

1. Details of Module and its Structure

Module Detail	
Subject Name	Political Science
Paper Name	Public Policy, Governance and Indian Administration
Module Name/Title	Socio-Economic Planning in India: Objectives, Planning Machinery at the Union, State and Local Level
Pre-requisites	Awareness about Planning, Planning Machinery in India at the Union, State and Local level
Objectives	To study about Concept, Objectives, Types and Features of Planning, History of Planning in India and Machinery for Planning in India at Union, State and Local level
Keywords	Planning, Planning Commission, National Development Council, State Planning Boards and District Planning Committees

Structure of Module / Syllabus of a module

Socio-Economic Planning in India: Objectives, Planning Machinery at the Union, State and Local Level	Meaning, Definitions, Features and Objectives of Planning; History of Planning in India, Planning Machinery at the Union Level (Planning Commission, national Development Council), at the State Level (State Planning Boards) and Planning Machinery at the Local Level (District Planning Committee and Metropolitan Planning Committee) and Evaluation of Planning Machinery at every level.
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2. Development Teams

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Objectives of the Module

After studying this module, you will be able:

- To state the meaning, definition, objectives and features of planning.
- To know the history of planning in India and discuss the planning process in formulating Five Year Plans.
- To state the machinery of planning at union, state and district level.

Summary

In the modern age, planning is not only a tradition but has also become a necessity. There is hardly any country in the world which has not adopted planning for its overall development. Planning, infact, has proved to be blessing for the developed countries and has become a necessity for the developing countries. Planning paves the way for the socio-economic development of a country. For planning to be effective in achieving its goal, it is very significant that the planning machinery should be relevant and efficient in its functioning. It must have the necessary resources, vision and foresight to anticipate, assess the resources and plan within the means so that maximum can be had from the planning process.

In the context of Indian Administration, where problems of development are galore, resources for development are very limited, technology in its infancy, lies the importance of planning machinery not just at the Union level but also in the states and at the local level. The planning agencies at the national level – Planning Commission and National Development Council outline the goals and vision for the country as a whole. These agencies play an integrative role while integrating the plans made at the local level by District Planning Committees and State Planning Boards so that planning in India becomes integrative, comprehensive and plan for the last man on the road can be made.

1. INTRODUCTION

Planning in its broadest sense means systematic preparation for action. Planning is inherent in all activity, individual or collective. It is an important instrument of socio-economic change in modern times especially in the under-developed and developing countries. A planned economy is one in which the state owns partly or wholly and directs the economy for rapid economic growth and social and economic justice. While such a role is assumed by the State in almost every economy, in planned economies it is pronounced. Social and economic planning goes together and must be considered together. Economic planning involves advance determination by state agencies of the needs of the country for the more essential economic goods and services over a given period, arranging them into a scheme of priorities, and controlling both production and consumption with a view to their fulfillment within the period. Such planning is always geared to the realization of some social objectives like provisions and maintenance of full employment, raising per capita income or standard of living, or achievement of national self sufficiency in some essential goods or services.¹

Socio-economic planning involves definite governmental interposition in the economy of the country, and is antithesis of the policy of economic laissez-faire.² The extent of such interposition may vary from full ownership and control of means of production by state as was in former USSR (called as command and control economies), to mixed economies (consisting of definitely demarcated public and private sectors of activity) as in India. Soviet Russia provides the most spectacular example of social and economic planning. Since 1921, it had a succession of five year plans covering agriculture, industry and practically every other branch of the economic life of the nation. Command economies have been dismantled in the last two decades as they did not create wealth sustainably and were not conducive for innovation and efficiency.³ The present era is of market economies with decentralized and indicative planning. Moreover, planning has come to include not just planning for economic resources but also for social development and growth.

Socio-economic planning is considered as the panacea for all socio-economic problems prevalent in society. Socio-economic planning is one of the most noteworthy inventions of the twentieth century after the end of World War II when advanced but disrupted economies had to be rehabilitated and the underdeveloped economies were fired with the ambition of rapid economic development.⁴ The idea of planning was not accepted enthusiastically in some western capitalist countries because planning came to be associated with socialist economies. But this unreasoned opposition to planning vanished and now even in capitalist countries, where market incentives govern and direct the economy, planning has been adopted more or less in one or the other sector of the economy and is a sine qua non of progress.

1.1 Definitions of Planning

Planning may be defined as delineating the things that need to be done and the methods for doing them in order to accomplish the purpose for the agency

¹M.P Sharma and B.L Sadana, Public Administration in Theory and Practice, KitabMahal, Allahabad, 2005, p-585.

²*Ibid.* p-585

³ Cuba and North Korea are still command economies.

⁴ Ramesh k. Arora and RajniGoyal, Planning Systems: Centre, State and District, Indian Public Administration: Institutions and Issues, WishwaPrakashan, New Delhi, 1997. p-409.

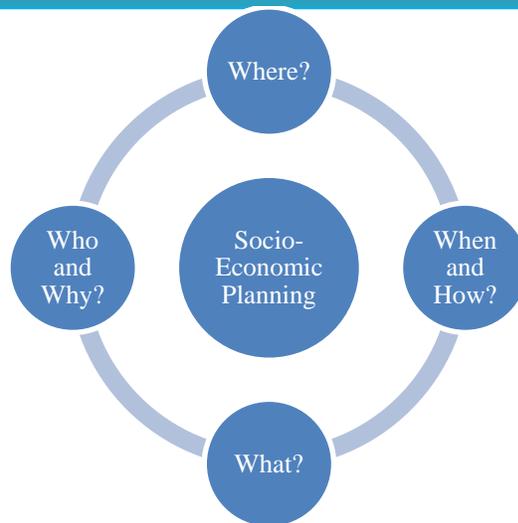


Figure 1: Meaning of Planning

(Figure 1).⁵ The scope of socio-economic planning has become very wide aiming not merely at the development of resources in a narrow technical sense, but also at the development of human faculties and building up of an institutional framework adequate to the needs and aspirations of people.⁶ Different economists have defined socio-economic planning in a variety of ways by keeping in mind the goals to be achieved and the techniques for achieving them.⁷

Barbara Wooton: Economic planning is system in which the market mechanism is deliberately manipulated with the object of producing a pattern other than which would have resulted from its own spontaneous activity.

Herman Levy: Economic planning means securing a better balance between demand and supply by conscious and thoughtful control either of production or distribution.

Dr. Dalton: Economic planning in the widest sense is the deliberate direction by persons in charge of large resources of economic activity towards chosen end.

Lewis Lorwin: Planning is a scheme of economic organization in which individual and separate plants, enterprises and industries are treated as coordinate units of one single system for purpose of utilizing all available resources to achieve for maximum satisfaction of the people's needs within a given time.

Planning Commission of India: Planning under a democratic system is defined as the technical co-ordination, consumption, production, investment, trade and income distribution in accordance with social objectives set by institutions representative of the nation. Such planning is not only to be considered from the point of view of economics and the raising of the standard of living but must also include cultural, spiritual and the human side of life.

H.D. Dickinson: Economic planning is the making of major economic decisions – what and how much is to be produced, when and where to be produced, and to whom it is to be allocated by the comprehensive survey of the economic system as whole.

1.2 Features of Planning

Planning as an activity is based upon the application of various mathematical forecasting tools using ?projections of future with some certainty may be possible. Planning helps nations plan for socio economic

⁵AmreshwarAvasthi and AnandPrakashAvasthi, Indian Administration, Lakshmi NarainAgarwal, Agra, 1999, p-71.

