

## Chapter - 21

### Planning in India

The word “Planning” is used usually in our daily life. Planning includes the preparation for doing a work, making and outline and execution of it. Generally, we will study all the developmental plans and their implementation and their review at the central level. Infact, planning for the development of any nation can be of two types :-

**(A) Sectorial planning :** It is a planned implementation of development in various sectors of the economy such as Agriculture, Irrigation, Industry, Energy, Transport and Communication.

**(B) Regional planning :** It is implemented by making programs for proper use and development of all its resources.

India has central planning and the task of planning has been handed over to the planning commission in India. The detailed description of all aspects of the planning in India is as follows :

Planning is the system of achieving economic prosperity by the optimum use of the resources of a region or area. It is an organized, conscious and sustained effort of achieving specific goals, which can reduce the distance between reality and expectancy. At the same time, it is an effort to achieve self sufficiency, eliminate inter and intra regional imbalances and to improve the quality of life of the people.

Planning is related to long term economic and social development of the country. In a developing

country like India planning is essential in reducing poverty, increasing the national and per capita income, reducing inequality in income and wealth, increasing employment opportunities, multifaceted development of the country and securing our freedom.

#### Planning System in India

The structure of administrative setup in Indian planning is as follows -

##### 1. Planning Commission

Planning commission was formed on March 15, 1950 by a proposal of Indian Government. It is an advisory and statutory body. The Prime Minister of the country is it's Chairman. The main functions of the planning commission are -

- (i) To estimate the Physical, Non material, Capital and Human resources
- (ii) To formulate developmental plans for the optimal and effective use of resources.
- (iii) To determine the priorities and allocating resources accordingly.
- (iv) To determine the working system for the success of plan.
- (v) To make the government aware of the problems in economic development.
- (vi) To evaluate the progress of the plan.
- (vii) To advise central and state government for all other economic development. Operation and

implementation of all plans related with development are done by the central and state governments. The central government has changed its name to Niti Aayog in 2016.

## 2. National Development Council

National Development council was formed on August 6, 1952. It is a non- statutory body. It was formed to co-ordinate between the planning commission and the States for economic planning. In this council, the Prime Minister, members of the central council of Ministers, Chief ministers of all states and members of the planning commission are included.

The main works of the National Development Council are -

(i) To review, study, finalisation and sanction of the national plan. After N.D.C's acceptance the plan

is implemented in the country.

(ii) To give advice to the planning commission in deciding the priorities

(iii) To consider the financial and social aspects of development

(iv) To evaluate the implementation of the scheme from time to time.

## 3. National Planning Council

This council is formed at the time of making each plan. In this, nationally renowned engineers, scientists, economists, sociologists and other specialists are included.

### Planning in Five Years Plans

After the independence of the country in 1947, the need for planning was felt. As a result, due to the inspiration from socialist countries such as Soviet

**Table 21.1 : India - Various five year plans and programmes**

S. No.	Plan and Significance	Targeted Development	Achived Development Rate	Actual Investment (Rs. in Cror)	Areas of Priority	Programmes
1	First Plan (1951—56)	2.1	3.7	1,960	Agriculture, Irrigation, Electricity	
2	Second Plan (1956—61)	4.5	4.2	4,672	Heavy Industries, Medical & Health	Rourkela, Bhilai, Durgapur Steel plants
3	Third Plan (1961—66)	5.6	2.8	8,577	Food Grains Industries	
4	Yearly Plan (1966—67 to 1968—69)	—	—	6,625	—	Green revolution
5	Fourth Plan (1969—74)	5.7	3.4	15,799	Agriculture, Irrigation	—
6	Fifth Plan (1974—78)	4.4	4.9	39,426	Puplic Health, Social Welfare	Poverty alleviation DDP, DNAP
7	Sixth Plan (1980—85)	5.2	5.4	1,09,292	Agriculture, Industries, Power	Programme/RDP
8	Seventh Plan (1985—90)	5.0	5.6	2,18,730	Power, Food Grains	J.R.Y. (MNP)
9	Yearly Plan (1990—92)	—	—	1,21,121	—	—
10	Eight Plan (1992—97)	5.6	6.6	4,95,670	Human Resources, Education, Health, Employment Development	—
11	Ninth Plan (1997—2002)	6.5	5.7	9,41,041	Social Justice, Rural Development Employment	SGSY
12	Tenth Plan (2002—2007)	7.7	7.6	15,92,300	Employment, Power, Social Development	Food Security MNREGA
13	Eleventh Plan (2007—2012)	9.0	7.8	36,44,718	To make development beneficial to all, Increased prosperity with fast development	Education for all, Decrease in poverty, Rural Development
14	Twelfth Plan (2012—2017)	8.0		76,69,807	Fast sustainable development & assimilated growth	Niti Ayog, Housing Plan, Adarsh Gram, Rural Development

Union, the five year plans were started to increase the national income, per capita income, employment, agricultural production, industrial development etc. to remove economic inequality, to achieve self reliance and reduce dependence on foreign aid. Although the priority has changed in different plans, but the main aims of planning remained as development, modernization, self reliance and social justice etc. In India, the impressive display of planning is considered to be started from the second five year plan. Then, on one hand the government, under influence of the planning of Russia declared the goal of establishing socialist society in India. Prof. P C Mahalanobis's developmental model was adopted in India.

