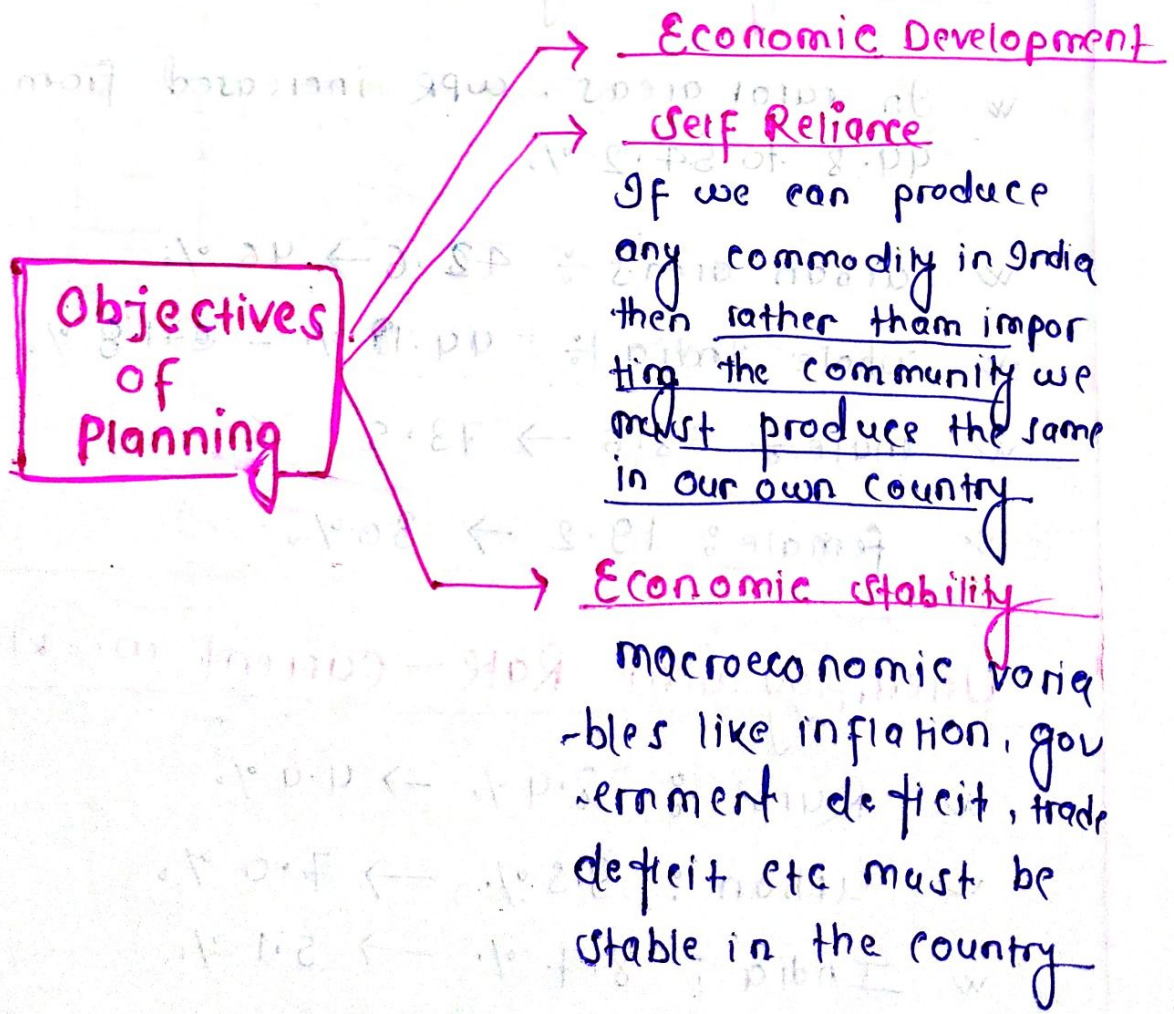
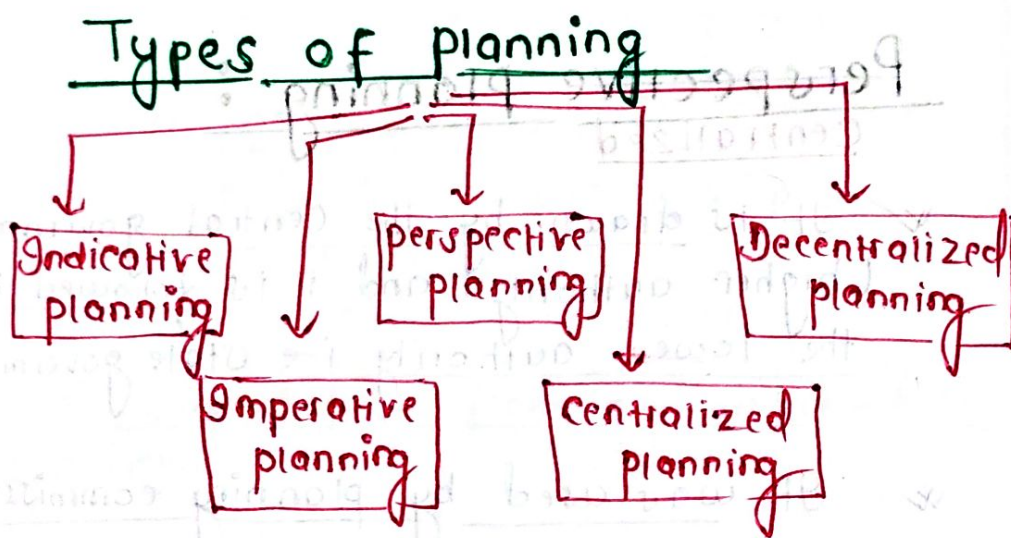
