

CHAPTER ONE

INTRODUCTION

As the years go by, India is slowly winning its battle against poverty. On the food front, her achievement is remarkable. Immediately after independence, she had to depend largely upon the imports to give her people a square meal a day. Today she has achieved self-sufficiency in food production through Green Revolution. Her progress in the science and technology has been commendable. There are still pockets of poverty in the country. In addition, social justice is sidelined and illiteracy is still a problem. How can we achieve uniform spatial development in heterogeneous regions of the country remains an open question as on today. Planning since Independence has been dominated by the econometric approach from macro level to micro level plans. The exercise is cantered on the budgetary allocation for the sectors identified by the modern economists.

The basic objectives of planned economic development in India must be necessarily guided by Directive Principles of the Constitution which enjoin the State,

“To promote the welfare of the people by securing and protecting, as effectively as it may. A social order in which justice, social, economic and political, shall inform all the institutions of national life.”¹

The Constitution also directs that all the citizens should have “the right to an adequate means of the material resources of the community are so distributed as best to sub serve the common good” and “ that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.” [Ar.39]

It has been emphasised that “the State shall promote, with sections of the people, and, in particular, as the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.”[Ar. 46]

The function of planning is carried through central government for various regions often represented by the States. The state specific plan is approved for implementation annually based on the perspectives for the respective plan periods. The state government on

¹ GOI, (1949): *The Constitution of India* , Article 38, Part IV, Directive Principles of State Policy, , Government of India Gazzettee, PDF

its own also can plan or approve for the villages, *taluka*, district and special areas from their own revenue.

1.1 The Problem

The concept of *development* as applied to society is a complex one. Development is not the same as societal change. Development is the change that is based on the value system of a society and is achieved through institutionally directed intelligent interventions. Regional Planning, in its various forms, can be seen as an approach to guide the development of the region.

Regional planning can best be seen as an approach to tackle regional imbalances which appear most pressing in any country or state at a particular point of time. It is also regarded as extension of the local planning dealing primarily with movement and distribution of population and employment, the complex interaction or social and economic needs, the provision of facilities like roads, communication network etc. Regional planning also encompasses inter-regional flow of population and resources with long-term economic prospects. These cannot be properly considered except in the context of the balance to be achieved between growth of region and growth requirements of other regions in the country or state on which government can decide.

This is not precisely practiced in the Indian planning. We have adopted the legislature from the erstwhile British government and have not gone ahead to pursue regional development. We have plans for the outgrown areas of the urban centers or metropolis than the large rural hinterland. For the areas beyond urban agglomeration, we have the *Panchayat*, block, or district level planning, which is dictated by the Planning Commission, various central ministries and state governments. We have decentralized power sharing among the elected representatives but no structure to prepare and implement development plan.

The present work would dwell into the scope of regional planning beyond the central and state planning structure and build a strong theoretical backup to achieve sustained development, i.e., a balance between resource and its utilization in the coming years.

1.2 Indian Planning Process:

At the dawn of Independence, the leaders of free India had not decided to sit on the laurels of the hard fought freedom from the colonial masters; they started a task of building the Nation under severe stress of poverty, malnutrition and distress. The tragedy of partition

and the challenge to forecast the bright future made the leaders of the political parties, intellectuals and industrialists to plan for systematic development of the country.

The tasks of nation building were taken up by the people of India and their leaders with certain élan and determination and with confidence in their capacity to succeed. Jawaharlal Nehru's famous 'Tryst with Destiny' speech on the eve of Independence, on 14th August reflected the buoyant mood.

*'The First and most important task was to preserve, consolidate and strengthen India's unity, to push forward the process of making of the Indian Nation, and to build up and protect the nation state as an instrument of development and social transformation.'*²

As early as 1960, the American Scholar-Journalist Seig S. Harrison predicted, "The odds are wholly against the survival of freedom and ...the issue is, in fact, whether any Indian state can survive at all."³ Amidst these contradictions India, as a nation has successfully lived to its expectation of people and tasks adopted in the constitution. The planned era since 1951 till the current 12th Five Year Plan marked the seriousness of the Nation's thinkers, intellectuals and leaders towards achieving National goals. However, the political leadership determines to many extents the intermediate development perspective of the Nation. There were left-wing skeptics who held that, no social, economic or political development was possible without violent revolution and that nation building, political democracy, economic development, national unity and nationalism were mere sham meant to delude the oppressed and exploited. Following is the brief outline of economic planning in the light of the present study.

