

**DISTRICT LEVEL PLANNING IN
KERALA AND KARNATAKA - A COMPARATIVE STUDY**

Thesis submitted to the
Cochin University of Science and Technology
for the Award of the Degree of
DOCTOR OF PHILOSOPHY
under the faculty of Social Sciences

By
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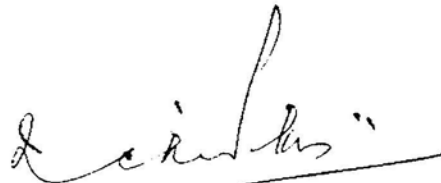
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CERTIFICATE

Certified that the thesis "DISTRICT LEVEL PLANNING IN KERALA AND KARNATAKA--A COMPARATIVE STUDY" is the record of bona fide research carried out by C.K.LUCKOSE under my supervision. The thesis is worth submitting for the degree of Doctor of Philosophy under the Faculty of Social Sciences.



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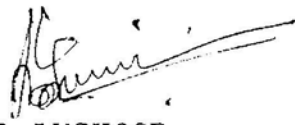


DECLARATION

I declare that this thesis is the record of bona fide research work carried out by me under the supervision of Dr.N.Chandrasekharan Pillai, Professor, School of Management Studies, Cochin University of Science and Technology, Cochin 682022. I further declare that this thesis has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title of recognition.

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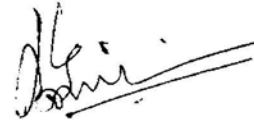
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LIST OF ABBREVIATIONS

A	:	Area
AF	:	Area of Forest
ARC	:	Administrative Reforms Committee
BPC	:	Block Planning Committee
CADP	:	Command Area Development Programme
CDP	:	Community Development Programme
DPAP	:	Drought Prone Area Programme
DPDC	:	District Planning and Development Council
DPC	:	District Planning Committee
DPCAC	:	District Plan Coordination and Action Committee
DPCC	:	District Planning and Coordination Council
DPMC	:	District Planning and Monitoring Committee
GSP	:	General Spatial Plans
IA	:	Irrigated Area
IRDP	:	Integrated Rural Development Programme
ISP	:	Integrated Spatial Plan
LDF	:	Left Democratic Front
Lt.P	:	Literacy Percentage
N	:	Population
NAS	:	Net Area Sown
NEC	:	North Eastern Council
NES	:	National Extension Service
NHB/Lakh N	:	Number of Hospital Beds per Lakh Population

NREP	:	National Rural Employment Programme
PCY	:	Per Capita Income
PCVAI	:	Per Capita Value-added by Industries
RM/100 sq.kms.	:	Road Mileage per 100 square kilometres.
RM/Lakh N	:	Road Mileage per lakh Population
RPDC	:	Regional Planning and Development Committee
S	:	Share of Districts
UNESCO	:	United Nations Educational, Scientific and Cultural Organization
VAA/ha	:	Value-added by Agriculture per Hectare

CHAPTER I

INTRODUCTION

CHAPTER I INTRODUCTION

The Concept of District Planning

Planning in India, both at the Central as well as at the State level, is a highly centralised phenomenon. But India is a large country with an area of over three million square kilometres, inhabited by a population of over eight hundred million. The natural environment is typified by extreme differences in climate, topography, vegetation and so on. The resource endowment is very uneven over geographical space. Socially, the country is highly differentiated in terms of languages as well as institutions, due to historical reasons. In such a situation, centralised planning would be relatively inefficient to comprehend and deal with such a diversity of factors. As a result, disparities in development between different regions occurred. The problems of poverty and unemployment, rural-urban imbalances and intra-regional imbalances still persist. The failure of planning to meet the challenges of poverty, inequality and unemployment has been attributed to the highly centralised nature of planning followed for the last four decades in the country.

Initially, the emphasis in development planning was on the achievement of high growth rate of national income. This fostered a centralised policy with concentration of efforts on the high

growth modern sectors of the economy, hoping that increased growth would ultimately benefit all sections of the population through the eventual spread effects. As this 'top-down' approach did not result in any percolation of benefits, but only accelerated the existing disparities in income and levels of living among the people, distributional equity became an important issue in development planning (Kabra, 1989). The much talked of 'trickle-down' effects did not become a reality in India.

The earlier 'top-down' approach to planning not only bypassed the rural poor, some social groups and some areas within the country, but also imposed a uniform set of development programmes everywhere without due regard to the diversity of conditions existing within the country. If development is to have any impact on the levels of living of the people, it must directly attack the problems of poverty and unemployment at its grass-root level. Planning, to be more meaningful, ought to be responsive to the local level problems and capable of resolving such problems by a better use of local resources and by carrying out planning exercise at local levels. It is these imperatives of achieving equity in growth, making planning more responsive to local level problems and ensuring better implementation of the plan programmes that built up a case for the deployment of decentralised plan process. Consequently, the emphasis has now been shifted to district planning.

District Planning is defined as "a kind of area-based sub-state

planning and arises from the need to supplement the national and state plans with a more detailed examination of the resources, problems and potentials of local areas (i.e. districts), so that investment programmes, more specifically tailored to the particular needs of each district, could be evolved and implemented" (Planning Commission, 1984, p.22). District Planning implies creating a developmental scenario at the district level, consistent with the specific needs of the people, the growth potentials of the area and financial allocation available. In contrast to the national and state plans, the district plan would represent a distinct multi-sectoral package of area-specific investment proposals and institutional arrangements for the speedy and timely implementation of the proposals suited in this context. The concern of district planning is with human social activity distributed over a given territory (Gadgil, D.R., 1966). In other words, it can be said that decentralised district planning specifically addresses itself to the task of identifying the local needs, harnesses fully the available manpower and local resources for formulating schemes which are consistent with the felt-needs of the people of the area and are implemented with their cooperation.

The rationale of decentralised planning is the better perception of the needs and resources of local areas, facilitating more informed decisions to be taken. It gives local people a greater say in decision-making about their own development and welfare, resulting in better coordination and integration of the various programmes at the local

level, greater mobilisation of the resources of the community and at the same time, inculcates the spirit of self-reliance in the local people (Government of India, 1988).

The theory of the district planning has been slowly coming into being on the basis of two of the planning experiences, namely, (a) decisions should be taken at that level which is close to the information point, to save information cost, and (b) decisions should not be too local to be unsuitable to the adjoining areas (Chakravarty, S., 1987). Thus, it was clear that local land development schemes, primary education, rural public works, etc., could be better planned at the district level. A detailed list of schemes which can be planned at the district level is given in the Appendix 1.1.

District planning is a species of regional planning in a broad sense of the latter term. It should be conceived as an offshoot of regional planning in its objectives of regionalised economic planning and programmatic aspects of rural reconstruction (Inamdar, N.P., 1973). The specific distinction between a regional plan and a district plan is that whereas a regional plan caters to the specific region, a district plan is an integrated whole for various types of regions within a district. Heterogeneity is a character of a district plan rather than of a regional plan. The complex problems of functional, institutional and organisational coordination are associated with a district plan to a large measure

than with a regional plan. Like all other economic development plans, a district plan also has to synchronise development in one sector with the other, achieve spatial and functional integration of economic and social activities and harmonise the behavioural interactions between various economic, social and institutional factors (Sharma, R.N., 1977-a). Bottom-up approach to planning should be attempted with this realisation of the concept of district planning.

Case for District Planning

The arguments in favour of decentralised district planning is varied and numerous. The emphasis on district planning has emerged from the frustration arising out of the failure to carry the benefits of planning for improving the living conditions of the poor. District planning takes care of the felt-needs of the people and this is likely to be missed if planning is macro or from the national or state level. The special and specific problems of an area cannot be properly analysed in a bigger planning frame.

The district planning facilitates the use and activation of local resources. In case of macro planning, these resources would have remained hidden and dormant and thus would have remained unused and idle. In some regions, the resources may be in the form of unused manpower and in some other areas, there may be the problem of unutilised land or water. These can be

taken care of in a decentralised planning system. District planning also takes care of the 'circumstances of time and place' (Hayck, F.A., 1945).

In a vast country like ours, with economic, social, linguistic, cultural and other heterogeneity, it is difficult to extend data or findings and also solutions suitable for one area to cover other areas. Therefore, there is a compelling need to identify specific problems of local areas and evolve suitable remedial policies with reference to each area. In other words, the practical impossibility of a single planning agency being able to make all the detailed decisions, which are required at different territorial and sectoral levels of planning process calls for district level planning.

Centralised planning has failed to evoke popular participation in the plan formulation and implementation, thus seriously impeding the success of planning. "In fact, the logic of central planning was antithetical to people's participation" (Chaturvedi, H.R., 1982, p.10). The district planning ensures better participation of the people for whom the plan is meant. People's participation in planning depends upon several conditions. First of all, the people should be aware of the functioning of the process. Secondly, there must be a machinery which enables people to participate meaningfully in the planning process. Thirdly, people must feel that their participation is not a formality, but that they have the ability to

to influence the planning process" (Government of Kerala, 1981, p.2). These conditions can be met only when there is a reasonable degree of decentralisation of the planning process, because it is at sub-state level like the district, the people are able to see the direct relevance of planning to their life.

There is also a certain amount of political cohesion among the people of the district with political leadership, which is expected to be fairly developed, the district is also considered suitable for ensuring not only local participation, but also for the mobilisation of local resources (Venugopal Reddy, Y., 1979).

The operational intensity of the programmes can be definitely improved with lower level planning. The central administration has the inherent drawback of isolating itself from the masses. When the administrators are seated far away in the citadels of power, they cannot come in close contact with the people or evoke enthusiastic participation in the formulation and implementation of development programmes (Mary Parmar, 1990). Decentralised district planning would play a vital role in bringing the administrators and the administered nearer to each other.

The district planning can achieve better coordination and integration of programmes. At the present stage, so many agencies, concerned with the welfare programmes in a district, have created a lot of overlapping. The duplication of efforts, in many cases, in the same district, leads to less productivity and waste. The

district level planners can coordinate various activities and thus cut short the waste (Kishori Lal, 1988). The district has been considered as the most viable unit for planning as administrative infrastructure in terms of functionaries of development departments, is available at this level.

Another important case is that the district plan is, or should be, less inflationary than the macro planning. With the use of local resources, with greater operational intensity, there is bound to be more production which will exercise a check on price rises. More spending from above fails to stimulate production and this, in turn, proves inflationary (Kishori Lal, 1988).

Furthermore, district planning is necessary for correcting regional imbalances within and between districts. In this respect, the Planning Commission has emphasised that (Planning Commission, 1984), regional and district planning were essential pre-requisites for the augmentation of rational allocation of resources between areas and programmes for optimal utilisation of resources, for increasing productivity, improving distribution of income and reducing disparities between different areas and sections of population. Thus, the rationale of district planning brings out the importance of it in the Indian context.

Aims of District Planning

The foregoing discussion on the rationale of district planning

itself clearly brings into sharp focus the main aims of such kind of an area-based sub-state planning. The district planning is, no doubt, an integral part of state plan and it has to conform to the overall objectives of the state plan. The special problems and potentials of each district have to be given due weightage in finalising the objectives. Keeping this in view, the main aims of district planning may be mentioned as:

1. To reduce inter-district disparities by ensuring equitable distribution of the benefits of development;
2. To increase productivity and growth in output;
3. To bring about effective participation in decision-making, especially by the poor;
4. To attain self-reliance so that development could be self-sustaining;
5. To attack the problem of poverty through the generation of employment and income by ensuring investment on appropriate programmes;
6. To ensure optimum utilisation of the existing development potentials in the different regions;
7. To give new attention in solving the special problems of each area;
8. To maintain ecological balance.

These objectives are realistic and reasonable and can be materialised if district planning efforts are thoroughly prepared

and carefully implemented. Most of the essential pre-conditions for decentralised district planning would call for sustained action from the state level, including political commitment, measures for the disaggregation of allocations, delegation of administrative and financial powers, a re-orientation of attitudes and relationships, establishment of participatory structure, continuous training and re-training of personnel, etc. (Planning Commission, 1984). Without setting these pre-conditions, district planning cannot take firm root in any state.

District as a Unit of Planning

Almost all classic contributions on decentralised planning process, e.g. Taylor, F.M. (1929), Oscar Lange (1963), Kornai and Liptak (1963), Kantorovich (1964) and Malinvaud (1967) have remained abstract formulations, cast within the framework of a totally controlled economy. Furthermore, the type of decentralisation postulated in these formulations is sectoral, rather than spatial decentralisation, and the regional dimension has been, by and large, ignored. But, in the later studies on regional planning, adequate emphasis is laid on the modus operandi of selecting an ideal unit of planning for development. This search for ideal unit for planning has resulted in classifying the spatial units into three categories, namely, Macro Unit, which may be as large as a country; Meso Unit, which is smaller than the country but may

be a group of states or a single state; and Micro Units, which may range from a group of districts to a village (Prakash Rao, U.L.S., et al., 1973).

A number of administrative and development units exist just below the level of the state. There are irrigation command areas, metropolitan regions, resource regions, famine and drought areas, hilly, desert and tribal areas, etc. Therefore, the first question that needs to be settled in the 'planning from below' debate is the question of the unit for local level planning.

The demarcation of micro-level planning unit is supposed to be based on the following criteria (Thimmaiah, G., 1978): (a) contiguous geographical area, (b) homogeneous administrative machinery capable of formulating and implementing integrated area plans, (c) reliable statistical database, (d) existence of nodal regions, i.e. growth centres, and (e) amenability to adjustments of the boundaries, to make them, as far as possible, homogeneous natural boundaries.

If we apply these criteria, states as units of regional planning automatically fall outside the purview, because of the large size of the states in terms of geographical area making them heterogeneous spatial units for regional or sub-regional planning in India. Further, though they may satisfy many criteria, the last criterion is not satisfied, which is important for effective micro level planning.

If we consider from the bottom, the village, the block and the taluka do not satisfy the second, third and the fourth criteria. Therefore, from the lowest to the taluk level, we can rule out the administrative regions as unsatisfactory units for decentralised planning. As a matter of fact, in between these, we have the districts which satisfy most of these criteria and hence, a district can be accepted as an ideal unit of decentralised planning.

Another set of arguments in favour of district as an ideal unit of planning contains the very rationale of the district planning itself. It is contended that in view of the wide regional variations in natural endowments, attained level of development and potentials, a common strategy of development will not be suitable for all regions (Mathur, 1973). Each region should have its own strategy of development specifically suited to its requirements. Since such detailed planning, at a single centralised level, would involve the solution of an almost unmanageably large problems, the total planning problems should be partitioned into sub-system problems pertaining to smaller regions (Dutta Choudhary, 1973). It is important that the spatial unit of this lower level planning should be homogeneous. Evidently, the larger the region, the lower will be the expected level of homogeneity, and on this point, the smaller the programme region, the better it is (Boudeville, 1961).

A third line of argument is based on the theory that information cost is a monotonically increasing function of the distance between

the action point at which the information is generated and the point at which the decision is made (Marshack and Marschack, 1959). For example, agriculture and allied activities, require a very large volume of information which is widely dispersed over the economy, will result in a large information cost if used for centralised decision-making. Therefore, a smaller unit of planning like the district, is better to reduce the information cost.

Another important argument is that with decision-making at lower levels, it is easier to organise an effective response system for public participation in plan formulation, which, apart from other considerations, will make it easier to mobilise local physical and financial resources, including free labour for local schemes. On this, again the smaller the unit of regional planning, the better it is (Sudipto Mundle, 1978).

Information-wise, the district is the ultimate reducible unit for which data collecting machineries have been developed (Dutta Choudhary, 1971). Moreover, while public participation is ensured, decisive influence at local interest groups have to be kept within limits. From this point of view, a block level regional planning unit is not very promising (Paranjape, 1969). Lastly, pushing down the level of planning implies that a certain minimum of planning infrastructure, like properly trained staff, will have to be provided at the lowest planning level for reasonably competent decision-making. It is not available below the district level.

Apart from these standard academic arguments in favour of selecting the districts as the basic unit of decentralised planning, a practical consideration favouring the choice of districts as the unit of planning is the fact that due to the force of history, district has been and will continue to be a key administrative unit in the Government functioning. The most suitable areal unit for the coordination of developmental and planning activities is the district. It is large enough for planning purposes. It has a settled pattern of administration with a high degree of internal consistency. This and the long history of district administration have ensured that the citizens' awareness of administrative process in a district is adequate. Similarly, people living in an established district have a sense of belonging to that one entity - a community of feeling that takes years to build up (Raghavaiah, G., 1967). Thus, it can be understood that there does not appear to be any better alternative to the district as a unit of decentralised planning in India.

Emerging Methodology of District Planning:

Methodology of district planning should be simple, specific, concrete and practical. It should suffice for decision-making if the planning team at the district level can prepare a broad district profile, drawing attention to the resource potentials and problems of development of the district and give detailed proposals, which

are feasible from the financial point of view. The methodology of district planning, as conceived by the Working Group on District Planning (Planning Commission, 1984), is given below:-

1. Formulation of the major objectives of district planning;
2. Compilation of data for district planning;
3. Bringing out the profile of the district in relation to basic objectives;
4. Formulate main strategy;
5. Analysis of the existing programmes in relation to the strategy;
6. Resource allocation for various programmes and projects;
7. Statement of physical and financial components of the district plan;
8. Spatial planning;
9. Linkages between district, regional and state plans.

There are two types of spatial plan to be produced as a methodology of district level planning. This includes a General Spatial Plan (GSP) for 10 to 15 years and Integrated Spatial Plan (ISP) for Five-year Plan period (Government of India, 1968).

In the GSP for the district, policies, goals and objectives are formulated and district potential, constraints and priorities are fully taken into account. Several alternative GSPs will be generated and evaluated leading to the selection of preferred alternatives. After the legal approval of this plan, Integrated Spatial Plans are prepared based on GSP.

The Integrated District Development Plan is expected to cover the agro-distribution system, including activities associated with production, collection, processing and distribution of agricultural products. Hence, it should provide for existing and proposed land utilisation pattern, regional infrastructure and network systems like transport, power, water supply, irrigation, health and educational facilities (Vinod Kumar, T.M., 1991). Thus, a simple specific and feasible methodology should be adopted for district planning exercise. An outline of tasks and steps in district planning methodology is given in Appendix 1.2.

Allocation of Outlay for District Planning

Resource is the most important element for the successful implementation of district plans. The resource of the district for the implementation of plan programmes is generally allocated to it by the State Government.

There are certain sectors or areas of development which directly concern a district, there are other areas which are of state-wide importance. Agriculture development, minor irrigation, animal husbandry, fisheries, education, village and district roads, public health, etc., come under the first category. To the second category, belong items like railways, power development, national highways, development of ports and harbours, etc. District planning should obviously cover all the sectors which come under the first category. For this purpose, the total state plan outlay, including

centrally sponsored schemes should be divided into state share and district share. On an average, the outlay on items under the first category coming under the district purview amounts to about two-third of the total plan expenditure of a state (Bright Singh, D., 1977).

It is necessary to determine the total plan outlay for each district. The basic principle to be observed in allocating plan expenditure among the districts is that there should be balanced development among them. This would mean that special consideration is to be given to those districts which are economically and socially worse off than others. The total plan outlay for each district can be fixed only after considering a variety of factors like total population, the population of scheduled castes and scheduled tribes in the district, agricultural backwardness, industrial backwardness, etc.

Those states which gave more emphasis to decentralised planning divided their total plan outlay into district level and state level and about 40 per cent of the total plan outlay was set aside for district level planning (Icey John, 1988). The percentage of plan outlay allotted to the districts may vary from state to state, depending on the importance attached by the planners to the district level vis-a-vis state level schemes.

For the success of planning, particulaly at the district level,

there require sufficiently large investment of funds on a variety of programmes. The district planning authorities should have sizeable funds which they can utilise for the above mentioned purpose. There may be developed and under-developed districts in a state; the under-developed districts should be given more allotment from the state plan outlay for the purpose of reducing regional disparities. If the state government distributes its outlay proportionately to all the districts, it will not help to achieve the plan objectives. Therefore, there must be scientific criteria to distribute the state plan outlay among the districts.

Most of the states in India are at the beginning of the scale of decentralisation and Kerala state is not an exception to it. In fact, only a few states in the country, namely, Karnataka, Maharashtra, Gujarat, Jammu and Kashmir, West Bengal and Uttar Pradesh, can be said to have made some progress in the line of decentralised district planning. Karnataka is a pioneer in the experiment of district planning and had a good start in district plan exercises and moved quite far in the line of decentralisation, which consequently resulted in the reduction of inter-district disparities and faster economic development. Whereas Kerala's experience in district planning was quite discouraging and no serious efforts were made to strengthen the district planning units or to rationalise the system of financial allocation to the districts, which resulted in widening the inter-district imbalances in development.

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CHAPTER II

REVIEW OF LITERATURE
AND METHODOLOGY

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The concept of district planning is not novel in Indian planning, though very little had been achieved in practice until recently. The notion of the district as a spatial unit of planning within a system of multi-level planning had come to be widely accepted by the end of the 'sixties. Specific literature regarding the topic under study is not readily available even though a considerable volume of official as well as unofficial studies on district planning is conducted. A review of such studies will undoubtedly unravel the evolution of thinking on the issues relating to planning at the district level. In this Chapter, an attempt is made to conduct a detailed review of relevant literature pertaining to district level planning. The objectives of the present study, significance and methodology adopted are elaborated in the same Chapter.

In an in-depth study, Gadgil, D.R. (1966) clearly brought out the logic and need for introducing district level planning in India. Gadgil's views on district planning had a marked impact on the thinking on district planning. He rightly considered District Development Planning as an integral part of national planning. He observed that "the lowest stratum of governmental authorities in India is, in most cases, the District. Planning from the bottom has, therefore, to be associated chiefly with the District Development

Planning effort" (Gadgil, D.R., 1967, p.15). He suggested two primary requirements for the success of district planning. The first is the basing of the district plan on knowledge regarding local conditions and the second is the association of local people with the formulation and implementation of the plan.

Jayaraman, K. (1968) explains the concept of democratic decentralisation as understood and implemented in India in the context of centralised planning and development. He also reviews the historical evolution of the concept of decentralisation and concluded that the concept of planned development of the economy through the agency of democratically elected bodies at the district and lower levels failed to take note of the existing socio-economic and politico-administrative set-up in the rural areas and consequently, the gulf between the levels of living of the rich and the poor inevitably gets widened in the process.

It was only in 1969 that fairly detailed guidelines for the formulation of district plans were laid down by the Planning Commission, signifying the formal adoption of an approach which had been appearing in one form or another almost through the planning era (Planning Commission, 1969). The document contains the formal structure of the process of district planning that has been officially adopted. But it eliminates the programmes of land reforms and land redistribution from the domain of district level planning. It should be noted that this somewhat narrow demarcation

of the domain of district planning on the guidelines does violence even to the Planning Commission's own thinking on the matter. The Commission's task-force on multi-level planning had clearly recommended that the high priority distributive goals of the Fifth Plan had to be achieved principally through programmes for the 'agriculture and allied activities' sector, which the task-force recommended should be planned at the district level (Planning Commission, 1973). None of this finds expression in the domain of district planning as actually outlined in the guidelines.

The guidelines issued by them highlight the existing regional disparities, prevailing under-utilisation and mis-utilisation of resources and the like. It contains only the professed Government of India objectives about how district planning was to be attempted. Nowhere did these guidelines get a fair trial except in the form of attempted paper exercises on a pilot basis.

Raj, K.N. (1971), Nath, V. (1971) and Ranjit, K. Sau (1971) in their study, discussed the problem of district level planning and its implications on growth with social justice. Raj, K.N. has rightly observed that even though the need for 'Planning from Below' and the potentialities of district development planning have been recognised for a long time, the progress made in this direction so far has not been very striking (Raj, K.N., 1971).

A similar view was held by Dubashi, P.R. (1973), who

observed that, "The absence of regional planning is a gap of a particular sort in our planning mechanism. Planning in our country has been sectoral, rather than spatial, giving undue importance to plan models. As a result, district, regional or area planning in the specific sense of the term has never been introduced in our country so far. Of course, we have plans at the state, district and block levels. More often than not, they are no more than break-ups of sectoral programmes, or more accurately, schemes of departments" (Dubashi, P.R., 1973, p.300).

Dhar, D.P. (1973) points out the complementary role of regional and district planning to macro planning at the national and state levels. He considers district planning as a basic starting point in alleviating economic and social backwardness. He also felt that the available manpower would be fruitfully exploited in the field of education, construction, propagation of advanced techniques of agriculture, water management, etc., through decentralised district planning. Finally, he opined that the concept of district plan implies a wide ranging set of delegations both financial and administrative, and devolution of authority in a real sense to the people who have responsibility of implementing a district plan.

In a comprehensive analysis, Omprakash Mathur (1973) also highlights the importance of district level planning. He maintained the view that unless a definite economic bias for district planning

is established, its future will continue to fluctuate with the ideological vicissitudes. The analytical focus is on the question whether cost-benefit criteria justifying planning at district level and what sectors can be appropriately planned at district level.

Misra, R.P., et al. (1974) favoured spatial or district level planing to sectoral planning because spatial organisation of human activities can be so articulated as to lead to rapid economic growth and social change, more equitable distribution of the fruits of economic development and a better physical and human environment for living. In a highly thought-provoking study on multi-level planning, Misra, R.P. and Natraj, V.K. (1975) described the fundamental weakness of district level planning as philosophic. According to them, the rationale behind district planning has not been appreciated properly. They held the firm view that district planning cannot be extended to anything more than a routine follow-up of state plans, unless decentralisation of the first order has worked well. Moreover, they believed that district planning cannot succeed unless the tone for multi-level planning is set at state level. They rightly observed that the main reason for the failure of district planning is the lack of technical cell at the district level which specialises in area development and planning. District planning is still treated as a miniature state or national planning. It is rarely realised that it is essentially a special planning exercise. As against the present method of preparing sectoral plans and

then trying to distribute the activities in different regions and sub-regions, a district plan should be an integrated spatial plan to begin with, and for implementation purposes, each sector should then be assigned the role it has to play. In other words, the whole approach has to be reversed and sectoral development schemes should emanate from integrated district development plans.

Misra and Natraj constructively criticised that a district is often treated as a closed system and it is seldom realised that it forms a unit of a system of district. While planning for open regions like districts, planners have to keep in view the plans and programmes of adjoining districts. They opined that the absence of a conceptual framework also inhibits treating district planning as meaningful exercise.

A detailed review of the problems faced in the adoption of decentralised planning process for developing the backward areas in India is made by Chopra, P.N. (1986). He also noted the glaring deficiencies in the existing policies of the Central Government towards backward, depressed and lagging areas at the sub-state level. In his opinion, lack of real political will is a stumbling block in the introduction of district planning in India.

Sudipto Mundle (1977) expressed the view that the problem of district planning is vital not only for the future of development planning in India but also for the future design of Indian

administration. In this work, he tried to answer a number of important questions regarding the desirability and practical feasibility of district planning. An economist involved in the problems of district planning in India can be broadly concerned with two sets of issues. The first is a set of normative issues concerned with questions of whether district level planning is desirable in India and what specific form it should take. The other is a set of positive issues concerned with the reality of how district planning is actually done in this country. Mundle deals with both sets of issues in his detailed study.

In a thought-provoking study, Venugopal Reddy, Y. (1979) advocated district planning in a multi-level framework due to the fact that the levels of economic and social development vary enormously among different areas of our country. In such a situation, it is axiomatic that uni-level centralised planning would be relatively inefficient to deal with such a diversity of factors. It would be particularly difficult to deal with enormous and diverse non-quantifiable socio-economic situations within a democratic framework without proper decentralisation of planning. In this work, Venugopal Reddy briefly enumerated the various steps that have been followed in the preparation of a Five Year Plan for the district of Hyderabad. For him, the first step in the preparation of the five-year plan of a district is to identify the activities for which the district plan has to be formulated. This requires a differentiation between the district sector and state sector.

Reddy clearly pointed out the difficulties caused by multiple agencies, multiple sources of funding and multiple criteria requirements for projects/schemes. He considered district as the appropriate level of planning. He emphasised the need to strengthen planning capacities at the district level and to have an elected Zilla Parishad. The importance of centre-state relations in planning and finance and its relevance for district planning was highlighted in this book. The author made it clear that in terms of future action, there can be no meaningful district planning unless there is some scope for decision-making at the district level.

Gerald Wen (1979) stated that the interest in developing the whole country by districts or by regions comes from several directions. "On the one hand, those concerned with national planning were finding it useful, for implementation purposes, to breakdown the areas to be covered by the plan into smaller and more manageable units, i.e. the districts. On the other hand, those concerned with community development at the local level were finding it valuable to work with somewhat larger and more viable units than the village or small local community" (Gerald Wen, 1979, p.353). He emphasised that regional policy and planning should be decentralised and comprehensive.

A similar view was held by the Expert Group Meeting on Local Level Planning (ESCAP, 1978). The essence of the recommendations of the Expert Group Meeting on Local Level Planning, convened

by the Economic and Social Commission for Asia and Pacific can be summarised as follows. If the rural masses, which often constitute a majority of the population, are to be effectively involved in the development process, a decentralised approach is required that will take full advantage of the human and material resources available in the rural areas. They also considered district as the ideal unit for local level planning.

Details of the functions of the district planning bodies have been indicated by M.B.Lal (1979) and stated that the degree of effectiveness of these planning bodies is not uniform and differ from state to state. He also held the view that a realistic district plan has to be related to the resources in sight - both financial as well as physical, and the plan has also to be related to the overall state and national priorities. Hari Mohan Mathur (1977) discussed the need for coordinating development activities at the district level; while Sharma, M.T.R. (1977) and Sharma, R.N. (1977) analysed the methodology and data requirements for the formulation of district plans. The need for decentralism in planning and the scope for popular participation is the subject matter discussed by Divakar, V.D. (1978).

Kamal Narayan Kabra (1977) noted that prior to the Fourth Plan, district planning was more a matter of informational decentralisation rather than decision-making decentralisation to the lower levels. Broadly agreeing with the approach suggested

under the 1969 'Guidelines', he pointed out the need for giving financial autonomy to the district and leaving open certain avenues for the district democratic institutions to raise financial, physical and other resources locally. The author came to the conclusion that district planning was more a formality than reality - the failure being attributed to the lack of real, effective planning at the lower levels in agriculture, rural, infrastructural and social services programmes. Similarly, in an informative study, Clarke G.C. (1980) highlights the basic factors inhibiting 'Planning from Below' and provides some positive suggestions for overcoming them. He also stressed the necessity of people's participation for the success of grass-root level planning.

The report of the Working Group on District Planning was published in two volumes in 1984 [Planning Commission, 1984 (popularly known as 'C.H.Hanumantha Rao Report')]. This is the only reliable source of information relating to the state of district level planning in India. This valuable report also contains the experiences of all states on district planning. The Working Group did recognise that certain pre-requisites are essential for district planning to be successfully attempted and even suggested that it should be tried out only in stages. In the concept of the Working Group on District Planning, it is conceived that, as a single holistic operation in which all individual sectoral programmes and projects would be harmonised into a unified planning activity. They detailed

the various steps necessary for rendering the planning process at the district level effective, including the pre-requisites to be met, the institutional arrangements to be devised and the essentials of planning methodology to be followed. It also recommends that the state plan should have two-fold classification, one with district plans and the other with state plans without a very rigid dichotomy.

The Working Group on District Planning has worked on the understanding that decentralisation enables a better perception of the needs of local areas, makes better informed decision-making possible and gives people a better voice in decisions concerning their development and welfare. The document provides some ideas about the direction but leaves scope for a lot of flexibility and adaptation on the part of the state government in the implementation. It is very evident from the report that district planning is not working smoothly in all the states and only four states, namely, Maharashtra, Gujarat, Uttar Pradesh and Karnataka, have evolved some formula to distribute their state plan outlay among the districts. Later on, West Bengal and Bihar also evolved their own criteria for devolution of plan funds to districts.

N.Somasekhara's work, which was published in two volumes deals with the district planning process existing in various states (Somasekhara, N., 1984). Though the analytical focus is on state level planning in India, he briefly discussed the methodology

and parameters of district planning. Khandelwal, R.M. (1985) also throws some light on the district planning systems. But his study was confined to the State of Rajasthan. He described that the district planning exercise presently being undertaken in Rajasthan in terms of making district-wise disaggregation of plan and financial outlays and physical targets. However, for the purpose of Minimum Needs Programme, District Planning Committees have been constituted in every district of Rajasthan. The practice of district level planning in Rajasthan is also analysed by Harish Nayyar and Thanwar, L.S. (1977).

Another important work on district planning was done by Rakesh Hooja (1986). He provides a brief account of the district planning set up in India. This book also contains some arguments in favour of district as a Unit of Planning. According to him, the present state of district planning in Indian states has been conditioned by many factors like the structure, process and style of state level planning, the existing administrative system at the district level, the various attempts at rural and regional development, including the imposition of Panchayati Raj and the like. However, his study also is limited to the district level planning in Rajasthan.

The study on district planning in India by Inamdar, N.R. and Kshire, V.K. (1986) clearly pointed out that the issue of decentralised planning is also connected with decentralisation of

the administration and structure of government. This has been attempted in many states, mainly through the establishment of three-tier Panchayati Raj Institutions. They opined that district planning exercise is a complicated one and the success of district planning depends upon the systematic working out of the district planning process. Two important aspects of the district planning process relevant to their study are: coordination and popular participation.

The book under review has made a significant contribution in drawing our attention to the present state of district planning in an advanced state like Maharashtra and has drawn attention to the changes that are needed so that district planning does not remain a mere concept but becomes an operational reality. However, the study does not give a clear insight into the evolution, process and status of district planning in India. The scope of their study is limited to Maharashtra State and particularly to Pune district, which is relatively better developed and more urbanised.

Another notable work on district planning was done by Tarsem Lal (1986). This book deals in a comprehensive manner with district development planning based on two case studies of Thane district in Maharashtra State and Karnal district in Haryana. Tarsem Lal has made an in-depth critical examination of the essential pre-requisites for effective decentralised district level planning

and has made excellent suggestions for improving the institutional arrangements and processes of district planning.

Tarsem Lal rightly points out that, "the emerging development scenario is facing serious environmental and social challenges, making the task of transformation ticklish. For majority of India's population, the government means the district administration and as such, centralised planning, which is in vogue in India, has no relevance to the backward areas and the target group for whom the planning is being undertaken. District planning, except for a few oases, has failed to emerge as a possible alternative to centralised planning on various grounds, but it must succeed to serve the majority of the people, not only to banish poverty from the country, but also to improve the quality of life of those who are across the poverty-line and are waiting for better days. To prepare India to enter the 21st century with optimism and confidence, there is a need to institutionalise decentralised planning, as a system, on priority basis and rejuvenate other development institutions like Panchayati Raj, local-bodies, etc." (Tarsem Lal, 1986, p.187). This book has been written by Lal with this hope and faith.

Lal has essentially suggested strengthening of the district planning system as evolved and followed in Maharashtra. The book contains valuable information,, penetrating analysis and positive and workable suggestions for effective operationalization of district

level planning, which is a crucial and most important requirement of the time. Padma Ramachandran (1991-a) emphasised the need for attitudinal orientation required for district planning and implementation.

In an important study on planning and rural development, Dholakia, R.H. and Iyyengar, S. (1986) discussed the issues like planning for schemes at the district level, project appraisal for minor irrigation, political choices for the allocation of discretionary outlay at local levels and some methodological issues in micro-level planning. This work is prepared with special reference to Gujarat State which is having to its credit many innovative ideas pertaining to decentralised planning. Another source of information on district planning in Gujarat is a Note on Decentralisation of Planning Process (Government of Gujarat, 1986). It contains a brief account of the practice of district planning in Gujarat. Vyas, V.S. et al (1985) analysed the nature of decentralised planning and the devolution of planning in India. Their study also is mainly concerned with decentralised planning experiments in Gujarat. Arun Ghosh (1988) made a detailed study on the background, experience and success of district level planning in West Bengal.

In an in-depth work on district planning, Kamata Prasad (1988) provides a thorough discussion on the past and current experiences of India in decentralised planning. Several excellent suggestions for raising the quality of grass-root planning have

been made and their operational aspects well examined. The methodology of grass-roots planning is discussed at length in this book.

Another important study in the subject under review is made by Arif Waguif, A. and Shridharan, L. (1988). They have given some illuminating recommendations to make decentralised district planning more effective in a multi-level framework. Similarly, in an informative paper, Kishorilal (1988) has brought out the logic and importance of introducing district level planning in India. He has pointed out some conceptual problems pertaining to district level planning. The concept of district planning is the subject matter analysed by Savitri Sharma (1988) and Mary Parmar (1990). They emphasised the relevance of district level planning in Indian context and suggested some possible approaches to decentralised district planning.

Studies by Kamal Narayan Kabra (1989) and Joshi, B.M. (1989) give an overall understanding of the issues of district planning in India. They pointed out some theoretical issues relating to district planning. An attempt has been made for an evaluation of the arguments generally given for adopting district planning as an alternative strategy. Joshi concentrated on the evolution of decentralised planning in India. They rightly observed that the range, scope and intensity of planning in India are such that comprehensive district planning as the prime engine of social

transformation at the grass-root level does not seem to be available.

A fairly large volume of literature on the decentralised planning experience of Karnataka is available. Decentralised planning becomes all the more important in the context of glaring inequalities in regional development.

Rao, V.K.R.V. (1978) remarked that it was heartening to note that Karnataka is one of the states showing evidence of openly recognizing the problem of regional disparity. In his book, he used the terms "region" and "district" interchangeably, arguing that "though this can be questioned on economic grounds, for historical, political and administrative reasons, the states can be regarded as meso-regions and districts as micro-regions for the purpose of plan formulation and implementation" (Rao, V.K.R.V.,, 1978, p.184). According to him, district planning can act as an effective instrument for reducing inter-district disparities. Ajithkumar Singh (1981) and Narang, A.S. (1982) advocated decentralisation as a panacea for banishing regional disparities. They suggested some workable modifications in the existing centre-state relations for the effective implementation of planned decentralisation.

Khare, G.P. (1985) and Ramashankar Singh (1990) emphasised the need for decentralisation in planning in order to correct the growing inter-district imbalances and to achieve rapid economic development. Khare came to the conclusion that if district schemes

became the responsibility of the district planning boards, the implementation of these schemes would definitely improve and that people for whose benefit these schemes are taken, will feel more involved. Dholakia, R.H. (1985) also analysed the existence of regional inequalities in development and recommended decentralisation as a remedial measure.

The glaring disparity in the economic development of different regions in Karnataka has been clearly highlighted by Hemlata Rao (1984). In this in-depth analysis, she holds the view that for minimising regional disparities, what is necessary is the organisation of economic activities at all levels and sectors, interacting upon one another, so as to produce an aggregate growth rate, which will help to remove the bottlenecks in the backward regions. As a matter of fact, organization of all economic activities can be properly integrated at the district level.

Thimmiah, G. (1983) provides a deep insight into the decentralised planning experience in the state of Karnataka. He also indicated the criteria used by Karnataka State for the allocation of district sector outlay among the various districts of the state. Similarly, Budhiraj, J.C. (1984) and Chandrasekhar, B.K. (1984) also briefly deal with the same subject under review.

In a systematic study, Shridharan, L. (1987) thoroughly examined the process of district level planning in Karnataka. He

observed that in the early stage, the process mainly consisted of communicating the state level sectoral finances to the State Heads of Departments, who, in turn, communicated the district allocations to their counterparts in the districts. Without an assessment of the relative needs at the state level, the district heads prepared schemes in departmental isolation. Thus, district plan essentially turned out to be an aggregation of departmental schemes. Shridharan, L. has also given some valuable suggestions for improving district planning in Karnataka.

A reliable source of the state-of-art of district planning in Karnataka is the notable work by Abdul Aziz (1989). He has ably discussed at length the system of district planning in Karnataka and concluded that the Government of Karnataka have been quite innovative in regard to the creation of the district plan-oriented infrastructure. He rightly emphasised the need for a new initiative in regard to the plan formulation autonomy to be enjoyed by Zilla Parishads and Mandal Panchayats and suggested to strengthen the planning machinery at the Mandal Panchayat level. Ghorpade, M.Y. (1990) also provides a bird's-eyeview of district planning in Karnataka, though the main focus of the study is on the Panchayati Raj system in the State. Sreekantaradhya, B.S. (1991) has also tried to analyse the experience of district planning in Karnataka. He stated that the process of decentralised planning has significantly improved over the years as a result of concerted efforts made

especially since the Fifth Plan period to meet the requirements of district planning.

A Note on District Planning in Karnataka (Government of Karnataka, 1980) gives an overview of the early practice of district planning in the state. Another document of Karnataka Government (Government of Karnataka, 1985) gives some details regarding the administrative set-up of decentralised planning in the state of Karnataka. A comprehensive and in-depth understanding of the existing decentralised planning process is provided in the document published in 1988 (Government of Karnataka, 1988). A clear picture of the prevailing organisational arrangements for district planning and the functioning of District Government is provided in this document.

Literature on district planning with special reference to Kerala is very scarce. Alarming inter-district and intra-district imbalances in development exist in the state of Kerala.

The Kerala District Administration Act (Government of Kerala, 1979) reveals the good intention of Kerala Government in regard to the introduction of decentralised planning in the state. It deals with the administrative and organisational arrangements needed for the establishment of Panchayati Raj system including setting up of District Councils in Kerala State. District Councils were established in all the 14 districts of Kerala on 5th February, 1991. Although there is district planning units in all the fourteen districts of Kerala, there are major limitations in the actual process

of district planning in the state. The district planning is reduced to Special Component Plan and Tribal Sub-Plan (Government of Kerala, 1985).

Thavaraj, M.J.K., (1978; 1981) has conducted some studies on district planning. In his book, he has stressed the idea of decentralised planning and the necessity of resource mobilisation for the Kerala State in particular.

Ramchandran, V. (1986) and Achuthamenon, C. (1986) have given some insight into the existing system of decentralised planning in Kerala State. They analysed the attempts made by the Government of Kerala to introduce democratic decentralisation and full-fledged district planning. Padma Ramchandran (1991-b) and Oommen, M.A. (1991) have made a good attempt in analysing the existing data-base for district level planning in Kerala. She revealed that there is a wide gap in the availability of reliable data in time for decentralised decision-making. They concluded that inspite of all efforts district planning is in an infant stage in the State of Kerala.

Significance of the Study:

The existence of wide inter-district and intra-district disparities in economic development in the State of Kerala inspite of the planning efforts followed for the last three and a half decades calls for a fresh look into the process of planning in

the line of decentralisation. In Kerala, where there is abundance of unexploited natural resources on the one hand and sizeable unemployment on the other, the adoption of district level planning in the real sense has special scope and significance. According to an estimate based on the unemployment survey conducted by the Department of Economics and Statistics in November, 1987 (Government of Kerala, 1988), the incidents of unemployment, including under-employment, exceeds 43 lakhs, out of an estimated labour force of 108 lakhs. This situation highlights the urgency for the proper formulation, careful implementation and regular maintenance of area-based district level planning, which will enable maximum utilization of local resource potentials and hasten the pace of both economic growth and employment generation, which, after all, is the essence of planning.

When we consider Kerala and Karnataka States according to their levels of decentralisation, Kerala is at the beginning of the scale of decentralisation whereas Karnataka has moved far ahead along this scale. Therefore, in order to conduct a comparative study of the subject under analysis, Karnataka has been selected owing to the fact that it is in an advanced stage in the experience of district planning compared to Kerala. Karnataka could successfully implement district planning and it is one of the pioneering states in this regard. But Kerala has not gained much experience in the field of decentralised district planning till now. Furthermore,

Kerala and Karnataka states are selected for the present study due to operational reasons, besides the author's familiarity with the socio-economic conditions of these states. Thus, an analysis of the district planning experience of Karnataka will provide constructive and valuable information, which will be of great importance to Kerala State, which is now aspiring to introduce full-fledge district planning by constituting elected District Councils in every district of Kerala. Moreover, the findings and policy implications of the present study will be of immense help to planners, politicians, administrators, academicians and people at large.

Objectives

The main objectives of the present study are:-

1. To undertake a review of the evolution and status of district level planning in India;
2. To examine the role of district planning in reducing inter-district disparities;
3. To study the administrative and organisational set-up of District Planning Units in Kerala and Karnataka;
4. To analyse the method of allocation of plan outlay among the districts of Kerala and Karnataka States;
5. To evolve a formula for Kerala State for the purpose of allocation of State Plan outlay among the districts.

Methodology

The present study is mainly based on the secondary data published by the Planning Board/Department and Bureau of Economics and Statistics, Governments of Kerala and Karnataka States. The publications include Statistics for Planning, Statistical Abstracts, Economic Review/Survey, Annual Plan District-wise Break-down of Funds, Draft Five Year Plans, Special Component Plans for Scheduled Castes, etc., for various years. The source of data also include Five Year Plans and Annual Plans, Annual Budgets and various Reports of the States of Kerala and Karnataka. The data collected from the above sources have been tabulated and cross-tabulated so as to make it suitable for analysing the problem at hand.

Allocation of Plan outlay into state sector and district sector has been considered for a period of twelve years from 1980-81 to 1991-92. Here, a semi-log model based on time-series data is used to measure the annual compound growth rate of district sector outlay, state sector outlay and the total plan outlay of the States during the period under study.

