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## UNIT 17 PLAN FORMULATION AND IMPLEMENTATION: ISSUES

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### 17.0 OBJECTIVES

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After reading this unit, the learners shall able to understand:

- Importance of Plan Formulation and Implementation;
- Issues in Plan Formulation;
- Plan-Implementation Dichotomy; and
- Future of Planned Development.

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### 17.1 INTRODUCTION

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Plan formulation and implementation is the part of politics and political action. The public policies are as old as governments. In the wake of global agenda to provide maximum benefits to the human beings, the South Asian countries have focused substantially on development planning. We have discussed about various issues of development planning in the earlier Units. The focus in this Unit is on certain key elements of 'Plan' as such.

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### 17.2 IMPORTANCE OF PLAN FORMULATION AND IMPLIMETNATION

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In the twentieth century for the countries, which achieved their freedom from the colonial stranglehold, the immediate challenge came from the retarded development. While several parts of the European World experienced industrial revolution in the eighteenth and nineteenth centuries, the Asiatic belt particularly South Asia was sub-serving the cause of European industrial development both as a source of raw material and as catalyst for demand. It is this historical disadvantage that accounts for the under development and uneven development of some of the South Asian countries like India, Pakistan, Bangladesh and Sri Lanka. These countries opted for planned development wherein the state was to play the role of an autonomous agent in allocation of the scarce resources for varied purposes. Planned development, in these countries, is nothing but prioritisation of the multiplying demands and allocation of the limited resources between these priorities.

The state is perhaps the only institution, which has the unique power and ubiquitous presence in facilitating the allocation of resources and enforcing the policies on the ground. In countries where market became the major actor in the

development process, the role of the state in the policy process at best could be that of indicator or moderator in the times of orderly development and that of a corrector in the times of crisis caused by the failure of markets. It is true that most of the industrialised countries had to take up the welfare responsibility, which is more of a function of distribution than production. Whereas Asian countries chose what Gunnar Myrdal described "the interventionist role". The state in addition to the welfare of the vulnerable sections in terms of generation of employment and also direct attack on poverty, had to help in capital formation, infrastructure development, production of technology, manpower and knowledge. It is this context and the concerns that make role of the state in plan formulation qualitatively different from that of their counter parts in Europe.

In fact, historically, the interventionist state of the kind that countries like India opted for, had their origins more in the socialist experiment of the then Soviet Union than liberal democracies of Europe. The popularly called Nehru Mahalanobis model shaping the second Five Year Plan was more akin to Soviet model than the French or the British. The inspiration came more from the spectacular development that the Soviet Union achieved both in terms of economising time and raising physical production. The Soviet Union emerged as a super power in a matter of two to three decades, which, by any account, was stupendous. This record of development was traced, apart from the other political and ideological factors, to planned development.

The state in the Soviet Union had built, an elaborate planning machinery having control over the forces of production. They had the information, ability for estimations, arriving at time bound targets, monitoring the process and enforcing the prioritised options. The machinery of planning even in countries like India was built on a similar model. Indian planning commission in the early decades enjoyed the power and prestige comparable to that of the Soviet plan apparatus. The fact that the Prime Minister acted as a chairman of the planning commission lent the image and the linkages necessary for a plan process. Gunnar Myrdal, one of the earliest observers of the Asian Drama, was struck by the huge planning machinery in India and went on record that it would be this plan personnel who, in the ultimate, will have developed a vested interest in the planning.

The plan formulation process is largely determined by the state but the actual process is supposed to be taking place in what is called the 'Black Box'. This entire process of interest aggregation and prioritisation where the specific interest finds a place in the policy agenda remains inexplicable. There are several forces that play critical role in shaping the plan process and the very process of prioritisation. In a pluralistic society and competition based economy, it is always usual that groups organise and articulate their interests through political channels such as political parties, electoral politics, organised action or the civil society channels like NGOs, Voluntary organisations, media or pressure groups. What role a particular channel plays at a given point of time depends upon combination of several factors. For a student of policy process, sensitivity to these processes and an insight into these dynamics is of immense use.