The Nehruvian era (1947-1967) is seen by many a commentators on the developmental studies as the 'golden era' of Indian Planning. They set out to achieve what the westerners have thought unachievable, increasing industrial development from 0.2 per cent to 2.5 per cent (1967-68) annually, primarily from an agrarian economy to large public sector undertakings, land reform transferring the excess land to the landless and tilting world opinion in favour of India.

The Post-Nehru period (1968-1974) saw India to become self-sufficient in food production and nationalization of financial institutions, the *Operation Flood* (milk

Chandra. Bipin, Mridula Mukerjee and Aditya Mukerjee, 2002, *India After Independence (1947-2000)*, Penguin Books, New Delhi, p.11

³ Harrison, Selig S, 1960, *India – The Most Dangerous Decade*, Madras Press, p.338

revolution), increasing emphasis on the poverty alleviation programmes, loan disbursements to setting of small scale units. However, the political nervousness of India was seen from the demise of the first Prime Minister and war of 1971 with Pakistan. The initial progress also suffered a setback in achieving the plan targets. ‘*Gradually the euphoria and self confidence, the enthusiasm and pride in achievement begun to disappear and give way to frustration, cynicism and sense of despair by 1973-74.*’⁴

The *Dark Period* (1975-78)⁵ saw political distress in India, with provocation of emergency and demands from the various sections of society for the political recognition and says in the matters concerning the country. The upheaval of social unrest was followed by the opportunistic alliance from the left parties, Congress splinter groups and right alliance. The mismanagement of the development policies initiated by the earlier governments and change of vision affected the country’s economy.

The Post Emergency (1979-1984): The second stint of Late Smt. Indira Gandhi saw revival of the ‘*Garibi Hatao*’ phenomenon in the Indian Planning. States were empowered to enact legislation and plan at the block and district level. The *Panchayats* were brought into the planning in a more formal way. During these years, more emphasis was also given to geopolitical positioning of the country as a sustaining economy of South Asia. Gujarat also saw revival of the long pending irrigation projects like Narmada, planned to provide water to its parched countryside. Even during these periods, industries were concentrated in a few regions and cities of the country. This not only led to wide regional disparities in income but also affected the level of regional integration. Thus, the secessionist movements in Punjab, Assam, Kashmir, Jharkhand (Bihar), Telangana (AP), Vidharbha (Maharashtra) and others emerged. This seriously affected the unity and integrity of the Nation and affected its economic growth.

The Rajiv Period (1985-89): Soon after the assassination of Prime Minister Mrs. Indira Gandhi, Indian National Congress installed her son Rajiv Gandhi as the Prime Minister of the country. The elections afterwards gave the Congress and Rajiv Gandhi mandate to democratically lead the country. Rajiv Gandhi though young ushered the pre-liberalization reforms and visualized the present Information Technology and Communication reforms in the country. The period marked with starting of the administrative reforms and changing the

⁴ Bipin Chandra, 2002, p.5

⁵ The term ‘dark period’ is used in context with planning history and unrest followed in country leading to not only political turmoil and change but also unclear policy directions.

planning approach of the country. The leadership recognized the corruption in the society, lack of benefits received by masses and concentration of capital in a few regions.

The Coalition Period (1990-2002): This period can also be treated as demise of old and rise of a new economy in India. Country that missed the Industrial Revolution and Agricultural Revolution of early 18th and 19th century did not want to miss the Information and Communication Technology Revolution. The World during this period saw boom in information and communication technology promoted by the developed nations. India ushered into new era with opening of the key sector from the control of public sector and reforms were initiated in the fiscal planning, controlling the banks, stock exchanges, industries, commerce, trade, export-import and information technology. During this period, India departed from the traditional agrarian and manufacturing based to the service based economies. Regions were neglected and public sector units collapsed almost all over the major production centres of the country leading to the increased disparity amongst the regions. The disinvestment of governments from the loss making public sector units, opening all sectors (with few exceptions) to private sector, allowing foreign investment in industries and services sector, and investment in infrastructure became key policy decisions to improve the Gross Domestic Product and Growth rate. The increased inflow of Foreign Direct Investment, and improvement in industrial climate helped the country to have growth rate higher than earlier plan periods since ninth plan to eleventh plan.