Hence, this strategy of planning based on the development of heavy industries looked appropriate for India in the conditions of that time. But the economists like Vakil and Brahmanand had described it as inappropriate for India in their 'Wage goods models' of development. They said that heavy Industry based industrialization would complicate the problems of both unemployment and inflation in India, and Mahalanobis Model could not take the Indian economy much ahead on the path of development.

In later years, the strategy of planning has been focused on poverty reduction. In the 12<sup>th</sup> five year plan, the focus was on the new strategy of gaining more rapid and inclusive and stable sustainable development so that the balanced development of Indian economy could be done.

Now, the planning has been linked to the economic liberalization so that in the coming years, India can get the opportunity to emerge as the third largest economic power in the world after America and China, by increasing its foreign Trade, Foreign investment and foreign technology.

**Aims and achievements of the five year plans :** The process of planned economic development in India started from 1 April 1951. Since then nine five year plans and six annual plans have been executed so far. The 10<sup>th</sup> five year plan has

ended on 31 March 2007. Thus, India has completed 66 years of economic planning. In each five year plan, the basic aims which were decided were such as maximum production, full employment, economic equality and social justice. In view of economic problems and conditions of that time the aims were decided. The brief description of progress according to plan, is as follows -

### **First Five Year Plan (1951-1956)**

At the time of the formulation of the first-five year plan, we had scattered economy due to World War II and partition. Along with this, the rapidly increasing flow of refugees, Inflation and food problems were present. It was necessary to solve these problems for the setup of a welfare state. In the first plan, the provision of expenditure of Rs. 2378 crore was made. But the actual expenditure was of 1960 crores.

**Priorities :** Agriculture and irrigation were given the highest priority for fulfilling the above mentioned aims. Out of total proposed expenditure 1/4 was set apart for it. Generation of electric power was also given high priority. Industries were placed in the last place in priority order. The adoption of community development programme for agricultural development was the main feature of the plan.

Along with it, the works of Social welfare such as education, health, medical facilities, social security etc. were given importance.

**Achievements :** The first plan was very successful in achieving its short term goals. Due to removing the economic imbalance, improving the condition of food grains, reducing the price level, the economy became much stronger. Achievements were more than the target in some areas. National income increased by 18%, 11% increase in per Capita income. Power generation increased from 23 lac kilowatt to 34 lac Kilowatt. Additional employment opportunities were provided to 75 lac people. Industry was ignored in this plan. This plan was successful in enfusing a new life in the country's dead economy.

### **Second Five Year Plan (1956-61)**

This plan was prepared by P.C. Mahalanobis. The actual expenditure of public sector in this plan was Rs. 4672 crores, out of which 23% was as foreign aid.

**Objectives :** Fast industrialization was emphasized. The development of basic industries was given top priority in the country. Second priority was given to the development of means of transport and communication. After this irrigation and power development were kept in priority order.

**Achievements and Shortcomings :** National income (20 %) was less than target (25%). Growth rate was 4%. Per capita Income increased only 11% against the target (15%). Increase in price level resulted in Inflation. Employment opportunities were provided to 95 lac additional people. Industrial development took place. There was increase in the production of agriculture in the plan period.

### **Third Five Year Plan (1961-66)**

After the completion of two five year plans, there was a suitable environment for economic planning in the country. In the third plan, the goal of establishing self sufficiency and self sustained economy was set up. A provision of Rs. 7500 crores was made for public sector expenditure in this plan, While the actual expenditure was Rs 8577 crores.

#### **Objectives :**

- (1) 5-6% per annum increase in national income.
- (2) To increase agricultural production and to achieve self reliance in the food grains to meet the requirement of export and domestic industries.
- (3) To develop basic industries on national basis.
- (4) To maintain the equality of income, wealth and opportunities.
- (5) To increase the employment opportunities for a maximum use of human resource in the country.

**Priorities :** To make the economy self dependent and self sufficient, self sufficiency in

food grains has been given the top priorities. After that industries, mineral development, transportation and communication and social services were given the priority.

**Achievements and drawbacks :** During this period of planning, in 1962 and 1965, the country had to face foreign attacks and thus it affected the achievements of the plan. In 1965-66, there was a situation of famine and drought in the country, as a result the economic growth slowed down. In the third plan, the increase in national income, per capita income, food production, electricity generation is lower than the target. Industrial capacity increased by 9%. Thus, this plan failed to achieve its objectives and goals.