⁶www.preservearticles.com/2011121318426/main-objectives-and-functions-of-the-planning-commission-of-india.html. last accessed on March 12, 2014

⁷http://www.unishivaji.ac.in/de/ExtraUnts_BA3EcoEng_150313.pdf, assessed on 3rd December, 2013

reconstruction and strategic employment of resources for better attainment of objectives in the future. Planning helps nations to recover from the acute problem of underdevelopment and to institute such structures and processes through which future goals become achievable. Planning on one count address the short term goals and on the other hand prepare the foundation and mechanism for the factors that retard the growth of the nation. The essential features of planning are:

- a) Predetermined and well defined objectives or goals.
- b) Deliberate control and direction of the economy by a central authority, e.g., the State.
- c) Optimum utilization of scarce natural resources, capital and labour that may be abundant.
- d) Objectives to be achieved within a given interval of time – 5 years, 7 years, etc.
- e) Increasing production, maximizing employment and controlling population growth

1.3 Objectives of Planning

The main objectives of planning are:

- a) Increasing National Income
- b) Remove Poverty and Inequalities of Income of Wealth
- c) Development of Agriculture and Industrial Sector
- d) Economizing Scarce Resources
- e) Development of Infrastructure
- f) Increasing the Rate of Economic Development
- g) Strengthen Market Mechanism
- h) Balanced Regional Development
- i) Balanced Development of Economy
- j) Providing Employment Opportunities
- k) Raising the Standard of Living

1.4 Types of Planning

There are various types of socio-economic planning depending on the economic system, objectives to be achieved and the time frame set for achieving the targets. The major types of plans are discussed as under.⁸

1.4.1 Centralised Planning

Centralised planning, prevalent mostly in socialist economies (former USSR, India till 1991), is planning by direction. Under this type of planning, even the basic economic decisions are taken by the State (whether priority is to be given to development of industry or to agriculture or to basic and heavy industries or to consumer goods industries) since most of the means of production are owned by the State.

1.4.2 Planning by Inducement

In a mixed economic system as in India where there is coexistence of public sector and private sector, the government persuades the industries in the private sector to fulfill the goals of the plan through inducements such as tax concessions and by providing incentives.

1.4.3 Indicative Planning

In Indicative planning, plans indicate the direction of growth and not dictate it. The role of the government is that of a ‘persuader’, using the moderate strategy of ‘moral persuasion’ and not any strong regulatory and controlling measures. The government acts as the facilitator, promoter and partner and not as regulator. Indicative planning is prevalent in mixed economies. The government makes indicative plans in consultation with the private sector. The plans are formulated in a perspective of 10 to 20 years after detailed discussions with varied interests e.g., planning in France and Japan. After India embraced liberalization and privatization policies in 1991, even Indian planning has become indicative planning.

1.4.4 Mid-Term, Short Term Plan and Perspective Plans

⁸<http://www.scribd.com/doc/22283102/Economic-Planning-of-India-report>, accessed on 3rd December, 2013

Economic plans can also be divided into mid term plans, short term plans and perspective plans. The five year plans in India are mid term plans. Short term plans are annual plans. During the period of implementation, the five year plans are divided into Annual Plans. Perspective plans are long term plans and the period ranges from 20-25 years. The five year plans are formulated by taking into account the long term objectives of the perspective plan.

1.4.5 *Rolling Plans*

Unlike the five year plans with fixed targets, in the case of the rolling plans, at the end of each year targets are fixed by adding one more year to the Plan i.e., without fixed targets for all the five years depending upon the performance of the plan in the current year, targets are fixed for one more year and this continues on a continuous basis. Rolling Plan was adopted in India in 1962 in the aftermath of Chinese attack on India.

1.4.6 *Democratic Planning*

In democratic planning the representatives of people prepare and implement the plans. e.g., in India the Planning Commission prepares the draft outline of the plan which is widely circulated and discussed by wider social interests representing various sections of the society like economists, social workers, opposition political leaders and representatives of the civil society. Furthermore, each state considers these plans and prepares its own master plan to be further integrated into the national plan. The national plan is then placed before the Parliament for its approval and only when it is approved by the Parliament it is ready to be implemented.

1.4.7 *Decentralized Planning*

It is bottom-up planning. It is undertaken at the grass-roots level. It involves local people and their organizations. Being closer to the people, it directly meets their needs and aspirations and is thus best suited to enlist people's participation. Being based on citizen participation its implementation would make most effective use of locally available resources. As decentralized planning starts from the lower level it gets integrated with the people and is thus people-oriented. The 73rd and 74th Constitutional Amendment Acts of 1993 make it mandatory to decentralize planning in India.

1.4.8 *Regional and National Planning*

A national plan/ centralized planning is a plan for the country as a whole whereas a regional plan/ decentralized planning comprehends development of a particular region taking into consideration regional potentialities and requirements by securing maximum efficiency in the utilization of the community's resources. In a vast country like India with a diversity of development, climate, culture, and physical resources, regional planning becomes a necessity. The success of the regional plan depends on the degree of its integration with the national plan.

1.4.9 *Functional Planning and Structural Planning*

Functional planning is done within the existing socio-economic framework and structural planning seeks to change the socio-economic structure radically. Functional planning attempts to modify or improve the existing structure or repair or rehabilitate it, if it is damaged or disrupted, e.g. Indian economy after the partition. Planning in India so far is functional. Even though the avowed objective of Indian planning was to establish a socialistic pattern of society but no drastic or revolutionary steps were taken to change radically the existing economic order. In the former U.S.S.R. and China, on the other hand, planning was structural because drastic structural changes were made in those economies.

1.4.10 *Financial Planning*

In financial planning, the allocation and measurement of resources is made in terms of money and finance is the key to economic planning. The outlay is fixed in terms of money and estimates are made regarding the growth of the national income arising out of this outlay. The finances are raised through taxation, savings and borrowings. Financial planning consists in securing balance between demand and supply.

1.4.11 *Physical Planning*

Physical planning concerns itself with physical targets regarding agricultural, industrial production and transportation services. In physical planning, an overall assessment of the available real resources such as raw materials and manpower and how they are to be mobilized for avoiding bottlenecks in made and attempt is made to balance investments and outputs. Development efforts are measured in terms of factor allocations and product yields so as to maximize income and employment. The composition of investment in terms of goods needed for obtaining a desired output of a product is calculated. For example, how much iron, how much coal, how much electric power is needed in order to produce an additional tonne of steel. The output of one industry or branch of economy becomes the input for producing the output of another industry or branch of economy.

1.4.12 Planning Under Mixed Economy

Mixed economy represents a half-way house between capitalism and socialism. In a mixed economy a very comprehensive planning is out of question since both the private and public sectors have a vital role to play in the growth of the economy apart from the vast unorganised sector. Not only does one assist the other but each exercises a check on the other. The private sector acts as a breaker on the bureaucratic tendency of the public sector and the latter on the monopolistic tendencies on the former. It is possible to plan for the public sector and the organized private sector as in major industries but it is difficult to plan for the vast unorganized rural sector e.g., agriculture sector in India.

The study of different types of planning helps in focusing the strength and weaknesses in implementing it. The developing and developed countries have wider options in selecting the particular types of economic planning on grounds of their resources, types of Government and socio economic phenomena in the country. For example, socio-economic planning in mixed economy is a very challenging activity; in centralized planning, plans can be implemented speedily, and targets and goals can be achieved; in democratic planning there are delays in formulating and implementing the plans due to the democratic processes involved thereby slowing the growth processes though there is a good deal of freedom for various sectors of the economy.

