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# **Politics of Planned Development**

# Introduction:

'Development' refers to the process of achieving the standard of living and the economic standard of industrial production. Immediately after independence, the Government of India undertook the task of poverty alleviation, social and economic redistribution and agricultural development. Due to the growing demand for iron internationally, Orissa's Reserve Iron-Resource is an important investment destination to sign the Memorandum of Understanding (MoU) to bring in capital investment and employment opportunities.

# **1.** Politics of Planned Development



# **Political competition**

In a democracy or a democratic country, the final decision must be a political one, taken by the people's representatives who are in line with the sentiments of the people. Everyone agrees that post-independence India will prosper with social and economic justice as well as economic development.

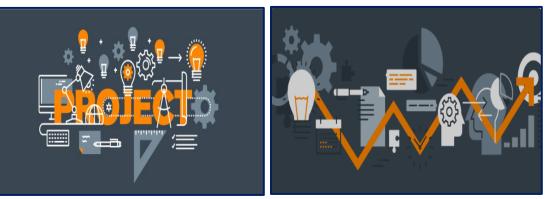
There are differences of opinion as to what role the government should play in ensuring economic growth with justice.

# **Development ideas**

- Any discussion on development can lead to contradictions, contradictions and arguments.
- 'Development' means becoming more 'modern' and becoming like the industrialized nations of the modern West.
- Modernization is associated with the ideas of development, physical progress and scientific rationality.

## Project

Despite the various differences. there is a consensus on one point: development cannot be left the private sector. to Therefore, the government should design or plan for development. In 1944, the Bada industrialists formulated a joint proposal for the establishment of a



planned economy in the country, known as the Bombay Plan. After India gained independence, the Planning Commission came into existence with the Prime Minister as Chairman.

## **2.** Initial initiative

The first draft of the Five-Year Plan, and then the original plan document released in December 1951 created a sensation in the country. Planned enthusiasm peaked with the introduction of the Second Five Year Plan in 1956 and continued to some extent until the Third Five Year Plan in 1961.

The first Five Year Plan (1951-1956) focused mainly on agriculture, with investment in dams and irrigation. One of the primary goals of planners is to raise the level of national income, which is only possible when people save more money than they spend.

#### **DO YOU KNOW?**

**Planning:** Systematic control of optimal utilization of resources and minimizing time wastage.

**Capitalist economy:** An economy in which the private sector is given priority over social welfare.

**Socialist Economy:** It aims to establish the public sector and a society of equality.

**Bombay Plan:** A joint proposal by a group of big industrialists to establish a planned economy in the country, formulated in 1944.

# 3. Rapid industrialization

The second five-year plan laid the groundwork for heavy industries. It was prepared by a team of economists and planners led by PC Mahalanobis.

#### The main controversy

• The development strategy followed in the early years raised many important questions.

# Agriculture vs industry



- After the first two plans, agricultural development did not take place adequately. Gandhian economist J.C. Kumarappa proposed an alternative blueprint with greater emphasis on rural industrialization.
- Others felt that poverty could not be avoided without a massive increase in industrial production.

### **Public vs Private Sector**

India has adopted a 'mixed economy' where both the public and private sectors coexist. Critics have argued that planners have refused to provide adequate space and incentives for development for the private sector. The increased public sector has led to powerful selfish interests, which have created significant barriers to private capital.



#### **DO YOU KNOW?**

**Planning Commission:** This is the 'Extra-Constitutional Body', which plans to establish the country in March 1950 under the chairmanship of the Prime Minister.

**Plan Budget:** This is the amount spent on a five-year basis as per the priorities set out in the plan.

Mixed economy: An economy in which both the private and public sectors coexist.

## 4. Major results of the first Five Year Plan

The initial initiative for planned development is to better understand the goals of economic development of the country and the well-being of all its citizens. Those who benefited from unequal development soon became politically powerful and it became more and more difficult to move in the desired direction.