The basic problem outside the interest network arose in some of these countries from the fact that there is a large mass of people or labouring classes located in the unorganised or informal sector. In societies, which survived as liberal democracies with competitive politics, the organised groups have a space to be assertive, but in an authoritarian culture the organised groups either may manage to secure greater access to the resources or may even be arbitrarily denied depending upon their proximity to the power structure. The real problem both in

the so-called democratic and despotic systems is the problem of the unorganised. In fact, it is this denial of access to the resources and absence of orderly articulation of their problems that causes restlessness and cumulative discontentment, which quite often finds its way through very aggressive or violent channels, or occasional outbursts of violence. The militant movements in different parts of South Asia could be explained or understood from this backdrop.

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### **17.3 ISSUES IN PLAN FORMULATION**

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There are several issues in the plan process. The following are some of the very important issues calling for a serious attention of the scholars of public systems management:

- Organisations for participation or institutionalisation of growing popular consciousness;
- Limitations of resources to meet all the competing and conflicting interests resulting in exercise of arbitrary power of the state;
- The continuous pressure of market forces for greater autonomy and accumulation;
- The constraints arising from the electoral politics and populist programmes negating the purpose of planned development; and
- The new economic reforms, which are crippling the policy channel and changing the very notion of development.

Let us discuss briefly about these issues and their implication to participatory approach to development planning.

The issue all over the world and more so in countries opting for planned development is the way the society is organised and inventing forms capable of capturing the priorities of the large mass of people. The political systems, the representative democracy, periodic elections, the political parties and various other institutions in no way adequately reflect the real needs of the unorganised people. We are yet to find forms which could provide space for every individual's perceptions on priorities at one level and the organisational processes capable of churning these inputs so as to engender outputs in terms of development plans, policies which could provide reasonable relief, if not satisfaction to the otherwise inarticulate people and inadequately represented individual. In fact, this is the biggest challenge of democratic policy formulation. The second issue in the plan formulation is the arbitrary power that the planning agencies or the men in power exercise in deciding the plan priorities. Arbitrariness is negation of participative process. Yet all planning exercises involve arbitrariness. In spite of the exercises by the UN and scholars like Mahbub ul Haq and Amartya Sen in evolving a human index of development, there are no universally accepted criteria in arriving at an order of priorities. Therefore, the subjective judgements, the biases and the pressures - desirable and undesirable - do play an important role. It is the exercise of arbitrary power that explains the concept of Black Box in the public policy discourse.

The third very crucial issue in the plan making is the autonomy of the market forces. These forces are driven essentially by the impulses of profit and accumulation. Whereas the important concerns of the policy making, at least in principle, is the larger social criteria. There is always a conflict between the political compulsions of the State and profit compulsions of the market.

Assuming that the planning is by way of indicative planning, there is no way that a market can be made to behave or submit it to norms. In countries, like India, where the market priorities were influenced through regulations or incentive-disincentive strategy, the experience has been that either the norms have been ignored or got circumvented through corruption or other means. This approach has been dubbed as license permit raj and been denounced as solely responsible for retarded development. The whole process of liberalisation is rooted in this logic.

The fourth issue that has come up in South Asia emanates from the compulsions of the electoral politics. This political process has thrown up a series of problems to development plan making. The issues were such and the pressures so high that some of the countries had suspended the electoral politics. In some countries it has resulted in Army take over, declaration of emergency, passing of repressive laws and so on. In principle, electoral politics, by far, is considered to be one of the most acceptable democratic and legitimate ways of prioritisation and deciding direction of development. The real problems arose as the political parties started speaking in language with duplicity. The language of populism to garner the electoral support looked different from the language of governance. The manifestos presented to the people at the time of elections are so different from the political agenda that starts guiding the policy and plan process once elected. This is what led to the formulation of what is called 'hidden agenda' with the result it has been the experience all over that no political party or group of parties held sway over the people for more than one term. The electoral debacles are a clear evidence of the popular disenchantment with the political promises. The electoral politics now is more a rejection of the incumbent in power than enthusiastically choosing the party or parties to govern. The common people have come to believe that the announced and articulated priorities are more a part of populism than the promise that would be respected and upheld. This crisis of democratic politics that they have come to be reduced is a sad comment on the very concept of participative approach to development.

