

Subnational Regional and Local Planning Bodies

REGIONAL development planning bodies within a country have been established either for political subdivisions or for economic regions. Systems of planning bodies covering all political subdivisions of a country have in the past generally been limited to socialized countries and to mixed-economy countries with federal governments which planned on a national scale. With the spread of national planning, mixed-economy countries with unitary governments have also begun to set up comprehensive planning machinery for their regional and, sometimes, for their subregional political subdivisions. Nevertheless, in the mixed economies, pervasive systems of planning bodies below the national level are still an exception. In contrast, planning machinery for economic regions, as distinguished from planning machinery for political subdivisions of a country, is almost entirely restricted to mixed-economy countries, where it may be found in nations with either federal or unitary governments.

PLANNING BODIES IN POLITICAL REGIONS AND LOCALITIES

In Socialized Countries

Planning by bodies attached to regional and local political administrations constitutes an integral part of national planning in the socialized countries. By supplying data and by helping to execute national plans, regional and local planning bodies in political subdivisions permit central planners to take appropriate account of discrepancies in regional growth rates associated with structural changes in the economy and differences in resource endowment. Hence, regional and local planning bodies in political regions are important components of the planning machinery in these countries.

Besides the USSR *Gosplan* on the national level, the Soviet Union has planning bodies at the republican, territorial and district levels. Each republican planning body (*Gosplan*) is organized along horizontal and vertical lines with functional planning and sectoral sections. It is headed by a chairman who is assisted by a vice-chairman and section heads usually selected from among the ministers in the government of the republic concerned.

Planning bodies associated with territorial economic councils (*sovnarkhozy*) consist of five to seven members and have functional sections, as well as sections which correspond to branches of the economy operating within their territories. The size of their staffs also depends on the number of types of industries in their territories. The main function of the territorial planning bodies is to secure the economic development of their territories through the maximum use of resources. The planning bodies of small *sovnarkhozy* plan mainly for current output, but those in large *sovnarkhozy* engage in long-term as well as short-term planning and sectoral programming. One of their most important responsibilities is to insure that their territories fulfill the delivery quotas set for them in the national plan. With exceptions in the heavy industries, they also supervise the preparation of long-term and current plans by enterprises in their areas, which they may approve or modify. Councils established in 1962 in 18 major regions which cut across republican lines are supposed to co-ordinate the activities of the *sovnarkhozy* in their planning bodies.¹

Finally, local planning bodies (*oblplan*, *gorplan*, *rayplan*) in towns and districts, each with a chairman and four to six members, function at the lowest planning level. Besides permanent employees, their staffs include consulting specialists employed in enterprises, institutions and other organizations in their towns or districts. Larger local planning bodies have sections for the various sectors of the local economy. Their function is mainly to plan for small enterprises and social welfare activities within their boundaries, since larger enterprises and activities come under the jurisdiction of territorial or republican planning bodies or recently reconstituted central ministries.

The planning bodies at the republican, regional, territorial and local levels are advisory bodies subordinate to their respective administrative authorities. The members of the planning bodies on each level

¹ At the time this is written, in the spring of 1965, there are strong indications that the powers of both the *sovnarkhozy* and the 18 councils are being reduced.

are appointed by these authorities. They supervise the work of the planning bodies and approve their plans before they are transmitted to higher authorities. Planning bodies at one level are therefore not formally linked to planning bodies at other levels and are not a part of an integrated system of planning bodies. But in practice, the lower planning bodies work closely with the planning bodies of the higher administrations. Since all plans must be integrated into one plan for each territory and region, as well as for each industry and, finally, into a national plan, direct links between planning bodies at the different levels have been established to avoid the delays which would occur if they had to work through their administrative authorities. The effect of this is that the planning bodies at each level are subject to the supervision of the administrations to which they are attached as well as to the planning bodies of the higher administrative authorities.²

Generally similar setups prevail in other Eastern European countries,³ although on a smaller scale. In Poland, for instance, 17 regional planning offices prepare general regional plans for the basic political areas of the country (*voivodeships*), as well as detailed regional plans for areas of concentrated investment. Yugoslavia departs from the usual pattern. In that country, planning bodies at lower levels are, in fact as well as in principle, independent of those at higher levels. Co-operation between the Federal Planning Institute and republican planning bodies which, in turn, work closely with district and communal planning offices, manifests itself in many ways, especially in the drafting of plans. But since there is no requirement that plans at lower levels concur in every respect with those at the national level, there is less need than in other socialized countries for the integration of all planning bodies. There is also another basic difference between regional and local planning bodies in the USSR and other Eastern European countries, on the one hand, and Yugoslavia, on the other. In the Soviet Union, for example, republican, regional and, to a lesser extent, territorial planning bodies have much more important functions than local planning bodies; in Yugoslavia, the situation is reversed because the *commune*, the basic unit of government at the local

² UN. Department of Economic and Social Affairs. *Planning for Economic Development, Report of the Secretary-General Transmitting the Study of a Group of Experts*, p. 90.

³ However, in Hungary, regional plans are prepared by the National Planning Office, partly on the basis of work performed by the planning bodies of territorial councils.

administrative level, and not the district or even the republic, has been assigned responsibilities whose proper execution is most important for the implementation of national plans. While planning in *communes* is closely related to proposals for expanding productive capacity in their areas, district planning bodies (which are intermediate political areas between *communes* and republics) have functions of considerably narrower scope.⁴ Republican planning bodies play a more important role than those in districts because they plan for larger enterprises and co-ordinate communal plans with the national plan.⁵

In Mixed Economies with Federal Governments

In the mixed economies, national planning plays a lesser role than in the socialized countries and, hence, planning in political subdivisions below the national level is much less important than in the socialized countries. However, in mixed-economy countries with federal governments, constitutional provisions generally require the federal government to share responsibility for planning in varying measure with its political subdivisions. When a country with a federal government begins to plan, therefore, this usually leads to the establishment of planning machinery at the state (or provincial) level and, to a lesser extent, at the local level.