The Market Reform and Inclusive Growth (2002-2012): The consolidation of reform and expansion of liberal state policies towards investment was carried forward during this period. The objective of this period was to sustain the economic growth, commitment to reform, access to new markets, achieving Millennium Development Goals (MDG), investment in social infrastructure and recognition of human development indicators in planning documents. The aggressive industrialisation was organized through promotion of large infrastructure projects across the country and increased competition for industrial investments amongst the States. The Foreign Direct Investment (FDI) was attracted not only in security market but also on establishing the manufacturing base of the multi-national corporations. The coalition governments continued to affect the constant flip-flop in the State interventions and action on the institutional reforms.

The increasing social concerns like unemployment and mismanaged public distribution system inspired to implement National Rural Employment Guarantee Act

(NAREGA) and subsequently the Food Security Bills which is under consideration in Parliament, thus enforcing need for the development planning in India.

1.3 Planning in Gujarat

The essence of planning as described in Government of Gujarat (GoG) document published in 1972 mentions that ‘...The Parliament in India passed a resolution in December 1954, reiterating that “the objectives of economic policy should be a socialistic pattern of society” and “towards this end, the tempo of economic activity in general and industrial development in particular should be stepped up to the maximum possible extent.”⁶

In an approach to the planning for 1974-1984 it was suggested to divide the State into various planning regions such as;⁷

- (a) Urban corridors along the Bombay Delhi rail road route comprising of the urban areas of Vapi, Valsad, Surat, Baroda, Nadiad and Ahmedabad;
- (b) The underdeveloped far eastern regions of the State comprising of Dangs and Panchmahals districts;
- (c) The coastal regions comprising of all coastal areas from Dahej to Cambay to Kandla;
- (d) The Saurashtra region comprising of Junagadh, Rajkot and adjoining areas;
- (e) The underdeveloped areas of North Saurashtra including Kachchh;
- (f) The Northern Gujarat region comprising of Gandhinagar, parts of Mehsana, Sabarkantha and Banaskantha.

There was a suggestion to prepare and formulate the regional development plans as also of planned urbanisation in the State.

Economically Gujarat stands fourth in terms of per capita income among the States of India and is regarded as a prosperous state encompassing 50 million people spread over 19,60,00 sq.km. Around 70 per cent of Gujarat’s State Domestic Product accrues from its non primary sector that provides employment to 40 per cent of workers. However, on the other

⁶ GOG (1972): *Perspective Plan of Gujarat: 1974-84, Volume –I*, General Administration Department, Gandhinagar. p.3

⁷ Ibid, p.6

hand the State has poor natural resource base, almost stagnant agriculture, and wide regional disparity of growth. The poverty level is 23.92 per cent in 1993-94 (35.97% in all India).⁸

Gujarat has been the major economic force but rather not doing well in other fronts. There are multitudes of statistical data revealing the economic development of the State from the agricultural production to industrial output reflecting popular mode of the development parameters. Post 2002, there is general shift in the policy direction of the State, often termed by the media as Gujarat Model of development (often, rechristened as ‘*Modi Model*’ after the current Chief Minister of State, Shri Narendra Modi). The State had been able to attract and implement the major components of the National reform agenda and could initiate on its own the policy conducive for the development of business.

A perusal of ongoing research on the issue reveals that, sectoral approach in dealing with poverty linked with calorific value, unemployment and production values. These regressive analyses of the State of economy are devoid of regional characteristics of the State. The administrative districts are not co-terminus with the ‘Physiographical-Cultural’ regions. More contrastingly, the nature of development for the main groups and sub groups in a region is absent in the governing literatures.