Text for Voice Narration	Chunk Text
<p>A plan is a deliberate attempt to spell out how the resources of a country should be put to use. Socio-Economic planning is to plan for future, to achieve the socio-economic development objectives of the society. It helps in mobilizing and allocating the resources in a desired manner. Socio-economic planning in India started in the year 1950 when Planning Commission of India was set up by an executive order and First Five Year Plan commenced in July 1951. Each 5-Year Plan aims at achieving certain targets. They constitute the steps towards the fulfillment of objectives of socio-economic planning.</p>	<ul style="list-style-type: none"> • Over the course of last 60 years, India has developed into a stable economy. • It is largely the result of planned socio-economic development which commenced in India in 1950 • The efforts for adopting planning in India started even before independence • It took concrete shape only after independence with the setting up of Planning Commission in March 1950 by an executive order and execution of First Five Year Plan in July 1951. • The objectives of socio-economic planning in India are as under: <ol style="list-style-type: none"> a) Economic Growth b) Reduction of Economic Inequalities c) Balanced Regional Development d) Modernization e) Reduction of Unemployment

2. HISTORY OF SOCIO-ECONOMIC PLANNING IN INDIA

Socio-economic planning in India was not altogether new and even under British rule good deal of thinking went into socio-economic planning in India. The first idea of planning for India was advocated by Sir Vishvesvarayya in his book on economic planning entitled as “Planned Economy for India” in 1934.⁹ He advocated that the goal of planning was poverty eradication through growth. In 1937, the Indian National Congress set up the National Planning Committee under the chairmanship of Late Pandit Jawaharlal Nehru. It stated the objective of planning for development was to ensure an adequate standard of living for the masses and to get rid of poverty of the people. It advocated setting up of heavy industries under public ownership that were essential for Indian self defence and to build other industries; redistribution of land away from the big landlords would eliminate rural poverty. In addition to this several other plans were drawn up in the pre-independence times. The major ones being the Bombay Plan(prepared by eight leading industrialists of Bombay) in 1944; M.N Roy’s People’s Plan (stressed on employment and wage goods), Gandhian Plan prepared by S.N. Aggarwal (stressed on decentralization, agricultural development, employment, cottage industries etc.), Post-War Reconstruction Plan (prepared by the Planning Development Council set up by the British Government under Sir Ardeshir Dalal in 1944 which formulated several short-term as well as long term schemes to be enforced after the Second World War), Six year (1951-56) Colombo Plan for India (prepared by the Planning Commission set up by the Government of India in March 1950 to improve the living standards of the people of South and South-East Asia by stepping up the production of food grains, industrial raw materials and finished goods)

India was a devastated economy after more than two centuries of colonial exploitation resulting in chronic poverty. Eradication of poverty was the driving force for the formulation of plans in India. After independence in 1947, India launched the five year plans for rapid growth with the following long term goals.

- | | | | |
|-----------|------------------|------------------|-------------------|
| 1. Growth | 2. Modernisation | 3. Self-Reliance | 4. Social Justice |
|-----------|------------------|------------------|-------------------|

3. PROCESS OF PLANNING IN INDIA

The socio-economic objectives of development in India are achieved by formulating five year plans. The plan formulation in India passes through following four stages.¹⁰

3.1 First Stage

The first stage begins about three years in advance of the commencement of the Plan. The Planning Commission prepares, in consultation with union ministries and state governments rough sketches of schemes and projects which appear to be necessary. It conducts a thorough appraisal of the existing state of country’s economy. Broadly determines how these resources will be distributed between the centre and the states. After the tentative approval of the National Development Council (NDC), these schemes and projects are communicated to the appropriate central ministries and state governments.

3.2 Second Stage

During the second stage, various central ministries and state governments draw up their own plans in the light of the allocations received. For this purpose, the state governments have their own planning machinery both at the state and the district level. Generally, each state department, specially the development departments, has its own planning unit or cell. The plans prepared by these are co-ordinated by an inter-departmental committee consisting of the secretaries of the departments concerned. The chief secretary is its chairman. At the district level, there are district planning committees which co-ordinate the plans received from blocks and village panchayats. The district plans are co-ordinated at the state level by an officer generally called the Development Commissioner. Finally, there is a State Planning Board or committee which co-ordinates the departmental and district plans.

3.3 Third Stage

⁹AmreshwarAvasthi and AnandPrakashAvasthi, *op.cit.p-73*.

¹⁰M.P Sharma and B.L Sadana, *op.cit. p-591-592*

The third stage begins when the plans of the central ministries and the state governments have been received by the Planning Commission. At this stage, various plans are integrated into a coherent draft national plan. This draft plan is published for public comments, criticism and suggestions.

3.4 Fourth Stage

Finally, in the fourth stage, in light of criticism and suggestions from the public, the central ministries and states make efforts through negotiation and discussion to secure agreement, and the plan as agreed to, is placed before the Union cabinet for approval and when approved, it is referred to the NDC for its recommendations. After these recommendations have been considered and incorporated in the plan by the Planning Commission, the plan as now finalized, is placed before the Parliament for its sanction. After this sanction is given, the plan becomes the national plan for the next five years and implementation begins.

4. PLANNING MACHINERY IN INDIA

The subject of socio-economic planning, which is the central instrument of socio-economic development did not get a central place in the Indian Constitution. However, the Indian Constitution spelled out an economic philosophy for India in the ‘Directive Principles of State Policy’ (DPSP). Furthermore, the subject of ‘Economic and Social Planning’ was included in the Concurrent List of the Seventh Schedule of the Constitution (Entry 20, List III).¹¹

The governments at the Union and in the states have set up number of agencies to formulate and implement five year plans in the country. Planning Commission and the National Development Council (NDC) are the main agencies for the formulation of plans at the national level. There are number of state planning boards/planning departments at the state level. Below the state level, there are District Planning Committees for formulating district plans.

The two most important eminent bodies engaged in providing direction to planning i.e., the Planning Commission and the National Development Council (NDC) are extra-constitutional bodies. However, the subject of planning for economic and social development has been included (item 3) in the twelfth schedule of the Indian Constitution under the Constitution 74th Amendment Act, 1992. Another notable addition to the Constitution has been in the form of insertion of Article 243ZD which pertains to the creation of District Planning Committees. Interestingly, the central and the state planning organs do not enjoy a constitutional, but the district organ does.

