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Innovative approach to decentralized planning for backward area development in India

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The allocation of appropriate funds for any development sector is a major issue in which the three levels of rural development are involved, namely the Panchayats, its block and district. There is a huge disparity between the funds proposed under a bottom-up decentralized planning system from the Panchayat and block levels and the top-down release of funds from the district. The targeted beneficiaries are totally unaware of the development goals and their priorities for fund utilization. Besides, there is a major gap in the sector-wise planning for funds and the scheme-wise release of funds due to a lack of clarity on sector-wise allocation of funds involving various schemes. Further, there are various government agencies to actuate the development mostly under the influence of vested interest groups. India as a country is largely rural, out of which a significant area is still backward. For India to improve its development indices of health, education and livelihood, there have to be some innovative approaches that can provide effective objective functions based decentralized planning model for backward area development. The five-year plans of India henceforth have to be more meaningful in terms of priority based backward areas development.

Key words: Decentralized planning, objective functions and planning model.

INTRODUCTION

The benefits of development efforts through the exotic models did not percolate to the roots of our society perfectly and as a consequence a significant portion of the India's population lies below the poverty level in backward areas. The centralized approach in planning failed to recognize the micro-level variations that persist in different dimensions of planning such as spatial, sectoral and sectional (population). Wherever isolated efforts were made to confute this, they were all intermittent and could never become a perpetual process.

In short, such planning efforts stood more on investment for consumption than investment for production of goods and services for development.

Decentralized planning in India

Decentralized planning is not a new concept in Indian democracy; it is at least as old as the concept of planning itself. Since the commencement of planning in 1951 the

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government has taken several steps (Sundaram, 1997) to provide impetus to local level planning. Decentralized governance is assumed to provide more effective and competitive delivery of services at the grassroots level. Being closer to the people, decentralized governance is assumed to meet needs and preferences of the people (Sangita, 2002; Breton, 2002; Bardhan and Mookherjee, 2002). Decentralization enables the people, particularly the vulnerable sections to increase their capabilities, participate productively in the market and earn their freedoms (Sen, 1999). By the 1970s, it came to be widely recognized that development in India had evaded the vast majority of the poor population (Webster, 1992). As a consequence, a number of special programmes were introduced in this phase. Also emphasis was laid on Block-level planning.

An elaborate system of financial devolution was prepared, and in addition to central and state government grants, the Panchayati Raj Institutions (PRI) were also empowered to raise resources of their own. However, the euphoria generated by the initial efforts at democratic decentralization in India faded. Except in a few states like Gujarat, Kerala, West Bengal, Maharashtra and Karnataka, studies reveal that no serious attempt was made by the state governments to entrust to the panchayats the responsibility of development administration (Inamdar, 1985; Crook and Manor, 1994). Women in the rural areas in large parts of the country are less educated and mainly stay away from the public sphere. Similar is the case with the SCs and STs. With the introduction of reservations their representation in the panchayats has become mandatory. But most of the women and SC and ST representatives still find it difficult to cope up with new realities due to prevailing cultural disparities (Lieten and Srivastava 1999).

The analysis of the impact of the various measures taken to broaden and deepen the decentralization reform by Bardhan and Mookherjee (2000) shows that even though about 2/3rd of the local government positions were taken by landless, small and marginal farmers, they were under-represented as their population weight was 96%. The study argues that there is considerable responsiveness and accountability in the pattern of resource allocation in villages. At this juncture, it is essential to look at whether the decentralized governance has the ability to promote development at the grassroots level if it meets certain conditions (Internal and external) such as Peoples Participation, Accountability and Transparency (as internal conditions) and the Social Capital (as external condition). People's Participation, Accountability, and Transparency are often mentioned with a strong consensus to make decentralized governance effective. Local government does not attempt to do everything by itself (Fiszbein, 1997). In local government development process (Ghosh, 2000; Dasgupta, 1995), the disadvantaged groups felt that their powers over village affairs had increased. The elite, landowners, money-

lenders and high caste people did not dominate the participation process in panchayats (Lieten, 1996; Kohli, 1987). The panchayat is not only effective in eliciting people's participation in planning and implementation but also effective in mobilizing the local people in maintenance of panchayats' assets after completion of the construction (Datta, 2000; Kar, 1997). The elected members from SCs, STs and women categories were poor in participation in the meeting, remain passive while the political party, higher caste or educated tended to dominate the meeting (Bhattacharya, 2002; Webster, 1992).

