programs of development based on the allocation received by them. After duly getting the approval of the District Development Council, the District Planning Committee forwarded these programs to the State government for further action.

18. The district plans presented to the State government often underwent changes in the hands of the state level Heads of Departments either because the sectoral priorities determined at the district level did not coincide with the state level priorities, or the district plan proposals strayed into state level planning sectors, or within the sectors, the budgeted outlays did not accord with the outlays decided upon by the District Development Councils for different schemes. Obviously there was lack of integration between district and state plans. With a view to making district planning more meaningful and effective, from 1983-84 a change introduced was that instead of a lump sum allocation for all the sectors, minor-headwise outlays under each sector were provided. The DDCs were given a free hand to select any scheme so long as it was within the financial limits indicated under the minor head

of account. If there was disagreement between the state level Heads of Departments and DDCs the decision of the state government was final.

19. While this change aimed at promoting integration between district and state plans, it inadvertently curtailed the freedom of DDCs to determine sectoral priorities. However, with a view to restoring this freedom as also for enabling the DDCs to take up programmes of local importance which met the needs and aspirations of the people, from 1983-84 a discretionary outlay of Rs.40 lakh on an average for each district under the head 'District Level Sub-plan' was provided for.

32.5 Panchayat Raj Institutions

20. The changeover from lumpsum grants to a prescriptive system of sectorwise and minor-headwise allocations was, no doubt, intended to facilitate the integration of district plans with the state plan. But this can hardly be considered as the ideal method for securing plan integration unless there was a formal system of exchange of views and resolution of disagreements between the state and the district level officials. That the state authorities instead chose to operate through financial allocation channel is a clear testimony to their unwillingness to share with the district level officials the power of decision-making. This lacuna was plugged by establishing Panchayat raj institutions at the district, taluk and village cluster levels under a Panchayat Raj Act that was passed in 1985.

21. This Act, which provided for decentralized political institutions at the district, taluk and the mandal levels brought into being in January 1987 Zilla Parishads, Taluk Panchayat Samithis and Mandal Panchayats at the district, taluk and mandal levels respectively. These institutions, except the Taluk Panchayat Samithis, had effective power to plan and execute development and welfare programmes. Following this, all the development departments and agencies of the district, including the District Rural Development Societies, which hitherto directly or indirectly was involved in the formulation and implementation of the various district level plan programmes, were brought under the umbrella of Zilla Parishads.

22. One of the major functions of the Zilla Parishads was to formulate and implement district plans by giving a spatial dimension to the plan exercise using a modified central place theory. The planning body of ZP was required to locate the infrastructural facilities in a spatial hierarchical manner. Also, using the growth center strategy the planning agency was expected to identify and develop such growth centers which in turn would transmit growth impulses to the lower level human settlements. The function of Mandal Panchayat, which was the sub-regional planning body at the village cluster level, was to plan for the region falling under its jurisdiction. Its planning body also kept the spatial dimension in view while locating infrastructure and selecting beneficiaries. The Taluk Panchayat Samithis were given the responsibilities of guiding and co-ordinating the activities of the Mandal Panchayats coming under their jurisdiction. Thus, during this phase of decentralized planning, the process got further decentralized, reaching the village cluster level instead of remaining confined to district as earlier.

23. To facilitate the task of planning at the district and Mandal levels, certain institutional and other innovations were initiated. First, the schemes and programmes falling under the jurisdiction of the State, Zilla Parishads and Mandal Panchayats were clearly

defined, so that they took up the responsibility of Planning and implementing schemes in these sectors. The next set of innovations aimed at imparting some degree of expertise to, as also monitoring district plan formulation and implementation, related to the setting up of district planning unit comprising a Chief Planning Officer, a Regional Planning Officer, a Project Appraisal Officer, a Statistical Officer and other experts in each district; opening a district planning cell in the State Planning Department; and conducting monthly review meetings on Karnataka Development Programme at the district level to monitor the progress of district schemes. The third notable innovation was the establishment of the State Development Council – under the Chairmanship of the Chief Minister with Presidents of all Zilla Parishads as members, on the pattern of the National Development Council, to give an opportunity to elected representatives at the district level to evolve plan priorities and policies. The most important innovation in the district plan process was the provision for periodically appointing a State Finance Commission – with a Chairman and two members – on the line of the National Finance Commission, to recommend the pattern of financial transfers from the state government to the Zilla Parishads and Mandal Panchyats and evolve principles which should govern grants-in-aid from the state government to Zilla Parishads.

