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ARTICLES

TWO-WAY PLANNING PROCESS: SCOPE AND LIMITATIONS*

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In spite of frequent refinements and revisions, the planning strategy in developing countries has failed to achieve its objective of growth with social justice. We began by asserting that "the heart of the growth problem lies in maximising the creation of surplus—invest and reinvest it" to accelerate production. The accelerated production was identified as growth. The pursuit of this policy did yield somewhat higher rates of growth (GNP) in comparison with historical standards, but it had hardly any impact on the severity of poverty and unemployment. The disillusionment with the growth theory and its GNP indicator came rather suddenly and we were advised to "stand economic theory on its head, since a rising growth rate is no guarantee against worsening poverty." GNP was dethroned and direct attack on mass poverty was prescribed as the most appropriate strategy of development. For more than a decade this precept for poverty elimination adorned the blueprints of the Five Year Plans of several developing countries. Unfortunately, the results have not been very different from those when the GNP symbolised the hallmark of development.

This paper does not deal with the rise and fall of economic theories or their consequences. But it does seem that the repeated disillusionments with strategies of planning has probably turned the search towards the mechanics of planning. After 'standing economic theory on its head' failed to produce expected results, it is being suggested that what is needed now is to 'stand the planning process on its head'. In other words, we should plan from below, or as a second best decentralise the planning process. The failure of planning to meet the challenge of poverty, inequality and unemployment was attributed to the highly centralised nature of planning. Consequently, the emphasis was shifted to decentralisation. Decentralisation also has a record of more than a decade. After the initial enthusiasm, the sobering influence of the technical, administrative and political problems associated with decentralised development rekindled the search for an appropriate methodology of planning. There is now a better appreciation of the relevance of macro as well as micro planning to meet the challenge of poverty and unemployment. But "the methodology to mesh in planning from top and planning from below through a two-way linkage in the planning process" is still in a formative stage. The process

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through which such a methodology can be developed should commence by setting down clearly the roles of the national level and the local level planning in the strategy of development, the imperatives by which these roles are determined, and the rationale as well as the limitations of the two processes. Second, some indication should be given about the nature of obstacles to the 'meshing in' process, whether they are political, technological, administrative or organizational. A tentative attempt is made in this paper to deal with these problems, based almost entirely on the Indian experience. It should however be recognized that several such attempts would be needed before an acceptable blueprint of a two-way planning methodology is developed. At best, our attempt will help to obtain some insights into the problems involved in evolving such a methodology.

We should like to start the discussion at the conceptual level by examining three major issues: (1) The Rationale of decentralisation, (2) Limitations of decentralisation and (3) Contribution of decentralisation to the problem of eradication of poverty. The central theme which emerges from this discussion is the critical importance of integration of sectoral plans and the difficulty of persuading the vertical command line, viz., the Ministries and Departments at the State headquarters to accept the discipline of planning which would permit the integration of their projects at the horizontal (district) level.

POVERTY AND THE PLANNING PROCESS

Poverty is a complex phenomenon, a product of a system with inter-locked political, economic and social components. As such, poverty cannot be eliminated by merely restructuring the planning process. At best, an appropriate planning system can play a critical supporting role in a comprehensive strategy of eradicating poverty.

It needs to be emphasized that decentralised planning is not a substitute for planning at the national level. The development strategy and the policy frame for poverty eradication have to be evolved at the national level. Laying down a set of priorities, fiscal and monetary policy, transport, communication, energy, science and technology policies, to name a few, all belong to the sphere of macro planning and each of them has a direct or indirect impact on the poverty problem. For example, Government expenditure is known to affect income distribution. A study of the distribution of benefits of Government expenditure in India reveals that "at the all-India level, the share of the poor in benefits (in 1975-76) works out to only one-third of that of the non-poor."¹ Since the share of the poor in the tax burden at 26 per cent is not much smaller than that in benefits from Government expenditure, the author comes to the conclusion that "for a large majority of the poor the fiscal system turns out to be regressive."

1. Anand Gupta: *Who Benefits from Government Expenditure in India*, Centre for Monitoring Indian Economy, Bombay, July, 1980.