In order to analyse the trends in inter-district disparities and allocation of outlay, various statistical tools such as percentages, ratios, coefficient of variation, correlation and composite-index are used. Special attention is also given to allocation of plan

outlay coming under centrally-sponsored schemes.

Limitations of the Study:

The coverage of the study is limited to Kerala and Karnataka States, besides giving adequate emphasis on the decentralised district planning experiences of some selected States which have successfully implemented district planning, viz. Maharashtra, Gujarat, Uttar Pradesh, West Bengal, etc. The present study is not intended to cover the district planning experience of all the States in the country due to various reasons like lack of finance and time.

Another limitation is that statistics relating to some aspects of district planning are scattered and inadequate. Data on district-wise and sector-wise allocation of plan funds are not readily available. Some government officials concerned were reluctant to provide old records relating to allocation of district sector outlay among districts. However, every possible attempt has been made to make the study successful. The district planning officers and experts in Kerala and Karnataka States have been consulted at every stage of the study.

Scheme of the Study

For the purpose of the analysis, the study is arranged into eight Chapters.

The first Chapter deals with the concept and case for district planning, aims of district planning and arguments supporting district as an ideal unit of planning. The second Chapter gives a detailed overview of literature, methodology adopted, significance and objectives of the study. The third Chapter traces the evolution and status of district planning in India. The analysis of the existence and trends in inter-district disparities in Kerala and Karnataka economies is attempted in Chapter four. Fifth Chapter examines the administrative and organisational set-up of district planning units in the States of Kerala and Karnataka. The system of allocation of State plan outlay among the districts is studied in the sixth Chapter. In the seventh Chapter, an attempt is made to evolve a formula for the distribution of outlay among the districts of Kerala. The last Chapter presents the summary, conclusions and recommendations of the study.

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CHAPTER III

EVOLUTION AND STATUS OF
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The dawn of Indian Independence launched an era of nation-building through planning and state initiative. With the establishment of the Planning Commission at the national level and commencing of the First Five Year Plan in 1951, the planning process started in the country. Under the Constitutional arrangements, the Central Government has been entrusted with the task of evolving a national plan, to work out a coordinated policy for implementation of the same and to watch and assess the progress of major development schemes in different parts of the country. The States were to plan for and implement the subjects in the State List. But some of the subjects, like social and economic activities, were to be dealt with both by the Center as well as the State Governments.

Thus, in the beginning, a two-level planning was initiated at the national and state levels. The planners and policy-makers did, however, realise the limitations of this system for a country as large in size and diversity as India. They felt that multi-level planning, giving importance to district as a sub-state level planning unit, was needed if the fruits of development were to reach the grass-root level also, because there was always a possibility of losing sight of problems, requirements and potentials of the area much below the state level, while planning from the

headquarters (Joshi, B.M., 1989, p.98). This widespread feeling led to the process of development on the theme of decentralised district planning in the country. This Chapter attempts to review the efforts made at the national level in this direction as also current status of its practice at the operational level.

Evolution of the Theory and Practice of District Level Planning in the Post-Independence Period:

In India, the concern for decentralised planning is as old as planning itself. The idea of decentralisation of the planning process below the state level has featured consistently in all the Five Year Plans, though the emphasis has varied. The First Five Year Plan was as clear and eloquent as any latest official document on this subject. The following lines from the First Plan Document bear this out: "A democracy working for social ends has to base itself on the willing assent of the people and not the coercive power of the state their own views about their needs and difficulties and the correct solutions must be elicited and given the fullest weights in making the plans, in the execution of which, they will be called upon to assist ..." (Government of India, 1952, p.48). The document also stated that, "For democratic planning to succeed, it will have to energise the entire community. The crucial factor here is leadership, not only leadership at the top but at all levels" (Government of India, 1952, p.2). Besides this, the plan discussed about the problems of breaking the national

and state plans into local units, based on district, town and villages (Government of India, 1952, p.142). It has not, however, elaborated the manner in which this idea of decentralisation would be put into operation, how the activities were to be disaggregated and how coordination was to be achieved.

Community Development Programme

The Community Development Programme was the first experiment in the area of decentralised planning in India. Community Development Programme, which was launched in October 2, 1952, and the National Extension Service in 1953 worked as the main operative principles of democratic decentralisation. The two programmes gave much emphasis on people's participation and local leadership in both planning and implementation of programmes and an allround development of the conditions of the people. "Its aim was to initiate a process of transformation in the social and economic life of the villagers. One of the major planks of this programme was participation by the people in efforts to improve their level of living with their own initiative, as far as possible" (Lakshminarayanan, H.D., p.244). The programme has emphasised development not merely in agricultural production but also in the field of village sanitation, public health, education, cooperation, youth, women and child welfare, etc. Its main objectives, according to Jawaharlal Nehru, were to bring about a change in the mental outlook of

of the people, instill in them an ambition for higher standards of life and the will and determination to work for such standards; it seeks to "build up the community and the individual and to make the latter, a builder of his own village centre and of India in the larger sense" (Rao, D.V.Raghava, 1980, p.2). Development blocks were established and an infrastructure was created at the block level for integration of the administrative and developmental functions. The block level staff was entrusted with the responsibility of initiating an allround development of the village (Joshi, B.M., 1988).

The 55 community development projects started in 1952 under S.K.Dey used units of larger than the blocks and had a much larger budget than the subsequent National Extension Service or Community Development Blocks. These 55 projects typically covered a population of three lakhs and an area with 500 villages. When it was decided to extend the Community Development (CD) programme to cover the entire nation, a block unit with a population of one lakh was decided upon. The nation was thus divided into about 5000 blocks, or 15.16 blocks per district, and a phased 10 year period was provided to cover the entire nation. In the first five years, each block was initially called a National Extension Service (NES) block with an annual budget of Rs.2.4 lakhs. After this first stage, the NES blocks passed into a second stage as CD blocks, with an annual budget of Rs.1.0 lakh. After 10 years, the block passed into a Post-Intensive Phase and the entire budget

was now borne by the state (Roy, Prodipto and Patil, B.R., 1977, p.2). The phasing thus had two dimensions - the coverage of the nation and the passing over from a national to a state programme.

In about ten years, by 1963, over 98 per cent of India was covered by CD blocks. Pandit Nehru called it a 'revolutionary programme': "I think nothing has happened in any country in the world during the last few years so big in content and so revolutionary in design as the Community Development Programme in India" (Mukherji, B., 1961, p.1). The CD programme was a right step in the right direction. The approach was somewhat closer to micro-level planning. But the programme did not produce desired results and certainly lacked popular involvement (Krishna Mohan and Y.P.Gupta, 1987, p.14). In the initial years of its operation, the CD programme generated considerable enthusiasm and achieved a marked success in different fields. But this enthusiasm did not sustain itself. In the hands of officials, this programme became a target-oriented programme and for obvious reasons failed to enlist active willingness of the people (Lakshminarayanan, H.D., 1975, p.244).

The Second Five Year Plan gave a great deal of thought to the issue of district planning and devoted a full Chapter to 'District Development Administration'. It stressed "the importance of planning and execution of development programmes within the district with the full support and participation of the best non-

official leadership at all levels" (Government of India, 1957, p.148). It was felt essential that "local initiative in formulating plans and local efforts and resources in carrying them out should be stimulated to the maximum extent possible" as "this would help to relate the plans to local needs and conditions and also to secure public participation and voluntary effort and contribution" (Government of India, 1957, p.151).

Recognising the need for comprehensive village planning, which would take into account the needs of the entire community, including the weaker sections, the Plan suggested village Panchayats along with cooperatives as the most suitable agency for this task. The Plan Document went on to delineate the functions of village Panchayats in relation to development and suggested a number of measures to strengthen them. But it was clearly stated that district would be the pivot of the structure of democratic planning. In emphasising planning at the district level and below, the Second Five Year Plan Document stated that the objective was to carry the district and state plans as means of solving the pressing problems of each local area and through local community involvement and cooperative self-help, to augment the total effort and provide greater scope for local initiative and leadership" (Government of India, 1957, p.58).

Elaborating the need for preparing district plans, the Second Five Year Plan observed that, "a State Plan has to be presented

in two different ways, namely, according to different sectors of development represented in it and according to regions and districts... Thus, a district plan would include programmes prepared on a territorial basis for villages, group of villages, taluks, extension blocks, municipal areas, etc., and also programmes to be derived from departmental plans formulated at the state level. That part of the district plan which is prepared within the district is important both for the range of activities which it embodies and for the fact of association with the people at every level, and the opportunity afforded to them to determine their needs and to contribute towards their fulfilment" (Government of India, 1957, p.157).

In the process, an attempt was also made to identify the activities, which were to be performed at the district level. The main constituents of such a district plan were identified as:

1. Community development and national extension programme;
2. Social welfare extension projects;
3. Agricultural production programmes and allied activities in the field of rural development;
4. Cooperation and village Panchayats;
5. Local development work;
6. Programmes relating to social services; especially, extension of education at primary and secondary levels, health-units, malaria-control, family planning, etc.;

7. Schemes to secure more effective utilisation of resources developed through:
 - (a) large schemes, such as irrigation, electricity, road transport, communications, industrial enterprise, etc.;
 - (b) new training institutions; and
 - (c) new services, e.g. assessing village and small industries and backward-classes;
8. Programme of small savings; and
9. Prohibition work.

The Plan Document went on to emphasise the need for creating a well-organised democratic structure of administration within the district, which should gradually take up the responsibility of general administration and development of the area. The Plan suggested the setting up of district development committees at the district and block levels, respectively, and outlined their composition and functions. These were set up in many states. "The idea of creating such councils was quite good, but it did not succeed because it was conceived in isolation. It did not fit into any framework of multi-level planning, in which its relationship with other levels were precisely defined and integrated. Hence, they merely remained advisory bodies" (Joshi, B.M., 1975, p.100). The village development plans were also formulated but they became a Charter of Demands only because they were prepared according to the felt-needs of villages, without any relationship with the

available resources" (Dubashi, P.R., 1984, p.26). Hence, they could not be incorporated in the district and state plans and remained a paper exercise only.

**Panchayati Raj Institutions
(Balwantray Mehta Committee, 1957)**

Balwantray Mehta Study Team was appointed in 1957 to study and report on the Community Development Projects and National Extension Service and also to assess the extent to which the movement has succeeded in utilising local initiatives and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas. This Report begins with a sanguine motto: "So long as we do not discover or create representatives and democratic institutions ... and invest them with adequate power and assign to them appropriate finance, we will not be able to evoke local interest or local initiative in the field of development" (Planning Commission, 1957, p.7). Reflecting on the then existing situation, the Committee noted with dismay the vast gulf between the ideal and the reality. The report noted that "the Block Advisory Committees are generally nominated and never invested with the power of decision. We have found that often they are unrepresentative of some important sections of the local public. The district planning committee is, perhaps, even less powerful (Planning Commission, 1957-b, p.6).

The Study Team on Community Development and National Extension Service headed by Balwantray Mehta lamented the failure of the community development programme to evoke popular initiative and suggested the establishment of a three-tier system of Panchayati Raj institutions to carry out the task of democratic decentralisation. The report of the Balwantray Mehta Committee aroused great public enthusiasm and found a wholehearted acceptance of the government and obtained its approval by the National Development Council in January, 1958.

The Balwantray Mehta Team offered the following two broad directional thrusts:

- (1) There should be administrative decentralisation for the effective implementation of the development programmes and that the decentralised administrative system should be under the control of elected bodies; AND
- (2) The basic unit of democratic decentralisation should be located at the block/Samiti level.

The Committee emphasised the following five principles:

1. There should be a three-tier structure of local self-governing bodies from villages to district levels with an organic link from the lower to the higher ones;
2. There should be a genuine transfer of power and responsibility to these bodies;
3. There should be adequate financial resources to these

bodies to enable them to discharge these responsibilities;

4. All developmental programmes at these levels should be channelled through these bodies; and
5. The system evolved should be such as to facilitate further decentralisation of power and responsibility in future.

Based on the suggestions and guidelines of the Balwantray Mehta Study Team, Panchayati Raj Institutions, having three-tiers (village, block and district) have been established in almost all parts of the country, except Nagaland, Meghalaya, Lakshadweep and Mizoram. Panchayati Raj system was first introduced in Rajasthan and Andhra Pradesh in 1959. Later on, Karnataka and Orissa and other states followed the suit. The organisation pattern of Panchayati Raj, however, differs in respect of a number of tiers followed by different states. Even in the Panchayati Raj system, district was considered to be the apex-body for coordination and monitoring of planning and development activities of the lower levels.

Panchayati Raj movement started with fanfare and enthusiasm, having laudable objectives and high hopes. It was generally thought that Panchayati Raj would bring democracy at the doors of the rural people, accelerate the process of social and economic development, evoke popular participation in Plan formulation and implementation of programmes and schemes, which, by and large, determine their destiny. Pandit Jawaharlal Nehru, while inaugurating the Panchayati Raj in the State of Rajasthan on October 2, 1959,

called it a 'revolutionary' and a 'historical' step (Bhargava, B.S., 1980, p.74).

After an initial period of success in most of the states, the Panchayati Raj institutions have lost their vigour by the mid-sixties. "The story of the Panchayati Raj has been a story of ups and downs. It seems to have passed through three phases; the phase of ascendancy (1959-64), the phase of stagnation (1965-69) and the phase of decline (1969-77)" (Planning Commission, 1978, p.4). A number of factors in the past have conspired to undermine the Panchayati Raj structures with district at the apex and made them ineffective. Structural inadequacies, antagonistic attitudes of bureaucracy, lack of political will, lack of conceptual clarity about Panchayati Raj institutions, more power-oriented than development-oriented emerging leadership, widespread corruption, inadequate finance and irregular elections are the factors that led to the decline phase (Bhargava, B.S., 1987).

Except in Maharashtra, Gujarat, Karnataka and West Bengal, where there are regular elected-bodies, in most of other States, either these have been superseded or are working for only the namesake. The institutions lost their dynamism because of unusually long duration of supersession on one pretext or the other. During the period of supersession of these Panchayati Raj institutions, there has been considerable erosion in their powers and activities. Moreover, in early 'seventies, the Government of India instituted

centrally-sponsored special programmes and implemented them through centralised bureaucratic framework. These centrally-sponsored special programmes bypassed Panchayati Raj institutions (Prabhat Kumar Datta, 1988).

Third Five Year Plan regarded the growth of Panchayati Raj institutions as one of the principle task to "enable each area to realise its maximum development potential on the basis of local manpower and other resources, cooperative self-help and community effort and effective use of available resources and personnel" (Planning Commission, 1961, p.332). It was pointed out that district plans should be worked out as a means for the more effective implementation of the State Plan.

The idea of decentralised planning was again reiterated in the Third Five Year Plan and it was proposed that the states should formulate their annual plans atleast in the following activities on the basis of district and block level plans (Planning Commission, 1961-b, p.334):

1. Agriculture, including minor irrigation, soil conservation, village forests, animal husbandry, dairying, etc.;
2. Development of cooperatives;
3. Village industries;
4. Elementary education, especially provision of school buildings for local communities;
5. Rural water supply programme of minimum rural amenities,

including construction of approach-roads linking each village to the nearest road; and

6. Works programmes for further utilisation of manpower resources in rural areas.

Within the general framework of the district plan, the block plan was intended to include all social and economic activities undertaken within the block which calls for: (a) planning initiated locally at the block and village levels; and (b) coordination with plans of various departments which are implemented within the block. But this idea could not be operationalised because of lack of adequate planning machinery at either district or block levels (Ajitkumar Singh, 1988).

**Report of the Administrative
Reforms Committee, 1967**

The question of planning at the district level was examined at length by the Study Team on Machinery for Planning appointed by the Administrative Reforms Commission (Government of India, 1967). It came out with its reports, which strongly advocated decentralisation of planning activity at the district and lower levels. The Study Team analysed the reasons for the continuing ineffectiveness of attempts at district planning and suggested remedies for removing these defects. It emphasised that "the core of district planning should be related to those sectors of development where

local variations in the pattern and process of development are likely to pay dividends in terms of rate of growth" (Government of India, 1967, p.115). The Commission advocated integrated approach towards development of the urban and rural areas in the district and pleaded for giving the district planning authorities a much clear understanding of the resources that would be available to them for development purposes and for reducing the rigidity regarding outlay for different sectors in deciding upon the financial assistance to the district.

The Study Team had sharp difference of opinion compared to the earlier approaches to decentralised planning. It believed that at the present moment, it was not practical to think of any area smaller than the district as a suitable unit of planning, though it considered that wherever possible, Community Development Blocks could be made responsible for the preparation of agricultural plans for the blocks.

There was a wide deviation in its opinion about the role of Zilla Parishads, which were earlier visualised as the main link in the district development administration. The Commission observed that the Zilla Parishads would normally have no representation in urban areas and are, therefore, not likely to be the best agencies for ensuring balanced plan for the district as a whole. Apart from this, the Zilla Parishads would be large bodies, which cannot be operationally effective for the purpose

of formulating a district plan. It would also be necessary to involve persons from fields, other than the Panchayat Parishads and the municipalities, to ensure proper understanding of the problems of the district, and for the purpose of preparing balanced district plans. We would, therefore, recommend that there should be a district planning committee consisting of the representatives of the Zilla Parishads, municipal bodies in the district, professional talent in the district and with appropriate association of the district officers and others" (Government of India, 1967, p.117). Although the ideas contained in this report did not fully materialise, it can be considered as a landmark in the history of district planning in India.

The importance of district and local planning was again highlighted during the Fourth Five Year Plan period and it was thought that with successive Annual Plans, district planning in the states should become more general and detailed and coordinated programmes in various directions should be evolved. Prof.Gadgil emphasised the concept of district planning as Deputy Chairman of the Planning Commission during the Fourth Plan, as a compelling factor to keep Indian planning more fully participated at micro-levels (Planning Commission, 1969). Discussing about the district planning, the Draft Fourth Five Year Plan observed that, "If State plans are to succeed, their formulation in relation to physical features and resources and the institutional organisations in each

area is the first requirement" (Government of India, 1969, p.104). Thus, the reduction of regional disparities as one of the objectives of district planning was added during this period. But no concrete steps were suggested apart from calling for diffusion of initiatives in decision-making and participation.

Guidelines for the Preparation of District Plans:

Detailed guidelines for the formulation of the district plans were issued by the Planning Commission in 1969. These guidelines stressed the following points:

- (a) increase in the per-unit productivity;
- (b) better utilisation/conservation of natural resources;
- (c) more equitable distribution of the benefits of development between different areas and communities through more rational location of facilities and services; and
- (d) the expansion and diversification of employment opportunities (Planning Commission, 1969, p.27).

These guidelines were immediately transmitted to the state governments. In the existing framework of national planning, the sub-state planners are agents to central planners. "Hence, there cannot be a question of there being a set of autonomous objectives of the agents, which would be allowed to guide the decision-making involved in district planning" (Kabra, K.N., 1977, p.31). Tho

guidelines were fairly comprehensive and spelled out the approach and different strategies in district plans and indicated the data requirements and the format in which the district plans were to be prepared.

It was also realised that the concept and methodology of district planning cannot be operationalised unless there was a strong planning machinery, not only at the state level, but also at the district level. Accordingly, a scheme for strengthening the planning machinery at the state and district levels was launched by the Planning Commission and it offered to share half of the expenditure in this respect. Because of this incentive, many states did strengthen their planning apparatus not only at the state level but also at the district level.

On the basis of Planning Commission's guidelines, the State of Maharashtra started preparation of district plans in 1972. It not only identified the schemes for district planning but also set apart plan funds for it and also created separate planning boards known as District Development and Planning Councils at the district level. Gujarat initiated district planning in 1979. Karnataka was the third State which also started with district level planning around this time and many other states followed the suit (Joshi, B.M., 1989). All these states evolved their own criteria for the devolution of plan funds to the districts as well as formulation of plans at the district level.

The 'guidelins' revealed the intention of the government to shift from sectoral to spatial planning, in order to minimise the regional imbalances. Spatial planning demanded a restructured organisational set-up and the district inevitably had an important place in the scheme. Accordingly, the slogan of systematic district level planning emanated. In order to make spatial planning a reality, the Planning Commission prepared these guidelines under the leadership of D.R.Gadgil. The 'guidelines' may be regarded as the first concrete step towards operationalising the concept of district planning.

**Working Group on Block Level Planning
(M.L.Dantwala Committee, 1977):**

While the district planning exercise was being strengthened, a novel idea entered the mind of the planners. Their new venture centred around block level planning, which received the patronage of the new Government that came to power at the national level in 1977.

A Working Group under the chairmanship of M.L.Dantwala was appointed on 5th November, 1977, to prepare guidelines for block level planning (Planning Commission, 1976, p.7). By 1978, the Planning Commission decided to further decentralise the planning exercise from district to block level. The initiation of block level planning in the country was with a view to achieve full

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employment. The Working Group noted that the remoteness of the planning agencies from the areas of implementation and vastness of geographical coverage hamper matching of sectoral financial allocations with location-specific needs as well as potential for regulating the distribution of the gains of development. Hence, it was advocated that the block level planning will accelerate the process of decentralisation in the hope that a more systematic planning effort, with a smaller coverage, will not only help to speed up the development process, but also improve it qualitatively in the sense of making it more responsive to the needs of weaker sections of society (Planning Commission, 1978). The Working Group opined that block level planning was not to be viewed as an isolated exercise, but as a link in the hierarchy of levels from a cluster of villages below the block level to the district and state levels.

In the context of the policy of decentralised planning, the following functions, according to the Dantwala Group, emerged as pertinent at the block and district levels:

- (i) resource inventory and data collection, including analysis of the prevailing levels of development, potential for further development and identification of constraints in development;
- (ii) identification of priorities and selection of a catalytic programme;
- (iii) formulation of programmes/schemes for development and

- the establishment of their spatial and temporal linkages within an integrated framework;
- (iv) devising a plan for further utilisation of manpower resources; in other words, a plan for augmenting employment;
 - (v) assessment of availability of financial resources from various sources - district budget, banking system, private sector and mobilising the same;
 - (v) monitoring and evaluation of development plans and their modification from time to time in the light of experience.

The Working Group on Block Level Planning made an important contribution to local level planning by elaborating the objectives, scope and methodology of block level planning. However, the Working Group felt that it may not be within the technical competence of the block level administration, at present, to prepare such plans. "In fact, it is very difficult to carry the Indian Planning process down to the block level for various reasons. First of all, the required personnel is not available to formulate meaningful block plans for the economic activities which come under blocks. Secondly, the present block level administration is manned by persons who are not adequately trained and are also not sufficient in number" (Thimmaiah, G., 1983-a, p.138).

This is precisely the reason why the Working Group recommended that the block level planning should be formulated at the district level and when implemented, it should be supervised by district level administrative machinery. In fact, their recommendation was to strengthen the district level planning machinery and training of district and block level officials. However, the Planning Commission did not give much attention to this recommendation.

The Planning Commission issued detailed guidelines on the basis of this Working Group's Report to all the states in 1979, in the hope that the states will start the process of formulation of block plans, which will, in turn, form part of the district plans. Some states prepared block plans through private consulting agencies/Universities/research institutions, though the Working Group wanted that the plans to be formulated as a joint effort of block and district level machinery, with the assistance of the available local experts. For example, in Karnataka, "these block plans have been prepared by the Universities, research institutions and private consulting firms. Surprisingly, the State Planning Department has not attempted nor has it encouraged the district planning units to attempt the exercise of formulating block plans (Thimmaiah, G., 1983-b, p.133). Because of the diverse nature of the organisations involved in the formulation, there was lack of uniformity in the block plans formulated.

Block level planning has received considerable scrutiny. A UNESCO Study of experience in the Kazhakootam block in Kerala State (UNESCO, 1980) revealed that there had been no systematic identification of households which could benefit from different programmes, that the importance of extension and support services were not fully realised and that these were not coordinated with services of other agencies and departments. Although the block level planning was contemplated as a multi-purpose planning device for the overall development of the block, in practice, it became an integrated rural development planning, which is defined as plan for lifting the poorest families in the block above the Poverty Line by providing credit and other inputs to start viable economic activities. But these plans were not dovetailed with other existing economic activities of the block (Joshi, B.M., 1989).

It is worthwhile to note that even the Working Group on Block Level Planning recognised the importance of planning at the district level, as is evident from the statement that "below the state level, the issue whether a district or block is more appropriate for the purpose of planning need not be viewed with rigidity. In any case, in the approach adopted by our Working Group, district and block level planning are visualised as a part of the same exercise, inasmuch as the planning team charged with the responsibility of block level planning will be located at the district headquarters and would also be attending to all aspects

of district planning" (Planning Commission, 1978-b, p.2). Thus, we can consider that a vital breakthrough for the district planning was the recommendations of the Working Group on Block Level Planning.

**The Committee on Panchayati Raj Institutions
(Ashoka Mehta Committee, 1977):**

In 1977, another Committee headed by Ashoka Mehta, was appointed to enquire into the working of Panchayati Raj institutions and to suggest measures to strengthen them so as to enable the decentralised system of planning and development to be effective. It submitted the Report in 1978 and observed that Panchayati Raj institutions have not been given a chance to serve as vanguard of development in village India (Government of India, 1978).

For carrying out the functions of Panchayati Raj institutions, it was suggested that the district planning unit consisting of a professionally-qualified team should be placed within the Zilla Parishad. The Committee regarded the district as the first point of decentralisation below the state level. For levels below the district, the committee rejected both the block and the village as the suitable units for grass-root planning. Instead, it favoured the creation of a new level called 'Mandal Panchayat' consisting of a cluster of villages, which was to become the hub of developmental activities next to the district.

Underlining the importance of Mandals in planning and development administration and realising the need to avoid the possibility of the Zilla Parishads overshadowing the Mandals, the Committee spelt out the inter-relations between the two units in careful and cautious terms. It stated that "with the assistance of the district planning cell, the concerned departmental functionaries at this (Mandal) level, will be able to build up suitable projects. The planning units at the district should be taking note of these and incorporating them into the block/Mandal plans" (Government of India, 1978, p.77). However, district was considered as the first point of decentralisation below state level.

The Sixth Plan again highlighted the need to strengthen the district level plan and development administration by the appointment of "District Development Officers" who should have complete authority and responsibility with respect to development work and should enjoy the rank and status as the Collector" (Government of India, 1981, p.92). Some of the State Governments have created this post, but it is yet to be adopted by others. During the Sixth Plan period, Andhra Pradesh and Uttar Pradesh also started district planning. They evolved their own procedure of devolution of plan funds to the districts and also set up committee's with people's representatives at the district level to formulate as well as monitor implementation of district plans (Hanumantha Rao Committee, 1984).

**Working Group on District Level Planning
(Hanumantharao Committee, 1984):**

Recognising the urgency of district level planning, the Planning Commission again set up a Working Group on district planning under the Chairmanship of C.H.Hanumantha Rao (Planning Commission, 1984). The Working Group submitted its report in 1984. It thoroughly endorsed the need for decentralised district planning, in the absence of which, past attempts in this direction have failed to yield the desired results. It advocated the concept of integrated area planning within the framework of multi-level planning. Arguing against the prevailing dysfunctional fragmentation in planning activities, it favoured the establishment of a single body for carrying out this task as is evident from the following lines:

In our concept of district planning, the district is seen as a sub-system of multi-level planning. The totality of all planning activities at the level of this sub-system would vest with a single District Planning body who would determine the priorities and allocate funds accordingly among the various development sectors (Planning Commission, 1984, p.23).

Hanumantha Rao Committee went on to add that "when this change has been effected, a large part of the public resources would be mobilised and controlled by the district itself. It would also imply that the district will have the largest say in the

utilisation of resources allocated to it by the states. In such a concept of district planning, the district set up will have its own decision-making authority and control over the whole range of development functions assigned to the district level" (Planning Commission, 1984, p.23). The Working Group hoped that the report would stimulate district planning activity in the states, enabling them to adopt the 'stages approach' to district planning and to prepare specific guidelines for district planning. They regarded Stage-I as a phase of "initiation", Stage-II as one of "limited decentralisation" and Stage-III would represent "final stage".

The Working Group has made a signal contribution towards operationalisation of district planning by giving elaborate suggestions on different aspects of district planning, including its pre-requisites, methodology and problems of coordination and integration. Hanumantha Rao Committee favoured the district Collector as the Chief Coordinator for district planning, for which he should be given suggestions by setting up a multi-disciplinary team for plan formulation at the district as well as the block level. Many states including West Bengal, have adopted the "stages approach" to district planning as envisaged by the Working Group on District Planning.

The methodology of district planning should be simple and the district plan itself concrete, specific and practical. Following steps in sequence for the formulation of the district plans are suggested by the Working Group:

2. Compilation of data for district planning;
3. Bringing out the profile of the district in relation to the basic objectives;
4. Formulating the main strategy and thrust of district planning;
5. Analysis of the existing programmes and projects with reference to the strategy outlined;
6. Assessment of resources for allocation to various programmes and projects;
7. Statement of physical and financial components of the district plan;
8. Statement of spatial dimensions of the district plan;
9. Relationships and links between the district plan and state development plan.

The above suggested methodology of district planning assumes that the district will have to plan for the entire district sector, which may not be true for all the states at present. It is, therefore, necessary to make it clear that all the procedures outlined by the Working Group becomes applicable only at a stage when full-fledged district planning would be possible.

The failure of the Working Group to visualise decentralised planning within the umbrella of the democratically elected Panchayati Raj bodies may be regarded as the weakest spot in its report.

This is in sharp contrast to the thinking of this issue embodied in earlier committees and amounts to setting up a body without infusing it with the proper spirit.

G.V.K.Rao Committee, 1985

In 1985, the Planning Commission appointed a Committee under the Chairmanship of G.V.K.Rao, to review the existing administrative arrangements for rural development and to suggest appropriate structural mechanism (Planning Commission, 1985). This Committee also underlined the need for strengthening the planning process at the district level. The report emphasised the need to activate Panchayati Raj institutions. Apart from reiterating the concept of properly prepared district plans, the Committee suggested the concept of district budgeting. According to the report, one of the reasons why the decentralised district planning has not got off the ground is that the "arrangements of preparation of budgets have not been suitably modified to incorporate the suggested district-wise preparation of budgets" (Planning Commission, 1985, p.33).

Obviously, the process of thinking in the Government was still on. It gave birth to yet another committee in June 1986, with L.M.Singhvi, as Chairman to prepare a concept paper on revitalisation of Panchayati Raj institutions for democracy and development, in order to make these institutions truly effective instruments in the constructive task of rural development and nation building.

(Jha, D.N., 1991, p.134).

The Seventh Five Year Plan Document (1985-90) re-affirmed its faith in the process of decentralisation and resolved to follow the process on the lines suggested by the Hanumantha Rao Committee. This is more clear from the feelings of the Government. "To achieve the twin objectives of effective implementation of the anti-poverty programmes and ensuring a balanced regional development, it is essential that the planning process is also decentralised" (Government of India, 1984, p.8).

As the district is a wellknown and administratively convenient unit, the Seventh Plan argues that "the decentralisation of the planning from the State level should be taken to the district level, particularly for the more effective implementation of anti-poverty programmes" (Government of India, 1984, p.10). The draft paper of the plan desired that the state governments could set apart plan outlays for schemes and programmes to be planned and implemented at the district level and encourage planning with public participation at the district level. "To administer the decentralised planning process at the district level, the Planning Commission also suggested a satisfying pattern with Chief Planning Officer, Economist, Area and Programme-Specific Specialist, Social Development Planning Officer, Engineer, Credit Planning Officer and Geographer (Budhiraja, J.C., 1987, p.2). Besides the above,

supplementary subordinate staff should be provided to these categories of suggested officers for the formation of district plan.

While working for the developmental goals of the Eighth Plan, the need is also to learn from the old and repeated mistakes. The Planning Commission has stated that it would play "a promotional and guiding role to impart momentum to the district planning process" (Government of India, 1984, p.415). It is hoped that decentralisation of planning at the district level in the Eighth Plan will be vigorously pursued on the lines suggested by the Working Group on District Planning.

Status of District Planning in India

In the backdrop of historical evolution of the concept at the methodological as well as operational levels and the initiation made by the Government, the current status of district planning in some selected states in India may now be analysed. The experience of Kerala and Karnataka in district planning is discussed at length in the coming Chapters and, therefore, these states are not considered in this Chapter. Maharashtra, Gujarat, Uttar Pradesh and West Bengal have been selected for this purpose because these are the states which have actually tried to operationalise district planning.

In recent years, a number of concrete steps have been undertaken

at the state level, particularly in Karnataka, Kerala, Maharashtra, Gujarat, Uttar Pradesh and West Bengal, to decentralise the planning process more effectively at the district level. The salient features of these attempts include the following:-

- (i) Identification of district sector schemes;
- (ii) Disaggregation of plan funds between the state sector and the district sector;
- (iii) Determination of the share of individual districts on the basis of selected indicators, giving weight to backward areas;
- (iv) Setting up of district planning bodies consisting of officials of various departments, elected representatives of people and nominated persons;
- (v) Creation of a technical planning machinery at the district level consisting of two to six officers.

As a result of consistent efforts made by the Planning Commission, district planning bodies have been constituted in most of the states in India at the district level. The size and composition of the district planning bodies differed in different states. However, the District Planning Machinery has not really started functioning in some states. Table 3.1 shows the current status.

Gujarat

The Government of Gujarat attached considerable importance to

Table 3.1
District Planning Machinery : Present Status

Set up	Set up but requires strengthening	Not yet set up	Proposals approved but personnel not in position	Not in favour of setting up of District Planning Machinery
Karnataka	Kerala	Assam	Haryana	Sikkim
Bihar	Andhra Pradesh	Madhya Pradesh	Tamil Nadu (for three districts)	
Orissa	Himachal Pradesh (in 10 districts)	Punjab		
West Bengal	Gujarat	Rajasthan		
	Jammu & Kashmir	Tripura		
	Maharashtra			
	Meghalaya			
	Manipur			
	Nagaland			

Source: Alagh, V.K., "Decentralisation and Planning in India", In: Yugandhar, B.N. and Amitava Mukherjee (Eds.), Readings in Decentralised Planning with Special Reference to District Planning, Vol.I, Concept Publishing Co., New Delhi, 1991, p.244.

district planning. After the introduction of Panchayati Raj in 1963, the State Government transferred substantial part of the district level schemes to District Panchayats, along with the funds and personnel earmarked for them. The District Panchayat was headed by a full-time secretary called the district development officer. Statistical support, consisting of a district statistical officer, a research assistant and two statistical assistants where available in every District Panchayat for plan coordination, economic analysis and review (Somasekharan, N., 1985). The State Government also devised its own criteria for the distribution of district sector outlay between the districts.

District Planning Machinery:

In 1973, District Planning Boards were set up in every district for "it was necessary that the work for the planning and framing of district level schemes as an integral part of the state Five Year Plan fulfills the local requirements reasonably and realistically within the framework of the broad policy of state" (Government of Gujarat, 1973, p.28). The District Planning Boards have a broad based and highly representative character.

The District Planning Board is headed by a Minister of the State Government. The Collector is its Vice-Chairman and the District Panchayat President is its Co-Vice-Chairman. All the Members of Parliament (MPs) and the Members of Legislative Assembly (MLAs)

from the district, a member of the state planning board, the mayor of the municipal corporation, municipal commissioner, president of one of the municipalities in the district, chairman of the district cooperative bank, representative of lead bank and one member from a research institution or a university are the other non-official members of the District Planning Board.

On the official side, the district development officer and project officer of the tribal area sub-plan are also included. The district planning officer is the member-secretary of the Board, while the district statistical officer is the additional member-secretary. An officer of the state general administrative department (GAD Planning Division) is nominated as an observer.

The main functions of the District Planning Board in regard to the decentralised district planning are:

- (i) To prepare the perspective plan, Five Year Plan and the Annual Plan of the district;
- (ii) To frame specific schemes in various fields to be funded from the outlays under district planning;
- (iii) To ensure maximum participation from the local bodies, the public and the voluntary agencies;
- (iv) To undertake a regular review and evaluation of district level schemes and strive to remove bottlenecks in their implementation (Government of Gujarat, 1981).

For the effective working of the District Planning Board, the following Executive District Planning Committee has been constituted:

1.	Collector	...	Chairman
2.	District Panchayat President	...	Co-Chairman
3.	Two/three MLAs	...	Members
4.	District Development Officer	...	Member
5.	District Planning Officer	...	Member-Secretary
6.	District Statistical Officer	...	Additional Member-Secretary

The District Planning Board has a planning cell headed by the district planning officer, who is drawn from Class-I of Gujarat Administrative Service, Gujarat Statistical Service or Gujarat Agriculture Service. He is usually a senior officer with considerable experience in development work (Hooja, Rakesh, 1986). The District Planning Board prepares, reviews and evaluates district level schemes and seeks participation and help of various local bodies, industrial houses and people from different strata of society.

The District Planning Board is assisted by two committees:

- (i) Executive Planning Committee;
- (ii) Sub-Committee on Employment Generation.

The Executive Planning Committee which is headed by the

Collector, is a compact committee of eight or nine members, including the district Panchayat president, the district development officer and the district planning officer. This committee meets every month and assists the District Planning Board in a number of ways. Every proposal coming for funding from the district planning outlays has first to be placed before the Executive Planning Committee and scrutinised by it (Government of Gujarat, 1981). This ensures that proposals coming up before the District Planning Board are in accordance with the guidelines issued by the Government, from time to time, and undergoes adequate scrutiny. This committee also monitors the progress of schemes, identifies bottlenecks and takes steps to remove them. The Sub-committee for Employment Generation is intended to focus attention on manpower and employment requirements at the district level.

The Village Amenities Survey

One of the important sources of information to District Planning Board is the Village Amenities Survey and 77 basic village amenities have been identified and information on them for each village of the state has been compiled and computerised (Government of Gujarat, 1981). This computerised information is provided to each District Planning Board, so that the Board could utilise it to formulate proposals. The information of village amenities survey is being updated by carryin out this survey every year as on

1st October and then it is processed by a computer and the latest information is made available to the concerned District Planning Boards.

Allocation of Funds

On the total state plan outlay, 36 per cent is envisaged for allotment for district level schemes. The part of the state plan outlay allocated for district level schemes is divided into three categories (Government of Gujarat, 1981):

- (i) Normal district level schemes account for 80 per cent in accordance with the priorities and guidelines laid down by the state;
- (ii) Discretionary outlay is 15 per cent for which complete latitude is given to District Planning Boards;
- (iii) Incentive outlay is fixed at 5 per cent, which is to be allocated against the local funds raised by the district on a 50:50 matching basis or 75:25 basis, depending upon the backwardness of the taluk.

Besides the 20 per cent outlay, which is placed exclusively at their disposal, the District Planning Boards are also expected to give their suggestions regarding the normal district level schemes, implemented from the 80 per cent outlay. These suggestions are expected to be incorporated by the heads of departments in their annual plan proposals, failing which the head of department is

liable to explain the reasons for non-inclusion of proposals made by the District Planning Boards. The major defect of the allocation pattern is that 80 per cent of the district plan outlay is outside the control of the District Planning Board. It has access to only 20 per cent of the outlay, which seriously undermines the importance of district planning in Gujarat.

Maharashtra

The most remarkable aspect of planning in Maharashtra was the introduction of district planning. The first experiment in district planning was carried out in 1964 in Wardha district. The two main objectives, which influenced the State Government to adopt the district as the unit of planning and to take some bold steps in this direction were:

- (a) removal of the inter-district and intra-district imbalances in development; and
- (b) desire to ensure that the district will be given an opportunity to attain full development having regard to their potential, available manpower and other resources.

To build up a comprehensive data-base for each district, teams of officers were appointed to collect basic data on the levels of development in each district. Techno-economic surveys of the potential in each district were also carried out. On the basis of this

information an indicative framework of district development was formulated to provide a basic and dimensional hypothesis for the district planning exercise (Government of Maharashtra, 1975).

District Planning Organisation

In 1962, the State Government had set up the Zilla Parishads in the State. Though it is an obligatory function of the Zilla Parishad to promote planned development of the district, the planning function was not seriously taken up by the Zilla Parishad. An Evaluation Committee on the performance of Zilla Parishads also "did not find any particular evidence to show that there was any conscious and systematic effort of planning in the local sector" (Government of Maharashtra, 1971, p.84).

With the intention of strengthening the district planning machinery, District Planning Boards were instituted in 1972 for each district, consisting of the following members: designated Minister of the district as chairman, commissioner of the concerned administrative division as vice-chairman, district collector, president of the Zilla Parishad, mayor of the designated municipal corporation or the president of the largest municipal council, chief executive officer of the Zilla Parishad, chairman of district cooperative bank, chairman of district land mortgage bank, regional manager of lead-bank and three non-officials nominated by the Government (Inamdar, N.R. and V.K.Kshire, 1986, p.21).

Considering the criticism about the composition of the District Planning Boards that it did not include the representatives of the Legislature and Parliament, the Government constituted 'District Development Consultative Council', consisting of the representatives from State Legislature and Parliament and persons representing various interests such as industry, trade and commerce, Universities and social welfare. But it was only an advisory body.

In 1974, the Government of Maharashtra amalgamated District Planning Board and District Development Consultative Council and a new body entitled 'District Planning and Development Council' (DPDC) was brought into existence to facilitate direct association of the representatives of the people with the process of plan formulation and implementation at the district level. The membership of this body remained the same as the combined membership of the two bodies. DPDC has an Executive Committee of ten members of which nine were same as that of District Planning Board and a planning officer is included as the secretary (Government of Maharashtra, 1974, p.28). The day-to-day task of plan formulation and implementation was entrusted to the executive committee, which meets once a month and transacts the following functions (Inamdar, N.R. and Kshire, V.K., 1985):

1. Consideration of the monthly progress report in the implementation of the district annual plan;
2. Identification of reasons for shortfall in expenditure as also physical achievements or lack of progress;

3. Suggesting measures for speedy implementation of the programmes and remedial measures required for the purpose where the progress is found to be tardy;
4. Consideration of new schemes for inclusion in the district annual plan, in case it becomes very necessary.

The district collector, who is also the member-secretary of the DPDC, is assisted by a small district planning unit in attending to the work of the formulation, monitoring and evaluation of the district plans. This unit is headed by a district planning officer and is supported by two research assistants and a planning assistant.

District Planning Process

The district planning process is a comprehensive process, consisting of preparation of the draft annual plan, presentation of the draft to the DPDC, getting it approved by the DPDC, submission of the draft to the State Government for approval and finally, the execution of the plan.

The State Government has divided the state plans outlay into state sector and district sector schemes. The district level programmes are basically those which are located in or benefits a district exclusively and which needs to be planned at the local level for optimum exploitation of the natural and other resources of the district. On the other hand, schemes benefitting the state,

as a whole, or those which are required to be planned at the state level for the general good of the state, as a whole, have been classified as state level schemes. The district sector represents about 40 per cent of the state's plan outlay (Planning Commission, 1984). Once the size of the annual plan is decided, about 40 per cent allocation are set aside for district level schemes. The DPDC plans for, and manages, this 40 per cent as per state government's guidelines and annual plan framework; unlike the practice in Gujarat, where only 20 per cent of the district sector outlay was at the disposal of the District Planning Boards. The criteria for the determination of financial allocation to each district are discussed in chapter six.

The planning department determines the overall plan outlay for the state and the allocable amount therefrom for the district annual plan. The amount for the district annual plan is then distributed among the various districts. These allocations are communicated to the DPDCs and they are free to prepare their District Annual Plan and suggest schemes, which are to be incorporated in the district plan within the framework prescribed by the state government. A small team consisting of the district collector, chief executive officer, president of the Zilla Parishad and three non-officials examine the district plan proposals of the district. Senior officers of the planning department examine the proposals submitted by the small team at the district level

and ensures that it is in accordance with the guidelines of the State Government. The District Annual Plan is then submitted to the DPDC for approval. The draft annual plans received from the DPDC are then discussed at the state level meetings with the Executive Committees of the DPDC before finalisation. The district plans, as finalised at the state level meetings, are then incorporated in the draft annual plan of the state to be submitted to the Planning Commission. Modifications suggested by the Planning Commission are carried out at the state level by the planning department before the finalisation of the plans at the state or district levels. The district plans so finalised are communicated to the DPDC for being adopted as the final District Annual Plans. Thus, the annual plan of the district, theoretically, is a part of the state's annual plan.

Uttar Pradesh

The first major step towards decentralisation in UP, as in many other states in India, was taken with the introduction of the CD programme in the early 'fifties. The three-tier Panchayati Raj institution were set up in 1963. But the plans for the districts continued to be formulated for each sector at the state level. The Government of Uttar Pradesh took the momentous decision in 1981 to introduce district planning in the state and the schemes have been implemented with effect from the year 1982-83.

District Planning Committees

District planning visualises decentralisation of economic power complementary to the decentralisation of political power. In order to fulfill this aspiration, functional aspects have been entrusted to two committees. The district is a unit of decentralised planning having a District Plans Coordination and Action Committee (DPCAC) and a District Planning and Monitoring Committee (DPMC) for formulating and implementing district plans. The DPMC comprises of:

- | | | | |
|----|---|-----|----------------------|
| 1. | Minister In-charge
of Division | ... | Chairman |
| 2. | District Magistrate
(Collector) | ... | Vice-Chairman |
| 3. | All MPs from the
district | ... | Members |
| 4. | All MLAs from the
district | ... | Members |
| 5. | Chief Development
Officer or Additional
District Magistrate | ... | Member-
Secretary |

The main functions of the committee are as follows:

1. To finalise the plan of the district, keeping in view the plan outlays earmarked for the district;
2. To allocate departmental outlays between various blocks, with a view to eradicate disparities;
3. To review district plan every two months;
4. To put up proposals for re-allocation of funds.