#### There were three main results.

#### **1.** Financial foundations

- The foundation for India's future economic development was laid during the first two plans. Mega dams like Bhakra-Nangal and Hirakud were built for irrigation and power generation.
- Some public sector heavy industries steel mills, oil refineries, manufacturing units, defense production, etc. were started during this period.
- Infrastructure for transport and communication has been greatly improved.

## 2. Land reforms

- The zamindari immigration system was abolished.
- Attempts were made to bring together small plots of land.

#### 3. The Green and White Revolution

- In the 1960s, the government provided high-yielding seeds, fertilizers, pesticides, and improved irrigation at high subsidized prices. It was called the Green Revolution.
- Wealthy farmers and large landowners are its main beneficiaries.
- Some areas like Punjab, Haryana and western Uttar Pradesh are agriculturally developed while others are lagging behind.
- In 1970, Operation Flood, a rural development program, was launched.
- Aiming to increase milk production, Operation Flood has set up milk producers' cooperatives as a nationwide milk grid.
- It was called the White Revolution. Varghese Kurian is known as the 'Dairy Merchant of India'.



# 5. Later Development

After 1967 there were several new restrictions on the private industry. Fourteen private banks were nationalized. The Indian economy grew slowly between 3 and 3.5% between 1950 and 1980. Incompetence, corruption, etc. have caused people to lose faith in the country's economy, thereby diminishing the importance of the state in the Indian economy since the 1980s. The Second Five Year Plan also emphasized massive industrialization in rural areas, which was criticized for creating prosperity in urban and industrial classes for rural welfare. It was also argued at ground level that this was a policy other than a failure to

implement the politics of the feudal classes. During the planning period, the agricultural sector saw serious efforts on land reforms to end the feudal system and strengthen the land. Due to some shortcomings, they were not largely successful, meaning that people violated the laws with considerable political influence and some laws remained only on paper. Between 1965 and 1967, there was a severe drought in many parts of the country and a drought situation in Bihar. On the other hand, food prices in Bihar have also gone up and due to government zoning policy, food trade in the states has been restricted, which has reduced food availability in Bihar.

#### **SUMMARY**

'Development' refers to the process of achieving the standard of living and the economic standard of industrial production. Immediately after independence, the Government of India undertook the task of poverty alleviation, social and economic redistribution and agricultural development. Due to the growing demand for iron internationally, Orissa's Reserve Iron-Resource is an important investment destination to sign the Memorandum of Understanding (MoU) to bring in capital investment and employment opportunities. Some conflicts have arisen in Orissa as the tribal population is being displaced from their homes and environmentalists are worried about environmental pollution. Planning is the systematic control of deliberate activity to achieve national goals. India was inspired to plan by the USSR to provide the necessities of life i.e. advanced education, medical care and technical skills. The 'Bombay Plan' was formulated in 1944 to enable states to take the lead in industrial and other economic investments. The Planning Commission of India was established in 1950 as the 'Extra-Constitutional Body', chaired by the Prime Minister, chaired by the Minister in charge and other members. This will help reduce time wastage and increase per capita income. Prior to independence, planning was considered necessary by setting up a National Planning Committee in the 1930s to collect data and set targets as well as select five-year plans and annual budgets. The first Five Year Plan was drafted in 1951 by economist K.N. Roy Target. The Green Revolution focused on new strategies of agricultural policy introduced by the government, namely better irrigation of high yielding varieties of seeds, fertilizers and pesticides at high subsidized prices. The Green Revolution created favorable conditions for poor peasants to influence the 'middle class peasants' politically. Gave. The 'White Revolution' in Gujarat was started by Varghese Kurien, known as the Dairy Merchant of India. He started the Gujarat Cooperative Milk and Marketing Federation Limited, which further launched 'Amul'. The Amul model has become a model particularly suited to rural development and poverty alleviation. The Kerala model is designed to involve the people in panchayat, block and district level planning based on a 'decentralized plan' focusing on education, health, land reforms, effective food distribution and poverty alleviation programs.