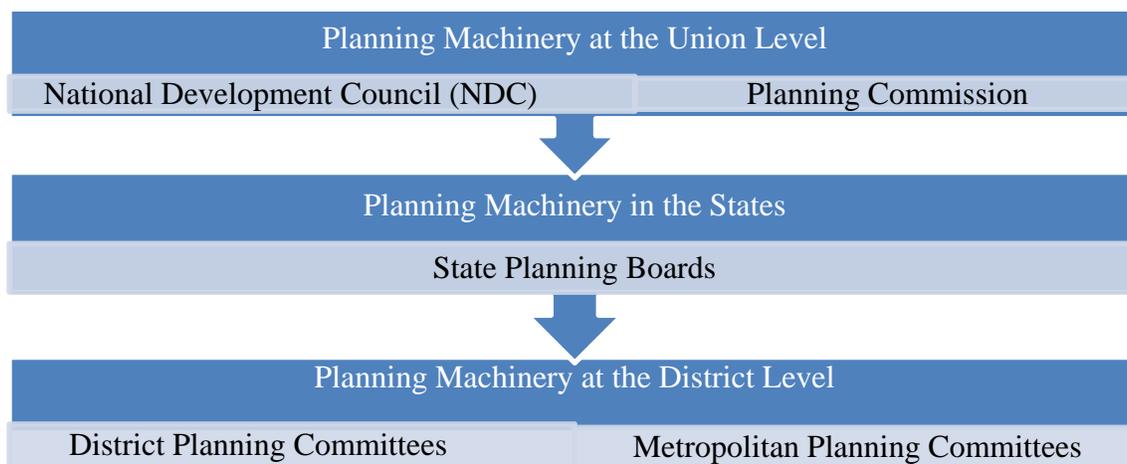


Figure 3: Planning Machinery in India

¹¹ Ramesh K. Arora and Rajni Goyal, *op.cit.*p-413

4.1 Planning Machinery at the Union Level: Planning Commission and National Development Council (NDC)

There are two main agencies of planning at the union level – Planning Commission and National Development Council (NDC).

4.1.1 *Planning Commission: Organisation, Composition, Functions and Role*

The Planning Commission was set up on 15 March 1950 by an executive resolution of the Government of India on the recommendations of an Advisory Planning Board constituted in 1946 under the chairmanship of K.C. Neogi. It was set up under the chairmanship of Pandit Jawahar Lal Nehru, its first chairman. Planning Commission is neither a constitutional (not created by the Constitution) nor a statutory body (not created by an Act of Parliament).

The Planning Commission is a permanent, autonomous, advisory and expert body. It works under the overall guidance of the ‘National Development Council’, India’s prime policy-making body that guides the nation on the development process. It consults the Central Ministries and state governments while formulating the Five Year Plans, Annual Plans and state plans. It is not responsible for taking and implementing decisions. This responsibility rests with the Union and the state governments. It only oversees the implementation of the plans. It plays an integrative role in formulating plans with a holistic approach.

4.1.1.1 Organisation of Planning Commission: The organization of the Commission has undergone far-reaching changes since its inception in 1950. The Planning Commission functions through several divisions and sections, each headed by a senior officer, usually designated as Advisor or Chief or Consultant or Joint Secretary or Joint Advisor. The full time members assume day to day responsibility of these divisions and sections and tenders advice jointly on all important matters. The internal structure of the Planning Commission is:¹²

- i) General Administrative Branches - Responsible for housekeeping functions pertaining to administration, accounts, library, training and other general services to the employees of the Commission.
- ii) General Divisions - These are concerned with certain aspects of the entire economy e.g. perspective planning, financial resources, international economics, plan co-ordination, state plans including multi-level planning, hill area development programme, labour employment and manpower, science & technology, project appraisal and management, development policy and socio – economic research. The General Divisions functioning in the Planning Commission are: Development Policy Division; Financial Resources Division; International Economics Division; Labour, Employment and Manpower Division; Perspective Planning Division; Plan Coordination Division; Project Appraisal and Management Division; Socio-Economic Research Unit; State Plan Division, including Multi Level Planning; Border Area Development Programme; Hill Area Development and North Eastern Region (NER); Statistics and Surveys Division; Monitoring Cell.
- iii) Specialized Subject Divisions – These divisions are responsible for preparing a detailed analysis in regards to the specific area for which they exist. The subject divisions are: Agriculture Division, Backward Classes Division, Communication & Information Division, Education Division, Environment and Forests Division, Health & Family Welfare Division, Housing, Urban Development & Water Supply Division, Industry & Minerals Division, Irrigation & Command Area Development Division, Power & Energy Division (including Rural Energy, Non-Conventional Energy Sources and Energy Policy Cell), Rural Development Division, Science & Technology Division, Social Welfare & Nutrition Division, Transport Division, Village & Small Industries Division, and Western Ghats Secretariat.

¹²Harbir Singh, Development Administration in India, Deepak Publishing House, Patiala 2010, p-45

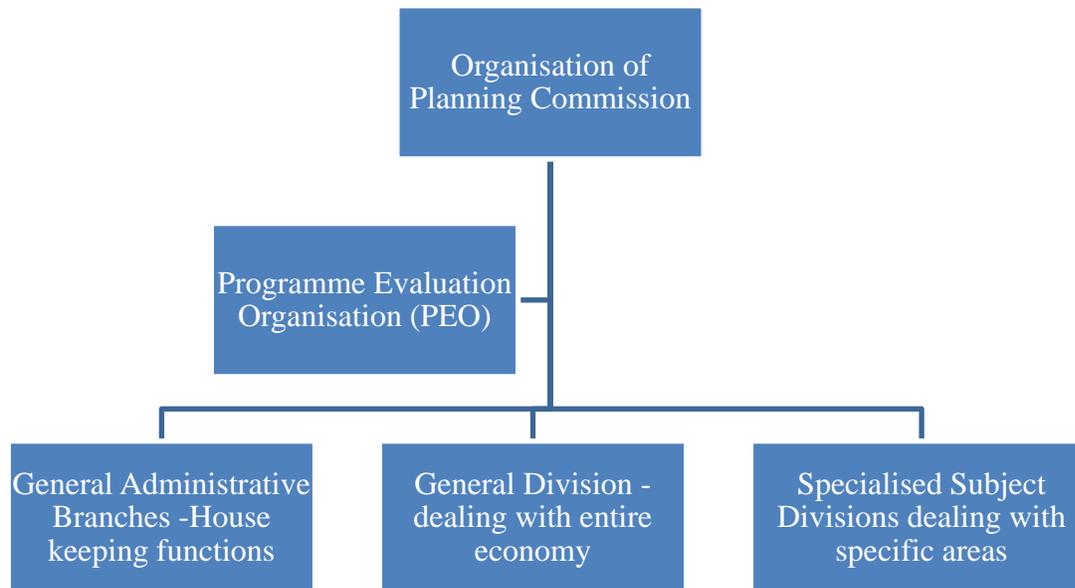


Figure 4: Organisation of Planning Commission

All the Divisions in the Planning Commission maintain close contacts with the concerned Central Ministries/State Governments and various non-official agencies, study and examine various problems and issues in relation to the formulation as well as implementation of the plan programmes and policies in their respective fields. They also organize research studies necessary for planning. The senior officers of the Planning Commission have also been designated as Principal Adviser (State Plans) or Adviser (State Plans) who help the Commission in keeping close touch with the progress of planning and its implementation in States. Each Principal Adviser (State Plans) or Adviser (State Plans) has a group of States/UTs allotted to him who maintains close liaison between Central Government and allotted States/UTs. He visits the concerned States/UTs from time to time, gives necessary advice and guidance to the Planning Commission and executive authorities at the State/UT level and brings the difficulties and problems of the latter to the notice of the Planning Commission and Ministries/Departments at the Centre. Besides, programme advisors are appointed in the Planning Commission since 1952 to act as a link between the Planning Commission and the states. Thus, the Planning commission has adopted an organization which reflects its expert character.

The Programme Evaluation Organisation (PEO) was set up in the Planning Commission in 1952 to assess the working of the Community Development and National Extension Service Programmes. It consists of a director, deputy directors, research officers and other staff.

