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COMPREHENSIVE AREA DEVELOPMENT ITS RELEVANCE AS A PLANNING STRATEGY IN INDIA

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ABSTRACT : The present orientation of the Indian socio-economy subtends a number of disjunctions between manufacture and agriculture, between technology and natural resources, between large and small producers and also between the metropolis and the urban system. To overcome these disjuctions is the task before us. We can use the strategy of comprhensive area development for this purpose since the nature of disjunctions vary between regions. In this paper, the problem has been set in its historical perspective, covering the processes of both economic development and institutionalities of planning. At the end it deals with certain basic issues that such a strategy shall need to resolve in order to become effective.

Some Definitional Issues

Comprehensive area development as a planning technique apparently means that it is applicable for area development, having a large scope or content within it. It implicitly means that the programme content is capable of being fully understood, grasped or comprehended by the people living in that area, who are the beneficiaries or the " target groups " of and participants in planning. In other words, comprehensive area development should start off from a base given by the current practice of the people of an area with reference to the mode and method of utilisation of the resources of the area and should accommodate the consequences of such actions in designing the contents of the subsequent programmes.

The task of the planner then would be to design a vector of transformation from the initial to a defendable future model of material culture for the target area. The defence must naturally come through the participation of the society within the designed vector of change. This defence may entail repeated examination of the possible alternative production frontiers and repeated redefinition of the required pattern of synergestic attachments of the diverse roles within the society. The planner must assure himself and also the beneficiaries of the target area that each achieved level of transformation of the material base of culture will not contravene the rules of the larger national economy. In other words, comprehensive area development can become a viable. planning technique only when there is simultaneous sanction of the aforementioned tasks of the planner

both at the local as well as at the national level. Such a planning technique is especially relevant for an ex-colonial country like India and is also especially difficult to conduct, because in such countries the relation of metropolitan economy is not synergestically poised with the economic interests of the countryside. We have to understand the nature of this relationship fully in order to understand how comprehensive area development plan can be formulated.

The Indian Context

The present orientation of the Indian socio-economy, its pattern of relationship between manufacture and agriculture, between technology and natural resource, between large and small producers,and things in that order, have emerged through complex processes. These relations are far from radical. We propose to recount below only the principal structural features of the Indian economy, assumed as derivatives of this history, to help appreciate the contextual necessities of comprehensive area development planning.

We are taking up first the status of manufacture in India, because it reveals the basic anachronism of the Indian economy. Manufacturing as a social mode of production essentially began within the ambit of industrial capitalism in the middle of the nineteenth century. Since then considerable development of manufacturing and industrial capitalism have taken place in India. Nevertheless, from the days of initiation until today, the "engine of growth" has remained basically external to the Indian socio-economy notwithstanding the efforts of the national planning authorities made after independence towards self-reliance. The external manifestations of this reality are seen today through sustained dependence on imports of technology and capital and on exports for the sale of manufacture.

Arthur Lewis (1970) observed a close parallelism between the relative rates of growth, experienced by the underdeveloped countries, including India, during the decades preceeding the first world war and the decades following the second world war, in the sense that the relative buoyance experienced by these economies during these periods largely originated in the buoyance of world exports of both capital and goods. We may gainfully admit that the terms of trade between nations are largely overshadowed by objectives which are more political than economic. Therefore, the internal logic of development of industrial capitalism in India was continually upset and had to be readjusted in consonance with the flare of international relations that India succeeded in establishing periodically from her well-known position of weakness. The progress was halting, subserving generally the interests of the major external powers and simultaneously failing to validate itself as a legitimate force within the internal material base of culture. The linkage between manufacturing and the other sectors of the Indian economy remained at best tenuous.

The disjunction between manufacture and the other components of material culture follows from a traumatic experience of the pre-manufacturing Indian society. India, say in early 18th century, was a leading source of merchandise for international trade, a major part of which was fabricated by the indigenous handicraft sector. The products were varied and largely integrated with the other economic sectors like agriculture, mining metallurgy, etc. The handicraft sector not only fabricated raw materials to produce diverse consumer goods, but also supplied tools to the rest of the economy. Such a pattern of synergestic attachment between the diverse sectors of the economy sustained a process of absorption of tools by the society at large, however slow the rate might have been. This interdependence became disrupted during the late 18th and the 19th centuries. The disruption of the interlinkages between technology and social management of the land resources came in two stages.

As the grip of the West European merchantilism over the Indian handicraft production became firm in the late 17th and early 18th century, the terms of trade required the Indian artisans to detach themselves from their agricultural ties and to congregate, in turn, around conveniently located commercial centres or in towns established by the foreign traders. The villagers thus deprived of the local institutionalities of technology-absorption, suffered in the process. This set the stage for dissociation of technology from the social management of land resources, and the course of economic history of India sustained this breach over the next two hundred years.

