

EVALUTION OF INDIA'S PERFORMANCE WITH ECONOMIC PLANNING



Shivkumar H. Shinde

Dept. of Economics.Mudhoji College, Phaltan.

ABSTRACT:

This paper assesses almost six decades of planning experience. It has witnessed achievements and failures in different sectors of the Indian economy. At best, it includes the assessment of Eleven five year plan and three annual(rolling) plan which were implemented in India's economy since 1950. From March 2012 the Twelfth Plan is currently underway.



Shivkumar H. Shinde

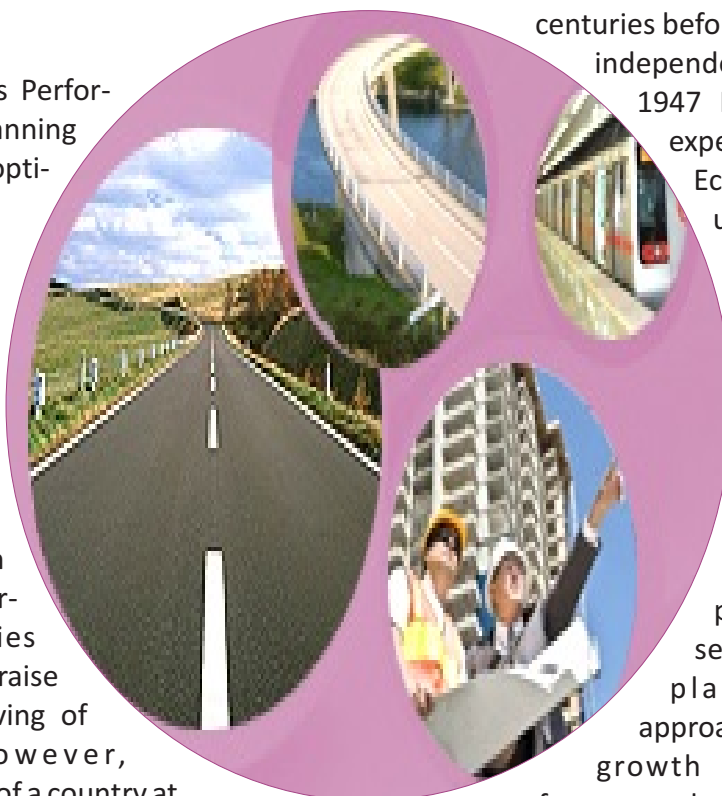
aiming not merely at the best utilization of material resources but also at the development of the human faculties and institutional framework suitable to the needs and aspirations of the people.

The structure of India's present day economy is not just current making: it has its roots steeped in history, particularly in the period when India was under British rule which lasted for almost two centuries before India finally won its independence on 15 August 1947. Indian Economy had experience of low level of Economic Development under the Colonial Rule. The job of nation building was now in our own hands. India needs rapid development founding fathers adopted the middle course of mixed economy, assigning a pivotal role to public sector and economic planning. This new approach to socio-economic growth was set within a framework of parliamentary democracy guaranteeing universal franchise. India has adopted five years plan for Economic Development based on USSR. Formation and

KEY WORDS: India's Performance, Economic Planning, Indian economy, optimal utilization.

INTRODUCTION:

Economic planning is concerned with the effective and optimal utilization of the potential resources of an economy. This is particularly so in the context of under-developed countries which are striving to raise the standard of living of the masses. However, economic conditions of a country at any given time are a product of the broader social and political environment, and economic planning has to be viewed as an internal part of it. Thus planning is a process



aiming not merely at the best utilization of material resources but also at the development of the human faculties and institutional framework suitable to the needs and aspirations of the people. The structure of India's present day economy is not just current making: it has its roots steeped in history, particularly in the period when India was under British rule which lasted for almost two centuries before India finally won its independence on 15 August 1947. Indian Economy had experience of low level of Economic Development under the Colonial Rule. The job of nation building was now in our own hands. India needs rapid development founding fathers adopted the middle course of mixed economy, assigning a pivotal role to public sector and economic planning. This new approach to socio-economic growth was set within a framework of parliamentary democracy guaranteeing universal franchise. India has adopted five years plan for Economic Development based on USSR. Formation and

assessment of India's five year plan is a subject to Planning Commission which is established on 15 March 1950(now reformed as NITI Aayog from 15 July 2015) and National Development Council formed on Aug. 1952.almost six decades of planning experience. India implemented eleven five year plan and three annul plan which were implemented in Indian economy since 1950. From March 2012 the Twelfth Plan is currently underway. It has witnessed achievements and failures in different sectors of the Indian economy. At best, the planning experience has proved to be a mixed blessing.

OBJECTIVE OF THE RESERCH PAPER:-

- I.To study the broad objective of Indian economic planning.
- II.To study the Achievements of Indian Economic planning.
- III.To study the Failures of Indian Economic planning.

OBJECTIVE OF INDIAN ECONOMIC PLANNING:-

The objective of economic planning in India have been started and reiterated in various plan documents as given below.

