



**PERFECTION
IAS**

50 DAYS PLAN

Mains Answer Writing Program
for **BPSC 67**

INDIAN POLITY

13. Examine the achievement of economic Planning in overall Progressive development of Indian economy?
13. भारतीय अर्थव्यवस्था के समग्र प्रगतिशील विकास में आर्थिक नियोजन की उपलब्धि का परीक्षण कीजिए।

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13. Examine the achievement of economic Planning in overall development of Indian economy?

Approach

Introduction: Define economic planning and describe Indian five year plan in brief .

Body

1. Write about the achievements of planning in various sector
2. Also mention few challenges

Conclusion: Conclude with a futuristic note

Introduction:

Economic planning is referred to as the way of planning and utilizing the economic resources available in the country to a maximum extent with an aim to achieve well defined socio-economic goals. Indian economy was based on the concept of planning from 1951 to 2017. This was carried through five year plans, developed, executed, and monitored by the planning commission.

Through these 12 five year plans India has achieved significant development in all sectors of the economy

Achievement of economic planning

1. Economic Growth

- Economic planning in India has been successful in increasing the national income and the per capita income of the country resulting in economic growth.
- The net national income at factor cost increased from Rs. 4393.45 billion in 1966- 67 to Rs.45, 733 billion in 2011-12 (at 2004-05 prices). The per capita income increased from Rs.8876 to Rs.38, 048 during the same period (at 2004-05 prices).
- The average growth rate has increased from 3.5 percent during 1950 to 1970 to about 5.5 percent after 1990's. The economy recorded a growth rate of 7.8 percent during the eleventh five- year plan.

2. Industrial Growth

- Economic planning has also contributed to the progress of the industrial sector. The index of industrial production increased from 54.8 in 1950-51 to 152.0 in 1965-66 (Base year- 1960-61) which is about 176 percent increase in production during the first three five-year plans.
- It went up from 109.3 in 1981-82 to 232.0 in 1993-94 (Base year- 1980-81). Taking 2004-05 as the base year, the index of industrial production recorded an increase from 108.6 in 2005-06 to 181.1 in 2015-16. The introduction of reforms in 1991 relieved the industrial sector from numerous bureaucratic restrictions that were prevalent earlier.
- This has led to the rapid growth of the industrial sector in India. India has made remarkable progress in cotton textiles, paper, medicines, food processing, consumer goods, light engineering goods etc.

3. Agriculture Development

- The first five-year plan focused on agricultural development.
- The index of agricultural production increased from 85.9 in 1970-71 to 165.7 in 1999-2000 (Base year- 1981-82)
- The food grain production has gone up from 51 million tones at the beginning of the first plan to 257.4 million tones in 2011-12. Particularly the production of rice, wheat has been spectacular, but production of pulses and oil seeds, etc., has been below target.

4. Education and Health

- Considered as human capital, education and health contribute to increased productivity of human beings
- The number of universities increased from about 22 in 1950-51 to about 22 central universities, 345 state universities, 123 deemed universities and about 41,435 colleges in 2016.
- The literacy rate in India has increased from 16.7 percent in 1950-51 to 74.04 percent in 2011.
- With improvements in **the health infrastructure**, India has been able to successfully control a number of life threatening diseases such as small pox, cholera, polio, TB etc.



- As a result, there has been a fall in the death rate from 27.4 per thousand persons in 1950-51 to 7.3 per thousand persons in 2016.
- The life expectancy has increased from about 32.1 years in 1951 to 68.01 years in 2014. The infant mortality rate has declined from 149 per thousand in 1966 to 37.42 per thousand in 2015.

5. Growth in service Sector

- Service sector is the key contributor to the economic growth of India.
- The service sector contributed to about 53.2 percent of the gross value added growth in 2015-16.
- The contribution of the IT sector to India's GDP increased from about 1.2 percent in 1998 to 9.5 percent in 2015. The service sector has recorded a growth rate of about 138.5 percent in the last decade

6. Science and Technology:

- India is the third most preferred destination for technology investments.
- It is among the top most countries in scientific research and space exploration. India is also making rapid progress in nuclear technology.
- ISRO has made a record of launching 104 satellites in one go on a single rocket. India today has the third largest scientific manpower after U.S.A and Russia.
- The government has undertaken various measures such as setting up of new institutions for science education and research, launching the technology and innovation policy in 2013, strengthening the infrastructure for research and development in universities, and encouraging public- private partnership etc.

7. Infrastructure Creation

- India has achieved a great deal in the area of creation of infrastructure.
- There has been a large expansion of roads and railway networks. Domestic air travel has increased significantly.
- The route length of the Indian railway network has increased from about 53,596 km in 1951 to about 64,450 km in 2011
- Expansion of irrigation and hydro-electric projects has given boost to agricultural production. There has been growth in establishment of towns and cities due to increase in urban infrastructure.
- Communication network in the form of mobile telephony, internet has expanded tremendously.

8. Foreign Trade:

- On the eve of independence, India's primary exports were agricultural commodities and UK and US were its major trading partners.
- India was largely dependent on other countries for various capital and consumer goods.
- However, with the development of heavy industries during the five-year plans, India has been able to reduce its dependence on other countries and was able to achieve self-reliance in a number of commodities. Even though economic planning has achieved so many things in all the dimensions the economy, But it failed to address certain structural issues in Indian economy.

- 1. Unemployment:** The plans have failed to address the problem of unemployment which is a cause of many social evils. According to CIME overall unemployment rate in India was 8.10 per cent in February 2022.
- 2. Inequality:** With rapid economic growth, the country has been witnessing a rise in the level of inequality. It has been estimated that the richest 1 percent own about 58 percent of the country's wealth according to Oxfam report
- 3. Poverty:** Economic planning failed to address the problem of poverty in the country. Still 21.9 percent of people are in poverty according to Rangarajan committee report

Conclusion:

These show that there is still a gap to fill in various economic dimensions. Systematic and efficient implementation of the plans and strategic policies to tackle the problem of unemployment and poverty could take the country to greater heights. It is strongly believed that the NITI Aayog would address these gaps that existed in the planning process in India and would strive to build a vibrant economy over the years.

