

List of 5 Year Plans of Indian Economy

1. Visvesvaraya Plan

- The era of economic planning in India started with Visvesvaraya's ten-year Plan.
- Sir M. Visvesvaraya published a book titled "Planned Economy in India" in **1934** wherein he presented a draft to double the national income in a decade.
- He proposed to shift the labour from the agrarian set up to the industries thereby advocating for democratic capitalism (similar to the USA) with emphasis on industrialization. However, there was no follow up of this plan in the British Government, it successfully stirred an urge for national planning among the educated citizens of the country.

2. National Planning Committee (NPC)

- It was the first attempt to develop a national plan for India emanated in **1938** with the set-up of NPC under the chairmanship of Jawahar Lal Nehru.
- However, because of the commencement of World War II, the reports of the committee could not be prepared. The papers finally came out after independence in 1948-49.

3. Bombay Plan

- Eight leading industrialists and technocrats formulated a draft titled "A Brief Memorandum Outlining a Plan of Economic Development for India" under the editorship of Purushottamdas Thakurdas in **1944**.
- This draft is known as 'Bombay Plan'.
- The basic objectives of the plan were doubling of the output of the agricultural sector and a five-fold growth in the industrial sector in 15 years.
- A key principle of the Bombay Plan was that the economy could not grow without government intervention and regulation.
- Officially the plan was never accepted, however, its ideas were replicated in future economic plans.

4. People's Plan

- People's plan was drafted by M. N. Roy, the communist leader, on behalf of the Post- War Re-Construction Committee of the Indian Federation of Lahore in **1944**.
- It was based on 'Marxist Socialism' and gave primacy to agriculture. It advocated for the nationalization of agriculture and all production activities.

5. Gandhian Plan

- Gandhian Plan was drafted by S. N. Aggarwal, the principal of Wardha Commercial College in **1944**.
- The plan articulated a 'decentralized economic structure' for India with 'self-contained villages'.
- Unlike NPC and Bombay Plan, the plan laid more emphasis on agriculture.
- And wherever industrialization was talked about, it stressed upon promoting cottage and village level industries.

6. Sarvodaya Plan

- This plan was drafted by Jai Prakash Narayan in **1950**.
- It was inspired by Gandhi Plan and Vinoba Bhave's principles of self-reliance.
- It laid stress upon agriculture as well as small and cottage industries.
- It advocated self-sufficiency by curtailing the use of foreign technology and implementing land reforms and decentralized participatory planning.

7. Planning Commission

- After independence, the Economic Programme Committee (EPC) was formed by the All India Congress Committee.
- Pandit J.L. Nehru was its chairman.
- In 1948, this committee recommended the formation of the planning commission.
- It was an extra-constitutional body, charged with the responsibility of formulating five-year plans.

8. National Development Council (NDC)

- It was founded on August 6, 1952. It presided over by the Prime Minister.
- It is the apex body for decision creating and deliberations on development matters in India.

- It gives the final approval to the Five-Year Plan of India.

Summary of the First three Five-year plans

| Plans | Time frame | Objective and Remarks |
|--|------------|--|
| First Plan | 1951-1956 | <ul style="list-style-type: none">• Focus: agriculture, price stability, and infrastructure.• It was based on Harrod Domer model (growth rate of the economy depends upon investment rate and productivity of capital in a positive manner).• Focus: rapid industrialization |
| Second Plan (target growth: 4.5% Actual growth: 4.27%) | 1956-1961 | <ul style="list-style-type: none">• It was also known as Mahalanobis Plan (advocated planning shift from agriculture to industries).• It laid emphasis on heavy and basic industries.• Also advocated import substitution; export pessimism and overvalue exchanges. |
| Third Plan (Target growth: 5.6% Actual growth: 2.84%) | 1961-1966 | <ul style="list-style-type: none">• Focus: heavy and basic industry which was then shifted to agriculture (PL480).• Due to two wars- war with China, 1962 and war with Pakistan, 1965 and the severe drought of 1965-66; it failed on many fronts. |