Nigeria. But in most cases, these subnational planning bodies are not yet able to perform their functions adequately. This is true, for example, of the planning bodies in three of the four regions of the Federation of Nigeria. Eastern Nigeria, where the political leadership is firmly committed to development, is a notable exception. Eastern and Northern Nigeria each has a Ministry of Economic Planning, Western Nigeria has a Ministry of Economic Planning and Community Development and Mid-Western Nigeria has a Ministry of Economic Development. The Nigerian staffs of these Ministries (again, except in Eastern Nigeria) are very small and, in all but the Mid-Western Region, have been supplemented by foreign advisers.

⁴ District planning bodies may have research and investment sections, but for the rest of their work they are likely to have one technician in charge of several activities in the district.

⁵ Republican planning bodies employ from 30 to 70 persons, typically distributed among the following seven sections: research, regional development, industry and mining, agriculture and forestry, investment and construction, other economic activities and administration.

Western Nigeria's Ministry of Economic Planning and Community Development is also responsible for Western Nigeria's Community Development Program. The Region is divided into provinces, divisions and blocks. There are 130 blocks, each with 10 villages. A program is prepared for each block, with the co-operation of civil servants and representatives of the villages in the block. Block plans are combined into divisional and provincial plans by the Ministry and the aggregate constitutes the regional community development plan.⁶

India. Among the mixed-economy nations with a long planning history, India has one of the most extensive systems of planning bodies in political subdivisions, associated with the 15 states. Each state has a planning and development department, usually under the direction of the chief minister of the state. The permanent secretary of this department, who is customarily designated as the development commissioner, sometimes is also the chief secretary of the state government.

The planning and development department is responsible for the preparation of the state plan and generally supervises its implementation through the various secretaries and heads of technical departments. To assist in this work, there may be a co-ordinating committee composed of secretaries and heads of departments. The planning and development department also co-ordinates district and village plans in its state and in many cases is also responsible for the state's community development program. As the state's liaison with the central Planning Commission on planning matters, it arranges for the preparation of suitable projects by the various state technical departments and for their approval by the central Planning Commission and the central ministries concerned.

The procedures for formulating a state plan are broadly similar to those in the Central Government. Beginning with the Third Five-Year

⁶ In Eastern Nigeria, co-ordination of activities of the various regional ministries concerned with community development projects is obtained by committees at three levels. An interministerial committee is responsible for general problems, mobilization of resources, the provision of technical assistance and centralized co-ordination of training. Provincial rural development committees are responsible for co-ordination at the provincial level and county rural development committees co-ordinate development projects in the counties. In Northern Nigeria, where community development is less advanced than in Eastern and Western Nigeria, 13 provincial commissioners representing the Regional Government supervise, through 53 divisional officers, the work of about the same number of local administrations. (United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administration of Planning in Nigeria*, pp. 26-27.)

Plan, each state sets up a series of functional and sectoral working groups which paralleled others set up in the Central Government. Arrangements were made for the working groups at the center and in the states to be in informal contact with each other. Each was composed of the heads of appropriate state development departments, to prepare functional and sectoral programs as a basis for the state plan. The proposals of all the working groups were screened by a steering committee,⁷ which fixed priorities and reduced the total proposed investment to what it believed to be a realistic level. On the basis of the results obtained, a draft state plan was prepared and placed before a planning committee of the state cabinet and later before the state cabinet itself. After approval by the cabinet, the draft plan was discussed by a state advisory committee for planning composed of government and non-government representatives in the state. This committee may have operated with a series of subcommittees to study the draft plan and to prepare its own suggestions. When the plan was finally approved by the state government and legislature, it was discussed with the Planning Commission and the central ministries in New Delhi.

This procedure was not without problems since the preparatory phase on the state level had to be carried out without clear indications from the Government of India regarding the extent to which it would contribute to the execution of each state's plan. It was only after the state plan had been approved by its authorities that the Government of India made commitments to assist in its execution. At that time, each project in the state plan was scrutinized by the Planning Commission and the central ministries concerned and a determination was made concerning the extent to which the Central Government would contribute towards its completion.⁸

Below the state level are the districts, blocks and villages. At the district level, the district officer (also known as the district collector or magistrate) is responsible for formulating the district plan and its implementation. He usually chairs, and is assisted by, a district development board or council, with heads of district development departments as members. In areas of a district where development projects

⁷ Typically, its members were the chief secretary to (the state) government, the development commissioner and the secretary of the department of finance.

⁸ Natarajan, K. V. "State Plans," p. 546.

are being carried out there may be block planning committees (*panchayat samiti*) composed of the elected heads of village development councils (*panchayats*), at the lowest level. The block is considered to be the basic unit for development planning purposes.⁹ At the village level, *panchayats* made up of villagers and officials emphasize self-help activities to construct local public works with contributions of land, labor or materials by villagers.

Despite what appears to be a finely articulated system, it does not work as well as it might, especially below the state level. Even in the states, the planning process is sometimes wanting. In most states,

there is not a single officer in the service of the State Government who is specialized in the problems of planning. There is no machinery to draw on the intellectual resources of academic economists and for tackling the economic problems of the State.¹⁰

Despite growing responsibilities of the states, the situation has not improved appreciably in recent years. Pointing out that responsibility for power and transport had been turned over entirely to the states, Shri Tarlok Singh, a member of the Planning Commission, recently expressed the view that

the existing planning establishments in the States would not be able to cope with the work of planning for the next [i.e., the fourth] plan.¹¹

Pakistan. Regional planning bodies were established in both East and West Pakistan soon after independence. But they were slow in getting started and have only begun to operate reasonably well in recent years. In East Pakistan a Planning Department, headed by a Development Commissioner, was created in 1948; but its staff was too

⁹ According to Natarajan, K. V. (*ibid.*), "The Block Plans are prepared in four parts—Part I indicating the block programme under Community Development; Part II giving out the block segment of the annual district plans; Part III furnishing the programmes of various departments proposed for execution in the block from the normal developmental budgets; and Part IV detailing schemes implemented by panchayat bodies (such as Khadi, handloom and village industries) and by voluntary organisations."