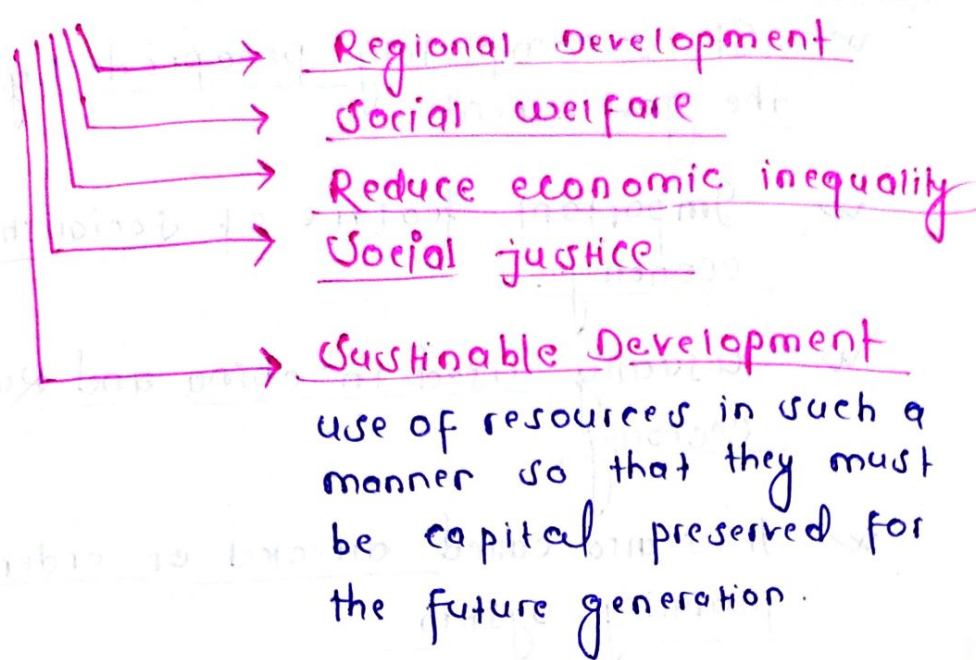