### **Three Annual Plans (1966-1969)**

The fourth five year plan could not be started on the time due to Non-availability of foreign capital, increasing prices, drought and famine, foreign attack, increasing costs and the failure of the third plan. Due to lack of regular planning, the period 1966-69 was called the lapse of plan. In this period, three (1967, 1968, 1969) one year plans were made. The aim of these annual plans was to maintain continuity in development programme and to prepare the necessary background for the 4<sup>th</sup> five year plan. The public expenditure in this period was Rs. 6625 crores. The first two one year plans have given importance to agricultural development and the development of industries in the third plan. The growth rate in this period was 3.8%. Prices increased, saving and investment decreased. As a result, the pace of economic progress slowed down in the economy.

### **Fourth Five Year Plan (1969-1974)**

**Objectives :** There were two main aims of the fourth plan.

- (1) Economic development with stability.
- (2) To achieve self sufficiency. To achieve these objectives a target of increase in national income 5.5%, economic growth rate of 5.7%, 4.6% in agriculture, 8% to 10% annual growth in



industries was kept. The goal of this plan was to raise the living standard of the poor, along with the measures that encourage equality and social justice. In this plan provision of expenditure of Rs. 15902 crores was kept in public sector.

**Priorities-** Industrial development was given the top priority during this plan period. After this agriculture, transport and communication development was placed priority wise.

**Achievements and Shortcomings :** Actual growth, 3.3% per annum was recorded against the target of 5.5% annual growth in national income during the plan period. Food grain production declined. The effect of the green revolution was limited to limited crop's and limited areas. Price increase in the plan period benefited the farmers, big businessmen and industrialists. Thus, the fourth plan failed to achieve its goals. The problem of unemployment in the country also became bad to worse. In this period, the progress of education and social development remained satisfactory.

#### **Fifth Five Year plan (1974-79)**

The fifth five year plan started at a time when country was suffering from the rise in international prices of oil in 1973. The country was facing the great financial crisis. With the rise in the prices, the problems of profiteering and black marketing in the country were at its peak. In the fifth plan, the expenditure in the public sector was kept at Rs. 39322 crores, but the actual expenditure was about Rs. 39426 crores.

**Aims and priorities :** The main aim of this plan was poverty eradication and self reliance. Industrial development was given the top priority in this plan. Agriculture, Transport, Communication development etc. were kept after it in priority order. The target to increase national income by 4.4% per annum, 4.67% in agriculture, and 7 to 10% in the industry was set. It was expected that foreign aid would be reduced to zero by 1979-80. The aim was to increase employment opportunities in non farm sector.

**Achievements and Weaknesses :** The

economy became stronger during the planning period. The growth rate of the agricultural area, food production grew up more than the target during the plan. The annual growth in Industrial production was estimated to be 5.9 %. Prices increased due to deficit financing. So, this plan proved to be an important link in the planned development process. Due to the change in government in the centre, the fifth plan was finished in March 1978, just a year before.

#### **Sixth Five Year Plan (1980-1985)**

The sixth five year plan was prepared twice. So, in the process of development, the period from 1<sup>st</sup> April 1979 to March 1980, can be called transitional plan period. The public sector expenditure in this one year was kept Rs. 12177 crores. 27 % of the total expenditure occurred on agriculture, irrigation, flood control and Agricultural auxiliary areas. In this period, the pace of development was negative (-6%). Almost in all areas of the economy decline was recorded. The country faced a crisis of foreign exchange. The revised format of the sixth five year plan was released in May, 1981. In this, the total outlay of the public sector was fixed Rs. 97500 crores.

**Objectives :** (1) Eradication of poverty, (2) To decrease the rate of unemployment.

The following targets were set to achieve the above mentioned objectives- The annual growth rate of development was kept 5.2 %, the growth rate in per capita national income at 3.3%, Industrial growth rate 8.9%, Agricultural growth rate 4% yearly and annual growth rate of service sector 5.2% were fixed. Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP) and Minimum Needs Programme (MNP) were started for the eradication of poverty and unemployment and aimed to decrease economic and social disparities.

**Achievements and Weaknesses :** The actual expenditure in the sixth plan was of Rs. 110,821 crores. The average growth rate, during the plan period, was 5 %, per capita income grew at 3 % per

annum and agricultural growth rate was 3.1 % per annum. Progress was also recorded in industrial production. Food production reached to 146 million tonnes in 1984-1985. The foreign reserves crisis became deeper by increasing trade deficit. The number of people living below the poverty line reached 33 %. In the sixth plan, there was economic progress in the country. The annual growth rate came down to 5 % that was more than the earlier growth rate of 3.5 %. As a result there was a new enthusiasm in the economy.

### **Seventh Five Year Plan (1985-90)**

The seventh plan started in a happy environment due to the success of sixth plan. Hence during launching of the seventh plan, there were no unfavourable circumstances before the country which were faced in beginning of the sixth plan.