Decentralization and development

The link between decentralization and development comes stronger in the formulation on 'competitive federalism'. Breton (2002) provides a more systematic analysis of vertical and horizontal competition to conclude increased efficiency under decentralization. Pierre Salmon's analysis of horizontal competition shows that citizens of a jurisdiction can use information about the public services provided elsewhere to evaluate the performance of their own governments. Therefore, competition among governments not only affects policies to attract or keep citizens happy, but also interacts with electoral incentives.

UNDP (2007) report had talked about putting people at the centre of development through human development approaches thereby enlarging people's choices and freedoms to live a long and healthy life, have access to knowledge and a decent standard of living, and participate in communities with dignity and self-respect. Even after implementation of ten 5-year plans, India figures 128th in the list of countries in terms of its Human Development Index (HDI) that is broadly based on three development dimensions of – Health, Education and Livelihood. India has a large rural population and most of which comprise the poor and marginalized from the backward tribal regions that had remained undeveloped and underdeveloped. The central problem here is not about fund-allocations but about fund-utilization without a base development plan till the last mile. Planning at the block level is more adhoc and driven by unavoidable compulsions and no prioritization. The first Millennium Development Goal (MDG) of 'Eradicating Extreme Poverty and Hunger' aims, by 2015, to reduce the proportion of people whose income is less than \$1 by half (UNDP 2009). India's 11th Five Year Plan, reiterating the country's commitment to the MDGs, has set socio-economic targets for inclusive growth and development. These include: reducing the headcount ratio of consumption poverty by 10 percentage points, raising the real wage rate of unskilled workers by 20 percent and creating 70 million new work opportunities. One of the major factors which restrict the process of decentralized

development is the weak data base at the lower levels of planning. In general, planning which is information intensive (multi-disciplinary) exercise, suffers in terms of scarcity in quantity and reliability in quality of information at all levels. The problem is severe at micro-levels especially for rural areas. Since, information is a necessary condition, if not sufficient for taking decisions, a sound data base to provide such information on regional development will help the planners to avoid the ad-hoc and subjective decisions. This was also emphasized in the report jointly prepared by Space Application Centre, Ahmedabad and Town and Country Planning Organization, New Delhi (1992) on Bharatpur District, which states that.

District planning process: Case of Paschim Medinipur District

Paschim Medinipur was carved out of erstwhile Medinipur District in January 2002, as a district with total area of 9.3 thousand sq.km and a population density of 561 persons per sq km. One third of the total population comprises SC and ST. It has 29 Blocks and the ones in the western half is more backward compared to the eastern ones. The reasons for slackening growth of district economy have been the disparities in development of the various Blocks. For balanced growth, the backward Blocks will need more planning emphasis in spatial and sectoral dimensions with appropriate physical actions and financial allocations. The district planners banked on the will of the Government, participation of its people and on timely release of required financial resources to create new opportunities for livelihood generation through development of agri-culture, agri-services and agro-processing, horticulture and food processing, forest management and forest based enterprises, enterprise development in fishery, animal husbandry and animal based processing, small scale, cottage and household industries, repairs and manufacturing, small trades, co-operatives, education and health services in public and private sectors, etc. Since the beginning of the Eleventh five year plan the pattern of release had been majorly for schemes for ensuring maximum employment for unskilled labour and thereby their livelihood security.

