Resource Mobilisation
for
Indian Planning

- Goals
- Time-period
- Strategies
- Resources (financial)

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Intro.

In India, the Planning Commission & the Five Year Plans have been removed. This does not imply that India has no role of the planning by the state.

In India, the state planning is required for the achievement of various socio-economic goals like -

(i) Human Development.

(ii) Inclusive Development.

(iii) World class infra.

(iv) Food security for all.

(v) Housing for all.

(vi) Employment for all.

(vii) High level of defence & internal security.

(viii) Development of agriculture etc.

VGF

ToT

It is to be noted that the private sector working on the basis of market Model is not able to achieve the above goals because –

'The market can bring equilibrium between the supply & demand backed by the purchasing power but not between the supply and the need.'

Apart from the above, markets do not go for various social & collective goals. Markets do not take into account social impact of private decisions regarding consumption & production.

In view of the above, the role of the state planning in India can be well understood.

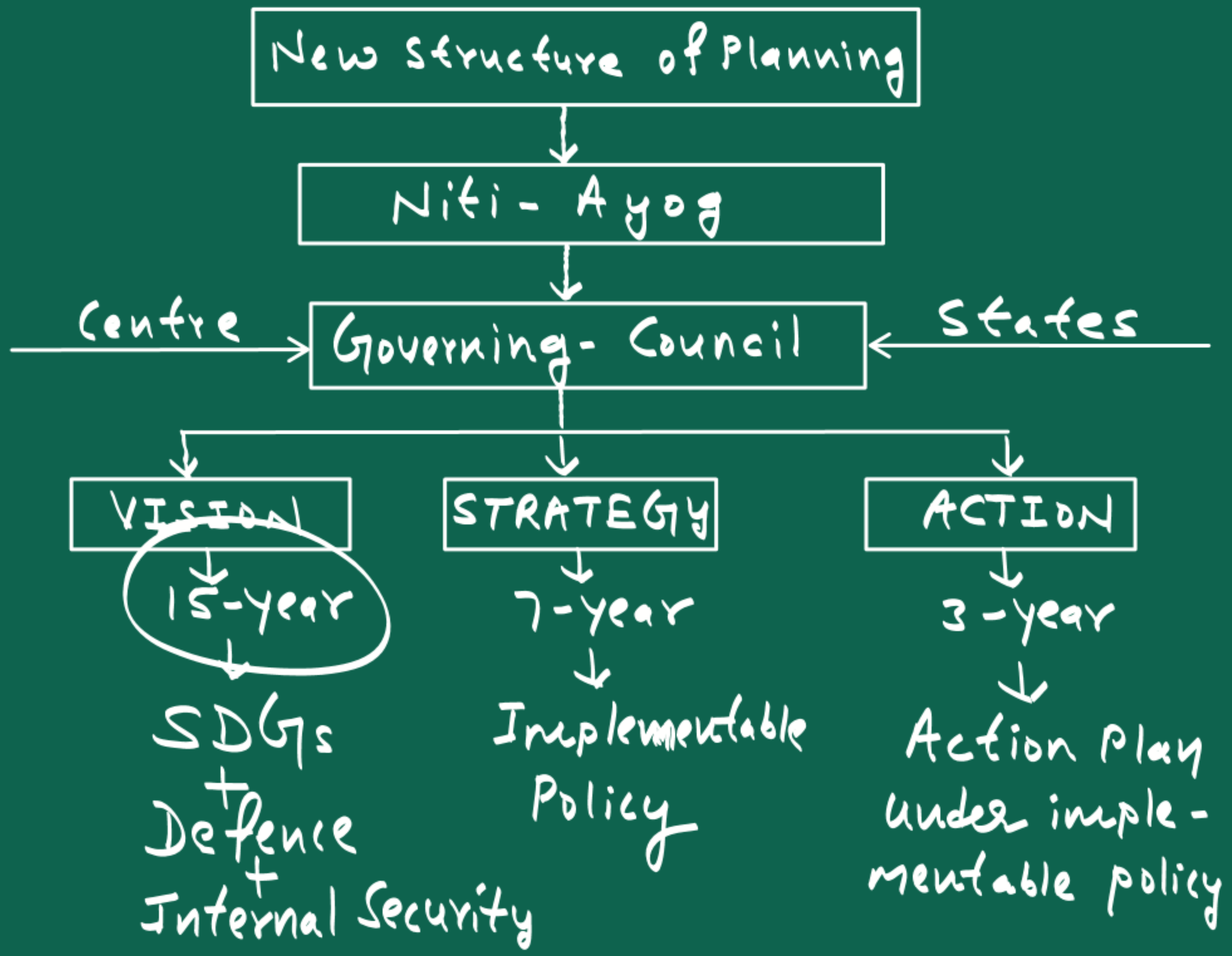
New Structure of Planning in India

In India, the process planning has not been removed. Rather, it has been replaced by a new structure.

It is now long-term and more decentralised.

The $\boxed{\text{Governing Council}}$ of the Niti-Ayog also includes States as members. Both the

Centre & the States work as the <u>Team India</u> for the formulation & execution of the National Development Agenda. The new structure can be shown through a diagram -


New Structure of Planning
Niti- Ayog
Centre
Governing- Council
States
VISION
15-year
SDGs
+
Defence
+
Internal Security
STRATEGY
7-year
Implementable
Policy
ACTION
3-year
Action Plan
under imple-
mentable policy

Strategy of resource mobilisation

1. Increase in Tax Revenue

   (a) Appropriate rates of taxation.

   (b) To bring agricultural income of non-farmers into the tax-net.

   (c) Imposition of some new direct taxes like the tax on succession or the death tax etc.

(d) Various rebates and concessions in taxation can be reduced/removed.

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In other words, <u>tax-expenditure</u> should be removed or reduced.

(e) Control on the tendencies of tax evasion & tax-avoidance.

(f) Reforms in tax-adminis-tration. etc.

(2) Increase in the surplus of the industries of the public-sector.

(a) Improvement in their functioning.

(b) Better utilisation of production capacities.

(c) Autonomy in management.

(d) Implementation of better price policies. etc.

3. Appropriate imposition of user charges for various

$\boxed{\text{utility services -}}$

→ Electricity
Irrigation
Drinking water
Transport etc.

→ Appropriate user charges are not collected.

User charges should be such that

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Operational cost is recovered.

4. Downsizing the Govt.

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To reduce the size of the govt.

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Focus : Minimum Govt.

&

Maximum Governance.

+

$\underbrace{\text{The Use of IT}}_{\text{e-governance}}$

Apart from the above -

Redeployment of excessive staff in various departments by providing training.

5. Reduction in Govt. Expenditure -

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Focus: ↓ Revenue Exp.

↓

↓ Subsidies

↓

↓ Demerit Subsidies

Apart from the above, the OPS (Old Pension System) should not be implemented.

Thus, India can make a suitable strategy of resource-mobilisation for planning.


VISION
STRATEGY
ACTION

Demand

- Need
- Purchasing Power
- Tendency to spend