The District Plan Coordination and Action Committee is an official body headed by the district magistrate. The additional district magistrate, economic officer and all district level officers of the development department are its members (Planning Commission, 1984). The committee is entrusted with the task of formulation of the district plan, keeping in view the guidelines issued by the State Government and to review the progress of the plan every month.

District Planning Process

In UP, there is also a Regional Planning and Development Committee at the divisional level, headed by a Cabinet Minister, with the revenue divisional commissioner as vice-chairman. The DPCAC formulates the district plan proposals and sends them to the Regional Planning and Development Committee for approval. This committee examines the plans received from the District Committees and approves them after necessary modifications. A copy of the approved plan is recommended to the State Planning Department. The State Government, in the Planning Department, finalises the district plan after necessary scrutiny by a committee of secretaries. At the district level, it is the district magistrate (collector), who is overall in-charge of the plan implementation (Hooja, Rakesh, 1986).

Schemes are divided into state and district sectors, as in

the case of Gujarat and Maharashtra. While 70 per cent of the plan outlay is reserved for schemes in the state sector, the remaining 30 per cent is reserved for districts. The allocations are made by the planning department. Of the plan outlay reserved for the districts, 5 per cent is kept aside for taking care of any special problems of the district and 95 per cent is allocated among the districts, according to the set norms which are discussed in the sixth chapter.

Many issues still remain to be spelt out in UP's recent experiment in district planning, where the regional or revenue divisional level adds further complications in the limited attempts at allowing some local autonomy. UP has not provided a district planning cell, which, in fact, reduces the effectivity of the district planning bodies. There is no representation of Panchayati Raj in planning, which further reduces the importance of district planning in Uttar Pradesh.

West Bengal

There is a great deal of interest among thinking circles in the West Bengal experiment at decentralised planning at the district level. In a sense, there is some piquancy in regard to the pursuit of decentralised planning by West Bengal. "There is an inherent contradiction in the concept of planning from below in any political framework; but this is especially so in a state

ruled by a Leftist Government wherein the majority voice is that of the Marxist-Communist Party. The political philosophy of Marxism rests on the principle of 'democratic centralism'. 'Centralism' is, therefore, inherent in a Communist framework and one would have imagined that the Congress Party, which drew its inspiration from Mahatma Gandhi, would make greater effort at introducing decentralised planning than a State Government headed by Marxists (Ghosh, Arun, 1988). It is, therefore, important to examine the status of district level planning in West Bengal.

Decentralised Planning at the district level was adopted in West Bengal from 1985-86, the first year of the Seventh Plan. It was preceded by the politicisation of the Panchayat elections (in 1978, 1983 and 1988), by the introduction of land reforms through the Panchayats and finally, the implementation of the programmes like the IRDP, NREP, Drought-Relief Programme, etc., through the Panchayats. These gave the Panchayats experience in regard to the formulation and implementation of local works programmes and a move towards decentralised planning was thus only a step forward for these local bodies. It is important to take note of this prior preparation by way of political awakening and readiness that preceded the introduction of district planning in West Bengal from 1985-86 (Ghosh, Arun, 1988).

District Planning Machinery

In terms of a resolution issued by the Government of West

Bengal, a three-tier local level planning organisation has been set up; a District Planning and Coordination Council (DPCC), a District Planning Committee (DPC) and a Block Planning Committee (BPC). The district planning committee, which is the effective machinery for local level planning, is composed of the Sabhapatis (Presidents) of all Panchayat Samitis, the Karmadhyakshas of the Zilla Parishads, the chairmen of all municipal bodies in the district and the senior-most representatives of all the departments of the West Bengal Government functioning in the district. The Sabhapati (President) of the Zilla Parishad is the chairman of the DPC and the district magistrate, its member-secretary. The District Planning and Coordination Committees will be presided by a Minister and all MPs and MLAs in the district will be the members of the DPCC, in addition to all the members of the DPC.

The induction of MPs, MLAs, as members, and a Cabinet Minister of the State Government as the chairman of the DPCC, contains certain inherent dangers, which could, as has happened in Maharashtra and Gujarat in the past, nullify the basic thrust at the decentralisation of the planning machinery. There is some danger that local level initiative and prioritisation of needs may gradually recede into the background. This is what happened in Maharashtra and Gujarat in the 'seventies; the district plans drawn up by the Panchayats were a great success, but they brought out signs of a shift in the centre of power and authority, which

even the State Cabinet was not prepared to countenance. With time, therefore, the authority of the district planning body receded into the background and the power of the bureaucracy, backed by the Ministers, MPs and MLAs, increased. The planning process then came to be decentralised only in name, not in substance (Ghosh, Arun, 1988).

District Planning Process

Each Gram Panchayat has to prepare a 'needs statement', or the most acutely felt problems of the Panchayat area, as directed by the District Planning Committee. Each Panchayat Samiti was to: (a) prepare a series of maps of the block, outlining the existing facilities, resources and resource-use; and (b) with the help of assistant engineers available at the block level, prepare schemes to meet the most acute problems of each Gram Panchayat. Each Panchayat Samiti was also to prepare a statement of the on-going and proposed programmes of plan outlay of different departments in each block.

The abovesaid statements have to be forwarded to the DPC for scrutiny and necessary modifications. A consolidated district plan proposal will be prepared by the DPC which will be sent for the approval of the DPCC. In theory, the DPC is the planning and executive agency, while DPCC is much like 'legislative assembly' which is to consider and review the plans put up for its approval.

The plans, once passed by the DPCC, are to be implemented by the Panchayats and the municipalities or by the various departments of the Government or by any other specialised agency that the DPCC/DPC may designate (Chakrabarti, Milindo, 1991). A major innovation introduced, in principle, is that all the special schemes and programmes of different departments, which are to be implemented in any district, would be incorporated in the district plan and would be subject to the approval of the DPCC as a part of the district plan.

The district plans formulated in 1985-86, 1986-87 and 1987-88, in retrospect, were exceptionally competent, replete with basic data, maps, needs-statement and actual schemes evolved to meet some of the more pressing needs of each area. But until lately, the mandarins appear to have succeeded in blocking either the progressive release of funds or even the formal seconding of the staff approved for the district planning authorities as far back as 1985-86. The original allocation for 1986-87, under the Budget-head 'District Plan Schemes' was Rs.30.0 crores, but the amount actually released was only Rs.12.0 crores. The Budget for 1987-88 restored the allocation to Rs.24.0 crores, but the amount actually released was Rs.15.0 crores (Government of West Bengal, 1990). This large dichotomy between the amount initially promised and the amount actually released demoralised the district planning authorities.

From the detailed analysis, it is clear that the concern for decentralised planning at the district level and below started from the First Five Year Plan itself. Every Five Year Plan reiterated the importance of district level planning for the removal of poverty, unemployment and regional disparities in economic development. However, the concept of district level planning, in its true sense, has not been tried in many of the States until now. Serious attempts in the operationalisation of the concept of district level planning were made in a few states like Karnataka, Kerala, Maharashtra, Gujarat, Uttar Pradesh and West Bengal. These states have travelled quite far along the scale of decentralisation.

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CHAPTER IV

TRENDS IN INTER-DISTRICT DISPARITIES IN
DEVELOPMENT IN KERALA AND KARNATAKA STATES

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Problem of regional disparities in the level of economic development is almost universal. Its extent may vary in various economies. The planning process adopted in India for the last so many years have not resulted in reducing the extent of inter-regional disparities in the country. Our experience shows that the gulf between developed and underdeveloped regions has been widening over the years (Dholakia, R.H., 1985). Disparities in development exist not only among states but also between different areas within a state.

This is against the well accepted Concentration Cycle Hypothesis on regional imbalances which states that regional disparities diverge initially to coverage later on. Studies covering a number of nations by Williamson (1965) and Koropecykj (1972) have revealed that regional disparities initially increase during the development process. Williamson argues that the process of regional convergence of disparities or depolarisation is likely to be cumulative, once it starts when a threshold level of national development is reached.

But Easterlin (1957) held the view that convergence is not inevitable since factors working against it are generally dynamic ones. Myrdal (1957) and Kaldor (1970) also were of the opinion

that basic forces at work are disequilibrating in nature. In other words, once the divergence from the equity occurs, the forces at work would be such that there is further divergence. Although Myrdal (1957) recognises that the spread-effects usually become stronger as a nation develops, he believes that the backwash effects are, on an average, more powerful than the spread-effects. Hirschman (1959) also feels that the polarisation effects are stronger than the trickling-down effects, especially in the earlier stages of development.

From the above discussion, it becomes clear that the ultimate convergence hypothesis is not accepted by all and even those who advocate such a hypothesis could not spell out the exact time duration required for the convergence. As a matter of fact, it is accepted that "the progress of the nation depends, in a real sense, on the development of weaker States" (Finance Commission, 1969, p.11). Wide and persistent imbalances in the levels of economic development of different regions is considered as an annoying source for political tension and a danger to the national unity and strength. Therefore, when development over different regions occur unequally, it becomes politically imperative to resort to collective policy measures. This is crucial from all angles - political, economic, social and ethical considerations (Hemlata Rao, 1984). Therefore, the government has to introduce deliberate policies and programmes to reduce regional imbalances because the ultimate convergence

hypothesis has not become true in the case of India so far.

The first argument among many, for reducing regional imbalances is in terms of social justice. It is considered that income inequalities can be reduced by way of reducing regional disparities. The social justice demands that all citizens are treated alike and given an equal opportunity in life. Therefore, it should be kept in mind that an individual should not be made worse off in one area and better-off in another. This is possible only when inter-regional disparities in the levels of development are eliminated.

From the point of accelerating the economic growth also, the need for reducing regional imbalances becomes very important. There is a kind of complementarity between reduction in regional disparities and accelerated economic growth. It is empirically tested by Williamson (1965) that the poor countries are characterised by large and growing regional disparities and the rich countries are generally characterised by small and diminishing gaps.

In recognition of the importance of the need for reducing regional disparities various measures are now being attempted by the Government. District level planning process attains prime importance in this context. One of the major objectives of the decentralisation of planning process is to achieve more balanced regional development. That is to say, every region should have equal opportunities for development in one way or other. In this

section, an attempt is made to analyse the extent of inter-district disparities in the levels of economic development in Kerala and Karnataka States in the light of district level planning efforts made for the last one and half decades.

Inter-District Disparity in Kerala

The State of Kerala, as constituted in 1956, is an amalgam of three Provinces prevalent during the British regime, viz. Travancore, Cochin and Malabar. Kerala has a geographical area of 38,863 sq.kms. and a population of 2,54,53,680 as per 1981 Census. This accounts for 1.18 per cent of the area and 3.72 per cent of the population of the nation. Malabar region consists of six revenue districts from Kasaragod to Palghat, while Travancore-Cochin consists of the remaining eight districts from Trichur to Trivandrum. The classification of the region as done in this Chapter has historical validity, spatial continuity and administrative association. In the present analysis, due to the nature of data available, Travancore-Cochin regions are clubbed together. The State Domestic Product (SDP) and per capita SDP are taken as the index of growth, because it is widely accepted as a general measure of development. Most of the studies on regional disparities, e.g. Williamson (1965), Easternlin (1957), K.R.G.Nair (1971, 1983-a, 1983-b), Majumdar (1977), Dholakia (1977, 1983, 1985), etc., are based on the State Domestic Product.

It should be admitted that the SDP or per capita SDP can, at best, represent the efficiency and volume aspects of the economic development of the region. It is not designed to measure the standard of living or welfare of the residents of the region. The objective of the present Chapter is not to probe into the issues of differing levels of living in different districts of Kerala. The main objective is to examine the differences in the nature and levels of economic growth in the State.

Disparities in Historical Regions

It was found from the analysis that the average regional income of Malabar was always below the income level of Travancore-Cochin as can be seen from Table 4.1.

The mean value of domestic product of Travancore-Cochin region remained higher throughout the period under study from 1970-71 to 1988-89 compared to Malabar region. It shows that the former region is more developed than the latter region. The t-test for mean deviation in income (SDP) of both regions showed that the difference is statistically significant at five per cent level with a t-value of 2.98 per cent. It shows that there exist disparities in the development of two regions under study.

When we consider the State Domestic Product of all the districts of Kerala at current prices for the year 1988-89, it can be understood

Table 4.1
Mean Value of Domestic Product of Regions
at Current Prices (in crores)

Year	Travancore- Cochin	Malabar
1970-71	116.2	110.0
1971-72	113.9	103.3
1972-73	131.4	119.3
1973-74	162.8	151.7
1974-75	193.1	169.4
1975-76	201.1	180.9
1976-77	210.0	200.2
1977-78	218.0	216.5
1978-79	242.1	234.4
1979-80	280.5	268.9
1980-81	334.4	308.5
1981-82	349.0	250.5
1982-83	398.3	293.3
1983-84	410.5	346.8
1984-85	463.7	400.8
1985-86	487.5	336.3
1986-87	546.5	384.8
1987-88	640.7	475.1
1988-89	729.6	533.7

Source: 1. Compiled and computed from Statistics for Planning, Deptt. of Economics, Govt. of Kerala, Trivandrum, 1980, 1986, 1988.
2. Economic Review, 1991, State Planning Board, Govt. of Kerala, Trivandrum, 1991.

that the SDP of seven districts, viz. Pathanamthitta, Idukki, Palghat, Malappuram, Wayanad, Cannanore and Kasaragod, are below the state average and hence, less developed as is seen from Table 4.2 (on the following page). The SDP of Ernakulam District (Rs.1,263 crores) is more than double compared to state average (Rs.626 crores), while the SDP of Kasaragod district (Rs.326 crores) is only one-half of the State average. Out of the eight districts in Travancore-Cochin region, only two districts, namely, Pathanamthitta and Idukki, are having the SDP below the State average, whereas among the six districts which constitute the Malabar region, all, except Kozhikode, have the SDP below the State average. Thus, it becomes clear that Malabar region is less developed compared to Travancore-Cochin region.

Disparities in Administrative Regions:

An 'administrative region' is defined in terms of revenue districts. The State of Kerala consists of 14 districts of varying years of origin, from 1956 to 1985.

The index of per capita income for the periods 1970-71, 1980-81 and 1990-91 clearly shows the existence of inter-district disparities in the State of Kerala. The relative positions of the different districts in the years 1990-91 as well as the change in the relative positions are shown

Table 4.2
Domestic products in districts (SDP) at current
prices 1988-89 (Rs.in crores) : Kerala

Sr. No.	Districts	SDP	SDP - State Average
1.	Trivandrum	837	+211
2.	Quilon	759	+133
3.	Pathanamthitta	385	-241
5.	Alleppey	638	+ 12
6.	Kottayam	631	+ 5
7.	Ernakulam	1263	+637
8.	Trichur	865	+239
9.	Palghat	613	- 13
10.	Malappuram	588	- 38
11.	Kozhikode	840	+214
12.	Wayanad	230	-396
13.	Cannanore	602	- 24
14.	Kasaragod	326	-300
	State Average	626	-

Source: Compiled and computed from Basic Statistics for
various districts, Government of Kerala,
Directorate of Economics, Trivandrum,
1991..

in Table 4.3 (on the following page). In 1970-71, the per capita income in Malappuram district was only about 76 per cent of that of the State while Idukki and Quilon accounted for more than 110 per cent of the State average. After a decade, i.e. in 1980-81, inspite of all Plan efforts to reduce inter-regional disparities, it has only widened. Idukki district, which mainly depends on plantation, lost its first position and Ernakulam, with its increasing industrial activities, attained first position in 1980-81. It can be seen that while Ernakulam accounted for more than 136 per cent of that of the State average of per capita income, Malappuram accounted for only less than 67 per cent of that of the State in 1980-81.

The disparities in development between different districts in Kerala have further increased in 1990-91. The index of per capita income for Ernakulam shot upto 146.03 in 1990-91 from 108.75 in 1970-71, while the index of per capita income of Malappuram registered a decline from 76.26 in 1970-71 to 64.84 in 1990-91. Surprisingly, the index of five districts was less than the State average in 1970-71. But in 1980-81, this number has increased to seven and further risen to nine in 1990-91. This points out to a higher rate of growth in a few highly developed districts compared to others. In 1970-71, Malappuram district registered the lowest index of per capita income, i.e. 76.26, and it still remained lowest, registering an index of 64.84 in 1990-91. It becomes

Table 4.3
Index of per capita income in districts (current prices) : Kerala

Sr. No.	Districts	1970-71	Rank	1980-81	Rank	1990-91	Rank	Percentage change over time
1.	Trivandrum	98.66	7	98.84	6	98.85	5	+ 0.2
2.	Quilon (a)	110.76	2	110.72	4	99.34	4	-10.3
3.	Alleppey	100.67	6	97.33	8	93.78	9	- 6.8
4.	Kottayam	109.76	3	108.16	3	98.82	6	- 9.9
5.	Idukki	110.77	1	118.92	2	130.13	2	+17.5
6.	Ernakulam	108.75	4	136.03	1	146.03	1	+34.3
7.	Trichur	91.75	10	95.96	9	98.57	7	+ 7.4
8.	Palghat	96.97	8	90.40	10	83.13	10	-14.3
9.	Malappuram	76.26	11	66.93	11	64.84	11	-15.0
10.	Kozhikode (b)	105.89	5	97.48	7	99.79	3	- 5.8
11.	Cannanore (c)	93.77	9	99.49	5	95.96	8	+ 2.3
	State:	100.00	-	100.00	-	100.00	-	-

Notes: (a) : includes Pathanamthitta district.

(b) : includes Wayanad district.

(c) : includes Kasaragod district.

Sources: (1) Compiled and computed from Statistics for Planning, Department of Economics & Statistics, Government of Kerala, Trivandrum, 1988.

(2) Economic Review, State Planning Board, Government of Kerala, Trivandrum, 1991.

clear from Table 4.3 that the underdeveloped districts have remained underdeveloped and even worsened their position over the period under study.

Analysis of the coefficient of income variation, which clearly brings out the extent of imbalance, also reveals that disparities have increased during this period. In 1970-71, the coefficient of income variation was 10.02 per cent, which increased to 16.17 per cent in 1980-81. The coefficient of income variation increased

Table 4.4
Coefficient of income variation among
the districts of Kerala

Year	Unweighted coefficient	Weighted coefficient
1970-71	10.02	24.46
1980-81	16.17	26.98
1990-91	18.49	29.10

Source: Calculated from per capita income in districts for 1970-71, 1980-81, 1990-91, Economic Review 1990-91, Planning Board, Government of Kerala, Trivandrum, 1991.

further to 18.49 per cent in 1990-91. The weighted co-efficient of income variation also showed the same tendency. Weighted coefficient of income variation increased from 24.46 per cent in 1970-71 to 29.10 per cent in 1990-91. The coefficient of income variation has almost doubled within a period of two decades, which highlights the seriousness of the increasing trend in regional disparities.

In short, despite the planning exercises undertaken for the last three and half decades in the State of Kerala, the backward districts of Kerala, i.e. mainly the Northern parts of Kerala, were adversely affected while the Southern parts attained greater development. The Government should deliberately take serious steps for introducing full-fledged district planning, giving more financial allocation to the backward districts to overcome this dangerous problem of increasing disparities. This grave imbalance will foster the forces of discontent and disintegration in the society.

Inter-District Disparity in Karnataka State

Karnataka is a middle order State in the country, accounting for about 6.3 per cent of the geographical area and 5.4 per cent of population (1981) of the country. The State is endowed with rich natural resources. The State of Karnataka is divided into 19 administrative regions (districts), barring Bangalore (Rural), which was constituted in 1987. In the pre-Plan period, imbalance in the development of various districts existed due to some historical and other reasons. These were too conspicuous to be explained by the differences in potential for development of the different districts (Government of Karnataka, 1990). Reduction of regional imbalances is one of the major objectives of the planned development and also is one of the means for achieving redistributive justice. Under the Plans, giving great emphasis on district level planning,

these inter-district imbalances have tended to reduce in Karnataka, even though imbalances continue to exist.

An analysis of the district income in Karnataka at current prices for all the districts in 1989-90 reveals that the district income of 13 district is below the State average and hence less developed, as shown in Table 4.5 (on the following page). The district income of Bangalore (Rs.3,992 crores) is about four times higher, compared to the State average (Rs.1,002 crores), while that of Kodaguu (Rs.295 crores) is only less than one-third of the State average.

The index of per capita income in the districts of Karnataka for the period 1970-71, 1980-81 and 1989-90 also brings out the fact that inter-district imbalances still exist in Karnataka, but it shows a declining tendency, as is evident from Table 4.6. The Table also shows the relative positions of the different districts in the year 1970-71, 1980-81 and 1989-90 as well as the changes in the relative ranks of the districts. In 1970-71, the highest index of per capita income was 313.26 (Kodagu) and the lowest was 70.35 (Bijapur). But in 1989-90, the difference between the highest and the lowest index of per capita income has come down substantially. Bangalore registered the highest index of per capita income, i.e. 157.35, and Kolar the lowest, registering an index of 63.55 in 1989-90. The highest index of per capita income has come down from 313.26 in 1970-71 to 157.35 in 1989-90. This explains

Table 4.5
District income in Karnataka at current
prices 1989-90 (Rs.in crores)

Sr. No.	Districts	SDP	SDP - State Average
1.	Bangalore	3992	+2990
2.	Belgaum	1593	+ 591
3.	Bellary	700	- 302
4.	Bidar	356	- 646
5.	Bijapur	1024	+ 22
6.	Chikmagalur	547	- 455
7.	Chitradurga	793	- 209
8.	Daksshina Kannada	1331	+ 329
9.	Dharwad	1207	+ 205
10.	Gulbarga	929	- 73
11.	Hassan	528	- 474
12.	Kodagu	295	- 707
13.	Kolar	621	- 381
14.	Mandya	659	- 343
15.	Mysore	1607	+ 605
16.	Raichur	670	- 332
17.	Shimoga	835	- 167
18.	Tumkur	287	- 215
19.	Utfara Kannada	570	- 437
	State Average	1002	-

Source: Compiled and computed from Economic Survey 1991-92
Planning Department, Government of Karnataka, 1992.

Table 4.6

Index of per capita income in districts (at current prices) : Karnataka

Sr. No.	Districts	1970-71	Rank	1980-81	Rank	1989-90	Rank	Percentage change over time
1.	Bargalore	114.66	5	138.07	2	157.35	1	+37.2
2.	Belgaum	85.96	15	92.79	11	104.18	6	+21.2
3.	Bellary	121.37	4	100.92	10	91.68	9	-24.5
4.	Bidar	73.79	17	85.33	15	69.73	18	- 5.5
5.	Bijapur	70.35	19	65.98	18	83.13	13	+18.2
6.	Chikmangalur	156.32	2	118.79	4	116.77	4	-25.3
7.	Chitradurga	102.18	8	107.20	6	86.96	12	-14.9
8.	Dakshina Kannada	107.80	7	119.34	3	102.24	5	+ 1.3
9.	Dharwad	89.23	13	84.71	16	79.93	14	- 10.4
10.	Gulbarga	93.44	12	88.41	13	87.13	11	- 6.8
11.	Hassan	99.37	10	87.80	14	75.88	16	-23.6
12.	Kodagu	313.26	1	192.60	1	125.01	2	-60.1
13.	Kolar	73.94	16	56.62	19	63.55	19	-14.1
14.	Mandya	86.89	14	101.54	9	90.59	10	+ 4.3
15.	Mysore	96.72	11	101.72	8	120.69	3	+24.8
16.	Raichur	111.85	6	92.48	12	73.26	17	-34.5
17.	Shimoga	121.68	3	115.95	5	92.30	8	-19.2
18.	Tumkur	71.60	12	77.32	17	77.49	15	+ 8.2
19.	Uttara Kannada	102.02	9	106.03	7	103.60	7	+ 1.5

Table 4.6

Index of per capita income in districts (at current prices) : Karnataka

Sr. No.	Districts	1970-71	Rank	1980-81	Rank	1989-90	Rank	Percentage change over time
1.	Bangalore	114.66	5	138.07	2	157.35	1	+37.2
2.	Belgaum	85.96	15	92.79	11	104.18	6	+21.2
3.	Bellary	121.37	4	100.92	10	91.68	9	-24.5
4.	Bijar	73.79	17	85.33	15	69.73	18	- 5.5
5.	Bijapur	70.35	19	65.98	18	83.13	13	+18.2
6.	Chikmangalur	156.32	2	118.79	4	116.77	4	-25.3
7.	Chitradurga	102.18	8	107.20	6	86.96	12	-14.9
8.	Dakshina Kannada	107.80	7	119.34	3	109.24	5	+ 1.3
9.	Dharwad	89.23	13	84.71	16	79.93	14	- 10.4
10.	Gulbarga	93.44	12	88.41	13	87.13	11	- 6.8
11.	Hassan	99.37	10	87.80	14	75.88	16	-23.6
12.	Kodagu	313.26	1	192.60	1	125.01	2	-60.1
13.	Kolar	73.94	16	56.62	19	63.55	19	-14.1
14.	Mandya	86.89	14	101.54	9	90.59	10	+ 4.3
15.	Mysore	96.72	11	101.72	8	120.69	3	+24.8
16.	Raichur	111.85	6	92.48	12	73.26	17	-34.5
17.	Shimoga	121.68	3	115.95	5	98.30	8	-19.2
18.	Tumkur	71.60	12	77.32	17	77.49	15	+ 8.2
19.	Uttara Kannada	102.02	9	106.03	7	103.60	7	+ 1.5
	State	100.00		100.00		100.00		

Source: (1) Compiled and computed from Draft Annual Plan, 1987-88, Government of Karnataka, Planning Department, Bangalore, 1982.

(2) Economic Survey 1991-92, Government of Karnataka, Planning Department, Bangalore, 1992.

that even though inter-district imbalances exist in the State of Karnataka, it has been reduced during the period under study.

The coefficient of income variation between the districts of Karnataka at three different points of time, i.e. 1970-71, 1980-81 and 1989-90 (Table 4.7) also shows that inter-district disparities have fallen during the period under study.

Table 4.7
Coefficient of income variation among
the districts of Karnataka

Year	Unweighted coefficient	Weighted coefficient
1970-71	23.95	51.85
1980-81	28.01	60.87
1989-90	23.57	50.73

Source: Computed from Draft Annual Plan 1987-88 and Economic Survey 1991-92, Department of Planning, Government of Karnataka, Bangalore, 1992.

In 1970-71, the coefficient of income variation was 23.95 per cent, which increased to 28.01 per cent in 1980-81. But after the introduction of full-fledged district planning and distribution of district sector plan outlay among the districts on the basis of objective criteria, which is analysed in Chapter Six, ensuring more financial outlay to the comparatively backward districts inter-district disparities have substantially come down. In 1989-90, the coefficient of income variation was reduced to 23.57 from 28.01 in 1980-81, which is also less than the coefficient of income variation

existed in 1970-71. The weighted coefficient of variation also shows the same tendency. From 51.85 per cent in 1970-71, the weighted coefficient of income variation has risen to 60.87 in 1980-81, but reduced substantially to 50.73 in 1989-90.

A close investigation of the composite development index also reveals the fact that there is reduction in imbalances between 1960 and 1986, as can be seen from Table 4.3. In 1960-61, the composite index of development of various districts varied between 230 (Dakshina Kannada) and 60 (Gulbarga). In 1971-72, there was a marginal reduction in disparities. Bangalore ranked first with an index of 206.26 while Gulbarga had the lowest index of 63.19. In the year 1976-77, the development index of Bangalore have very marginally increased to 206.42. The figures in the Table 4.8 indicates that, compared to 1971-72, disparities in development among the districts marginally increased in 1976-77. But in 1985-86, there was a substantial reduction in inter-district imbalances. The Development Index of various districts varied between 172.73 (Bangalore) and 67.69 (Gulbarga) in 1985-86, compared to 206.42 (Bangalore) and 66.83 (Gulbarga) in 1976.77. Thus, it becomes clear that the district planning efforts seriously made from 1978-79 mainly for the purpose of reducing inter-district imbalances have yielded fruit and resulted in reducing inter-district disparities in Karnataka. It is also proved that there is high positive correlation between the allocation of funds to the districts and

existed in 1970-71. The weighted coefficient of variation also shows the same tendency. From 51.85 per cent in 1970-71, the weighted coefficient of income variation has risen to 60.87 in 1980-81, but reduced substantially to 50.73 in 1989-90.

A close investigation of the composite development index also reveals the fact that there is reduction in imbalances between 1960 and 1986, as can be seen from Table 4.3. In 1960-61, the composite index of development of various districts varied between 230 (Dakshina Kannada) and 60 (Gulbarga). In 1971-72, there was a marginal reduction in disparities. Bangalore ranked first with an index of 206.26 while Gulbarga had the lowest index of 63.19. In the year 1976-77, the development index of Bangalore have very marginally increased to 206.42. The figures in the Table 4.8 indicates that, compared to 1971-72, disparities in development among the districts marginally increased in 1976-77. But in 1985-86, there was a substantial reduction in inter-district imbalances. The Development Index of various districts varied between 172.73 (Bangalore) and 67.69 (Gulbarga) in 1985-86, compared to 206.42 (Bangalore) and 66.83 (Gulbarga) in 1976.77. Thus, it becomes clear that the district planning efforts seriously made from 1978-79 mainly for the purpose of reducing inter-district imbalances have yielded fruit and resulted in reducing inter-district disparities in Karnataka. It is also proved that there is high positive correlation between the allocation of funds to the districts and

Table 4.8

Composite index of development of different districts of Karnataka

Sr. No.	District	1960-61		1971-72		1976-77		1985-86	
		Dev. Index	Rank	Dev. Index	Rank	Dev. Index	Rank	Dev. Index	Rank
1.	Bangalore	218.00	2	206.26	1	206.42	1	172.73	1
2.	Chitradurga	100.24	11	104.00	9	107.02	7	99.33	7
3.	Kolar	136.53	4	129.65	4	107.55	6	97.77	8
4.	Shimoga	180.15	3	141.07	3	118.05	3	113.47	3
5.	Tumkur	84.52	15	83.47	16	88.64	13	83.66	15
6.	Mysore	124.60	5	123.35	5	112.09	5	103.00	6
7.	Mandya	114.70	10	111.96	6	112.94	4	112.38	4
8.	Kodagu	124.15	6	107.79	7	103.44	8	94.73	10
9.	Hassan	90.03	13	87.21	13	86.22	14	87.82	13
10.	Chickmagalur	123.74	7	92.66	12	84.56	16	84.43	14
11.	Dakshina Kannada	230.21	1	187.04	2	172.86	2	153.84	2
12.	Belgaum	91.12	12	95.06	11	91.89	12	103.16	5
13.	Bijapur	71.66	16	77.38	18	79.99	17	79.60	17
14.	Dharwad	118.54	8	103.19	10	98.74	11	94.83	9
15.	Uttara Kannada	118.24	9	106.17	8	102.05	9	92.43	11
16.	Gulbarga	60.10	19	63.19	19	66.83	19	67.79	19
17.	Bidar	64.28	17	86.85	14	85.46	15	83.62	16
18.	Raichur	63.04	18	80.53	17	76.34	18	77.12	18
19.	Bellary	89.23	14	83.90	15	100.09	10	91.05	12
	State	100.00		100.00		100.00		100.00	

Source: Draft Annual Plan 1987-88, Department of Planning, Government of Karnataka, Bangalore, 1988.

district domestic income. The high coefficient of determination clearly points out that the change in district domestic income may be largely explained by the change in the allocation of funds to the districts.

A Comparative Analysis

From the foregoing analysis of this section, it can be concluded that there exist wide inter-district disparities in development in Kerala and Karnataka States. But in Kerala, these imbalances are alarmingly widening over the period under study, whereas Karnataka showed a declining tendency in inter-district imbalances. A reasonable reduction in disparities in Karnataka starts from 1980-81, after the introduction of district planning in 1978-79, in a systematic manner, introducing a scientific formula for the distribution of district sector plan outlay, ensuring greater allocation to backward districts. In Kerala, though district planning is undertaken in a half-hearted manner, there are no criteria for the distribution of district sector plan outlay among the districts. The distribution is done on some rough estimates made by the district heads of departments, which, in fact, leads to greater allocation to developed districts compared to the underdeveloped districts, as analysed in Chapter Six, which results in widening the inter-district disparities in Kerala.

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CHAPTER V

ORGANISATIONAL SET-UP OF DISTRICT
PLANNING UNITS IN KERALA AND KARNATAKA

CHAPTER V

ORGANISATIONAL SET-UP OF DISTRICT PLANNING UNITS IN KERALA AND KARNATAKA

District level planning, if it is to be more than a fashion, has to be institutionalised and proper machinery has to be created for its success. The first and foremost requirement for the success of district planning is to strengthen the administrative and organisational set-up for decentralised planning at the district level. The planning machinery in the various districts in the country is alleged to be either non-existent, or woefully inadequate. "District planning has been handicapped due to weak machinery" (Ramesh Chandra, 1989, p.4). But this argument is not fully correct in the present context. That the planning machinery at the district level was weak in the late 'seventies is a fact, which had attracted government's attention and had eventually resulted in the issuing of guidelines by the Planning Commission for strengthening the planning machinery at the district level in 1982. The planning machinery at the district level has been substantially strengthened since 1982 in States like Karnataka, Maharashtra, Gujarat, West Bengal and Uttar Pradesh. But the organisational set-up for district planning in many of the States, barring the few named above, is still weak and inadequate and Kerala State is one among them.

The district level planning machinery differs from State to State.

These differences may be attributed partly to the varying interest shown by the state leadership in decentralised planning and partly to the absence of certain economic compulsions like intra-state economic disparities.

In this Chapter, an attempt is made to analyse the administrative and organisational set-up of district planning units in Kerala and Karnataka. This Chapter seeks to focus on the organisational structure and staffing pattern existing at district level in both the states under study. In order to perceive the linkages between state and district planning mechanisms, it is necessary to start with the Planning Board, or the Department, which is an apex body in the state planning organisation. Finally, a comparative analysis is made regarding the existing administrative arrangements and organisational structure of district planning units in Kerala and Karnataka.

Kerala State Planning Board

Before analysing the organisational set-up of the planning units at the district level, it would be appropriate to make a brief survey of the state level planning organisation.

The State Planning Board was first constituted in Kerala in September 1967, with the Chief Minister as its Chairman and a non-official as a part-time Vice-Chairman. Apart from the Minister

for Finance and the Chief Secretary to the Government, there were three other full-time members. The Director of the Bureau of Economics and Statistics was its Member-Secretary. The Board was formed with a view to enabling the State Government to formulate development plans based on a scientific assessment of the resources of the state and the growth priorities. A post of Economic Advisor was also created in the Board. The staff of the Bureau of Economics and Statistics provided the secretarial assistance as well as other technical support for the Planning Board.

Reconstitution of the Planning Board took place in the years 1969, 1972, 1974, 1977, 1980, 1982, 1983 and 1987. The present composition of the Board is as follows:

Chief Minister	Chairman
A nominated person	Vice-Chairman
Minister for Finance	Member
Minister for Industries	Member
Minister for Agriculture	Member
Chief Secretary	Member
Secretary to the Government, Planning & Economic Affairs Department	Member
Commissioner & Secretary to Government, Finance Department	Member
Non-official Member-Secretary, State Planning Board	Member
Nominated persons	Members

Besides the Administration and Publication Wings, the Planning Board has, at present, the following technical Divisions at the headquarters (Government of Kerala, 1987):

<u>Divisions</u>	<u>Subjects</u>
1. District Planning Division	: Welfare of SC/ST/OBC; District-wise distribution of annual plan outlays; Evolving methodology for decentralised planning, preparation of District Plans; Formulation of Special Component Plan; Helping the District Units to prepare the District level plans.
2. Perspective Planning Division	: Preparation of perspective plan for the state's long-term strategy of economic growth.
3. Agriculture Division	: Agricultural production and allied fields of activities like Animal Husbandry, Fisheries, Forest, Land Utilisation and Community Development.
4. Industries Division	: Large and medium industries; Village and Small-scale Industries; Mining and Mineral Development.
5. Transport Division	: Road development, Road transport, Inland Navigation, Tourism, Ports and

- Habours, Scicence and Technology.
6. Social Service Division : Education, Health, Housing, Water supply, Urban development, Labour welfare and Nutrition.
7. Economic Division : Coordination of the works relating to Five Year Plans and Annual Plans, Economic Review, Price, wages and incme, Employment generation, etc.
8. Resource Division : Financial Resources of the state, institutional finance, Taxation, Centre-State relations.
9. Project Division : Power development, Major, medium and minor irrigation, Scrutiny and appraisal of project reports of major development programmes.
10. Databank and Computer Division : Collection and collation of statistical data relating to the various sectors of the State's economy and development of a Computerised Information System for planning and policy analysis.
11. Evaluation Division : Taking up evaluation studies relating to selected development programmes in the State.

The Divisions and the subjects clearly bring out the main functions of the State Planning Board. The executive (Government of Kerala, 1983) and statutory instructions (Government of Kerala, 1980) make clear the role of the State Planning Board at every stage of formulation and finalisation of the Annual Plan Proposals. However, in actual practice, these instructions are not strictly followed. As a result, there is no effective consultation with the State Planning Board on the formulation of many new plan schemes. The new plan schemes, which are incorporated by the departments in their Annual Plan proposals, can be scrutinised only perfunctorily by the State Planning Board at the time of discussion with the Departments on the Annual Plan proposals, because the discussions with the Departments have to be rushed through in a short period of two weeks or three. Detailed scrutiny of individual schemes is not possible in such a short period. Further, even in the case of new plan schemes, which are not included in the Annual Plan proposals but are sought to be incorporated subsequently, the proposals are not referred to the Board at the formulation stage. They are generally referred to the Board when they are in the final stage of formulation and the decisions to implement the schemes have already been taken at the highest level. No appraisal or modification is possible at this stage.

Thus, the Planning Board is not "appraising projects or schemes" or "formulating plans". It is functioning as a coordinating

unit which puts the government sanctioned schemes together, whether they are in accordance with government's own plan priorities and allocates outlay in the plan within the overall resources initially, as plan proposals for discussion with the Planning Commission and later, as the finalised plan. But even after the annual plan is finalised, new schemes are announced in the budget. What is more, even after the year's budget and plan are passed, new schemes are added from time to time, throughout the year, without going through the process of project formulation, consultation and finalisation. Since the schemes already in the plan require far more resources than are available, the Planning Board has to take a strict view of new schemes. But the Ministers and department-heads are keen to start off their new ventures and being aware of the possible reaction of the Planning Board, by-pass it and get the schemes sanctioned by the Council of Ministers (Krishnan, T.N. and Ramachandran, 1992, p.18). So long as the schemes are thus sanctioned by the government, without insisting on consultation with the Planning Board, as laid down in its own orders and instructions, the Planning Board as a professional organisation cannot discharge its functions adequately.

**Attempts for Constituting Zilla Parishads/
District Councils in Kerala:**

More than three decades have passed since Panchayati Raj was introduced in almost all the states in the Indian Union, except in

Kerala. Quite a few abortive attempts were made to introduce democratic institutions at the district level in the state from 1957 onwards. All the major political parties in Kerala, both Left and non-Left, have sought to introduce District Council legislation in the State Assembly and one such Bill was actually enacted to become the Kerala District Administration Act, 1979. But the Act was kept in abeyance for 12 years and it is only recently that it is implemented. The District Councils were constituted in all the 14 districts of Kerala on February 5, 1991.

When Balwantray Mehta Committee was at work at the national level, the first elected Government of Kerala constituted an Administrative Reforms Committee (ARC) on August 15, 1957, headed by Shri.E.M.S.Namboodiripad, the then Chief Minister. The terms of reference of the Committee, inter alia, covered suggestions of methods for democratisation of the organs of Government at district and lower levels, with a view to effective participation of local self-government institutions and other representative bodies in the administration. The Committee submitted its report on July 26, 1958, and following the recommendations of the Committee, Kerala Panchayat Bill and Kerala District Council Bill were introduced on December 9, 1958, and on April 16, 1959, respectively. But none of these could be enacted into law as the Assembly was dissolved on July 31, 1959.

The second attempt at decentralisation was made in February, 1964, when the Ministry headed by Sri.R.Shankar introduced 'Kerala Panchayat Union Councils and Zilla Parishad Bill' in the Assembly. Though Block was conceived as the basic unit of planning, the committee considered district as the apex unit for decentralised planning. This bill also could not be passed because of the resignation of the Congress Ministry and the dissolution of the Assembly on September 10, 1964. However, during the Presidential Rule, in October 1965, the Administrative Reorganisation and Economy Committee headed by Sri.A.K.Vellodi was appointed by the Government to examine the detailed provisions of the Bill. On the recommendation of the Vellodi Committee, the Kerala Panchayati Raj Bill was introduced in the Assembly in 1967 by the Ministry headed by E.M.S.Namboodiripad. This Bill contemplated a two-tier system, Panchayat at the basic level and Zilla Parishad at the district level. This bill also could not become law.

When the Government under the Chief Ministership of Sri.C.Achutha Menon took charge in October 1970, the Kerala District Administration Bill, 1971, was introduced in the Assembly. Though the Government was in power for its full term of five years, no serious attempt was made to enact the Bill and finally, the Bill lapsed. However, the Bill was again introduced in the Assembly on 1st August 1978, when Sri.A.K.Antony was the Chief Minister. The Bill was passed in the Assembly in 1979 and received the

President's assent on May 18, 1980. But it was not brought into effect by any of the Coalition Governments till February 1991. There seem to be two main reasons for this; first is political - in the Coalition Government that used to come to power in the State, there is a delicate balance among the different parties that constitute the ruling elite at a given time. Since the districts are small, the constituent parties of coalition bring about a situation in which the responsibility for local development will devolve at the district, at which level, a single party (either belonging to the ruling or the opposition group) may dominate. This will create some problems, which go against the interests of the coalition government (Ramchandran, V., 1988, p.10). The second reason is that the Act itself has several weaknesses from conceptual and administrative points of view. It does not provide the district authorities adequate administrative and financial powers for the implementation of the district plans.

The Left Democratic Front (LDF) Government came back to power in 1987 and took the bold decision to implement the District Administration Act, 1980. The Act aimed at setting up of a district council at the district level. According to its provisions, the whole district is divided into as many divisions as there are seats. The number of members in the district council was fixed in accordance with the scale of one member for every 50,000 or part thereof of the population of the district. In every district

council, 30 per cent of the seats were reserved for women and adequate reservation is given for Scheduled Castes and Scheduled Tribes. There is to be a Chairman and Vice-Chairman for every district council. There are five standing committees, dealing with finance, development, welfare, public works and education. The standing committees are to consist of members not exceeding six elected from the members of the council.

Another feature of the Act is that it proposed to replace the district collectorate, which is a legacy of the Colonial past, with the district council. The district collector is the ex-officio secretary of the district council and all officers in the government in the district, dealing with the matters such as administration of land revenue, irrigation, agriculture, cooperation and credit, marketing, social forestry, animal husbandry, fisheries, small industries, rural roads and inland waterways, minimum-needs programme, health, housing, Harijan welfare, education, community development and local resource mobilisation will be under the control of the district council. The chairman will have complete supervisory control over these officers. In short, the Act contains provisions for genuine decentralisation of economic and political power from state capital to district headquarters.

The constitution of district councils in every districts on February 5, 1991, by the LDF Government was a landmark in the history of democratic decentralisation in Kerala. But unfortunately,

the district council, which was constituted with great hope and fanfare, could work effectively only for a very short period of less than six months, as the district councils were gradually deprived of their power, finance and staff support, due to a sudden change of Government. At present, the district council is a body having no effective role to play in district planning and other developmental activities.

Organisational Set-up of District Planning Unit:

The district planning units were set-up in Kerala in 1979 at the time when the emphasis on decentralised planning was widely acclaimed. Kerala District Administration Bill, 1979, was a major landmark contributing to the setting up of district planning units in Kerala, with the intention of preparing the groundwork for undertaking the work of full-fledged planning at the district level. The district planning units play a keyrole in the formulation of schemes under the Special Component Plan for Scheduled Castes as well as monitoring the progress of implementation of the schemes. This unit in each district is attached to the district collector for administrative purposes. Otherwise, the district planning units function under the guidance of the Planning Board. The present staff pattern of the district planning office is as shown on the following page. (Government of Kerala, 1987):

<u>Technical Staff</u>		<u>Posts</u>
1.	District Planning Officer	1
2.	Deputy District Planning Officer	1
3.	Research Officer (Economics)	1
4.	Research Officer (Credit Plans)	1
5.	Research Assistant	1
6.	Research Assistant (Monitoring)	1
<u>Ministerial Staff</u>		<u>Posts</u>
1.	Confidential Assistant	1
2.	Upper Division Clerk	1
3.	Lower Division Clerk	1
4.	Peon	1

In some districts, I.A.S. officers have been posted as district planning officers. For the remaining districts, the district planning officers have been selected from among the senior officers in different departments of the government. The district planning officers have been designated as ex-officio personal assistant to the collector and Secretary to the District Development Council, which is only a forum for discussions on developmental matters.