Planning System In India

- ✓ In India the planning system was adopted from USSR (Soviet union).
i.e. 5 year planning system.
- ✓ In 1928, Soviet union made the Five-Year plan for the first time.
- ✓ The socio-economic planning is given under the Concurrent list of 7th schedule of the constitution.
- ✓ The objectives of planning is derived from the part IV of constitution i.e. Directive principle of state policy (DPSP)





Indicative planning :

- ✧ In this type of planning plans are prepared by government in consultation with private sector.
- ✧ It is an important feature of mixed economy.
- ✧ It was first used by France.

Imperative planning :

✓ It is completely prepared by the government.

✓ Important feature of socialistic economy.

✓ usually used in china and Russian economy.

✓ It is also called directed or ordered planning system.

Perspective planning :

Centralized

✓ It is drawn by the central government (higher authority) and it is followed by the lower authority i.e. state government.

✓ It was used by planning commission

✓ It is also called Top-down approach of planning.

Decentralized Planning :

✓ when the plans are prepared at the lower level and it is moving towards upper level.

✓ also called bottom-up approach of planning.



✓ Nowadays, used by NITI Aayog.

Perspective planning:

- ✧ It is a long-term planning system i.e., in this planning system the plans are prepared for 15 years, 20 years etc
- ✧ Currently, it is used by NITI Aayog in India.

M. Visvesvaraya Plan

- ✧ In 1934 M. visvesvaraya discussed about poverty in his book "planned Economy for India."
- ✧ Shift labour from agriculture → industries.
- ✧ fixed target of doubling the national income in 10 years.

National Planning Committee

- ✧ In 1938 INC leader SC Bose set up NPC and it was chaired by JL Nehru.

Bombay Plan

- ✧ It was prepared by eight leading industrialist of Bombay which are as followed.

- JRD Tata
- JD Birla
- Purussotam Das Thakur Das
- Lala Sri Ram
- Kestur Bhai Lal Bhai
- AD Shroff
- Ardeshir Dalal
- John Mathai

✧ The main objective of this plan were

- abolition of Zamindari system
- Development of cottage and medium industries.
- Developing industrialisation.

✧ Doubling the per capita income and tripling the national income in 15 years.

Grandhian plan

✧ It was given by JN Aggarwal in 1944.

✧ Its objectives were:—

- Economic decentralization
- Developing small and cottage industry.

People's plan

✧ It was prepared by MN Roy in 1945

✧ Its objectives were:—

- Balancing the agricultural and industrial development

Sarvodaya plan

- ✍ It was launched by J.P. Narayan in 1950.
- ✍ main objectives :
 - ① Increasing agricultural production
 - ② Developing cottage industries.
- ✍ In this plan the main focus was given for land reforms.

Planning Commission

- ✍ 15 March 1950.
- ✍ It was a non-statutory and extra-Constitutional body.
- ✍ Members :
 - ① Chairman : Ex-officio PM
 - ② Deputy chairman : any one cabinet minister (appointed by PM)
 - ③ Secretary :
 - ④ 7-8 full-time members
 - ⑤ finance minister and planning minister
- ✍ It prepared the five-Year plans.
- ✍ It was also allocated the funds.
- ✍ It also implemented the five-Year plans and analyse or assessing them time-time.

Note : There was no role of chief ministers of states and LG of UTs.

National Development Council

- ✧ Establishment : 6 August 1952
- ✧ Chairman : Ex-officio PM
- ✧ There was the role of states CM and LG of UTs.
- ✧ It approved the FYP which was prepared by planning commission.
- ✧ It was also a non-statutory and extra-Constitutional body.

NITI Aayog

- ✧ NITAI stands for National Institution for Transforming India.
- ✧ Set-up on 1st January 2015 by replacing 65 year old planning commission
- ✧ It is also non-statutory and extra-constitutional body.
- ✧ It is considered as 'Think Tank'.
- ✧ members :
 - ① Chairman : Ex-officio PM
 - ② Vice-chairman : Suman Berry (appointed by PM)
 - ③ CEO : BVR Subrahmanyam
 - ④ Governing council : CM of states and LG of UTs (in place of NDC)
 - ⑤ Regional council : CM of states and LG of UTs

(It is formed whenever it is required)

(vi) four - full Time members.