PEO undertakes evaluation studies to assess the impact of selected plan programmes / schemes in order to provide useful feedback to planners and implementing agencies. PEO works independently while working under the general guidance of the Planning Commission.¹³

4.1.1.2 Composition of Planning Commission

- i) *Chairman*: The Prime Minister is the ex-officio chairman of the Commission who presides over the meetings of the Commission.
- ii) *Deputy Chairman*: He is the de facto executive head (full time functional head) of the rank of the Cabinet Minister and is appointed by the Union Cabinet. He is responsible for the formulation and submission of the draft Five-Year Plan to the Union Cabinet. Though he is not a member of a cabinet, he is invited to attend all its meetings without a right to vote. He is generally a distinguished academician/economist/civil servant or a politician.
- iii) *Members*: Some Union ministers are appointed as part-time members of the Commission. In any case, the finance minister and the planning minister are the ex-officio members of the

¹³ M.P Sharma and B.L. Sadana, *op.cit.*, p-589

Commission. The Commission has four to seven full time expert members. They enjoy the rank of a minister of a state. The Commission has a member – secretary. He is usually a senior member if IAS.

The state governments are not represented in the Commission in any way. Thus, the Planning Commission is wholly a centre constituted body.

4.1.1.3 Functions of Planning Commission: The Planning Commission performs the following specific functions:¹⁴

- a) Assessment of material, capital and human resources of the country and investigates the possibilities of augmenting them.
- b) Formulate a plan for the most effective and balanced utilization of the country's resources.
- c) Determine priorities and to define stages in which the plan should be carried out.
- d) Indicate the factors that retard economic development.
- e) Determine the nature of the machinery required for successful implementation of the plan, to recommend necessary adjustments.
- f) Appraise from time to time the progress achieved in the execution of the plan, to recommend necessary adjustments.
- g) Make appropriate recommendations for facilitating the discharge of its duties, or on a matter referred to it for advice by Central and State governments.

The main function of Planning Commission is to prepare a national five year plan broken down into annual plans. Thus, planning Commission aims at promoting a rapid rise in the standard of living of people by efficient exploitation of resources of the country, increasing production and providing opportunities to all for employment in the service of the country.¹⁵

After these functions you can also give the **emerging functions** of the planning commission. They are there on the planning commission web site.

4.1.1.4 Role of Planning Commission and Critical Evaluation: The Planning Commission was originally established as a staff agency with advisory role but in the course of time it has emerged as a powerful and directive authority whereby its recommendations are considered both by the Union and the States. The critics have described it as a 'Super Cabinet', 'an Economic Cabinet', 'a Parallel Cabinet', 'the Fifth Wheel of the Coach' and so on. The following observations are made on the domineering role played by the Planning Commission.¹⁶

- a) The office of Planning Commission over the years has become like any other government department resulting into all bureaucratic ways and excessive expenses on the salaries of the staff.
- b) D.R Gadgil, former Deputy Chairman of the Planning Commission, while criticizing the role of Planning Commission concluded that it has failed in its task. The root of its failure lies in the process by which the Planning Commission, essentially an advisory body, has come to mix itself with the actual process of the formation of public policies even in matters other than of development. The misdirection has been helped largely by membership of the prime minister and the finance minister in the Planning Commission and its decisions with an unnatural kind of prestige and importance.
- c) Ashok Chanda, an eminent administrative analyst stated that planning has superseded the federation and our country is functioning like a unitary system in many respects.
- d) P.V Rajmannar, the Chairman of the Fourth Finance Commission, highlighted the overlapping of functions and responsibilities between the Planning Commission and Finance

¹⁴AmreshwarAvasthi and ShriramMaheshwari, Public Adminsitration, Lakshmi NarainAgarwal, Agra, 2008, p-317.

¹⁵Avasthi, Amreshwar, and AnandPrakashAvasthi, Indian Administration, Lakshmi NarainAgarwal, Agra, 1999. p-76.

¹⁶Ramesh K. Arora and RajniGoyal, *op.cit.*p-417

Commission in federal fiscal transfers. Moreover, Planning Commission is not even accountable to Parliament, it being a non-statutory body.

There has been a significant change in the role of the Planning Commission since its inception in 1950. In the beginning, Planning Commission was all powerful and had the final say and the veto over every aspect – related to growth and socio-economic development – of the functioning of the Union Ministries and the State governments. The manner of raising and utilizing resources; specific allocations to particular schemes and programmes; location of enterprises; expansion and reduction of capacities; application of technologies; sources of supplies; modalities of implementation; priorities, phasing, pricing, targets and time frames; nature of the instrumentalities; qualifications and strength of personnel of organizations; staff emoluments etc.

A lot of debate is undergoing regarding the changing role of planning Commission in the era of liberalization. From a highly centralized planning system, the Indian economy is gradually moving towards indicative planning. The role of the Planning Commission has accordingly changed. The Commission now concerns itself with building of a long term strategic vision of the future and decides on priorities of the nation. It works out sectoral targets and provides promotional stimulus to the economy to grow in the desired direction.

Planning commission plays an integrative role in evolving a national plan in critical areas of human and economic development for better results at much lower costs. In the social sector, Planning Commission helps in schemes which require co-ordination and synergy like rural health, drinking water, rural energy needs, literacy, literacy and environment protection.

In our transitional economy, Planning Commission attempts to play a systems change role and provide consultancy within the Government for developing better systems. It has to ensure smooth management of the change and help in creating a culture of high productivity and efficiency in the government.

In order to spread the gains of experience more widely, planning Commission also plays an information dissemination role. With the emergence of severe constraints on available budgetary resources, the resource allocation system between the states and ministries of the Central government is under strain. This requires the planning commission to play a mediatory and facilitating role keeping in view the best interests of all concerned.

Text for Voice Narration	Chunk Text
<p>The socio-economic philosophy of India was spelt out in the Directive Principles of the State Policy and the subject of ‘socio-economic planning’ was included in the Concurrent List of Schedule VII of the Indian Constitution. This laid the foundation of setting up of a planning machinery at the national level and on March 1950, Planning Commission was set up with Prime Minister as its ex-officio chairman, a Deputy Chairman of cabinet Rank, a Member Secretary and few other Ministers</p> <p>The Planning Commission was assigned the task of assessment and effective utilization of resources; preparing five year plans for the country as a whole; co-ordinating with state governments; determination of priorities; and, stages of plan and purpose of allocation of</p>	<ul style="list-style-type: none"> • The Planning Commission was constituted on March 15, 1950 by an executive order. It is a non-Constitutional body. • The Planning Commission functions under the chairmanship of the Prime Minister in his ex-officio capacity. It also has a Deputy Chairman of the rank of Union Cabinet Minister, a member secretary and other union ministers and officials • Its functions are: <ol style="list-style-type: none"> a) assessment and effective utilization of resources; b) preparing five year plans for the country as a whole; c) co-ordinating with state governments; determination of priorities; and,

resources for due completion of stages.	<p>d) stages of plan and purpose of allocation of resources for due completion of stages.</p> <ul style="list-style-type: none"> • The role of Planning Commission has been applauded and at the same time criticized also. • It is quite often referred to as the Fifth Wheel of the Coach, Parallel cabinet, Kitchen cabinet or Super Cabinet for its domineering role in the planning process, control over the states in the planning process and chairmanship of the prime Minister of the country.
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4.1.2 National Development Council (NDC): Organisation, Composition, Functions and Role