The second wave of dissociation followed the supersession of mercantile capitalism by industrial capitalism in England in the late 18th and early 19th century. Manufactured industrial commodities flowed into India and made redundant the Indian handicraft economy. Thus deprived of their means of sustenance, the Indian artisans left the towns or the earlier flourishing centres of commerce and production, and returned to the villages. They came as immigrants, but were delinked from the traditional nexus of technology and land-economy. The emigrating Indian artisans took to agriculture or survived such sectors of production where the products wers related to small domestic consumption and with such ardour as to eke out just base survival. They failed to regenerate the earlier synergestic attachment between technology and social management of land resoures even in the non-urban areas.

Agricultural practices did not ensue any dialectical change through absorption of any new technalogy. Yet the agricultural sector remained condemned to absorb both immigration and natural increase of population since then. This is the historical context and the social meaning of dissociation of technlogy from the non-metropolitan economy of India.

The syndrome still lingers and for that reason, provides the rationale of comprehensive area developmental planning, where the designing and establishment of radical synergestic attachments between technology and manegement of land resources emerge as the principal components of the exercise. This obviously proposes that in order to approach the basic objective of comprehensive area development, the planner will be required not only to manipulate the rules of the ex-colonial economy, but also to promote radical reappraisal by the beneficiaries in terms of their attitudinal bases or the ethics of use of property vis-a vis technology in India. To undertake such a task, we need to appreciate how pervasive the syndrome has been. Bearing this in mind, we may gainfully examine some of the basic anachronisms of the social base of technology in India.

We can begin by looking at the structure of capital say in cotton-textile industry Along with jute, the early industrial base of Indian manufacturing economy was provided by cotton-textile. Taking the history of this industry as a whole, we find that from the days of initiation and throughout the period when regional spread of this branch of manufacturing was taking place, capital was used in such a manner as to keep the capacity of the spinning sector larger than that of the weaving sector. The surplus yarn was destined initially for the handicraft-sector of China and later for that of India. The incremental capital output ratio worked out favourably in that manner for the Indian industrial captalism. It also produced a sickening marriage between manufacture and handicraft.

Naive historians, however, see within this marriage between handicraft and manufacture the signs of justice, because it apparantly secured for the former technology an opportunity to survive. In reality, such a marriage produced a political economy of finance capitalism, denuded of the revolu-

tionary potentials of industrial capitalism. For example, the prospects of increasing gross domestic product that was otherwise available through the spread of industrial technology of weaving in the manufacturing sector remained underutilised. To that extent, the formation of industrial labour-force and consequential relief in the land man ratio remained suspended. The pricing of yarn was so regulated as to keep the productivity of the handicraft sector at less than subsistence level. And, because of such pricing of yarn, the subsidy given to the handicraft sector, ultimately emerged as profit to the manufacturing sector. Thus an alliance between finance capitalism and public apparatus got established that kept arrested the future proliferation of technology within the Indian economy.

The implication of under-utilization of manufacturing potentials on the sturcture of Indian industrial-capital becomes meaningful as we come to examine the experience of planning after independence. Surendra Patel (1968) found that between 1953-54 and 1962-63 there persisted an inverse relationship between growth rate and actual achieved incremental capital output ratio (ICOR) in India. Since ICOR is defined as investment divided by the increases in national income over a given period, it inverse relationship with growth rates for the total economy merely indicate that the actual investment had been less than what was otherwise required for fuller utilisation of the high ICOR. It is highly interesting to note, as Myrdal has observed, that the actual ICORs have usually overshot the assumed or implicit ICORs in the various plan periods in India, at least up to 1966. Here the output has been given by net national product at factor cost and capital refers to net investment. Since during this period the basic planning instrument has been to direct public investments and expanditure with a view to generating certain investments in the much larger private sectors, the fact of actual ICORs overshooting the assumed ICORs can only mean that public investment went for sectors with high ICORs and in such sizes as was not apprised in the initial plan documents.

This can of course imply faulty accent of resource allocation between sectors. But it certainly means that the policy instrumen-admitted data that were aggregates of assumt ptions not necessarily related to the concrete analysis of social, economic and institutional microcosm. The behaviour of private capital was not obviously anticipated. Lipton (1968) directed the above criticism to both British and Indian planning. But such inadequacies matter more to India. The rates of investment, for capital-asset formation planned or actual, for the nation as a whole have been not so high as to make up for the unplanned increase in the ICORs chattopadhyay (1977).

The anachronism within the very structure of the Indian economy that the above experience reveals have obvious and deep historical roots. To what extent this history has produced microcosmic institutional arrangements between diverse organisations of production, so that the radical potentials of technology now stands unused within the Indian socio-economy, is required to be examined in detail in order to define planning as an effective public policy instrument and to design the styles of intervention to rehabilitate technology with all its radical flourish within the Indian societal order.