The fifth issue is that of role of global economic processes and forces. These forces in one way are a continuation of the colonial culture. This started with the very notion of development that they bequeathed. The capital deficit along with the technological underdevelopment made us to look to west for assistance. That assistance did come from one corner or the other but with strings attached. This reduced the autonomy of the state to freely decide the priorities. There was always an implicit force, which guided the priorities. Consequently some of the South Asian nations were not free to make choice of appropriate technologies and develop their own indigenous capacities. They are, quite often, struck either with inferior or inappropriate technology.

This process, which was in a way invisible at one time, has now become glaringly obvious. The logical fall out of this process is the LPG package - liberalisation privatisation and globalisation strategy. This has led to surfacing of such dimensions and direction that the undesirable consequences are already evident in the field of agriculture, health, higher education and even industrial growth. The net effect of this new approach has been the marginalisation of the plan process itself. Planning, in countries like India, no more enjoys the prestige that it did earlier. This would adversely affect the democratic institutions and feeble participative processes that these countries were able to design and nurture during the last four to five decades. In the above sections we discussed the plan process and the issues inherent to the whole strategy from the point of participative approach to development. Now, in the succeeding section, we turn to the question of implementation and the problems that are confronted in the process.

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## 17.4 PLAN-IMPLEMENTATION DICHOTOMY

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One important question that needs to be addressed at this point is the validity of the proposition that is widely reserved in some of the South Asian countries that 'there are good plans but the problem is that of implementation'. Is this dichotomisation rational?

The dichotomisation that plans are well formulated but the defect lies with implementation may sound all right at an apparent level but at a more serious level, it is a faulty premise. For the criterion that a plan is well formulated can be a valid criterion provided that it could be implemented or implementable. There can be plans with laudable intentions. But good intentions by themselves should not be mistaken to good plans. Plan by definition is an action plan. If a plan encounters problems in the course of action, the defect is not that of action but of the plan, which could not adequately anticipate the difficulties and hurdles in the process of implementation. One can always ask a question: what use is a policy, which fails in action. Therefore, a detailed action plan has to be integral to the plan strategy. This is a point not many policy analysts debated, nor did get adequate attention of the researchers. However, there are certain implementation specific issues that could be taken up for discussion.

The following are some of the issues specifically relating to implementation:

1. The conflict ridden socio-economic environment;
2. Suitability or adequacy of the instruments of implementation;
3. Rising expectation: containment or contentment; and
4. Strategies of mass mobilisation.

Let us discuss these above-mentioned issues, which impair effective mobilisation of support and cripple involvement of the people or even the target groups.

The first issue relates to the socio-economic environment, which is so conflict ridden that any attempt to mobilise popular support invariably leads to fragmentation of the support structure. The South Asian societies are stratified in terms of social relations. As societies they do not share a common value system or perspective of development. In industrially developed societies there is certain degree of consensus on the growth model. This was true of the socialist societies where people did share an ideological approach and a broad worldview of justice. In South Asia none of the societies succeeded in developing a shared vision. It is on such societies there was an attempt to super impose a planned model of development with a set of priorities arrived more from a political expediency than popular concern. With the result, the moment a plan is put to action, it secures support from some quarters but also hostility or indifference from certain other sections.

Those in charge of implementation do not possess trained capacities in handling the hostility and much less a serious contradiction.

Another major limitation of these societies has been the failure of the planner in understanding the impact of culture on development. This happened largely because of an understanding that plan is essentially an economic exercise backed by political support. At no point the culture that is ensemble of values, attitudes, behavioural modes, enclosed institutions and approach to life itself, are taken seriously. It was Gunnar Myrdal who pointed out right in sixties that cultural

backwardness leading to economic backwardness and the economic backwardness reinforcing cultural backwardness is one of the problems of planned development. He described this as 'circular causation'. The fourth five-year plan document in India did include a chapter on culture. This did not go beyond mere conceptual exercise. It is the failure to handle the cultural determinants that continues to impair the process of implementation.

The second issue relates to the suitability or adequacy of the structures of implementation. Although certain attempts were made in all the South Asian societies to reorganise their administrative structures, none of these societies could redesign and renovate their systems. The administrative system used for implementation, largely remained pre-capitalist in both the form and more so in its actual working.