Functions and Duties of District Planning Officer (at the time of inception):

1. To prepare resource inventory, collect data, including analysis of the prevailing level of development, potential for further development and identify constraints in development;
2. To identify the priorities and formulate programmes for development;
3. To devise a plan for fuller utilisation of manpower resources;
4. To assess the availability of financial resources from various sources and mobilise the same;
5. To monitor and undertake evaluation of development plans and their modification, from time to time, in the light of the experience;
6. To match sectoral financial allocations with the specific needs of the regions and to regulate the distribution of the gains of development;
7. To undertake block-level planning as part of district level planning.

The first major duty assigned to the district planning units in Kerala was the preparation of a status-paper, which was expected to serve as a benchmark over the level of development attained in the district in the various sectors, as at the end of the Five Year Plans. This work was completed in most of the districts by May 1980. Thereafter, the district planning officer was assigned

the task of preparing a policy-paper for the long term development of the district. This work was also completed in May 1981 (Government of Kerala, 1982). Thus, the preparatory work for the formulation of a comprehensive development plan for the district had been completed during the course of the first two years of the Sixth Plan. However, by that time, the practical difficulties in the implementation of the Kerala District Administration Act were brought to light and it was realised that it will not be made operational to subserve the needs of the district planning and rural development. Consequent to the realisation that the district planning cannot be undertaken in the absence of elected district councils, certain ad-hoc measures were introduced for implementing the concept of district planning. One major step in this direction was the comprehensive development plan for Scheduled Castes for each district, based on a survey of Scheduled Caste habitats with ten or more families. Now, one of the major functions of the district planning unit is the formulation and implementation of Special Component Plan for Scheduled Castes.

Suggestion for Strengthening District Planning Machinery in Kerala:

In the light of the above analysis, it can be seen that the district planning machinery is woefully inadequate in the State of Kerala. It is imperative to strengthen the district planning machinery to make it capable enough to undertake the process

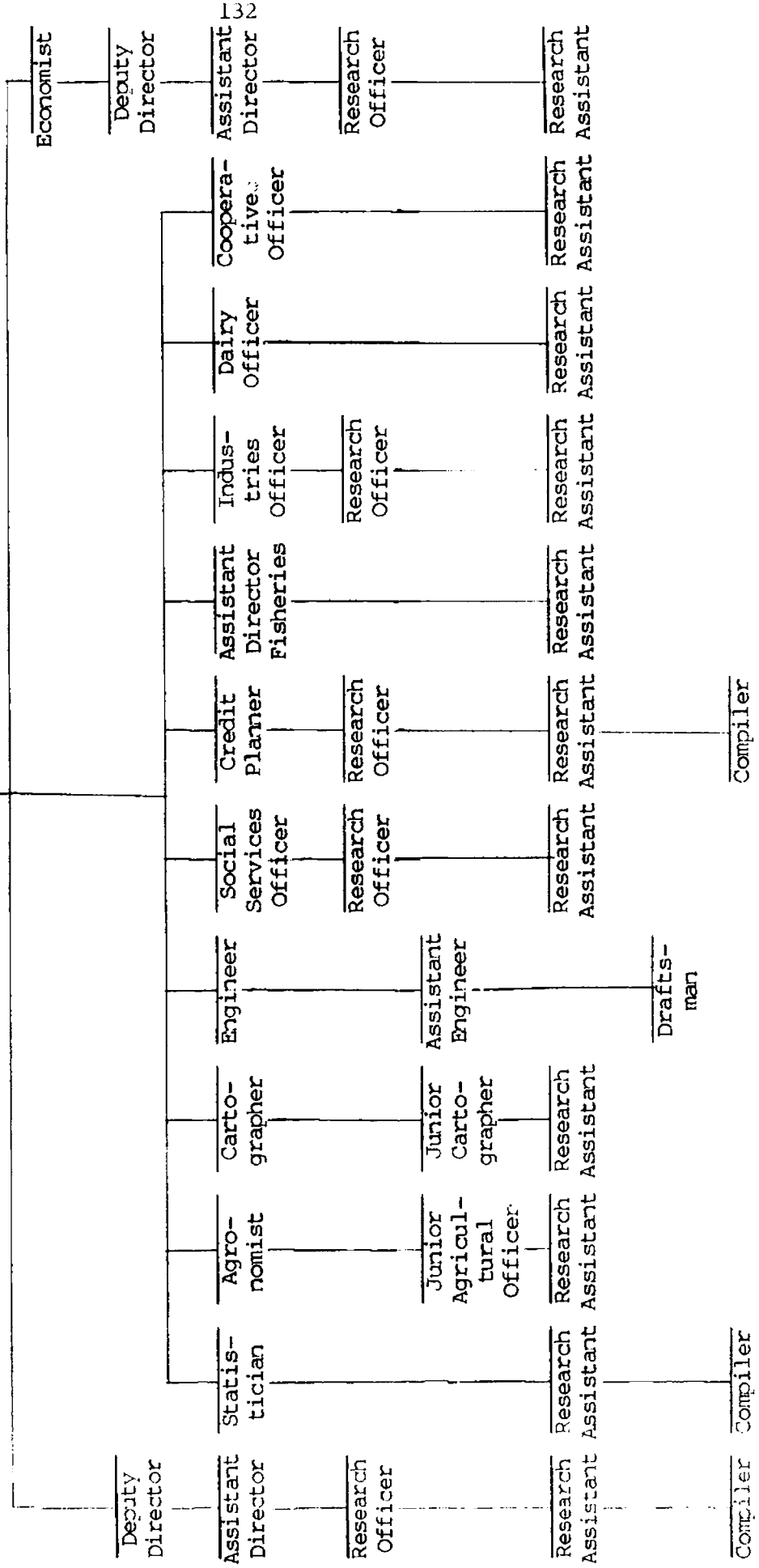
of formulation, implementation and evaluation of the district plan schemes. Every district planning unit should consist of adequate technical staff as given in the proposed organisation chart (5.1). The chief planning officer should be made responsible for drawing up district plans and place them before the appropriate authority for approval. He also has to undertake evaluation and monitoring of the progress of implementation of district plan schemes. Economist should build up a databank and feed the information to other levels, as and when needed, and undertake surveys, specific project studies, economic analysis and selective evaluation studies. An agronomist is needed to study the existing landuse, cropping patterns and agronomic practices under irrigated and unirrigated agriculture. A statistician is required for statistical and econometric analysis. A cartographer should be included in the district planning unit to prepare a resource inventory and mapping of local resources and to do landuse planning in collaboration with the agronomist. The duty of the engineer is to survey and prepare project reports for minor irrigation and roads, along with costs and estimates.

A credit planning officer should be able to formulate and appraise projects and ensure mobilisation of institutional credit keeping effective liaison with commercial banks. District planning unit should have a social service officer to plan all social services for women and child welfare. He should plan for the development of Scheduled Castes and Scheduled Tribes. In order to plan for the

CHART 5.1

Organisation chart of the proposed staff pattern of the District Planning Unit

CHIEF PLANNING OFFICER



proper development of industries, fisheries,, dairy and cooperative sector, there should be technical personnel in the district planning machinery from the respective fields. The abovementioned specialised technical personnel should be assisted by other supporting staff as given in the Chart so that every district will be having a strong and adequate planning team to undertake the task of decentralised district planning efficiently.

Karnataka State Planning Department:

At its inception, state level planning structure was merely a skeletal set-up, planning department existed at the state level directly under the Chief Minister. This department was responsible for liaison with the central Planning Commission and the various departments of the State, coordinated their programmes for development and formulated the development plan for the State as a whole.

In order to strengthen the idea of the state level planning, Karnataka State Planning Board was further strengthened by making the Chief Minister as its Chairman, the Minister for Finance and Planning as its Vice-Chairman and the Planning Secretary as the Member-Secretary, to provide overall guidance in plan and policy formulations. The other members who were included were the Chief Secretary, Development Commissioner, Finance Secretary, experts from the disciplines like economics, sociology, regional planning

and development administration. The post of a full-time Economic Advisor was created in 1973.

Karnataka's Planning Department, as it is constituted now, has the following four Divisions (Government of Karnataka, 1980, p.1):

1. Policy and Programme Division,
2. Institutional Finance Division,
3. Technical Division, consisting of seven functional Divisions:-
 - (a) District Planning Division,
 - (b) Special Studies Division,
 - (c) Project Formulation Division,
 - (d) Evaluation Division,
 - (e) Manpower and Employment Division,
 - (f) Plan Monitoring and Information Division,
 - (g) Perspective Plan Division,
4. Command Area Development Division.

"The structure and the staffing pattern of the Technical Divisions broadly follow the general pattern suggested by the Planning Commission" (Government of Karnataka, 1980, p.11). These Divisions are devised so as to promote some degree of specialisation. The staff in all the Divisions are deployed in technical work in a coordinated and mutually supporting manner. Each Division is either headed by a Director or a Joint Director, who is assisted by

a group of research officers. As stated earlier, these divisions were set up to assist the existing planning machinery at the state level. The district planning division of the Planning Department gives proper guidelines to every district planning unit for the preparation the district plans.

Karnataka District Planning Committees (DPC):

At the organisational level, there is a District Planning Committee in each district, comprising project director, district rural development society; general manager, district industries centre; district development assistant; district publicity officer; district statistical officer and district planning officer (member-secretary), headed by a deputy commissioner. This body is responsible for the initiation of the first draft on the district plan, which is then placed before the District Development Council (DDC) for approval. The District Development Council consists of all MPs, MLAs and MLCs of the district and all district level officers with the deputy commissioner as the chairman.

The district plan as approved by the DDC was sent to the government for final approval. At the state level, the district plans were scrutinised by the concerned state heads of departments and final allocations were determined. In this process, the district plans, as approved by the Council, underwent drastic changes due to the fact that the state's annual plan was formulated

independent of district plans. Hence, the sectoral priorities determined at the district level did not coincide with the priorities at the state level and within the sectors, the budgeted outlays did not accord with the outlays decided upon by the District Development Councils for different schemes.

Organisational Set-up of District Planning Units in Karnataka:

The district planning officer's post was created on September 1, 1975. The district planning officers belong to Class-I cadre and acts as an important link between District Planning Committees and other district level officers. The district planning unit had the following staff pattern at the time of inspection (Government of Karnataka, 1975):

	<u>Technical Staff</u>	<u>Posts</u>
1.	District Planning Officer	1
2.	Assistant Director (Planning)	1
3.	Senior Statistical Assistant	1
	<u>Ministerial Staff</u>	
1.	Stenographer	1
2.	Senior Division Clerk	1
3.	Lower Division Typist	1

The following are the functions and duties of the district planning officer:

1. formulates perspective plan for the development of the districts;
2. formulates regional plans like Malnad Development Plan, area programmes and special programmes for the development of the district;
3. prepare credit plans for the district;
4. coordinates the special programmes with the development plan of the district;
5. undertakes systematic studies to assess the natural resources of the district;
6. submits quarterly review about the progress of the plan programmes for consideration of the district development council;
7. furnishes information to the State Planning Department;
8. assist other department officers to prepare special programmes for the district (Government of Karnataka, 1975).

The district planning officer is the secretary of the District Planning Committee and assists the deputy commissioner in the formulation and implementation of the district plans. He is one of the important coordinators for all developmental activities at the district level.

In order to make district level planning more effective and meaningful, the district planning units were duly strengthened with the introduction of Zilla Parishads in 1987. At present, the staffing

pattern of the district planning units in Zilla Parishads is as follows:-

	<u>Technical Staff</u>	<u>Posts</u>
1.	Chief Planning Officer	1
2.	Project Appraisal and Evaluation Officer	1
3.	Manpower and Credit Planning Officer	1
4.	Regional Planner	1
5.	Planning Assistant (Technical)	1
6.	Planning Assistant (Economic)	1
	<u>Ministerial Staff</u>	
1.	Confidential Assistant	1
2.	Upper Division Clerk	1
3.	Lower Division Typist	1
4.	Peon	1

Now the district planning unit is directly under the supervision of the Zilla Parishad. Even though the district planning unit is strengthened substantially, it lacks the technical personnel like agronomist, cartographer, engineer, social service officer and experts for the development of fisheries, industries, dairy and cooperation.

On the basis of the evolution of the district planning process and organisational set-up, the Karnataka experience can be expressed

in three phases; the first phase relates to the years 1978-82, and the second phase, to 1983-86. A new phase in the district planning has begun with the introduction of political decentralisation in the state from 1987, and this can be regarded as the third phase of the district planning (Abdul Azez, 1989).

The first phase began with the establishment of three most important elements of infrastructure. First, the state planning department developed a district database, which was updated every year as a means of providing a base for assessing resource inventory and development potential. Secondly, a technically-qualified planning team was developed by the planning department for each district and thirdly, perspective plans for the districts with a time-horizon of ten years starting from 1974 were prepared as a first step in district level planning. The district plan formulation became the responsibility of two district bodies, namely, the District Planning Committee and the District Development Council, as explained earlier.

To make the district planning more meaningful and effective, fresh guidelines were issued in 1982 for formulating the annual plan for 1983-84 and the planning process was accordingly modified, bringing in the second phase in the district planning. A basic change introduced was that instead of the lumpsum allocation for all the sectors, minor head-wise outlays under each sector were provided. The DDCs were given a free hand to select any schemes

or evolve a new scheme so long as it accorded with the financial limits indicated under the minor heads of account. Though the above change was meant to promote integration of district plans with the state plan, it limited the freedom of DDCs to determine sectoral priorities. In fact, till 1986, there hardly was an effective decentralised institutional arrangement which identified and articulated the needs and aspirations of the people. It is true that the DDCs had provided for a participative forum to the people's representatives such as MPs, MLAs and MLCs and some representatives of the weaker sections. But this arrangement could hardly reflect and represent the true nature of people's needs and aspirations given the elitist nature of the DDCs and their functioning (Abdul Azez, 1989).

Zilla Parishads (ZP):

The third phase in the district planning in Karnataka begins with the constitution of decentralised political institutions, with the passing of the Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayats Act, 1985. Elections to 887 Zilla Parishad seats and a titanic 54,670 Mandal Panchayat seats were held in 1987. With this, Karnataka entered the stage of decentralisation in which an elected district body acquired the authority to plan and implement all the development activities relevant to the districts.

The Gram Sabha is the lowest tier in the Panchayati Raj Institutional Structure in Karnataka. All those on the electoral roles of ZP pertaining to the revenue village constitute the Gram Sabha. Gram Sabha meets atleast twice a year where it discusses and reviews all development programmes within the village and plans for local improvement. It also selects beneficiaries for all beneficiary-oriented programmes. Gram Sabha also discusses the report placed before it by the Mandal Panchayat relating to development programmes undertaken in the village during the previous year and the programmes to be taken up during the current year.

Mandal Panchayat is the first elected tier of the system. One member for every 500 population of the Mandal is elected to Mandal Panchayat. Total membership ranges between 20 and 22 (Government of Karnataka, 1988). The Mandal Panchayat elects two members as Pradhan and Upa-Pradhan. These Samithis implement all development and welfare programmes with an intra-Mandal Orientation. It also formulates plans for the development of the Panchayat area, as a whole. The ZP supervises the financial and personnel matters of the Mandal Panchayats. The annual budget estimates of the Mandal Panchayats requires approval from the Zilla Parishad.

Taluk Panchayat Samiti (TPS) at the block level is a nominated body comprising all the Pradhans of Mandals in the taluka, members of Zilla Parishad and five members belonging to Scheduled Castes,

Scheduled Tribes, backward communities and women. The TPS supervises the acts of officers and servants of the ZP working in the taluka, inspects the work of development schemes in progress, reviews the work of Mandal Panchayats and coordinates the inter-Mandal oriented schemes within the taluka.

The Zilla Parishad is the directly elected top tier of the decentralised planning set-up. One member for every 35,000 population is elected to the ZP. There are 19 ZPs in Karnataka with about 900 directly elected members. The term of office of a member is five years. The members of the ZP elect an Adhyaksha and an Upadhyaksha amongst themselves. The Adhyaksha, who is the head of the ZP, has a rank of a Minister of State and the Upadhyaksha has been equated with the Deputy Minister (Government of Karnataka, 1987).

With the establishment of ZP, all the development departments and agencies of the district, which were directly or indirectly involved in the formulation and implementation of the various district level plan programmes have been brought under the umbrella of ZP. The official machinery of the ZP is headed by the chief secretary - a senior IAS officer, who is assisted by a chief accounts officer, one or two deputy secretaries and some subject experts, under the control and supervision of the elected representatives. The staffing pattern of a Zilla Parishad is given in Appendix 5.1. The number of staff in different ZPs in Karnataka is ranging from

318 (Belgaum) to 161 (Coorg). The traditional law and order matters are now being looked after by a separate district administrative head - the deputy commissioner - while all developmental matters related to the district are taken care of by the ZPs. This innovative change holds out the following notable merits, as far as the district planning is concerned; firstly, an effective mechanism for gauging and articulating people's needs and aspirations is evolved for the first time in the State of Karnataka; secondly, an institutional arrangement for coordinating the efforts and resources of the various district development departments is made; and finally, what is more important is that the district chief development administrator is now made accountable to the elected representatives at the district level, who otherwise was earlier accountable to his superiors at the state level.

The major function of the ZPs is to formulate and implement district plans. In doing this, it is not sufficient just to compile schemes of different departments as was being done earlier, they have to give a special dimension to the plan exercise, using a modified, central-place theory. In this exercise, the planning body of the ZP is to locate the infrastructure facilities in a spatial hierarchical manner, using the growth centre strategy and identifying growth centres. The planning agency is expected to develop such growth centres, which in turn, are to transmit growth impulses to the lower level human settlements (Abdul Azeem, 1989).

Thus, in Karnataka State, to facilitate the task of district level planning, certain organisational and other innovations have been initiated. In the first place, there is a clear-cut demarcation of the schemes and programmes that come under the jurisdiction of the State, Zilla Parishads and Mandal Panchayats. The ZPs and Mandal Panchayats are given responsibilities to plan and implement schemes in sectors such as agriculture, horticulture, animal-husbandry, cooperation, irrigation, groundwater resources, public health, education, district and rural roads, small and cottage industries, welfare of Scheduled Castes and Tribes, etc. Secondly, strengthening the district planning unit by appointing a chief planning officer, a regional planner, a project appraisal officer, a statistical officer and other experts at each district, setting up of a district planning cell in the State Planning Department and conducting of Karnataka development programme monthly review meetings at district level to monitor the progress of district schemes. The third innovation is the establishment of the State Development Council, under the chairmanship of the Chief Minister and the Presidents of all the ZPs, who work as members, on the pattern of the National Development Council, which gives an opportunity to the elected representatives to evolve plan priorities and policies. The most important initiative in the district plans process in Karnataka is the provision for periodically appointing a State Finance Commission on the lines of the National Finance Commission, to recommend the pattern of financial transfers from the State Government

to the ZPs. The first State Finance Commission, with Dr.Honavar as its chairman, was appointed immediately after the establishment of the ZP system in Karnataka and it submitted its report in 1989.

The Evaluation Committee on the working of the system of decentralised planning in Karnataka, headed by Krishnaswamy (1989) found that the performance of the ZPs and the Mandal Panchayats was impressive. It found that many basic needs of the people at village level were fulfilled and that the awareness among the people of their powers and needs was increasing. The people in power, i.e. the elected representatives, responded more successfully to popular demands, gaining increasingly the confidence of the people. However, the members of the weaker sections have yet to identify themselves meaningfully with the system. The committee also found that harmonious relations existed between officials and non-officials at all levels. According to it, public servants showed greater consciousness about their accountability and obligation to the people, though some of them had yet to accept fully the idea of authority at the grass-roots.

The committee also pointed out the continued existence of mental reservation about the scheme on the part of the legislators, ministers and bureaucrats. There was a gross mismatch between the functional responsibility of ZPs and their direct command over resources. It also recommends that the State Government should be committed unequivocally to the progressive devolution of authority

to ZPs. The second important body, which examined the working of the new ZP-system in Karnataka is the first Finance Commission set up under the Act itself headed by Dr.Honavar (1989) to review the financial allocations under the Act and make recommendations. The Commission underscores the fact that the financial strength of the ZPs to negotiate with the state level is almost nil, because the ZP has no resource mobilization capacity (Honavar, 1989, p.154). The Commission rightly advocates greater financial autonomy for the ZPs to enable them to play an effective role in the process of district level planning.

A Comparative Analysis

The foregoing analysis of the organizational set-up of district level planning in the States of Kerala and Karnataka clearly shows that the planning machinery at the district level in Kerala is woefully inadequate for effective plan formulation and implementation at the district level, compared to Karnataka State. Until now, the Panchayati Raj system of decentralised district planning, in the real sense, has not been started in the State of Kerala. The lack of technically-qualified personnel like agronomist, statistical officer, engineer, cartographer, social service officer, industrial officer, dairy officer, cooperative officer and regional planner, in the district planning units in Kerala is a major drawback in the organisational set-up to meet the challenges of district planning.

In reality, the major function of district planning units in Kerala has been reduced to the formulation and implementation of Special Component Plan for the Scheduled Castes.

The District Development Councils, with district planning officer as secretary, as it exists in Kerala, are not statutory bodies and are mainly the forums for discussion on development matters. The constitution of this body is not such as would facilitate the exercise of scientific planning at the district level. With the constitution of the District Councils in Kerala District Development Council lost its logical existence. Though the efforts for the establishment of the District Councils in Kerala started long back from 1957, it became a reality only recently in 1991. But the District Councils, which were established by the LDF Government with great hope and enthusiasm, were made ineffective for political reasons by the UDF Government which came to power immediately after the establishment of the District Councils. The organisational set-up in Kerala at the district level is totally inadequate to undertake the existence of planning process at the district level and needs to be strengthened.

The District Planning experience of Karnataka can be taken as a model for other States. It has a strong organisational base for district level planning. District Planning Committees and District Development Councils are the bodies responsible for district development planning. These bodies are ably assisted by the district

planning units. The district planning units in Karnataka have a strong technical staff, including a chief planning officer, a regional planner, a project appraisal and evaluation officer, a manpower and credit planning officer, statistical officer and an economist. However, the district planning units in Karnataka lack technical personnel like an engineer, agronomist, cartographer, social service officer, officers for fisheries, industries, dairy and cooperatives.

The establishment of Zilla Parishads in 1987 was a landmark in the history of decentralised planning in Karnataka. Now all the developmental organisations are under the direct control and supervision of the ZPs. What is more important is that the district collector is now made accountable to the elected representatives at the district level, who was earlier accountable to his superiors at the State level. The establishment of the State Development Council and the State Finance Commission for evolving plan priorities and policies at the district level and for facilitating financial transfers from the State Government to ZPs is an innovative initiation in the organizational set-up for the exercise of district level planning in Karnataka. It can be concluded that Karnataka shows the way for district planning to other States and Kerala State has to take serious measures to strengthen district planning machinery on the lines of Karnataka experience with suitable modifications.

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CHAPTER VI

ALLOCATION OF PLAN OUTLAY AMONG THE DISTRICTS
: KERALA AND KARNATAKA EXPERIENCES

CHAPTER VI

ALLOCATION OF PLAN OUTLAY AMONG THE DISTRICTS : KERALA AND KARNATAKA EXPERIENCES

The State Governments in India have accepted the basic idea of disaggregation of State Plan outlay into State sector outlay and district sector outlay. But this did not go far enough to make the district planning a meaningful exercise, as it was done not on any rational basis. However, during the Sixth Plan period, some State Governments like Karnataka, Kerala, Maharashtra, Gujarat, Uttar Pradesh and West Bengal started attempting some kind of allocation of the State Plan outlay for the district plans. It is a fact that the States which gave greater emphasis to the district level planning set aside greater share as district sector plan outlay. In order to attain the objectives of reducing regional disparities and achieving balanced regional development, the formula for the distribution of district sector plan outlay among the districts should ensure greater share to the backward districts. In this Chapter, an attempt is made to analyse the method of allocation of district sector plan outlay among the districts of Kerala and Karnataka.

Kerala Experience:

In Kerala, district plans are now presented by splitting

up the State plan on the basis of rough estimates of Plan outlays going to the various districts. Although the idea is to allocate the Plan funds to the districts according to the need and scope for development, at present, there is no provision in the State to make a rational allocation of the plan funds.

Every year, after the Annual Plan Budget is passed by the Legislative Assembly, an exercise used to be undertaken at the State headquarters for bringing out a document, giving the district-wise break-up of the Annual Plan schematic outlays. The Department of Planning and Economic Affairs in the Secretariat/State Planning Board issued directives to various departments concerned with the plans to prepare a break-up of their sectoral programmes district-wise and forward the same to the Government. The consolidated statement of the district-wise projects and programmes so received is published as district-wise break-up of the Annual Plans and the same is communicated to the development departments and the district authorities. Thus, from the district-wise break-up of Annual Plan outlays of the State, one can understand the flow of funds from the State to the districts for the purpose of decentralised development planning.

In accordance with the directives issued by the State Planning Board, various departments concerned prepare a break-up of their sectoral programmes district-wise and then it is forwarded to the Government. The consolidated statement of the district-wise

projects and programmes received by the Government is published as district-wise break-up of the Annual Plan. The present system of distribution of outlay in Kerala does not appear to be scientific. Since there is no specific formula or criteria for the distribution of Plan outlay among the districts, the district planners cannot make a plan for itself as they are not aware of the quantum of funds provided for their districts. The only criterion communicated to the departments for attempting the break-up is that schemes should be classified into four categories as shown below:

Category-I: State-Wide Schemes - Schemes with no specific location, benefitting the whole State;

Category-II: Schemes located in one district but intended to serve the whole State;

Category-III: Special Area Schemes - Schemes benefitting a local area and located in that area because of specific advantages obtaining in that area, which are not available elsewhere;

Category-IV: District Schemes - Schemes which are located in all or most of the districts in the State. (Government of Kerala, 1989, p.18).

It can be seen from the above categorisation of schemes that only Category-III and -IV schemes are amenable to the district level planning. Therefore, outlay falling under Category-I and -II is considered as State share of plan outlay and Category-III and -IV

as district share, i.e. State sector outlay and district sector outlay, respectively. Table 6.1 shows the distribution of the State Plan outlay into State sector and district sector from 1980-81 to 1991-92.

It is evident from the Table that, on an average, 48 per cent of the total plan outlay of the State is kept aside as district sector outlay, i.e. outlay falling under Category-III and -IV. In 1980-81, the share of the district sector outlay was only 33 per cent, which increased to 44.7 per cent in 1991-92. The share of Plan outlay earmarked for district planning programmes differed in different States. It may be assumed that the State giving more importance to district planning earmark larger share as district sector outlay. The maximum share as district sector plan outlay (48 per cent) was set aside in Kerala and the minimum (28 per cent) in Punjab, as is evident from Table 6.2. The proportion of district sector plan outlay and State sector plan outlay is 35 and 65 per cent in Karnataka, Gujarat and West Bengal, 30 and 70 per cent in Uttar Pradesh, 40 and 60 per cent in Maharashtra and 45 and 55 per cent in Jammu and Kashmir.

Based on the data of Table 6.1, a semi-log model with time, as the explanatory variable was fitted to find out the geometric compound growth rate of total State plan outlay, State sector outlay and district sector outlay:

Table 6.1
Distribution of plan outlay into State sector
and district sector in Kerala
from 1980-81 to 1991-92

(Rs.in Lakhs)

Year	State sector outlay	District sector outlay	Total plan outlay	District sector outlay as percentage to total outlay
1980-81	17023.3	8426.9	25450.2	33.1
1981-82	16290.4	11553.9	27844.3	41.5
1982-83	15124.7	13407.7	28592.4	46.9
1983-84	16476.7	16453.3	32930.0	49.9
1984-85	17289.0	19496.7	36785.7	52.9
1985-86	17830.9	19102.3	36933.2	51.7
1986-87	19666.6	21300.1	40966.7	51.9
1987-88	27054.5	21620.0	48674.5	44.4
1988-89	26141.9	25245.4	51387.3	49.1
1989-90	21813.8	30786.2	52600.0	58.5
1990-91	31766.7	31731.3	63500.0	49.9
1991-92	42822.5	34678.5	77500.5	44.7

Source: Compiled and computed from Annual Plan : District-wise Break-down of Funds for various years (1980-81 to 1991-92), State Planning Board, Government of Kerala, Trivandrum.

Figure 6.1
District & State Sector Outlay: Kerala

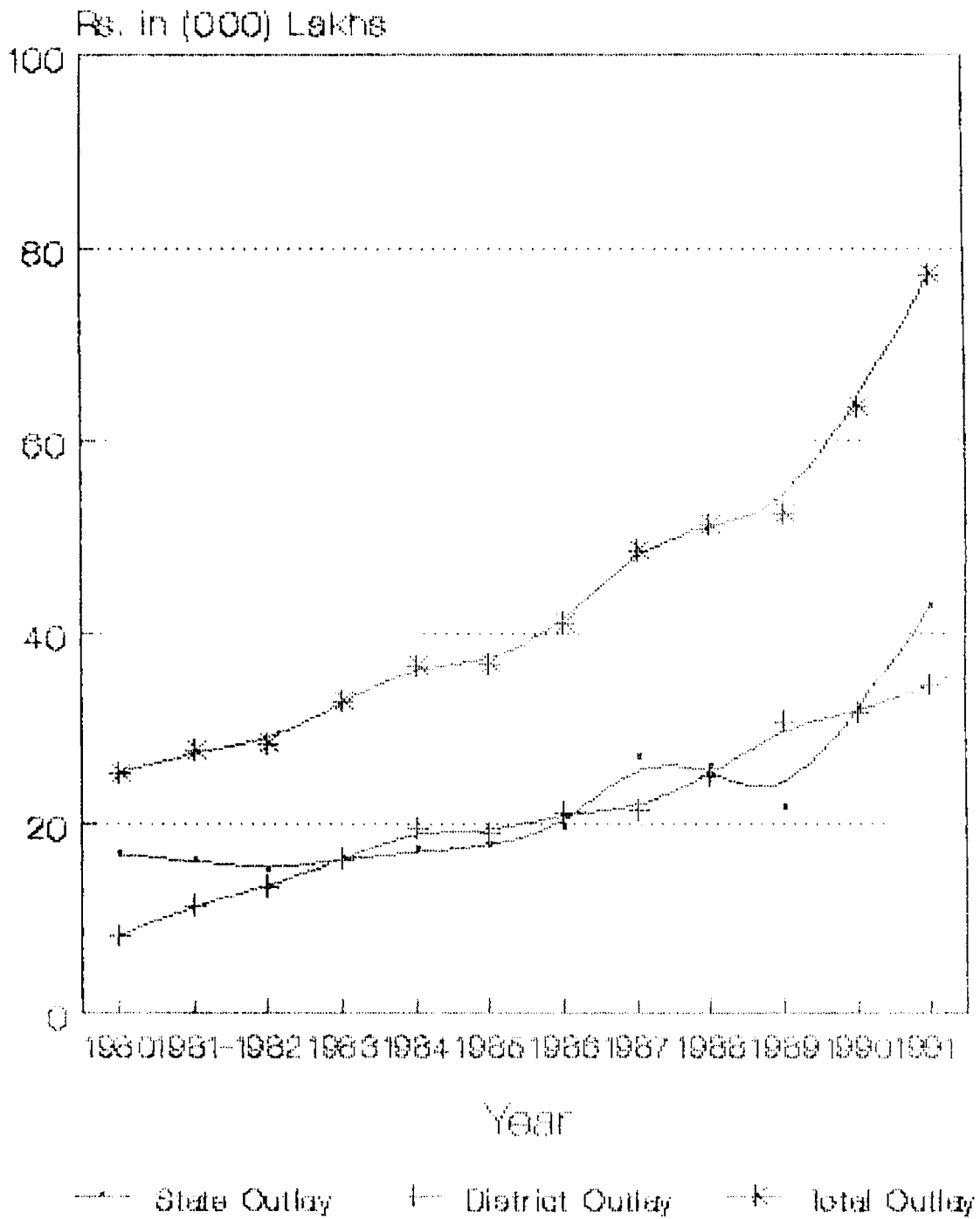


Table 6.2

Distribution of plan outlay into State sector and district sector in selected States (in percentages)

States	District sector outlay	State sector outlay	Total
1. Kerala	48	52	100
2. Karnataka	35	65	100
3. Gujarat	36	64	100
4. Maharashtra	40	60	100
5. Jammu and Kashmir	45	55	100
6. Uttar Pradesh	30	70	100
7. Punjab	28	72	100
8. West Bengal	35	65	100

- Sources:
1. Annual Plan : District-wise Break-down of Funds for various years from 1980-81 to 1991-92, Planning Board, Government of Kerala, Trivandrum;
 2. Draft Eighth Five Year Plan 1990-95, Economic Survey 1991-92, Planning Department, Government of Karnataka, Bangalore.
 3. Yugandhar, B.N. and Mukherjee, Amitava, Readings in Decentralised Planning with Special Reference to District Planning, Concept Publishing Co., New Delhi, Vol.I, 1991, p.144.

$$Y = ab^t$$

$$\log Y = A + Bt + u$$

where, Y = State sector outlay

t = time (in years)

A and B are the parameters, and

u = random error.

The estimated equation is given below:

$$\log Y = 4.151204 + 0.030776t$$

$$*R^2 = 0.80575.$$

The annual compound growth rate of State sector outlay estimated from the above equation is 7.34 per cent.

The same model is used to estimate the compound growth rate of district sector outlay over the period under study. Here the variable Y represents district sector outlay.

$$\log Y = 4.015651 + 0.050159t$$

$$*R^2 = 0.94930.$$

The annual compound growth rate of district sector outlay, calculated from the above equation is 12.24 per cent. The annual compound growth rate of total State plan outlay of Kerala State over the period under study is also found out. Here, the variable Y represents total State plan outlay.

*R² = Coefficient of determination (which is significant for projection).

$$\log Y = 4.394523 + 0.039414t$$

$$R^2 = 0.98577.$$

The estimated growth rate from the above equation is 9.50 per cent. Thus, it can be seen that the growth rate of district sector outlay (12.24 per cent) is greater than the State sector outlay (7.34 per cent) and the total State plan outlay (9.50 per cent) of Kerala over the period from 1980-81 to 1991-92. This is a clear indication of the fact that Kerala Government has been giving greater emphasis to decentralised district planning, by way of progressively allocating greater financial allotment to district sector plan schemes.

Table 6.3 shows the district-wise allocation of the district sector outlay among the districts of Kerala from 1980-81 to 1991-92. It may be observed that this allocation is done on the basis of rough estimates made by various heads of departments, without using any scientific formula, which resulted in allocating more to the developed districts and the under-developed districts are not receiving their due share. In 1980-81, the share accorded to Quilon district was 1647.9 lakh rupees, that is, about 19.6 per cent of the total district sector outlay. Table 6.4 shows the percentage share of each district in the total district sector outlay. In the same year, Malappuram, one of the most backward districts of Kerala, received only 349.4 lakh rupees, which is only 4.1 per cent of the total district sector outlay.

The share of Quilon district has increased from 19.6 per cent

in 1980-81 to 23.7 per cent in 1982-83. It, however, showed a decline of 5.5 per cent in 1991-92. But the share of Kozhikode has fallen from 10.3 per cent in 1980-81 to 5.8 per cent in 1991-92. It is very evident from Tables 6.3 and 6.4 that the backward districts of Kerala, namely, Kasaragod, Wayanad, Malappuram, Idukki and Pathanamthitta, do not receive their due share. In 1991-92, the amount allotted to Kasaragod, Wayanad, Malappuram, Idukki and Pathanamthitta are rupees 1502.2 lakhs (4.3 per cent), 978.6 lakhs (2.8 per cent), 1931.4 lakhs (5.7 per cent), 1513.7 lakhs (4.9 per cent) and 1426.5 lakhs (4.1 per cent), respectively; whereas the developed districts like Quilon, Trivandrum, Alleppey, Ernakulam, Trichur, etc., received higher allotments to the tune of rupees 6316.2 lakhs (18.2 per cent), 2932.6 lakhs (8.4 per cent), 2480.8 lakhs (7.2 per cent), 4086.3 lakhs (11.8 per cent) and 2887.2 lakhs (8.3 per cent), respectively. The figures in the brackets are percentage shares in the total district sector plan outlay. On an average, when the developed district Quilon received 20.11 per cent of the total district sector outlay, Wayanad received only 2.9 per cent.

The present system of allocation of plan outlay to the districts in Kerala is against the basic objectives of district planning. Decentralised planning aims at ensuring equitable distribution of the benefits of development and to reduce regional disparities. For realising this goal, plan outlay will have to be allocated in such a way that the backward districts get relatively higher

Table 6.3

Distribution of the district sector plan outlay amongst the districts of Kerala from 1980-81 to 1991-92

Sr. No.	Districts	(Rs. in lakhs)												
		1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	
1.	Trivandrum	962.5	1000.1	1247.8	1463.9	1614.8	1656.8	1875.5	1608.8	1986.5	2063.3	2641.3	2932.6	
2.	Quilon	1647.9	2286.5	3178.6	3762.3	3945.9	4044.8	4890.1	4535.5	5066.9	4962.8	5120.6	6316.2	
3.	Pathanamthitta	-	-	-	120.3	1063.5	762.3	850.7	1609.1	1157.4	3295.5	1401.0	1426.5	
4.	Alleppey	825.6	1088.1	1081.0	1331.3	1073.0	1006.3	1347.9	1615.6	1341.8	1281.4	2340.6	2480.3	
5.	Kottayam	300.1	564.9	616.5	725.9	853.3	1050.8	1144.4	1247.1	1064.5	1265.9	1386.6	1493.7	
6.	Idukki	429.2	632.9	722.2	744.8	847.9	1103.4	1278.8	1154.8	1504.6	1500.9	1513.7	1712.9	
7.	Ernakulam	804.0	1095.1	1201.1	1697.2	2279.3	1871.7	1874.4	1803.8	2791.9	8369.5	3898.5	4086.3	
8.	Trichur	649.0	1022.2	1015.2	1290.1	1575.7	1648.2	1929.5	1725.3	2102.4	2982.9	2572.0	2887.2	
9.	Palghat	879.2	1023.6	1174.8	1443.6	1806.4	1354.3	1225.1	1382.5	1725.1	2107.9	2167.2	2364.4	
10.	Malappuram	349.4	536.7	702.4	904.4	1005.0	1090.6	1142.3	1225.4	1430.3	1706.7	1931.4	1993.5	
11.	Kozhikode	871.8	973.6	922.5	1190.4	1281.5	1418.9	1286.4	1282.5	1757.5	2057.2	1992.9	2001.2	
12.	Wayanad	-	201.3	357.8	401.9	574.2	619.3	661.7	738.7	896.9	969.4	978.6	984.7	
13.	Cannanore	708.2	1128.9	1187.8	1377.2	1575.7	1167.0	1200.1	1018.9	1558.8	2039.3	2380.8	2495.3	
14.	Kasaragod	-	-	-	-	-	307.9	566.2	672.0	860.8	1183.5	1406.1	1502.2	
	Total:	8426.9	11553.9	13407.7	16453.3	19496.7	19102.3	21300.1	21620.0	25245.4	30786.2	31731.3	34678.0	

Source: Compiled from Annual Plan District-wise Break-Down of Funds for various years (1980-81 to 1991-92), Government of Kerala, State Planning Board, Trivandrum.

Table 6.4
Share of each district in percentage of the total district sector
outlay from 1980-81 to 1991-92 (Kerala State)

Sr. No.	Districts	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	Ave- rage
1.	Trivandrum	11.4	8.7	9.3	8.9	8.3	8.6	8.8	7.4	7.8	6.7	8.3	8.4	8.6
2.	Quilon	19.6	19.8	23.7	22.8	20.2	21.2	22.9	20.9	20.1	16.1	16.1	18.2	20.1
3.	Pathanamthitta	-	-	-	0.7	5.4	4.0	4.0	7.4	4.6	10.7	4.4	4.1	5.0
4.	Alleppey	9.8	9.4	8.0	8.1	5.5	5.2	6.4	7.5	5.3	4.1	7.4	7.2	7.0
5.	Kottayam	3.6	4.9	4.6	4.4	4.4	5.5	5.4	5.7	4.2	4.1	4.4	4.3	4.6
6.	Idukki	5.1	5.7	5.4	4.5	4.3	5.8	6.0	5.3	5.9	4.8	4.8	4.9	5.2
7.	Ernakulam	9.5	9.4	8.9	10.3	11.7	9.8	8.8	8.3	11.1	10.9	12.3	11.8	18.2
8.	Trichur	7.7	8.8	7.6	7.8	8.1	8.6	9.3	7.9	8.3	9.7	8.1	8.3	8.4
9.	Palghat	10.4	8.9	8.8	8.8	9.2	7.1	5.8	6.4	6.8	6.8	6.8	6.8	7.7
10.	Malappuram	4.1	4.6	5.2	5.5	5.2	5.7	5.4	5.6	5.6	5.5	6.1	5.7	5.4
11.	Kozhikode	10.3	8.4	6.9	7.2	6.6	7.4	6.0	5.9	6.9	6.7	6.3	5.8	7.0
12.	Wayanad	-	1.7	2.6	2.4	2.9	3.2	3.1	3.4	3.6	3.2	3.1	2.8	2.9
13.	Cannanore	8.4	9.7	8.9	8.4	8.1	6.1	5.6	4.7	6.2	6.6	7.5	7.2	7.3
14.	Kasaragod	-	-	-	-	-	1.6	2.6	3.1	3.4	3.8	4.4	4.3	3.3
	Total:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Table 6.3.

