2.6 DECENTRALISED PLANNING

Introduction

After the Community Development Programme was launched in 1952, it was realized that without an agency at the village level "which could represent the entire community, assume responsibility and provide the necessary leadership for implementing development programmes", real progress in rural development could not take place. It was against this background that a Committee headed by Balwantrai G.Mehta (1957) was appointed to make recommendations for the revitalization of the Panchayati Raj system and define its role in the development process. The report of the Committee recommended that public participation in community works should be organized through statutory representative bodies. Community development can be real only when the community exercises necessary powers through its chosen representatives. Therefore, it recommended the establishment of statutory elected local bodies. The report of the Committee was influential in creating a three-tier Panchayati raj structure with District Panchayat at the top and Grama Panchayat at the bottom. The intermediate tier was co-terminus with Community Development Blocks. Most of the States amended their laws to conform to the recommendations of the Committee. However, the Panchayat-raj institutions could not function well as elections were either not held or were frequently postponed or they were denied funds or in most of the cases superceded.

The Ashok Mehta Committee Report (1978) was influential in bringing about a shift in emphasis between the first and second generation of panchayats from development per se to local Government in its full meaning. Originally, panchayats found a place only in the Directive Principles of State Policy. The 73rd and 74th Constitutional Amendments revitalized the Panchayats and Urban Bodies by giving them Constitutional status, providing for regular elections and reserving 1/3 of seats for women and introducing representation for marginalised social groups.

Serious efforts for decentralised planning started in India long ago and in 1969 the Union Planning Commission issued guidelines for preparation of district plans. Realizing that the planning machinery and competency are not yet developed at the district level, efforts was redirected in the later years to strengthen State level planning process. In the early eighties a Working Group under the Chairmanship of Professor C.H. Hanumantha Rao was constituted to develop guidelines for district plans. Based on the recommendations of this Committee, the Seventh Five Year Plan adopted decentralised planning at the district level as one of the major strategies to achieve plan targets.

Article 243 G relating to panchayat and Article 243 W relating to urban local bodies specifically provide for the local self-government institutions, the responsibility of preparation of plan and implementation of schemes for economic development and social justice. Article 243 ZD read with section 241 of Tamil Nadu Panchayats Act, 1994 have provided for the constitution of District Planning Committee (DPC) to consolidate the plans prepared by the
panchayats and municipalities in the district and to prepare a draft development plan for the district as a whole.

With the enactment of 73rd (Constitutional Amendment) Act 1992, the panchayats received formal constitutional recognition. Following this, the Tamil Nadu Panchayat Act 1994, was enacted. It provides for people's participation in electing their representatives. It also provides for one-third reservation of the seats for women and persons belonging to SCs/STs according to their population in the PRI at different levels.

Keeping in view the 73rd Amendment Act and subsequent enactment of the Tamil Nadu Panchayat Act 1994, a three tier Panchayat Raj system with Village Panchayat at grass root level, Panchayat Union at intermediate level and District Panchayat at the District level was constituted for the rural local bodies and the Acts governing the 6 Municipal Corporations in the State. Following the 74th Constitutional Amendment Act, in respect of urban local bodies, a series of amendments were made to the Tamil Nadu District Municipalities Act 1920. The Town Panchayats, Municipal Councils and Corporations for urban areas were accordingly constituted.

As per Sec. 239 of the Tamil Nadu Panchayats Act 1994, the Tamil Nadu State Election Commission was constituted to conduct the elections to the local bodies. The election for all the tiers of rural and urban local bodies was held during October 1996 and for the second time during October 2001.

**Devolution of powers, authority and responsibilities to Panchayats**

Schedule 11 of the 73rd Constitutional Amendment Act listed 29 subjects by way of elaboration of Article 243 G, which deals with the devolution of powers and responsibilities, which may be entrusted to the Panchayats. In the same manner 12th Schedule of the 74th Constitutional Amendment Act listed 18 subjects for devolution of powers and responsibilities, which may be entrusted to urban local bodies. The subjects included in the 11th and 12th Schedule indicate the broad area for devolution and further elaboration specifying functions and activities which may be transferred to local bodies was considered necessary. The State Government implemented a series of measures to endow the rural and urban local bodies with functions and finances so as to enable them to function as Local Self-Government Institutions. The State Planning Commission also constituted a three Member Group under the Chairmanship of Thiru L.C. Jain, then Member, State Planning Commission to recommend the entrustment of functions and responsibilities to the Rural and Urban Local Bodies.