The macro plan sets a limit not only to the scope of feasible decentralisation, it also conditions the effectiveness of decentralised development geared to eradication of poverty. For example, if inflation is not contained poverty would be aggravated. But this in no way detracts from the necessity of decentralised planning, nor does it diminish its crucial role in the task of removal of poverty and improving income distribution. Assuming that the national plan has formulated appropriate policies for removal of poverty and inequality, operative part of the plan has necessarily to be carried out at a fairly decentralised level, a district, a block or a cluster of villages. Decentralisation will not be of much avail if national policies for redistributive justice are inadequate or faulty, nor will appropriate policies bear fruit if proper mechanism is not evolved to disaggregate the problem at the dispersed levels where it actually manifests itself.

Policies have to be translated into programmes and these programmes have to be devised and their implementation organized in the context of the differing local situations. The rather dismal performance of the macro plans in regard to their objectives of eradication of poverty and unemployment and improvement in income distribution is in no small measure due to the imperfections of the planning process and the weakness of the planning and implementing machinery at the district and the lower levels.

A clear perception of the problem of poverty and of the process which generates and sustains it is necessary if planning is to perform a useful role in its eradication. A comprehensive discussion of the theme of poverty is beyond the scope of this paper and the author's competence; yet a few observations which depart from the usual analysis of the problem may be helpful.

There is no dispute that it is the socio-economic system that generates poverty, and its inseparable counterpart affluence. But whichever be the system, it cannot be sustained without the backing of value judgements which implicitly, if not explicitly, endorse the outcome of the system. The roots of these value judgements are deeper than those of the system. Planning, reformist or revolutionary, which proceeds on the assumption that the two are irretrievably interrelated, and hence an attack on the prevailing socio-economic system will automatically destroy values and attitudes which sustain it, may achieve some outward results but the results will not be enduring. Of all the Plan objectives, eradication of poverty involves not merely a structural change but a more basic change in the value system. Even radically altered structures and institutions can be manipulated if the values which impart esteem to affluence and view poverty as misfortune have not changed.

No less a person than Chairman Mao has conceded that "a mere public ownership of production cannot usher in socialism, because such a change by itself does not rid men's minds of selfishness, personal concept or the desire to have the better of others, nor end workers' alienation arising from division of labour." To this we may add Joan Robinson's observation: "Soviet experience shows that power, privilege, and access to education

can form the basis of class distinctions,' notwithstanding the structural change in the system's economic foundation.²

RATIONALE OF DECENTRALISATION

The merit of decentralised planning is derived from its ability to discover dormant resources and skills and its endeavour to activate them. Structural, technological, institutional and organizational obstacles to overall growth as well as its equitable spread can also be better identified when viewed in the proximity of the specific area and the people. More importantly, every area however small has its inherited social and cultural ethos which the planner has to understand if he is planning for the people and not merely for the area. Better perception of the situation by itself may not be a sufficient condition for effective removal of obstacles to growth and equity, but their exposure with empirical backing would certainly help to generate pressures which would become increasingly difficult to resist. There are numerous recorded instances, albeit isolated and not necessarily universally replicable, which show that when opportunities are revealed and technological-organizational inputs are provided, commendable results are achieved through community action. Awareness among the disadvantaged can also lead to clashes and conflicts, but this too should be viewed as a positive factor in the struggle against poverty.

To illustrate the point regarding perception, let us take the case of poverty and unemployment. For the Central planner, poverty and unemployment are macro phenomenon seen through a highly aggregated array of statistics. Such statistical information is necessary for formulating a national plan but not sufficient for devising programmes for poverty removal. With such technical coefficients as he may have access to, the Central planner can estimate employment which would be generated in different sectors by the Plan outlay. If the exercise reveals that employment generation through Plan outlay is likely to fall short of publicised targets, he may incorporate in the Plan a few special labour-intensive projects to narrow the gap, and deliver homilies on appropriate technology, product-mix, factor pricing and so forth. But this is as far as he can go.