We can pick up the engineering sector for highlighting the issues raised above. This sector has developed conspicuously since 1947, as obvious results of application of planning as a public policy instrument. Its pattern of development, therefore, constitutes a relevant area of enquiry.

After independence, the sub-sectors typified by heavy chemicals (including fertilizer), heavy electricals and heavy machineries have developed essentially through public sector investments. The pre-independence economy had hardly such industries. Therefore, these did not envisage any problem of readjustment with the older

organisations of production. While in the area of heavy electricals, the capital has come almost entirely through public-sector investments, in the other two sub-sectors, investments have come substantially also from foreign multinationals and their Indian collaborators. It is important to note that almost all the public-sector firms have experienced phenomenal under-utilisation of their installed capacities. The heavy machineries sub-sector has suffered most from under-utilisation. Interestingly, the multinationals and their Indian collaborators, all belonging to the private-sector, have hardly experienced similar uuder-utilisation of capacities. Since the public policy instruments have been used so as to avoid duplication of product-mix between the public and private sectors, the abovementioned differences in their experiences only suggest that the product-mix of the private firms were closer to the natural economy. The product-mix of the public sector firms obviously required further ancillary and subsidiary investments to become socially meaningful and economically necessary in India, which indeed did not take place. such investments did not ensue either from the private or from the public sector.

The drugs and pharmaceuticals sub-sector have experienced considerable growth since independence. The new investments came primarily from the foreign multinationals and their Indian collaborators, although some capital came from the public sector as well. Here again the multinationals flourished, but the older Indian firms withered away, unless these attached themselves to their competitors. Comparative economies of scale, strength to mobilise finance, advantages of raw material procurement and alien base of research technology are some of the factors that can explain the ruin of the older installations and the success of the newer ones. This is ano ther fact of dissociation of technology from the Indian social base.

The light machinaries did not, however, entail any ruin of the smaller and older firms commensurate with growth in this sub-sector. Both the big and the small entrepreneurs seem to co-exist today. It is worthwhile to note that such co-existence did not come about in the context of drugs and pharmaceuticals sub-sector. The contrast is significant. We may incidentally mention that both the light electricals and light machinaries sub-sectors are privately owned without any noticeable participation of public sector in the capital. It should be mentioned in the first instance that both the light electricals and light machinaries industries produce varieties of articles which are known as items of conspicous consumption, like refrigerators, air-conditioners, fans, and other kinds of domestic gadgets. However, the bulk of their capacities are used as ancillary supports to transport industry. Switchgears, transformers, brakes, machine-parts, fittings, etc. are the common types of goods produced. Then some of the newly emerging products would include agricultural and irrigational machinraies. In other words, these two sub-sectors, by virtue of their product-mix, can reach a large segment of the society that is participating in the exchange economy. Therefore, these have the prospect to act as major disseminators of tools and technology into the societal order of India.

Unfortunately, the above potential is yet to be exploited. Working with the data on WestBengal, A.N. Bose (1975)computed that industrial inputs, both current and capital, constituted only abont 3 per cent of the total agricultural output. He further observed that only 1 per cent of the total industrial output of West Bengal has been productively consumed in agriculture. These two observations jointly and severanl-ly, indicate that there exists a disjunction between industry and agriculture per se and that there exists also a disjunction between the regions supporting industry and agriculture.

In the light-engineering sub-sector, both the large and the small firms co-exist. The root of this co-existence is given by the fact that these are not competitively poised. These are interdependent organisations of production. Since almost all the final goods are assembled-products, the volume of commercial turnover that gets registered in the name of the large firms is more than the capacity of the infrastructure laid within such firms. These assemble the final-goods by obtaining a major proportion of the components produced by smaller firms. The size of the national output of such goods is, there fore, given by the aggregate fixed assets of the smaller firms, which explains why the national output is small. But this is not the pith of the story.

It is found that the smaller firms remain attached to the larger firms through carefully regulated systems of contracts and sub-contracts. Orders for supplies pass through several hands to reach the smaller producers and at each stage of transaction a price-spread takes place to accommodate the middleman's profit. If we apportion the total added-value, that subtends between the primary producer and the final consumer of these industrial goods, amongst the different components of capital, then we find that the share on capital ailenated from production (i. e trade) far exceeds that on capital engaged in productlon (i. e. manufacture). Such lop-sided redistributive mechanism of value between finance-capital and industrial robs the radical roots of technology and arrests further proliferation of technology in these sub-sectors.