The NDC or the RashtriyaVikasParishad is one of the key organisations of the planning system in India. It symbolizes the federal approach to planning and is the instrument for ensuring that the planning system adopts a truly national perspective. It is the apex body for decision making and deliberations on development matters in [India](#), presided over by the [Prime Minister](#). It was set up on 6August 1952 by a resolution of the Union Cabinet. Its formation was recommended in the First Five Year Plan (draft outline) which observed “In a country of the size of India where the states have under the Constitution full autonomy within their own sphere of duties, it is necessary to have a forum such as NDC at which from time to time, the prime Minister of India and the Chief ministers of States can review the working of the plan in its various aspects.”¹⁷ Thus, the NDC came into being with the object of ensuring “uniformity of approach and unanimity in its working.” The NDC is neither a [constitutional](#) nor a statutory body and in theory is no more than an advisory body to the Planning Commission but in its actual working it has become a policy-making body.¹⁸ Its recommendations, in practice, are policy directives, which in view of its exalted membership have to be followed by the Union and state cabinets and even by the Parliament. It has put the Planning Commission into shade and relegated it to the position of research arm.¹⁹

4.1.2.1 Objectives of NDC: The NDC was established with the following objectives:²⁰

- To secure co-operation of states in the execution of the Plan
- To strengthen and mobilize efforts and resources of the nation in support of the Plan
- To promote common economic policies in all vital spheres
- To ensure balanced and rapid development of all parts of the country

4.1.2.2 Composition of NDC: The NDC is composed of the following members:

- Prime Minister of India as its Chairman/Head
- All Union Cabinet Ministers since 1967²¹
- Chief Ministers of all States
- Chief Ministers/ Administrators of all Union Territories
- Members of the Planning Commission

The Secretary of the Planning Commission acts as the secretary to the NDC. NDC is also provided with administrative and other assistance for its work by the Planning Commission.

¹⁷Ramesh K. Arora and RajniGoyal, *op.cit.*p-429.

¹⁸ The Sarkaria Commission on centre-State relations (1983-87) recommended that the NDC should be given a constitutional status under Article 263 of the Constitution and should be renamed as National Economic and Development Council.

¹⁹M.P Sharma and B.L. Sadana, *op.cit.* p-588

²⁰AmreshwarAvasthi and SriramMaheshwari, *op.cit.* p-320

²¹ Before 1967, only selected cabinet ministers like Home, Finance, Defence, and External Affairs were members of NDC.

4.1.2.3 Functions of NDC: To realize the above objectives, the NDC is assigned the following functions:²²

- a) To prescribe guidelines for preparation of the national plan.
- b) To consider the national plan as prepared by the Planning Commission.
- c) To make an assessment of the resources required for implementing the Plan and to suggest measures for augmenting them.
- d) To consider important questions of social and economic policy affecting national development.
- e) To review the working of the national plan from time to time.
- f) To recommend measures for achievement of the aims and targets set out in the national plan.

4.1.2.4 Role and Critical Evaluation²³: The first and foremost function of NDC is to act as a bridge and link between the Central government, state governments and the Planning Commission, especially in the field of planning, and to bring about coordination of policies and programmes of plans. It has been, to a large extent successful in this regard. Besides, it has also served as a forum for Centre-State deliberations on matters of national importance, and also as a device for sharing responsibility between them in the federal political system.

However, two diametrically opposite views have been expressed on its working. On one hand it has been described as a ‘Super Cabinet’ due to its wide and powerful composition though its recommendations are only advisory and not binding and can hardly be ignored as they are backed by a national mandate. On the other hand, it has been described as a mere ‘rubber stamp’ of the policy decisions already taken by the Union government. This is mainly due to the Congress Party rule both at the Centre and states for a long period. However, due to the emergence of regional parties in various states, the NDC is steadily acquiring its federal character and thus providing a greater say to the states in the preparation of national plans.

Observations by Eminent People on NDC²⁴

- a) M. Brecher: Biographer of PanditJawaharLal Nehru remarked that the NDC was established as a supreme administrative and an advisory body on planning – it lays down policy directives invariably approved by the cabinet. Since their inception, the NDC and its standing committees have virtually relegated the Planning Commission to the status of a research team.
- b) H.M Patel: This former Finance Minister remarked that among the advisory bodies to the Planning Commission is included the NDC. This is surely inaccurate as is clear from its composition. The NDC is a body obviously superior to the Planning Commission. It is, indeed, a policy making body and its recommendations cannot be regarded as policy decisions and not merely as advisory suggestions.
- c) K. Santhanam: Eminent Constitutional expert stated that the position of the NDC has come to approximate to that of a super cabinet of the entire Indian federation, a cabinet functioning for the Government of India and the governments of all states.
- d) A.P Jain: Ex-Food Minister of India commented that the NDC encroaches upon functions that constitutionally belong to the council of ministers at the Central and State levels and sometimes approves the raised targets without prior consultation with the ministry concerned.

The NDC, neither by law, nor by the nature of its composition, is a body competent to take decisions on issues at the national level. It is suited to talk debate and advice. But it must leave the decisions to cabinets at the centre and the states.

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²²AmreshwarAvasthi and SriramMaheshwari, *op.cit.* p-320

²³Avasthi, Amreshwar and AnandPrakashAvasthi, *op.cit.* p-404

²⁴Avasthi, Amreshwar and AnandPrakashAvasthi, *op.cit.* p-81

NDC was set up in 1952 by the resolution of the Union Cabinet. This institution represents a federal approach to planning as states have been given representation in it. It is the highest plan formulation body in India. The plans formulated by Planning Commission are finalized only after their approval by the NDC. The NDC also functions under the chairmanship of the Prime Minister in his ex-officio capacity. Its key functions are to prescribe guidelines for the preparation of the national plan, to consider the national plan prepared by the Planning Commission, to assess the resources, to determine measures to augment them and to recommend measures for achievement of the aims and objectives of the plan.

- NDC was set up in 1952 by the resolution of the Union Cabinet.
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- The NDC also functions under the chairmanship of the Prime Minister in his ex-officio capacity.
- Its key functions are:
 - a) to prescribe guidelines for the preparation of the national plan
 - b) to consider the national plan prepared by the Planning Commission
 - c) to assess the resources, to determine measures to augment them
 - d) to recommend measures for achievement of the aims and objectives of the plan
 - e) to consider important questions of social and economic policy affecting national development
 - f) to review the working of the national plan from time to time

NITI Aayog: The Government of India had set up NITI (National Institution for Transforming India) Aayog on 1st January, 2015 as the main agency for formulating the five year plans dismantling Planning Commission and NDC.

NITI Aayog: Functions, Mandates

- Think tank for government policy formulation.
- Find best practices from other countries, partner with other national and international bodies to help their adoption in India.
- Cooperative federalism: involve state governments and even villages in planning process.
- Sustainable development: zero defect-zero effect on environment as the manufacturing mantra.
- Urban development: to ensure cities can remain habitable and provide economic avenues to everyone.
- Participatory development: with the help of private sector and citizens.
- Inclusive development or antyodaya. Ensure sc, st and women too enjoy the fruits of development.
- Poverty elimination to ensure dignity and self-respect.

- Focus on 5 crore small enterprises– to generate more employment for weaker sections.
- Monitoring and feedback. Midway course correction, if needed.
- Make policies to reap demographic dividend and social capital.
- Regional councils will address specific “issues” for a group of states. Example: regional council for drought, left-wing extremism, tribal welfare and so on.
- Extract maximum benefit from NRI’s geo-economic and geo-political strength for India’s development.
- Use social media and ICT tools to ensure transparency, accountability and good governance.
- Help sorting inter-departmental conflicts.
- National self-interest, capacity-building, participating in ‘global-village’ etc.

