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B.A. Economics

Part - 03 Paper - 05

Topic - Planning in India

Planning is the kingpin of economic development of a country. The concept is not strange to the economists.

There is no single definition which has been accepted universally.

However in a very loose sense it means technique, a mean to an end, the end being the realisation of pre-determined aims & objectives laid down by a central planning authority.

In the words of Prof. Dickinson,

"Planning is the making of major economic decision of what and how is to be produced, how, when & where it is to be produced, to whom whom it is to be allowed by the conscious decision of a determinate planning authority on the basis of comprehensive economic survey of system as a whole."

According to F. Zweig,

"Planning is planning of the economy not within the economy. It is not a mere planning of towns, public works or separate sections of national economy but of the economy as a whole."

Planning is needed in a developing country like India to overcome the ^{because + helps} problems & obstructions of an economy and further brings about harmonious all around development.

In developing countries, development is possible only through public planning, because modern technology being costly requires a planned use for their full utilisation.

In 1938, a resolution was passed under the chairmanship of SC Bose of Indian National Congress stated that, "The problems such as of poverty & unemployment, of National Defence and of economic regeneration cannot be solved without industrialisation. As a step of such industrialisation, a comprehensive scheme of national planning should be formulated."

This led to the formulation of National Planning Committee under the chairman of JL Nehru & other 15 members.

This marked the beginning of planning in India.

NPC produced a series of studies on different subjects concerned with economic development.

Besides the NPC eight leading industrialists of India conceived, "A Plan of Economic Development" which was popularly known as Bombay Plan. There was also a gazettean

plan given by Seiman Naayan.

The world's famous revolutionary MN Roy formulated People's plan, all these plans were only of historical importance b.c. they were just paper plans & were never implemented. But they stimulated thinking about various aspects of Planning in India.

Just after the attainment of independence of India, the PM Nehru set up planning commission ^{15 More} on 1950 to assess the country's need of material capital & human resources and to formulate economic plans for more balanced & effective utilisation.

JL Nehru became the 1st chairman of Planning Commission and later on PM remains the ex-officio chairman of PC.

After 15 months of establishment, PC present ed its the draft document of 1st FYP (1951-56) before the government.

The 1st FYP began from April 1951. Till now we have completed 11 FYP & 12th FYP (2012-17) is at present enforced which began on April 2012.

To build a cooperation between the govt. & State and the Planning Commission for economic planning NDC was constituted on 6th Aug 1952 as non-statutory body.

by a proposal of the government.

The main functions of NDC →

1. To evaluate the implementation of national planning from time to time.

2. To study the plan prepared by PC & after mutual discussion give it the final shape.

3. To evaluate social & economic policies that influence economic development.

4. To give suggestions to achieve determined goal of national plan. It also aims at achieving max. welf. of people.

The collapse of popular faith in 'laissez-faire' lead to the popularity of planning and specially after the 2nd WW it has been accepted as part & paucel of national economic policy.