One need not believe that the above system of hierarchic attachments of the small with the large firms necessarily precludes absorption of new technology in the national economy as such. In fact, over the last thirty years diverse kinds of new technology have indeed been absorbed within these sub-sectors of engineering industry. But such absorption has happened if the new technology has been for new product-mix and if it entailed investment in newer looations. The organisation of production related to the earlier product-mix in old locations was hardly inclined to absorb new technology. It is a fact that newer industrial regions have emerged. It is also a fact that the never the industrial region is the more modern has been the absorbed technology.

No less significant has been the stagnation of the older industral regions, based as these were on older production relations. One can observe that the stagnating regional engineering economies experienced further decay as and when new technology in newer regions got interested in the old product-mix. This has happend, to site one illustration, when public sector investment on railway coach and wagon building industry came to South India and affectad the Calcutta industrial region adversely. Prior to this Calcutta industrial region was primarily engaged in the production of wagons, axle-boxes, and variety of other fittings for the railway. The region lost its former trade as South India developed and brought in its wake an unprecedented industrial recession in West Bengal. The Calcutta-based engineering firms failed to gear their infrastructure and their organisation of production to new product-mix or newer consumers. It is significant to note that while the engineering industries of Calcutta regions suffered from a decade long recession conditioned by shrinkage of trade, the farmers in West Bengal purchased hundreds and thousands of pump-sets for irrigation from a far away industrial region located in Maharashtra. This regional disjunction between technology and natural resources base is really embedded within a similar disjuction existing between agriculture and industry. It is not altogether incorrect to say that it is because of this basic disinjunction that the Indian economy continues to be stimulated more by the ' external engine of growth ' than by the radical potentials of expansion of an internal market for industrial goods. The oot of the crisis is very old indeed.

A. Bagchi (1976), while examining the experiences of the economy of India of the first half of the century, observed this disjunction to exist between agriculture and industry in eastern India and also in the Punjab. He observed that during this period there was considerable growth of large-scale industry in eastern India, while agriculture was either stagnant or decaying. On the other hand, in the Punjab region, while the indicators of agricultural growth revealed an impressive performance, there was hardly any development of large-scale industry. In other words, the disjunction between industry and agriculture has been an attribute of the colonial economy itself, although the pattern of disjunction was regionally varied.

The experience after Independence is not very different either. The disjunction continued unmitigated in West Bengal. We find that net food-grains production per day in West Bengal came down from 390 grames in 1951 to 351 grammes in 1965. During the same period, the net per capita income per day originating from the industry-sector went up from 14 paise in 1951 to 26 paise in 1965. During this period the industry sector was apparently more buoyant than agriculture. Between 1960-61 and 1965, the state income from the registered manufacturing industry increased by about 41 per cent at 1960-61 prices. But the income originating from agriculture declined by about 3 per cent at 1960-61 constant prices over the same period. But, by 1965-66 the registered manufacturing sector in West Bengal started sliding into a deep recession. We have given some explanation of this recession earlier. This industrial recession soon turned out to be a long-term stagnation. Between 1965-66 and 1975-76, the income originating in the registered manufacturing sector in West Bengal declined by 21 per cent at constant 1960-61 prices. However, over the same decade, the agricultural sector broke out of its stagnation in the state and registared an increase of more than 33 per cent at constant 1960-61 prices. Such a non-congruent orientaton of relative buoynance of the two sectors of economy within one single region of West Bengal merely proves that these two sectors are functionally disjunct sets, having obtained for themselves tenuous linkages to invigorate each other.

The Contextual Tasks

The above description of the Indian contex clearly indicate that our developmetal tasks must originate from a commitment to overcome the disjunction, which, of course, has many facets. We have to overcome the disjunction, that subsists between industry and agriculture, between; technology and resource base, between industrial and agricultural regions, between industrial and finance capital, between large and small firms, and between basic and fabricative technologies. One can subsume that some of the disjunctions can be technologically overcome by obtaining system-linkages between the subsidiary and the ancillary product mix, say, through vertical integration of the technology of fabrication. One can also conceive that such integration must require appropriate institutional changes within the existing organisation of production. Both are obvious needs. But one must necessarily accept that the nature of each level of "required" integration will emanate from the specific needs of an area, because the disjunction to be overcome is area-specific. The two cases of Punjab and Bengal adequately prove the point: the former requiring new investments in industry and the latter requiring its existing industrial base to opt for newer product-mix to provide appropriate backward linkages for agriculture. Similarly, the nature of the required forward linkages of agriculture with their respective regional industrial bases will also differ between themselves over the regions. In other words, the specific praxis of a given society with reference to the local resource base as related to the national technological base will define the structure of

the initial strategy for overcoming the varieties of local disjunctions. The sectoral plans should be the derivatives of this strategy.

Obviously, the strategy to overcome local disjunction will consist of both functional and areal integration of the sectoral investments, The required changes in the given institutional arrangements between property and labour must ensue in consonance with the imperatives of such integration and should provide the basic rationality of Comprehensive Area Development as a planning strategy in India.