1.4 Regional Planning Approach

The concept of including the regional planning approach in the economic planning is not new, in fact during the Third and Fourth plan (1963-69) there was exchange of thought on this subject between the key institutions of the country. These included the Planning Commission, Institute of Economic Growth, School of Planning and Architecture, The Delhi School of Economics, Indian Statistical Institute, Institute of Town Planners, India and Town & Country Planning Organizations (TCPO). The regional aspect was debated and it was realized that a great deal of difference exists between the classification of regions and administrative setup in the country. Following are the comments noted during one of the interaction seminar organized at SPA, New Delhi (1962)⁹:

“As regional development has been recognized as one of the major objectives of planning in India, regional emphasis is essential for achieving these objectives. Regional plans should be achieved by maximizing regional development without prejudice to national development, and The task before the regional planners is to

⁸ Indira Hirway, 2002

⁹ SPA (1963): *Urban and Rural Planning Thought*, School of Planning and Architecture, New Delhi, VI, Nos 1 and 2, January-April (1963): p.72. Proceedings of Seminar on Regionalisation for Planning in SPA in Febraury, 1962

identify the regions considered suitable for achieving maximum benefit for the development of local resources, the unique resources being left out for consideration at the national level.”

One of the key planners during the First Four Five Years Plan’s Prof V.K. R. V. Rao shared his experience in dealing with the problem of ‘regionalisation’ of planning in India said:

“The problem of regionalism in planning arises because of this fundamental fact that the larger the unit you are dealing with, the greater becomes the separateness of the identity of the parts and the whole and, as the whole consists of the parts and the parts constitute the whole. This is the complex situation which has given rise to this problem.”¹⁰

1.5 Problems emanating from planning practices in India

- Inadequate land reform and existence of large-scale landlessness in rural areas.
- The slow rate of growth in industry and national income.
- The failure to check the high rate of population growth in backward regions.
- Persistence of gross regional inequalities, caste oppression, discrimination against women.
- Dysfunctional education system, environmental degradation, growing pollution in the cities.
- Human right abuses and factionalism in politics.
- Administrative decline, police inefficiency and high level of corruption.
- Increased crime rate and social unrest.
- Secessionist movement and terrorism.

1.6 Scope of the Study

Regional imbalances can be considered as a function of the allocation of limited resources at the central and state (through sector based allocation) levels. This evolves from the sharp regional differences in the level of economic development in most states and more so in Gujarat, as one of the developed states of the country. There are weak economic linkages between developed and backward regions. Regional growth through urbanization is too not so broad enough to be considered as alternative to the regional growth. The present research encompasses all these aspects and looks forward to the following:

¹⁰ Ibid, p.2

- Rational patterns of Means of Production (Distribution and location of activities) such as land.
- Development of regions according to natural, economic and social conditions in Gujarat.
- Balanced relationship between economic activities, resources, disparity and development of regions within the framework of the State and National objectives.
- Scope for regional perspectives in the State planning.

1.7 Relevance

The economic development cannot be devoid of the people for whom it represents. The figures, represented in the industrial tables, agricultural outputs and infrastructural tables represents macro state features. In the planning process, the region specific progress/development is not indicated or targeted. The current practice of development through economic planning is not region based. For example- the transfer of occupation from primarily agricultural to industrial or from industrial to services are aggregate result of econometric analysis. The more region specific approach to development like access to social infrastructure (health, education and market) or pollution, deprivation, per capita land availability, productive employment generated etcetera are neglected.

The present study would like to examine the hypothesis that

“The development dynamics and dimensions within districts/regions are different depending upon the location, natural resources and population composition, and need special attention in relation to inter-regional and intra-regional socio-economic and political forces”

The regional characteristics, access to resources- National, regional and local, financial and administrative features have been traditionally considered as facilitators of regional development based on the theories propounded by Christaller (Central Place Theory) and Von Thunen (Agricultural Land Market).

The current study is relevant in the context of growth and importance of regional planning in the contemporary period. Glimpses of it is evident in the 74th amendment to the Constitution that gives more power to the local bodies for preparing the physical and economic plans and failure of the economic planning to address the development of regions in the country.

1.8 Aim

To evaluate the development planning process and system in Gujarat with a systems approach to regional planning.