**Objectives :** The seventh five year plan started with the basic aims of economic growth, modernization, self dependent and social justice. The other main aims were -

- (i) To increase cereal production
- (ii) To increase opportunities for employment
- (iii) To boost up productivity.

Employment, food and productivity were its three main points. The total proposed expenditure of seventh plan was Rs. 348148 crores.

**Targets :** In this plan, it was decided to strike directly on the problem of poverty, unemployment and regional Imbalances. In the seventh plan, the target of bringing 37 % of the people living below the poverty line to 25.8 % was kept. It was decided to keep 5% annual growth rate of development, food production 18.3 million tonnes, industrial development rate 8 % and the annual growth rate of investment and saving 25.9 % and 14.4 % respectively. Emphasis was on IRDP, NREP, community and panchayat development programme to reduce poverty.

**Achievements and Weaknesses :** The seventh plan registered an annual growth rate of 5.9 % and per capita income of 3.6 %. The average

annual growth rate in agricultural production was 4 %, which was higher than the target. Due to the decline in mining production, the annual growth rate of industrial production remained low than the target (8.7%). The annual growth rate in saving and investment was 21.7 % and 23.7 % respectively. Due to the deficit finance system, the problem of inflation was faced. Due to the decline in foreign reserve funds in the country, the value of Rupee depreciated in terms of foreign exchange.

India was trapped in debt trap because of increasing foreign debt. Despite some weaknesses, this plan has been successful in paving the way for economic prosperity.

### **Two Annual Plans (1990-92)**

The real outlay of public sector in these plans was Rs. 123,129 crores. During this period, the country was in a state of political uncertainty and instability.

### **Eighth Five Year Plan (1992-97)**

The eighth five year plan was started at such a time, when there were revolutionary changes worldwide. The end of the cold war in the world, free market, competitive system and a period of economic reforms started. In India also the process of structural reforms and adjustment expedited. The new policies were introduced in the industrial area, foreign trade, exchange rate, fiscal and monetary areas.

**Objectives and Targets :** There were six aims of the plan :-

- (i) To increase the employment opportunities
- (ii) To control population growth by active participation and inspiration of people.
- (iii) Expansion of primary education and complete eradication of illiteracy in the age group of 15 to 35 years.
- (iv) Expansion of safe drinking water and primary services.
- (v) To achieve self sufficiency in food grains.
- (vi) To strengthen the basic infrastructure to

continue the self sustaining growth.

The target of growth rate in the plan period was fixed 5.6% per annum, 3.7% in Agriculture, 8% in mining, 8 to 10% in Industrial sector, 13.6% in export. A target of 2.6% increase in employment opportunities was set. The targets of decentralization of administration of economy, to remove poverty, to achieve social justice and the way of economic equality were fixed.

**Achievements and Weaknesses :** The growth rate in the eighth plan was 6.8 %, which was more than the target. The efforts were made to increase employment opportunities, to eliminate poverty and to limit the population growth rate. The pace of industrialization grew along with the development of agriculture. Efforts were made for technical progress and modernization of the economy. The export growth rate was high. It was possible to control inflation. There was rise in confidence of world community in the country's economy.

### **Ninth Five Year plan (1997-2002)**

The revised draft of the ninth five year plan (1997-2002) in the country was approved by the union cabinet in January 1999. In this plan, some areas have been identified which were given special attention for example to improve financial condition, to prepare a long term policy to reduce the fiscal deficit of the state and central government, promote export, improve the basic infrastructure quantitatively and qualitatively, remove the environmental imbalance, increase public participation, promoting foreign investment etc.

**Objectives and Targets :** The following objectives were accepted in this plan

- (1) To give priority to agriculture and rural development and to create adequate productive employment.
- (2) To accelerate the pace of economic development while maintaining stability in prices.
- (3) To ensure food and nutritional security to the

weaker sections of the society.

- (4) To control population growth rate.
- (5) To protect the environment by public participation in the development process .
- (6) To strengthen the Panchayat Raj system.
- (7) To strengthen and empower women and socially backward sections.
- (8) To strengthen efforts to achieve self sufficiency.

In the ninth plan, outlay of public sector was fixed at Rs 8,59,200 crores at 1996-97 price level. In the revised format of the plan, for the Prime Minister's Special Action Plan (SAR) the provision of Rs. 21,946 crores was made. Special emphasis was given on food, agriculture, information and drinking water in this important action plan. The rate of development in this plan was fixed at 6.5 % per annum, investment and saving rate of 28.2 % and 26.1% respectively, unemployment rate of 1.8 %, export, and import growth rate of 11.8 % and 10.8 % respectively and fiscal deficit of 5.0 %.