One need not believe that such a strategy will succeed if applied independent of a national policy back-up system. For instance, the existing institutional arrangements cannot be altered without legislative support. This will entail involvement of the state political apparatus. Secondly, mobilisation of resource, both financial and material to validate the area based sectoral plans will require the support of appropriate pricing-system. Since the existing national technological base will have to provide the tools to different areas and since this base itself is narrow and confined within small number of regions, an appropriate distribution policy will be required, involving both capital and material resources to balance the old industrial regions and the newly emerging integrated economies. Since new resources will be continually identified at local levels, their admission into the national, economy will also require regulation and support. In other words, comprehensive area development must inspire and draw support from regional policies at national sub-national and local levels. Incorporation of regional policies into a hierarchically ordered regional plans is a must in India. This is indeed a tall order, but the only order that can match the towering frustrations of the alternatives.

The Institutionalised Practices and the Lessons therefrom

India has acquired experience of over two and a half decades in the field of economic and social planning. However, regional planning as a methodology is yet to flourish in India. This is indeed a disappointing reality, which we must accept notwithstanding the fact that in every five-year plan the need for translating the national sectoral objectives into area-based action programmes was recognised. K. V. Sundaram (1976) argued that lack of data, lack of technical personnel and lack of organisation are the major explanations of this lacunae. One could also argue that this lacunae is due to the practices obtaining within the very institutionalised structure of planning itself. It is this second view that we propose to follow in this section.

Planning machinery in India involves participation of body polity of India and the technologists. The Planning Commission as an embodiment of technical expertise at the national level is one institutional channel. The other channel is the National Development Council. It consists of the Chief Ministers of the different states presided over by the Prime Minister of India. It is responsible for the approval, with or without modification, the draft plan that the Planning Commission prepares. The National Development Council through its interaction with the Planning Commission, therefore, symbolically operationalises the federal format of the Indian polity.

It must be mentioned that economic and social planning, according to the Constitution of India, is in the concurrent-list in the sense that this responsibility is concurrently shared by the Union and the State Governments. However, there are some vital areas of development which fall exclusively within the State-list. These include local government, public health, education, land, mining, agriculture, irrigation, electricity, and a wide range of activities under industries and transport. Similarly, the Union Government has the responsibility over the basic transport infrastructure, basic

industries, foreign trade, defence industries, and to take all measures to remove economic disparities between areas and sections of the population. Such a pattern of sharing of sectoral responsibilities requires sustained interaction between the diverse departments of the State governments, their corresponding ministries in the Union Government, and the diverse technical officers of the Planning Commission. Such a pattern of interaction has naturally proceeded to design planning actions primarily in terms of instituted regions, viz., the States, Union Territories, and the Union of India. To cut across the boundaries of administrative areas for planning purpose, therefore, requires special efforts from the policy-makers.

It was found, as experience increased, that the instituted regions at the lower echelons of the hierarchy hardly enjoyed any autonomy of decision making. In the Fifth Five-Year Plan documents this was openly admitted. The official document stated that " from the point of both efficiency as well as equity, it is not desirable to mechanically impose the hierarchy of programme priorties determined at the National and State levels without taking into consideration, the peculiarities of different areas in terms of levels of development, physico-geographic conditions, resource potentials and the coverage and quality of economic and social services ". The outcome was the policy prescription for Multi-level planning. All State Governments were encouraged to set up their respective State Planning Boards and also to set up District Planning Committees so that the local resources and local problems could get reflected in the processes of selection of action programmes for development. The policy explictly admitted the need for decentralised planning. But the new machinery still based itself explicitly on the given hierarchy of instituted regions. The intersectoral balance was obtained for regions located in the higher echelons of hierarchy, which was admitted for disaggregation in terms of lower ordered regions. The need for areal integration of sectoral plans at any level or unit of regions was hardly admitted as a special task within this new system. This did not reflect the ethos of the policy planners.

Any review of the Indian planning experience will, however, show that the planners were continuously eager to appreciate the regional dimensions in Indian Planning. Many kinds of actions were taken to fructify such desires. But in every instance the rationale of action came from ad-hoc identification of some problems specific to some areas. In West Bengal alone several types of regional planning institutions were set up to tackle diverse kinds of local problems. Of these, mention should be made of the Intensive Agricultural District Programme (IADP), set up in the late fifties with the objective of providing intensive investments on productivity-promoting inputs over a district. Then in the early sixties, Calcutta Metropolitan Region emerged as a problem area and a planning organisation (Calcutta Metropolitan Planning Organisation) was set up to formulate the plans. In the early seventies, a special development authority (Calcutta Metropolitan Development Authority-CMDA) was set up to implement the plan. Again in the late sixties, a special planning institution, called the Asansol-Durgapur Planning Organisation, was set up to tackle the problems of the industrial region around these two cities. In the early seventies, a special development board, called the Haldia Development Board (HDB) has been set up to steer the development of urban industrial complex around the new port facilities created at Haldia. About the same time, to tackle the problems of the deltaic West Bengal, a specieal planning institution was set up which was called the Sundarban Development Board. The Jhargram Development Board was set up to tackle the problems of

one draught-prone area in the early seventies. During the same time, another planning institution, called the Hill Area Development Board, was set up to design special programme of development for the people living in the Himalayan Zone of west Bengal.