Questions For Practice										
1.	<ul> <li>Who started the "Grand Innovation Challenge"?</li> <li>(a) Nithi Aayog</li> <li>(b) Planning Commission</li> <li>(c) National Planning Committee</li> <li>(d) Finance Commission</li> </ul>	<ul> <li>9. Intended to reform local self-government?</li> <li>(a) Economic status</li> <li>(b) Social status</li> <li>(c) Economic and social status</li> <li>(d) None of these</li> </ul>	<ul><li>17. Which of the following statements about the Bombay Plan is incorrect?</li><li>(a) It is a blueprint of the economic future of India</li><li>(b) It supported state ownership of the industry</li></ul>							
2.	<ul> <li>The full form of the NITI Aayog?</li> <li>(a) National Institute for Transfer India</li> <li>(b) National Institution for Transforming India</li> <li>(c) National Indian Transforming Institute</li> <li>(d) None of the above</li> </ul>	<ul> <li>10. The Tripura State Planning Board has been established?</li> <li>(a) 1972</li> <li>(b) 1971</li> <li>(c) 1978</li> <li>(d) 1965</li> <li>11. Almost the most literate state in India?</li> <li>(a) Tamil Nadu</li> <li>(b) Andhra</li> </ul>	<ul> <li>(c) It was built by some prominent industrialists</li> <li>(d) It strongly supported the planning idea</li> <li>18. When was Bombay Plan established?</li> <li>(a) 1944</li> <li>(b) 1945</li> </ul>							
3.	Number of part-time members in the Ethics Commission? (a) 5 (b) 101 (c) not more than 2 (d) 2	Pradesh (c) Kerala (d) Manipur <b>12.</b> Who says that "planning is a way of managing and utilizing resources for maximum benefit in the context	<ul> <li>(c) 1943</li> <li>(d) 1934</li> <li><b>19.</b> Related to the socialist development model?</li> <li>(a) USA</li> <li>(b) Europe</li> <li>(c) USSR.</li> <li>(d) Pakistan.</li> </ul>							
4.	<ul> <li>A rolling plan refers to a plan?</li> <li>(a) does not change its target each year</li> <li>(b) changes its allocation each year</li> <li>(c) changes its allocation and target each year</li> <li>(d) only changes its target each year</li> </ul>	of defined social goals"? (a) K.T. Shaw (b) Planning Commission of India (c) Dr. Rajinder Prasad (d) None of these <b>13.</b> Where did the idea for the Five-Year Plan in India come from?	<ul> <li>20. Which of the following is not a factor contributing to development?</li> <li>(a) Abundance of National Resources</li> <li>(b) The nature of the people</li> <li>(c) Frequent and free elections</li> </ul>							
5.	<ul> <li>Which of the following is not in the Indian plan?</li> <li>(a) Development plan</li> <li>(b) Index plan</li> <li>(c) Democratic planning</li> <li>(d) Centralized planning.</li> </ul>	<ul> <li>(a) United States of America.</li> <li>(b) Japan.</li> <li>(c) United Soviet Socialist Republic.</li> <li>(d) Australia.</li> <li>14. What are the two models of</li> </ul>	<ul> <li>(d) Technology level</li> <li>21. Which of the following is not a factor contributing to development?</li> <li>(a) Abundance of National Resources</li> <li>(b) The nature of the people</li> </ul>							
6.	<ul><li>Who among the following is the Chairman of the Nitish Aayog?</li><li>(a) The President</li><li>(b) The Prime Minister</li><li>(c) Union Minister</li><li>(d) Minister of Finance</li></ul>	development? (a) Capitalist and Socialist (b) Capitalism and Marxism (c) Capitalism and Gandhianism (d) None of the above <b>15.</b> Which of the following ideas is not	<ul> <li>(c) Frequent and free elections</li> <li>(d) Technology level</li> <li>22. Planning is considered a major tool in India?</li> <li>(a) Political development</li> <li>(b) Cultural development</li> </ul>							
7.	<ul><li>Who will appoint the Deputy</li><li>Chairman of the Nitish Aayog?</li><li>(a) The Prime Minister</li><li>(b) President</li><li>(c) Chief Executive Officer</li><li>(d) Union Minister</li></ul>	part of the early stages of Indian development policy? (a) Plan (b) Simplification (c) Cooperative farming	<ul> <li>(c) Social development</li> <li>(d) Socio-economic development</li> <li>23. Which state faced drought conditions in 1965-67?</li> <li>(a) Tamil Nadu</li> <li>(b) Andhra Pradesh.</li> </ul>							
8.	<ul> <li>Has the establishment of the NITI Aayog been announced?</li> <li>(a) 15 August 2015</li> <li>(b) 15 August 2014</li> <li>(c) 26 January 2015</li> <li>(d) 26 January 2014</li> </ul>	<ul> <li>(d) Self-sufficiency</li> <li>16. Odisha tribesmen are worried about their displacement due to extraction of which mineral?</li> <li>(a) Copper</li> <li>(b) Zinc</li> <li>(c) Uranium</li> <li>(d) Iron ore</li> </ul>	<ul> <li>(c) Bihar</li> <li>(d) Manipur.</li> <li>24. Where did the idea of the Five-Year Plan in India come from?</li> <li>(a) the United States of America</li> <li>(b) Japan</li> </ul>							

