

Content/Topic

Government Measures Under Five Years Plan & Panchyati Raj Institution

Introduction

Indian planning is an open process. Much of the controversy and the debates that accompany the preparation of the plans are public. The initial aggregate calculations and assumptions are either explicitly stated or readily deducible, and the makers of the plans are not only sensitive but responsive to criticism and suggestions from a wide variety of national and international sources. From original formulation through successive modifications to parliamentary presentation, plan making in India has evolved as a responsive democratic political process and the culmination of the same in the final document is an impressive manifestation of the workings of an open society. But by its very nature it also generates many problems from the point of view of mapping an optimal strategy for economic development.

History of Planning in India & Origin of Five Year Plans

Though the planned economic development in India began in 1951 with the inception of First Five Year Plan theoretical efforts had begun much earlier even prior to the independence. The Setting up of National Planning Committee by Indian National Congress in 1938, The Bombay Plan & Gandhian Plan in 1944, Peoples Plan in 1945 (by post war reconstruction Committee of Indian Trade Union), Sarvodaya Plan in 1950 by Jaiprakash Narayan was steps in this direction. Five-Year Plans (FYPs) are centralized and integrated national economic programs. Joseph Stalin implemented the first FYP in the Soviet Union in the late 1920s. Most communist states and several capitalist countries subsequently have adopted them. China and India both continue to use FYPs, although China renamed its Eleventh FYP, from 2006 to 2010, a guideline (guihua), rather than a plan (jihua), to signify the central government's more hands-off approach to development.

After independence, India launched its First FYP in 1951, under socialist influence of first Prime Minister Jawaharlal Nehru. The process began with setting up of Planning Commission in March 1950 in pursuance of declared objectives of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production and offering opportunities to all for employment in the service of the community. The Planning Commission was charged with the responsibility of making assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilisation of resources and determining priorities.

The first Five-year Plan was launched in 1951 and two subsequent five-year plans were formulated till 1965, when there was a break because of the Indo-Pakistan Conflict. Two successive years of drought, devaluation of the currency, a general rise in prices and erosion of resources disrupted the planning process and after three Annual Plans between 1966 and 1969, the fourth Five-year plan was started in 1969. The Eighth Plan could not take off in 1990 due to the fast changing political situation at the Centre and the years 1990-91 and 1991-92 were

treated as Annual Plans. The Eighth Plan was finally launched in 1992 after the initiation of structural adjustment policies.

For the first eight Plans the emphasis was on a growing public sector with massive investments in basic and heavy industries, but since the launch of the Ninth Plan in 1997, the emphasis on the public sector has become less pronounced and the current thinking on planning in the country, in general, is that it should increasingly be of an indicative nature

Outline of Various Five year Plans:

- **First Plan (1951 - 56) Target Growth: 2.1 % Actual Growth 3.6 %.** It was based on Harrod-Domar Model.
- **Second Plan (1956-61) Target Growth: 4.5% Actual Growth: 4.3%.** (Plan is called Mahalanobis Plan).
- **Third Plan (1961- 66), Target Growth: 5.6% Actual Growth: 2.8%.** Its aim was to make India a 'self-reliant' and 'self-generating' economy. Three Annual Plans (1966- 69) euphemistically described as Plan holiday. During the Annual Plans, the economy absorbed the shocks generated during the Third Plan.
- **Fourth Plan (1969 - 74) Target Growth: 5.7% Actual Growth: 3.3%.** it proposed to achieve two main objectives: 'removal of poverty' (Garibi Hatao) and 'attainment of self reliance'
- **Rolling Plan (1978 - 80)** there were 2 Sixth Plans. Janta Govt. put forward a plan for 1978-1983 emphasising on employment, in contrast to Nehru Model.
- **Sixth Plan (1980 - 85) Target Growth: 5.2% Actual Growth: 5.7%.** The Plan focussed on Increase in national income, modernization of technology, ensuring continuous decrease in poverty and unemployment through schemes for transferring skills (TRYSEM) and seeds (IRDP) and providing slack season employment (NREP), controlling population explosion etc.
- **Seventh Plan (1985 - 90) Target Growth: 5.0% Actual Growth: 6.0%.** The Plan aimed at accelerating food grain production, increasing employment opportunities & raising productivity with focus on 'food, work & productivity'
- **Eighth Plan.** The eighth plan was postponed by two years because of political uncertainty at the Centre.
- **(1992 - 97) Target Growth 5.6 % Actual Growth 6.8%.** Worsening Balance of Payment position, rising debt burden, widening budget deficits, recession in industry and inflation were the key issues during the launch of the plan.
- **Ninth Plan (1997- 2002) Target Growth: 6.5% Actual Growth: 5.4%.** The Plan prepared under United Front Government focussed on "Growth With Social Justice & Equality "
- **Tenth Plan (2002 - 2007) Target Growth 8 % Actual Growth 7.6 %.** Recognizing that economic growth can't be the only objective of national plan, Tenth Plan had set 'monitorable targets' for few key indicators (11) of development besides 8 % growth target.
- **Eleventh Plan (2007 - 2012) Target Growth 9 % Actual Growth 8%.** The broad vision for 11th Plan included several inter related components like rapid growth reducing poverty & creating employment opportunities , access to essential services in health & education, specially for the poor, extension if employment opportunities using National Rural

