

Chapter-11: Development Policies and Experience (1950-1990)

Learning objectives

1 Meaning of economic planning

2 Objectives of planning

3 Agricultural sectors

4 Industrial sectors

5 Foreign trades

1. What is Economic Planning?

Ans :- It means utilization of country's resources into different development. Activities in accordance with the national priorities.

2. When was planning commission set up ?

Ans :- It was set up in 1950.

3. When was National development council set up?

Ans:- It was set up in 1952

4. Mention the objectives or goals of planning in India. Briefly explain it.

Ans :- The goals or objectives of planning in India are as follows:

i) Growth: -

It refers to increase in the country's capacity to produce the output of goods and services within the country. It implies either a large stock of productive capital or an increase in the efficiency of productive capital and services like transport, banking & communication etc. In other words, it means steady increase in the gross domestic product (GDP). It is necessary to produce more goods and services if the country need to achieve higher growth level.

(ii) Modernization:-

It is necessary to adopt new technology in order to increase production of goods & services.

Adoption of new technology is called modernization.

However, modernization does not refer only to the use of new technology but also to change in social outlook such as women empowerment . A modern society makes use of the talents of women in the work place so that the society will be more civilized and prosperous

(iii) Self reliance:-

It refers to utilization of country's resources in order to promote economic growth and modernization without using the resources imported from other countries. It means avoiding imports of those goods which could be produced in India itself.

It is necessary in order to reduce our dependence on foreign countries in order to safeguard the sovereignty of our country and unnecessary foreign interference in our policies.

(iv) Equity:-

It means equal distribution of income and wealth among the societies. It is important to ensure that the benefits of economic development should reach the poor sections of the society as well instead of being enjoyed by the rich. It is necessary that every people of a country should be able to meet their basic needs such as food, education, health facilities in order to reduce the inequality

5. Mention the development of Agriculture sector between 1950-1990

Ans : (i) Land reforms :

Land reforms were initiated in order to bring equity in ownership of landholdings. It was decided to establish intermediaries and to make the tillers of the owners of land. It gives the tillers the incentives to invest in making improvements in land provided sufficient capital was made available to them.

(ii) Land Ceiling :-

It refers to fixing the maximum size of land which could be owned by an individual. The purpose of land ceiling was to reduce the concentration of land ownership in a few hands and to promote equality in the agricultural sector.

(iii) Green Revolution:-

It refers to large increase in production of food grains resulting from the use of High yielding variety (HYV) seeds. The use of fertilizers, pesticides, irrigation facilities is important along with HYV seeds in order to increase agricultural productivity & production. The farmers should be provided adequate financial resources in order to purchase agricultural inputs.

Q6 Mention the development of Industrial sector between 1950-1990

Ans : 1) Public enterprises were played a central role in the process of Industrialization

2) Private enterprises were to play only a secondary role in the process of industrialization. It means private sector were to obtain a license for their industrial establishments and to produce goods within the prescribed limits of production capacity.

3) Major thrust was given to import substitution. It means production of such goods were to be accorded high priority which were imported from abroad. It was necessary to achieve the objective of growth with self reliance.

4) Domestic industries were given protection from foreign competition and it was done through
(i) Heavy duty in imports (ii) Large – scale industry was to be developed with a view to build an infrastructural base in country.

Q7. Mention the development of foreign trade between 1950-1990

Ans :- Inward looking trade strategy was adopted as foreign trade policy . This strategy is called import substitution. It aims at replacing or substituting imports with domestic production.

Domestic industry is offered protection from foreign competition through import duties.

Its main objective was to save foreign exchange by encouraging domestic production of such goods which could be imported from rest of the world. The Government protected the domestic industries from competition through tariffs and quotas. Through imposition of tariffs and quotas, the government restricted the imports of goods and thereby protecting the domestic firms from foreign competition.

Q.8 what is marketed Surplus?

The excess portion of agriculture produce which is sold into the market by the farmers is called marketed surplus.