- (a) VK Varshwa (ex-chairman, DRDO)
- (b) Ramesh chand (Agricultural Specialist)
- (c) Vinod Kumar Paul (Health expert)
- (d) Arvind Virmani (Economist)

(vii) Two - part Time members

(viii) four ex-officio members :-

- finance minister
- Home minister
- Agricultural minister
- Defence minister

(ix) Other special invitees :-

Nitin Gadkari, Piyush Goyal, Virendra Kumar, Ashwini Vaishnav, Rao Indrajeet Rao.

Difference b/w planning commission and NITI Aayog.

NITI Aayog

- ✗ It is new and advance body.
- ✗ Non-statutory and extra-constitutional body.
- ✗ CEO
- ✗ Report: vice-chairman

Planning commission

- ✗ It was an old body
- ✗ Non-statutory and extra-constitutional
- ✗ Secretary
- ✗ Report: Deputy chairman

✗ Include State
em and LG of
UT.

✗ Did not include State
em and LG of UT.

✗ It was not
allocating any
funds.

✗ It was allocated
funds for different
ministries and scheme

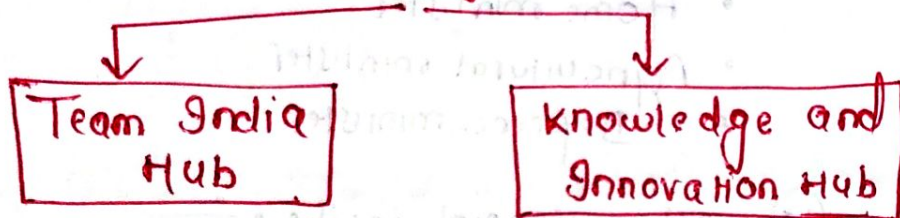
✗ Bottom-up
approach

✗ Top-down approach

✗ Cooperative -
federalism

✗ No-cooperative fed-
eralism.

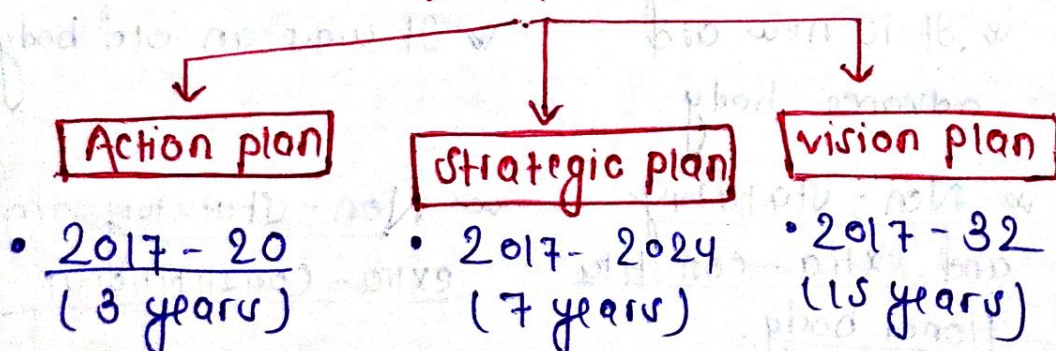
NITI Aayog Hubs



- Designing policies
- Coordinating NITI Aayog with states
- Fostering cooperative federalism.

- It is a research wing of NITI Aayog.
- It advises and encourages the partnership of NITI Aayog with universities, NGOs etc.
- Think-Tank

NITI Aayog : 15 Years plan (2017-32)



five Years plan

1st FYP (1951 - 56)

✓ Objectives : ① Agricultural development
(for food security)

② Community Development progra-
-mme

③ Equal distribution of income
and wealth.

④ correction of disequilibrium
caused by second world war

⑤ Basic infrastructure like
construction of road, transpo-
-rtation, hydro-electricity,
irrigation etc was focused.

✓ Model : based on Harrod Domar model.

✓ Bhakra Naga Dam, Hirakund Dam, Damo-
dar valley project.

✓ TGR : 2.1 %

AGR : 3.6 %

✓ The price level falls during this FYP.