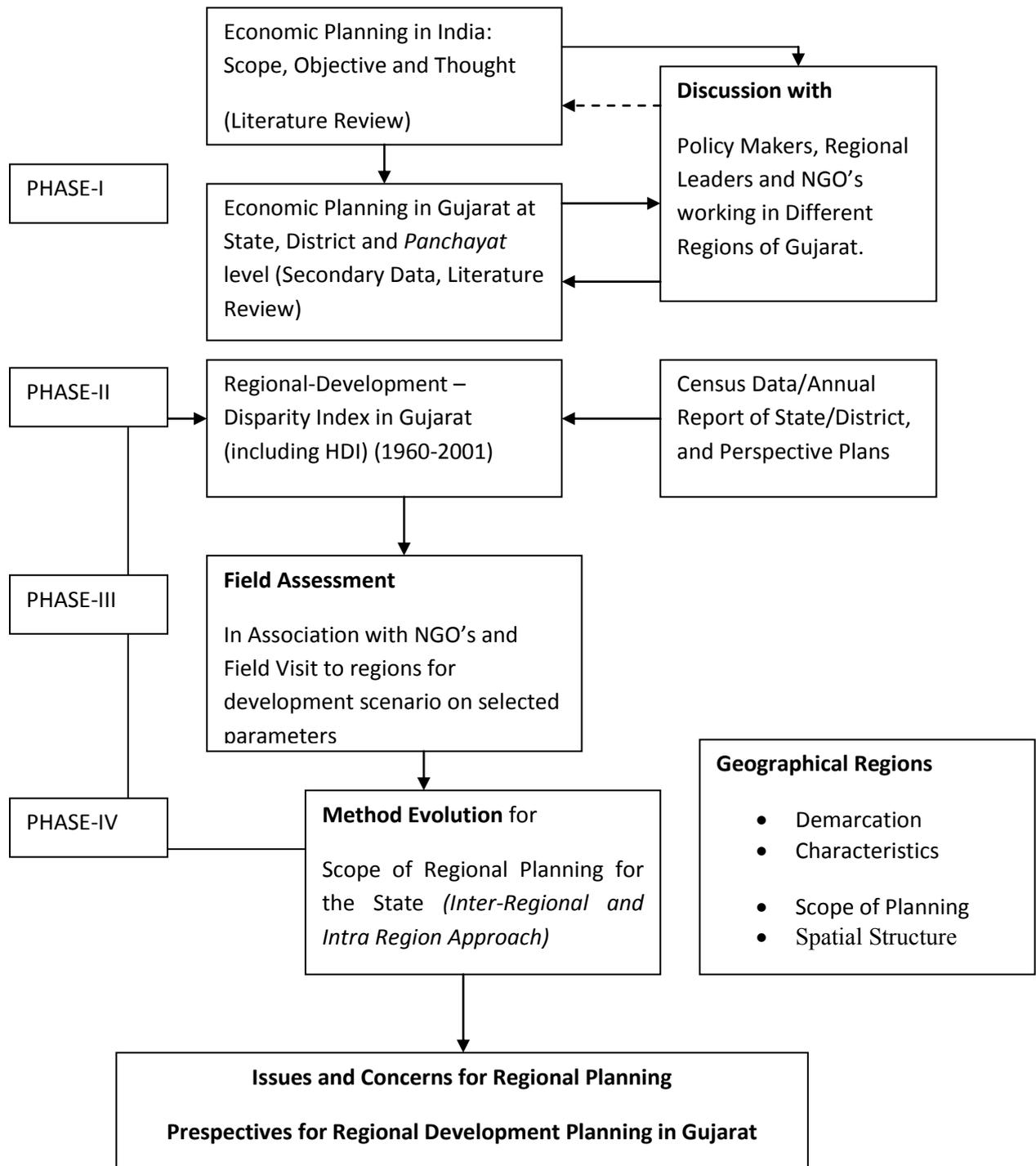
1.9 Objective

- a) Document the development planning practices in India in general and Gujarat in particular of the various plan periods (1951-2002).
- b) Evaluate the impact of development process adopted for various sectors and regions in Gujarat.
- c) Critically understand the centralized and decentralized approaches adopted in development with special reference to geographical regions in Gujarat.
- d) Suggest and evolve theoretical inputs and validation for regional planning practice in Gujarat.