A High Level Committee with the then Minister for Rural Development and Local Administration as convenor and comprising representatives of all political parties in the Legislative Assembly was constituted in November, 1997 to review the progress in the implementation of devolution of powers on the basis of L.C. Jain Committee report and to make further recommendations for speeding up the process of devolution of powers to the three tiers of local bodies. Necessary amendments to the Tamil Nadu Panchayat Act were made and rules under the State legislation were framed to give effect to the recommendations of the Committee as approved by the Cabinet.
2.6 Decentralised Planning

Administrative empowerment of Panchayats - Necessary administrative powers have been delegated to the three tiers of Panchayats enabling them to carry out their obligatory and mandatory functions. Some of the important powers delegated to the Panchayats are illustrated below:

- The village Panchayat President is the Executive authority in respect of all the administrative and financial matters in Village Panchayat.

- The responsibility of selecting individual beneficiaries in respect of all Poverty Alleviation Programmes and selected welfare programmes have been entrusted to the village panchayats and more specifically to Grama Sabha.

- Village Panchayats have been given power to independently maintain the street lights and attend to the repairing and maintenance of hand pumps and power pumps for water supply by utilizing locally available skilled labour and by buying materials with ISI marks locally by themselves by following the usual procedure of calling quotation without any external interference.

- The powers to approve layouts and building plans in Village Panchayat area has been given to the President of the Village Panchayat.

State Government initiatives - In addition to devolving administrative powers to panchayats the State Government also took a number of steps and initiatives to entrust the administrative and financial powers to panchayats. Local cess, Surcharge on Stamp duty, Seignorage fee on minor minerals are fully assigned to the Village Panchayats. 8% of the total State tax revenue is assigned to the local bodies.

The State Planning Commission constituted a Working Group in December, 1996 to coincide with Ninth Plan formulation, under the Chairmanship of Dr. K.V. Sundaram, an eminent planner who was formerly with Union Planning Commission and FAO, to review the status of decentralized planning in the State and to suggest measures for improving its effectiveness. The Working Group noted with concern the multiplicity of Centrally Sponsored schemes and State schemes each with separate guidelines and how they affect integrated local area planning. The group recommended provision of untied fund to local bodies to provide for operational flexibility. The Group has pointed out that provision of constituency funds to the local MLAs and MPs introduced an element of plurality in planning which goes against the principle of efficiency and integrated area planning. It recommended that all such schemes should be brought under the scrutiny of local bodies and consolidated into the relevant area plan.

Devolution of Financial powers - To review the financial position of Panchayats and Municipalities the State Government constituted the State Finance Commission to make recommendations.
The major recommendations of the first State Finance Commission constituted during 1994 are as follows:

1. Collect and assign the entire revenue proceeds from local cess, local cess surcharge on land revenue, surcharge on stamp duty, seignorage fees on minor minerals, entertainment tax etc., to local bodies on the basis of its origin. This revenue is called ‘Pool-A’ during 1997-98; Rs. 142.62 crores and Rs. 145.00 crores during 1999-2000 were already devolved in this way to the local bodies.

2. Sharing of the State tax revenue excluding entertainment tax with the local bodies. The State Finance Commission recommended to share the 8% of this revenue in the ratio of 55:45 among the rural and urban local bodies. Accordingly during 1997-98 Rs. 369.28 crores, Rs. 453.72 crores during 1998-99 and Rs. 455.00 crores during 1999-2000 devolved to the rural local bodies. This is 8% of the total tax revenue realization of the State.

Further 15% of the allocation under State Finance Commission is utilized at the same time as equalization and incentive fund basically to support weaker PRIs.