Figure 6.2
District-Wise Distribution of
Outlay 1980-81: Kerala

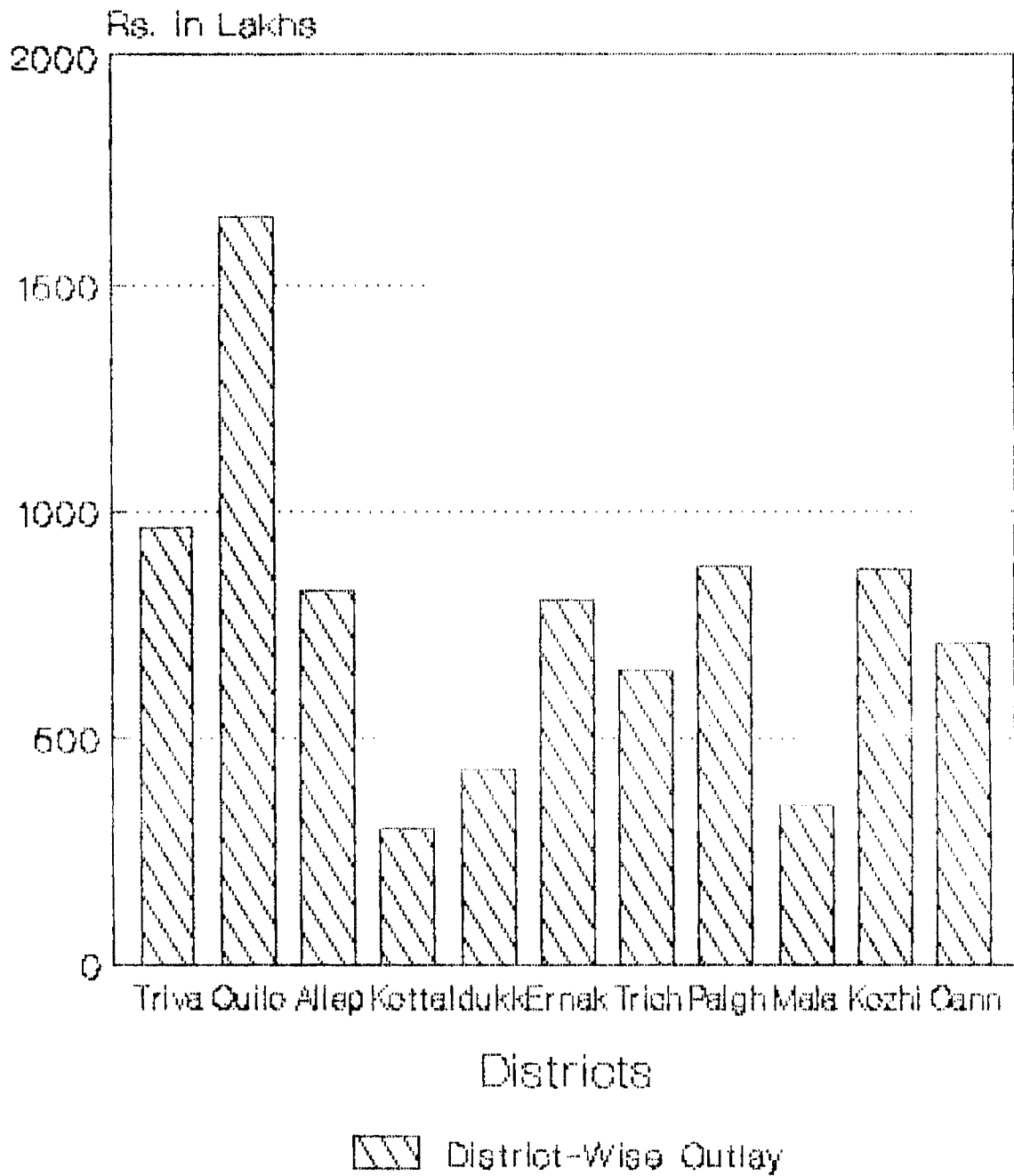
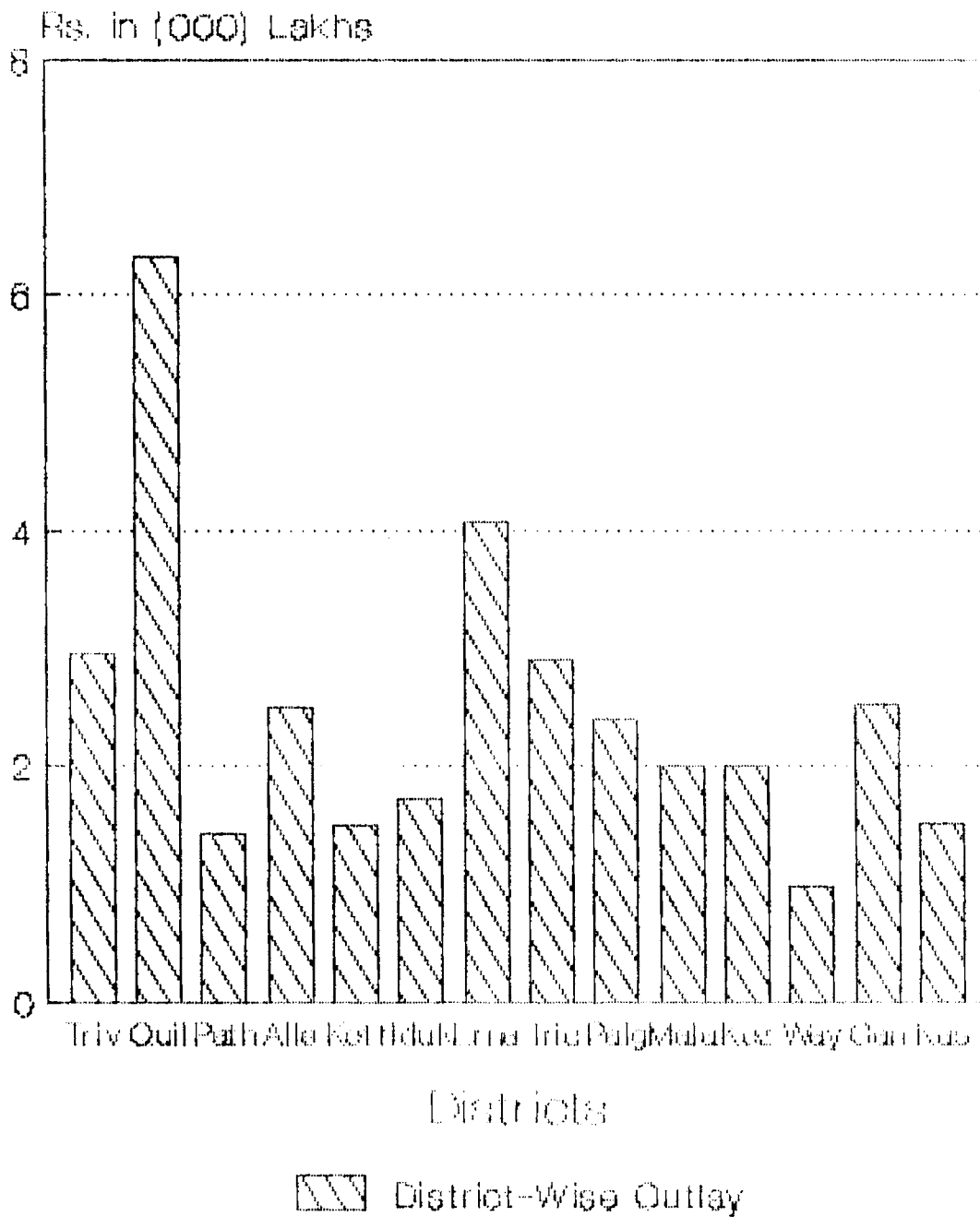


Figure 6.3
District-Wise Distribution
of Outlay 1991-92 : Kerala



share of outlay compared to the developed districts.

The situation is not very different in the case of centrally sponsored schemes as well. The plan outlay for these schemes also is divided into State sector outlay and district sector outlay. The division of outlay for these schemes into State sector and district sector from 1980-81 to 1991-92 is given in Table 6.5.

It is evident from the Table that in 1980-81, the total plan outlay under centrally-sponsored schemes was Rs.1703.4 lakhs; of which, Rs.1100.7 lakh was set aside for district sector outlay, which is about 39.2 per cent of the total outlay. But in 1984-85, the percentage of outlay set aside for district sector increased to 53.5 per cent, which substantially came down to 11.5 per cent in 1991-92. On an average, 35.7 per cent of the centrally-sponsored plan funds was earmarked for district sector plan schemes. In the case of centrally-sponsored schemes, the proportion of outlay allotted for district sector schemes are less, compared to State plan outlay. It is clearly proved from the fact that the annual compound growth rate of district sector plan outlay coming under the centrally-sponsored schemes is estimated to be only 13.23 per cent, whereas that of State sector plan outlay is 24.98 per cent and the total plan outlay coming under the centrally sponsored schemes is 22.46 per cent. Government of Kerala ought to take positive steps to allocate greater share for district sector plan schemes from the outlay coming under centrally sponsored schemes, as in the case of State plan outlay, in order to achieve the objectives of district planning at a greater speed.

Table 6.6 shows district-wise allocation of district sector plan outlay coming under centrally sponsored schemes for the period

Table 6.5

Division of plan outlay coming under actually sponsored schemes
into State sector and district sector in Kerala
from 1980-81 to 1991-92

Year	State sector	District sector	Total	(Rs.in lakhs)
				Percentage of district sector outlay to total outlay
1980-81	1703.4	1100.7	2804.1	39.2
1981-82	3376.3	1736.1	5112.4	33.9
1982-83	3506.0	1506.0	5012.0	30.0
1983-84	3247.1	1522.4	4769.5	31.7
1984-85	3476.0	4006.2	7482.2	53.5
1985-86	8716.0	6540.1	15256.1	42.9
1986-87	7002.0	7253.0	14255.0	50.9
1987-88	8213.3	7602.3	15815.6	48.1
1988-89	9321.2	8005.0	17326.2	46.2
1989-90	16201.0	7140.8	23341.8	30.6
1990-91	21605.7	2496.3	24102.0	10.4
1991-92	23213.4	3005.1	26218.5	11.5

Source: Compiled and computed from Annual Plan : District-wise Break-down of Funds for various years (1980-81 to 1991-92), State Planning Board, Government of Kerala, Trivandrum.

Figure 6.4
Centrally Sponsored Schemes:
Districts & State Sectors

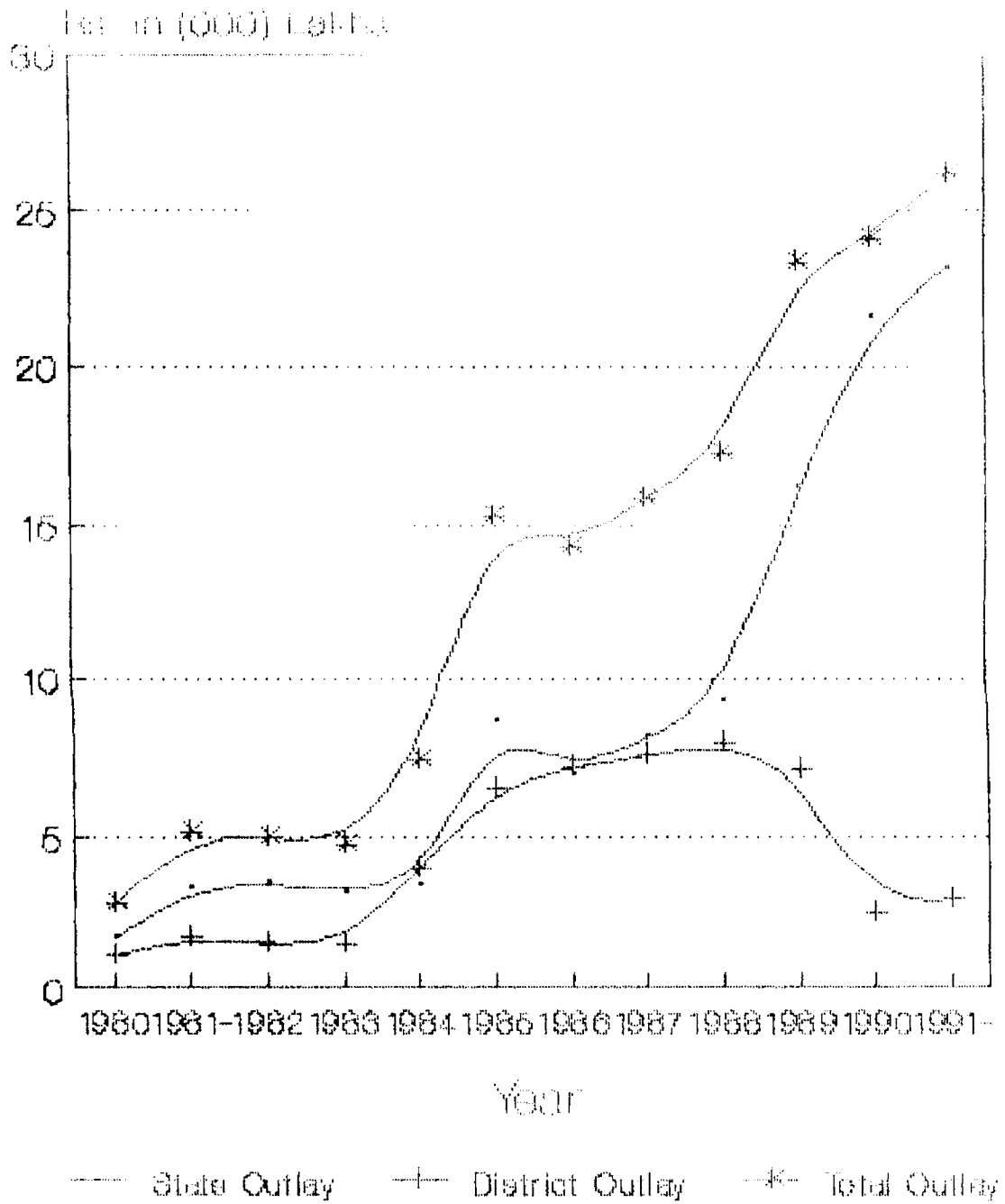


Table 6.6

District-wise allocation of district sector plan outlay coming under centrally-sponsored schemes in Kerala from 1980-81 to 1991-92

Sr. No.	Districts	(Rs. in lakhs)												
		1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	
1.	Trivandrum	155.2	265.6	230.5	225.4	576.5	552.4	718.2	781.6	965.9	737.6	221.4	288.5	
2.	Quilon	123.2	210.2	195.8	167.3	300.7	595.4	656.1	652.8	687.6	557.6	195.8	248.4	
3.	Pathanamthitta	-	-	-	58.1	213.8	417.9	357.2	351.8	377.9	335.2	58.5	70.3	
4.	Alleppey	113.1	193.0	127.0	137.2	359.5	469.2	578.8	528.9	524.5	521.4	247.4	295.7	
5.	Kottayam	81.2	127.9	82.2	76.7	195.0	444.1	477.0	475.6	408.6	451.9	93.8	111.2	
6.	Idukki	52.0	52.6	53.8	63.4	151.1	381.3	339.7	376.4	455.5	438.6	61.1	89.3	
7.	Ernakulam	93.3	181.2	102.3	96.6	281.4	497.8	595.9	672.5	732.8	538.4	563.6	658.7	
8.	Trichur	124.4	186.0	127.0	138.9	430.4	656.6	750.0	781.9	800.4	543.7	149.3	180.8	
9.	Palghat	90.4	121.9	208.6	180.2	404.6	544.5	600.9	692.4	838.9	685.4	203.6	263.7	
10.	Malappuram	74.3	110.0	85.1	116.3	395.8	567.5	611.7	624.9	627.2	501.4	93.3	109.4	
11.	Kozhikode	80.7	130.7	113.3	77.0	247.0	498.0	538.4	549.7	447.5	627.8	157.4	170.3	
12.	Wayanad	-	28.2	66.6	47.4	157.9	271.4	257.7	286.0	322.8	362.5	172.4	196.9	
13.	Cannanore	119.9	128.8	113.8	137.9	292.5	419.6	509.1	528.4	510.4	478.4	210.3	240.1	
14.	Kasaragod	-	-	-	-	-	222.3	262.7	289.4	305.0	360.9	68.1	81.3	
	Total:	1100.7	1736.1	1506.0	1522.4	4006.2	6540.1	7253.0	7602.3	8005.0	7140.8	2496.3	3005.1	

Source: Compiled from Annual Plan District-wise Break-down of Funds for various years (1980-81 to 1991-92), State Planning Board, Government of Kerala, Trivandrum.

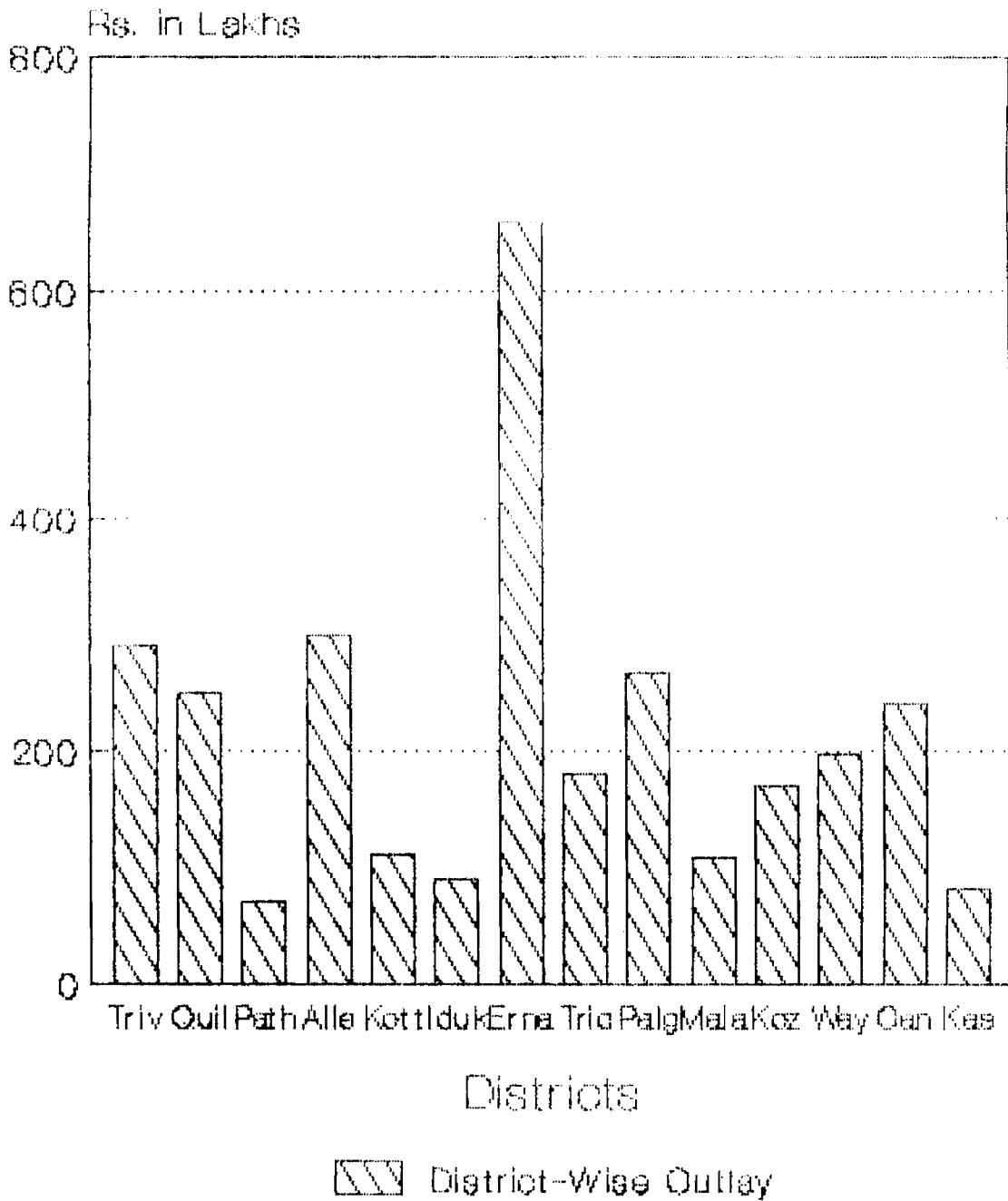
Table 6.7

District-wise allocation of district sector plan outlay coming under centrally-sponsored schemes in percentages from 1980-81 to 1991-92 (Kerala State)

Sr. No.	Districts	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1985-87	1987-88	1988-89	1989-90	1990-91	1991-92	Ave- rage
1.	Trivandrum	14.1	15.3	15.3	14.8	14.4	8.4	9.9	10.2	12.0	10.3	8.9	9.6	11.9
2.	Quilon	11.2	12.1	13.0	10.9	7.5	9.1	9.0	8.5	8.6	7.8	7.8	8.3	9.5
3.	Pathanamthitta	-	-	-	3.8	5.3	6.4	4.9	4.6	4.7	4.7	2.3	2.3	4.3
4.	Alleppey	10.2	11.1	8.4	9.0	8.9	7.1	7.9	6.9	6.5	7.3	9.9	9.5	8.6
5.	Kottayam	7.3	7.3	5.4	5.0	4.8	6.7	6.5	6.2	5.1	6.3	3.8	3.7	5.7
6.	Idukki	4.7	3.0	3.6	4.2	3.7	5.8	4.7	4.9	5.6	6.1	2.4	3.0	4.3
7.	Ernakulam	8.5	10.4	6.9	6.3	7.0	7.6	8.2	8.8	9.1	7.5	22.6	21.9	10.4
8.	Trichur	11.3	10.7	8.4	9.1	10.7	10.0	10.3	10.2	9.9	7.6	5.9	6.0	9.2
9.	Palghat	8.2	7.0	13.8	11.8	10.0	8.3	8.2	9.1	10.4	9.6	8.2	8.2	9.5
10.	Malappuram	6.7	6.3	5.6	7.6	9.8	8.6	8.4	8.2	7.8	7.0	3.7	3.6	6.9
11.	Kozhikode	7.3	7.5	7.5	5.0	6.1	7.6	7.4	7.2	5.6	8.8	6.3	5.7	6.8
12.	Wayanad	-	1.6	4.4	3.1	3.9	4.1	3.5	3.7	4.0	5.1	6.9	6.6	4.3
13.	Cannanore	10.9	7.4	7.5	9.0	7.3	6.4	7.0	6.9	6.3	6.7	8.4	2.0	7.7
14.	Kasaragod	-	-	-	-	-	3.4	3.6	3.9	3.8	5.1	2.7	2.7	3.6
Total:		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Table 6.6.

Figure 6.5
District-Wise Break-Down of
Funds- Centrally Sponcered 91-92
 30



under study. It can be seen from Table 6.6 that a lion's share of the plan outlay is going to the developed districts. Table 6.7 shows the distribution of district sector plan outlay amongst the districts from 1980-81 to 1991-92 in percentage to the total. Underdeveloped districts like Kasaragod, Malappuram, Idukki and Pathanamthitta received only a small share in the total allotment amounting to 2.7 per cent, 3.6 per cent, 3.7 per cent and 2.8 per cent, respectively, while Ernakulam district received 21.9 per cent in the year 1991-92. On an average, 11.9 per cent of the district sector plan outlay went to Trivandrum district, 10.4 per cent to Ernakulam, 9.5 per cent each to Quilon and Palghat and 9.2 per cent to Trichur. Thus, it can be understood that even though there is an increasing trend in the share of district sector plan outlay in Kerala, it is not rationally distributed among the districts, so as to achieve the objectives of district planning.

The present system of allocation of plan outlay among the districts of Kerala allocates greater share to the advanced districts, compared to the underdeveloped districts, which can be considered as one of the major reasons for the existence of wide inter-district disparities in development, which is continuously widening over the period under study.

Special Component Plan:

A comprehensive development of the Scheduled Caste population

is aimed at under the Special Component Plan. It may be noted that only in the case of Special Component Plan, the distribution of outlay among the districts is made on the basis of specific criteria. Separate plan allotment is made for the Special Component Plan.

According to 1981-Census, there were 25.49 lakh persons belonging to the Scheduled Castes in Kerala, constituting 10.02 per cent of the total population of the State. Special Component Plan contains programmes for their economic, educational and social development, satisfaction of minimum needs and also the human resource development. The core of all these efforts is the rapid economic development, which alone will be the permanent remedy for the backwardness of the people.

Till 1982-83, the schemes under the Special Component Plan were drawn up and implemented by different departments. The schemes were decided at the State level and implemented at the district and block levels. As the programmes were formulated and implemented vertically by different departments without being integrated at the local level, the programmes implemented could not produce the desired results. With the decentralisation of formulation and implementation of schemes under Special Component Plan to the district level from 1983-84 onwards, there has been a perceptible change. Table 6.8 shows the outlay for the Special Component Plan from 1983-84 to 1991-92.

Table 6.8
Allocation of funds to Special Component Plan in
Kerala from 1983-84 to 1991-92

Year	Total State Plan outlay	Plan outlay for Special Component Plan	Plan outlay for Special Component Plan as percentage to total State Plan outlay
1983-84	32930.0	2299.8	7.00
1984-85	36785.7	3432.7	9.33
1985-86	36933.2	3638.9	9.80
1986-87	40966.7	4309.8	10.51
1987-88	48674.5	3849.4	7.92
1988-89	51387.3	4586.0	8.95
1989-90	52600.0	5244.6	9.97
1990-91	63500.0	6007.0	9.45
1991-92	77500.0	7443.1	9.60

Source: Computed from Special Component Plan for Scheduled Castes, for various years (1983-84 to 1991-92), State Planning Board, Government of Kerala, Trivandrum.

It can be seen that, on an average, 9.2 per cent of the total State plan outlay is set aside for Special Component Plan for the upliftment of Scheduled Castes population. In 1983-84, Rs.2299.8 lakhs was allotted for the Special Component Plan, which was seven per cent of the total plan outlay. This amount increased to Rs.7443.1 lakhs in 1991-92, which accounted for 9.6 per cent of the total State plan outlay. The outlay for the Special Component Plan is subsequently distributed among the districts on the basis of the following criteria: (Government of Kerala, 1988, p.28).

Criteria for the distribution of outlay among the districts
for Special Component Plan

Sectors	Criteria
1. IRDP and NREP	Existing norms which are laid down by the Government of India on the basis of small and marginal farmers and agricultural labourers.
2. Agriculture/Minor Irrigation/Soil Conservation	Number of Scheduled Caste cultivators and Scheduled Caste beneficiaries of land reforms other than Kudikidappukars.
3. Animal Husbandry/ Dairy Development	The number of Scheduled Caste agricultural labourers in each district.
4. Power/Road/Medical and Public Health/Water supply.	Number of Scheduled Caste habitats identified in each district

Sectors	Criteria
5. Community Development/ Villages and Small-scale Industries/Housing/ Social Welfare, etc.	The Scheduled Caste population in the district.
6. Education and Training/Cooperation	According to the needs, based on the number of institutions.

Table 6.9 shows the district-wise break-up of outlays earmarked for Special Component Plan for Scheduled Castes from 1983-84 to 1991-92. It is understood from Table 6.9 that in 1983-84, Palghat district received the highest amount under the Special Component Plan, i.e. 11.9 per cent of the total plan outlay and it is Palghat district which accounts for 15.13 per cent of the total Scheduled Caste population in the State. In the same year, the share of Wayanad district in the Special Component Plan outlay was 36.8 lakh rupees, which was 1.6 per cent of the total outlay coming under Special Component Plan and the Scheduled Caste population of the district was only 0.94 per cent of the total Scheduled Caste population of the State. There is no substantial variation in the percentage share accorded to each district during the period under study, because of the fact that the allocation is made on the basis of specific criteria. Thus, it may be concluded

Table 6.9

Special Component Plan for Scheduled Castes in Kerala : 1983-84 to
1991-92 - District-wise Break-up of Outlays

Sr. No.	Districts	(Rs. in lakhs)									
		1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	
1.	Trivandrum	227.7	350.2	363.9	422.4	398.5	448.8	508.5	553.2	652.3	
2.	Quilon	255.3	367.3	396.6	482.7	423.5	479.7	545.5	623.4	710.1	
3.	Pathanamthitta	140.3	212.8	214.7	258.6	224.3	281.0	337.8	407.5	522.5	
4.	Alleppey	142.6	205.9	229.3	262.9	227.5	276.4	309.2	432.5	530.3	
5.	Kottayam	115.0	175.0	189.2	219.8	204.4	243.9	266.1	296.4	368.2	
6.	Idukki	117.3	181.9	189.2	228.4	194.6	242.9	274.4	280.7	282.5	
7.	Ernakulam	213.9	322.7	342.0	396.5	380.2	417.1	478.6	536.8	772.4	
8.	Trichur	253.0	374.2	393.0	469.8	424.5	508.5	587.8	622.4	782.7	
9.	Palghat	273.7	411.9	440.3	512.9	454.8	574.6	663.4	689.8	866.4	
10.	Malappuram	188.6	278.1	287.5	349.1	299.1	376.7	400.5	564.6	788.5	
11.	Kozhikode	138.0	199.1	214.7	258.6	224.0	280.0	303.6	356.9	483.1	
12.	Wayanad	36.8	51.5	58.2	73.3	59.8	69.4	72.5	89.5	98.1	
13.	Cannanore	108.1	164.7	178.3	202.5	184.4	210.4	274.6	285.2	292.1	
14.	Kasaragod	89.2	137.3	141.9	172.4	149.8	175.7	222.0	268.0	273.9	
	Total:	2299.8	3432.7	3638.9	4309.8	3849.4	4586.0	5244.5	6007.0	7443.1	

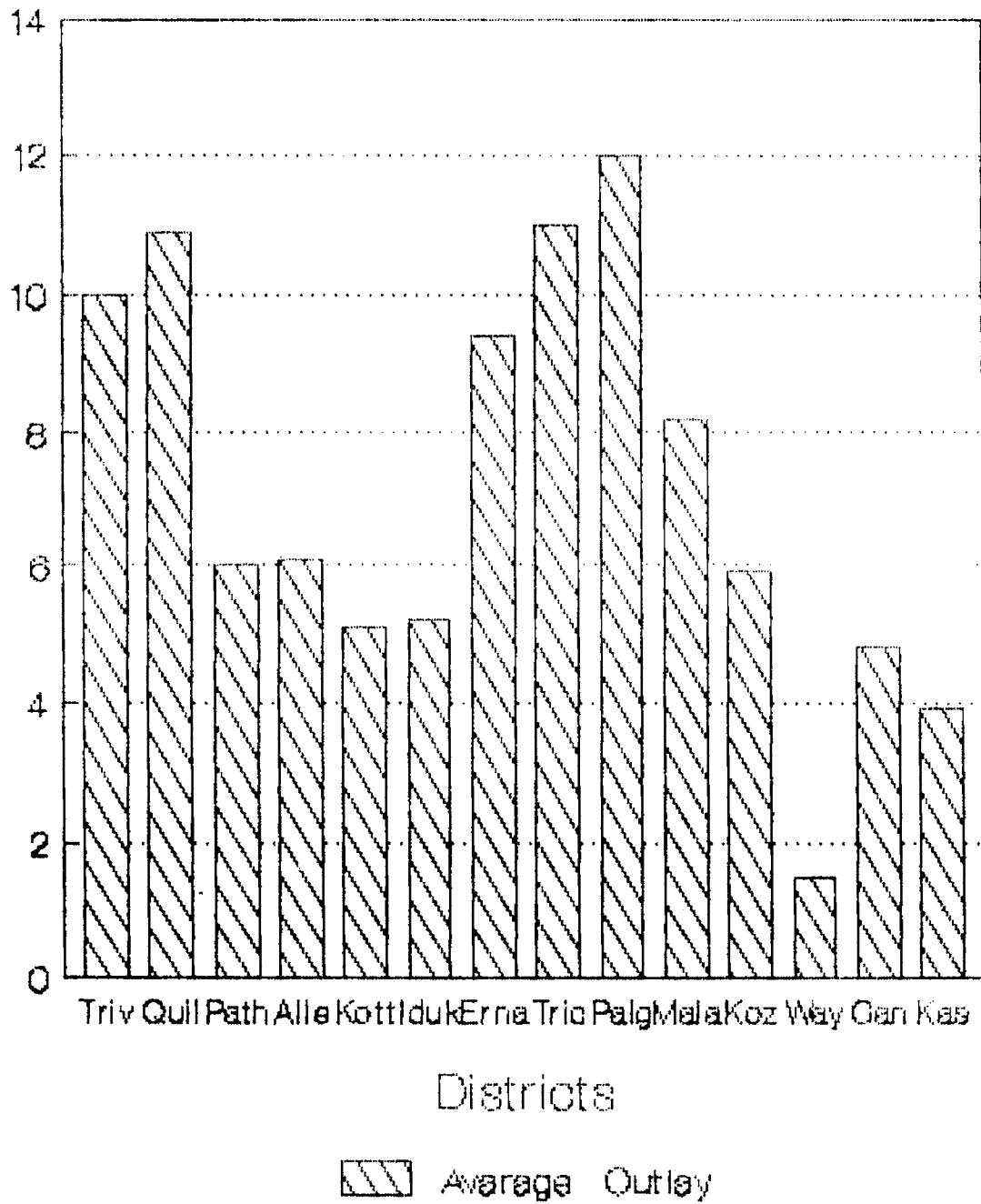
Source: Special Component Plan for Scheduled Castes, for various years (1983-84 to 1991-92), State Planning Board, Government of Kerala, Trivandrum.

Table 6.10
Special Component Plan for Scheduled Castes : District-wise Break-up
of Outlays from 1983-84 to 1991-92 (in percentages)

Sr. No.	Districts	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	Average
1.	Trivandrum	9.9	10.2	10.0	9.8	10.4	9.8	9.7	9.2	8.8	10.0
2.	Quilon	11.1	10.7	10.9	11.2	11.0	10.5	10.4	10.4	9.5	10.9
3.	Pathanamthitta	6.1	6.2	5.9	6.0	5.8	6.1	6.4	6.8	7.0	6.0
4.	Alleppey	6.2	6.0	6.3	6.1	5.9	6.0	5.9	7.2	7.1	6.1
5.	Kottayam	5.0	5.1	5.2	5.1	5.3	5.3	5.1	4.9	4.9	5.1
6.	Idukki	5.1	5.3	5.2	5.3	5.1	5.3	5.2	4.7	3.8	5.2
7.	Ernakulam	9.3	9.4	9.4	9.2	9.8	9.1	9.1	8.9	10.4	9.4
8.	Trichur	11.0	10.9	10.8	10.9	11.0	11.1	11.2	10.4	10.5	11.0
9.	Palghat	11.9	12.0	12.1	11.9	11.8	12.5	12.6	11.5	11.9	12.0
10.	Malappuram	8.2	8.1	7.9	8.1	7.8	8.2	7.6	9.4	10.6	8.2
11.	Kozhikode	6.0	5.8	5.9	6.0	5.8	6.1	5.8	5.9	6.5	5.9
12.	Wayanad	1.6	1.5	1.6	1.7	1.6	1.5	1.4	1.5	1.3	1.5
13.	Cannanore	4.7	4.8	4.9	4.7	4.8	4.6	5.2	4.7	3.9	4.8
14.	Kasaragod	3.9	4.0	3.9	4.0	3.9	3.8	4.2	4.5	3.7	3.9

Source: Compiled and computed from Special Component Plan for Scheduled Castes for various years (1983-84 to 1991-92), State Planning Board, Government of Kerala, Trivandrum.

Figure 6.6
S.C.P. Average Outlay
in Percentage



that rationality in the allocation of plan outlay is seen only in the case of the Special Component Plan for the Scheduled Castes.

Sector-wise Allocation of State Plan Outlay

It would be appropriate to examine the sectoral priorities reflected through the pattern of allotment made during the period under study. Appendix 6.1 shows the sector-wise distribution of State plan outlay during 1980-81 to 1989-90. Though Kerala is primarily an agricultural State, the allotment made to agriculture and allied services declined during the period under study. In 1980-81, the allotment for agricultural sector was Rs.4300 lakhs, which was 17.1 per cent of the total plan outlay. The share decreased from 17.1 per cent to 11.4 per cent in 1987-88, which showed a slight increase of 3.1 per cent in 1989-90. At the same time, the allotment that had gone to Social and Community Services constituted 21.2 per cent in 1980-81, which further increased to 22.1 per cent in 1989-90. The share given to the industrial sector decreased from 11.6 per cent in 1980-81 to 8.2 per cent in 1986-87, which registered a slight increase, to the tune of 10.2 per cent in the year 1989-90. One cannot justify this continued low priority given to the industrial sector during all the Plans, while everyone knows and admits that industrialisation is the only solution to the problem of unemployment and slow economic progress.

Table 6.11 shows the district-wise and sector-wise allocation

Table 6.11

Sector-wise and district-wise distribution of the district sector in the Seventh Plan allotment

Sr. No.	Districts	(Rs. in lakhs)									TOTAL
		Agriculture & allied industries	Rural development	Cooperation	Irrigation and power	Industry and minerals	Transport & communication	Social services			
1.	Trivandrum	1556	886	109	1814	624	455	1528	6972		
2.	Quilon	1291	759	97	1441	552	464	1329	5933		
3.	Pathanamthitta	665	376	53	778	239	241	712	3054		
4.	Alleppey	1186	632	86	1208	401	258	946	4717		
5.	Kottayam	766	575	80	963	342	195	728	3649		
6.	Idukki	543	334	50	567	208	391	583	2676		
7.	Ernakulam	1533	863	107	1734	569	624	1338	6768		
8.	Trichur	1533	840	108	1641	606	420	1384	6532		
9.	Palghat	1757	715	91	1891	601	758	1551	7364		
10.	Malappuram	1288	813	92	1636	551	605	1241	6226		
11.	Kozhikode	911	756	86	1203	477	346	1003	4782		
12.	Wayanad	283	190	35	374	109	315	264	1567		
13.	Cannanore	958	647	80	1093	375	353	670	4176		
14.	Kasaragod	<u>535</u>	<u>296</u>	<u>51</u>	<u>557</u>	<u>171</u>	<u>225</u>	<u>434</u>	<u>2265</u>		
	Total:	14795	8678	1125	16900	5825	5550	13708	66681		

Source: Draft Seventh Plan 1985-90. State Planning Board, Government of Kerala, Trivandrum.

of the district sector plan outlay in the Seventh Five Year Plan allotment. Palghat district received the highest share in the agriculture and allied services, i.e. 1757 lakh rupees, followed by Trivandrum Rs.1556 lakhs, Ernakulam Rs.1533 lakhs and Trichur Rs.533 lakhs.

It is evident from Table 6.11 that the industrial sector received only a negligible portion of the total district sector outlay during the Seventh Plan. Industrially most-backward districts like Kasaragod, Wayanad, Malappuram, Idukki and Pathanamthitta got Rs.171 lakhs, Rs.109 lakhs, Rs.551 lakhs, Rs.208 lakhs and Rs.239 lakhs, respectively, which is very low, compared to the developed districts like Quilon, Trivandrum, Ernakulam, Alleppey, etc. However, with more than 21 per cent share of investment in the social services, Kerala really could claim to have followed a welfare-oriented approach rather than a purely growth-oriented approach in its planning in the past. From the point of view of the society at large and distributive justice, one can certainly prefer this welfare-oriented approach. However, it is found that even this approach has not solved the problems of unemployment, poverty and regional disparities and, therefore, it really loses its charm or superiority. This is, therefore, indicative of the need for a deliberate change in the sectoral priorities and the strategy of planning in the State. Thus, greater priority should be attached to agricultural and industrial sectors in the State

and the backward districts should be given relatively higher share in the allocation of plan outlays, compared to the developed districts to achieve the objectives of reducing inter-district disparities.

The sectoral allocation of plan outlay of Karnataka State for the Seventh Plan period as shown in Appendices 6.4 and 6.5 reveals that expenditure on social services accounted for more than 20.5 per cent of the total allocation while industry and agriculture received only 6.5 per cent and 7.0 per cent, respectively.

Karnataka Experience

During 1978-79, a lump sum amount was allocated to each district for the purpose of plan formulation at the district level in Karnataka. The District Planning Committee, viewing the priority structure evolved by them, distributed this amount among different sectors. Following this, the concerned heads of district level departments formulated programmes considering the outlay allocated to their departments by the District Planning Committee, which subsequently were forwarded to the State Government for approval after duly getting the concurrence of the District Development Council. The plans formulated by the districts against this lump sum amount had to be modified at the State level in view of various omissions in the plan proposals. In order to overcome the deficiencies in the plan formulation, the freedom given under lump sum allocation

was restricted by indicating sector-wise allocations to districts in the subsequent years. Within the sectoral ceiling, the districts had the power of choosing any scheme of their choice. This freedom was further restricted during 1983-84 by allocating minor head-wise amount under each sector.

The change-over from the lump sum grants to prescriptive type allocative system under the sector-wise and minor head-wise allocations during the second phase of district planning was, no doubt, intended to facilitate integration of district plans with the State plans. But this cannot be considered as the ideal method of securing plan integration, because interaction, exchange, cooperation and resolution of conflicts between the State and the district level officials would have been a better alternative. The fact that the State authorities 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. The above changes also limit the freedom of District Development Councils for determining sectoral priorities.

With the introduction of the Zilla Parishads from 1st April 1987, the planning process in the State of Karnataka underwent a major change with the infusion of decentralisation into the planning mechanism, administrative and financial powers, down to the Mandal Panchayat level. For formulating meaningful and integrated development plan, based on local resources, the Zilla Parishad and Mandal

Table 6.12
Determining Zilla Parishad share in district
sector outlay in Karnataka

Sr. No.	Indicators	Weightage (%)
1.	Population	50
2.	Backwardness in agriculture as measured by the value of agricultural output per hectare	5
3.	Backwardness in irrigation as measured by the proportion of irrigated area to net sown area	7
4.	Backwardness as measured by the value of industrial output	5
5.	Backwardness in communication as measured by road and railway mileage per 100 sq.kms. and per lakh of population	5
6.	Backwardness in financial infrastructure as measured by the size of population served by each commercial and cooperative bank	2
7.	Backwardness in medical and health facilities as measured by the number of hospitals per 1000 population/bed population ratio	5
8.	Backwardness in power supply as measured by the proportion of villages electrified	5
9.	Problems of weaker sections:	
	(a) as measured by the proportion of SC/STs in the population	2
	(b) as measured by the proportion of landless agricultural labourers	2
10.	Special problems of Mandal areas and drought-prone areas:	
	(a) as measured by the area under forest	2
	(b) as measured by the rural population of drought-prone areas	2
11.	Literacy percentage	5
12.	Performance in family planning programme	3
Total		100

Source: Karnataka Draft Annual Plan 1987-88, Government of Karnataka, Planning Department, Bangalore, 1986, pp.79-80.

Panchayats should have freedom to determine their priorities. For this purpose, they require untied or free funds with no tie-ups. Hence, the Government has decided to assign a free outlay in the form of lump sum allocation for Zilla Parishads and Mandal Panchayats for formulating the developmental plans.

For realizing the objectives of regional balance through decentralised planning, the Government of Karnataka has approved the following criteria, akin to Gadgil Formula for the distribution of plan outlays among Zilla Parishads. As per this criteria, backward districts get a relatively higher share of outlay compared to the developed districts.

From Table 6.12, it is revealed that 50 per cent of the outlay is distributed on the basis of population and the remaining 50 per cent on the backwardness of the districts seen with reference to agricultural output, irrigation, industrial output, communication, financial infrastructure, health facilities, power supply, problems of weaker sections and so on. The criteria indicated above take care of the allocation of plan funds among Zilla Parishads on an equitable basis, giving weightage to the backward districts.

Similar criteria need to be fixed for determining the share of Mandal Panchayats. For this purpose, certain proportion of the district free-plan outlay is earmarked for Mandal Panchayats, which, in turn, is distributed amongst Mandals. For distribution

of this proportion amongst Mandals, Government has approved the following criteria:

**Criteria for the distribution of outlay
to Mandal Panchayats**

Indicators	Weights (%)
1. Population	50
2. Area of Mandal	15
3. Dryland area	15
4. Agricultural labour population	10
5. Per-capita resources raised	10
Total:	100

Source: Same as given for Table 6.12.

A special feature of the allocation scheme of the Mandals is that 10 per cent weightage to resources raised by them is provided as a means of incentives for raising their own resources. Similar indicator is not included for Zilla Parishads, since they do not have the taxation power.

Calendar for Planning

One of the most important innovative initiation made in the line of decentralised planning in Karnataka was the adoption of a calendar for planning. Under the existing planning process in the country, State planning is finalised by the Planning Commission before it is budgeted. The State's Draft Plan is sent to the Planning

Commission usually in October/November every year. With the establishment of Zilla Parishads, they became responsible for formulating and implementing the District and Mandal Plans. The State's plan has to be built upon the basis of the plan proposals of all Zilla Parishads, which would incorporate Mandal plans and its own programmes formulated at the State level before the Draft Plan is sent to the Planning Commission. For doing so, the plan exercise at the Zilla Parishad level should begin earlier than at the State level. In order to facilitate this, a tentative allocation is intimated to each Zilla Parishad against which Zilla Parishad shall formulate their plan proposals for the next year. Unless a calendar for planning is fixed and followed strictly, it would not be possible to formulate the State's Plan by incorporating Zilla Parishad Plans. Hence, Karnataka Government has adopted the following calendar for planning (Government of Karnataka, 1988, pp.52-53).

- 15th July : Adopting the tentative size for the State's annual plan for the next year;
- 25th July : Planning Department indicates to Zilla Parishads the financial ceiling within which their annual plan should be formulated for the next year;
- 15th August : Mandal Panchayats to send their plan proposals to Zilla Parishads.

- 20th September : Zilla Parishads to incorporate the Mandal proposals into the district plan and send the Draft District Plan to the Planning Department and the concerned State heads of department.
- 28th September to } : Discussion with the Zilla Parishads on their
25th October } : Draft District Plan by the Planning Department for achieving consistency and integration of District Sector with State Sector Schemes.
- 10th November : Government to consolidate these proposals, build them into the State's Draft Plan and send the same to the Planning Commission.
- 15th January : Approval of the State's Plan by the Planning Commission.
- 25th February : Finalising the State's Plan budget in the light of the Planning Commission's approval to the State Plan and finalising the District Plans of the Zilla Parishads.
- 1st week of March : Presentation of the State's Budget to the Legislature alongwith the link document giving sector-wise and Zilla Parishad-wise outlays.

This calendar is somewhat strictly followed in Karnataka, which enables the State Government to incorporate district plans prepared by the Zilla Parishads into State Plan before the State Plan is finalised.

From the analysis of the distribution of the plan outlay into state sector and district sector in Karnataka from the year 1980-81 to 1991-92, as shown in Table 6.13, reveals that the proportion of the district sector outlay decreased constantly over the years. In 1980-81, 56.9 per cent of the State plan outlay was earmarked for the district sector schemes which came down to 22.9 per cent in 1991-92.