1.10 Methodology

The study would be systems study of the planning process in India in general and Gujarat in particular. The study is conducted through detailed analysis of the planning processes adopted in country since the First Five Year Plan to the Eleventh Plan Period. The development of Gujarat is analysed from the perspective of general development of industries and urbanisation. Impact on land, agriculture and employment across the regions are studied. The quantitative data on the sectors of regions were substantiated with field observations. However, given the scope of the study and purpose, the methodology incorporates qualitative, descriptive evaluation of the plan documents at, district, *taluka*, and village levels *visa vies* the development achievements using the parameters such as; a) Sectoral Approach; b) Development-Disparity phenomenon, and c) Regional Planning Approach.

Figure 1.1 The Methodological Framework



1.11 Organisation of Work

The study is organized into ten chapters to achieve the desired objectives of the research. The documentation and analysis of the various aspects of development planning in India and Gujarat is presented from the perspective of the researcher.

Chapter One deals with introduction to the research problem, a brief literature review, research aim and objectives and methodology.

Chapter Two presents the literature review for understanding development with special focus on the defining 'Development', changes in development thoughts in social sciences including Geography and Economics, theories of regional development planning, Indian planning mechanism and adoption of development theories in Indian planning system. The chapter also discusses phasing of planning system leading to context to regional development in the country in general and Gujarat is particular.

Chapter Three presents the regional profile of Gujarat, including the physical characteristics of the State, its historical evolution, brief population and demography, distribution of tribes and dalits in the State, and development profile of the State.

Chapter Four on Regional Distribution of Industries and Policy Changes in Gujarat discusses the growth of industries in Gujarat. It focuses on the changes in industrial policy perspectives in India and Gujarat over various plan periods, deliberating on the infrastructure support provided by the State and 'Investment Summits' post 2003. The chapter also uses the Location Quotient Analysis method to map out the district wise industrial change in 1961 and 2007. The sector specific concentration maps were presented with discussion on changing industrial climate in the State. The distribution of industries is also analysed by using Lorenz Curve Methods to present the change between 1961 and 2007. The growth of Medium and Small Scale Enterprise and investment in the State since 1983 to 2011 is also presented to analyse the regional dimension of industrial location in the State. The chapter also presents the changing policy leading to approach of the State regarding industrial development from cluster based to Special Economic Zones and Special Investment Regions. The chapter summarises the impact of industries on employment, land and environments. The spatial threats and opportunities due to industrial growth have been discussed for the regions and the State.

Chapter Five, focuses on Land Utilization and Agriculture, a key components for the regional development analysis for the State. The land holding pattern, pressure of population, land availability for agriculture and degradation of land due to increasing salinity ingress and

ground water availability has been discussed. Development of water resources in the State for irrigation for regional development has been important component of the state planning. The chapter presents irrigation potentials and development of water resources, leading to land use changes across the regions. The land utilization data presents the classification by census of India, and uses its data to present the regional change since 1961 to 2004. The land availability or utilization for the development projects is also presented requiring important attention from the policy planners. The geographical spread of the development projects along with the land acquired in various regions are presented in order to bring out the deprivation amongst the tribal, dalits, forest and loss of common property resources. The data presented in this section has been drawn from study conducted by researcher, during the same period. The chapter also discusses the representative cases on industrial pollution affecting land and water in the region's leading to distortion in land quality and its impact on the crops.

Chapter Six on regional pattern of urbanisation and urban employment has been important to understand the changing focus of the State from rural development to urban. The constant growth of urban areas and urbanisation in the State is presented by mapping the block wise urbanisation changes in Gujarat from 1961 to 2011. The regional urbanisation characteristics, de-urbanisation, growth of metropolitan areas have also been discussed as per the standard classification by Census of India. Geostatistical mapping techniques have been used to present the spatial characteristics and distribution of urbanisation in the State. An attempt has been made to visualize the future regional urban population growth, in order to evaluate the present and future challenges. The section of urban poverty and employment uses the secondary data to present the argument for the changing employment scenarios in the regions. The chapter concludes with comments on the spatial threats and opportunities provided by the present urbanisation and employment scenario in the State.