Second FYP (1956-61)

Objective : ① Development of basic and heavy industries.

② Establishment of capital goods industries.

✓ The government targeted to increase the National Income by 25% and per capita income by 8%. (during this plan National Income increased by 26%.)

✓ Model : P.C. Mahalanobis

(founder of Indian Statistical Institute)

✓ Durgapur steel plant, west Bengal (Britain),

Bhilai steel plant (Chhatargarh (USSR),

Rourkela steel plant, Odisha (western Germany)

✓ Atomic Energy commission : 1956

Head : H.J. Bhabha

✓ Establishment of Socialist society.

✓ 1956 - Industrial policy Resolution.

• TGR - 4.5%.

• AGIR - 4.27%.

Third FYP (1961 - 66)

✓ objective (a) Development of agriculture and industry.

(b) Attaining self-reliance in food grain production and industrial production.

(c) Decreasing inequalities

✓ Model : SC Chakravarty model

✓ Development of basic industries, increasing employment opportunities.

✓ Import substitution for industrial development.

✓ 1962 : Indo - china war.

1965 : Indo - pak war.

1965-66 : Severe drought

1964 : Death of J.L. Nehru.

1966 : Death of Lal Bahadur

1964 : Establishment of Bokaro Iron and Steel plant (USSR).

1965-66 : Start of Green revolution.

TGR : 5.6 %.

AGR : 2.84 %.

1966 - 1969 9Y7

brill

- ✓ 3 Annual plans.
- ✓ This period is called planned Holiday.

Fourth FYP (1969-74)

- ✓ Ashoka Rudra Model
- ✓ Objective:
 - ① Growth with stability and self-reliance.
 - ② price stability
 - ③ Establishing equality in society
 - ④ Development Centre approach
 - ⑤
- ✓ It was launched by Indira Gandhi
- ✓ Also called Gadgil plan.
- ✓ family planning
- ✓ 19 July 1969 → Nationalisation of 14 banks.
- ✓ 18 May 1974 → operation Smiling Buddha
(1st atomic test pokhran, Rajasthan)
- ✓ 1971: India - Pakistan war,
(partition of Bangladesh and Pakistan)
- ✓ Heavy influx of refugees from Bangladesh
- ✓ failure of monsoon (adverse climate)
TGR: 5.7%
AGR: 3.3%

fifth FYP (1974-1979)

w prepared by DD Dhar.

w objective : (a) poverty alleviation
(Slogan : Garibi Hatao)

(b) Attaining self-reliance.

(c) Increasing employment level

(d) Improving standard of living

w 1974 : Minimum Needs programme
(MNP)

1975 : 20-point programme.

1975 : Emergency

1977-78 : food for work programme.

1977 : first time Non-congress govern
ment headed by Morarji Desai.

1978 : Janta Government terminated
this plan, and it is only FYP
which was for 4 year.

w TGR : 4.4%.

AGR : 4.8%.

Note : In 1978 the congress government
collapse and under the leadership of
Morarji Desai the Janta government
formed and this government terminated
the 5th FYP just after 4 year i.e in 1978.

Rolling plan (1978 - 80)

- ✧ The concept of rolling plan was given by Gunnar Myrdal.
- ✧ from here the plan started assessing every year.

Sixth FYP (1980 - 85)

- ✧ Objective :
 - ① Increase in national income
 - ② modernisation of technology
 - ③ Decreasing poverty and unemployment.
 - ④ Developing basic infrastructure

- ✧ Important programs launched in this plan

① TRYSEM : Training For Rural Youth for Self Employment. (1979)

② National Rural Employment Programme (1980)

③ IRDP : Integrated Rural Development Programme.

- ✧ Launched in 1978 and started in 1980

④ NABARD : 12 July 1982

- ✧ TGR : 5.2% ✧ AGR : 5.66%

Seventh FYP (1985-90)

✓ Slogan: food, work and productivity.

✓ Objectives: (a) Controlling inflation

(b) Economic stability

(c) Increasing food grains

(d) Increasing employment opportunities.