**Priorities :** In this plan, emphasis was placed on development with equitable distribution. The main priority was given to the energy sector. Second priority was given to social services (25.9 %). Agriculture and related programmes were given the third preference (20.5 %). In order to achieve the goals of the plan, emphasis was placed on improving the quality of life, Employment generating activities, reducing regional imbalance and achieving self sufficiency.

**Achievements and Weaknesses :** An attempt was made to make the plan very practical and useful. In the plan long term planning targets were set for 15 years. The rate of development in this plan was 5.6 %, which was lower than the target. From industrial point of view, the country has been hit by recession. Agricultural production fluctuated. The condition of foreign exchange reserves was satisfactory. The stock of food grains was more than 6 crores tonnes. The ratio of poverty was estimated 26 %. Public's active participation was received in plan. Thus, a

mixed impact of economic progress was observed in this plan.

### **Tenth Five Year Plan (2002-2007)**

Advancing the process of planned development, the planning commission of India presented the vision document of the 10<sup>th</sup> five year plan on May 1, 2001. After that, in the beginning of 2003, this format was released in three volumes. An effort has been made to make it a reform plan, not an instrument. In this, instead of emphasizing the amount of expenditure in different sectors of the economy, emphasis was on necessary reforms in those areas, the desired goals could be achieved.

**Objectives and Targets :** The target of developmental growth rate in the tenth plan was kept at 8 % and it was proposed to double the per capita income within the next 10 years. It suggested to pay attention on agricultural reforms, generating high quality employment opportunities and employment opportunities in service sectors. It talked of setting particular programmes in order to benefit special groups of society. The target of setting social justice and equality was fixed. It was aimed for effective control over population growth and reducing infant mortality rate and maternal mortality rates. It talked of development of forest areas and making drinking water available in all the villages.

In the Tenth plan, the target of 8 % per annum growth was fixed. The target was to provide additional employment opportunities to 5 crores people. By 2007, the poverty ratio was proposed to be brought down to 19.34 %. The target of food production has been estimated at 24.8 crores tonnes in 2006-07. The target to achieve the growth rate of agriculture, industry and service sectors was 4.0 %, 8.9 % and 9.4 % respectively.

**Priorities :** The highest priority, in the tenth five year plan, was given to the energy sector (26.5 %). Social services (22.8 %) were given second place. A provision of 20.1 % expenditure on agriculture and allied economic activities was

made. The priorities of the tenth plan seem to be similar to the ninth plan. This plan emphasizes the importance of balanced development of all states. To achieve the targets, the emphasis is on the need to speed up economic reforms and the need to take hard decisions. With the emphasis on the four neglected issues so far, four sub committees of the National Development Council were announced. These sub-committees would be related to e-governance reforms, to provide suitable environment for investors, to overcome obstacles of internal trade in the country and to strengthen the panchayat financially and administratively. It was emphasized in the approach letter that in place of financial assistance in poverty reduction programmes, attention should be made on asset building Programmes in rural areas.

In the tenth plan, the total estimated amount of public outlay was Rs. 15,92,230 crore. But allocation of resources of Rs. 15,25,630 crore was done.

### **Results and Possibilities**

The tenth five year plan is animated by the target of human welfare and improving living standards. The plan focuses on supply of food grains and other consumer goods as well as availability of education, health, drinking water and sanitation. The approach paper of the plan seems quite authentic, transparent and transformative. Their implementation would be effective through public participation, public co-operation and government efforts.

In midterm assessment of the tenth plan, development of industries and focus on the necessary reform policies in agriculture are emphasized. Strengthening of biotechnology and health care sector etc., to increase the public investment in rural areas through assets management, identifying corrective policies for financial means of the centre and states, investigating experiences to overcome regional inequalities and backwardness etc were incorporated during midterm assessment.



### Eleventh Five Year Plan (2007-2012)

The aim of this plan is kept for quick and inclusive growth. The target of the country's growth rate for the eleventh plan has been kept at 9 %. It was decreased to 8.1 % later. This plan has a growth rate of 8.1 % of GDP.

**Important Facts :** Reducing the decadal population growth rate to 16.2 % during 2001 to 2011. Bringing total fertility rate to 2.1. To increase sex ratio in the age group of 0-6 years from 935 in 2011-12 to 950 in 2016-17. To ensure the supply of clean drinking water in all villages by 2012. To connect the each village of the country by November 2007 with telephone facility and by 2012 with the broadband facility.

**Achievements and Weaknesses :** In the 11<sup>th</sup> five year plan the country's growth rate has been 7.9 %. Which is more than 7.6 % of the 10<sup>th</sup> plan, This growth rate has been the highest in all five year's plans development. In this plan, the growth rate of Agriculture sector was 3.3 % which is more than 2.4 % growth rate of this sector of the 10<sup>th</sup> five year plan. The rate of people living below the poverty line dropped by 1.5 points every year. In the 11<sup>th</sup> plan, the aim was to establish a total 78,700 Mega watt power capacity. In fact 54,964 Mega watt power capacity was established in this plan.