Chapter Seven presents the Geographical Analysis of Development, from the perspective of Geography, and less emphasis on the economic analysis of planning parameters in the view to investigate regional development changes. The chapter uses the physiographic classification of Gujarat as per the Atlas published by Census of India, 2001. The block or *taluka* level data from various sources are used to present the development indicators by the regions. The chapter also uses extensive data sourced from Ministry of *Panchayati* Raj, regarding the backward areas. The base data published in 2009 was used to map the backward areas using the standard deviation for key indicators. The analysis of the maps and interpretation of recent data is done to present the changes in hills, plains and coastal Gujarat. The detail investigation on the development changes using the base data from

previous chapter is presented to find the development concerns by regions such as Mainland Gujarat, Eastern Hills, Coastal Areas, Saurashtra and Kachchh. The regional dimension of development change is also done to prepare the perspectives for the region. The field investigation in this chapter was mainly through observation, discussion with subject experts and important stakeholders. The chapter presents mainly the development concerns as expressed including some detail investigation on the conflicts between the State and people.

Chapter Eight deals with Spatial Analysis of Development Efforts during the plan periods (1951-2007), dealing with aspects of development planning in India. The chapter presents the national planning perspectives during various plan periods, mainly in sections on, Nehruvian thoughts, transition in planning mechanism and thoughts, approaching rolling plan and consultation with states, modernizing and technology focus in plan and indicative planning and liberalisation of economy. The chapter draws changing planning thoughts mainly from deliberations documented for the meetings of National Development Council (NDC) since its inception. The attempt was to focus on the National planning strategies and planning perspectives for Gujarat. The paradigm shift in planning mechanism in the National plans is also a study of the NDC documents. The chapter also reviews the spatial perspectives of development schemes in India and Gujarat. The section on tribal development deals with the focus of the State and development characteristics of tribal's in Gujarat.

Chapter Nine on Regional Development Issues deals specifically with policy perspectives for Gujarat. The issue of decentralization is addressed by focusing on the planning at the grassroots levels. The regional perspective draws the discussion on the backward areas development, urban development, industrial areas planning, emerging issues of regional planning, port based development and concerns. The sections on the specific development concerns of tribal's and community based development planning are presented through case study of specific groups and areas. The discussion on the status of project affected people of Sardar Sarovar Project, mining areas, salt workers (Bhavnagar), slum dwellers in Vadodara and Surat, Opportunities for industrialized areas, youth for employment in North Gujarat and people's reaction for industries in Mundra (Kachchh) presents the concerns important for evolving the regional perspectives. The section on the climate change analysis though based on the re-presentation of the data from Intergovernmental Panel on Climate Change (IPCC) documents specific to India and Gujarat is discussed in the context of its vulnerability. The vulnerability mapping is done for the State, to understand and discuss the regional concerns. The biophysical vulnerability, social vulnerability, technology vulnerability and adaptive capacity are presented in the lights of the major findings by IPCC.

The impact of the climate change on regional planning has been discussed in the section dealing with spatial perspectives. There is discussion in the chapter regarding perspectives for changing urbanisation, changing role and function of rural Gujarat, role of transport and communication networks and environmental concerns and issues of regional approach. The researcher has proposed the approach to the regional delineation based on the regional development associations. The Regional Scalar Model is being presented to apply the settlement based planning approach mainly in Mainland Gujarat, Saurashtra and Kachchh. The scales of regional development over space are contextualized by presenting the Transect Model. The chapter ends with discussion on the Regional Development Matrix (decision making), deliberating on the socio-political changes, and concept of spatial fix and measurements of development specifically regional development.

The concluding Chapter Ten, presents a short summary of the study outcome including the validation of the hypothesis of the research. The concluding remarks points at the development thought prevailing in Gujarat, and its distinct characteristics from other states of India. The researcher in this chapter presents argument for marking the State development model, as 'Capitalist'. The regional perspectives though drawn as suggestions by the researcher based on the various outcomes and findings in preceding chapters. The regional development can take place looking at the broader National goals as well as specific approaches which presents strategies interweaving the concerns and goals for the State.