¹⁰ "Planning at the State Level," *Economic Weekly*, p. 902.

¹¹ *Economic Times*, November 10, 1963.

small and its head held too low a rank in the civil service hierarchy to permit the department to carry out its functions. In 1960, the rank of the Development Commissioner of the then existing provincial Planning and Development Department was raised to the level of the third highest civil servant in the Provincial Government. This made it possible for him to deal effectively with the heads of provincial operating departments.¹² Difficulties in obtaining capable personnel were overcome by raising the level and salaries of division and section heads. The increase in staff which these changes made possible greatly improved the outlook for planning in East Pakistan.

The Planning and Development Department acts as the secretariat of three groups which participate in provincial planning: (1) A Planning Authority, composed of the Chief Secretary (the highest civil servant in the Province), the Development Commissioner and the Finance Secretary functions as a subcommittee of the Secretaries' Meeting, comprising the permanent secretaries of all the provincial departments, and is empowered to make final decisions on development matters. (2) A provincial Development Working Party, composed of one representative each of the Planning and Development Department, the Finance Department and the operating department sponsoring the project(s), reviews and reports on projects to the Planning Authority. (3) A Planning Board with three members, headed by the Development Commissioner, is visualized as the counterpart on the provincial level of the central Planning Commission. It has been given wide powers to assess development resources and requirements; prepare long-term and annual plans; devise and adopt measures for implementing plans, promote research, surveys and investigations; and maintain provincial liaison with the central Planning Division.

Provincial planning in West Pakistan has lagged even more than in East Pakistan. Because officials designated as development commissioners in West Pakistan were also frequently responsible for one or more operating departments, they usually had little time for planning; since their rank was often no higher than that of other secretaries and was sometimes lower, they did not have the status required to oversee the planning and implementing of development in operating departments. In 1961, West Pakistan finally separated the planning function

¹² The Planning and Development Department has two divisions: Planning and Projects. The first is concerned with over-all planning, the second with inspecting, reporting and evaluating the implementation of provincial projects and sector programs.

from operations by creating a Planning and Development Department headed by a Development Commissioner who, unlike his predecessors, was able to devote full time to planning.¹³ A staff of nine professionals was assembled to assist him. Following the precedent set in East Pakistan, West Pakistan also raised the rank of its Development Commissioner. His higher status has also made it easier for him to deal effectively with provincial operating departments and agencies.

The Planning and Development Department, in collaboration with the provincial Finance Department and other entities, draws up the provincial annual development plan. It also evaluates and reports progress in executing plans and programs, engages in economic research and acts as liaison between provincial departments and central ministries and agencies on development matters.

Provincial operating departments and agencies send their proposals or projects to be included in provincial plans for review and comment to the Planning and Development Department and to the provincial Finance Department. As in East Pakistan, there is a provincial Development Working Party, chaired by the Development Commissioner, on which the Finance Department and the department or agency sponsoring the project under consideration are represented by their permanent secretaries. Decisions taken by the provincial Development Working Party are in the form of recommendations to the Governor of West Pakistan, who generally approves the recommendations as presented.

The inadequacies of the provincial planning agencies in East and West Pakistan prevented them from making significant contributions to the preparation of the First Plan for 1955-60 and the Second Plan for 1960-65. Pakistan's Constitution of 1962 gave effect to a growing realization in the country that in Pakistan, with its two separated and diverse Provinces, decentralized planning was likely to produce better results than centralized planning. As a consequence of the devolution of development functions from the Central to the Provincial Governments following adoption of the new Constitution, the importance of good planning has become more manifest to the provincial authorities. The staff and status of the provincial planning bodies have now

¹³ West Pakistan's Planning and Development Department has three divisions: (1) an Economics and Progressing Cell, which prepares provincial plans and reports on the status of project execution, (2) a Bureau of Statistics, which collects and processes statistical data and (3) a Coordination and Administration Section, which provides the services indicated by its name.

reached levels which permit them to participate actively, if not always effectively, in both the formulation and execution of development plans and programs.

Since there is no line of authority from the central Planning Commission to the provincial planning bodies, machinery has been set up to improve communications between them. Because of the distance, East Pakistan's planning body in Dacca has found it particularly difficult to maintain contacts with the Planning Commission in Karachi. To provide a more formal and broader basis for consultation between the two organizations, the Central Government directed the Planning Commission to hold quarterly meetings with the heads of the provincial Planning and Development Departments to consider planning and implementation problems. The Planning Commission moves as a body to Dacca once each quarter for a two to three-week stay and the chiefs of the Planning Commission's Economic and Projects Divisions also visit Dacca at prescribed intervals.

Planning machinery on the local level in Pakistan is slowly evolving as part of the system of "Basic Democracies" instituted in 1959. This system set up five levels of councils. At the bottom are union councils (for towns and cities) and, in ascending order for larger geographic units, *tehsil* (in West Pakistan) or *thana* (in East Pakistan) councils, district councils, divisional councils and, finally, provincial development advisory councils. The councils at each level have economic as well as political functions. These include the preparation and execution of development plans at each level. Thus far, however, only a beginning has been made by these institutions to plan their development.