- 1966-67, 1967-68 and 1968-69 were annual plans. Discontinuation of five-year planning for three consecutive years is regarded as plan holiday.
- Due to the prevailing food crisis, annual plans were primarily focused on agriculture.
- During these plans, the foundation of the green revolution was laid down which included widespread use of HYV (high yielding varieties) seeds, chemical fertilizers and extensive exploitation of irrigation potentials. During these years, the shocks of a third-year plan were absorbed and five-year planning system was resumed from 1969.

Summary of IV to XII FYPS

| Plans | Time Frame | Objective and Remarks |
|---|------------|---|
| Fourth Plan (Target Growth: 5.7% Actual Growth: 3.30%) | 1969-1974 | <ul style="list-style-type: none">· Focus: Self-sufficiency in food and self-reliance· Objective was to improve domestic food production.· It was aimed at saying no to foreign aid.· First oil shock of 1973, made remittances a major source of foreign exchange reserve.· Focus: 'removal of poverty' and 'attainment of self-reliance'. |
| Fifth Plan (Target Growth: 4.4% Actual Growth: 4.8%) | 1974-1979 | <ul style="list-style-type: none">· It was drafted and launched by D. D. Dhar.· This plan was terminated in the year 1978.· There were rolling plans for the year 1978-1979 and 1979-1980.· Focus: poverty eradication and productivity enhancement |
| Sixth Plan (Target Growth: 5.2% Actual Growth: 5.4%) | 1980-1985 | <ul style="list-style-type: none">· Stressed upon modernization of technology.· For the first time, the frontal attack was made on poverty by adopting ambitious poverty eradication programmes (trickle-down strategy was discarded). |
| Seventh Plan (Target Growth: 5.0% Actual Growth: 6.01%) | 1985-1990 | <ul style="list-style-type: none">· Focus: productivity and work i.e. employment generation.· For the first time, the private sector got priority over the public sector.· Due to volatile political situations at the centre, two annual plans were |

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| <p>Eighth Plan (Target Growth: 5.6% Actual Growth: 6.8%)</p> | <p>1992-1997</p> | <p>commenced for the year 1990-1991 and 1991-1992.</p> <ul style="list-style-type: none">· Focus: 'Plan with a human face' i.e. human resource development.· During this plan, the new economic policy was launched with LPG (Liberalization, Privatization, and Globalization).· It gave primacy to human capital and the private sector. |
| <p>Ninth Plan (Target Growth: 7.1% Actual Growth: 6.8%)</p> | <p>1997-2002</p> | <ul style="list-style-type: none">· Focus: 'Growth with justice and equity'· It stressed upon four dimensions: quality of life; generation of productive employment; regional balance and self-reliance. |
| <p>Tenth Plan (Target Growth: 8.1% Actual Growth: 7.7%)</p> | <p>2002-2007</p> | <p>It was aimed to double the per capita income of India in the next 10 years.</p> <p>And to reduce the poverty ratio by 15% by 2012.</p> |
| <p>Eleventh Plan (Target Growth: 8.1% Actual Growth: 7.9%)</p> | <p>2007-2012</p> | <p>Focus: Faster growth and more inclusive growth.</p> |
| <p>Twelfth Plan (Target Growth: 8%)</p> | <p>2012-2017</p> | <p>Focus: Faster, more inclusive growth and sustainable growth.</p> |

NITI Aayog

- NITI Aayog, the National Institution for Transforming India, is a policy think tank of Government of India established in 2015.

- It replaced the Planning Commission.
- It has a dual objective of achieving sustainable development goals and to enhance cooperative federalism with 'bottom to top' approach. Its initiatives include
 - (a) Action Plan- 3 Years
 - (b) Strategy Plan- 7 Years
 - (c) Vision Plan- 15

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