24. According to the procedure laid down, the total district plan outlay allocated by the state government was distributed among the existing nineteen Zilla Parishads on the basis of population and backwardness with equal weightage. Of what is called 'the district free plan outlay', a third was retained by the Zilla Parishads for implementing their own schemes and the remaining two-thirds was allocated for the Mandal Panchayat plan schemes on the basis of population, area, backwardness and per capita resources raised.

25. The district planning process actually started at the grass-root level with a time frame. Sometimes towards the end of July the state Planning Department indicated to Zilla Parishads and Mandal Panchayats the financial ceiling within which their annual plan should be formulated for the coming year. As a first step in the plan formulation, the Gram Sabha identified programmes for the development of the village and presented them to the Mandal Panchayat. On the basis of this input, the latter formulated plans relating to local works such as water supply, sanitation, rural communication and so on. These plans were sent to Zilla Parishads around mid August for processing. The Zilla Parishads then prepared a district plan including the Mandal Panchayat plans which were sent to the state Planning Department and the concerned Heads of Department by September end. At the State Development Council meeting, held between September end and October end, to which the ZP Presidents and state level development Departments heads were invited, the State Planning Department tried to achieve consistency and integration between the district sector schemes and those of the state sector, and tentatively finalized the district plans. At this stage care would be taken to ensure that adequate provision was made for committed and essential expenditure in respect of the ongoing schemes, salaries and minimum needs programmes. By mid November the state development departments would consolidate the ZP schemes and build them into the various state sector programmes. The resultant draft annual plan was sent to the national Planning Commission which fixed the state plan outlay for the year. Depending on the changes, if any, effected in the state plan outlay by the Planning Commission, the district plans and their outlays were also modified. Following this, the state plan budget would be presented to the State legislature in the first week of March along with the link document which would give scheme wise, sector wise and ZP wise outlays.

32.6 A Land Mark Development

26. A land mark development was the 73rd amendment to the Constitution of India which, among others provided a uniform framework for decentralized governance and planning. The legal framework for decentralized planning has been provided under Article 243(G) of the Constitution (Seventy Third Amendment) Act, 1992 which directs the State legislature to endow the panchayats with such power and authority to function as institutions of self-governments and to devolve to them powers and responsibilities of:

- a) preparing plans for economic development and social justice; and
- b) implementing schemes for economic development and social justice as entrusted to them.

27. The Act identified 29 functions to be devolved by the State government to the panchayats and these were appended as the Eleventh Schedule (Twelfth schedule in respect of the urban local governments) to the constitution.

28. As a follow up to this directive, the government of Karnataka enacted the Karnataka Panchayat Raj Act in 1993 which under Section 309 provided that the Grama Panchayats, Taluk panchayats and Zilla Panchayats should prepare annual action plans for their jurisdiction and implement them after they are duly approved by the competent authority. Section 310 of the Karnataka Panchayat Raj Act of 1993 provides that a District Planning Committee be constituted under the Chairmanship of Zilla Panchayat president and under the vice-chairmanship of the Mayor/President of the urban local government with some members as specified by the Act to (a) consolidate all the plans prepared by the Panchayats of different tiers, and by the municipal councils, and (b) prepare a draft development plan to be forwarded to the State Planning department for being integrated into the State plan.

29. With a view to guiding the panchayats in their effort at preparing plans some guidelines were prepared and circulated. The guidelines prepared by NIRD, Hyderabad were circulated especially among the Grama Panchayats. These guidelines were (a) identify people's needs and locally available resources, (b) matching the two, prepare development projects, (c) prioritise the projects considering resource availability and (d) link them up with the appropriate schemes and then implement them. In this process, people's participation was emphasized and the Grama Sabha, which served as the forum for people's participation, was given a pivotal role.