### 12<sup>th</sup> Five Year Plan (2012-2017)

From 1<sup>st</sup> April 2012, the 12<sup>th</sup> five year plan of the country was started, which was valid till March 31, 2017. The target of the growth rate for this period in the original draft of this plan was kept at 9 %, But as a result of the recession in the global economy, the planning commission reduced the rate growth to 8.2 %. On 27<sup>th</sup> December 2012, in the meeting of the national development council, the economy growth rate of the country was again reduced to 8 %.

**Targets :** In this plan target was to reduce the poverty ratio by 10 %. Efforts to bring investment up to 9 % of GDP in basic infrastructure were made. The credit base in the infrastructure sector linking all subsidy based plan related to direct cash transfer

plan from banking system based on Adhar card.

**Regional planning :** The process of planning is either single level or multi level. All decisions are taken at national level in single level planning, and implementation of which is supported by the lower regional levels. The similar centralized planning is prevalent in India. On the contrary, in the Multi level planning, the planning of the country is done by dividing the country into various levels of regional units. All these regional units are supplementary to each other. In this type of planning, the lower level regional planning prepares the basis for high level regional planning, while high level planning creates a structure for lower level planning. There is a direct involvement of people in it and the benefits of the plan reaches to the lowest level.

There are many causes for the need for planning in a big country like India -

- (i) India is a country with a democratic and federal system in which states have autonomy in many area. These states play a main role in the implementation of the plans as well as they are accountable for development.
- (ii) Centralized planning has increased regional inequality and the lower level problems are ignored. Efforts can be made to resolve these issues with Multilevel planning.
- (iii) Multilevel planning can be a solution to the problem of poverty in the country. The complete solutions of this problem can be found with the direct participation of the public.

### Regional Imbalance

India has a long history of regional imbalance. At the time of independence, there was intense regional imbalance in the country. Only a few states were developed in terms of agriculture and industries. States like Bihar (undivided) Odisha, Madhya Pradesh (undivided) were economically backward inspite of being rich in natural resources. Even after independence, concrete and effective measures cannot be taken to overcome this



inequality. Many social scientists have tried to study these problems of inter-regional inequalities in development.

K. V. Sunderam using 14 variables by Principal Component Analysis Technique, identified low and very low class in 'Undeveloped India'. In which mainly Eastern, Central, South Central parts of the country are included. The urban centres of Ajmer, Kota, Gwalior, Ujjain, Bhopal, Agra, Kanpur, Lucknow, Allahabad, Varanasi, Patna, Rourkela and Jabalpur are situated here as islands, which are an indicator of Spotted development. Five backward areas can be identified in this problematic area.

- (a) North East India
- (b) Tribal belt of East central India.
- (c) East Uttar Pradesh and North Bihar.
- (d) Bundelkhand region of Uttar Pradesh and Madhya Pradesh.
- (e) Eco-sensitive areas (drought-prone areas, desert areas, Khad region, flood affected areas and hilly region etc.)

Recently, Moni (1999) has made an effort to map the level of development of the country at the district level with the help of 38 variables based on the 1991 data. In this, backward areas have been identified in terms of development. In these areas, there has been no progress during the last twenty years. It is possible that some of these backward districts may have some developmental work in any one area of energy, transport, education, health etc., but it has not been sufficient to raise the level of development.

Committees and commissions have been constituted at the government level to identify backward areas and study their problems. Out of these include Chakravati committee (1972 by planning commission) Shivaraman committee (1978) IG Patel committee (1984 for Gujarat), Dandekar fact finding committee (for Maharashtra in 1984) are the main. The planning commission has given three causes for economic backwardness in the country.

- (A) Historical Negligence.
- (B) Physical inconveniences (climate, topography, soil, land and ground water etc)
- (C) Social backwardness (tribal areas, marginal group, oppressed community etc)

For each of these there is a need to prepare planning policies and development programmes separately.

Even at the level of states, there is a considerable inequality in the development levels indicators like Per Capita Income, Urbanization, Literacy, Female Literacy, Percentage of people living below Poverty Line, Unemployment, Basic facilities, Medical facilities, Crop Intensity, Irrigation, Growth rate etc. are used for its assessment.

### **Desert Development Programme**

Desert Development Progress (DDP) aims to increase the income and employment level of locals by checking the spread of the desert and increase the productivity of local resources. It has been implemented in the hot and cold desert regions. This programme concentrates on such activities which help to reinstate ecological balance, stabilization of sand dunes and protection of soil and water. There are some plans for setting up safety belt, adopting water harvesting techniques and developing pastures for the maintenance of animal husbandry. Besides pasture, plantation is encouraged for fodder crops, fuel and fodder. Similarly, the emphasis is on the development of irrigated agriculture and animal husbandry in Ladakh and Spiti cold desert region.