Malaya. Among mixed-economy countries, Malaya probably has the most effective comprehensive system for planning at state, district and local levels. In each of the 11 states constituting the former Federation, there is a state rural development committee, headed by the chief minister of the state (*mentri besar*). There is also a state development officer with wide powers of decision over the allocation of funds for federal and state projects, who acts as vice-chairman of the committee. The committee's members include three to five state legislators, as well as the representatives of all federal development ministries at the state level.¹⁴ There is also a smaller committee, headed by the chief minister of the state, and including the state development officer, the director

¹⁴ I.e., the state directors of agriculture, co-operatives, education, health, and finance, as well as the public works engineer, the drainage and irrigation officer and the state commissioner of lands and mines.

of finance, the commissioner of lands and mines and the public works officer, which acts as a subcommittee of the state rural development committee and does most of the work of vetting and supervising the execution of projects and programs. All but one of the states are divided into districts, *mukims* (groups of villages) and *kampongs* (villages). There are 70 districts, each headed by a district officer. Each district officer is chairman of a district rural development committee¹⁵ and is responsible for setting up village development committees in the *kampongs* in his district.¹⁶

The district officer, assisted by members of the district rural development committee, prepares his district's development proposals after discussions with *kampung* development committees composed of *kampung* headmen, as well as with town councils or boards. District representatives of state and federal ministries are responsible for forwarding proposals which affect their respective ministries to officials of these ministries at the state level. Officials at the state level are, in turn, responsible for presenting the proposals to the state rural development committee. Each of these committees combines all district proposals it approves with state projects to form the state's plan or proposals. State representatives of federal ministries are then required to forward the projects and proposals in the state plan which affect their respective ministries to their head offices in Kuala Lumpur, the federal capital. Similar procedures are followed for forwarding municipal projects and programs which are to be financed wholly or partly with federal loans.¹⁷

The system works well, not only because of its pragmatic simplicity, but because of the drive and interest provided by an unusually dynamic Deputy Prime Minister who actively directs the entire operation. The stimulus he provides manifests itself not only in the formulation of state, district and local plans but even more in the effectiveness of procedures already described for executing regional and subregional plans and for reporting on their progress.

¹⁵ The committee includes district representatives of the Federal Divisions of Public Works, Drainage and Irrigation, Agriculture, Cooperatives, Social Security, district members of Parliament and chiefs of technical services at the *mukim* level. Representatives of the Federal Departments of Health and Education also attend the monthly meetings of the District Committee. (United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administration of Planning in Malaya*, pp. 27-28.)

¹⁶ About one-third of the *kampongs* have such committees.

¹⁷ Wilcox, Clair. *Planning and Execution of Economic Development in South-east Asia*, pp. 26-28.

In Mixed Economies with Unitary Governments

The motives which have prompted socialized countries and mixed-economy countries with federal governments to establish planning bodies for their political subdivisions have, until recently, been absent in most mixed-economy countries with unitary governments. Where such governments have set up planning bodies for political subdivisions, they have generally played a minor role. Norway, which has engaged in regional planning for a longer period than most mixed-economy countries, is an example. Beginning as long ago as 1949, planning bodies, each with a staff of two or three persons, were established in each of Norway's 18 rural counties.¹⁸ These planning bodies have played a certain role in the development of their areas; but while they have prepared surveys of county economies and contributed studies for long-term plans, most of their work has been related to individual projects rather than to economic planning.

But for most mixed economies with unitary governments, planning machinery for political subdivisions is a much more recent innovation. In Lebanon, for example, regional consultative councils and regional technical committees have only just been established. The council in each region is composed of the regional commissioner (*mohafez*) and representatives from each district (*caza*) within the region. The councils, in co-operation with a Regional Activities Division in the Ministry of Planning, advise the central planning policy body, the Development and Planning Council, about the needs of their regions with a view to helping bring about the best distribution of development programs and projects. The regional technical committees consist of the *mohafez* and regional representatives of the Ministries of Planning, Public Works, Education, Health and Agriculture, as well as the Office of Social Development. With the representative of the Ministry of Planning acting as secretary, each committee is responsible for assisting the *mohafez* to implement programs and projects in the region. In Tunisia, also, committees at the region (*gouvernorat*) and local (*délégation*) levels have been set up recently to provide a wider base for national planning.¹⁹ Senegal, too, has recently created regional planning

¹⁸ These counties exclude only Oslo and Bergen.

¹⁹ Each regional committee, which presided over by the governor of the region, includes members of the ruling (Neo-Destour) Party (renamed the Constitutional Socialist Party in October 1964), representatives of national organizations and cen-

machinery. The country has been divided into seven regions (subdivided into 28 *cercles* and 81 *arrondissements*), each headed by a director and each with a regional development committee and a regional assistance center for development. Each regional development committee is headed by the regional governor, who is assisted by two deputies, one for administration, the other for development. Each governor, aided by the regional development committee, is responsible for execution of the national plan in his region. But,

the Senegalese authorities realize that the Governor is not yet in a position to carry out his task efficiently.²⁰

Congo (Brazzaville) is another new nation which is attempting to plan regionally. The country has been divided into nine planning regions. The prefect who heads each region co-ordinates the planning activities of the area. He is assisted by a regional planning co-ordinator whose main function is to maintain liaison between the prefect and the central planning agency. The Sudan also has nine planning regions in as many provinces. Each province has a provincial council, whose chairman, appointed by the Central Government, is the head of the provincial administration. The provincial councils are responsible for co-ordinating planning activities on the provincial district and village levels, and for maintaining liaison with the Technical Committee of permanent secretaries in the Central Government on matters related to the local implementation of development projects.²¹

But while these and other attempts to establish regional planning machinery reveal a growing awareness in mixed-economy countries with unitary governments of the need for a regional approach to development planning, they are incipient and inchoate and will need much time before they produce significant results. This is even true of

tral operating organizations and other persons selected by reason of their competence in economic and social matters. The local planning committees are headed by delegates and include local representatives of the Party and national organizations, as well as persons outside government who are considered to be competent in economic and social fields. Regional and local planning committees have secretariats composed of officials from the Regional Planning Service in the central Ministry of Planning and Finance. These officials greatly influence the work of the committees. (United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administration of Planning in Tunisia*, pp. 16-17.)