30. With a view to enabling people to participate in the Grama Sabha in large numbers and to facilitate input gathering by the Panchayat functionaries a set of guidelines were prepared by the RD and PR, Government of Karnataka and circulated them among all tiers of panchayats. Among many other things, the most important guideline issued was that while preparing their Action Plans, the Zilla Panchayats and Taluk Panchayats should take due note of the recommendations made by the Grama Sabha. This guideline is important because hitherto plans prepared by the higher tiers did not formally consider it worth taking inputs from the people at the grassroot level.

32.7 Evaluation of the Regional Planning Process

31. The basic principles underlying decentralized planning as an instrument of regional development as recognized by the government in all its moves to strengthening local level planning appear to be that planning ought to be:

- local resource based and people's need-oriented
- targeted to promote local development
- participative involving people at planning, implementation, monitoring and evaluation stages
- and integrated with higher level planning bodies.

32. Keeping these principles in view, it may be of interest to evaluate the planning process with a view to assessing its potential to reduce regional imbalance and to promote development in the backward areas. Experience with planning by the panchayats as brought out by the available empirical studies bring out the following points:

- Unpleasant situations created by the hostile attitude of the citizens whose needs are not met, disturbance caused by the opposition members, personal attacks on the Panchayat functionaries have often persuaded Panchayat leaders to desist from holding meetings regularly or to hold them without giving due publicity. As a result, the major channel of access to participation of people in the planning process is fore closed and the opportunity of identifying the felt needs of people and local resources is missed out. By and large, therefore, it is the Panchayat members and officials who are in the forefront as for initiating the projects and taking final decisions. Further, since members of the Taluk and Zilla Panchayats hardly attend the Grama Sabha meetings, development plans prepared even by the higher tier panchayats turn out to be plans by the official and non-official members for the people and are not plans of the people prepared by the people.
- Wherever people's participation at the stage of implementation of the projects through special committees was facilitated, the quality of work turned out to be better and works were completed within the stipulated time period. But where people were not involved, implementation of the projects was inefficient, not cost effective and ran behind schedule.

33. The task of identification of local resources and preparation of a list of such resources and their stock is generally not attempted by the panchayats. There is a tendency to formulate projects and plans on the basis of funds made available by the State government. What is worse, intra Panchayat resource allocation for planning purpose takes the form of more or less equal distribution of funds among the members. This is true even in the case of the area development boards. While this practice ensures member-equity, there are chances of (a) better off and worse off constituencies getting equal weightage in resource allocation and bigger projects with wider spill over effects not getting priority. The first consequence widens regional imbalances and the second does not promote scale economies and interdependence of areas for exchange relationship. The consequence of the second effect is that the backward regions miss the opportunity of getting into the mainstream development path.

34. The devolution of funds from the State government to local governments is also such that it does not help reduce regional imbalances. It is an accepted fact that fiscal devolution should aim at reducing vertical as also horizontal imbalances. As part of reducing horizontal imbalances, the government of Karnataka used to apply 12 and 5 criteria for distributing plan grants to the Zilla Parishads and Mandal Panchayats respectively during 1987-92. The merit of this formula was that it gave a 50% weightage to backwardness in respect of the Zilla Parishads. This had a reasonably good potential for reducing regional imbalances in development. The Karnataka State Finance Commission (1996) in its recommendation reduced the weightage given to backwardness to 33.3 per cent which would have affected the interests of backward regions. As luck would have it, this recommendation did not find acceptance from the State government and the latter continued to follow the earlier formula with the weightage of 50% to backwardness. But a revelation is that since 1990 the practice followed is to hike the grants to the ZPs by five to ten per cent of their previous year's outlay. The ZPs in turn are reported to be not applying the criteria suggested by the RD and PR for distributing grants across the TPs. And in the case of GPs no specific criteria are followed except to give a fixed grant uniformly to all GPs irrespective of their needs and developmental level. As a result, devolution of funds to districts, taluks and villages tends to be adhoc and is not consistent with the objective of minimizing horizontal imbalances.