The second State Finance Commission constituted by the Government has submitted its report. As a follow up, the State Government announced its decisions in the Budget speech in the Assembly by the Minister for Finance on the recommendations of the Second State Finance Commission (for the period 2002-2007) for devolving resources between rural and urban local bodies as follows:

- The rural and urban local bodies will receive 8 percent of the States Own Tax Revenues after excluding the Entertainment Tax receipts. The vertical sharing of resources between rural and urban local bodies will be in the ratio of 58:42.

- Of the total devolutions to the urban local bodies, the resources will be shared between the Corporations, Municipalities and Town Panchayats in the ratio 31:34:35. The devolution to rural local bodies will be shared among the Village Panchayats, Panchayat Unions and the District Panchayats in the ratio of 47:45:8.

**District Planning Committee** - Article 243 ZD of the Constitution and Section 241 of TN Panchayats Act provide for constitution of the District Planning Committee at the district level to consolidate the plans prepared by the panchayats and municipalities in the districts and to prepare a draft Development Plan for the district as a whole. In pursuance of the above mandatory provisions the DPCs have been constituted duly after electing 4/5th of the members from among the elected members of the District Panchayat, Town Panchayat, Municipality and Corporation in all the districts in the State under the Chairmanship of District Panchayat Chairman and Collector as the Vice-Chairman. The Mayor of the City Municipal Corporation in the district is also a member of the DPC. The Secretary of the District Panchayat shall be the Secretary of the DPC. In Tamil Nadu the DPCs have been operationalised fully and made functional with the first meeting of the
DPCs held in all the districts of the State on 4-2-2002 and subsequent meetings being held once in three months to discuss developmental issues relating to the district.

Various developmental issues discussed in the District Planning Committee meeting are: Drinking water supply, enrolment of children in the schools, increasing the literacy rate especially among girls and SCs/STs, reduction of drop out, provision of infrastructure facilities in the schools, IMR, MMR, immunisation programmes and other health indicators, and provision of infrastructure facilities such as road, housing etc.

**Functions proposed for District Planning Committee:**

- To consolidate the plans prepared by the panchayats at different levels of the rural local bodies and the urban local bodies in the district with due regard to rural-urban integration. The plan will integrate the departmental scheme taking into account the credit plans.
- To assess the developmental disparity that exists in between and or among the village panchayats, block panchayats and municipalities; identify the basic reasons for such disparities and to provide solutions to remove the disparities.
- To identify and prioritise the schemes for the development of the district keeping in view the objectives of the State and Central Government besides creating the conditions and identifying the elements for the successful implementation of the schemes.
- To formulate objectives and strategies for the identification and prioritization of the schemes for the district plan.

**Grama Sabha** - The necessity to give a practical shape to grassroots democracy became a reality with the introduction of 73rd Constitutional Amendment. It sought to integrate the democratic process at all levels by formalizing an institutional mechanism in terms of three tier structures of Panchayat system supported by Gramasabha - a village based organization wherein people at all levels would have an opportunity to participate openly in matters which concern their lives and development. The institution of Grama Sabha has been essentially conceived to enable the village panchayats to provide a concrete shape to the felt needs and aspirations of the village community.

**Functions of Grama Sabha**

**To approve** -

- Village plan,
- Village Panchayat budget,
- Audit report on Village Panchayat
- List of beneficiaries selected for various schemes,
- To select location of facilities to be created in the village
• To review progress of all schemes implementation entrusted to it,
• To promote communal and social harmony among the various groups of people in the village and
• To mobilize labour and contribution in cash and kind for implementation of various development programmes.

The grama sabha will meet at least on four important days as mentioned below in a year,

26th January
1st May
15th August and
2nd October.

The matters raised in the grama sabha are issues related to housing, drinking water, street light burning, construction of drainage, burial ground laying of roads, plying of bus service, old age pensions and other social welfare programmes besides reading out the receipts and expenditure of the Panchayat, list of beneficiaries selected for the various programmes.