²⁰ United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administrative Aspects of Planning in Developing Countries*, p. 21.

²¹ *Ibid.*, pp. 21-22.

France, which has only recently begun to set up machinery for the 21 planning regions into which the country has been divided. In 1960, prefects of departments (*prefectures*) constituting each region were organized into interdepartmental conferences under the chairmanship of one of their members who was designated as "co-ordinating prefect." These conferences prepared investment projects. They were assisted by the chief administrators of the regions and by regional economic expansion committees, private bodies first established in 1955, comprising representatives of the various economic sectors and leading personalities in the regions who were considered able to attract wide support in economic and social circles.

Experience revealed the need to give the co-ordinating prefects a wider role and to remedy defects of the regional economic expansion committees, whose contributions were uneven and whose representative character was frequently disputed. Legislation approved in February 1964 introduced reforms. Co-ordinating prefects were given a higher status as "regional prefects." In each region, a regional economic development commission was established with a broader membership than that of the regional economic expansion committees, which continue to operate as private entities. The regional economic development commissions will be the primary media through which regional aspirations for development will be expressed. A National Territorial Development Commission also began operating in 1963. It works with the Commissariat Général du Plan and is to advise the Prime Minister on ways in which regional and national plans may be co-ordinated.

Regional planning on a country-wide basis is also receiving increasing attention in Belgium, where the establishment of a Council of Economic Regions was being discussed in 1964. The Council, which would be composed of representatives of the major economic and social bodies in each region, would advise the Central Government on regional economic planning and development matters. A draft law under discussion by the Government in 1964 also provided for the setting up of regional development companies (SDR's) as public law associations. The SDR's would have wide powers. They would co-operate in the preparation and execution of regional plans, seek to stimulate public or private action to promote regional development, engage in the preparation and execution of regional projects and programs in a number of fields and represent the region in national consultative bodies.

The idea that economic development must be tackled on a regional

basis has developed rapidly in the United Kingdom in recent years and has led to the production of several regional studies. But these were made *ad hoc* and were largely directed by the Government. In December 1964, the United Kingdom's Labour Government set up permanent machinery for giving six regions in England a larger say in their own development.²² The regions cover all but southeast England, about which decision was postponed. Similar planning machinery has been established for Scotland, Wales and Northern Ireland. The planning machinery in each of the regions consists of two bodies: an advisory planning council and a planning board. The membership of the councils is drawn from local authorities, industry, commerce, labor unions, universities and others who are concerned with improving the region. They are to study and analyze regional development problems and make recommendations to the planning boards. The boards are made up of local representatives of government departments concerned with economic and social matters and are headed by someone from the new central planning agency, the Ministry of Economic Affairs. They are each to have a staff for co-ordinating government activities in their region and they are to co-operate closely with local authorities in carrying out their functions. Final decisions are to be taken by the Government, but they are to be based on the advice of the councils and the work of the boards.²³

There are also indications that a regional approach to development which cuts across state lines is in the making in the United States, a federally organized country. The regional concept was popular in the United States in the 1930's when the Tennessee Valley Authority was established. But little headway was made afterward by those who supported the idea. With the passage of the law in 1965 establishing a regional development authority for the 11 States of the so-called Appalachia Region, the Appalachian Regional Commission, the idea has again become popular. Members of Congress have indicated that they propose to advance proposals for other regions. The President has also let it be known that he considers the Appalachia program as the first of a series of regional development plans and that he proposes to improve the Government's area redevelopment program "to emphasize planning on a regional basis."²⁴

²² *Manchester Guardian*, December 17, 1964.

²³ *Financial Times*, November 9, 1964.

²⁴ *New York Times* and *Washington Post*, February 2, 1965.

In Individual Political Subdivisions

Growing interest in national planning, generally, as well as in regional planning in particular, has stimulated individual states and provinces in some countries to establish planning bodies for themselves. Thus, some states in the Federal Republic of Germany and most of the provinces in Canada have created planning, development or "productivity" agencies. A Lower St. Lawrence Council for Economic Planning (CREEGIM) was founded in the Province of Quebec in 1956. A Gaspé and Magdalen Islands Regional Council for Economic Development (COEB) was also established in Quebec in 1963. These councils, with memberships drawn from public corporations, socio-economic associations and private enterprises are concerned with the economic improvement of their areas. In 1963, also, both councils combined to form an Eastern Quebec Planning Bureau (*Bureau d'Amenagement de l'Est du Quebec Inc.*, or BAEQ).²⁵ In 1963, the Province of Nova Scotia also established regional planning machinery in the form of a Nova Scotia Voluntary Planning Board, composed of provincial government officials and representatives of labor and management for all sectors of the provincial economy. The Planning Board has prepared an eight-year development plan for the Province which is calculated to reduce unemployment to the Canadian average. The French planning system was used as a prototype. Planning committees were set up to prepare sectoral programs for the nine major sectors of the Province's economy.

PLANNING BODIES IN ECONOMIC REGIONS

Planning bodies for economic or functional regions²⁶ are usually created to meet special needs. They may be set up for the development

²⁵ BAEQ has a board of directors of ten members and shareholders, five of whom are appointed by CREEGIM and five by COEB. The staff, divided into three divisions for Development Research, Planning Research and Public Participation, is preparing a pilot program for the development of nine provincial counties.