It is one thing to understand poverty, quite another to understand the poor. The Central planner sees poverty in the abstract and prescribes global solutions. What is however needed is to know the poor, identify them, understand their social, economic and cultural disabilities and above all understand the local setting and its institutions under which poverty is generated and sustained, before solutions can be conceived, concretised and set into action. Employment generation and anti-poverty programmes therefore have to be area and community specific, taking into account the differing development potential as well as the constraints of each area and each community. All this can be done with the full cognizance of its attendant implications only at the local level of planning. As the saying

2. Joan Robinson: *The Cultural Revolution in China*, A Pelican Original, Penguin Books Ltd., England, 1969.

goes, you cannot tend a flock of sheep from a camel's back, in the same way you cannot eliminate poverty from the elevation of a Central plan, however, thorough and earnest.

Take a concrete case illustrated by a field study in Tamil Nadu conducted by the Madras Institute of Development Studies. The researchers "were continually impressed with the fact that most of the tasks sought to be promoted under the DPAP and IRDP could not be accomplished, except on the basis of village level decisions and village level co-operation. Neighbouring farmers had to agree for field channels to be rationally aligned and excavated, and thereafter, in the equitable regulation of water. Contour-bunding and other soil conservation works, which extended across boundaries of private field ownership could not be taken up without the consent and co-operation of all who were involved."³

Another aspect of rural development for which decentralisation would be helpful, is indeed essential, is the integration of projects launched by different Ministries and their Departments. There is abundant evidence which establishes that one of the main factors responsible for the less than optimal performance of rural projects was the lack of inter-departmental co-ordination. Planners now do understand the importance of linkages; nonetheless each Ministry is keen to launch its own project, and even a separate agency to implement it with a ritualistic exhortation that the project should be 'dovetailed' with the other on-going projects. In fact, what the concerned Department really expects is that other agencies or Departments will dovetail their projects with the one it has launched. This competitive zeal to regard one's own project as central to rural development to which other projects should cohere inevitably results in sub-optimal performance. A Planning Commission's Paper on Planning Machinery in the States admits that "the integrity of district planning is seriously threatened by the multiplicity of decision making agencies such as the Panchayati Raj Institutions, Co-operative, and public sector enterprises [there are 22 State Corporations in Maharashtra], SFDA/DPAP/CAD, District Industries Centres, etc."

The point is missed that after Departmental projects are finalised and commenced, the scope for effective inter-departmental co-ordination will be severely limited. Integrated development will have meaning only when project proposals of different Departments are submitted to a departmentally unaffiliated technical team working under a specially constituted district planning authority. The team, under the guidance of the local planning authority, will scrutinise the departmental projects and mould them into a single development plan consistent with the local, regional and national priorities, and development potential of the area and the available financial and material resources. The team would carefully assess the past experience of successes and failures and the factors behind them. This exercise may also help persuade the State Departments or other district representatives to alter or amend their proposals.

3. Madras Institute of Development Studies: Structure and Intervention, Madras, August 1980 (unpublished).

A close scrutiny of forward and backward linkages of the bundle of project proposals may reveal an unsuspected scope for economy in resource use and cost reduction. The attempt would be to get the best return from the total area development plan rather than from each individual project. It is conceivable that the return from the integrated plan may fall short of the sum-total of what was unrealistically projected in individual projects. But hopefully, there would be less of the phenomenon of half-finished project, extended gestation and eventual cost escalation as has invariably happened in the past.

It hardly needs saying that local level planning does not connote "doing in the state capitals or at district headquarters the same kind of exercises as are done at the national level." The entire process of preparing an area plan has to have a distinctive character. Its perception of problems has a human dimension, its assessment of the achievable reflects historical experience, its design displays linkages, its action plan avoids reliance on vested interests and attempts to build up countervailing forces.

One other aspect of decentralisation which has not received the attention it deserves is what may be termed decentralisation of the talent hierarchy. Talent has a tendency to float to the top, denuding the lower strata of sustenance needed for growth. Whether it is in the realm of politics, administration or profession, talent gets concentrated at the top. We have seen that area planning is not a job for a parvenu. Besides, it is easier to sit down and formulate a plan, be it for growth or for growth with social justice, than to set it in motion in remote areas and among remote people. People in rural areas, particularly the poor have a protective suspicion of any outside intervention and it is not easy to make them understand the intent of the plan and elicit their co-operation. Within such environment, if area planning is to succeed it will need persons not only with talent but also with tact, patience, perseverance and above all empathy. Moreover, at the district level, the processes of plan formulation and its implementation are closer. Hence, the problem of matching performance with promise is more pressing for the district planner.