- I.Rapid Economic Growth.
- II. Removal of Poverty and Unemployment.
- III.Reduction of Economic Inequalities.
- IV.Self-reliance.
- V.Balanced Regional Development.
- VI.Employment Generation.

ACHIEVEMENTS OF INDAIN ECONOMIC PLANNING:-

The achievements of Indian Economic Planning are given bellow.

1)Development of Infrastructure and Basic Industries :-

Economic planning through public sector has laid infrastructure in the economy. Though the performance is not satisfactory, it has provide congenial conditions for investment initiatives by the privet sector. It is also true that public sector has been mainly responsible for the development of such industries as iron and steel, non-ferrous metals, petroleum, fertilizers, heavy engineering, coal, electricity, armament, transport and communications.

2) Breakthrough in Agriculture :-

A major achievement of economic planning is the increase in foodgrains production from 50.8 million tonnes in 1950-51 to 233.9 million tonnes in 2008-09.

The increase in foodgrains productions has helped the country to achieve considerable degree of self-sufficiency in terms of food requirements and tide over recurring food shortage reminiscent of the 1960s and 1970s. The breakthrough has been achieved as a result of substantial public investment in irrigation , agricultural research and extension , subsidized inputs, credit facilities and price support programmes.

3)Reasonable Degree of Price Stability :-

Through economic planning, India has successfully maintained a reasonable degree of price stability during the post-Independence period. The annual rate of inflation, with some exceptions, has remained in single digit through better management of demand and supply of essential commodities.

A vast network of public distribution system has been built up to contain prices of essential goods.

4) Anti-Poverty Programmes :-

In the beginning, the planning process relied on the automatic benefits of growth as a means to eradicate poverty. The unsatisfactory result of this approach forced the Government to attack poverty directly through rural development and rural employment schemes. National Rural Employment Guarantee Scheme is a recent major poverty alleviation programme of the Government.

Socio-economic Progress of India at a Glance

INDICATORS	1950-51	2013-14
Economic Indicators		
Foodgrains productions (million tonnes)	50.8	264.8
Finished steel (million tonnes)	1.0	87.67
Cement (million tonnes)	2.7	280
Coal and lignite (million tonnes)	32.3	610
Crude oil (million tonnes)	0.3	37.8
Electricity generated (billion KWH)	5.0	964.5
Export (US \$ million)	1269	314405
Import (US \$ million)	1273	450200
Foreign exchange reserves (US \$ million)	1914	276359
Social Indicators		
Population (million)	359	1210.85
Birth-rate (per 1000)	39.9	21.4
Death-rate (per 1000)	27.4	7
Life expectancy at birth (years)	32.1	67.5
Male	32.5	65.8
Female	31.7	69.3
Literacy rate (percent)*	18.3	73
Registered medical practitioners (per 10000 Population)**	1.7	5.6
Hospital bed (per 10000 Population)**	3.2	9.5

*2011, **2000-01

Source: Government of India, Economic Survey 2014-15.

In short, economic planning in India in has brought structural changes in the economy in following respects:

- I.Shift in the sectoral composition of population.
- II.Diversification of economic activities.
- III.Advancement of technology.
- IV.A gradual transformation of a feudal and colonial economy into a modern industrial nation

The composition of national income has changed steadily over the planning era. While the share of agriculture and allied activities in the GDP has declined, that of the tertiary sector has increased. The expansion of services has not only been conducive for employment generation but also for better efficiency of the system and better quality of life.

FAILURE OF INDIAN ECONOMIC PLANNING:-

In spite of achievements in agriculture and capital goods sector, economic planning has performed poorly in several areas.

- 1) Slow Rate of Growth.
- 2) Failure to Generate Employment.
- 3) Failure to Ensure Social Justice.
- 4) Regional Inequalities.
- 5) Public Debt and Budgetary Deficits.

CONCLUSION:-

Experience of economic planning in India over the last six decades has been a mixed blessing. Commenting on the achievements and failures of economic planning, the Ninth Five Year Plan (1997-98 to 2001-02) remarked. "During the past sixty Years, there has been an overall progress in all areas of social concern. Yet, the achievements are mixed, with stark contrasts and disparities. The chronic food deficit economy of fifties and the sixties has been transformed into a self-sufficient one and an elaborate food security system is in place to enable the country to face even droughts without any imports or foreign help. Yet, more than 300 million people live below the poverty line and millions of children remain undernourished".

Summing of the post-Independence economic performance of the Indian economy, Ninth Five Year Plan observed "Covering a span of thirty years from 1951-1981, the Indian economy grew at the rate of 3.5% which was course was more than the growth of its population and much more impressive compared to the decadent economic situation in the pre-Independence decades. During the eighties, the Indian economy entered into the higher growth path of nearly 6% per annum and the growth performance has become even better during the recent years".

REFERENCE:-

- I. Pratiyogita Darpan Economics.
- II. Yojna.
- III. Kurukshetra.
- IV. Government of India, Economic Survey Report. 2014-15
- V. India: Sixty Years of Planned Economic Development-M.M.Sury, V.Mathur
- VI. Economic Time.
- VII. Indiabudget.nic.in
- VIII. EPW.