²⁶ What constitutes an economic or functional region is a much debated subject. In the socialized countries, the limits of an economic region are largely determined by specialized production of an area. In the mixed economies, definitions of economic regions, although varied, give greater stress to the role of trade and services of an area. (UN. ECE. *Report by the Executive Secretary on the Third Meeting of Senior Economic Advisers to ECE Governments*, p. 45.)

of a single regional sector, e.g., agriculture, as with the Gezira Board in the Sudan; to build and operate co-ordinated regional power and water facilities, as with the Damodar Valley Corporation (DVC) in India and the Water and Power Development Authorities (WAPDA's) in East and West Pakistan; to promote the comprehensive development of virgin or relatively new regions, as in the case of the *Corporación Venezolana de Guayana*; or to help develop a relatively backward region in a country, as in the case of the *Cassa per il Mezzogiorno* (Cassa) in Italy or the *Superintendência do Desenvolvimento do Nordeste* (SUDENE) in Brazil.

In the socialized economies, these needs are almost always met through the existing planning bodies of their central and subordinate administrative units.²⁷ Where these units are considered inadequate, new administrative units are established, but these are likely to cover the entire country. Thus, with the increase in the number of *sovnarkhozy*,²⁸ Soviet authorities considered it necessary to divide the country into 18 major economic regions which cut across existing political subdivisions for the purpose of insuring better co-ordination of the *sovnarkhozy*. In mixed-economy countries, however, development planning bodies are usually established for one economic region at a time, even in countries with federal governments. In Colombia, where regional diversity in geography, climate and economics, as well as highly developed regional pride, make regional planning unusually attractive, three regional planning bodies have been established.²⁹ But the creation of three planning bodies for as many economic regions is unusual for a country of Colombia's size.

Some bodies established to further the development of an economic region, like the Council for the Development of the Extreme South (CODESUL) in Brazil, are primarily planning bodies with only advisory functions; but most are operational organizations which plan

²⁷ In Yugoslavia, where an attempt is made to channel public investment funds to enterprises in accordance with specified economic criteria calculated to increase economic yields, minimum amounts are nevertheless set aside in each plan for less developed political regions to be used for investment purposes even when they cannot compete on the basis of economic criteria applied to investments in more developed regions.

²⁸ This preceded the even more recent consolidation of *sovnarkhozy*.

²⁹ They are the: (1) *Corporación Autónoma Regional del Cauca* (CVC); (2) *Corporación Autónoma Regional de la Sabana de Bogotá y Valles de Chingínquira y Ubaté* (CAR); and (3) *Corporación Autónoma Regional de los Valles de Magdalena y Sinú* (CVM).

for a region in conjunction with the projects and programs they prepare and execute or the responsibility they have for co-ordinating the work of other organizations operating in a region. The San Francisco Valley Commission in Brazil, the Commission for the Development of the Papaloápan Basin in Mexico and the Cauca Valley Corporation in Colombia (CVC) are examples of regional development bodies which plan mostly in connection with their operational responsibilities for executing development projects and programs in their regions. Italy's Cassa, which is concerned with problems of the country's Southern Region, is an example of a development body which draws up programs and plans which other organizations execute under its general supervision. SUDENE, whose concern is Brazil's Northeast Region, is another. But the Cassa has been better able than SUDENE to insure the proper execution of its plans and programs because it has had control over development funds to a much greater extent than SUDENE.³⁰ Unlike regular government ministries and departments, which find it difficult to have long-term programs because they must rely on annual budget appropriations, the Cassa relies instead on long-term and increasing commitments of the Italian Treasury to finance the Cassa's program. Experience shows that regional development bodies are most successful in carrying out plans when they have such long-term resources of their own and are permitted to administer their own budgets.

These resources sometimes come from the region concerned. For example, in the CVC area, a relatively well-to-do region in Colombia, most of the CVC's resources originate from a land tax levied on the region's landowners. But in most cases, central governments contribute a substantial part of the funds for regional development, at least at the beginning. Thus, in the case of the DVC in India, the Central Government contributed one-third of the capital cost of power projects, as well as other funds for flood control and other purposes; while in Brazil, the Constitution of 1946 provided that for 20 years not less than 3 per cent of the tax receipts of the National Government, as well as of state and municipal governments within the region, were to be set aside for investment in a comprehensive development plan for the Amazon Valley Region. Generally similar provisions were included in the Constitution for the Northeast and San Francisco Valley Regions.

³⁰ The General Administrator of the Salte (regional) Plan in Brazil has had even less control over regional development funds than SUDENE with correspondingly less control of the implementation of the Salte Plan by executing organizations.

Most planning or development bodies for economic regions are set up by national governments. These bodies may be national entities, independently administered and financed, but managed by government officials. Examples of this kind range from the long-established Tennessee Valley Authority in the United States to more recently created entities like the *Office du Niger*³¹ in Mali. Public development planning bodies may also be set up by subnational states constituting an economic region without the intervention of a central government. For example, CODESUL, in Brazil, was established by agreement among the States of Rio Grande do Sul, Paraná and Santa Catarina;³² or a regional body may be created by an association of local authorities or individuals in accordance with regulations set by law. Such bodies may then be made responsible by a government for executing and managing regional projects and programs. This system has been used by the Cassa in Italy for regional land improvement and irrigation, "*consorzi*,"³³ and in France, for intercommunal associations and syndicates concerned with the improvement of the Western Marshes.³⁴ Sometimes, the regional development planning body takes the form of a semipublic or mixed company which may include representatives of a national government, regional and local authorities, semipublic bodies like chambers of commerce, agriculture or trade, and private individuals. In Belgium, for example, 55 per cent of the shares in the regional development companies which the Government in 1964 was proposing to set up were to be held by the provinces and communes concerned, 15 per cent by the National Government, 15 per cent by the trade unions in the region and 15 per cent by any other subscribers. Semipublic companies have also been used to undertake major regional improvements in Provence, Corsica, Bas-Rhone and Languedoc, Landes, the Gascony Hills and in other provinces of France. These companies operate according to the provisions of company law but under government control.³⁵

³¹ Lamour, Philippe. "Legal and Administrative Problems in Regional Economic Development," p. 199.