It is therefore necessary to equip the District Planning Authority with a multi-disciplinary planning team under the leadership of a person well-versed in the technique and discipline of planning. The main qualification for the membership of the planning team would be professional competence, but since the plan it produces has to have a high degree of acceptability by the implementing agencies, they too should be represented on the planning team. Further since a substantial portion of plan expenditure is now met through institutional finance, the credit institutions must also be represented on the team.

LIMITS TO DECENTRALISATION

In a federal State like India, decentralisation of planning authority and financial resources has to take place first from the Union to the State Governments and then from the State Governments to the district or the

block. The legislative and fiscal jurisdictions of the Central and the State Governments are defined by the Constitution. There is a provision in the Constitution which enables periodical adjustment in the matter of sharing of tax revenues between the Centre and the States through the Finance Commission appointed once in five years. State Governments also receive "Central Assistance" under the Five Year Plans and Annual Budgets of the Central Government. While the details of these arrangements are of little interest for our theme, the point is that the States, towards whom the first move in decentralisation is to be made, feel—rightly or otherwise—that their planning endeavour is constrained by the paucity of financial resources.

In the context of the decentralisation debate, one somewhat curious feature of Indian planning may be noted. A large number of special programmes for the weaker sections,—e.g. Small Farmers' Development Agency (SFDA), Marginal Farmers and Agricultural Labourers (MFAL) Development Agencies, Drought-Prone Area Programme (DPAP), the Accelerated Rural Water Supply Programme (ARWSP), House Site for the Landless and Food for Work—were and many of them still are "Centrally sponsored"

The device of Centrally Sponsored Schemes (CSS) illustrates sharply the sort of contrary pulls which affect the process of decentralisation. While successively a larger share of development outlays has been allotted to the States, the Planning Commission and the Central Ministries have expanded the coverage of the CSS. Thus the expenditure on CSS has increased from Rs. 2860 million during the entire Second Five Year Plan to Rs. 8740 million in a single year 1978-79. We cite at some length the justification for this arrangement as the same has been provided by a former Deputy Chairman of the Planning Commission. "There are problems of national concern which cannot be left to States because of their inter-State implications like population planning, inter-State power transmission lines, etc."⁴ Apart from this argument which has some validity, it is further stated that "There are other plan priorities where the States should be interested but because of *their power structure or because of limited vision* or lack of resources, they have to be specially spurred and induced. Many of the interesting experiments in agricultural planning like SFDA, MFAL and CDA, etc., have come through centrally sponsored schemes"⁵ (emphasis added).

The statement raises some important issues. Is the power structure in the States more reactionary than at the Centre? As for the limited vision, is it suggested that the concern for the poor is more pronounced at the Centre than at the States? Though *prima facie* such presumptions may appear unwarranted and may be viewed as an affront to the State leadership, if idealistic perceptions are tempered by stark realities as they prevail in many of the Indian States, the view quoted above may not be all that

4. D.T. Lakdawala: Plan Finances In a Federal Economy, Dr. V.S. Krishna Endowment Lectures, Andhra University, Waltair, 1979.

5. Lakdawala: *ibid.*

objectionable. Besides, there are concrete instances which confirm the apprehensions of the Planning Commission. Some of the Centrally Sponsored Schemes are entirely (100 per cent) financed by the Centre and for others the expenditure is shared usually on 50:50 basis. When it was explained to the States that assistance under CSS was additional and the un-availed amount would not be available as general Plan assistance, there was pressure from several States to augment the scope of CSS and expenditure on them. The relevant State Departments exercised pressure on their Government and Central Ministries also joined the game with a view to extend their own sectoral empires. On the other hand, "A study of the use of centrally planned schemes would reveal that these have not been used (implemented) by some States and money allotted to them surrendered, even when there was no sharing involved."⁶

The former Deputy Chairman asks a very pertinent question: "Which authorities should move first in an attack on backwardness (and let us add poverty) and how far can one push the other?" He does not give a categorical answer, but from his unquestionable intimate knowledge, he laments, "State plan priorities themselves are different from what their interest requires. Higher educational institutions, large prestigious industries, etc. are preferred to new primary schools, adult classes, village industries centres, extension work, etc.... On a problem like consolidation of holdings and land reforms which in many ways is the essence of agricultural development, some States have lagged behind others."⁷ It is a well known fact that in one State even the recording of land rights was suspended under pressure from the landlords.