The Common theme running through all these experiments in West Bengal have two basic attributes. Firstly, none of these planning institutions were given the responsibility to review the placement of the target area within the national economy nor in terms of their adjacent areas. Secondly, none of of the plans formulated by these diverse institutions had been reviewed as logical integrals of the national plan. Consequenty, these regional planning bodies remained loosely suspended from an otherwise highly formal arrangement for plan fund allocation obtaining between the Union and the State Governments. One need not assume that such an experience ensued only because these regional planning bodies were set up on the aegis of a State Government which is a subordinate authority. Sundaram's (1976) review of the efforts sponsored through the Union Government on regional planning also speaks of a similar tale. It is worthwhile to review this experience in some detail.

Union Government, according to Sundaram, had sponsored four types of regional plannig exercises. These are (1) Inter-State Regional Plan (example, South-east Resource Region), (2) State Level Regional plan (example, Rayalaseema Region), (3) District Plan (example, plan for Aurangabed District of Maharashtra), and (4) Area Development plan (example, Gujarat Tribal Area Sub-Plan). The basic limitation of these approaches have been succinctly put by Sundaram (1976) which is that –" Systamatic regional planning on a country-wide scale, i. e. (by) dividing the whole country into economic regions and planning on that basis, has not yet come about in India. However, several ad-hoc efforts in regional planning have been made at various territorial levels . . " We may discuss the experience of each of these exercises.

In the case of Inter-State Regional Plan the rationale correctly came from the identification of the fact that within the federal policy of India where the states plan for their own territories, problems do arise which cut across State boundaries which call for inter-state co-ordination in planning. With this objectve in view, the South-east Resource Region was identified as a suiable territory to obtain such inter-state collaboration. This territory covers parts of five states. Co-ordination was institutionalised through joint participation of the five State Governments, Union Government and the Plannig Commission of India. The output came in the form of a 17 year perspective plan, covering about 13 sectoral plans. The total required investment was then disaggregated, whose implementation was left to the State and/or the Union Government agencies through their normal styles of development.

It need not be mentioned that the constituent five states of this planning region have barely followed the directives given in the plan. The reason is not hard to find. In the first instance, the South-east Resource Region plan was more of the nature of a " frame " rather a detailed " plan of action". Secondly, the investment programmes were not drawn up as economic optimisation models. Finally, not all parts of the five constituent states were covered by this plan. Hence investmental choices had to be exercised by the constituent states in terms of the area covered and not-covered by this plan, which quite often produced results at variance from what was suggest in the plan.

We may now look into the case of intra-state regional planning efforts. The State of Andhra Pradesh, in the late-sixties, decide to appreciat three distict of Telegana, Rayalaseema and Coastal Andhra as

separate 'policy regions' for purposes regional planning. In 1971, a long-term perspective plan for Rayalaseema region was published. Since 73% of the population was engaged in agriculture, it was assumed that agriculture was the lead-sector and that growth in the other sectors will roughly increase in the same proportion as the agricultural sector. To stimulate this pattern growth, a spatial strategy was worked out for the creation of a hierarchical order of service centres spread over the region, which were conceived as growthfoci for the mobilisation of the required inputs and also as outlets of agricultural surplus for the metropolitan economy. Then the entire programme was disaggregated in terms of different districts (administrative areas and the district authorities were expected to select schemes for implementation by using the plan as a general guideline.

It should be understood that the Rayalaseema Plan does not represent an economic optimisation model. It was formulated without any supporting perspective frame of development for the State as a whole or for the other "policy-regions" of the state. Since the schemes indentified by the district-level administrators of the Rayalaseema region were required to be admitted within the overall State plan for each of the five-year plan period, the value-premises of the Rayalaseema Plan became open to questions. Therefore, the State Sector plans were first admitted in the annual investment plans and then the residual fund was used for Rayalaseema Regional Sector Schemes.