A machinery charged with the responsibility of transforming a socio-economic structure either in terms of higher production or better access to resources, lacked an inner potential to stimulate change. For the machinery itself became a victim of a historical trapping. The colonial or feudal administrative instrument itself was a source of problems. There are any numbers of studies on administrative culture to substantiate this observation.

The third issue is the phenomenon of containment and contentment of the mass of people at one level and various economic interest groups at another level. Any planned development aims at meeting certain demands of the society so as to create the conditions for orderly and rapid development. This whole exercise in itself has a propensity to raise the levels of expectations of the target groups. The general experience has been that the development benefits did not reach the targeted groups and wherever they reached the groups are not satisfied. This can be explained through an illustration. For instance, construction of a multipurpose dam is expected to lead to certain levels of contentment of the industrialists who get additional electric power and the farmers who get the water for irrigation. This, in turn, should create a support base for the planned development from those who benefit from the project. But those benefited, quite often, feel that they were not adequately benefited or create a spate of new demands pressurising the plan machinery to change the priority structure itself to meet their fresh demands. And another fallout has been the question of those who are adversely affected by the projects due to submergence of their land and livelihood. With the result the major dams, which were, described as modern temples or lamps in darkness have become so controversial that there are prolonged movements against the big dams. This is a good lesson for planned development, which encapsulates to a popular saying that, the operation has been successful but the patient is dead.

The fourth issue is that of direct mass mobilisation in support of ideology of planning at one level and involvement of the people in the very process of implementation at another level. In developing countries like South Asian nations, it is barely realised that no planned development is possible and feasible without active participation of the people themselves. People's participation remained more a rhetoric than a real practice. In most of the South Asian countries there were attempts to take note of the problem and committees were appointed on even organising the poor or there were extensive discussions on grass roots planning or empowerment of the people. Most of these concepts remained in showcase without something substantial happening at the field level.

Mass mobilisation is essentially a political process. The political parties, particularly party in power should continuously motivate and mobilise the people either in the programmes aiming at attack on poverty or construction of a major dam or family planning. Such approach is more relevant where the plan aims at transforming the structure either economic or social. In fact, plan should be a means for releasing the creative and constructive energies of the people. The normal practice has been that the political systems mobilise people only at the time of election and the contesting candidates undertake extensive travels and do meet the people. But it is forgotten that what happens once in 'five' years should become a regular feature in day-to-day practice of the committed to rapid and planned development aiming at not only production but also realising overall socio-economic change. The administrative systems are least equipped for the mobilisation process. There is neither capacity nor the skill to interact and stimulate the people. The overall approach tends to be power-centric. Power, if it is not properly defined and used, is a negative relation. It cannot only be counter productive but disastrous. It is precisely for this reason mobilisation politics assume importance and have the potential to democratise politics and empower the people. In the absence of such an approach, implementation of plan or policy agenda will remain problematic.

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## **17.5 FUTURE OF PLANNED DEVELOPMENT**

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Taking one case of India as an illustration, it could be stated that after five decades of experimentation with planned development, there is a feeling that state sponsored or state stimulated development is fraught with several problems throwing up varied issues. It is sad that a process, which started with high expectations and transformative thrust, should come to such a pass. The worse seem to be the new faith in the market driven development. While this approach could trigger the productive forces, its ability to ensure distributional justice and preservation of social institutions and democratic structures is doubtful. This is so in societies like the South Asian where there are appalling disparities and stark poverty and deprivation. The new faith, therefore, will have its own train of problems. The new experience may bring back planned development on to the development agenda with lessons learnt form the past experience and fresh vision for the future.

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## **17.6 ACTIVITY**

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- (1) Try to find out from your country point of view what are the issues in plan formulation.
- (2) What are the structures created for plan formulation and implementation in your country?
- (3) Whether participatory approach is practiced in your country in the context of plan formulation and implementation? Illustrate with suitable examples.

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## **17.7 CONCLUSION**

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It is clear that plans are the activities that the government undertake in order to pursue certain goals and objectives. In this unit, we have discussed the importance of plan formulation and implementation. An attempt was also made to understand the various issues involved in it. The unit also highlighted the plan-implementation dichotomy.

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## 17.8 FURTHER READINGS

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