✓ Based on John W Miller model.

✓ This plan was the part of 15 years plan and the objectives were:

(a) Reduction of poverty

(b) fulfilling the basic needs

(c) universal primary education.

(d) achieving elementary education.

✓ for the first time the government focused on private sector.

✓ Jawahar Rojgar Yojana.

✓ TGR: 5% ✓ AGR: 6.1%

Note: In 1990 India was suffering from economic crisis. i.e. the forex reserve has almost depleted to end. High inflation rate, High budgetary deficit etc.

Two Annual plans

(1990-1992)

- ✓ 1991: New Economic policies (LPG)

Eight FYP (1992-1997)

- ✓ main objectives:

- * ① Human Resource development.
- ② Implemented LPG policies.

- ✓ It was based on Manmohan Rao model.

- ✓ Other objectives were:

- ① Employment opportunities
- ② primary health facility, drinking water, vaccination in all villages.
- ③ Agriculture and Rural development
- ④ abolishing manual scavenging
- ⑤ Developing basic infrastructure facilities like energy, transport, telecommunication, irrigation etc.

- ✓ Operation Blackboard (promoting schooling education)

- ✓ National Nutrition programme

- ✓ Reducing the importance of heavy industries and importing more focus on basic infrastructure

- ✓ TGR: 5.5% ✓ AGR: 6.8%

Ninth FYP (1997-2002)

↳ main objective :

① social justice and growth with equality.

②

↳ There were 4 - main dimension of this plan :

① Standard of living.

② Creating productive employment.

③ Regional balance

④ Self Reliance.

↳ Other objective :

① Growth with price stability.

② population control

↳ In this plan there were more focus on agriculture and rural development.

↳ Jawahar Rojgar Yojana merged into Jawahar Gram Samridhi Yojana.

↳ Important programmes :

1999 : Swarna Jayanti Gram Swarojgar Yojana.

2000 : pradhan mantri Gram sadak Yojana

2001 : Sarva Shiksha Abhiyan

↳ TGR : 6.5 %.

↳ AGR : 5.35 %.

Tenth FYP (2002 - 07)

w Objectives:

- ① Growth with human development.
- ② Targeting to increase GDP by 8%.
- ③ Reducing poverty by 8% till 2007
- * ④ To reduce the Gender gap in literacy and employment by ^{at least} 50% till 2007
- ⑤ Increasing the level of consumption.
- ⑥ achieving literacy rate upto 72% by 2007.

w Important programmes:

- ① 2005: National Horticulture Mission.
- ② 2005: Right to Information (RTI)
- ③ 2005: Implementation of VAT
- ④ 2005: NREGA (started on 2 feb 2005)
- ⑤ 12 April 2005: National Rural Health mission, (NRHM)

w TGR: 8%

w AGR: 7.6%

Eleventh FYP (2007-12)

✓ main objectives:

① Towards faster and more inclusive growth.

✓ This plan was prepared by C Rangraj-an.

✓ This plan focused on distance education, increasing enrollment in higher education and more focus on IT institution.

✓ To achieve agricultural growth rate by 4% and in 2007 National Agricultural Development programme was launched.

✓ Employment opportunities in construction work

✓ 2009 → Right to education

✓ other objectives:

① Reducing environmental degradation and gender inequality.

② Safe Drinking water for all by 2009.

✓ TGR: 9%, AGR: 8%.

Note: ① maximum growth rate among all FYP was there in 11th FYP.

② The discussion about inclusive growth was in 11th and 12th FYP.

Twelveth FYP (2012-17)

↳ main objective: "faster, more inclusive and sustainable growth."

↳ Other objectives:

(i) Environmental conservation.

(ii) Reducing the gap in gender and social discrimination at the time of enrollment in schools and reforming the higher education.

(iii) Strengthening the infrastructured programme and providing electricity in all villages.

(iv) achieving real GDP by 8%.

(v) Agricultural growth rate by 4%.

(vi) manufacturing sector growth rate by 10%.

(vii) Reducing the level of poverty by 10%.

↳ TGR: 8% AGR: 6.9%.