Issue of financing of district plans

To maintain the spirit of decentralized planning it is imperative that special institutional efforts and initiatives shall be needed to establish an organic link between the agencies (lower levels) that require fund and agencies (higher levels) that release the fund. The widening and deepening of the decision-making apparatus should be the hallmark of decentralized planning. The reality on ground is that the overall progress of decentralized

planning in India has been found to be marginal and much below expectations of the planners. In the field of financial decentralization also the trend is not so encouraging. The district and sub-district planning authorities are often left with inadequate, untimely and non-priority linked funds to use at their discretion because sanctions for schemes and their financing are done at higher levels. Re-appropriation of unutilized District Plan funds is also finalized at the State level causing inordinate delays in proper utilization of financial resources. Further, there is frequent shifting of schemes from district sector to State sector and the earmarking of funds for core sectors is done by the Central Government. The continuing scenario is that of under fed kitty of funds inspite of the provisions of allocation of 50% of the district outlay to each district as untied funds by the State. There is barely enough to finance the existing schemes, leaving no scope for innovation. The other side is that of back flow of funds from schemes that are low on fund utilization because of time delay of fund release. The entire process is representative of a highly centralized erratic system of fund release. If a government budget is really an exercise in economic engineering that seeks to translate the financial quantities into human purposes then a similar ecosystem for budgeting and financial governance should ideally apply at district level for better development outcome at the local levels.

An innovative approach of a planning model for a backward area based on objective functions for compromised solutions has been the concern of this research work.

Objective functions

To maximize the person days used under available livelihood schemes funded by government OF 1
 To maximize assets created through these activities OF2
 To optimize the utilization of fund OF3

MATERIALS AND METHOD

Description of study area

The study area covered the backward region of Paschim Medinipur District in West Bengal. It has a total geographical territory of 978600 ha. Its density of population is 531/sq km and during 1991-2001, the sex ratio in the district has been found to be 961 females per 1000 males. The urban population of the District is 11.90% of the total population. The climate of the District is of hot, humid and tropical type with temperature ranging from 7^o Celsius (min) to 45^o Celsius (max). The annual average rainfall in the district has been recorded as 1450 mm. considering the administrative units, the district is composed of 5 Sub divisions, 29 Blocks, 290 Gram Panchayats, 12 Urban Places of which 8 are municipal towns. It has 7581 inhabited villages and 8701 Mouzas in total. In this district, 21.32 lakh persons form 41.04% workers among the total population. However, 31.16% of them are marginal workers. Thus

the dependency ratio of the district has been found to be 2.44 per worker and 3.54 per main worker. The population of the district is composed of 18.05% SC and 14.87% ST and thus it has a total of 32.92% population belonging to the disadvantaged communities. More than 60 thousand Lodha population, identified as the only primitive tribe community, accounts for 7.79% of 7.72 lakh total tribal population.

Research case under study

One majorly funded scheme of NREGA (National Rural Employment Guarantee Act) for minimum employment of 100 days in a year for the unskilled poor and unemployed in rural and backward areas has been the focus of this study, considering the stated objective functions. The execution of NREGA programmes had been initiated in 2006-07 in Paschim Medinipur District. Taking all the sectors together, the District as a whole invested Rs 43.13 crores in 2006-07 which resulted in generation of 64.43 lakh person days and created an estimated asset of value of Rs 91.70 lakhs. The performance progressed significantly in the following year (2007-08) with utilization of fund nearing doubling previous year, amounting to Rs 79.77 crores. This increased investment caused creation of increased person days and estimated assets measuring 73.89 lakhs and Rs 110.29 crores respectively. Thus, during the two years of programme execution, the District recorded 14.69% rise in person days, 20.27% increase in asset creation. During the period after 2007-08 to 2008-09, it is further observed that the allocation of fund has been further increased to Rs 106.00 crores, recording a rise by 32.88%. In the same period, the person days generated was raised to 86.69 lakhs, giving a rise by 17.32%. In 2008-09 additional fund utilization was made in some District sponsored projects under NREGA conducted by DFOs of four Divisions, CADV, KVK of Jamboni and Soil Conservation Department of the State Government. The total investment of Rs 298.50 lakhs could generate additional 2.56 lakhs person days in the District. During these two years the job cards issued had been changed from 6.79 lakhs in 2006-07 to 7.40 lakhs in 2007-08. Thus against rise in strength of Job Card Holders by 8.90%, the absorption of Job Card Holders in the District changed from 9 days/year in 2006-07 to 11 days/year in 2007-08. In fact, in this period, the investment per JCH was raised from Rs 635.00 in 2006-07 to Rs 1078.00 in 2007-08. In the same period, the created asset per Job Card Holder, as estimated, was changed moderately from Rs 1350.00 to Rs 1491.00.