³² Bemis, George W. "Regional Government Organization in Brazil and Federal-State Public Administration," p. 131.

³³ The *consorzi* include representatives of enterprises interested in establishing themselves in an area. Their constitution must be approved by the President of the Republic and their plans, covering a 15-year period, by the Prime Minister.

³⁴ Lamour, Philippe. "Legal and Administrative Problems in Regional Economic Development," p. 199.

³⁵ *Ibid.*

Generally, legislation establishing planning bodies for economic regions provides that the national government and the subdivisions of a region are to be represented on the governing board or council of a regional planning body.³⁶ But regardless of legal requirements, a managing board or council of a planning body for an economic region is likely to contain representatives of both the national government and subdivisions of the region. Thus, although the Central Government legislation creating the DVC in India made no provision for representation from the States of Bihar and West Bengal, the two States composing the region, the Government of India by convention has appointed a representative of each State to the three-man Board of Directors. Conversely, the President of Brazil appoints a representative to CODESUL's management (*Directoria*), although CODESUL was created by agreement among the three States involved without the intervention of the National Government.³⁷

Ideally, the number of members on the managing board of a regional planning body should be small. This is easy to arrange when there are only a few subdivisions in an economic region, but it becomes difficult when there are many. Thus, while the DVC in India has only three members, and the CVC in Colombia has seven, the *Corporación Venezolana de Guayana* has eight, the Cassa in Italy has 15, as has the Amazon Valley Authority in Brazil³⁸ and SUDENE, also in Brazil, has 20.³⁹ That there is no inherent necessity for such large management groups for regional development bodies is apparent from the fact that the Tennessee Valley Authority, whose activities involve seven States, as well as the U. S. Government, has a Board of Directors of only three members.

In the socialized countries, where regional planning experience (in

³⁶ Sometimes, a law may provide that the president or prime minister of a national government will appoint all members of a governing board, some of whom are to be nominated by regional authorities; in other cases, regional authorities may appoint their own representatives to the board.

³⁷ The Governor of each of the three States in the region appoints one Director and, jointly, they select CODESUL's President.

³⁸ Nine members on the Authority's Council represent states and territories; the remaining members include the administrative heads of the Authority's major operating sections.

³⁹ Not only is the size of SUDENE's Deliberative Council augmented by ten representatives, one from each of the ten States included wholly or partly in the region, but also by three representatives each from the Federal Ministry of Mines and Energy, the Ministry of Industry and Commerce and the Hydro-Electric Company of the San Francisco Valley.

political subdivisions) is based on many years of experience, reasonably effective links have been worked out between regional planning bodies, on the one hand, and central planning agencies and operating organizations in the central and regional governments, on the other hand. But, in the mixed economies, only beginnings have been made. Regional planning has been found to present especially knotty problems of co-ordination between regional planning bodies and operating ministries and agencies because regional representatives of operating organizations generally insist on referring back to their head offices in the capital a multitude of details for decision. This inevitably delays the process of regional plan formulation and execution. While co-ordination problems are commonly encountered in planning for political regions, they are particularly acute for economic or functional regions, where relationships between central operating organizations and regional planning bodies are likely to be less clearly defined than for political regions in a federal government.

Planning for economic or functional regions is also likely to encounter greater difficulties than planning for political regions on another score. Where the boundaries of an economic (or functional) region coincide with those of a political region, one political authority has the necessary legal power to formulate and carry out plans for the entire economic region. But where economic boundaries extend beyond the limits of political boundaries, as they frequently do, co-operation and co-ordination between two or more political authorities are required for effective planning of the economic region. Since such co-operation and co-ordination are hard to get, effective planning for economic regions is uncommon. A few countries plan for one or a few economic regions within their frontiers, but most regional planning is still limited to political regions. Thus, in India, regional planning is largely restricted to the states. This has its limitations. As one Indian writer sees it:

Where we need regional planning most, we have not so far had any significant move in that direction. . . . In many cases Indian States do not constitute economic regions. A State depends on regions outside for its supply inputs. . . . For a vast country like India, where resources are distributed at a number of focal points, any efficient planning strategy must take into consideration the question of regional planning.⁴⁰

⁴⁰ Chatterji, Manas. "Regional Economic Planning," p. 553.

The results obtained thus far from planning in India for economic regions have been disappointing. For example, when the DVC was established it was given wide authority to develop the power, irrigation and other facilities in Bihar and Bengal, now West Bengal. But the failure of these States to co-operate and the gradual replacement of development on the basis of regional planning by development on the basis of separate planning by both States have made it impossible for DVC to realize the potentialities for developing the Damodar Valley as an integrated region. Similar problems have been encountered in other countries. In Colombia, the Cauca Valley Authority (CVC) has had to restrict its planning activities largely to only one of the three (geographic) departments through which the Cauca Valley extends. Although CVC has accomplished much, it has proved difficult to attain the necessary co-operation among the three departments to permit implementation of development programs for the entire economic region.

The lack of competent planners also limits the effectiveness of regional planning bodies. For while there is almost always a serious shortage of qualified planners in central planning agencies in the capital of less developed, mixed-economy countries, there is a virtual absence of talent in the hinterland. In some countries, therefore, such regional planning as there is takes place in the capital. In Turkey, for example, where most economic decision-making is in any event centralized, regional planning is mostly carried out in the Ministry of Reconstruction and in the State Planning Organization. The Ministry of Reconstruction, with a staff of about 30 economists and planners, has prepared two regional studies.⁴¹ The Social Planning Department of the State Planning Organization is currently engaged on much more ambitious regional studies of two areas.⁴² In Greece,⁴³ Italy, Mexico, Spain, Thailand and the United Kingdom, among other countries, regional planning is also largely a function of national governments.

⁴¹ Little has happened as a result of these studies, both of which were carried out with OECD assistance. One was of the Marmara Region, which includes Istanbul and some seven provinces; the second was of the Zonguldak Region, a coal and iron area.