The problem of the district administrators of Rayalaseema in getting their felt-needs admitted within the State-plan is generally shared by similar administrators in most other States of India. Possibly the major exception is provided by the mechanism obtained in the State of Maharashtra. In this State, the right of the districts has been established within a complex institutional arrangement. Each district has its own District Planning and Development Council (DPDC), which is the ultimate authority to allocate the available funds between diverse schemes for their respective territories. Of the total plan resources of the State of Maharashtra, some 60% is earmarked for the District sector plans. The remaining 40% is kept for the state. Sector plans. The total fund that is available for the district-sectors, is then distributed between the different districts through a fairly complex procedure which we need not discuss here. The basic point to note in this regard is that through the application of these complex formulae, each DPDC knows in advance the total resource available for investment within their respective territories. But the DPDC has to conform the sectoral priorities obtained at the State level in the use of this resource. By broadly classifying the development sectors into four categories and by indicating the percentage outlays against each, the State of Maharashtra has designed a schematic format to obtain conformity between the State and the District plans. However, reappropriation of funds by the DPDC between these four categories of activities is tacitly permitted by the State Planning authority as a matter of practice.

During the Fifth Plan period, the above scheme was introduced in Maharashtra, which is generally believed to be working harmoniouly, The state level planning authorities are fully aware that its 'success' lies in making district planning itself a part of the instituted process of planning in the State. The importance of such integration we have already discussed earlier. Its limitation is seen through the fact that such an institutional process has no responsibility towards private investments and also towards the investments coming from the Union-sector in Maharashtra. Since the quantum of investments from those two last-named sources is quite substantial in Maharashtra the expected smoothening of inter-regional, disparity has hardly been achieved.

Some of the problems of resource integration were attempted to be resolved through another type of regional planning experiment in India. This experiment goes by the name of Tribal Area Development Sub-Plan and the best example is available from the State of Gujarat. This was based on a new planning approach that focussed itself on the development of specific communities and specific areas, which are otherwise bypassed within the national and / or state level planning process. A 'target-group' requires to be identified along with the 'target area' which contains the group. The sub-plan idea refers to the special institutional arrangement obtained in order to co-ordinate investments from all sources except private capital, for that area. It was required to ensure that all activities of Government, semi-government organisations, and financing and credit institutions are fully integrated. The methodology of programme formulation essentially consists of identifying one or more core economic sectors specifically relevant to the habits of the target group and to the potential natural resources of the target area, and weaving the inter-sectoral complementarities around it. The methodology was expected to produce an integrated plan for the target area. The approach to planning as described above comes closest to the concept of comprehensive area development strategy. Yet it is not fully so, because the 'target group' constitutes only a part of the total population of target area. The needs and proplems on the non-tribal part of the populace remained outside the purview of the plan. This is the limitation of the target-group-target-area sub-plan technique as applied on the tribal population in Gujarat.

The above account of the regional planning processes shows that area development planning in India is still in an experimental stage and bristles with a number of operational and conceptual inadequacies. The operational inadequacies are certainly second ary in importance, because once the concept frame is adequataly appreciated their operational prerequisites do become visible. But problem persists on the choice of comprehensive concept frame. Therefore, the results of such efforts have remained unused in the main plan-documents. Maharashtra has tried to resolve it through administrative arrangements. Gujarat has tried to comprehend all investments to constitute one single fund. Rayalaseema has accepted "lead-sector' concept. All these are important. What is perhaps needed is the total integration of all these partial objectives. At least this was the basic assumption on which one programme of comprehensive area development was launched in West Bengal in 1976. We shall draw conclusion to our present discussion by examining the contents of this approach.

A Potential Viable Strategy

The Comprehensive Area Development Programme (CADP), that we are to examine now, was conceived by the State Planning Board of West Bengal in 1972, accepted by the Goverment of West Bengal in 1973 and approved by the West Bengal Legislature by passing a law in 1974, which received the assent of the President of India. The law permitted the creation of a Comprehensive Area Development Corporation (CADC) as an apex organisation to undertake formulation and implementation of developmental programmes for notified areas on the approval of the State of West Bengal. The CADC began its work in 1976 on 18 projects (notified areas).

The State Planning Board envisaged the comprehensiveness of the strategy in terms of seven inter-dependent concept frames. In the first instances it was conceived that, in order to reduce the investment requirement per unit area to a minimnm possible limit for achieving highest possible level of production and employment, a complete package of technological inputs and practices, permitting maximum possible use of available human labour, will be