RESEARCH METHODOLOGY

Component 1: Investigation on the decentralized planning approach as well as on the democratically resolved decisions setting across the Panchayati Raj Institution (PRI) system of rural management and its bottom-up planning processes from Gram Sansad to Zilla Parishad and the processes involving the release of funds in the reverse direction.

Component 2: Analyze the allocation of funds to sectors under NREGA

Component 3: Construct an innovative planning model using the objective functions of a) maximization of job persondays, b) maximization of assets and c) minimization of funds.

Component 4: Application of the innovative planning model at the Block levels

The actions under the above research components essentially led to a Multi-criteria decision making model attempting simultaneous optimization of Persondays, Asset and Fund. The optimization however was subjected to a set of constraints and conditioned by the limitation of skilled labour and material cost. The compromised

solutions at the Block levels were derived keeping in mind each of three objective functions using the most accepted and least accepted values that could make the model flexible enough to accommodate the targets of implementing agency, like fixation of days of absorption and percentage of job card holders to be involved. Other limitations under NREGA were adhered to as an integral part of methodology so that the innovative planning model envisaged can significantly contribute to ensure a systematic allocation under NREGA to provide priority outputs and optimization of funds for generation of maximum persondays and creation of maximum assets. This is how a systematic approach to micro-planning for a backward area has been laid out.

FINDINGS AND DISCUSSION

The envisaged innovative planning model was applied at one Block level (Keshiary Block). First by accepting the compromised solution of minimum 30 days of absorption /yr/Job Card Holder (JCH) against the existing persondays in the year 2007-2008 the fund requirements is about 2.18 times more but assets generated will be 5.69 times more and the persondays will be 2.36 times more. Similarly, accepting the compromised solution of 50 days of absorption/yr/JCH against an increase of fund requirement of 3.31 times the persondays to be created will go up by 3.57 times while assets will move up to 7.43 times that of existing asset value. Further, increasing the absorption rate to the extent of 80 days/yr/JCH, it is shown from the model solution that an increase in fund requirements by 4.98 times of that in 2007-2008 the persondays to be absorbed will be 5.39 times and assets to be created by 9.70 times of that of the initiate period of 2007-2008.

In the year 2008-09, the total fund available to the District for NREGA activities was Rs. 12002.39 lakhs against which the expenditure incurred by all the Blocks and the District-Sector programmes was Rs. 10600.70 lakhs. This indicates that NREGA programmes could spend 88.32% of the fund available, though persondays created was as low as 12 days per Job Card Holder in 2008-09. However, this absorption rate cannot be taken as satisfactory since the figure was 9 days per Job Card Holder in the year of initiation, that is 2006-07. The plan in contrast looks forward to absorb 37 days for all Job Card Holders and 80 days for Demanding Job Card Holders. For this, it will be necessary to allocate Rs. 4349 per Job Card Holder against the existing Rs. 1203 per JCH. High absorption rate of 80 days per Demanding JCH calls for higher allocation to the extent of Rs. 9241 per year per Demanding JCH. The planned allocations are expected to create assets amounting to Rs. 34529 per JCH and Rs. 73364 per demanding JCH. Whereas, the envisaged model applied reflects that fund to be used per persondays in the target year will be Rs. 115.77 compared to Rs. 111.34 in 2007-08. Similarly, the asset created per persondays in 2007-08 was Rs. 883.87, which is expected to increase up to Rs. 919.13 in the target year. The results further reflect that during 2007-08 to target year the persondays will rise by 3.36 times and

the asset will go up by 3.16 times in response to increase in fund allocation by 3.62 times. Similarly considering Demanding Job Card Holders the rise in fund by 7.68 times in the same period is expected to generate 7.27 times persondays and create 7.68 times assets.