Based on Table 6.13, the annual compound growth rate was found out for state sector, district sector and total state plan outlays. The estimated equation for the state sector outlay is:

$$Y = 3.766876 + 0.128760t$$

$$R^2 = 0.940661$$

Compound growth rate is estimated to be 34.5 per cent. The same model is used for calculating the growth rate of district sector plan outlay. Here 'Y' represents district sector plan outlay.

$$Y = 3.943471 + 0.057499t$$

$$R^2 = 0.897813$$

Growth rate calculated from the above equation is 14.15 per cent. The compound growth rate of the total State plan outlay of Karnataka is also estimated. Here, 'Y' represents total state plan outlay.

$$Y = 4.147912 + 0.100566t$$

$$R^2 = 0.951835$$

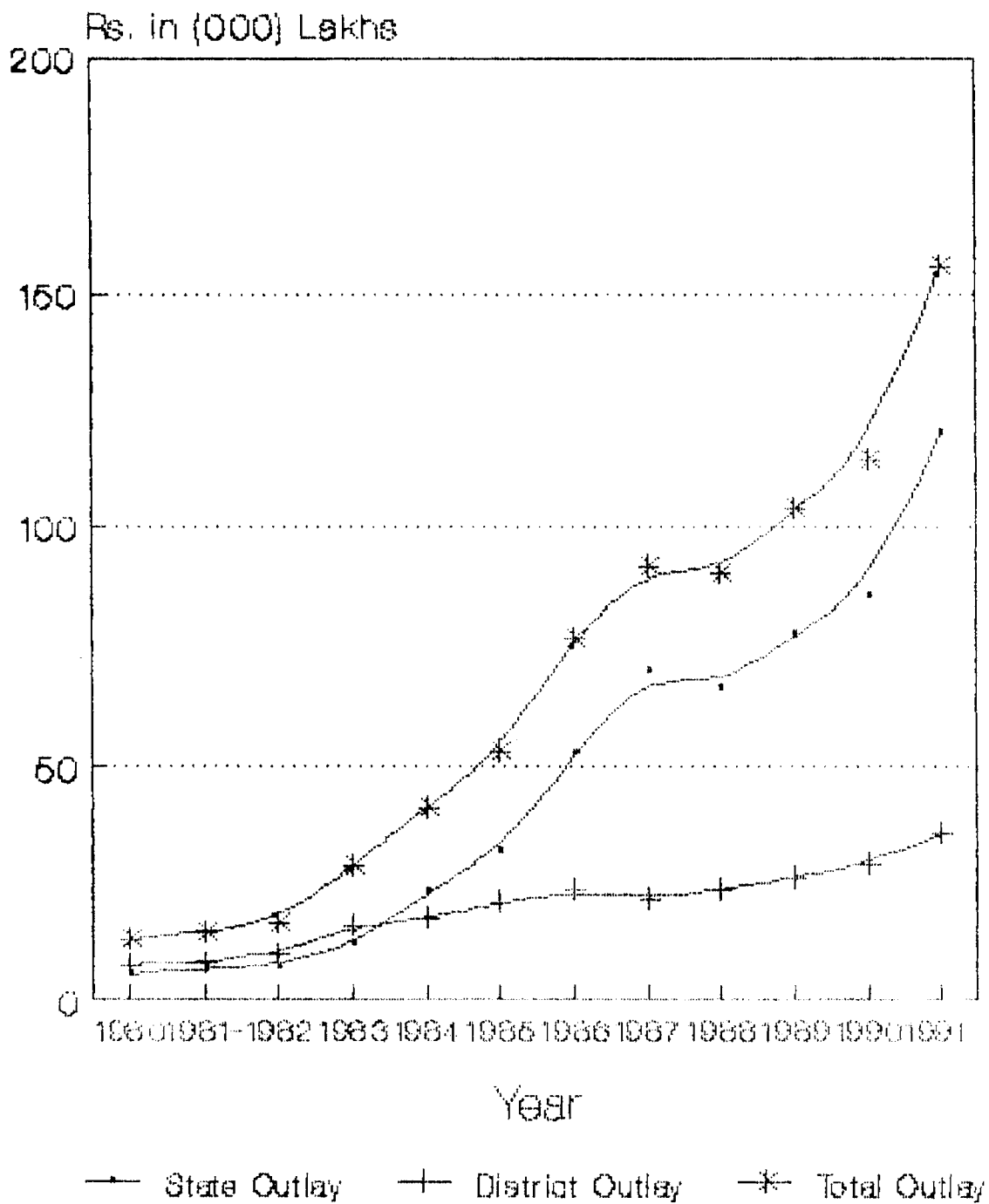
The estimated growth rate of the total State plan outlay is 26.1 per cent. From the analysis of the compound growth rate, it is

Table 6.13
Distribution of plan outlay into State sector
and district sector in Karnataka from the
year 1980-81 to 1991-92

Year	State sector outlay	District sector outlay	Total Plan outlay	(Rs.in lakhs)
				District sector outlay as per- centage to total outlay
1980-81	5815.3	7668.7	13484.0	56.9
1981-82	7095.8	8113.7	15209.0	53.3
1982-83	6844.7	10084.3	16929.0	59.6
1983-84	12386.7	16522.3	28909.0	57.2
1984-85	23362.8	17923.2	41286.0	43.4
1985-86	32014.8	21233.2	53248.0	39.8
1986-87	52682.3	23817.7	76500.0	31.1
1987-88	69621.7	22078.3	91700.0	24.1
1988-89	66017.2	23982.8	90000.0	26.6
1989-90	77488.1	26511.9	104000.0	25.5
1990-91	85183.0	29317.0	114500.0	25.6
1991-92	120028.4	35751.6	155780.0	22.9

Source: Compiled and computed from Draft Annual Plans for various years,
Economic Survey 1991-92, Planning Department, Government of
Karnataka, Bangalore.

Figure 6.7
District & State Outlay : Karnataka



understood that the growth rate of the district sector plan outlay is much less than that of the State sector outlay. Growth rate of state sector outlay is 34.5 per cent, while that of the district sector is only 14.15 per cent. It becomes evident from the above analysis that though Karnataka is following a rational formula for the distribution of district sector plan outlay among the districts, it does not earmark sizeable amount for district sector plan programmes.

Table 6.14 shows the district-wise allocation of district sector plan outlay among the districts of Karnataka from 1980-81 to 1991-92. Since this allocation is made on the basis of a rational formula, as explained earlier, the backward districts of the State are receiving relatively higher allocation compared to the developed districts. It is evident from Table 6.15 that, on an average, the most backward district, Gulbarga, received 6.89 per cent of the total district sector outlay, compared to 2.75 per cent accorded to Bangalore (Urban), which is highly developed. The backward districts like Dharwad, Gulbarga, Kolar, Tumkur, Bijapur, Chitradurga, Raichur, etc., received relatively higher proportion compared to the developed districts like Bangalore, Shimoga, Mandya, Belgaum, Dakshina Kannada, Chikmangalur, etc. This is a deliberate move towards reduction of regional disparities.

The same tendency is seen in the case of distribution of the district sector plan outlay coming under the centrally-sponsored

Table 6.14

Distribution of district sector plan outlay among the districts
of Karnataka from 1980-81 to 1991-92

Sr. No.	Districts	(Rs. in lakhs)											
		1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
1.	Bangalore (Urban)	537.5	625.7	151.3	355.6	305.4	290.6	253.4	511.2	499.1	518.0	593.0	738.5
2.	Bangalore (Rural)	447.7	379.9	553.0	981.2	1105.1	1451.0	1756.8	1069.4	1074.4	1223.2	1358.5	1649.4
3.	Belgaum	502.1	517.5	522.5	942.5	1008.0	1250.5	1597.8	1466.3	1680.3	1887.4	2077.0	2549.0
4.	Bellary	331.9	340.7	458.1	678.9	780.7	828.6	930.6	919.9	1059.0	1185.0	1259.0	1553.7
5.	Bidar	229.3	317.5	401.8	686.7	770.5	810.8	826.5	698.7	878.2	997.4	1173.7	1462.1
6.	Bijapur	453.9	455.8	503.3	910.0	995.4	1384.7	1547.4	1502.0	1678.2	1832.3	2125.2	2537.0
7.	Chickmagalur	358.3	352.4	370.6	606.1	690.9	703.4	772.8	806.5	793.0	892.0	1047.0	1232.2
8.	Chitradurga	383.2	318.8	444.1	741.6	765.0	978.3	1190.5	1150.5	1197.5	1319.4	1544.4	1928.3
9.	Dakshina Kannada	449.9	478.5	597.9	872.3	916.5	984.5	1101.5	1204.7	1208.0	1335.2	1537.0	1844.0
10.	Dharwad	516.7	548.5	840.9	1170.5	1376.7	1546.3	1726.9	1646.0	1734.1	1939.6	2047.0	2511.4
11.	Gulbarga	430.5	441.3	787.4	1115.3	1316.5	1675.1	1757.6	1428.8	1686.5	1899.5	2022.4	2405.5
12.	Hassan	263.8	294.3	372.6	641.4	740.0	890.0	1024.2	998.1	1075.1	1183.0	1222.0	1482.5
13.	Kodagu	196.6	216.3	259.3	437.1	418.2	436.5	426.8	441.2	441.0	521.0	584.0	675.3
14.	Kolar	319.5	370.6	450.9	801.3	918.5	1205.0	1423.7	1348.8	1346.7	1497.2	1636.2	2046.0
15.	Mandya	290.0	335.5	362.6	695.9	724.7	816.8	979.8	985.6	993.1	1064.7	1234.5	1498.1
16.	Mysore	559.6	582.4	792.7	1374.8	1463.5	1768.0	1840.5	1661.7	1693.0	1828.1	1955.1	2400.5
17.	Raichur	352.9	412.9	493.7	871.9	912.7	1155.0	1327.2	1121.5	1458.6	1564.0	1771.5	2130.1
18.	Shimoga	337.8	395.4	672.8	923.6	890.5	934.7	943.0	952.3	1132.2	1273.0	1338.3	1651.4
19.	Tumkur	349.9	369.3	451.4	834.3	975.0	1205.0	1411.1	1342.8	1405.0	1556.5	1726.7	2157.0
20.	Uttar Kannada	357.6	359.9	597.4	881.3	876.4	917.5	979.6	822.3	949.8	995.4	1065.0	1299.6
Total:		7668.7	8113.2	10084.3	16522.3	17923.2	21233.2	23817.7	22078.3	23982.8	26511.9	29317.0	35751.6

Source: Compiled from Draft Annual Plan for various years, Draft Eighth Five Year Plan 1990-95, Economic Survey 1991-92, State Planning Department, Government of Karnataka, Bangalore.

Table 6.15
Allocation of district sector plan outlay among the districts of
Karnataka from 1980-81 to 1991-92 (in percentages)

Sr. No.	Districts	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	Ave- rage
1.	Bangalore(Urban)	7.01	7.71	1.50	2.15	1.70	1.37	1.06	2.31	2.08	1.95	2.02	2.06	2.75
2.	Bangalore(Rural)	5.83	4.68	5.48	5.94	6.17	6.83	7.37	4.84	4.48	4.61	4.63	4.61	5.47
3.	Belgaum	6.54	6.37	5.18	5.70	5.62	5.89	6.71	6.64	7.00	7.12	7.08	7.13	6.46
4.	Bellary	4.32	4.19	4.54	4.11	4.36	3.90	3.91	4.16	4.41	4.47	4.29	4.34	4.28
5.	Bidar	2.99	3.91	3.98	4.16	4.29	3.82	3.47	3.16	3.66	3.76	4.00	3.25	3.72
6.	Bijapur	5.91	5.61	4.99	5.51	5.55	6.52	6.49	6.80	6.99	6.91	7.24	7.09	6.32
7.	Chickmagalur	4.67	4.34	3.67	3.67	3.85	3.31	3.24	3.65	3.31	3.36	3.57	3.44	3.68
8.	Chitradurga	4.99	3.92	4.40	4.49	4.27	4.61	4.99	5.21	4.99	4.97	5.26	5.39	4.80
9.	Dakshina Kanada	5.86	5.89	5.93	5.28	5.11	4.64	4.62	5.45	5.03	5.04	5.24	5.15	5.28
10.	Dharwad	6.73	6.76	8.34	7.08	7.68	7.28	7.25	7.45	7.23	7.31	6.98	7.02	7.27
11.	Gulbarga	5.61	5.43	7.81	6.75	7.34	7.89	7.38	6.47	7.03	7.16	6.89	6.73	6.89
12.	Hassan	3.43	3.62	3.69	3.88	4.13	4.19	4.30	4.52	4.48	4.46	4.17	4.15	4.12
13.	Kodagu	2.56	2.66	2.57	2.64	2.33	2.05	1.79	1.99	1.84	1.96	1.99	1.89	2.19
14.	Kolar	4.16	4.56	4.46	4.85	5.12	5.67	5.97	6.11	5.61	5.64	5.58	5.72	5.29
15.	Mandya	3.78	4.13	3.59	4.21	4.04	3.84	4.11	4.46	4.14	4.02	4.21	4.19	4.08
16.	Mysore	7.29	7.17	7.86	8.32	8.17	8.32	7.73	7.53	7.06	6.90	6.66	6.71	7.48
17.	Raichur	4.65	5.08	4.89	5.28	5.09	5.44	5.57	5.08	6.08	5.89	6.04	5.96	5.35
18.	Shimoga	4.45	4.87	6.67	5.59	4.97	4.40	3.96	4.31	4.72	4.80	4.56	4.62	4.75
19.	Tumkur	4.56	4.55	4.47	5.05	5.44	5.67	5.92	6.08	5.85	5.87	5.88	6.03	5.45
20.	Uttar Kanada	4.66	4.43	5.92	5.33	4.87	4.32	4.11	3.72	3.96	3.75	3.63	3.63	4.37
total:		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Calculated from Table 6.14.

Table 6.16

Distribution of district sector plan outlay coming under centrally-sponsored schemes in Karnataka State from 1986-87 to 1991-92

Sr. No.	Districts	1986-87		1987-88		1988-89		1989-90		1990-91		1991-92		Average share in (%)
		Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total	Amount	% to total	
1.	Bangalore (Urban)	187.3	1.86	384.0	2.66	366.0	2.38	438.0	2.44	678.1	2.67	895.0	2.82	2.47
2.	Bangalore (Rural)	632.9	6.27	649.0	4.50	620.1	4.05	822.1	4.57	1086.2	4.29	1322.0	4.16	4.64
3.	Belgaum	638.5	6.33	1232.7	8.55	1296.0	8.46	1338.0	7.44	1712.0	6.76	2127.3	6.69	7.37
4.	Bellary	473.7	4.69	606.3	4.21	635.2	4.14	747.3	4.16	1105.0	4.36	1317.2	4.15	4.28
5.	Bidar	317.1	3.14	475.0	3.29	512.0	3.34	568.4	3.16	797.2	3.15	966.4	3.04	3.17
6.	Bijapur	657.2	6.52	1034.2	7.17	1048.0	6.84	1161.2	6.46	1721.6	6.79	2010.0	6.33	6.68
7.	Chickmagalur	294.2	2.92	452.8	3.14	516.3	3.37	619.0	3.44	875.1	3.45	1169.1	3.68	3.33
8.	Chitradurga	528.7	5.24	731.1	5.07	756.0	4.93	947.2	5.27	1497.0	5.91	1945.0	6.12	5.42
9.	Dakshina Kannada	534.1	5.29	842.0	5.84	985.3	6.43	1069.0	5.94	1308.3	5.16	1675.1	5.27	5.65
10.	Dharwad	987.4	9.29	1183.4	8.21	1240.4	8.09	1402.3	7.80	1835.2	7.25	2096.0	6.60	7.87
11.	Gulbarga	639.0	6.33	893.8	6.20	982.3	6.41	1118.3	6.22	1841.5	7.27	2261.3	7.12	6.59
12.	Hassan	397.5	3.94	554.1	3.84	613.0	4.00	750.4	4.17	1099.4	4.34	1454.2	4.58	4.15
13.	Kodagu	194.6	1.93	302.2	2.09	340.2	2.22	383.2	2.13	539.0	2.13	627.0	1.97	2.08
14.	Kolar	570.2	5.65	806.4	5.59	849.0	5.54	1090.0	6.06	1483.0	5.85	2040.1	6.42	5.85
15.	Mandya	521.4	5.17	543.2	3.76	520.3	3.39	636.0	3.45	873.5	3.45	1088.0	3.43	3.79
16.	Mysore	752.8	7.46	1017.1	7.05	1130.0	7.37	1302.2	7.24	1859.2	7.34	2442.0	7.69	7.36
17.	Raichur	539.2	5.34	733.3	5.08	790.3	5.16	942.0	5.24	1471.0	5.81	1790.0	5.64	5.38
18.	Shimoga	411.9	4.08	686.0	4.76	727.2	4.74	933.0	5.19	1239.3	4.89	1512.2	4.76	4.73
19.	Tumkur	593.4	5.88	735.0	5.10	803.1	5.24	1035.4	5.76	1567.0	6.19	1952.1	6.14	5.72
20.	Uttar Kannada	264.9	2.63	554.4	3.85	587.0	3.83	672.2	3.74	730.5	2.88	1067.0	3.36	3.38
	Total:	10086.0	100.00	14414.0	100.00	15317.7	100.00	17975.2	100.00	25319.1	100.00	31757.0	100.00	100.00

Source: Compiled and computed from: (1) Draft Annual Plan 1987-88, (2) Economic Survey 1991-92, Planning Department, Government of Karnataka, Bangalore.

Figure 6.8
District-Wise Distribution
of Outlay 1980-81 : Karnataka

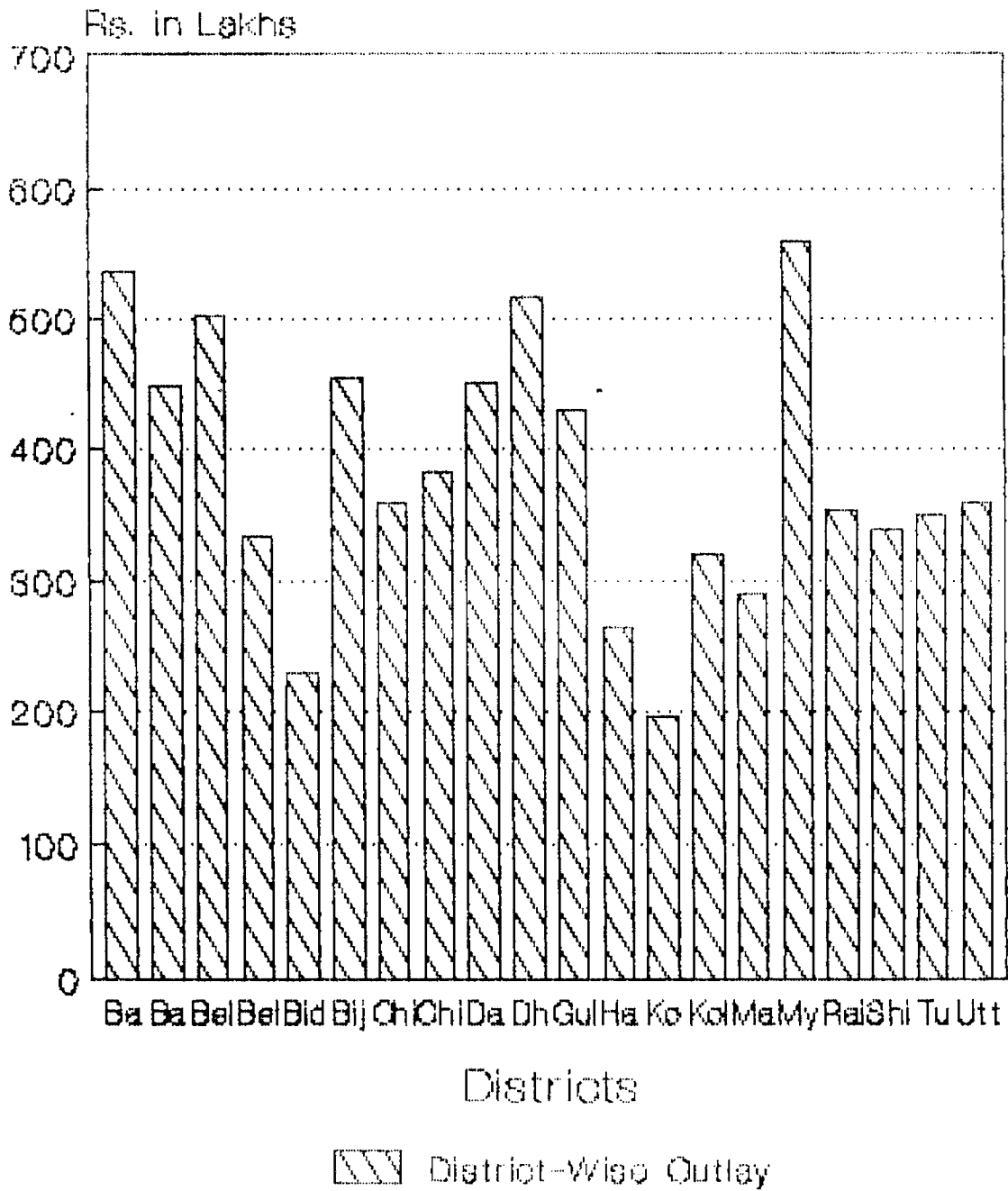


Figure 6.9
District-Wise Distribution
of Outlay 1991-92 : Karnataka

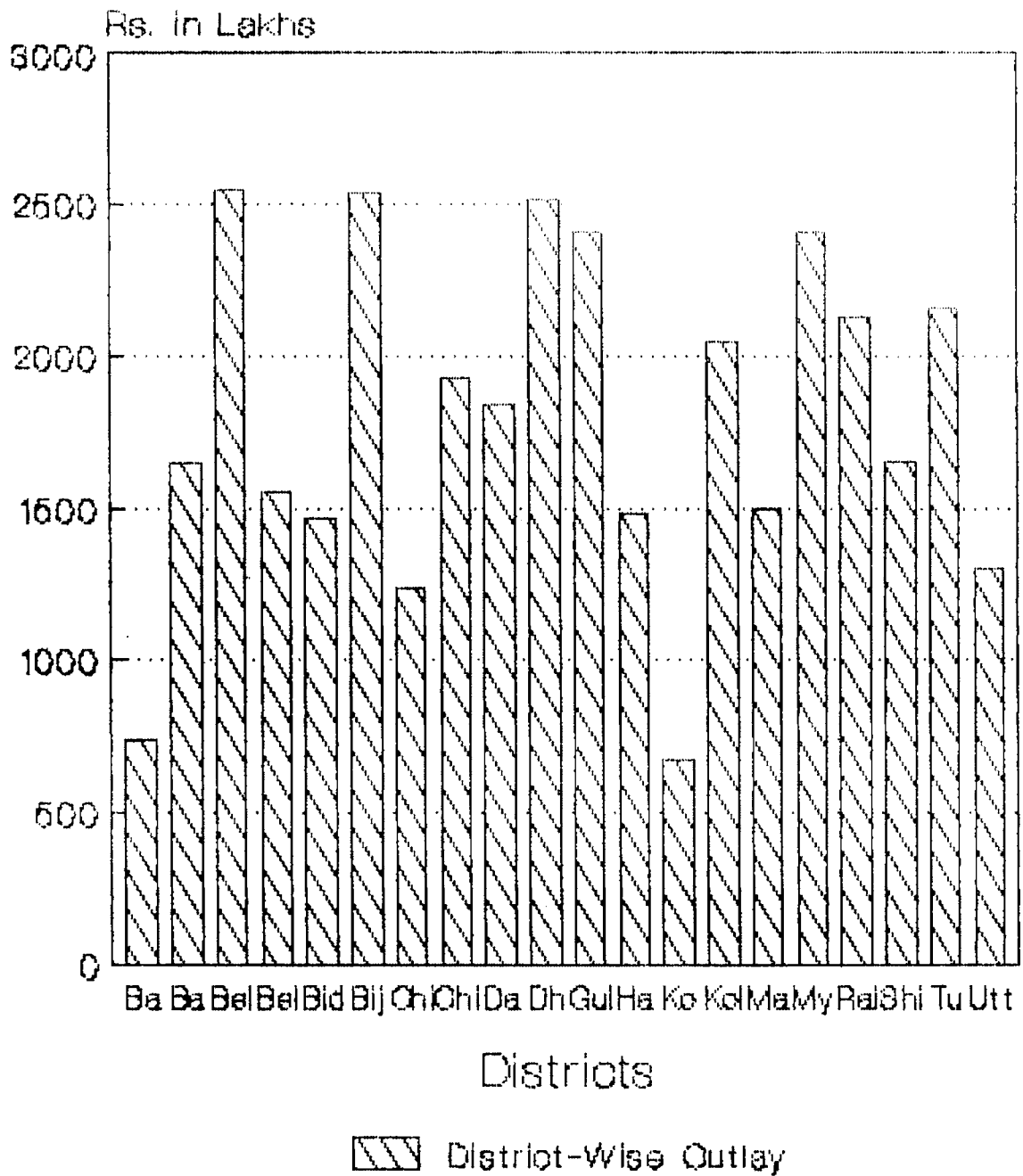


Figure 6.10
Average Percentage Share in
Plan Outlay : Karnataka

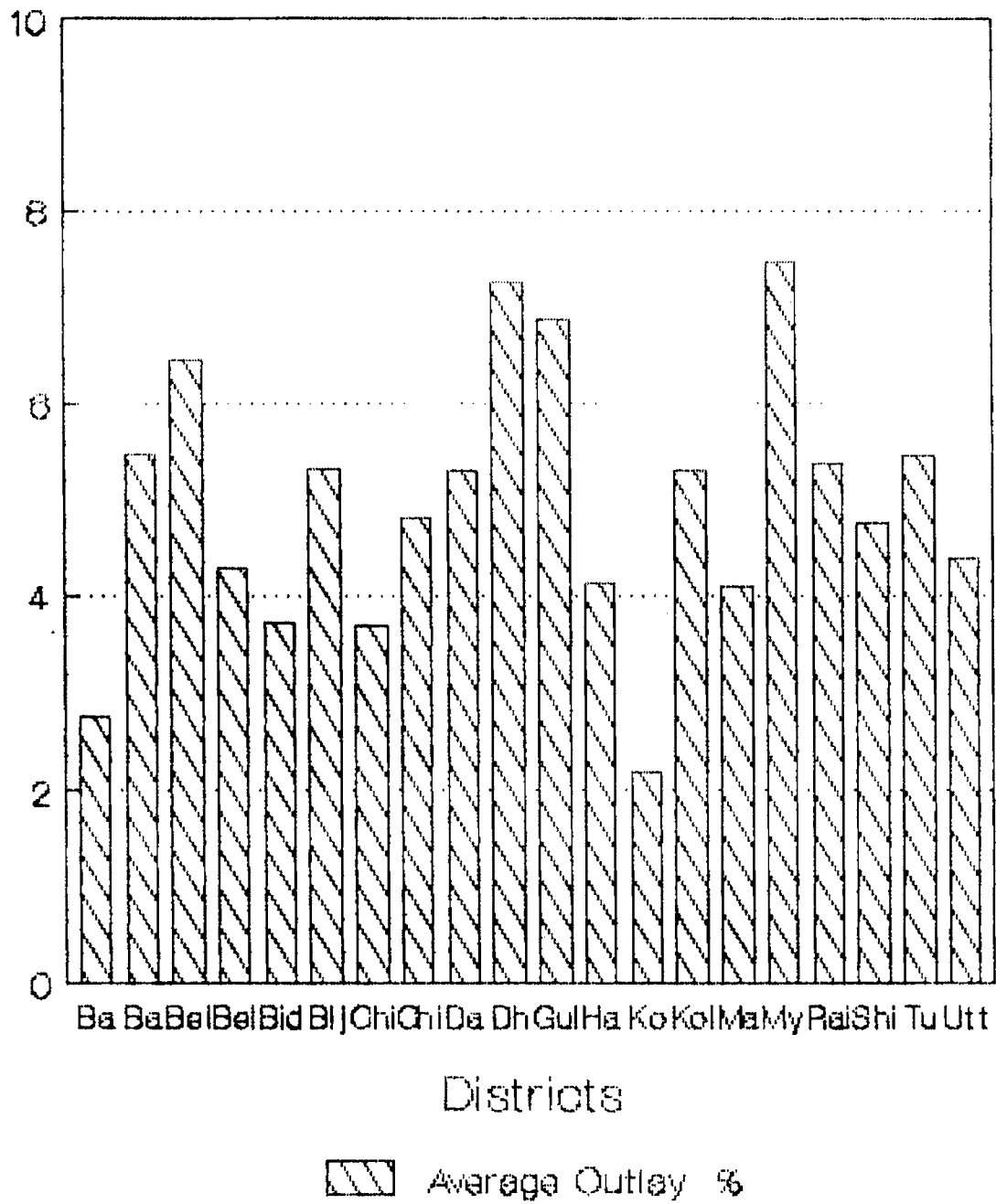
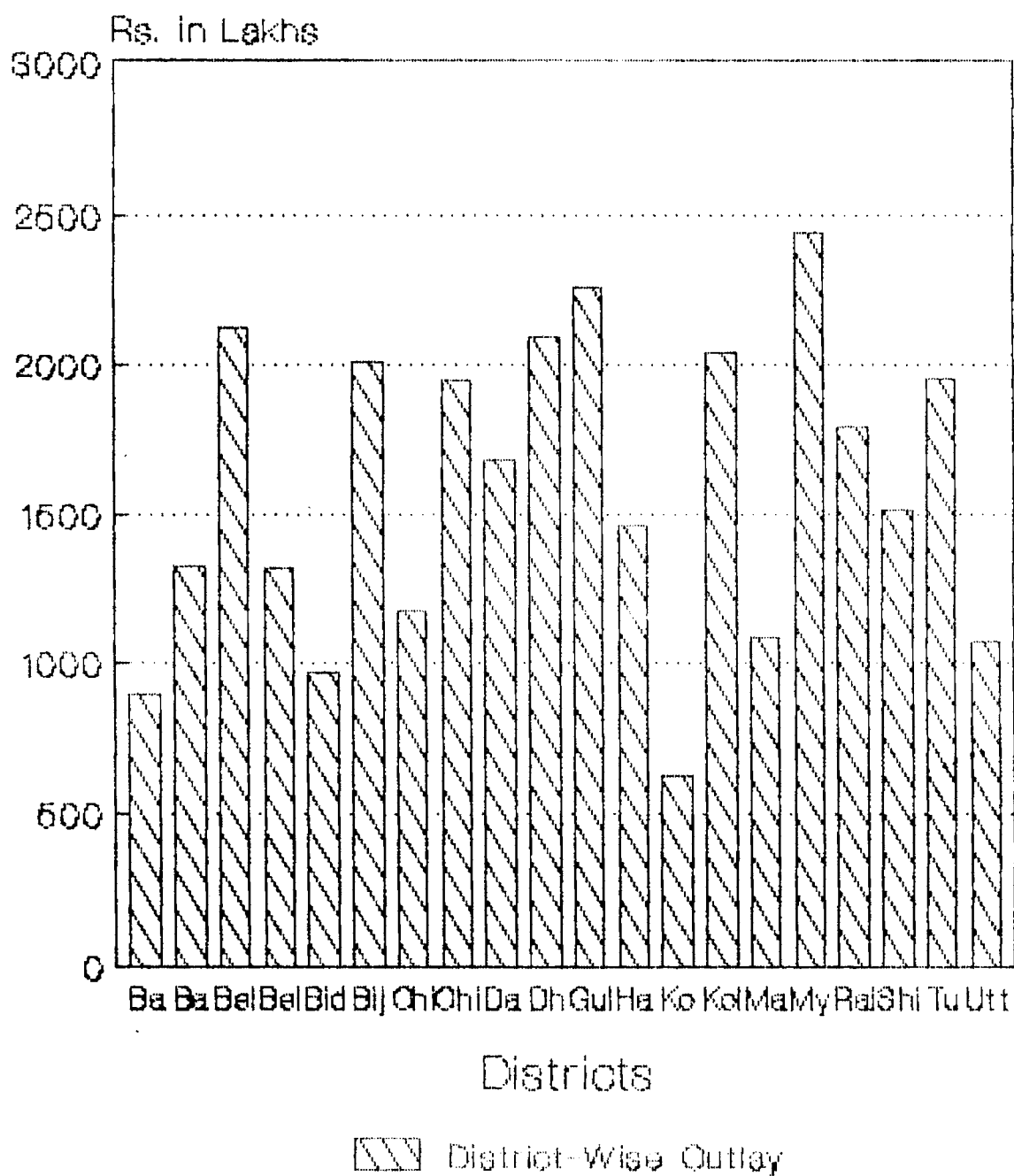


Figure 6.11
District-Wise Allocation of
Funds- 1991-92

CENTRALLY SPONSORED



schemes also. In 1987-88, the total central plan outlay for Karnataka was Rs.215.47 lakhs; of which, Rs.144.16 lakhs were set aside as district sector outlay, which accounted for 69.9 per cent of the total central plan outlay. The share of district sector in the central plan outlay increased from 69.9 per cent to 83.84 per cent in 1991-92, as is evident from Appendix 6.3. On an average, 35 per cent of the total plan outlay, including State and Central plan outlay was earmarked for district sector schemes in Karnataka. The district share of the centrally-sponsored plan outlay also is allocated on the basis of the same criteria as explained earlier, which again ensures greater plan allocation to the backward districts. It is evident from the above analysis that Karnataka has given special attention to the problem of regional disparities and a deliberate positive discrimination towards backward districts is shown in the allocation of plan funds which is reflected in the formula adopted by Karnataka State.

A Comparative Assessment

The scope of the district planning would depend upon the degree of freedom available at the district level to determine the scale and content of the plan, which, in turn, would be determined by the extent of decentralisation envisaged by the State and the resources earmarked for district planning. Since the resources at the disposal of the district planning body would constrain the design and scope of the plan, 40 per cent

of the State plan outlay may be fixed as the minimum resources, without which district planning would lose much of the meaning, substance and effectiveness. In Kerala, about 48 per cent of the State plan outlay is set aside for district sector plan schemes, which is a reasonable share in the total plan outlay. In the case of Kerala, the annual compound growth rate of the district sector plan outlay was greater than the growth rate of the State sector and total State plan outlay during the period under study, which is an encouraging move in the right direction.

But there is no scientific formulae for the distribution of district sector plan outlay among the districts in Kerala, which has resulted in allocating more to the developed districts, compared to the backward districts. This was against the basic objective of district planning and resulted in widening the inter-district disparities in development. Due to the absence of a systematic criteria for plan allocations, the district planning authorities find it difficult to formulate district plans, because they do not know the quantum of the finance available to them. Kerala State is not following a proper calendar for planning, so as to enable the district plans to be incorporated properly in the State plan before it is finalised.

The average share of the district sector outlay in the total State plan outlay of Karnataka State has been only 35 per cent, which is quite inadequate for the successful formulation and

implementation of the district plans. Compound growth rate of the district sector outlay in Karnataka is much less than the growth rate of the State sector outlay and total State plan outlay, which clearly reveals that the district sector outlay has not been receiving its due share in the total State plan outlay during the period under analysis. But compared to Kerala State, the annual compound growth rates of State sector outlay, district sector outlay and total State plan are much higher in Karnataka State. However, Karnataka State has adopted a scientific formulae for the distribution of district sector outlay among the districts, keeping in view the objective of balanced regional development. The study revealed that the backward districts received greater share in the plan allocation compared to the developed districts, resulting in the reduction of regional disparities in the State of Karnataka. An important innovation in the field of planning in Karnataka is the adoption of a calendar for planning for the purpose of incorporating Zilla Parishad plans into the State plan schemes. It is desirable that Kerala State should learn and follow the pattern of district planning exercise as adopted in Karnataka State.

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CHAPTER VII

TOWARDS A FORMULA FOR THE DEVOLUTION OF
RESOURCES TO DISTRICTS IN KERALA STATE

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One of the vital tasks in decentralised district planning is a purposeful transfer of plan funds from the State to its constituent districts. This distribution of resources must enable a district to realise its growth potential, overcome its development constraints and fill spatial gaps in the infrastructural base. This transfer of funds should definitely follow the tenet of positive discrimination in favour of backward districts.

The present system of distribution of outlay in Kerala is not scientific or it cannot be described how it distributes funds among the districts. At present, the distribution of plan funds is made on rough estimates, mainly depending on the bargaining power of districts and consequently, the developed districts are unduly benefitted. In this Chapter, an attempt is made to evolve a formula for determining the share of each district in resource transfer in the case of Kerala State. This is done by way of reviewing the existing practices in some States and by working out a tentative scheme for Kerala. A comparative study is also undertaken to analyse the present system of district-wise breakdown of funds for 1991-92 and the distribution of funds on the basis of the formula derived. Under the existing district planning process, an objective criteria

akin to Gadgil formula is adopted by Karnataka, Maharashtra, Gujarat, Uttar Pradesh and Bihar. In this context, a reference shall be made about the method of fixation of outlay by Centre to the States.

Method of Fixation of Outlay by Centre to the States

Ever since the era of planning and devolution of federal resources to the States under the Constitution, concern has been expressed regarding equitable distribution of grants, awards or loans in accordance with the needs and capacities of the States and thrust of development. Both the Planning Commission and nine successive Finance Commissions have applied their minds to the task of re-allocation of resources to the States. The main objective behind the frequent revision of the Gadgil Formula is to reduce inter-State disparities in economic development by favouring the weaker States in the allocation of Central Plan assistance to the States.

Until the beginning of the Fourth Five Year Plan, there were no definite principles for the distribution of the Central Plan assistance to the States. In 1968, the National Development Council set up a Committee with the then Deputy Chairman of the Planning Commission, the late Prof.D.R.Gadgil, to evolve the principles for the devolution of federal resources acceptable to

all the States. The outcome of this Committee is called the 'Gadgil Formula'. This formula was modified in 1980 for the rational allocation of resources during the Seventh Five Year Plan. In terms of this formula, from 1979-80, 30 per cent of the Central assistance is made in terms of grants and 70 per cent in terms of loans. Under this formula, total resources thus allocated to the States are determined in terms of the following criteria:

Criteria for the devolution of Central
assistance to the States.

Indicators	Gadgil Formula 1969 Weightage (Percentage)	Modified Gadgil Formula 1980 Weightage (Percentage)	Revised Gadgil Formula 1990 Weightage (Percentage)
1. Population	60	60	55
2. Per-capita income	10	20	25
3. Per-capita tax effort	10	10	-
4. Continuing major irrigation and power schemes	10	-	-
5. Fiscal management	-	-	5
6. Special development problems	10	10	15
Total:	100	100	100

Source: Pillai, N.C. and Lukose, C.K., Gadgil Formula Not in Favour of Weaker States, "Monthly Commentary", Vol.XXXIII, No.8, March, 1992, p.37.

Population basis implies an element of equilisation. States ranked below the national average per capita income were to share 10 per cent of the total assistance earmarked for helping backward States. Distribution of central assistance on the basis of this

formula, in fact, did not benefit the backward States, because the formula did not take into consideration the problems of backwardness. As a matter of fact, the poor States have, all along, complained about inequitable distribution of resources and highlighted such problems as poverty, geographical area, diverse climatic conditions, special problems and so on, in order to push their claims upward. Ten years after it was modified, the National Development Council, in 1990, further revised the Gadgil Formula for the distribution of outlay to States during the Eighth Plan period by reducing the weightage to population, which has been added to per-capita income, increasing the weightage given to special problems by five per cent and substituting the 'tax effort' with 'fiscal management'.

It is true that the adoption of the formula for distribution of central assistance have greatly reduced the area of discretion of the Planning Commission and have brought about a considerable measure of objectivity in the distribution of Central assistance. But the importance of Gadgil Formula itself has been progressively reduced because almost 50 per cent of the Central assistance to the States are given outside the formula, i.e. to special category States, including North Eastern Council (NEC). In the revised Gadgil Formula of 1990, despite opposition from many States, Assam and Jammu and Kashmir have been included among this special category States and they will now be entitled to Plan assistance

on the basis of 90 per cent grant and 10 per cent loan. The Gadgil Formula, which was in force since 1969, has not given adequate weightage to considerations related to the backwardness.

The Gadgil Formula cannot be used as the criterion for the distribution of outlay among the districts, because there are no shareable taxes to be shared among the districts. Another reason to be mentioned is that each district will have its own problems and every district will be different in almost all the aspects. Therefore, a single national formula cannot be evolved and used for the distribution of State plan outlay among the districts. Thus, it becomes all the more necessary to have separate formula for each State for the allocation of its plan outlay among the districts.

**Formula Adopted for Disaggregation of Plan Funds
to the District Level by some Select States**

Under the existing practice, the State plan outlay is first allocated to different sectors and specific schemes under each sector. The outlay is accordingly distributed to different schemes coming under district plan. Most of the sectoral outlays could be divided between the State sector and district sector on the basis of specific schemes. But a more systematic division of the sectoral outlays between different sectors has been attempted only in four States, namely, Karnataka, Gujarat, Maharashtra and Uttar Pradesh. Recently Bihar State also has developed a scientific

formula for the distribution of district sector plan funds among the districts. After identifying the sectors under which the district plan outlay could be allocated, the next task is to divide the district sector outlay between different districts. For this purpose, these five States have used some variants of Gadgil Formula, which attempts to give weightage to certain relevant factors like population, level of development and special problems of the district.

In Gujarat, district plan outlay consists of three parts, viz. (1) outlay for normal district level schemes, (2) discretionary outlay against which the District Planning Boards can select the schemes which they consider useful, having regard to local importance, and (3) incentive outlay to be allocated against some matching funds raised by the districts. Out of the total amount available for district plan, 80 per cent is distributed and apportioned among the departments at the State level itself. The balance 20 per cent is given for discretionary (15 per cent) and incentive (5 per cent) outlays. (Government of Gujarat, 1986).

The discretionary and incentive outlays placed at the disposal of the District Planning Boards are in the nature of 'free funds' or 'untied funds', which provide discretion to the districts to take up the schemes of local importance. The District Planning Boards can finance projects on a 100 per cent basis from the discretionary portion of the district plan outlay, while the incentive outlay requires a matching of either 50 per cent or 25 per cent,

depending upon the pattern prescribed for the district. While the relatively advanced districts will have to provide a matching contribution of 50 per cent, certain categories of relatively backward districts in the State have been required to contribute only 25 per cent. The District Planning Boards in Gujarat are entitled to receive only 20 per cent of the total district plan outlay as 'free fund', which greatly undermines the importance of the district planning in Gujarat.

Maharashtra, which pioneered the idea of 'Divisible Pool' of funds for district schemes, has now created a State Pool for district schemes as the experience showed that certain priorities tended to get neglected in the district plans and intervention at the State level became necessary to provide for some corrections. This argument for constituting a 'State Pool of District Schemes' is on the analogy of the centrally-sponsored schemes (Government of Maharashtra, 1987).

For the purpose of formulation and implementation of meaningful development plans for the districts, based on local resources, the Zilla Parishads or District Planning Boards should have freedom to determine their priorities. For this purpose, they require 'untied' or 'free' funds. Karnataka Government has tried various alternatives, i.e. lump sum allocation, sector-wise allocation and minor head-wise allocation, under each sector during the past fourteen years of implementing district planning process. The main

reason for making such changes in the pattern of allocation of funds for plan formulation at the district level was to bring conformity between the district priorities and State priorities. With the introduction of the Zilla Parishads in Karnataka in 1987, the district plan outlay is allocated in lump sum to Zilla Parishads and they are free to formulate and implement their own plans, considering local needs and situations. This, in fact, is a welcome change in the field of district planning.

The adoption and implementation of some programmes like Drought-Prone Area Development Programmes (DPAP), Command Area Development Programmes (CADP), Tribal Sub-Plan, National Rural Employment Programme (NREP), Integrated Rural Development Programme (IRDP), etc., have contributed to highlight the importance of integrated area planning at the district level, so far as the State of Bihar is concerned. The process of planning at the district level has engaged the attention of the Bihar State Government for quite some time. District Planning Cells were sanctioned in 1978-79 for only seven districts of North and South Chhotanagpur Divisions and the districts of Santhal Paraganas. In 1980, the State Government established Zilla Parishads and Panchayat Samitis which constituted primarily on the basis of election, are representative bodies. In September 1981, the District Planning and Development Councils (DPDC) were set up in all the districts of Bihar State. It was made responsible for the formulation of

plans to ensure the balanced development of the district, mobilising support of the local and voluntary organisations in the formulation and implementation of plan schemes and reviewing the progress of the projects and programmes (Prasad Ramayan, 1991).

In March 1986, Government of Bihar took the following decisions regarding distribution of plan funds to the districts:

- (i) Thirty per cent of the sanctioned outlay of annual plan is set aside for schemes of district plans that shall be implemented at the district level and the benefits will be provided to the people of that district;
- (ii) Six per cent of the sanctioned outlay of the State plan is provided to the different districts on the basis of the recommended formula of the government. This six per cent outlay can be utilised by the District Planning and Development Council to give priority to locally important schemes.

Thus, the Government of Bihar has decided to invest 30 per cent of the total outlay of the Annual Plan on district planning. So, 80 per cent of the bifurcated amount, i.e. 24 per cent of the Annual Plan outlay is meant for the Government's current and new schemes. This amount is directly utilised by the concerned departments. Rest 20 per cent of the amount, i.e. actually six per cent of the State Annual Plan will be for the district planning. The District Planning and Development Council has the full freedom to utilise this amount, keeping in view the local needs and

priorities. The district sector outlay is distributed on the basis of the following criteria as prescribed by the Government of Bihar (Government of Bihar, 1988).

	<u>Weightage</u> (in percentage)
1. <u>Total Population</u>	
(A) Total Population	40
(B) Urban population	5
(C) Scheduled Castes/Scheduled Tribes population	10
(D) Small/Marginal farmers and Landless labourers population	<u>5</u>
Total:	<u>60</u>
2. <u>Backwardness</u>	
(A) In agriculture	5
(B) In irrigation	5
(C) In industries	5
(D) In rural electrification	5
(E) In drinking water	5
(F) In transportation	<u>5</u>
Total:	<u>30</u>
3. Special problems	<u>10</u>
<u>Grand Total:</u>	<u>100</u>

Table 7.1 lists the criteria adopted by Maharashtra, Gujarat, Karnataka and Uttar Pradesh, for devolution of divisible plan outlays among districts. The weightage accorded to population is 60 percent in Maharashtra, 50 per cent in Karnataka and Uttar Pradesh and 40 per cent in Gujarat. Uttar Pradesh and Gujarat have accorded a high proportion of weightage to the weaker sections. It is the State of Gujarat, which gives maximum weightage to agricultural backwardness, i.e. 20 per cent, while only half of it is given by other States. Another peculiarity which can be seen in all the States is that the weightage given to the industrial backwardness is only 5 per cent. It is observed from Table 7.1 that:

- (a) Population received a weightage of 40 to 60 per cent by different States;
- (b) Almost the same weightage was given to the criterion of backwardness, as identified through a set of varying indicators in different States;
- (c) Self-effort, in terms of raising local resources, was accorded some weightage only in Gujarat;
- (d) Industrial backwardness received only a nominal weightage in all the States;
- (e) Area as a criterion was ignored by all the States.