Employment Guarantee Programme , environmental sustainability , reduction of gender Inequality etc. The issue of Price Stability remained resonating for more than half of the Plan period.

Twelfth Five Year Plan (2012-17)

The Twelfth Plan commenced at a time when the global economy was going through a second financial crisis, precipitated by the sovereign debt problems of the Eurozone which erupted in the last year of the Eleventh Plan. The crisis affected all countries including India. Our growth slowed down to 6.2 percent in 2011-12 and the deceleration continued into the first year of the Twelfth Plan, when the economy is estimated to have grown by only 5 percent. The Twelfth Plan therefore emphasizes that our first priority must be to bring the economy back to rapid growth while ensuring that the growth is both inclusive and sustainable. The broad vision and aspirations which the Twelfth Plan seeks to fulfil are reflected in the subtitle: 'Faster, Sustainable, and More Inclusive Growth'. Inclusiveness is to be achieved through poverty reduction, promoting group equality and regional balance, reducing inequality, empowering people etc whereas sustainability includes ensuring environmental sustainability ,development of human capital through improved health, education, skill development, nutrition, information technology etc and development of institutional capabilities , infrastructure like power telecommunication, roads, transport etc ,

The policy challenge in the Twelfth Plan is, therefore, two-fold. The immediate challenge is to reverse the observed deceleration in growth by reviving investment as quickly as possible. This calls for urgent action to tackle implementation constraints in infrastructure which are holding up large projects, combined with action to deal with tax related issues which have created uncertainty in the investment climate. From a longer term perspective, the Plan must put in place policies that can leverage the many strengths of the economy to bring it back to its real Growth potential.

Achieving sustained growth would require long term increase in investment and savings rate. Bringing the economy back to 9 per cent growth by the end of the Twelfth Plan requires fixed investment rate to rise to 35 per cent of GDP by the end of the Plan period. This will require action to revive private investment, including private corporate investment, and also action to stimulate public investment, especially in key areas of infrastructure especially, energy, transport, water supply and water resource management. Reversal of the combined deterioration in government and corporate savings has to be a key element in the strategy.

Panchayati Raj Institution

The Panchayati Raj Institutions in India have been the pulse beat of our democracy since ancient times. Panchayati Raj is an old concept in India and in a way it is the earliest concept of democracy in the history of civilization. These institutions are the custodians of Indian village corporate life. Nothing was too small or great in the entire range of human activities to be covered under the umbrella of these institutions. A Panchayat normally consists of five-wise of the village belonging to different sectors of rural society, but presently due to the passage of time the number has not remained sacrosanct.

India has the longest tradition of rural local government in the world. Indian was, in fact, the cradle of rural local government which continued to flourish from the dawn of Vedic

civilization to the advent of British rule. The Panchayat, an ancient institution, suffered through many political uncertainties, but its imprint is still very deep upon the mind of rural people. The village was the basic unit of local administration during Vedic times. The head of the village was known as the Gramini the people's representative. However, there is no evidence showing whether the Gramini was nominated, elected or occupied the post due to heredity.

Instead of establishing 'Panchayati Raj' the Government of India decided in favour of experimenting with the concept of "Community Development Project" the experiment continuing for quite a long period despite failure to achieve the desired results. The whole matter was subsequently reviewed by the "Balwantrai Mehta Committee" and afterwards by the "Ashok Mehta Committee" resulting finally in a decision for establishing "Panchayati Raj" Panchayati Raj institutions thus have a vital role in rural development, which is quite different from denying the importance of other factors. The following passage from the above monograph throws valuable light on the key significance of linkages'. Organisation for rural development must be seen as a system of institutions carrying out various functions in the rural sector of a particular country.

Apart from expressing some pious wish in Article 40 of the constitution that states, "the state shall take steps to organise village panchayats and endow them with such authority as may be necessary to enable them to function as a unit of self-government", the directive gives an assurance that every village, where maximum people live, has to be made an autonomous republic, self-sufficient, self-sustaining and capable of managing its own affairs.