required. Secondly, to provide the most essential basis for integrating growth with equity, it was considered necessary to abolish those aspects of the present day property-relations which are inimical to efficient use of modern technology or are objectionable to socially desirable system of distibution, by providing a complete package of socio-economic structural reform, including strict implementation of land-reform laws and those on minimum wage. Thirdly, area development appoach was required to make effective use of every area of resource within a specific apace of about 75 sq. km. by integrating the above two packages so that each such spatial unit could be considered as essential building blocks for gradually covering the whole countryside. Fourthly, the strategy for covering the whole countryside was conceived to be implemented by selecting the initial areas in a way, so that marginal investment could lead to fuller use of hitherto partly utilised investments made earlier and to generating sufficient surplus for undertaking accelerated development of other areas. Fifthly, as one of the pre-conditons for technological modernisation of agriculture, it was considered essential to initiate structural changes it the present industry mix and power supply mix, enabling thereby the new industrial structure to supply adequate industrial inputs and power to agriculture. Sixthly, it was found essntial to alter the present structural arrangements of credit supply from banks and co-operatives so that these institutions became competent to meeting the total credit requirements and to initiating technological innovation in the project-areas. Finally, it was considered necessary to alter the existing locational pattern of industries so that an effective union between industry and agriculture would be obtained in the rural areas. These seven concept-frames taken together constitute the new strategy of development. Needless to mention that the 1974 legislation has empowered the CADC to integrate all these seven components of the concept-frame for designing the necessary action programmes.

Reviewed against the plethora of attempts made in India for regional planning, the CADP in West Bengal appears exceptional as an approach. There are many components of this programme, the thrusts of which can provide the rationality of regional planning as the fundamental planning techniques necessary for India. The following issues may be seen as necessary and sufficient to clarify the assertion made above.

In the first instance, the CADP accepts the total population of the target-areas (notified area) as the target population (future beneficiaries). Proper concordance between people and area can be sustained only when the approach is followed to cover the entire people and entire countryside of the nation-state. This requires pre-partioning of the entire territory of the nation-state in terms of economic regions for purposes of identifying specific growth strategies for each such region.

Secondly, the CADP accepts the disjunction between industry and agriculture as a basic factor of underdevelopment and addresses itself to overcoming the disjunction. Since agricultural modernisation must require the support of industries as providers of inputs and since the increased output from the developed rural sector must produce the conditions for further industrial fabrication of such materials. the CADP admitted a programme of agro-industrial development as one of its major component. This provides an objective function for the national planners to restructure the industrial product-mix for the country as a whole. In other words, CADP is the foundation on which national sectoral planning would stand and, thereby, it becomes a radical integral of national developmental progress.

Thirdly, the CADP accepts the need to be

empowered to extinguish certain elements of the right to property in imposing a production programme that involves pooling of private resources and utilisation of those to the fullest extent. The concept of compulsion is obviously admitted. According to the premises of the programme, the direction in which the element of compulsion was to be used wbuld be against those social groups among the owning-strata who are unwilling to put their control over resources to full productive use. In other words, the CADP admits that the institutional constraints to development originate primarily from the existing relationship between property and the larger society.

Fourthly, this element of compulsion, obtaining within the very framework of utilisation of resources, will be initially implemented from above by a modernising administrative and technical elite and will be replaced by voluntary agencies of the working peasantry at the end. This implies that the CADP accepts labour as a superior or radical force over proprietorship in bringing about social change.

Fifthly, the CADP envisages the institutinal credit, a corporate public-sctor authority in India, as a support mechanism for the working peasantry in their above mentioned radical role. The rationale is derived through the formulation of the production programme as would make it credit worthy, satisfying the usual terms of corporate authority in agriculture to work as a channel of instiutional credit. The CADP therefore is conceived as an agent to make the working peasantry creditworthy and thereby increasing their bargaining power.

Finally, the CADP accepts that in order to satisfy the criteria of a bankable project and to make the working peasantry creditworthy, it would be necessary to have certain obligatory control over supply of input and disposal of output. This will impart upon the corporate authority on finance the responsibility to act as an instrument to overcome any possible disjunction between industry and agriculture. Such a radical role can be performed by finance-capital, because it now belongs to the Public Sector.

The above analysis of the concept-frame of CADP in West Bengal leaves us convinced that the approach under consideration has so far been the most comprehensive in India. It shows that comprehensiveness and development are inseparably linked with regional approach. It is true that the success of the programme will depend on the fulfilment of macro-economic accounts in terms of production of the required industrial disputes. But the fulfilment of these target would be dependent not so mueh on the internal logic of the programmme itsef, as it would be on the overall context and structure of planning in the State and the economy of the country as a whole. The CADP only provides the rationale of change.

In terms of the internal logic of the programme, there are three major issues which are likely to affect its success. In the first instance, its success will depend on the extent to which the administrative-technical cadre ot the projects would enlist the active participation of the poorer strata of the rural society in the Programme. It will depend, secondly on the extent to which the programme succeeds in strengthening the bargaining power of the rural poor, small farmers and agricultural labourers. Finally, it will depend on the extent to which the programme can loosen the grip of money-lenders and reluctant property holders upon the production base. On all these counts, the projects authority will require vigilant support from the radical political parties. Since agrarian revolution is not waiting just round the corner, the radical political parties can cause themselves on harm by admitting the rationale of CADP at least as a reform programme, if not as a base to work out more redical changes of the social structure, to provide for a material culture, in future.

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