35. Generally speaking, Grama Panchayats prepare the annual action plan by first allocating funds to spillover projects and then allocating the remaining resources to new projects. The Grama Panchayat plans which are sent to the Taluk Panchayat are integrated and a taluk Panchayat plan is prepared. The District Panchayat after integrating all the Taluk Panchayat plans prepares a district plan which is thereafter sent to the State Planning Department for being integrated into the State plan. However, the integration of the Grama Panchayat plans into the Taluk Panchayat plan and the latter into the Zilla Panchayat plan is not done in the integrated area development framework. The projects suggested by the various tiers of panchayats are not thought of nor planned so as to achieve backward and forward linkages due mainly to lack of technical expertise at these levels. The area development boards which take up development projects also fail to take note of these technical niceties. Added to this, these plans when considered for integration into the State Plans, get distorted on account of interference from the district minister and state heads of departments who have their own axe to grind.

32.8 Implementation, Monitoring And Evaluation

36. Better results from planning can be obtained if the projects are properly implemented and progress of implementation is effectively monitored at each stage. There is some element of truth in the saying that while planning as such is good in our country, its failure lies at the implementation stage. Weak implementation is generally blamed on the bureaucrats who are made entirely responsible for the implementation of the plan projects. Bureaucratic implementation of plan projects is plagued by delays, cost escalation and inappropriate location of projects.

37. Under the decentralized planning system, the advantage claimed is that since people and their organizations are involved, implementation tends to be cost-effective. However, in practice this result has not been realized because people and their organizations are hardly involved in the implementation process nor have the NGOs participated in this

process. So much so, even under the decentralized planning regime the problems associated with the bureaucratic implementation continue to be present. This problem is more acute in the backward regions where, due to lack of awareness, people and their organizations hardly take any interest in implementation of local projects. The project implementation process can be made cost effective and the implementation process can be speeded up if it is made participatory in nature. As part of promoting a participatory process of implementation of local projects, the following guidelines may be considered by the local governments:

- There should be a project implementation committee in each Panchayat of all the tiers whose job is to oversee the work relating to the implementation of the project. The committee should supervise the work undertaken by the panchayat, monitor its progress, ensure quality of the work and completion of work in time.
- The committee should consist of the Panchayat member of the constituency where the project is scheduled to be implemented, heads of the village youth clubs, mahila mandals and local NGOs and the local informal leaders.
- The committee should be assisted by the Panchayat official member who will brief the committee about the work specification, project cost, time frame of project implementation.
- The committee should give a quarterly report about the progress of the project to the concerned Panchayat which should be discussed in the Panchayat meeting and appropriate action may be taken on the report.

38. The advantages of using the committee system for implementation and monitoring are:

- a formal organization for ensuring the participating of people and their organizations is ensured, and
- the insistence on quarterly reports from the committee compels the latter to participate in project implementation and monitoring progress of the project.

39. Effective implementation and monitoring the progress of plan projects will ensure not only completion of projects in time but also quality work. The projects completed in time will make available the infrastructure needed for better utilization of the available resources in the backward regions. And this in turn will promote development of such regions.

40. Evaluation of the plan programs in terms of the achievement of their goals and objectives is an important component of the planning process. In the implementation of the plan programs, things may go wrong at two stages: One, at the actual implementation where due to late starting of the project, delay in garnering resources due to administrative and procedural bottlenecks the implementation process may stretch itself leading to time overshoots and cost overruns. Second, owing to inappropriate project identification and location, and wrong sequencing of the projects the goals and objectives set out may not be achieved.