⁴² The first, sponsored by FAO, is of the Antalva Region, in the south, an agricultural area with some mining; the second, assisted by U.S. AID, is of the Cukurova Region, a cotton-producing province.

⁴³ Greece has a number of regional development plans (e.g., in the Ptolemais, Epirus and Western Peloponnese regions) which are carried out within the context of the national development plan and under the supervision of the Ministry of Co-ordination, the central planning agency.

Mauritania has established a series of regional commissions to prepare regional plans but these operate as a part of the central planning agency.

Some countries which are trying to promote planning within their regions, rather than plan for them in their capitals, have tried to alleviate the lack of qualified planners in the regions by establishing mobile teams of planners which travel around the country to assist regional planning authorities. Thus, Mali has a section in its Planning Department which is responsible for maintaining liaison with regions for this purpose. Madagascar and Senegal also employ mobile teams which operate out of their central planning agencies and co-operate with regional groups in the preparation of programs and plans.

Despite all efforts, however, the shortage of trained planners remains a much greater obstacle to effective planning on the regional level than it is on the national level. The widespread failure, thus far, of regional planning and regional planning bodies to relate themselves to national planning and planners also creates serious problems.

It is when regional planning is elevated into a doctrine of its own, that its inherent dependence on national planning may easily be forgotten: it may then in fact divert attention from the need for national planning.⁴⁴

At an international planning conference held in 1962, one expert summarized for the conference the current status of regional planning in general and SUDENE's plans and planning machinery in particular:

A review of regional plans actually in operation shows how much we have still to learn about the process of regional planning. Few regions have attracted as much attention . . . as the Brazilian Northeast. . . . The organization of SUDENE . . . represents the major effort in the field of development planning by the Brazilian Government. . . . Yet the SUDENE plans are deficient in many respects. . . . There can be little doubt that SUDENE is staffed with hardworking, self-sacrificing, devoted and able people. However, very few of the SUDENE officials have training and experience appropriate for the task they are now undertaking. The SUDENE staff has limited knowledge of the process of regional planning. . . . Particularly disturbing is the tendency of

⁴⁴ Glass, Ruth. "The Evaluation of Planning: Some Sociological Considerations," p. 408.

SUDENE to regard the problems of the Northeast as something that has to be solved in the Northeast. The organization is set up as a species of super-state (even with its own diplomatic service) and the planning seems to proceed as though the Northeast were a separate country, completely cut off from the outside world.⁴⁵

SUMMARY AND CONCLUSIONS

Regional development planning bodies have been established within countries for political subdivisions and for economic areas. Among the mixed-economy countries, federal governments which planned on a national scale have generally established planning bodies covering all political subdivisions of the country; and with the spread of national planning, countries with unitary governments have begun to set up comprehensive planning machinery for their regional and, sometimes, their subregional political subdivisions. Nevertheless, in the mixed economies, pervasive systems of planning bodies below the national level are an exception; in the socialized economies, they are the rule. Conversely, planning machinery for economic regions is almost entirely restricted to mixed-economy countries.

Planning by bodies attached to regional and subregional political administrations constitutes an integral part of national planning in socialized countries. In theory, subnational planning bodies in the socialized economies have no direct administrative links with each other or with the central planning agency, but in practice, planning bodies at each level are subject to supervision by planning bodies at higher levels as well as their own administrative authorities. Yugoslavia departs from the usual pattern. In that country, planning bodies at lower levels are, in fact as well as in principle, independent of those at higher levels.

Constitutions of mixed-economy countries with federal governments generally provide that each federal government must share responsibility for planning with its political subdivisions. Thus, when a country with a federal government begins to plan, planning machinery at the state (or provincial) level and, to a lesser extent, at the local level, is generally set up. But in most cases, these planning systems do not work

⁴⁵ Higgins, Benjamin. *Some Comments on Regional Planning*, pp. 6-7.

as well as they might, as, for example, in Nigeria, India and Pakistan. On the other hand, Malaya has a relatively effective system for planning at state, district and local levels.

Subnational planning in mixed economies generally is not an integral part of national planning. Many countries with unitary governments have established planning systems for their political regions, and individual subnational states or provinces have also begun to establish planning bodies for their areas. But all of these efforts are mostly incipient and inchoate attempts which will need much time before they produce significant results.

Planning bodies for economic or functional regions are generally established to meet special needs—to develop a single regional sector, carry out multipurpose water and electric power facilities, promote the comprehensive development of new regions or help raise the economic level of backward regions. In the socialized economies, these needs are almost always met through planning bodies of existing central and regional administrative units.

Most planning bodies for economic regions are established as a part of operating corporations or authorities which either prepare and execute projects and programs or co-ordinate the work of other organizations. Experience shows that regional development bodies are most successful when they have resources of their own and administer their own budgets. These resources may come from the region concerned; but in most cases, central governments contribute a substantial part of the funds for regional development, at least at the beginning.

Most planning or development bodies for economic regions are created by national governments, sometimes as national entities, independently administered or financed, and sometimes as a “mixed” company with national and regional officials, as well as nonofficial representation. They may also be set up by agreement among subnational states or provinces. Whatever the legal form, the managing board is likely to contain representatives of the national government and subdivisions of the region concerned. Where there are many subdivisions, it is desirable to find a formula which keeps the size of the board small.

Mixed economies have made only small beginnings in co-ordinating the work of planning bodies in economic regions with the activities of central planning agencies and central operating ministries and agencies. Where the boundaries of economic regions extend to two or more

political subdivisions, as they frequently do, co-operation and co-ordination among the political subdivisions have also been hard to achieve. This is one reason why planning for economic regions is uncommon and frequently unsuccessful in countries where it has been tried. The lack of competent planners has also seriously limited the effectiveness of subnational regional planning bodies.