**Formulation of District Plan**

The formulation of district development plan involves integration of area plans prepared by the rural and urban local bodies with development plans of the sectoral departments in the districts and credit plans prepared by the Lead Bank of the district. The planning methodology involves, the following stages viz.,

• Formulation of objectives and strategies
• Collection of data
• Preparing a District Profile
• Analysis of data, which includes (1) Situation analysis (2) Sectoral analysis (3) Spatial analysis.
• Preparation of area plans by the local and urban local bodies.
• Integration of area plans and departmental plans and credit plans.
• Putting together all the plan proposals and formulating a draft district plan.
• Approval of the District Plan and forwarding to District Planning Committee/State Planning Commission.

In addition to the above, the development plan formulation at each stage requires to ensure

1. Linkage within the three tiers of Panchayats and urban local bodies.
2. Removal of overlapping/duplications.
3. Preparation of estimates.
4. Estimation of likely employment generation and possible poverty reduction.
5. Environmental check of the impact on the carrying capacity of the resources. Thus the districts planning exercise involves and pose a tremendous challenges at district level.

**District Planning machinery at the district and State level** - To assist the District Planning Committee (DPC) in consolidation of plans prepared by the rural and urban local bodies and its integration with sectoral development plans and credit plan, there is a small modicum of staff in the District Planning Cells created in each district, which is headed by District Planning Officer, who also acts as Secretary of the District Panchayat. In addition there is one Technical Assistant and one Assistant.

**Data Requirement for Decentralised Planning** - Planning at district level require a careful study of human and natural resources along with field realities for optimum utilization of resources and responsive planning. Variety of data on physical resources, human and economic aspects are the pre-requisites for preparing an integrated plan for the district.

The data required for District planning can be broadly grouped into the following categories:

1) **Natural Resources**
   a. Water Resources
   b. Soil
   c. Flora and Fauna
   d. Land use pattern
   e. Livestock
   f. Cropping pattern (season-wise)
   g. Climate,
   h. Rainfall etc.

2) **Human Resources**
   a) Population
   b) Literacy
   c) Occupational status
   d) Vital statistics
   e) Social/Economic groups
   f) Employment/Unemployment

3) **Infrastructure - Economic & Social**
   (i) **Economic infrastructure**
   a. Markets
   b. Banks/Financial Institutions
   c. Roads/Transport/Communication/Electricity
   d. Agri input Centres, Agri. Extn. Officers
   e. Veterinary Centres
   (ii) **Social Infrastructure**
   a. Schools/Colleges/Educational Institutions
   b. Hospitals/Health institutions
   c. Community Centre/Libraries/etc
d. Placement of entertainment centers
e. Drinking water/sanitation.

4) Trade & Industry
a. Mining & quarrying
b. Small Scale Industries
c. Household/Cottage Industries
d. Handicrafts
e. Forest, Agro based industries
f. Wholesale/Retail trade

5) Financial Resources
a. Grants received from the State/Central Govt.
b. Credit from the banking at financial institutions
c. Local bodies General fund
d. Peoples Contribution
e. Loan from the financial institutions

The above list is not exhaustive but only indicative. The details required can vary from place to place depending on the situation. In essence depending on the situation the data requirements has to be assessed. Data of the Village level should be collected with the involvement of the people since the felt needs of the people and its solutions need to be assessed and its information is crucial in the planning process. The data thus collected for plan formulation should be compiled and processed in such a way that it will be very easy for analysis and also easy to understand.

**Capacity Building through Training**

Strengthening participatory democracy in panchayats and long-term sustainability depends on developing human capital. Efforts therefore need to be made in developing the capacity of elected representatives who have a responsible role to play in ensuring transparency and accountability. Capacity is a multi-dimensional and complex attribute. Some of the attributes are awareness, knowledge, skill and self-confidence. Capacity building is a gradual process and needs to be integrated with the functioning of the panchayats. Capacity building can take the form of structured training, field exposure, information dissemination, etc.