NITI AAYOG: CRITICISM/ANTI-ARGUMENTS

- Bibek debroy (fulltime member) [himself criticized](#) the vaguely worded press-release on niti-aayog formation. Modi should have specifically pointed out its functions and jurisdiction.
- Modi’s “arbitrary decision” to dismantle the planning commission, without taking ndc or states into confidence- this undermines cooperative federalism. (says kerala cm).
- From union territory only lieutenant governors invited. Cm of delhi and puducherry can’t participate in governing council.
- Like pc, NITI Aayog too is a non-constitutional, non-statutory body formed by a cabinet resolution. It is not accountable to parliament, and if line-ministries fail to achieve targets, NITI Aayog cannot punish them.
- NITI Aayog should have been created through a legal/constitutional amendment.
- There should be a perspective plan spanning for 15 to 20 years. Otherwise, what if another party comes into power and dismantles this? Recall morarji vs indira.
- It’ll take minimum 6-8 months for NITI Aayog to set things in motion. In between that time, development will be halted due to paucity of funds and ideas.
- Planning commission and ndc decided “special category states” and gave them additional funding to help the poor and backward regions. With the advent of NITI Aayog, will those states lose their ‘status’ and extra-funding? Uncertainty prevails.
- NITI Aayog will conflict with cabinet secretariat (for inter-ministerial coordination) and constitutional body inter-state council (for coordination with states).
- Finance ministry officials always try to squeeze budget to keep the fiscal deficit under fiscal responsibility and budget management (FRBM) targets. NITI Aayog and its free market economists will further reduce welfare schemes to help them.
- At present we’ve 60+ centrally sponsored schemes. Modi aims to combine them into just 10 schemes. Thus, poor and marginalized communities will suffer.
- Planning commission used to monitor human development in the states, sub-plans for women, SCs and STs. NITI Aayog doesn’t say how they’ll do it.
- NITI AAYOG’s mandate repeatedly says they’ll focus on manufacturing sector. Rajanbhai says “just because china succeeded on manufacturing focus, doesn’t automatically guarantee that same cinderella story will repeat here.”
- Modi distributed the planning-expenditure function to finance ministry and subject matters to respective ministries. This will result in loss of perspective and long-term view. Now state governments will have to lobby at both type of ministries to get funds released.
- Planning commission’s Nehruvian economists advocated decentralized planning. Modi’s free market economists and technocrats will pursue centralized planning and e-monitoring.
- There is no need for any planning commission or NITI Aayog. Good work can be done even without them- through line ministries and inter-state councils.
- 1961: Indian economic service (ies) was born on Nehru’s initiative. Modi doesn’t invite them in meetings, free market economists look down upon them with utter disdain. How they’ll be integrated in the new system? No clear answers given in the press-release.

- Anyways, the real work of NITI Aayog is yet to begin. So, most criticism is centred around the theme that “since press release doesn’t talk about xyz thing- so only bad thing will happen”. But, only time will tell how NITI Aayog fares in real life.

4.2 Planning Machinery at the State Level: State Planning Department and State Planning Board

: Planning at the state level is undertaken by the State Planning Department and State Planning Board and the same is discussed in the following paragraphs:

4.2.1 State Planning Departments

The subject of planning is included in the Concurrent List of the Schedule VII of the Indian Constitution. Thus, it is the responsibility of both the Union and the state governments to plan for the country. This necessitates close co-ordination between the two for the balanced socio-economic development of the country. In fulfillment of this the states had set up state planning departments for the purpose of formulating the state plans, overseeing and monitoring their implementation. The State Planning departments were chaired either by the Chief Minister of the respective state in his ex-officio capacity or a senior cabinet minister of the state. The administrative head of the state planning department is generally the chief secretary. The state planning department keeps in touch with the Planning Commission, various ministers and departments of the state governments for the purposes of the planning processes.

4.2.2 State Planning Boards: Composition and Functions

On the recommendations of the Planning Commission and First Administrative Reforms Commission, the states set up State Planning Boards on the pattern of the Planning Commission.

4.2.2.1 Composition of State Planning Boards: The State Planning Board is chaired by the Chief Minister of the State in his ex-officio capacity and the State Finance Minister is its Deputy Chairman. Few other state ministers are also its members. The composition of the State Planning Board varies from State to State. It ranges from one to forty members. The state planning boards in many States comprises of experts who are usually scientists, economists and educationists. The number of experts and official members also vary from State to State. Generally, the Chief Secretary, Finance Secretary, Planning Secretary, Agriculture Secretary, Electricity Secretary, and, Chief Secretary of the state are its ex-officio members.

4.2.2.2 Functions of State Planning Board: The main functions of the State Planning Board are given below:

- To prepare balanced and rationale plans for the state after evaluating the physical, economic and human resources.
- To determine long-term and short-term priorities considering the national priorities.
- To assist the district level officers in preparing development plans and to coordinate them with the state plans.
- To enquire about the factors responsible for the slow social and economic development in the State and to determine the directions for the successful implementation of the plans.
- To inspect the programmes of implementing the plans and to suggest changes if needed.
- To advise on all such matters referred to it by the State Government.

4.2.3 Planning Process at State Level

- State initiates advance action on plan formulation even before the guidelines of the Planning Commission on the preparation of the five-year plans are received. Different departments of the State governments are involved in formulating broad parameters of state plans.
- The States, in response to call from the Planning Commission, send their suggestions, which form the base of the approach paper for the national plan.

- c) The approach paper prepared by the Planning Commission and approved by the NDC, of the draft five year plans of the state which also includes the objectives and strategies of the State government. The State Planning Boards hold continuous discussions with other state departments, district and regional planning agencies on the one hand and with the central working groups, the Planning Commission and the central ministries on the other while formulating their own plans.
- d) The state draft plan is then discussed with the Union working groups and the Planning Commission. The proposals are then approved or modified by the Planning Commission keeping in view the national and state priorities and resources.

Evaluation of Planning Machinery at State Level

ARC noted that there was no uniformity between states regarding the functions and the composition of State Planning Boards (SPBs). They have mentioned that the composition of State Planning Boards constituted a major defect in the State planning machinery. The SPBs had too large a membership for them to function as effective planning agencies. Moreover, there was no rational criteria for the selection of members of the SPBs. ARC observed that these can better be described as “consultative bodies or public relations committees” of the government on the subject of planning. Due to large membership, there meetings cannot be held frequently nor can there be any pointed and purposive discussion.

4.3 Planning Machinery at Local Level: District Planning Committees and Metropolitan Planning Committees

The efforts towards district planning intensified during Fifth and Sixth Five Year Plan when the Integrated Rural Development Programme was started by the Government of India.²⁵ As a result, many state governments made efforts to set up district planning machineries but their functioning was not effective. Realizing the importance of the district planning constitutional status was accorded to the district planning machinery under the 74th Amendment Act, 1993.

4.3.1 Rationale of District Planning²⁶

- a) A district is relatively closer to the local population than any other middle level regional spatial unit.
- b) A district is large enough to serve as a viable planning unit.
- c) District has a settled pattern of administration due to historical reasons with a high degree of internal consistency and well established administrative relationships.
- d) The organization of Panchayati Raj Institutions and delimitation of Parliamentary and legislative constituencies are also centered around the district.
- e) Most information related to revenue, land records, irrigation works, development loans, housing, roads, electrification, social services etc., is organized on a district to district basis.
- f) Most departments and agencies of the state government have their regional offices located at the district level. District planning is useful for coordination, consistency and rational spatial planning.
- g) District planning facilitates a clearer evaluation of the impact of development efforts and initiatives on people and institutions of the area because of the well entrenched administrative system at the district level.
- h) Local pressure groups can be kept within reasonable limits at the district level.
- i) Peoples’ participation can be ensured in a better way at a district level as peoples’ awareness of the administrative processes at the local level is high because of their long-time association with the district administration.