At the other end, there are States which consider themselves as more progressive than the Centre and probably are. They not only question the presumption by the Centre of greater concern for the poor but consider it as a stratagem to obstruct the radical orientation of State leadership and to preserve the balance of power in their (Central leadership's) favour.

Be that as it may, at what level the power structure reflecting the vested interests is more assertive and pernicious is a question which the social scientists have to investigate. On their findings will depend the extent to which decentralisation will be in the interest of the poor. One observation however can be made. The manipulative power of vested interests over the State apparatus concerned with planning (for the poor or the rest) and implementation increases as the area becomes smaller. But this is no reason for withholding decentralisation because the potential for mobilization of countervailing forces also is greater when issues are more area specific.

The second stage of decentralisation is from the States to the district. Here, the pattern of devolution of planning functions and financial resources to the districts varies a great deal. In some States like Maharashtra and Gujarat, a prescribed share—30 to 40 per cent—of the State's

6. Lakdawala: *op.cit.*

7. Lakdawala: *ibid.*

total Plan outlay is allocated for district level schemes though a large part of it (80 per cent in Gujarat) is set aside for "normal schemes to be proposed [at the State level] in the light of priorities and guidelines given by the State."

The composition of the district planning authority also varies considerably from State to State. In Maharashtra, for example, the District Planning and Development Council has as its Chairman a "Designated Minister" in the State Government. Another Minister and the Divisional Commissioner serve as Vice-Chairman. In Gujarat, on the other hand, the District Collector acts as the Chairman and the District Panchayat President as the Vice-Chairman. In West Bengal the Zilla Parishad (the District Panchayat) is put in charge of planning but more so for implementation of the district projects. This brief information may be of some relevance in judging the nature and extent of the decentralisation process prevalent in the States.

Local planning has to operate within the scope defined for it from above. Even so, the local planning authority need not view itself as a passive recipient of projects and programmes handed down to it by the State or Central Government. If it takes such a view or the planning authorities at higher levels so restrict its operational role, the contribution of local level planning by way of a more perceptive planning and more purposeful implementation would be at best marginal. Precisely how much autonomy should be given to the local planning authority, in which fields and with how much financial resources is an issue which would require an elaborate discussion. One point may however be stressed. The local planning authority should be given maximum latitude in regard to the development and welfare programmes concerning the target group which would obviously consist of the weaker sections of the population. This is necessary because it should be laid down that the performance of the local planning authority and implementing agencies will be judged primarily by the extent to which they succeed in augmenting and strengthening the skill and the asset base and hence the productivity and income of the weaker sections of the population within its jurisdiction.

PLANNING FROM BELOW

"Planning from below" as a logical extension of the principle of decentralisation has considerable ideological appeal. It is however necessary to view it in a proper perspective and recognize its limitations. Presumably, planning from below would mean that the planning process should begin at the level of the village or a cluster of villages. Such village plans will be assembled and suitably dovetailed at the taluka or block level and would become block plans and through a similar process during upward journey would assume the status of the district and ultimately the State plan. Such a plan, it is contended, will reflect peoples' aspirations and felt needs as distinct from the technocrat's and bureaucrat's perception of the content and direction of development.

Though the idea has an idealistic appeal, it has several flaws which cannot be ignored. All problems of an area—a village, a block or a district—even such obvious ones like poverty, ill-health, etc., do not necessarily originate in the concerned area inasmuch as their causes lie outside the area and therefore their solutions have to be found outside the area. Drought-prone areas, waterlogging or soil depletion are instances in point. River valley projects or soil conservation schemes have to be planned on a watershed basis which may transcend more than one area. Power generation and the transport system too have to be planned on a larger canvass. No doubt, all such projects have an area content even at the planning stage but more in the process of implementation. As noted earlier, consultation with local authorities and the local people and their informed judgement must find a place in trans-area planning.