Growth and Development of the Concept

In 1989 and 1990 constitutional amendments were made for the establishment of local self-governance throughout the country aiming at inclusive politics. Subsequently, a comprehensive amendment bill was introduced in 1991 which after several deliberations was finally passed with near unanimity in the Parliament in December, 1992. The Constitution 73rd Amendment Act, 1992 which was brought into effect from April 24, 1993 clearly envisages the establishment of Panchayats as units of local self-Government. It empowers them to prepare plans for economic development and social justice and also implement schemes in these areas as may be entrusted to them by the respective State Governments. The amendment thus gives the Panchayats constitutional status units of local governance and not mere vehicles for delivering development benefits.

Panchayati Raj has been understood in many different ways:

- (a) A unit of local government
- (b) An extension of the community Development programme or
- (c) An agency of the state government.

Jayaparkash Narayan held that village Panchayat should constitute the foundation of the political organization of the country, and should enjoy the widest possible authority to govern all their affairs. He further expressed with the village Panchayats as the base, the political structure would rise storey by storey to the national level. The village assembly at the lowest level would under this arrangement be organizationally linked to the national assembly through a system of indirect elections held by means of consensus among the electors.

Jawaharlal Nehru in his “Discovery of India” pointed out that “the village Panchayat or elected council had large powers both executive and judicial and its members were treated with the greatest respect.

S.K. Dev points out that, in panchayati raj system, the people of India would themselves through their representative of institutions form the Panchayats to Parliament and thus the democracy travel from Lok Sabha to gram sabha. Panchayati Raj thus reflects the concept of inter-connected democracy from gram sabha to Lok Sabha.

The Concept of Rural Development

Rural Development is an elastic concept and everyone interprets it in his own way. Rural Development as a concept is not a new one. It has received the attention much before independence. The term rural consists of two elements, one is the living one i.e., human beings and the other non-living i.e., infrastructure around them. Various scholars and reputed institutions have tried to define rural development giving emphasis on one or the other element. Over the years, rural development has emerged as “a strategy designed to improve the economic and social life of a specific group of people- the rural poor. It involves policies and programs extending the benefits of development to the poorest among these who seek livelihood in the rural areas.

Rural Development has also been viewed as bringing harmony in the different strata of the society. It recognizes that there is a need of integrating objectives viz., more production, more employment and more equitable distribution of income. Rural Development also aims at integrating the low income segments with the rest of rural community by ensuring them a better participation in the production process and a more equitable share in the benefits of development. The potentiality for progress and valuable resources lies in villages and not in a few metropolitan and municipal areas. In a predominantly agrarian economy like ours, the solution to massive problems of poverty and unemployment lies in the development rural areas.

The objectives of rural development may broadly be stated that

- Maximizing production in agriculture and allied activities in the rural areas.
- Development of rural industries with emphasis on village and cottage industries.
- Generating maximum possible employment opportunities in rural areas especially for the weaker section of the community so as to enable them to improve their standard of living.
- Providing basic services like drinking water, communication facilities, education, roads, health and welfare.

Panchayati Raj and Rural Development

Governments are the creation of Indian Constitution and the relation between them is one of partnership; relationship between the States and their Panchayats is that of relationship between a supervisor and a subordinate. The scope and range of functions to be discharged by these bodies is decided by the State Governments. The functions, powers and finances of these bodies greatly differ from State to State. Also functions of different tiers of the system differ widely in different States.

The constitutionally recognized present day Panchayats have a large space and responsibility in the field of rural development and they are intended to achieve far beyond just evoking local initiative in the field of rural development. Article 243 G of the Constitution, which visualizes Panchayats as institutions of self-government however makes it clear that the primary role of the Panchayats will continue to be in the area of rural development. Planning and implementation of programs of economic development and social justice are the main focus of Panchayats. The 11th schedule to the Constitution, in fact contains an impressive list of development activities entrusted to the Panchayat Raj Institutions.

In practice, the Panchayat Raj Institutions are units of local self-government as well as agents of State Government. This necessitates a dual role for them which creates a functional relationship with the State Government. They are entrusted with civic, social, economic and developmental functions. Rural development is being implemented by the Panchayat Raj Institutions. Panchayat Raj and Rural Development both are inter dependent and interlinked, interlocked, and intertwined. Rural development is an end and panchayat is the means. Panchayat Raj as a system of government related with rural administration which enjoys three distinguishing features. They are local, democratic and efficient. Panchayat Raj is acting as nodal agency of carrying out the rural development programs in rural areas.

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