When we analyse the formula for the distribution of district sector plan outlay among the districts, adopted by these five States, a broad similarity is observed in the pattern,

Table 7.1

Comparative Statement : Formula for disaggregation of Plan funds to the district level (Weightage %)

Criteria	States			
	Mahara- shtra	Gujarat	Karna- taka	Uttar Pradesh
1. Population				
a) Total population	60	40	50	50
b) Urban population	5	-	-	-
2. Backwardness of weaker sections				
a) Population of SC/ST	5	15	2	5
b) Number of small and marginal farmers and agricultural labourers	-	2.5	2	10
3. Backwardness in respect of:				
a) Agriculture production	5	10	5	5
b) Irrigation	4	10	7	-
c) Industrial output	5	5	5	5
d) Transport and communication	5	10	5	5
e) Drinking water	-	-	-	5
f) Financial infrastructure	-	-	2	-
g) Medical and health facilities	-	-	5	5
h) Power supply	-	-	5	5
4. Special problems-		2.5		5
a) Drought-prone areas	3	-	2	-
b) Coastal areas	1.5			
c) Forest areas	1.5	-	2	-
5. Unallocated amount for meeting special problems	5	-	-	-
6. Incentive provisions	-	5	-	-
11. Literary percentage	-	-	5	-
12. Performance in family planning programmes	-	-	3	-
Total:	100	100	100	100

Source: Yugandhar, B.N. and Amitava Mukherjee, et al., Readings in Decentralised Planning with Special Reference to District Planning, Vol.I, Concept Publishing Co., New Delhi, 1991, pp.148-9.

irrespective of the differences in their resource base, problems and development level. The adoption of any criteria for the purpose of distribution of district sector plan outlay by a State would depend upon the tasks it sets for district planning. These would include general welfare of masses, utilisation of resources, solution of existing problems, reducing inequality among areas and people, promotion of self-effort, etc. Keeping in view the Gadgil Formula and reviewing the formula adopted by these five States and giving due consideration to the specific problems existing in Kerala, an attempt is made here to evolve a formula for Kerala State for the distribution of district plan outlay among the districts.

Formula for Kerala State

While attempting to derive a formula for Kerala State, the following guidelines could be laid out:

- (i) Population of different districts should be taken into account for devolution of funds. Population criterion is based on equity and welfare considerations. A major share of the allocable funds to the districts has to be distributed on the basis of population of the districts, because the larger the population, the greater is the pull on the resources;
- (ii) To meet the requirements of 'social justice', the less-developed districts are to be accorded a special favour in financial allocations so as to enable them to rise closer to the relatively developed districts. A positive discrimination in favour of backwardness is justified;

- (iii) Kerala is urbanising fast with an increasing proportion of people settling in towns and cities, additional allocations have to be made for improving the urban infrastructure. The needs of a town are far different from those of the village community and require a larger allocation of funds. Hence, it is desirable to adopt urbanisation level as one of the criteria;
- (iv) Due consideration is to be given to districts where 'per unit' cost of providing infrastructure is high. These may include those with hilly topography and forest area;
- (v) Likewise, a special consideration is to be accorded to socially and economically backward sections of the society. This matter may be addressed to the size of the Scheduled Castes and Scheduled Tribes population in various districts. Because of the higher weight given to population, which will benefit the Scheduled Castes and Scheduled Tribes, the weight given to them is quite low. What is relevant in their case is that they should remain in focus; and this has been ensured by giving them weightage of 2.5 per cent in addition to the weightage given to population and urbanisation which includes them;
- (vi) Agricultural backwardness has been included as an additional factor in addition to irrigational backwardness, because irrigation, though important, is not the only input for agriculture; fertility, use of fertilizers and high yielding varieties of seeds and other factors are also important;
- (vii) The problem of increasing unemployment in Kerala can be solved to a great extent through industrial development, which hitherto was neglected. Therefore, industrial backwardness should be taken as an indicator of development;

- (viii) Other socio-economic indicators like transport and communication education and health are selected to cover various shades of differences between one district and another;
- (ix) Similarly, backwardness in financial infrastructure has been added as a new indicator, because credit is an important input, both for agricultural and industrial development;
- (x) Difference in the level of economic development between different districts exists not only because of the economic factors, which have been taken into consideration in our formula evolved, but also due to historical and other social factors which cannot be quantified. Therefore, the general backwardness of the districts which is reflected in 'per-capita' income should be included as an indicator while constructing a formula for the devolution of plan funds to the districts;
- (xi) Indicators like 'poverty', 'unemployment' and 'villages electrified', for which district-wise data are not available have been avoided.

Accordingly, the following twelve criteria, along with their indicators and weightages, may be deemed as the most appropriate for devolution of funds to the districts in Kerala, as shown in Table 7.2. It is found that the distribution of outlay on the basis of this formula is in favour of the less-developed districts.

The methodology for operationalizing the above indicators is described in detail below:

Table 7.2
FORMULA FOR KERALA STATE
 Criteria along with their indicators and weightages

Sr. No.	Criterion	Indicators	Weightage (%)
1.	Population	Population	25
2.	General backwardness	Inverse of per-capita income	20
3.	Agricultural backwardness	As measured by the value of agricultural output per hectare.	10
4.	Backwadness in irrigation	As measured by the propor- tion of irrigated area to net area sown.	5
5.	Industrial backwardness	As measured by the value of industrial output.	11
6.	Education	Literacy percentage.	5
7.	Health	As measured by the number of hospital-beds per lakh population.	5
8.	Transport and communication	As measured by road and railway mileage per 100 sq. kms./and per lakh of popu- lation.	7
9.	Backwardness in financial infrastructure	As measured by the size of the population served by each commercial and coope- tive banks.	2.5
10.	Disadvantaged population	Share of SC & ST population.	2.5
11.	Physical constraints	(a) Area of forest (b) Hilly topography	3 2
12.	Urbanization	Share of urban population	<u>2.0</u>
		Total:	100

Criterion-I : Population of the District.

The share of each district (S), in total transferrable resources (100 per cent) on the basis of its population has been determined by dividing the population (N) of the State and multiplying it with the weight assigned. It can be given by the formula:

$$S = \frac{N \text{ of district}}{N \text{ of State}} \times 25$$

Maximum weightage is given to the population since it is based on equity and welfare considerations.

Criterion-II : General Backwardness.

Though per capita income (PCY) as an indicator is not fully representative of the level of development of a district, to a great extent, it covers the general level of development. Therefore, inverse of per capita income is taken for determining the share of each district and 20 per cent is distributed on the basis of this criterion. This was done because this method gives a proportionately higher allocation to the backward districts in proportion to their backwardness as compared to the State average. Thus, the district which has 10 per cent higher value of per capita income than State per capita income, is given 10 per cent less allocation and on the other hand, a district having 10 per cent less value of per capita income than State per capita income is given 10 per cent larger allocation. The share of each

district on the basis of per capita income (PCY) is worked out as follows:

$$S = \frac{\text{State's PCY}}{\text{District's PCY}} \times 20.$$

Criterion-III : Agricultural Backwardness:

Agricultural backwardness is the major indicator reflecting the level of economic development. Agricultural backwardness of the district is decided on the basis of value-added by agriculture, per hectare (VAA/ha) in the district. Value-added by agriculture in the district is compared with the value-added by agriculture in the State and allocation is made on the inverse proportion. The share of the district is arrived at by dividing:

$$S = \frac{\text{VAA/ha in State}}{\text{VAA/ha in District}} \times 10.$$

Criterion-IV : Backwardness in Irrigation:

Agricultural development, to a large extent, depends on the development of irrigation. In view of this, 5 per cent of the allocable sum is distributed to the districts on the basis of the level of irrigation facilities in the district. It is measured by the proportion of the irrigated area (IA) to the net area sown (NAS) of the district compared with that of the State.

The allocation is made in inverse proportion so as to benefit the backward districts. The share of the district is estimated

by the following methods:

$$S = \frac{\text{NAS/IA of the State}}{\text{NAS/IA of the District}} \times 5.$$

Criterion-V : Industrial Backwardness:

Per capita value added by industries (PCVAI) is worked out for all districts as well as for the State. Eleven per cent of the allocable sum is distributed on the basis of this criterion, considering the industrial backwardness of Kerala State. All other States reviewed for analysis have given not more than five per cent weightage for industrial backwardness. The allocation was made on the inverse proportion of the per capita value-added by the industries in the district. The share of the district is found out as follows:

$$S = \frac{\text{PCVAI in the State}}{\text{PCVAI in the district}} \times 11$$

Criterion-VI : Backwardness in Education:

Level of education is a major social indicator of development. Those districts which have low literacy percentage (Lt.P) compared to the literacy percentage (Lt.P) of the State should receive more share and it is worked out by the following formula:

$$S = \frac{\text{Lt.P. of the State}}{\text{Lt.P. of the district}} \times 5.$$

Criterion-VII : Backwardness in Health Facilities:

Five per cent of the total district sector plan outlay is distributed on the basis of this criterion. Number of hospital-beds per lakh population (NHB/Lakh N) of the districts and of the State is calculated. Allocation is made in the inverse proportion as follows:

$$S = \frac{\text{NHB/Lakh N of the State}}{\text{NHB/Lakh N of the district}} \times 5.$$

Criterion-VIII : Backwardness in Transport and Communication:

The development of transport and communication is an important aspect of economic infrastructure and for this purpose, seven per cent is distributed on this basis. For working out the backwardness in this sector, the length of the national highways, State highways, major district roads and other district roads were considered. Backwardness in transport and communication of the districts is decided on the basis of two criteria, namely, road mileage per 100 sq.km. (RM/100 sq.km.) and (2) road mileage per lakh of population (RM/lakh N). The geometric mean of the indicators has been worked out and the share of the district (S) is estimated as:

$$S = \frac{\sqrt{\text{RM/100 sq.km.} \times \text{RM/Lakh N of the State}}}{\sqrt{\text{RM/100 sq.km.} \times \text{RM/Lakh N of the District}}} \times 7$$

Criterion-IX : Backwardness in financial infrastructure:

This is measured by the size of the population served by each commercial and cooperative bank. Accordingly, 2.5 per cent is distributed in the inverse proportion to this criterion as shown below:

$$S = \frac{\frac{N \text{ of the State}}{\text{Total number of commercial and cooperative banks in the State}}}{\frac{N \text{ of the district}}{\text{Number of commercial and cooperative banks in the district}}} \times 2.5$$

Criterion-X : Disadvantaged population:

Scheduled Castes and Scheduled Tribes are the weakest section of the society. Special consideration and weightage is given to enable district planners so as to bring them on par with the other sections of the society. In effect, this section gets an additional weightage since they are also included in the first criterion. Therefore, only 2.5 per cent of the allocable amount is distributed on the basis of this criterion, expressing the backward class population of the district as a percentage of the backward class population of the State. The share of each district on the basis of its disadvantaged population is found as follows:

$$S = \frac{\text{SC/ST N of the district}}{\text{SC/ST N of the State}} \times 2.5$$

Criterion-XI : Physical constraints:

(A) On the basis of the area of forest (AF), three per cent of the total district sector outlay is distributed and the district share is estimated by the following formula:

$$S = \frac{\text{AF of the district}}{\text{AF of the State}} \times 3.$$

(B) The districts of Pathanamthitta, Idukki and all the districts of Malabar region, excluding Kozhikode, are identified as having hilly topography. The unit cost of providing infrastructure is high in this region and, therefore, two per cent of the plan outlay is distributed to these districts, considering the area (A). The special advantage due to them is determined as follows:

$$S = \frac{\text{A of district}}{\text{A of seven physically constrained districts}} \times 2.$$

Criterion-XII : Urbanization basis:

The share of each district on the basis of urbanization criterion is worked out as follows:

$$S = \frac{\text{Urban N of the district}}{\text{Urban N of State}} \times 2.$$

The respective scores obtained in the case of each district are summed up, to arrive at its percentage share in total resource transfer from the State. The worked out figures are presented in Table 7.3. Of course, the weightage given to different criteria are tentative and these can be suitably modified and the relative

share of each district in resource transfer can be determined afresh, depending on the changes in weightage using the same criteria.

Table 7.3 clearly shows that the percentage share of each district, as worked out on the basis of the formula derived, is in favour of the weaker districts. According to the proposed formula, the maximum share in the plan allocation, i.e. 11.3 per cent, goes to the most backward district of Kerala, namely, Malappuram. An equitable distribution of plan outlay is ensured by this formula. The less developed districts of Kerala, like Palghat, Idukki, Cannanore, Kasaragod, Pathanamthitta, Kozhikode and Wayanad, received comparatively larger share in the plan allocation, according to the formula evolved. On the basis of this criteria, the share of districts in the district sector plan outlay varied between 11.3 per cent for Malappuram and 5.2 per cent for Wayanad; whereas according to the existing practice of district-wise break-up of funds, the share of districts varied between 20.1 per cent for Quilon and 2.9 per cent for Wayanad. Thus, it becomes clear that the formula derived is justifiable and it serves the purpose of positive discrimination in favour of weaker districts.

A comparative analysis between the distribution of district sector plan outlay received by different districts in the year 1991-92 and allocation on the basis of the formula derived, reveals shocking difference in the distribution of plan funds, as is evident

Table 7.3

Kerala : Percentage share of each district in resource-transfer from the State on the basis of the formula

Sr. No. Districts	Indicators													
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10-a.	10-b.	11.	12.	13.
	Population	General Backwardness	Agricultural Backwardness	Irrigation Backwardness	Industrial Backwardness	Transport & communication	Financial Infracture	Education	Health	Physical constraints Forest area	Hilly topography	Disadvantaged population	Urbanization	Percent share in resources
1. Trivandrum	2.55	1.42	0.68	0.28	0.63	0.44	0.15	0.34	0.16	0.13	-	0.26	0.28	7.3
2. Quilon	2.15	1.43	0.66	0.67	0.44	0.43	0.22	0.33	0.44	0.23	-	0.24	0.14	7.4
3. P'thitta	1.09	1.39	0.58	0.59	0.50	0.39	0.13	0.30	0.11	0.42	0.24	0.13	0.03	5.9
4. Alleppey	1.83	1.43	0.66	0.09	0.49	0.50	0.15	0.31	0.77	-	-	0.16	0.14	6.6
5. Kottayam	1.66	1.42	0.67	0.59	0.73	0.32	0.14	0.30	0.21	0.03	-	0.13	0.07	6.3
6. Idukki	0.95	1.08	0.62	1.01	0.39	0.42	0.18	0.36	0.52	0.80	0.44	0.15	0.02	6.9
7. Ernakulam	2.49	1.95	0.65	0.07	0.23	0.40	0.14	0.31	0.27	0.08	-	0.19	0.40	6.4
8. Trichur	2.39	1.42	0.75	0.05	0.52	0.58	0.16	0.33	0.24	0.27	-	0.27	0.25	7.1
9. Palghat	2.0	1.70	1.03	0.06	0.91	0.65	0.21	0.42	0.38	0.42	0.39	0.36	0.09	8.6
10. Malappuram	2.36	2.17	0.86	0.16	3.38	0.62	0.26	0.41	0.51	0.20	0.31	0.19	0.08	11.3
11. Kozhikode	2.20	1.42	0.72	0.65	0.59	0.66	0.22	0.36	0.19	0.08	-	0.15	0.26	7.5
12. Wayanad	0.54	1.18	0.74	0.27	0.28	0.59	0.20	0.43	0.36	0.24	0.19	0.10	-	5.2
13. Cannanore	1.89	1.47	0.66	0.38	1.15	0.54	0.18	0.35	0.32	0.07	0.26	0.08	0.26	7.6
14. Kasaragod	0.86	1.46	0.72	0.13	0.76	0.52	0.16	0.45	0.52	0.03	0.17	0.09	0.02	5.9
Total weightage	25.00	23.00	10.00	5.00	11.00	7.00	2.50	5.00	5.00	3.00	2.00	2.50	2.00	100.00

Source: Computed from the data given in Appendix 7.1.

from Table 7.4. In our analysis, Quilon and Ernakulam districts are found as having received about thrice and twice more than their due shares, respectively, in the State's divisible funds, while the most backward district of Malappuram suffered to the extent of 50 per cent. Pathanamthitta, Idukki, Palghat and Kasargod also suffered about one-third of their due share. It is also observed from Table 7.4 that all the developed districts received much more than their due share in the State's allocable funds.

Trivandrum district received Rs.2932.6 lakhs, which is 8.4 per cent of the total outlay for the year 1991-92. But according to the proposed formula, Trivandrum district is entitled to receive only Rs.2531.5 lakhs, which is 7.3 per cent of the total divisible plan funds. Quilon district actually received Rs.6316.2 lakhs in 1991-92, which is accounted for 18.2 per cent of the plan funds, while it is entitled to receive only Rs.2566.2 lakhs accounting to 7.4 per cent of the plan funds for the same year. Pathanamthitta got an allotment of Rs.1426.5 lakhs, i.e. 4.1 per cent of the total plan funds, while it was supposed to receive Rs.2046.0 lakhs, i.e. 5.9 per cent of the total allocable funds. Ernakulam district accounted for 11.8 per cent of the plan funds during 1991-92 though it deserves only 6.4 per cent according to the formula evolved. Thus, it becomes very evident that all the developed districts receive much more than their due share at the expense of the backward districts, which obviously is the major reason for increasing

Table 7.4

Comparative statement : Present system of district-wise break-up of funds 1991-92 and allocation on the basis of formula evolved

Sr. No.	Districts	Amount allotted in the district-wise breakdown of funds in 1991-92	Percentage share	Share according to the formula derived	Percentage share	(Rs. in lakhs)	
						Percentage variation from the due share	Percentage variation from the due share
1.	Trivandrum	2932.6	8.4	2531.5	7.3	+ 15.8	
2.	Quilon	6316.2	18.2	2566.2	7.4	+146.1	
3.	Pathanamthitta	1426.5	4.1	2046.0	5.9	- 30.3	
4.	Alleppey	2480.8	7.2	2288.7	6.6	+ 8.4	
5.	Kottayam	1493.7	4.3	2184.7	6.3	- 31.6	
6.	Idukki	1712.9	4.9	2392.8	6.9	- 28.4	
7.	Ernakulam	4086.3	11.8	2219.4	6.4	+ 84.1	
8.	Trichur	2887.2	8.3	2462.2	7.1	+ 17.3	
9.	Palghat	2364.4	6.8	2982.3	8.6	- 20.7	
10.	Mallappuram	1993.5	5.7	3918.6	11.3	- 49.1	
11.	Kozhikode	2001.2	5.8	2600.8	7.5	- 23.0	
12.	Wayanad	984.7	2.8	1803.3	5.2	- 45.4	
13.	Cannanore	2495.8	7.2	2635.5	7.6	- 5.3	
14.	Kasaragod	1502.2	4.3	2046.0	5.9	- 26.6	
	Total:	34678.0	100.0	34678.0	100.0		

Source: Compiled and computed from: (1) Annual Plan District-wise Break-down of Funds 1991-92, State Planning Board, Trivandrum, 2) Computed on the basis of Table 7.2.

Figure 7.1
Average Share in District Sector
Outlay - Present System

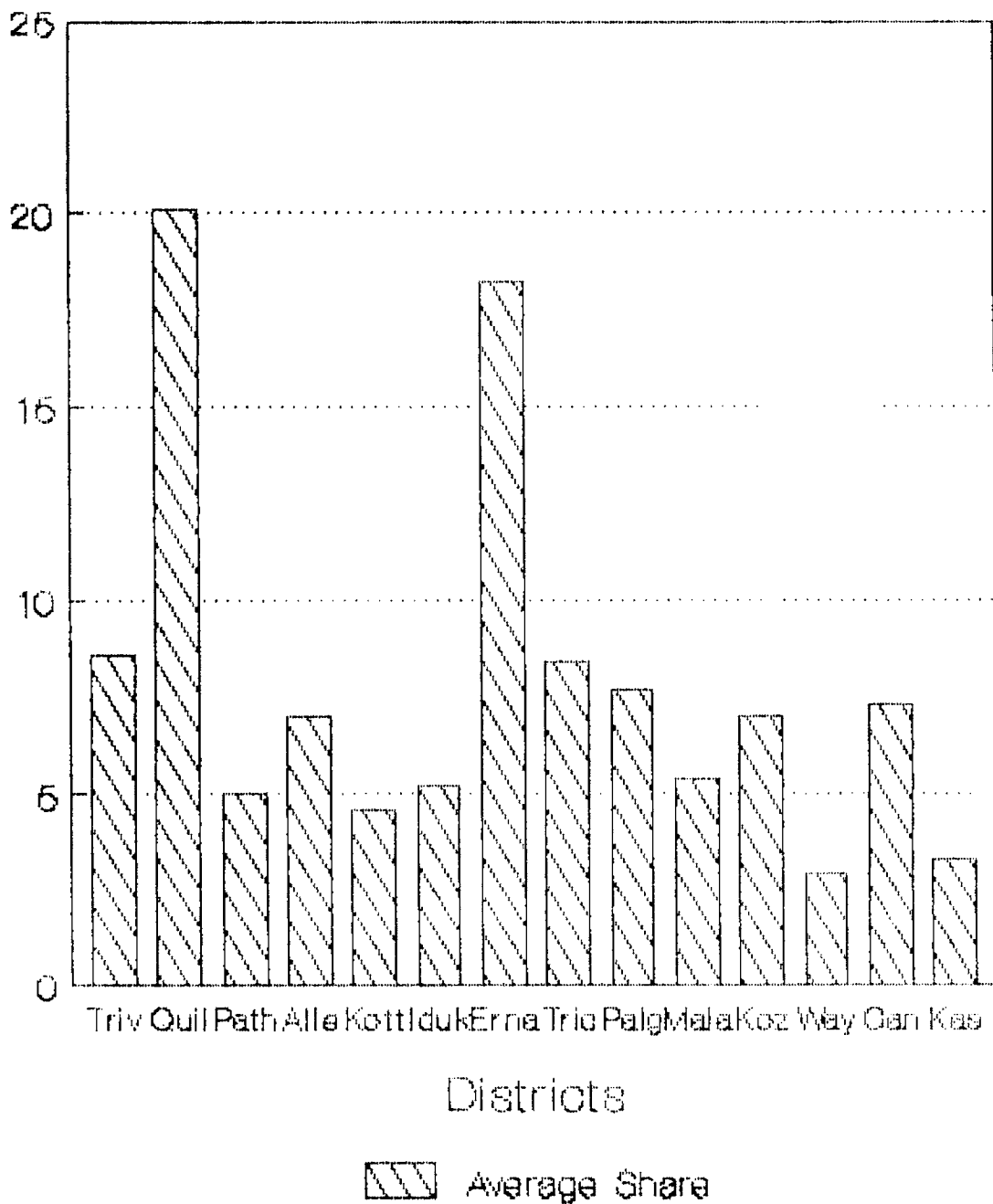


Figure 7.2
Average Share in Resources
According to Formula

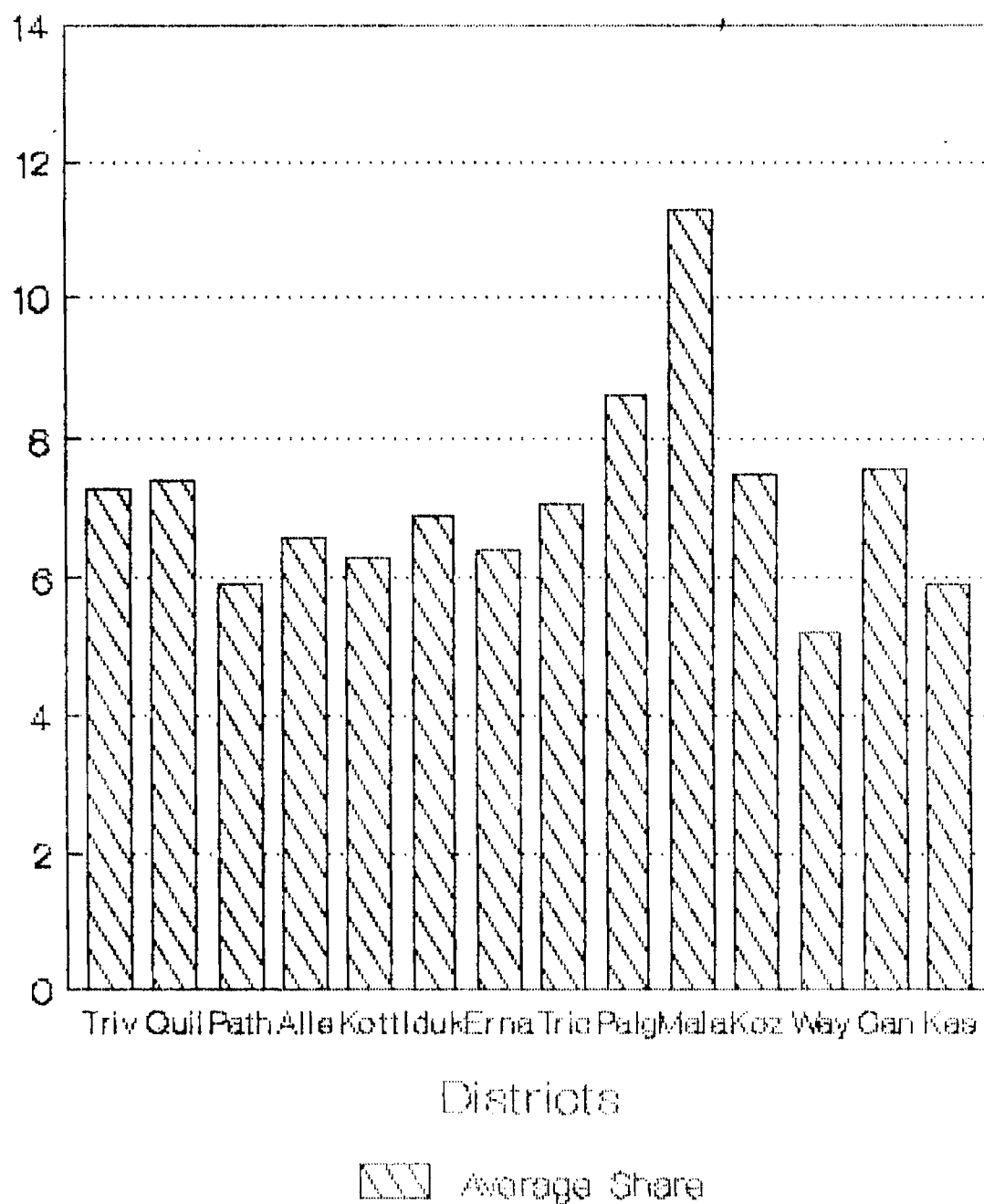
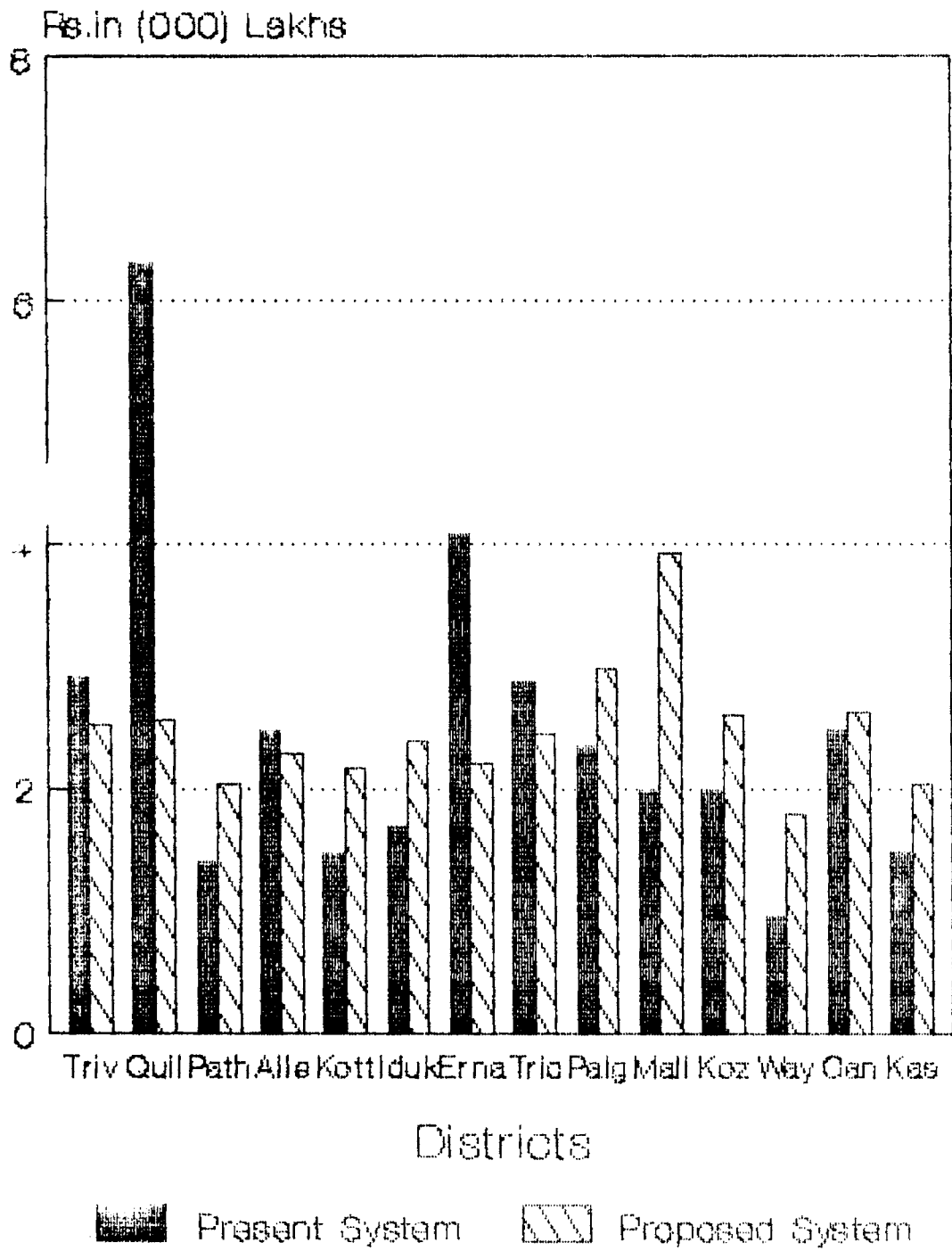


Figure 7.3
Present and Proposed Outlay : Kerala.



inter-district disparities in Kerala.

The above point is further emphasized by the fact that there is a strong positive correlation between the district domestic income and the amount allocated to the districts as shown in Tables 7.5 and 7.6. Table 7.5 clearly shows that allocation of funds and the district domestic income is positively correlated among the districts of Kerala. The correlation is +0.90 for Trivandrum, +0.92 for Kottayam, +0.94 for Trichur, +0.95 for Malappuram and Kasaragod. All the districts showed positive correlation and, on an average, the correlation was +0.87. Coefficient of determination also was quite high explaining the fact that the change in domestic income may be largely attributed to the change in the allocation of funds to the districts.

A very important and useful method of interpreting coefficient of correlation is the calculation of coefficient of determination (R^2), which is the square of coefficient of correlation or r^2 . The reason why the coefficient of determination (R^2) is a better measure lies in the fact that it tells us about the effect of the independent variable on the dependent variable. For example, the coefficient of correlation between the district domestic income and the amount allotted for Trivandrum district is +0.90, it does not mean that 90 per cent of the variation in district domestic income is due to the change in financial allocation. However, if coefficient of determination is calculated, which in this case,

Table 7.5
Coefficient of Correlation and Coefficient of Determination
between the District Domestic Income and District-wise
Allocation of District Sector Plan Funds among
the Districts of Kerala

Sr. No.	Districts	Coefficient of Correlation (r)	Coefficient of Determination (R ²)
1.	Trivandrum	+0.90	0.81
2.	Quilon	+0.89	0.80
3.	Pathanamthitta	+0.83	0.69
4.	Alleppey	+0.73	0.53
5.	Kottayam	+0.92	0.85
6.	Idukki	+0.95	0.89
7.	Ernakulam	+0.84	0.69
8.	Trichur	+0.94	0.89
9.	Palghat	+0.72	0.51
10.	Malappuram	+0.95	0.91
11.	Kozhikode	+0.90	0.81
12.	Wayanad	+0.93	0.86
13.	Cannanore	+0.76	0.57
14.	Kasaragod	+0.95	0.89
	<u>Average:</u>	+0.87	0.76

Source: Calculated from Appendix 7.3 and Table 6.3.

Table 7.6

Coefficient of Correlation and Coefficient of Determination
between the District Domestic Income and District-wise
Allocation of District Sector Plan Funds among
the Districts of Karnataka

Sr. No.	Districts	Coefficient of Correlation (r)	Coefficient of Determination (R ²)
1.	Bangalore	+0.72	0.53
2.	Belgaum	+0.81	0.66
3.	Bellary	+0.79	0.63
4.	Bidar	+0.88	0.77
5.	Bijapur	+0.89	0.79
6.	Chickmagalur	+0.83	0.68
7.	Chitradurga	+0.91	0.83
8.	Dakshina Kannada	+0.92	0.84
9.	Dharwad	+0.85	0.73
10.	Gulbarga	+0.72	0.52
11.	Hassan	+0.91	0.82
12.	Kodagu	+0.82	0.67
13.	Kolar	+0.93	0.86
14.	Mandya	+0.86	0.73
15.	Mysore	+0.79	0.63
16.	Raichur	+0.90	0.81
17.	Shimoga	+0.84	0.71
18.	Tumkur	+0.94	0.88
19.	Uttara Kannada	+0.89	0.79
	<u>Average:</u>	+0.85	0.73

Source: Calculated from Appendix 7.4 and Table 6.14.

would be $(+0.90)^2$, or 0.81, it means that 81 per cent of the variation in district domestic income may be on account of changes in the allocation of plan funds. In the above case, the unexplained variance is 0.19, which is $(1-0.81)$. This indicates the extent to which the factors other than the independent variable are affecting the dependent variable. Thus, 81 per cent of the changes in district income may be explained by changes in plan allocation and 19 per cent due to other factors. Coefficient of determination also is very high in the case of districts in Kerala.

There is also a high positive correlation between the abovesaid variables among the districts of Karnataka as is evident from Table 7.6. The highest coefficient of correlation, i.e. +0.94, goes to Tumkur district, followed by Kolar, +0.93. All the districts showed positive correlation and high coefficient of determination. Interestingly, the most backward districts of Kerala and Karnataka showed highest positive coefficient of correlation between the domestic income of the districts and the plan allocation made to them. It may be explained that the change in the domestic income in the backward districts may be strongly related to plan allocation and the influence of other factors may be rather weak.

The basic principle to be observed in allocating plan expenditure among the districts is that there should be balanced development among them. This would mean that special consideration is to be given to these districts, which are economically and

socially worse off than others. But the present system of allocation of plan funds is against this basic objective of district planning. The developed districts are unduly benefitted leading to increasing disparities in economic development between districts. The present system of allocation cannot be justified because the underdeveloped districts have not been receiving their due share. An infant born in the backward district of Malappuram or Kasaragod has an equal right to survival and development of physical and mental potentials as an infant born in the developed districts of Trivandrum or Ernakulam. Planners have to keep this in mind, while attempting to evolve a formula for the distribution of plan funds. The distribution according to the formula can be justified and is reasonable because it is evolved after considering all the important indicators of the development of each district. The formula also ensures greater allocation to the weaker districts, which will help to reduce inter-district disparities.

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CHAPTER VIII

**SUMMARY OF FINDINGS, CONCLUSIONS
AND RECOMMENDATIONS**

CHAPTER VIII

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The importance and need for planning from below has been recognized in India right from the beginning of the era of planned development, although a systematic attempt towards it began many years later. The earliest attempts in this direction were made through the Community Development Programme. The earlier 'top-down' approach to planning imposed a uniform set of development programmes everywhere without due regard to the diversity of conditions existing within the country. If planning is to have any impact on the levels of living of the people, it must directly attack the problems of poverty, disparity and unemployment at its grass-root level.

Planning, to be more meaningful, must effectively tackle the local problems, meet the felt-needs of the people and reduce inter-district and intra-district imbalances. Effective plan implementation also requires plan formulation at the district level, for only those who have formulated the plans would be enthusiastic about its effective implementation. Further, it is a well-known fact that for the success of any plan, people's participation is very essential and district level planning provides opportunity for people's participation. Decentralised district planning specifically addresses itself to the task of identifying local needs, harnesses fully the available manpower and local resources for formulating

schemes which are consistent with the felt-needs of the people of the area and are implemented with their cooperation. Recognising these facts, different States have attempted to develop the process of district planning with varying degree of success.

The South Indian States of Kerala and Karnataka have been selected for the comparative study, because Karnataka is a pioneer in the experiment of district planning, with a good start in district plan exercise and has moved quite far in the line of decentralisation which consequently resulted in the reduction of inter-district disparities. Whereas Kerala's experience in district planning is quite discouraging and no serious efforts have been made to strengthen the district planning units or to rationalise the system of financial allocation to the districts, which resulted in widening the inter-district imbalances in development.

The existence of wide inter-district disparities in economic development in the State of Kerala inspite of the planning efforts followed for the last three and a half decades calls for a fresh look into the process of planning in the line of decentralisation in Kerala, where there is abundance of unexploited natural resources on the one hand and sizeable unemployment on the other, the adoption of district level planning in the real sense has special scope and significance. An analysis of the district planning experience of Karnataka State provides constructive and valuable information which will be of great importance to Kerala State, which is now

aspiring to introduce full-fledged district planning with the constitution of elected district councils in every district of Kerala. Moreover, the findings and policy implications of the present study is of immense help to planners, politicians, administrators, academicians and the people at large.

Even though the crucial importance of decentralised planning for a balanced, acceptable and meaningful development of our country has been recognised long ago, it has not been an easy concept for operationalisation, due to various constraints like the inadequacy of the planning machinery itself and the lack of a uniform enthusiasm on the part of the States, who were required to operationalise it. In spite of issuing some guidelines on district planning to the States in 1969 by the Planning Commission, the idea could not catch up because many States were not ready to undertake it. But with the changes in the orientation and structure of development planning over the last two decades, as would be evident from the large number of beneficiary-oriented schemes and area development schemes, district level planning and decision-making has become urgent.

The analysis of the evolution and status of district planning in India revealed that in spite of the continuous and repeated efforts made by the Government from the First Five Year Plan onwards for the introduction of district level planning in the country, decentralised district planning is in an infant stage in majority

of the States. But the idea of decentralised planning has been gaining strength over the successive Five Year Plans and most of the States have made attempts at decentralised district planning by establishing Panchayati Raj Institutions through necessary legislation, though the content of such planning and its vigour vary widely across the States. Only few States, namely, Karnataka, Maharashtra, Gujarat, West Bengal, Uttar Pradesh and Kerala, have made considerable headway in the direction of district planning. Among these States, Karnataka ranks first in the level of decentralisation and Kerala, the last.

The analysis of the existence of inter-district imbalances in the levels of development in Kerala and Karnataka clearly shows that there exist glaring disparities in both the States. But in Kerala, these disparities alarmingly have widened over the period under study. The mean value of the domestic product of Malabar region of Kerala State always remained much lower, compared to Travancore-Cochin region. The index of per-capita income of the developed district, Ernakulam, shot up to 146.03 in 1990-91 from 108.75 in 1970-71, while the index of per-capita income of the most backward district, Malappuram, registered a decline from 76.26 in 1970-71 to 64.84 in 1990-91. Analysis of the co-efficient of income variation also reveals that inter-district disparities increased during this period. In 1970-71, the co-efficient of income variation was 10.02 per cent, which increased to 16.17 per cent in 1980-81 and it further increased to 18.49 per cent in 1990-91.

The weighted coefficients of income variation also showed the same tendency. The coefficient of income variation has almost doubled within a period of two decades, which highlights the seriousness of the increasing trend in regional disparities in Kerala. This is due to the fact that Kerala is not having a scientific formula for the distribution of district sector plan outlay, which will ensure higher allocation of plan funds to backward districts. The developed districts received much more than their due share at the cost of the backward districts.

Even though there exist inter-district imbalances in Karnataka, it showed a declining tendency. A reasonable reduction in disparities in Karnataka started from 1980-81, after the introduction of district planning in 1978-79 in a systematic manner, introducing a scientific formula for the devolution of district sector plan funds, ensuring greater allocation to backward districts. Coefficient of income variation among the districts in Karnataka increased from 23.95 per cent in 1970-71 to 28.03 per cent in 1980-81, but after the introduction of the formula in 1978-79, coefficient of income variation declined to 23.57 per cent in 1989-90. Composite index of development also showed the same tendency. It is also found that there is a strong positive correlation (+0.86) between the district sector outlay and the district domestic income, which highlights the fact that greater allocation of funds to backward districts will lead to reduction in inter-district disparities. The coefficient

of determination also is quite high, which explains that the change in the district domestic income may be largely due to change in plan allocation made to the districts.

Investigation of the organisational set-up of district level planning in the States of Kerala and Karnataka clearly brought out the fact that planning machinery at the district level in Kerala is woefully inadequate and weak for effective plan formulation and implementation at the district level, compared to Karnataka State. The district planning units are not manned by technically-qualified personnel and subject-matter specialists for the successful formulation and implementation of district plans. It lacks personnel like agronomist, statistical officer, engineer, cartographer, social service officer, industrial officer, dairy officer, cooperative officer and regional planner. Until now, the Panchayati Raj system of decentralised district planning in the real sense has not been started in the State of Kerala. Though the efforts for the establishment of District Councils in Kerala started long back in 1957, it became a reality only recently in 1991. But the District Councils established by the LDF Government with great hope and enthusiasm were made ineffective for political reasons by the UDF Government, which came to power immediately after the constitution of the District Councils in Kerala.

The district planning experience of Karnataka may be taken as a model for other States. It has a strong organisational base

for district level planning. The district planning units in Karnataka have a competent technical staff, including a chief planning officer, regional planners, project appraisal and evaluation officer, manpower and credit planning officer, statistical officer and an economist. However, district planning units in Karnataka lack subject-matter specialists like an engineer, agronomist, cartographer, social service officer, officers for fisheries, industries, dairy and cooperatives. For strengthening the district planning machinery, a model organisational set-up is suggested in chapter five. The establishment of Zilla Parishads in 1987 was a landmark in the history of decentralisation of planning in Karnataka. What is more important is that the district collector is now made accountable to the elected representatives at the district level, who was earlier accountable to his superiors at the State level. The establishment of the State Development Council and State Finance Committee for evolving plan priorities and policies at the district level and for facilitating financial transfers from the State Government to Zilla Parishads is an innovative initiation in the organisational set-up for the exercise of district level planning in Karnataka, which have no parallel anywhere in the country. Karnataka shows the way for district planning to other States and it is high time for Kerala State to take serious measures to strengthen the district planning machinery on the lines of Karnataka experience.

In Kerala, the district-wise break-up of plan outlay now prepared by the Government classifies development schemes and

programmes into four categories. While Category First comprises State level schemes which are not location-bound, Category Second schemes located in one district but intended to serve the whole State. Then there are schemes located in a particular area and benefitting that area, which are grouped under Category Third. Schemes under Category Four are located in all the districts in the State. In the present study, outlays falling under Categories Third and Four are considered as the district sector outlay and the rest as State Sector outlay.

In the year 1980-81, the share of the district sector outlay was only 33.1 percent, which increased to 44.7 per cent in 1991-92. On an average, Kerala has set aside 48 per cent of its outlay for district sector schemes. The annual compound growth rate of district sector outlay in Kerala over the period under study is estimated to be 12.24 per cent, which is greater than the State sector outlay and the total plan outlay, due to the fact that in recent years, greater emphasis is being attached to schemes and programmes coming under the subject coverage of district planning. But the fault lies in the fact that in Kerala, adequate administrative and financial powers are not given to district planners and the plan outlay is not distributed to the districts on the basis of any scientific formula.

At present, district-wise allocation of the plan outlay in Kerala is done on the basis of rough estimates made by various

heads of departments, without using any objective criteria. In 1980-81, the most developed district of Quilon received about 20 per cent of the total district sector outlay, while the backward district of Idukki got only 4 per cent. In 1991-92, the amount allotted to Quilon district accounted for 18.2 per cent of the total district sector outlay, whereas for Wayanad district, it was only 2.8 per cent in the same year. When Quilon and Ernakulam districts received, on an average, 20.1 and 18.2 per cent of the total district sector outlay, respectively; the backward districts like Kasaragod and Wayanad got only 3.3 and 2.4 per cent, respectively. From the district-wise allocation of the plan outlay, it can be seen that the backward districts of Kasaragod, Cannanore, Wayanad, Malappuram, Palghat, Idukki and Pathanamthitta do not receive their legitimate share. Only a negligible portion of the district sector outlay is accorded to them, compared to the developed districts. The same trend is found in the case of district-wise allocation of plan outlay coming under centrally-sponsored schemes also.

The present system of allocation of plan outlay to the districts in Kerala is against the basic objectives of district planning. Decentralised planning aims at ensuring equitable distribution of the benefits of development and reducing regional disparities. For realising this goal, plan outlay has to be allocated in such a way that backward districts get higher share compared to the developed districts. But due to the absence of a formula for plan

allocation, developed districts are unduly benefitted, which accelerates inter-district imbalances in Kerala.