On the recommendation of the agriculture commission, the desert development programme was started in 1977-78. It has been implemented in 235 developmental blocks (area 4,57,432 sq km) of 40 districts of 7 states. In Rajasthan this programme is being operated in 85 blocks of 16 districts. These states include Andhra Pradesh, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, and Rajasthan. In this, the entire portion of the expenditure is borne by the centre (75 % in the hot desert area). It has been integrated in the water

resource development program in April 1995.

### **Tribal Area Development Programme**

According to the 2011 census, the total population of tribes in India is 182.81 lac (8.61 % of the total population) which is divided into 58 tribal communities and 365 groups. Lakshadweep (94.80 %), Mizoram (94.43 %), Nagaland (86.15 %), Meghalaya (86.15 %), Arunachal Pradesh (68.17 %) and Dadar Nagar Haveli (51.95 %) are tribal dominated. Apart from this, there are twelve states of the country like Manipur, Chattishgarh, Tripura, Jharkhand, Orissa, Sikkim, Madhya Pradesh, Gujarat, Rajasthan, Assam, Jammu & Kashmir and Maharashtra, the Daman and Diu and Andaman & Nicobar Islands, where the population of the tribes is more than the national Average (8.61 %). In the 19 district of 10 states, the percentage of tribal population is more than 50% and 332 tehsils have the absolute majority. The highest concentration of these tribes is in the North-Eastern hills, Meghalaya-Karbi, Anglong plateau, Chota Nagpur plateau, Aravali (Abu and Kotra) and between the eastern parts of the Vindhya hills (Wagar and Malva), the western ghats and the high valleys of the Himalayas. These hills, forested and semi arid areas are very poor and backward in social and economic development. Tribal development programmes are prepared for those areas which have 50 % or more tribal population. Sub plans are made for these areas. The aim of which is to reduce gap in the level of development between the tribal and other areas and to improve the quality of life.

The regions of such Tribal sub plans (TSP) have been indentified in seventeen States and two Union Territories of the country. These areas are in nineteen tehsils and twenty three panchayat samitees of Madhya Pradesh, Chhattisgarh, Odisha, Maharashtra, Jharkhand, Gujarat, Andhra Pradesh and Rajasthan (Dungarpur, Banswara, Pratapgarh, Udaipur and Sirohi Districts). Resources for these plan come from the State's Plan Funds, Central Ministries, Central Assistance and Institutional Finance.

Those tribal sub plans are prepared with the vision that the benefits of this can reach the common people specially the most weaker section. In this, special attention is given to the programmes such as shifting cultivation in South Rajasthan (Walra), bonded labourers and land transfer, loan, marketing forestry, road construction etc. Three tier structural development system is used ( Block at micro level, Tehsil at medium level and Tribal dominated area at macro level) for the tribal sub plan. Emphasis in these sub plan is on improvement in agriculture and horticulture, animal husbandry, forestry, small and rural industries and marketing. In addition to giving priority to education, basic amenities such as safe drinking water, adequate housing, Medical and nutrition are also included. In the tribal development different types of plans are made for different areas instead of the same sub plans.

### **Hill Area Development Programme**

Approximately 17 % of India's area is Mountainous, where about 11 % of the population of the country lives. There are mainly two types of such areas-

- (i) Those who covers the whole state and
- (ii) Which are part of any state

In the first category- North-Eastern States, Jammu and Kashmir, Himachal Pradesh, and Uttarakhand are included. These are called special category States. A large part of their expenditure is covered by the central assistance. North-Eastern council has been formed by the parliament Act (1971) for the integrated development of North-Eastern states. This council has played significant role in the development of Inter state programmes like energy production, road construction, agriculture, animal husbandry, fisheries etc.

In the second category, parts of Assam (Karbi Anglong and North Chachar district) and West Bengal (Darjeeling district) are included. Apart from this, hill areas are found in Maharashtra, Karnataka, Goa, and Kerala (total area 134,500 sq km). Though the responsibility for their

development is on their respective state governments but financial assistance is also given by the centre separately.

The problems of hill areas differ from the plains. This is the reason that keeping in mind their topography, cultural and social-economic characteristics, there is a need to make separate developmental plan for each mountainous region. Sensible use of minerals, water, and biological resources of the relevant area should be done.

The entire development policy should be based on the active participation of locals, especially women.

In the development programmes of mountainous areas emphasis is given on horticulture plantation agriculture, animal husbandry, poultry, bee keeping, forestry, soil conservation and rural industry. In this, packages of programmes and co-operation are promoted. For example, it is preferable to include marketing alongwith gardening (apples, grapes, banana, etc.), plantation agriculture (Coffee, Tea, Masala etc.) in agro forestry, social forestry or horticulture.