²⁵ Singh, Hoshiar, and Pankaj Singh, Indian Administration, Dorling Kindersley (India) Pvt. Ltd., 2011, p-225

²⁶

Thus, district planning has the capacity to integrate regional problems and resources with the national and state objectives, and yet, allow for diversity of foci and priorities at the local level.

At the district level, the Deputy Commissioner/ Collector functions as the Chief Development Officer. He comes next to the Development Commissioner in the official hierarchy and co-ordinates the activities of the various technical officers at the district level. Next in hierarchy comes the Block Development Officer and at the base is the village level worker who is a multi-purpose administrative and social worker. He is, however, to receive instructions and guidance in technical matters from technical officers at the various levels.

4.3.2 District Planning Committee: Composition, Functions and Evaluation

A District Planning Committee (DPC) has been constituted in each district under Article 243ZD of the 74th Constitutional Amendment Act, 1993 to consolidate the plans prepared by the panchayats and the municipalities in the districts concerned and to prepare a draft development plan for the district as a whole.

4.3.2.1 Composition of District Planning Committee: Article 243 ZD provides that 4/5 of the total membership of the District planning Committee is to be elected from amongst the elected members of the District level Panchayats and Municipal Councils of the district.

4.3.2.2 Functions of the District Planning Committee: The main functions of the District Planning Committee are:

- a) To collect the plans prepared by the panchayats and municipal committees and to prepare a draft development plan for the whole district.
- b) To prepare long-term plans for the development of the district.
- c) To draw short-term programmes and schemes for the development of the district and to implement them effectively.

4.3.2.3 Critical Evaluation of District Planning Committees: The District Planning Committees can play a significant role for the development of the district provided the State Government releases full and timely grants for the welfare and development works. Besides, the success of this committee depends on the cooperation of the people belonging to different sections of the district. Moreover, the plans prepared by the District Planning Committee should be practical which can be made possible only if experts from different areas like economists, sociologists, scientists etc. are given adequate representation in it. Thus, this primary unit can succeed by significantly contributing for the social and economic development of the country.

4.3.2 Metropolitan Planning Committee: Composition and Functions

Article 243ZE of the 74th Constitution Amendment Act, 1993 provided for setting up the Metropolitan Planning Committee by the State Legislature to prepare plans for the metropolitan area.²⁷

4.3.3.1 Composition of Metropolitan Planning Committee: The composition of the Metropolitan Planning Committee is decided by the State Legislature yet it comprises of the following members:

- a) Not less than 2/3rds of the members of the Metropolitan Planning Committee shall be elected by or from amongst the elected members of the Municipalities and chairpersons of the Panchayats in the Metropolitan area in proportion to the ratio between the population of the Municipalities and of the Panchayats in that area.

²⁷ Metropolitan Area as defined in the 74th Amendment Act, 1992, is an area having a population of 10 lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Governor by public notification for this purpose.

- b) The representation shall also be given to the elected representatives of the Government of India and Government of State and of such institutions and organizations in such committees as is necessary for carrying out the functions of the Metropolitan Planning Committee.

4.3.3.2 Functions of Metropolitan Planning Committee: According to the 74th Amendment Act, 1992, the Metropolitan planning Committee performs following functions:²⁸

- a) Preparation of draft development plans for the metropolitan area
- b) Co-ordination of plans prepared by the Municipalities and Panchayats in the Metropolitan area including co-ordinated spatial planning of the area
- c) Co-ordination and sorting out of common issues involving Panchayats and Municipalities in the metro area including sharing of water and other physical and natural resources
- d) Allocation of resources made available by the state and central government to the local level institutions
- e) Phasing and prioritization of development works involving number of panchayats or urban area.

4.3.4 Evaluation of District Planning

The shortcomings generally noticed in the district planning are as under:²⁹

- a) The objectives of the district plans are not formulated according to the national objectives.
- b) There is lack of detailed data on resources, demography, position of infrastructure etc.
- c) There is lack of analytical machinery to analyse existing programmes and suggest modifications
- d) There is lack of integration of resources of centre, state, local bosies, credit institutions and voluntary agencies
- e) Manpower planning is not kept in mind while preparing for employment programmes
- f) Planning organisation is very weak in almost all the states and full-time qualified staff is hardly available.

Text for Voice Narration	Chunk Text
<p>The states have set up State Planning Boards for formulation, implementation and evaluation of state plans. The state Planning Boards function under the chairmanship of the Chief Minister of the state. It works in co-ordination with the Planning Commission so that state priorities can be integrated into the five year plans.</p> <p>Giving a push to decentralized planning in India, the Government of India through the 74th Constitutional Amendment Act, 1993 provided for District Planning Committees under Article 243 ZD and Metropolitan Planning Committees under Article 243ZE.</p>	<ul style="list-style-type: none"> • The states have set up State Planning Boards for formulation, implementation and evaluation of state plans. • The state Planning Boards function under the chairmanship of the Chief Minister of the state. It works in co-ordination with the Planning Commission so that state priorities can be integrated into the five year plans. • Giving a push to decentralized planning in India, the Government of India through the 74th Constitutional Amendment Act, 1993 provided for District Planning Committees under Article 243 ZD and Metropolitan Planning Committees under Article 243ZE. • Though decentralized planning has been given push by providing for District Planning

²⁸ 74th Constitutional Amendment Act, 1992

²⁹ Singh, Hoshiar, and Pankaj Singh, *op.cit.* p-225

	<p>Committees and Metropolitan Planning Committees but it has not been successful in India due to various factors:</p> <ol style="list-style-type: none"> a) The objectives of the district plans are not formulated according to the national objectives. b) There is lack of detailed data on resources, demography, position of infrastructure etc. c) There is lack of analytical machinery to analyse existing programmes and suggestive modifications d) There is lack of integration of resources of centre, state, local bodies, credit institutions and voluntary agencies e) Manpower planning is not kept in mind while preparing employment programmes f) Planning organisation is very weak in almost all the states and full-time qualified staff is hardly available.
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5. Conclusion

India embarked on the path of development through a planned model of development. Accordingly, vast machinery for planning was set up at the national, state and local level to undertake the task of formulating, implementing and evaluating the plans. But despite sixty years planning, history presents a very gloomy picture of the strategy. If economic and social indicators are a point in this regard, India's performance has not been satisfactory. Whatever growth and development that the country has achieved have been cornered and appropriated by or benefitted by 10% of the population. It has developed vested interests and created a vicious cycle. In view of several lacunae in the process of planning and administrative performance, India embarked on a strategy of liberalization. The government was contracting out of sectors hitherto taken care of by it. It is opening up to market forces. Civil society and NGOs are taking care of the social problems. Resultantly, there has been a national debate about the relevance of planning in the era of liberalization. It is true that the quantitative aspects of planning in terms of control over economy has been phased out and the nature of planning process is undergoing a qualitative change but it does not mean the irrelevance of planning and it is still important for various reasons in the era of liberalization – federal co-operation and co-ordination; equitable growth; environment friendly development; defending national interest in the age of globalization; and, inter-sectoral balance in growth.