The proposition that the plan should reflect peoples' aspirations and felt needs assumes a harmonious society. In an unequal society, more often than not, a planner will be confronted with conflicting aspirations, the deprivations of one section may be a consequence of the privileges enjoyed by another section. A question will then arise whose aspirations and felt needs should the planner endeavour to fulfil; unless it is specified that he should consider removal of poverty as the supreme felt need and aspiration.

In spite of such a dilemma if a planner is put under pressure to devise a plan tailored mainly to the fulfilment of an assortment of felt needs, he will be driven to finding cosmetic solutions, appeasing instead of planning. This is precisely the process through which populism takes hold of the politician, from which the planner at least should be saved.

There are of course many felt needs which reflect convergence of all interests which no planner could ignore, nor does he have the privilege of replacing peoples' perception with his own perception of felt needs. But if there is anything like a science of planning which would justify making a distinction between a planner and a politician, the planner should have the freedom to chart out the path for the fulfilment of deprived peoples' felt needs. This path may not be the shortest or the quickest, but within the limitations of socio-economic parameters and his own professional competence, the surest. The political leadership will of course have the final authority to accept or reject the planner's plan.

All in all, if a wholly or largely centralised planning has its infirmities, a fanatical advocacy of planning from below is not free from them. Planning especially in a big country like India has to be a two-way process at more than one level: between the Centre and the State (or a Region), between the State and its districts and between the district and the block or a cluster of villages. Given the commitment to the principle of decentralisation, the modalities of the process should better be evolved through trial and error rather than prescribed as a blueprint. The question of sharing of authority and financial resources will never be free from controversy. Power equations will dominate the controversy, aggravate regional feelings, e.g., on sharing of inter-State river waters, location of a steel plant. But this is a part of the game in a democracy.

It has already been stated that it is primarily at the national level that major policy decisions are taken which in one way or the other affect the effectiveness of measures for the eradication of poverty and unemployment. Only if these policies are in consonance with the policy needed for poverty eradication, a discussion on restructuring of planning machinery would be useful. The whole plan and not just a part of it under the caption "special programmes for the weaker sections" must reflect a commitment to poverty eradication. No policy, no project should be inconsistent with the objective of poverty removal. If the commitment of the national leadership to poverty eradication is lukewarm, it will severely hamper effective action at the State or local level. In a federal structure if some of the constituent States are governed by a party with a more radical orientation, a somewhat more energetic action for poverty removal can be initiated, but in the short run of say 5 or 10 years, the achievements in these States and the rest will not be outstandingly different. Thus the scope for the (decentralised) local authority to formulate plans for eradication of poverty and implementing them will be determined to a considerable extent by the latitude permitted by the State and Central Governments to the local planning authority.

THE HOPE BELIED

It is now generally admitted that the expectation that decentralisation of planning will help to improve performance, particularly in respect of achievement of social justice has not been realised. Many explanations are given for the failure of decentralisation to provide stimulus, as was hoped, to rural development whose primary objective is to eradicate poverty and unemployment. A fuller discussion of this theme is beyond the scope of this paper. Briefly, we shall contend that though poverty cannot be eliminated altogether without a total social reconstruction or structural change involving property relations, considerable ground can be gained in the struggle for poverty eradication through a better planning process and planning mechanism. To put it differently, not all failures of anti-poverty programmes can be attributed to the opposition of the vested interests. A good many of them fail through sheer inefficiency, bad planning and unintelligent mechanisms of implementation. If this were not so, projects and programmes such as power generation, major irrigation, soil conservation, production of fertilizers, cement and steel, which are demonstrably in the interest of the Haves, would not have performed so poorly as they have done.

Let me cite a typical example. "Acute coal shortage has severely hampered work on the second phase of the Rajasthan Canal.... The main work of lining the canal and water course in the command area has come to a virtual standstill.... The problem of coal supply has been persisting for the last two years... Against the requirement of 90,000 tonnes of coal for 1980-81, the supply so far—mid-January 1981—was only about 8,000 tonnes.... The nation is in fact losing Rs. 5,000 million annually in terms of

food production because of the delay in executing the projects.”⁸ Much of such mismatch can be traced to the compartmentalised system of decision-making at the Centre and corresponding absence of a competent machinery to formulate an integrated area plan at local levels. If steps are taken to decentralise decision-making in areas appropriate for each level of the decentralised system and if the implementation system is revamped, there is reason to believe that many of the failures on programmes for the benefit of the weaker section can be avoided. We would go further and stress that in the absence of such reorganization of planning and implementation system, with the best of will these programmes will not succeed.