41. In order to implement the projects on time and to achieve their objectives, evaluation of project implementation and course correction, if any, should be undertaken. Generally speaking, two types of evaluation are recommended: One is the process evaluation which is also known as the concurrent evaluation. As the name itself indicates, process / concurrent evaluation is undertaken simultaneously with the implementation of the project. The project implementation stages are identified and the time schedule of each of these stages is noted. The evaluator pursues the process of implementation to assess whether each of the implementation stages is gone through faithfully and completed as per schedule. If any deviations are noticed, course corrections are suggested so that delay in implementation, and the consequent time and cost over runs are avoided. The second type of evaluation is the impact evaluation. As its name suggests the evaluator seeks to assess the impact of the project especially with regard to the achievement of goals and objectives set out. That apart, he also identifies the positive and negative outcomes of the project, and the reasons thereof. The results of this type of evaluation while providing feedback to the planner on the outcome, will also give him lessons for future action. The clear understanding of the negative impact of the project will enable him to take appropriate measures preventing such outcomes when the project is replicated.

42. The monthly review meetings of the development departments serve the purpose of process evaluation. The practice of commissioning occasionally some impact evaluation studies serves the purpose of getting lessons for future. But there are some limitations in these attempts which may be noted. They are:

- These meetings have turned out to be routine and ritualistic, not really coming out with the field reality. Many a time, they tend to be meetings for inventing causes for delay such as "those beyond any body's control".
- Whenever impact evaluation studies are commissioned, quite often the reaction of the persons concerned to the findings is defensive rather than deeply analyzing them and learning lessons.
- Target achievement being the main concern of the concern, the developing the local region is normally missed out in these exercises. So much so, to what extent the local economy is responding to the stimuli provided under the plan projects does not get articulated for future action.

43. Considering the above facts, we recommend as follows:

- Evaluation of the plan projects both at the State and regional levels should be compulsory.
- While the monthly review meetings may continue to report progress, it is essential that local college teachers are associated with the process evaluation with a view to ensuring some degree of objectivity and honest reporting of what ever is happening in the field.
- Impact evaluation studies may be entrusted to universities, recognized colleges and the established NGOs. The results of such studies should be discussed in the monthly review meetings and seriously taken note of.

- The concern in all these evaluations can be target achievement. But in this should be built the concern of regional development and the manner of the local economy responding to plan stimuli.

32.9 Policy Initiatives: Resource Allocation

44. From the above analysis of the planning process, the weaknesses in planning for regional development that emerge are:

- Resource allocation to regions is not adequately based on backwardness criterion.
- Intra-region resource allocation i.e., allocation of resources across constituencies of the panchayats and regional development boards, takes the form of members equally sharing the resources which defies any economic logic;
- People's participation at the planning and implementation stages is not fully ensured,
- Local needs are not properly identified and projects based on local needs are not formulated.
- Prioritization of projects is distorted due to interference by vested interests at different levels.
- Projects when grounded are not completed in time and quality of assets created is not ensured.
- And the sub regional plans among themselves and with the State Plan are not integrated in the frame work of integrated area development due to absence of a coordinating body at the district level.

45. Planning for regional development and redressal of regional imbalances should take care of the above limitations of the planning process. The following suggestions may be considered:

- In the allocation of plan resources, backwardness of the region - district and taluk - should be the major criterion.
- Intra regional resource allocation - especially at the panchayat level - should be based on need of the local economy.
- People's participation at the planning and implementation stages should become mandatory, so that local needs are identified, appropriate projects are formulated and implemented in a cost effective manner.
- Once the local regional governments identify and suggest projects, at no level should such projects be dropped or modified unless for reasons of integrating the various levels of plans in the integrated area development frame work.

- The formulation of inter-regional plans should be carried out in the frame work implied in the integrated area development strategy so that the plan process achieves functional, spatial and group integration. Such an exercise is necessary for establishing backward and forward linkages with a view to reaping market economies and economies of scale.

32.10 Micro Planning

46. A comprehensive District Development Plan should be prepared, as required under the Karnataka Panchayat Raj Act by the District Planning Committees. Such a plan should include the programmes of Zilla Panchayat (ZP) Plan, those of the civic bodies like the Municipalities and the Village Panchayats, schemes outside the Zilla Panchayat Plan but falling within the State machinery for implementation in the Zilla Panchayat area, all private investment schemes, development programmes in the District/Zilla Panchayat area which are funded from external sources but implemented by the line departments, plans financed by institutions like the Karnataka State Finance Corporation and Karnataka State Industrial Investment and Development Corporation, Karnataka State Small Industries Corporation and other all India State and Central Financial Institutions. This is completely missing now under the Zilla Panchayat planning system.