Training is a planned and systematic effort to modify or develop knowledge/skills/attitudes through learning experience. Its purpose is to enable an individual to acquire abilities in order to perform a given task. Training needs to be provided to improve the technical capabilities, managerial and administrative abilities and also behaviour for improving inter-personnel relations and leadership qualities. After the enactment of the 73rd & 74th Constitutional Amendment Acts and Tamil Nadu Panchayat Act 1994 three tier Panchayat Raj System has been introduced in the rural local bodies and as per Tamil Nadu District Municipalities Act 1994, Town Panchayats, Municipalities, and Corporation in the urban local bodies. This has resulted in the election of more than 1.2 lakh representatives representing the 12618 Village Panchayats, 6499 representatives of 385 Panchayat unions and 648 representatives of 29 District Panchayats. These
local bodies are entrusted with a large number of responsibilities to strengthen the democratic decentralization and make these Institutions of self-government. Most of the elected representatives are first timers. They need to be aware familiar with the administration of Panchayat Raj Institutions. They are expected to be involved in the preparation of local level plans. In the planning process, a variety of functionaries viz., planners, administrators, sectoral functionaries, elected representatives, NGOs, social beneficiaries and voluntary groups, people in their individual capacity are involved in respect of the 29 items to the Village Panchayats, Panchayat Unions and District Panchayats in the state. Each of these groups has specific roles or functions to perform in the local planning with multiplicity of interests and without skill. Herein lies the importance of capacity building through training. It involves formulation of a strategy for training by assessing training needs and evolving suitable training modules in a systematic and time bound manner. Training will be effective in promoting the participatory approach if it is extended to the Panchayat Raj Institutions; Community based organisations and Self-help groups.

The multi-level planning exercise involves assessing of the financial and other resources for the plan and allocation of funds to rural / urban local bodies in the district, integration of rural / urban plan in the district plan, credit plan in the district plan, to decide on matters of common interest between the rural / urban local bodies including spatial planning, sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation and to establish co-ordination between various departments in the district. Taking into account all these aspects, it has been proposed to organize capacity building training programmes to all the chairpersons of the rural / urban local bodies, by involving training institutions like State Institute of Rural Development, Rural Extension Training Centres, Tamil Nadu Institute Urban Studies, Coimbatore, Gandhigram Rural University, Avinasilingam Deemed University, Coimbatore and also reputed NGOs and voluntary ogranisations. The proposed training programmes on multi-level planning to the chairpersons of the rural and urban local bodies would focus on the following aspects:


ii) Methodology involved in Planning, prioritising public needs to prepare a comprehensive perspective Plan for socio-economic development.

iii) Details of the various ongoing development programmes, implementation procedures, resource mobilisation and maximising the resource utility through community participation.

iv) Role of panchayat vis-a-vis other departments.

v) Improving the efficiency and capability through motivation and leadership qualities, better communication skills and inter personal relations.
**Tenth Plan Proposals**

With a view to assist the local bodies in preparation of the Development Plan and aid the local bodies in planning and to attend to other allied matters, it has been proposed to constitute a separate **Core Planning Team (CPT)** at each local body level comprising representatives from research institutions / universities, experts in the area, elders, teachers, youths, retired Government officials etc.

Metropolitan Planning Committee would be constituted for Chennai Corporation for the preparation of a draft development plan for Chennai Metropolitan area and to co-ordinate its works with the District Planning Committees.

It is proposed to strengthen the planning machinery at district / state level in the context of district plan formulation during Tenth plan and to prepare training manuals and guides and to undertake special studies on specific problems relating to districts.

The outlay for Decentralised District planning and other related aspects during Tenth Plan period will be as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the scheme / programme</th>
<th>Outlay (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strengthening of planning machinery / at DPC/ District level</td>
<td>2.50</td>
</tr>
<tr>
<td>2</td>
<td>Organising training programmes to chairpersons of rural / urban local bodies</td>
<td>2.10</td>
</tr>
<tr>
<td>3</td>
<td>Payment of TA/DA to non-official members of District Planning Committee including sitting fees</td>
<td>0.20</td>
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<tr>
<td>4</td>
<td>To undertake special studies on topics of importance on development issues relating to districts by engaging consultancy services</td>
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</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>4.90</strong></td>
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