

E-notes Economics

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B.A. Honors Part 02

Paper - 03.

Topic - Need for Planning in India

Date - 25/06/2024.

Need For Planning in India:-

When India won independence in 1947, it was a very backward economically, it represented a typically underdeveloped economic system which was dominated by rural production capacity with 72% of its workforce in agriculture and allied activities representing or producing 49.1% of its national income.

The distribution of national income and workforce in India reflected extreme backwardness which was a big constraint for economic development.

The general consent of our leaders

was that the planning was required for the economic development of the country.

Planning was advocated in the country for designing poverty alleviation programmes, tackling the unemployment problems & employing human resources in a fruitful manner.

In a society plagued by highly skewed income distribution, competitive markets would have dictated a pattern of investment in conflict with the overall long-term objectives of the country.

India was severely lagging behind in infrastructure development. However, there was a presence of basic infrastructure in certain regions and complete absence in others, there were regional imbalances.

Therefore, it was needed that the considering large resource requirements, balanced regional growth requirements & equitable distribution requirements, planned infrastructure growth should be done in India.

Hence Planning was rightly advocated in India.