47. Decentralised Planning and the Zilla Panchayat System are to be the main instruments through which the Special Development Plan is to be implemented. The strategy requires revamping of the Planning Department at the State Level giving prominence to District and Regional Planning, Evaluating and Monitoring. At the district Level, there should be a technical planning group for Micro Planning and for integrating all the programmes at the district level into a Comprehensive Development Plan.

48. The Integrated District Plan also demands credit planning in so far as both budgetary and institutional resources both domestic and foreign are flowing into the Zilla Panchayat Jurisdiction. The integration of the Credit plan depends upon how satisfactorily a District Plan is prepared bringing within its own compass all the developmental activities as mentioned earlier. The success very much depends upon the expertise available in the planning body and banks at the district level and how much in advance the District Plan becomes available to the banking institutions for preparing the credit plan.

49. Along with decentralization must go institution building. The institutional framework at the district level must be such as to ensure integration of political, district administration and local institutions for determining programmes of development and their implementation. In this context, democratic institutions like Panchayat Raj institutions come into prominence. In the Karnataka model, while mini government status at the district level is given to the Zilla Panchayat, institutional frame work is inadequate at the taluk and village levels for implementation. Only one or two low level functionaries now man it and for the rest they have to depend upon the Taluk Panchayat. Therefore, Government may have to review the structure and functioning of the bottom tier of decentralized planning and strengthen it suitably.

50. Under decentralized planning, the locations are to be identified for providing facilities under the basic minimum needs, supply of inputs under the various schemes. The choice of location is of crucial importance. The special plan should guide development plans

through a location blue print. It must ensure distributive justice in respect of essential consumption and production facilities for the weaker sections of society. It must also bring about rural-urban integration without neglecting or affecting in any way the area ecology. The location of infrastructure facilities or delivery points may be either of connective type or specific area type. The major tasks would be to design the pattern of settlements for human activities. They should be able to fulfill not only the present needs but also projected needs in a perspective of the future. The settlement patterns should remove functional gaps, if any, in their design. Thus, settlement patterns should be made a very important instrument of development under decentralized planning.

51. In the frame work of multi level planning it is necessary to analyze the local needs and objectives vis-à-vis national and State objectives, analyze the nature of human resources, review the present level of development attained, list out and map amenities available at village block and district levels, examine the district needs in their social, economic, temporal and spatial dimensions, work out linkages with the different sectors and the different areas, formulate policies and programmes, prepare man power plans, determine priorities relevant for the district, monitor the implementation of the plan schemes and evaluate the whole process and the end results.

52. Therefore, this will undoubtedly, call for expertise in district planning. The present District Planning Committees possess no such expertise although there is a Chief Planning Officer. He has to be assisted by experts drawn from the disciplines like economics, statistics, agronomy, cartography, economic geography, sociology, banking, agriculture, animal husbandry and the like. In other words, the strategy needs urgently a Technical Planning Group at the District Level.

53. The focus shifts to indicative planning at the State Level and decentralized or micro planning at the sub-State levels. In view of this, the State Planning Department should be revamped. A regional and District Planning Division with specialists should be set up headed by a Professional Director with the rank of a Joint Secretary with adequate research staff trained in Micro-Planning. It should be the responsibility of this Division to give guidance to the District Planning Technical Group and assistance to the District Planning Committee. It should also guide in the undertaking of special and evaluation studies needed for preparing the Comprehensive District Development Plan. HPC FRRI has also noted that the Karnataka Administrative Reforms Commission which has recently submitted its final Report has also recommended the revamping of the Planning Department at the State Level to be more sensitive to the needs of the Micro Planning, Evaluation and Monitoring. To make micro planning effort more comprehensive, it may be necessary to provide some planning functionaries at the taluka and village panchayats. Perhaps, it is desirable to locate one Planning Officer with auxiliary staff at the block / taluk Panchayat to cover the sub-regions like the village panchayats in that area and utilize the services of the Assistant Commissioner at the Sub-District Level in this effort.