Management issues

Management of human resources for NREGA also suffers from incapability of the participants to perform in the way that program demands. Though their traditional skill and customary methods of practice are useful to a certain extent, actually they are required to be sensitized, motivated, empowered and enriched to contribute beyond self-help in the value chain of social development given in the target-based planning approach put forth in this investigation. In this regard, the actions pertaining to capability building should have to cover the following.

- i. Creation of continuous awareness and knowledge among target population regarding gainful employment in variety of ingenious ways under and over NREGA through village-meetings and other techniques of campaigning.
- ii. Motivation of target population towards entrepreneurial abilities and self-employment through demonstration of successful projects, transfer of know-how, facilitation with information and access to resources.
- iii. Promoting organizational build-ups like SHGs, Co-operatives, Informal Associations, etc. for risk mitigation and gain maximization with income-generating activities for livelihood security.
- iv. Building the capacity to access information from the cloud of infobases under a data centre/ or a locally suited IT approach.
- v. Aligning Government of India's effective management decisions on convergence of programs the goals may be: Increase in Social Capital, Increase in Physical Capital, Facilitation of Ecological Synergies, Mitigation of adverse effects of Climate Change, Enhancement of economic opportunities, Strengthen Democratic Processes and Facilitation for Sustainable Development

Some guidelines for the preparation of NREGA plan

- a. Potential estimation for each sector must be the first task before preparation of NREGA Plan in any District or Block. Depending on physico-economic situation and ecological conditions, few sectors or sub-sectors may be eliminated from this exercise, if so necessary.
- b. It should prioritize the sectors based on District-Block guidelines on trend of allocation, fund required per unit of work, persondays generated per unit of work, fund required for generation of unit persondays and asset created against unit of work executed.
- c. No Sector should be allowed to decelerate in fund

utilization rather be allowed to progressively increase (at least by 10% over previous year) provided the potential in the sector is existent.

- d. Information on the variables and parameters must be realistic and precise to their level best.
- e. Sectors not taken up earlier must be included if there is some potential and if it has the capacity to boost up the absorption rate.
- f. Based on the above guidelines, the absorption rate (days/ year) should be fixed after making a thorough iterative exercise.
- g. Using the package of allocation model, each District or Block must prepare its NREGA Plan for the forwarding years for implementation and operate the same model for validation in respect of previous few years to learn from the lapses.

Conclusion

It is quite natural that the envisaged planning model may not score any visible benefits right from its actual adaptation by the concerned authorities. The quantitative and qualitative values of welfare significance to all concerned stakeholders may be measured in terms of different criteria. These criteria are gross value of output, value added employment generation etc. in economic terms, while in physical terms it may be rural drinking water security, wasteland converted into arable land, more area under irrigation etc. and in social terms, number of families attaining sustainable living, families lifted above the poverty line etc. which may be considered for assessing the outcome of decentralized planning approach to micro planning at Block or District level. The anticipated final outcome shall be 100 days of employment guarantee to an unemployed and unskilled poor per year in a backward area by the completion of the 12 five year plan period in 2017. The spinoffs apart from added income shall be human resource development (skilled persons), mitigation of long standing problem issues like that of rural drinking water, wasteland development, wider irrigation coverage, flood control and/or drought proofing, access to information, education and communication etc. all leading to meaningful development.

Conflict of interest

The author has not declared any conflict of interest.

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