<ul> <li>(c) United Soviet Socialist Republic (d) Australia</li> <li>25. How many schemes have been completed in India so far? <ul> <li>(a) Twelve</li> <li>(b) Six</li> <li>(c) Eight</li> <li>(d) Four</li> </ul> </li> <li>26. Which of the following is not a contributing factor to development? <ul> <li>(a) Abundance of National Resources</li> <li>(b) The nature of the people</li> <li>(c) Frequent and free elections</li> <li>(d) Technology level</li> </ul> </li> <li>27. Which of the following ideas is not part of the early stages of Indian development policy? <ul> <li>(a) Plan</li> <li>(b) Simplification</li> <li>(c) Cooperative farming</li> <li>(d) Self-sufficiency</li> </ul> </li> <li>28. The Planning Commission in India was established by? <ul> <li>(a) 1953</li> <li>(b) 1957</li> <li>(c) 1960</li> <li>(d) 1950</li> </ul> </li> <li>29. What is the name of the document on which the Government of India has planned all its revenue and expenditure? <ul> <li>(a) Census Report</li> <li>(b) Statistical Summary</li> <li>(c) Budget</li> <li>(d) Union addresses</li> </ul> </li> <li>30. 10. Which state faced drought during 1965-67?</li> </ul>	Republic. (d) Australia <b>35.</b> What is the decentralized approved by t India? (a) Kerala Mode (b) Tamil Nadu (c) Andhra Prac (d) Karnataka M	desh (b) Europ (d) Pakist en are worried ent due to extri- (d) Iron o st literate st desh. dea of the Fiv ne from? es of America. Soviet So name of planning he State of el Model desh Model desh Model	pment e an. labout raction re ate in e-Year ocialist f the model	<ul> <li>has planne expenditure (a) Census</li> <li>(b) Statistic (c) Budget (d) Union a</li> <li>7. The Second launched?</li> <li>(a) 1955.</li> <li>(c) 1957.</li> <li>8. The main of agricultural</li> <li>(a) Attitude</li> <li>(b) The posidition of the part of the developmentian of th</li></ul>	he Governmen d all its rev ? Report cal Summary ddresses Five-Year Pla (b) 19 (d) 19 obstacle in th development e of the people sition of the la stribution mo s' Health. e following id early stages it policy? cation ative farming ficiency mmission was onstitutional Constitutiona	n has been 956. 958. he path of ? e. ndlords. del. deas is not of Indian
1. (a)   5. (d)   9. (c)   13	Solut . (c)   17. (a)	21. (b)	25. (a)	29. (c)	33. (c)	37 (b)
2. (b) 6. (b) 10. (c) 14	. (a) 18. (a)	22. (d)	26. (b)	30. (c)	34. (c)	38. (c)

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(a) 8. (b) 11. (c)

12. (b)

3.

4.

(c)

(c)

23. (c)

24. (c)

27 (b)

28. (d)

31. (c)

32. (d)

35. (a)

36. (c)

19. (c)

20. (b)

15. (b)

16. (d)

39. (b)

40. (a)