The major shortcoming of the decentralisation experiments (most of them are still in the experimental stage) as they are being conducted in India and in most of the Asian countries, apart from their half-heartedness, is the lack of appreciation of the necessity (or unwillingness) to constitute a planning authority at the local level with a high enough status assisted by a multi-disciplinary planning team. And the major obstacle in establishing such a planning apparatus is the training, tradition and culture of the administrative system which is accustomed to one-way hierarchical line of command from the State to the District, the taluka and village levels.

Confirmation of the futility of piecemeal approach to anti-poverty programme comes from a more prestigious source, a World Bank research publication. Adelman and Robinson⁹ have constructed an economy-wide computable general-equilibrium model as a laboratory to test the impact of policy measures aimed at poverty elimination and better income distribution over short to medium run. The model is rooted in the economy of South Korea. As their findings have received wide publicity and are likely to figure prominently in the animated debate on the problem of poverty, we take the liberty of quoting them at some length.

Adelman-Robinson model reveals that “policy instruments in current use are largely ineffective when used singly because the effects of even substantial government intervention are quickly dissipated over time, with a few of the trickle-down effects.” However, it also shows that “with an integrated well-balanced, mutually reinforcing selection of development strategy and anti-deprivation policy packages, substantial improvement is possible over relevant time periods.” The authors contended that such co-ordinated packages are feasible within the existing economic structure, but warn that “they (will) have a major impact on the relative position of different socioeconomic groups and hence on the balance of power within the country.”

The model simulated half a dozen programmes for rural economy individually and in combinations: Land reform, Co-operatives, Productivity and Marketing, Public Works and Industry, Consumption Subsidy, Education and Demographic Change. Without going into details, we may highlight two major outcomes from the model. Rural Development includ-

8. “Coal Nightmare for Dream Canal”, *The Times of India*, New Delhi, January 21, 1981 (UNI).

9. Irma Adelman and Sherman Robinson: *Income Distribution Policy in Developing Countries: A Case Study of Korea*, Published for World Bank, Oxford University Press, New York, 1978.

ing Land Reforms yields the best result in terms of both growth and income distribution. The package dramatically reduces the extent of poverty and is very favourable for overall income distribution. However, the programme which excludes land reform is noticeably less effective. "Total production and income drop off somewhat, the size of poverty population increases substantially and the overall distribution is more unequal.... the average incomes of the bottom two deciles are down 7 per cent."¹⁰

The contribution that redistribution of assets (land ownership, for example) can make is difficult to quantify. But the case for redistribution does not depend on such measurement. Inequality, particularly glaring inequality such as is seen in the coexistence of poverty and affluence, besides being indefensible as an economic phenomenon, is normally repugnant. Yet if it is contended that redistribution is the sole or major solution to the problem of poverty, the case for decentralisation would lose much of its force, for the simple reason that policy decisions and legislative action for any worthwhile redistribution will have to be taken at a much higher level. Decentralisation can play a positive role in poverty eradication mainly in two ways. A planning authority at the district level equipped with adequate sanctions and resources is in a better position to arrest the process of impoverishment through more specific identification of exploitative instruments, such as rents, interest rates, trading margins, etc., which generate and sustain poverty. It can initiate countervailing action by more effective enforcement of legislative sanctions and strengthening non-exploitative arrangements, such as institutional credit, co-operative marketing and public distribution. Additionally, it can help to channel a larger than proportionate share of public, private and institutional investment with supportive services—extension, training, technology upgradation, input supply, marketing—to the weaker section of the population. It can also prevent the trickle up in the special programmes for the weaker sections and improve their performance. The total impact of this course of action may not be dramatic but it will definitely change the course of the income stream in favour of the poor. In any case, if such a reorientation is to be achieved, it can be done only through authentic decentralised planning and implementation machinery.

10. Adelman and Robinson: *op.cit.*