Since the resources at the disposal of the district planning body would constrain the design and scope of the plan, 40 per cent of the State plan outlay may be fixed as the minimum resources without which district planning would lose much of the meaning, substance and effectiveness. Karnataka earmarked, on an average, 35 per cent of the total State plan outlay as district sector outlay, which is inadequate for the successful implementation of district plans. Annual compound growth rate of district sector plan outlay in Karnataka was much less than the growth rate of State sector outlay and the total State plan outlay, which clearly reveals that district sector outlay did not receive its due share in the total State plan outlay during the period under analysis. However, the annual compound growth rates of district sector outlay, State sector outlay and total state plan outlay of Karnataka are much higher compared to the growth rates estimated for Kerala State.

However, Karnataka State has adopted a scientific formula for the distribution of the district sector plan outlay. Keeping in view the objective of balanced regional development. The share of the districts in the financial allocation is based on 12 criteria as explained in chapter six, in order to ensure that backward districts get higher allocation. The allocation formula may be taken as a version of Gadgil Formula adopted for central plan assistance to

States. Analysis revealed that the backward districts received greater share in the plan allocation compared to developed districts in Karnataka. On an average, the most backward district, Gulbarga, received about 7 per cent of the district sector outlay compared to 2.75 per cent accorded to Bangalore (Urban), which is highly developed. The backward districts like Dharwad, Gulbarga, Kolar, Tumkur, Bijapur, Chitradurga, Raichur, etc., received relatively higher proportion compared to the developed districts. Giving higher allocation to backward districts is a deliberate move towards reduction of regional disparities.

One of the important tasks in district level planning is a purposeful transfer of plan funds from a State to its constituent districts. The basic principle to be observed in allocating plan expenditure among the districts is that special consideration is to be given to those which are economically and socially worse-off than others. For this purpose, a formula has been evolved for Kerala State. This is done by way of reviewing the existing practices in Karnataka, Maharashtra, Gujarat, Uttar Pradesh and Bihar and by working out a tentative scheme for Kerala.

The share of each district in the plan allocation is done on the basis of twelve indicators. Population is given a maximum weightage of 25 per cent on the basis of equity and welfare considerations. A higher weightage of 11 per cent is given to the industrial backwardness, considering the backwardness of the

industrial sector in Kerala. Urbanization level and backwardness in financial infrastructure also have been included as indicators. An important factor is that the general backwardness of the district is considered as an indicator in the formula evolved which is reflected in the per capita income of the districts, to cover various shades of differences that exist between different districts which are difficult to be quantified. This formula ensures a rational allocation of resources to districts, depending on the extent of backwardness.

The respective scores obtained in the case of each district for different indicators are summed up to arrive at its percentage share in total resource transfer from the State. The percentage share of each district, worked out on the basis of the formula derived, is in favour of the weaker districts; accordingly, the maximum share in the plan allocation, i.e. 11.3 per cent goes to the most backward district, Malappuram. The less-developed districts of Kerala like Palghat, Idukki, Pathanamthitta, Kasaragod, Cannanore, Kozhikode and Wayanad are entitled to receive a larger share, according to the formula evolved. On the basis of the formula, plan outlay varied between 11.3 per cent for Malappuram and 5.4 per cent for Wayanad; whereas according to the existing practice of district-wise break-up of funds, the share of districts varied between 20.1 per cent for Quilon and 2.9 per cent for Wayanad.

A comparative analysis of the present system of district-wise break-up of annual plan outlay and the outlay derived on the basis of the formula for the year 1991-92 reveals shocking difference in the distribution of plan funds. Quilon and Ernakulam districts are found as having received about thrice and twice more than their due share, respectively, in the State's divisible funds, while the most backward district of Malappuram suffered to the extent of 50 per cent; Pathanamthitta, Idukki, Palghat and Kasaragod also suffered about one-third of their due share. It is found that all the developed districts received much more than their legitimate share in the State's allocable funds. The distribution, according to the formula evolved, can be justified and is reasonable because it takes into consideration all the important indicators of backwardness of each district. The formula also ensures greater allocation to backward districts, which will help to reduce inter-district imbalances.

RECOMMENDATIONS:

Decentralisation of the planning process can take up the challenges of the imbalances in Kerala economy. The example relevant here is the resource potential in the backward regions of the economy. Idukki, Palghat, Malappuram, Wayanad, Cannanore, Kasaragod and Pathanamthitta are identified as the backward districts compared to the other districts, in the process of development. With the

endowment of natural resources or the industrial potential, these districts should get special attention with the pre-determined objectives and projects. Once the district administration and planning machinery is strengthened at the district level, every district can be incorporated in the planning activity according to its resource base and need. The planning machinery working at present in the State adds to the unwieldy features of bureaucratic planning. The people's participation in planning is only in principle at present. The district planning machinery in Kerala has to be thoroughly strengthened on the pattern suggested in chapter five.

The major bottleneck in the efforts of district planning is the feeling that once the district planning office is started with several posts for civil servants, straight on bureaucratic lines, the planning process has begun. What has happened in Kerala is that such offices have become the centres for accommodating people from various services. This venture does not have the resource personnel or technocrats, who are genuinely interested in the problems of the district and capable of contributing to the developmental efforts of the districts. Therefore, district planning officer, his team and others connected with planning and implementation, should be trained to have a broad outlook on the economy, technical skills of project planning, management, evaluation and techniques of area planning. The training needs should be met through carefully planned training programmes by training institutions specially equipped for the purpose.

Moreover, provision should be made to incorporate academicians and economists from the Universities in the district planning team for effective plan formulation at the district level. Voluntary organisations also should be encouraged to participate in the developmental efforts of the government, especially in the district plan formulation and successful implementation.

Another important step to reduce the inter-district disparities is to improve the infrastructural devices which can promote the progress of development. Roads, transport, power, educational centres and communication facilities can create momentum for development. Deficiency in these may adversely affect the primary and secondary sectors and thereby the life of the people. It is seen that the infrastructure is powerful only in urban centres while the backward districts lag behind. Lack of proper planning is the cause for this. Therefore, it is advisable that such regions with infrastructural backwardness are identified and steps are taken to implement the programmes to rectify these problems.

People's participation has not become effective in the State of Kerala, mainly because of the character of our planning strategy which is fundamentally centralised and bureaucratic. Economic surveys, regional studies, seminars and publishing pamphlets on the needs of district planning and introducing the subject as a part of education can arouse much interest among the people. Kerala, with its high rank in literacy will find the popular participation quite encouraging,

provided the planning machinery is well structured.

District Councils should be given full powers to formulate and implement district sector plan schemes. State sector and district sector schemes should be clearly demarcated. District Collector and other district officers should be made accountable to the elected representatives at the district level for the purpose of efficient and democratic decentralised planning.

In Kerala, district plans should be built into the State plan as against the present practice of disaggregating departmental schemes and programmes district-wise. Kerala Government should set-up a State Development Council on the lines of National Development Council, with the presidents of all the District Councils as members, to discuss the problems of their districts and to evolve plan priorities. There should be also provision for periodically appointing State Finance Commissions to determine the principles and the quantum of devolution of funds from the State to the District Councils.

Under the Panchayati Raj set-up in Karnataka, the planning machinery at the district level is considerably expanded and it is technically competent. But it lacks some subject-matter specialists like an engineer, a cartographer, an agronomist, an industrial officer, a dairy officer and a social welfare officer. This deficiency should be immediately rectified. While the district planning units

are well-equipped with the required planning expertise, there is absolutely no expertise at the Mandal Panchayat level. Therefore, plan formulation at the Mandal Panchayat level should be under the supervision of the district planning units in Karnataka.

The proportion of plan outlay earmarked for district sector in the total State plan outlay of Karnataka is quite low and there is a clear case for increasing it in some measure for meaningful planning at the district level.

At the State level, as part of the State Planning Board, there should be a competent district planning division capable of performing the functions such as developing suitable criteria for distribution of financial resources to the districts, undertaking studies in respect of inter-district variations within the State, helping the district planning officers in the initial stages to develop technically-sound, comprehensive district plans, integrating the district plans with that of the State, etc. But the district planning division at the State level in Kerala is totally inefficient to perform these functions and, therefore, it requires to be properly strengthened.

A scientific formula, as suggested in chapter seven, should be adopted by Kerala State for the devolution of plan funds to the districts, which will help progressive reduction of inter-district disparities in development. In practice, a positive discrimination

towards backward districts should be shown in resource allocation for the requirement of securing social justice. Allocation of funds to the District Councils should be in lump sum, giving full freedom of utilisation for the purpose of successfully implementing the district plan programmes. The District Councils or Zilla Parishads should be given adequate power for taxation, so as to raise some resources on their own for district development planning.

Availability of adequate and accurate data is an important pre-requisite for any kind of planning. Realising the importance of a firm database, the Government of Kerala should take immediate action to collect and regularly update taluk-wise plan statistics at the district level.

Unless a calendar for planning is fixed and followed strictly, it would not be possible to formulate the State's plan, incorporating the plan proposals of all the District Councils. Hence, the Government of Kerala should think in terms of adopting a calendar for planning at the earliest. However, strong political will, bureaucratic abetment, popular participation and attitudinal changes are the foundation medium through which these suggestions have to be administered, if these are to be effective.

Increasing inter-district disparities may pose serious problems in the developmental scenario of Kerala economy. The organisational set-up of the district level planning is weak and the present system

of financial allocation is faulty. Immediate measures have to be taken to establish district planning-oriented infrastructure in the State, Kerala can follow the district planning experience of Karnataka State with necessary modifications to suit the specific socio-economic conditions of the State. As far as our planning and organisational set-up are broadly similar over the States, it can be believed that our findings will hold good for other States also and the suggestions useful to them.

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APPENDICES

Appendix 1.1

List of subjects and schemes relevant for
district level planning

I. Agriculture:

1. Procurement of improved seeds and distribution of the same.
2. Multiplication of improved seeds approved by the State Government.
3. Popularisation of high-yielding varieties of paddy seeds.
4. Demonstration of improved agricultural practices.
5. Organizing crop competitions.
6. Soil testing.
7. Pest control measures.
8. Organising community operations in paddy fields (Common Nursery, appropriate variety of seeds, plant protection operations, etc.)
9. Utilisation of single crop paddy field for growing summer crops like pulses, green manure, fodder, etc.
10. Planting of perennial crops on upper slopes.
11. Replanting, gap-filling and inter-cropping of coconut gardens and other such lands.
12. Control of diseases of various crops.
13. Weed control.
14. Cultivation of green manure crops.
15. Vegetable cultivation and horticulture.
16. Popularisation of multiple cropping.
17. Developing organisations to procure and market vegetables.
18. Supply and servicing of tractors, power-tillers, plant protection equipments, etc.
19. Supply of pumpsets, improved agricultural implements, etc.

20. Cultivation of sesamum, spices, etc.
21. Bio-gas plants.

II. Minor Irrigation:

1. Installation of community pumpsets.
2. Renovation of disused community tanks.
3. Water-shed management and proper use of water for irrigation.
4. Construction of field boothies in the command areas of small irrigation wells, tanks and canals (other than major irrigation works).
5. Development of proper drainage in paddy fields.

III. Soil and Water Conservation:

1. Reclamation of water-logged areas.
2. Soil conservation measures.

IV. Special Area Programme for Rural Development:

1. Integrated Rural Development Programme (IRDP).
2. Training of Rural Youth for Self Employment (TRYSEM).
3. Rural Landless Employment Guarantee Programme (RLEGP).
4. Backward Area Development.

V. Animal Husbandry:

1. Propagation of cross-bred cattle through artificial insemination.
2. Establishment of veterinary hospitals and dispensaries.
3. Setting up of mobile diagnostic and clinical laboratories.

4. Breeding farms for cows and pigs.
5. Goat-farm, poultry farms and chick farms.
6. Development of poultry and distribution of chicks of improved variety.
7. Broiler production.
8. Cattle insurance.
9. Disease control measures.

VI. Dairy Development:

1. Formation of milk cooperatives for procurement and distribution of milk and milk products.
2. Facilities for processing and preservation of dairy products (chilling plants, etc.).
3. Fodder development programme.
4. Distribution of improved variety of milch cows at subsidised rates.
5. Supply of cattle feed at subsidised rates.
6. Construction of hygienic cattlesheds.

VII. Fisheries:

1. Assistance to traditional fishermen for purchase of craft and gear.
2. Assistance to fishermen for acquiring mechanised boats.
3. Development of pisciculture in tanks.
4. Development of inland fisheries.
5. Organising fish processing units.
6. Organising fish producers' and fish marketing cooperative societies.
7. Assistance for prawn culture.

8. Establishment of common peeling sheds.
9. Provision of auto-trucks, cycles, etc., to fish-vendors.
10. Establish boat-making units and fish-net making units.
11. Training to fishermen in modern methods of fishing, fish processing, etc.
12. Educational concessions to students belonging to fishermen community.

VIII. Forests:

1. Plantation of quick-growing species.
2. Plantation of economic and industrial uses.
3. Plantation of cashew in forest areas.
4. Raising supplemental crops in forest areas.
5. Farm forestry-cum-fuel wood plantations.
6. Extension forestry - raising a mixed plantation in waste lands, Panchayat lands.
7. Afforestation of special sites.
8. Reforestation of degraded forests.
9. Development of minor forest produce.
10. Social forestry programmes including tree-planting campaign, soft wood cultivation, cultivation of fodder trees and shrubs along the fence, etc.

IX. Community Development:

1. Integrated Rural Development Programme (IRDP).
2. National Rural Employment Programme (NREP).
3. Rural Landless Employment Guarantee Programme (RLGEP).
4. Distribution of pumpsets.

5. Distribution of plant protection equipment.
6. Production of vegetable gardening and horticulture.
7. Dairying, poultry-farming, goat-rearing, etc.
8. Creches, Balwadis, etc.
9. Applied Nutrition Programme.
10. Construction of open draw wells.
11. Provision of ESP type latrines..
12. Construction of rural roads.

X. Panchayats:

1. Construction of small bridges, culverts and foot-paths wherever necessary.
2. Maintenance of roads.
3. Maintenance of minor irrigation works.
4. Maintenance of waterways and canals.
5. Organising voluntary surrender of lands for new roads and widening of the existing roads.
6. Cleaning of village tanks and providing necessary outlets and bunding to prevent pollution.
7. Planting and maintenance of avenue trees.

XI. Cooperation:

1. Arranging supply of inputs to farmers through cooperatives.
2. Membership campaign.
3. Campaigns for collection of arrears.
4. Deposit Mobilisation drives.

5. Arranging consumption loans for farmers.
6. Asisting weaker sections in getting credit.
7. Share capital contribution to credit cooperatives.
8. Interest subsidy on loans to Harijans and Girijans.
9. Interest-free loans to Harijans and Girijans.
10. Managerial subsidy and other support programmes.
11. Interest subsidy to small farmers.
12. Outright grant for Special Bad Debt Reserve Fund/Risk Fund.
13. Incentive grant for deposit mobilization and deposit guarantee scheme.
14. Subsidy for construction of buildings for cooperative societies.
15. Students' stores.
16. Organisation of Women's Cooperative Societies.
17. Employee's Cooperative Societies.
18. Assistance to cooperatives for undertaking Minor Irrigation Works.
19. Assistance to cooperatives for promotion of employment.

XII. Power:

1. Rural electrification.
2. Service connections for domestic purposes.
3. Service connections for agricultural purposes.
4. Service connections for industrial purposes.
5. Provision of street lights.
6. Electrification of Harijan habitats.
7. Electrification of Tribal settlements.
8. Extension of electric line.

XIII. Village and Small Industries:

1. Construction of buildings for industrial cooperative societies.
2. Share participation in Mini Industrial Estate Cooperative Societies.
3. Managerial, technical and other assistance to industrial cooperatives.
4. Interest subsidy to industrial cooperative societies.
5. Share participation in industrial cooperative societies.
6. Assistance for women's industrial programmes.
7. Entrepreneurial development and subsidy programmes.
8. Modernization subsidy.
9. Training and interest-free loans to young entrepreneurs.
10. Seed capital to entrepreneurs to start industries.
11. Investment subsidy.
12. Revitalization of sick small scale units.
13. Interest subsidy to small scale industrial units.
14. Providing additional facilities in the existing development plots.
15. Establishing more industrial development plots in backward areas.
16. Modernisation of looms.
17. Share capital loan to handloom weavers.
18. Training of weavers.
19. Renovation of weavers' houses.
20. Assistance to handicrafts cooperatives.

XIV. Roads and Bridges:

1. Construction of new district roads.
2. Development and improvement to district roads.

3. Construction of bridges and culverts.
4. Construction of village roads.
5. Development and improvements to village roads.
6. Roads of industrial importance.
7. Roads in Harijan settlements.
8. Roads in Tribal settlements.
9. Roads in backward/hilly areas.

XV. General Education:

1. Opening of primary schools.
2. Supply of furniture to new schools.
3. Replacement and addition to departmental school buildings.
4. Acquiring minimum site and building for schools run in rented buildings.
5. Construction of permanent buildings in the place of temporary sheds.
6. Award of scholarships to meritorious students.
7. Adult education programmes.
8. Assistance to libraries.
9. Social Education Programmes.

XVI. Technical Education:

1. Establishment of Junior Technical Schools.
2. Vocationalization of education of post-secondary stage.
3. Textbooks and book banks.
4. Modernisation of laboratories.

5. Pre-vocational Training Centres.
6. Diversification of courses.
7. Remedial courses to reduce wastages.
8. Free supply of textbooks, instruments, uniforms, etc., to Scheduled Castes and Scheduled Tribes students.

XVII. Health:

1. Strengthening of Primary Health Centres and Sub-Centres and opening of new Primary Health Centres and Sub-Centres.
2. Drugs for existing sub-centres.
3. Mass-immunisation programme.
4. Construction of buildings for Hospitals and Dispensaries.
5. Establishment of Ayurveda Dispensaries in rural areas.
6. Establishment of Homeo Dispeensaries in rural areas.
7. Opening of new hospitals in areas other than rural areas.
8. Prevention of food adulteration.
9. Drugs control.
10. Health cards for school children.
11. Family Planning Programme.

XVIII. Environmental Sanitation:

1. Distribution of ESP-type latrines.
2. Sewerage schemes in urban areas.
3. Health education programmes.

XIX. Water Supply:

1. Rural water supply schemes.
2. Urban water supply schemes.
3. Water supply to problem villages.
4. Provision of tubewells.
5. Water supply schemes under the Minimum Needs Programme.

XX. Housing:

1. Low Income Group Housing Scheme.
2. Middle Income Group Housing Scheme.
3. Village Housing Projects.
4. Provision of house sites to landless labourers.
5. Cooperative housing schemes for economically weaker sections.

XXI. Urban Development:

1. Slum improvement/slum clearance schemes in Corporations and Municipalities.

XXII. Labour and Labour Welfare:

1. Strengthening of Industrial Training Institutions, including diversification of trades.
2. Establishment of new Industrial Training Institutes, including Women's institutes.
3. Post-ITI Training courses.
4. Apprenticeship Training Scheme.
5. Vocational Guidance Programme.

**XXIII. Welfare of Scheduled Castes
and Scheduled Tribes:**

1. Scholarships and stipends.
2. Boarding grants.
3. Welfare hostels.
4. Subsidy to technically-trained Scheduled Caste persons.
5. Production centres.
6. Housing schemes for Scheduled Castes and Scheduled Tribes.
7. Creches, Balwadis and Feeding Centres for Scheduled Castes and Scheduled Tribes.
8. Special Coaching to Scheduled Castes and Scheduled Tribes students.

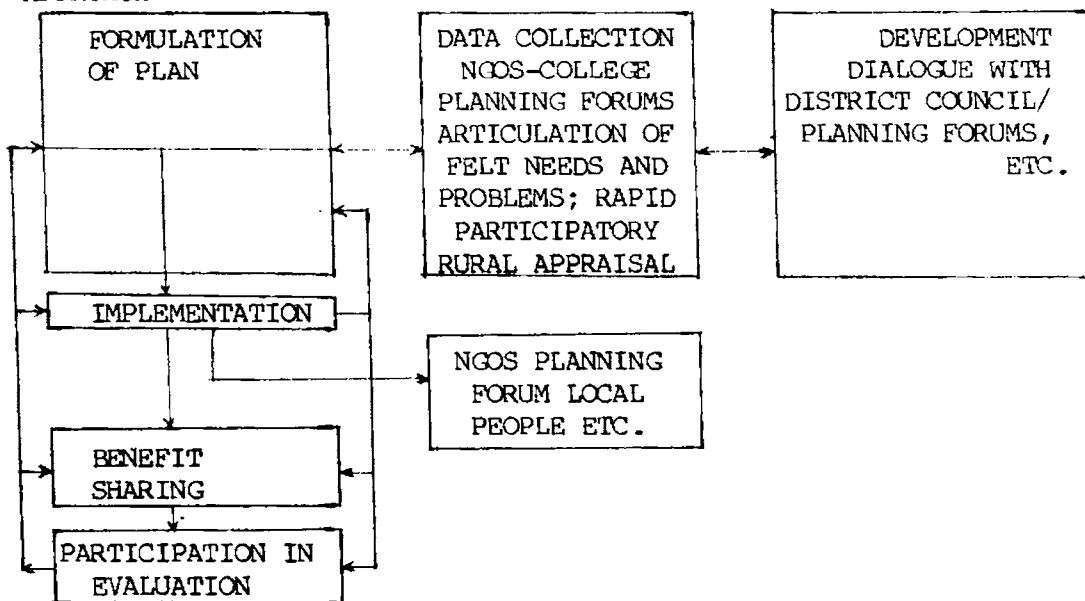
APPENDIX 1.2

District Planning Methodology :
An Outline of Tasks and Steps

Tasks	Steps
1.	2.
<p>1. <u>SITUATION ANALYSIS</u> (to obtain general idea of resource endowment and level of development and to help in the formulation of objectives and strategies)</p>	<ul style="list-style-type: none"> - Preparation of District Profile - Preparation of Resource Inventory (mostly based on secondary data; Rapid Rural Appraisal Technique could also be used). - Resource Inventory Analysis: <ul style="list-style-type: none"> (a) Land & biological resources (maps) (b) Water resources (maps) (c) Geographical resources (maps) (d) Human resources - District vis-a-vis other Districts; Brief review of level of development; <ul style="list-style-type: none"> (a) Trend Analysis; (b) Identifying lacks/gaps/mismatches/constraints/action areas (based on the development experience, field observations, etc.) at the district level.
<p>2. <u>SECTORAL/SPATIAL ANALYSIS</u></p>	<ul style="list-style-type: none"> - Identification of watershed/geoclimatic typologies; - Spatial profile of poverty; - Spatial profile of employment; - Employment survey of Panchayats; - A matrix of spatial profile of population threshold of infrastrural facilities, Panchayat-wise; - Problem/prospect area typologies; - Sectoral review of resource potential, identification of lacks, gaps, action area, etc.
<p>3. <u>FORMULATION OF OBJECTIVES AND STRATEGIES</u> (This exercise will be based on situation analysis and sectoral/spatial analysis)</p>	<ul style="list-style-type: none"> - Assessment of felt needs from Panchayats/NGOs/Local People - Formulation of long term and short term objectives - Development perspectives in outline - Articulation of sectoral objectives and strategies

Appendix 1.2 (contd.)

1.	2.
4. PREPARATION OF PROGRAMMES/PROJECTS	<ul style="list-style-type: none"> - Review of existing schemes/programmes/projects/felt-needs - Identification of projects - Identification of resource-based and preparation of shelf of projects under Soil and Water Management, Crop and Animal Husbandry, Industry, Infrastructure facilities like Health, Education and Roads - Identification of forward and backward linkages of programmes - Estimation of credit needs of programmes/projects - Prioritisation of programmes
5. IMPLEMENTATION PLANNING	<ul style="list-style-type: none"> - Network analysis : scheduling - Devolution of funds and implementation
6. BUDGETING AND FINANCIAL RESOURCES ANALYSIS	<ul style="list-style-type: none"> - Estimation of availability of finance from: <ul style="list-style-type: none"> (a) Central Government (b) State Governments (c) Local Self-Governments (d) Financial Institutions (e) People's contributions - Matching identified programmes/programmes with available resources
7. PEOPLE'S PARTICIPATION - PARTICIPATORY PLANNING APPROACH	



Source:ommen, M.A., "Towards Evolving a Methodology for District Planning with People's Participation : Some Experience from Kerala's Kannur District", The Administrator, Vol.XXXVI, July-Sep.1991, pp.113-214.

Appendix 5.1
Staffing Pattern of Zilla Parishad
Name of the District : BELGAUM

Sr. No.	Designation of Post	Scale of Pay	No.of Posts
1.	Chief Secretary	I.A.S.Cadre	1
2.	Deputy Secretary (I)	1950-75-2250-100-2450	1
3.	Deputy Secretary (II)	1950-75-2250-100-2450	1
4.	Chief Accounts Officer	1950-75-2250-100-2450	1
5.	Council Secretary	1750-75-2250-100-2350	1
6.	Chief Planning Officer	1750-75-2250-100-2350	1
7.	Asstt.Secretary (Admn.)	1200-60-1500-75-2175	1
8.	Asstt.Secretary (Devt.)	1200-60-1500-75-2175	1
9.	Accounts Officer	1200-60-1500-75-2175	2
10.	Project Appraisal & Evaluation Officer	1200-60-1500-75-2175	1
11.	Manpower and Credit Planning Officer	1200-60-1500-75-2175	1
12.	Regional Planners	1050-50-1200-60-1500-75-1950	1
13.	Statistical Officer	1050-50-1200-60-1500-75-1950	1
14.	Superintendents	860-30-950-50-1200-60-1500-75-1650	9
15.	Asstt.Statistical Officer	750-25-800-30-950-50-1200-60-1500	1
16.	Planning Assistant	750-25-800-30-950-50-1200-60-1500	1
17.	Stenographers	630-20-650-25-800-30-950-50-1200	16
18.	First Divn.Assistants	630-20-650-25-800-30-950-50-1200	25
19.	Typists	490-15-550-20-650-25-800-30-950	9
20.	Second Divn.Assistants	490-15-550-20-650-25-800-30-950	17
21.	Record Keeper	490-15-550-20-650-25-800-30-950	1
22.	Drivers	410-10-460-15-550-20-650-25-700	5
23.	Peons	390-5-410-10-460-15-550	19
24.	Binders	390-5-410-10-460-15-550	1
25.	Mandal Panchayat Secretaries-cum-Rural Development Assistants	630-20-650-25-800-30-950-50-1200	200
			318

Source: Proceedings of the Government of Karnataka
G.O.No.RDP 15.ZPS.87(1) dated 9.2.1987.

Appendix 5.2

Staffing Pattern of Zilla Parishad

Name of the District : COORG (MADIKERI)

Sr. No.	Designation of Post	Scale of Pay	No. of Posts
1.	Chief Secretary	I.A.S.Cadre	1
2.	Deputy Secretary (I)	1950-75-2250-100-2450	1
3.	Chief Accounts Officer	1950-75-2250-100-2450	1
4.	Council Secretary	1750-75-2250-100-2350	1
5.	Chief Planning Officer	1750-75-2250-100-2350	1
6.	Asstt.Secretary (Admn.)	1200-60-1500-75-2175	1
7.	Asstt.Secretary (Devt.)	1200-60-1500-75-2175	1
8.	Accounts Officer	1200-60-1500-75-2175	2
9.	Project Appraisal and Evaluation Officer	1200-60-1500-75-2175	1
10.	Manpower and Credit Planning Officer	1200-60-1500-75-2175	1
11.	Regional Planners	1050-50-1200-60-1500-75-1950	1
12.	Statistical Officer	1050-50-1200-60-1500-75-1950	1
13.	Superintendents	860-30-950-50-1200-60-1500-75-1650	7
14.	Asstt.Statistical Officer	750-25-800-30-950-50-1200-60-1500	1
15.	Planning Assistant	750-25-800-30-950-50-1200-60-1500	1
16.	Stenographers	630-20-650-25-800-30-950-50-1200	15
17.	First Divn.Assistants	630-20-650-25-800-30-950-50-1200	18
18.	Typists	490-15-550-20-650-25-800-30-950	8
19.	Second Divn.Assistants	490-15-550-20-650-25-800-30-950	14
20.	Record Keeper	490-15-550-20-650-25-800-30-950	1
21.	Drivers	410-10-460-15-550-20-650-25-700	4
22.	Peons	390-5-410-10-460-15-550	18
23.	Binders	390-5-410-10-460-15-550	1
24.	Mandal Panchayat Secretaries-cum-Rural Development Assistants	630-20-650-25-800-30-950-50-1200	60
			161

Source: Same as Appendix 5.1

Appendix 6.1

Sector-wise distribution of State Plan Outlay
from 1980-81 to 1988-89

Sr. No.	Head of Development of sectors	(Rs. in lakhs)									
		1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
1.	Agriculture and allied services	4302.0	5756.0	5699.5	6951.0	5450.0	4819.4	4862.0	5529.4	6324.5	7627.0
2.	Rural development	798.6	850.3	1812.7	1929.5	2600.0	2371.0	2445.0	2700.0	2586.5	2735.2
3.	Cooperation	320.0	404.9	400.0	405.5	395.5	300.0	337.5	419.0	475.3	526.0
4.	Irrigation and power	9487.0	9750.0	8690.5	12520.3	12865.0	12500.0	14759.0	16035.0	18426.7	18778.2
5.	Industry and Minerals	2930.0	3240.0	3360.0	3389.7	3285.5	3200.0	3349.5	4960.0	5380.0	5365.2
6.	Transport and Communication	1425.0	1685.2	1985.7	2125.0	3754.2	4844.0	4980.5	6390.0	4981.0	4839.2
7.	Social and community services	5415.6	5753.0	6103.0	5599.0	7854.8	7840.8	8946.5	11278.0	11957.2	11624.6
8.	Economic services	127.0	120.0	170.0	145.2	185.0	215.4	205.0	275.0	297.3	315.6
9.	General services	375.0	365.0	371.0	364.8	396.7	842.7	881.7	1088.0	958.8	789.0
	Total:	25180.2	27844.3	28592.4	32930.0	36785.7	36933.2	40966.7	48674.7	51387.3	52600.0

Source: Compiled from Annual Plan Outlay : District-wise Break-up for various years (1980-81 to 1989-90), State Planning Board, Trivandrum.

Appendix 6.2

Sector-wise distribution of State Plan Outlay from 1980-81 to 1989-90 (in percentages)

Sectors	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	Average
1. Agriculture and allied services	17.1	20.6	19.9	19.6	14.8	13.0	11.9	11.4	12.3	14.5	15.6
2. Rural development	3.2	3.1	6.3	5.9	7.0	6.4	6.5	5.5	5.0	5.2	5.4
3. Cooperation	1.3	1.5	1.4	1.2	1.1	0.8	0.8	0.9	0.9	1.0	1.1
4. Irrigation and power	37.6	35.0	30.4	38.0	34.9	33.8	36.0	32.9	35.9	35.7	35.0
5. Industry and minerals	11.6	11.6	11.8	10.3	8.9	8.7	8.2	10.2	10.5	10.2	10.1
6. Transport and communication	5.7	5.8	6.9	6.5	10.2	13.1	12.2	13.1	9.7	9.2	9.2
7. Social & community services	21.5	20.7	21.3	17.0	21.4	21.2	21.8	23.2	23.3	22.1	21.2
8. Economic services	0.5	0.4	0.6	0.4	0.5	0.6	0.5	0.7	0.6	0.6	0.5
9. General Services	1.5	1.3	1.3	1.1	1.1	2.3	2.2	2.2	1.9	1.5	1.7
											100.00

Source: Computed from Annual Plan Outlay : District-wise Break-up-for various years (1980-81 to 1988-89), State Planning Board, Trivandrum.

Appendix 6.3

Proportion of district sector outlay to State and
Central Plan outlay in Karnataka for the years
1987-88 to 1991-92

		(Rs.in Lakhs)		
Year		Total State Plan outlay	District sector outlay	Proportion of district sector outlay to total State outlay
1987-88	State	917.00	220.69	24.07
	Centre	215.47	144.16	69.90
	<u>Total</u>	1132.47	364.85	32.22
1988-89	State	900.00	239.78	26.64
	Centre	252.00	153.13	60.63
	<u>Total</u>	1152.64	392.95	34.09
1989-90	State	1040.00	265.07	25.49
	Centre	266.41	179.75	67.47
	<u>Total</u>	1306.41	444.82	34.05
1990-91	State	1145.00	293.13	25.60
	Centre ^a	221.37	252.15	113.90
	<u>Total</u>	1366.37	545.28	39.91
1991-92	State	1557.80	357.46	22.95
	Centre	378.76	317.57	83.84
	<u>Total</u>	1936.56	675.93	34.86

*During 1990-91, the Central share of the total State plan outlay is less than the Central share of the district sector outlay as the Central share of JRY funds were released directly to the Mandal Panchayats.

Source: Economic Survey 1991-92, Planning Department, Government of Karnataka, Bangalore, 1992.

Appendix 6.4

Plan outlay/Expenditure by major sectors 1985 to 1990 and
Budget estimates for 1990-91 and 1991-92

Sector	(Rs.in crores)										Percentage share during 1991-92	
	Seventh Plan Approved Outlay	Per cent tage share	1985-86 (Accts.)	1986-87 (Accts.)	1987-88 (Accts.)	1988-89 (Accts.)	1989-90 (Accts.)	Total (1985-90)	1990-91	1991-92		
(A) STATE PLAN												
1. Agriculture & allied activities (includes cooperation)	301.80	8.44	51.75	62.11	83.13	82.86	96.19	376.04	95.20	154.86	9.94	
2. Rural Development	169.12	4.73	62.68	67.80	81.79	76.81	91.14	380.22	83.32	110.32	7.12	
3. Special Area Programme (Hyderabad-Karnataka Development)	-	-	-	-	-	-	-	-	55.00	70.00	4.50	
4. Irrigation and Flood Control	746.00	2.86	126.45	163.73	133.24	162.37	187.79	773.58	211.09	247.13	15.86	
5. Energy	800.48	22.39	147.30	142.92	154.69	209.85	228.94	883.70	489.28	372.18	23.90	
6. Industry & Minerals	241.08	6.75	64.52	74.48	63.69	58.64	93.96	355.29	85.69	107.67	6.91	
7. Transport	243.00	6.79	42.14	46.15	44.47	48.38	62.87	244.01	73.71	93.25	5.98	
8. Science, Technology and Environment	4.00	0.12	0.66	0.77	0.68	0.89	0.89	3.89	1.23	1.88	0.12	
9. General Economic Services	29.07	0.81	5.72	5.63	4.74	3.15	2.41	21.65	5.87	12.61	0.81	
10. Social Services	1012.45	28.33	183.16	222.78	241.05	229.41	248.84	1125.24	339.08	368.52	23.65	
11. General Services	28.00	0.78	8.94	10.17	7.50	11.04	16.54	54.19	16.86	18.80	1.21	
Total State Plan:	3575.00	100.00	673.32	796.54	776.02	883.40	1029.57	4178.85	1457.33	1557.80	100.00	

Source: Details of Provisions for Plan Schemes, 1987 to 1991 and 1991-92, State Planning Department, Government of Karnataka, Bangalore.

Appendix 6.5 (contd.)

Major Heads of Development	1987-88			1988-89			1989-90			1990-91			1991-92		
	State	Centre	Total	State	Centre	Total	State	Centre	Total	State	Centre	Total	State	Centre	Total
(B) SOCIAL SERVICES:															
1. Education, Sports, Arts & Culture	10.00	2.49	12.49	17.94	2.50	20.44	22.98	16.40	39.38	30.38	23.84	54.22	43.98	26.32	70.20
2. Health	12.49	22.87	35.36	14.84	26.48	41.32	14.85	27.66	42.51	23.40	29.28	52.68	28.53	35.13	63.66
3. Water supply, Housing and Urban Development	30.53	22.83	53.36	38.41	29.53	67.74	36.74	24.53	61.27	28.55	20.79	49.34	40.66	26.34	67.00
4. Information and Publicity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Welfare of SC/ST and other Backward classes	23.87	8.23	32.10	6.58	2.25	8.83	7.78	2.18	9.96	10.18	3.09	13.27	16.35	4.22	20.57
6. Labour and Labour Welfare	6.56	2.06	8.62	6.40	1.33	7.73	6.27	1.33	7.60	5.30	0.08	5.38	5.82	-	5.82
7. Social Welfare & Nutrition	11.74	6.84	18.58	11.41	10.87	22.26	11.46	12.62	24.08	10.08	15.01	25.09	12.18	21.84	34.02
TOTAL:															
SOCIAL SERVICES	95.19	65.32	160.51	95.58	72.96	168.54	100.08	84.72	184.80	107.89	92.09	199.99	147.42	113.86	261.28
GENERAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	220.69	144.16	364.16	239.78	153.17	392.95	265.07	179.75	444.82	293.13	252.15	545.28	357.46	317.57	675.03

During 1987-88, SCP and TSP outlay was pooled and included in welfare of SCs/STs and other BCs; during 1988-89, 1989-90, 1990-91 and 1991-92, SCP and TSP outlay is included in the outlay of the respective sectors.

APPENDIX 7.1

KERALA : SOME INDICATORS OF DEVELOPMENT

Sr. No.	Districts	Area in sq.kms.	Population 1981-Census (in '000)	% of SC/ST to total population	% of urban population	Literacy rate	Forest Area in sq.kms.	No. of beds per lakh population (1991)	Road length per 100 sq.kms. (1986-87)
1.	Trivandrum	2192	2596	11.48	25.26	70.49	493.16	244	76.7
2.	Quilon	2579	2193	12.53	15.37	72.96	862.87	87	67.5
3.	Pathanamthitta	2731	1108	12.97	5.60	79.87	1567.62	344	52.1
4.	Alleppey	1256	1866	9.46	18.45	77.44	-	50	75.4
5.	Kottayam	2204	1697	7.91	9.37	81.67	100.54	179	87.1
6.	Idukki	2498	969	17.65	4.59	67.60	2991.55	74	32.6
7.	Ernakulam	2408	2535	8.66	39.56	76.84	310.97	142	79.7
8.	Trichur	3032	2440	12.51	21.10	73.53	1013.00	157	48.8
9.	Palghat	4480	2044	19.81	10.11	58.02	1603.68	102	32.5
10.	Malappuram	3548	2403	8.99	7.40	60.51	760.45	76	42.1
11.	Kozhikode	2345	2245	7.38	27.18	70.16	294.40	195	51.3
12.	Wayanad	2132	554	21.03	nil	58.30	884.20	106	27.3
13.	Cannanore	2997	1931	4.87	31.75	70.53	230.00	126	46.7
14.	Kasaragod	1961	873	10.26	4.93	55.10	110.77	74	41.4
	State:	38863	25454	11.04	18.74	70.42	11223.22	142	50.8

Source: Compiled from: (1) Basic Statistics 1991 for each district, Directorate of Economics & Statistics, Trivandrum.
(2) Economic Review 1991, State Planning Board, Trivandrum.
(3) Statistics for Planning, 1988, Directorate of Economics & Statistics, Trivandrum.

Appendix 7.1 (contd.)

District	Roadlength per lakh population	Agri. income in current price (Rs. in lakhs (1985-86)	Value-added from manu- facturing (Rs. in lakhs) (1985-86)	No. of banks commercial and co- operative (1989-90)	Net area sown in '000 ha. (1985-86)	Cropped area '000 ha.	Net irrigated area in '000 ha. (1985-86)	Gross irrigated in '000 ha. (1985-86)	Per capita income at current prices (1990-91)
	9.	10.	11.	12.	13.	14.	15.	16.	17.
Trivandrum	64.8	15977	7882	392	143.0	218.0	10.0	11.6	3799
Quilon	79.3	16977	9639	303	143.0	223.5	4.2	4.7	3756
Pathanamthitta	128.5	9626	4232	266	101.0	111.4	3.4	5.3	3881
Alleppey	50.8	11897	7376	384	103.0	156.0	23.7	24.8	3604
Kottayam	113.1	17786	4459	374	183.0	238.0	6.2	14.6	3798
Idukki	168.1	15962	4833	169	166.0	197.0	3.4	4.4	5001
Ernakulam	75.7	19052	20973	565	178.4	247.2	46.2	74.8	5612
Trichur	60.7	14470	8926	460	156.0	219.0	57.9	91.4	3772
Palghat	71.3	15435	4528	309	216.0	318.0	67.3	80.4	3195
Malappuram	62.2	13626	1368	292	201.0	235.0	27.0	30.2	2492
Kozhikode	53.6	14148	7249	313	162.5	204.3	5.1	6.1	3835
Wayanad	104.9	9767	3889	86	114.1	245.4	8.9	13.7	4563
Cannanore	72.5	16178	3231	328	190.0	211.2	10.2	11.8	3674
Kasaragod	92.9	9908	2237	165	135.0	242.0	23.0	25.4	3702
State:	77.6	200869	90822	4406	2192.0	2866.0	296.5	399.2	3843

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Appendix 7.2

Net domestic products in districts at current prices in Kerala from 1980-81 to 1988-89

Sr. No.	Districts	(Rs. in crores)												
		1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89				
1.	Trivandrum	352.3	368.9	409.9	514.9	592.9	606.8	660.4	768.5	837.2				
2.	Quilon	392.0	395.5	467.7	448.2	497.6	525.5	595.6	680.3	759.4				
3.	Pathanamthitta	-	-	-	210.3	243.1	267.4	291.3	340.4	385.2				
4.	Alleppey	316.2	346.7	387.8	362.2	420.1	427.9	475.2	540.8	638.0				
5.	Kottayam	253.6	283.7	332.6	381.8	414.9	434.1	522.8	586.4	613.2				
6.	Idukki	158.8	171.0	191.8	272.2	283.1	309.1	328.4	420.9	477.7				
7.	Ernakulam	475.6	537.3	630.9	629.7	750.0	793.8	879.4	1013.8	1263.5				
8.	Trichur	322.6	340.3	394.7	464.8	507.8	535.2	619.2	774.5	865.7				
9.	Palghat	254.2	282.4	317.8	347.3	383.6	399.3	435.6	548.4	613.8				
10.	Malappuram	220.2	223.0	257.9	287.9	333.8	344.5	390.5	470.7	588.9				
11.	Kozhikode	352.2	286.9	362.4	458.1	501.1	464.2	508.0	720.4	840.6				
12.	Wayanad	-	117.3	108.5	141.9	189.4	203.8	248.9	223.2	230.7				
13.	Cannanore	407.6	343.4	419.7	498.8	595.8	394.7	452.7	590.3	602.1				
14.	Kasaragod	-	-	-	-	-	211.0	272.9	297.4	326.3				
<u>State:</u>		3505.4	3696.5	4524.3	5018.5	5713.6	5917.5	6680.9	7976.0	9042.3				

Sources: Compiled from (1) Statistics for Planning, 1983, 1986, 1988; Directorate of Economics and Statistics, Trivandrum;
(2) Economic Review, 1991; State Planning Board, Trivandrum.

Appendix 7.3

Net Domestic Income in Karnataka, District-wise
(in current prices)

Sr. No.	Districts	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
1.	Bangalore	109680	112213	129626	146677	187735	214339	241386	278439	329360	399158
2.	Belgaum	44447	45673	47860	55128	66718	78090	86985	108460	134807	159323
3.	Bellary	24139	24218	23460	29538	33212	35332	46430	52271	65998	70025
4.	Bidar	13641	13653	13724	15928	20624	25122	27320	29173	32324	35594
5.	Bijapur	25472	28312	34067	40474	41278	44704	55443	66191	76207	102431
6.	Chickmagalur	17432	18224	19129	24701	25314	29747	35770	38494	49303	54709
7.	Chitradurga	29998	30212	30810	36173	42710	44370	52316	61480	75341	79340
8.	Dakshina Kannada	45560	47660	49143	58858	73270	86028	93774	107806	115741	133147
9.	Dharwad	40066	40518	41278	52518	59840	62446	74117	88380	111520	120718
10.	Gulbarga	29528	29647	29987	34021	44375	48381	50076	64268	76723	92922
11.	Hassan	19114	20630	21430	28556	30642	32459	34440	37146	47564	52758
12.	Kodagu	14246	15899	17034	20142	23094	26699	25340	25388	37211	29528
13.	Kolar	17341	18219	19351	24204	29635	33319	40295	46555	53963	62099
14.	Mandya	23134	23147	23157	28882	34172	36014	39784	41639	52700	65900
15.	Mysore	42410	24620	46755	56858	72930	80998	91373	101303	144145	160678
16.	Raichur	26471	25327	24255	32897	35480	37026	46434	52357	59174	66977
17.	Shimoga	30851	29716	28397	33093	46390	52275	58412	63135	67310	83494
18.	Tumkur	24586	26574	29940	36543	39843	42893	49390	58619	64779	78662
19.	Uttara Kannada	18287	19008	19504	22470	38678	45445	46970	48800	50484	57032
State:		596403	593520	648907	777661	945940	1055687	1196055	1369904	1644654	1904495

Sources: Compiled from (1) Abstract for Planning, for various years; Planning Department, Government of Karnataka, Bangalore;

(2) Economic Review 1991-92, State Planning Department, Government of Karnataka, 1992.

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