In some mountainous areas, Jhooming (shifting) Agriculture is done by the tribes. Schemes are made to convert them into permanent agriculture and rehabilitate the Jhoom farmers. By developing gardens of Coffee, Rubber etc. and to hand over ownership to Jhoom farmers can be an effective solution.

Animal husbandry programmes should be made keeping in view the availability of animals and pastures. In which scientific emphasis should be on breeding, animals health and processing and marketing of animals products.

Mountain areas are suitable for those industries, which require pollution free environment, cold climate, high efficiency and value addition in which electronics, watch and clock making, pharmaceutical, optical glass etc. are main. As a cottage industry carpet making and handloom industry are suitable for these areas.

Simultaneously, the main focus should be on the development of tourism industry in these areas.

The mountainous region especially the Himalayan region is famous for bio diversity. Here, many species of medicinal plants, fruits, flowers and wildlife are found. Hence, there is a need to establish bio reserved areas, national industries and gene centres for conservation and expansion of valuable plant and animal wealth, here.

For the scientific planning of mountainous areas, it is necessary to have a proper knowledge about resources. ( Soil, Minerals, Vegetation, Water etc). For this remote sensing technology, aerial photo and land survey can be done. Here, short-term and long term plans should be made at regional, sub regional and micro level, in which environmental safety and public participation should be given priority.

### **IMPORTANT POINTS**

1. Planned development : After Independence, India has adopted the path of planning for the development of the country.
2. Planning is a technique, it is a means to achieve the desired aims and objectives.
3. Development and planning : After Independence, community development programme was started in 1952 for rural development.
4. Planning in five year plans, in order to reduce the foreign dependency, five year plans were started. It was inspired by the planning of Russia.
5. Eleven five year plans have been implemented so far from April 1952 in India and twelfth five year plan is in operation ( 2012-2017 ).
6. Regional planning- India has imbalance in the regional diversity. Efforts are being done to remove the existing natural diversity.
7. The planning commission has mentioned three reasons for the backwardness in India- Historical ignorance, Materilistic

inconvenience, Social backwardness.

8. Area Development Programmes in India.
- (i) Desert Development Programme 1977-78.
  - (ii) Tribe Area Development Programme, Hill Development Programme.

### EXERCISE

#### Multiple Choice Type Questions

1. The India planning commission is an-
  - (a) Advisory body
  - (b) Implementation Committee
  - (c) Government Committee
  - (d) Legislative Committee
2. The Chairman of planning commission is-
  - (a) President
  - (b) Prime Minister
  - (c) Finance Minister
  - (d) Governor of Reserve Bank
3. The Chairman of the National Development Council is-
  - (a) Prime Minister      (b) President
  - (b) Deputy Chairman of Planning Commission
  - (d) Central Finance Minister
4. The Fourth Plan model was made on the basis of which model of the following?
  - (a) Professor Mahalanobis
  - (b) Harold Dommer
  - (c) Dr. V.V. Bhatt
  - (d) A.S. Maan and Ashok Rud
5. In the eleventh plan, the predecided target growth rate was reduced to
  - (a) 8 %   (b) 8.1 %   (c) 8.5 %   (d) 8.7 %
6. In the area of public expenditure in which sector the highest expenditure has been proposed in the eleventh plan?
  - (a) Energy
  - (b) Transport
  - (c) Agriculture and allied
  - (d) Social services
7. The highest priority in the first five year plan was given to -
  - (a) Agriculture   (b) Industry
  - (c) Energy      (d) Employment
8. Which model was the basis of the First Five Year Plan?
  - (a) Harrod - Domar
  - (b) Mahalanobis Model
  - (c) Manan and Rud Model
  - (d) None of the above
9. Panchayati Raj system was launched in the country.
  - (a) In the first five year plan
  - (b) In the second five year plan
  - (c) In the third five year plan
  - (d) In the fourth five year plan
10. The period of 12<sup>th</sup> five year plan is -
  - (a) 1<sup>st</sup> April 2005 to 31 March 2010
  - (b) 1<sup>st</sup> April 2007 to 31 March 2012
  - (c) 1<sup>st</sup> April 2012 to 31 March 2017
  - (d) 1<sup>st</sup> April 2009 to 31 March 2013

#### Very Short Answer Type Questions

11. When was the community development programme launched?
12. When was the NITI Aayog formed ? Who is its Chairman?
13. When was the five year plan started?
14. Which five year plan is currently going on?
15. What is 'Desert Development Program'?

#### Short Answer Type Questions

16. Write a short note on planned development?
17. Highlight the importance of planning in five year plans?
18. Write a note on fifth five year plan ?
19. Write a note on 'Twenty Point Programme'.

20. Explain ' Tribal Area Development Programme'.

**Essay Type Questions**

21. Describe tenth five year plan.
22. Explain regional imbalance.
23. Describe Desert Area Development Programme and Hill Area Development Programme.
24. Describe aims, progress and results of twelfth five year plan.