32.11 Data Management

54. The success of the policy of redressing inter-district and intra-district imbalances in the State entirely depends upon efficiency in the preparation of a well integrated **Special Development Plan** combining sectoral and the special components and their effective implementation in an integrated manner with a specific time profile like the one indicated in

our Report. It is needless to add that the **HPC FRRI** had to struggle very much for getting the latest data for the 35 indicators it finally adopted. It may be noted that time series data for these indicators is even now not available. Our Report and the Geographical Information System presented in one of the accompaniment volumes will give a fairly good picture of the nature of the data; its updating, each year, with the focus on the taluks and later on the villages should be done. Therefore, data generation of the type needed and its maintenance, updating it, each year, would be very crucial for achieving the set objectives of reduction in inequalities among the people and also among the regions. With computers being used widely now, the Directorate of Economics and Statistics should be made the nodal agency for the maintenance of the latest data at any cost. For example, data for 2001-2002 should be collected and maintained for 2002-2003. The present practice of 4-6 year old data in several or most cases should be done away with. The form in which it is presented should follow the pattern adopted in our report. This will help in successive years to work out the policy frame work and in programme formulation with a regional dimension.

55. At present irrigation and power sectors do not have a regional orientation in the sense that they are not planned for providing equitable services in different areas of the state. No doubt, the stock answer is that they are indivisible items of huge investment and are not amenable to taluk-wise distribution of benefits. This is a very weak argument. We have in the past handled such issues. Instead of focusing attention only on the total potential created or total power generated the concerned authorities should give equal importance for their distribution taluk-wise and the relevant data must be available. For example, in the case of irrigation project the cost of the head work may be distributed among the benefiting taluks or areas in proportion to the percentage of the area irrigated in relation to potential created. Similarly, in power sector, it should not be difficult to reserve or earmark at least 40 per cent of the power generated for North Karnataka. If there is still any surplus left there it can easily be utilized elsewhere in South Karnataka. Finally, it becomes necessary for the Public Sector outlay planning, each sectoral or concerned Department should be made to graft on area approach, which takes care of micro planning with taluk as the unit of planning. Mere intentions and declarations will not help. The updating of the data and its maintenance on taluk-wise basis and if possible on a village-wise basis shall have to be enforced as a commandment of the State Administration. Accountability should be fixed.

56. The Committee has observed that there are a very large number of projects funded from outside agencies, either World Bank or Foreign National Governments which benefit various parts in the State of Karnataka. But, nowhere has been an attempt made to integrate these with all other programmes under implementation under the plan as well as the institutional finance backed programmes. Nor is there any effort made to assess in the pre-project period the possible dent which all these projects when integrated would make in the development of a specific area like a taluk. The required training and the administrative orders are imperative.

57. No doubt, we have suggested a **Special Development Plan** to redress disparities in a time bound manner within a period of eight years from now. It should, however, be noted that by the time the most backward taluks or more backward taluks are brought to the State average level, those at the State average level will have moved up further in the ladder of development under the Annual Plans. In this context, determined efforts are required to generate data about the private investment in different districts, at the State level and also in the different taluks which would supplement the public outlays, wherever applicable.

Therefore, it is prudent on the part of the Government that the relative movement of taluks in the development scale must be thoroughly monitored and once in every two years, adjustments must be made in public outlays which are intended to bring up the laggards to catch up with State average in the first instance and to a relatively higher developed level thereafter.

58. Each year and once in five years the Annual Plan or the Five Year Plan are prepared by the State Government for the approval of the Planning Commission. Once the objective of Redressal of regional imbalances is incorporated under planning, it is necessary that in each year's plan document a comparative picture of development of each district and each taluk should be presented using the indicators adopted in this report and others for the points of time like 1991-2001, 1992-2002, 1993-2003 and the like.