

Indian Economy (1950-1990)

Theme

Five year plans in India

Subject

Economics

Class

XI

Objectives

1. To make the students aware about the need and importance of planning in India.
2. To inform the students about the goals of Five Year Plans (FYP) of India.
3. To make the students aware about the plan wise objectives pertaining to the requirements of the economy at the time of their conception.

Description

1. The Planning Commission was set up in 1950 with the Prime Minister as its Chairperson. India launched its First FYP in 1951. Under the socialist influence of its first Prime Minister Pt. Jawaharlal Nehru
2. The major goals of the Five Year Plans are: Growth, Modernisation, Self Reliance and Equity. These goals have been given importance in each Five Year Plan. The relative importance of these goals has not been the same in each plan, depending upon the need of the hour.
3. The objectives of the Five Year plans were different as the challenges faced by the economy were not the same.
4. The plan wise objectives have been:
 - a. First Plan (1951-56): Development of the Primary Sector. The focus was on energy and irrigation.

- b. **Second Plan (1956-1961):** Development of the public sector.
- c. **Third Plan (1961-66):** The emphasis in this plan was laid on agriculture and improvement in the production of wheat. But due to the Sino- Indian war, the focus shifted towards the defence industry. In 1965-66, India fought a war with Pakistan. There was also a severe drought in the year 1965. The focus of this plan thus shifted to price stabilisation.
- d. **Fourth Plan (1969-74):** Advancement of Agriculture with the New Agricultural Strategy that eventually led to Green Revolution in India. This was to achieve self sufficiency in foodgrains.
- e. **Fifth Plan (1974-79):** This plan laid stress on employment, poverty alleviation (Garibi Hatao), and justice. It also focused on self reliance on agricultural production and defence.
- f. **Rolling Plan (1978-80):** The Janata Party government rejected the Fifth FYP and launched a new Sixth FYP. This plan was again rejected by the Indian National Congress Government in 1980 and a new Sixth Plan was made. The Rolling plan consists of three kinds of plans that were proposed.
- g. **Sixth Plan (1980-85):** This plan focused on economic liberalisation. Marked the end of the Nehruvian era. Price controls were eliminated.
- h. **Seventh Plan (1985-90):** This plan laid emphasis on improving the productivity level of industries by upgrading the technology.
- i. **Annual Plans (1990-92):** Eighth plan couldn't take off due to fast changing political situation and the years 1990-91 and 1991-92 were treated as Annual Plans.
- j. **Eighth Plan (1992-1997):** The period of 1989-91 was the period of economic instability so no plan was implemented. The focus of the Eighth plan was to introduce major reforms in the economy to overcome the macroeconomic crisis being faced by it.
- k. **Ninth Plan (1997-2002):** This plan focused on elimination of poverty, social infrastructure, agriculture, information technology.
- l. **Tenth Plan (2002-2007):** Reduction in poverty through provision of gainful employment opportunities.
- m. **Eleventh Plan (2007-2012):** Rapid and inclusive growth especially towards reduction of poverty. Emphasis on social sector, empowerment through education and skill development, reduction in gender inequality, environment sustainability.
- n. **Twelfth Plan (2012-2017):** In the wake of the deteriorating global situation, the emphasis of this plan was achievement of a higher economic growth rate through higher investment and fund mobilisation.
- o. Formed on 1 January 2015, NITI (National Institution for Transforming India) Aayog, has replaced the Planning Commission. It is a government of India policy think tank established by the Prime Minister Narendra Modi to replace the Planning Commission..

Key Words

Growth rate, self reliance, equity, sovereignty, economic liberalisation, gender equality, sustainability, investment .

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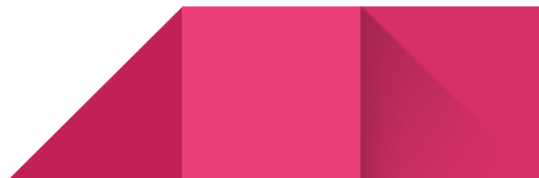
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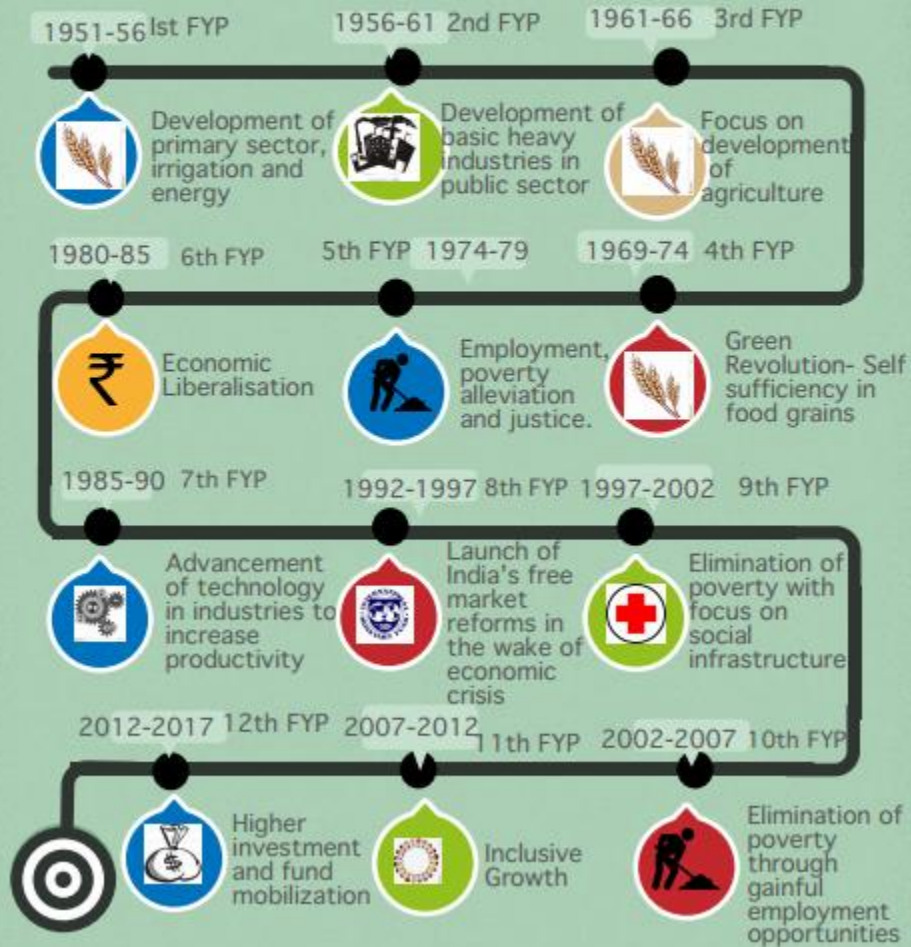
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India's Five Year Plans

1951 - 2017



Student's Activity: The students are required to match the following two columns:

Five Year Plans	Objectives
First FYP	Economic liberalisation: removal of price control
Second FYP	Inclusive Growth
Third FYP	Improvement in the productivity of industry by upgrading technology.
Fourth FYP	Development of the primary sector
Fifth FYP	Development of the public sector
Sixth FYP	Introduction of the New Economic Policy to overcome economic crisis.
Seventh FYP	Emphasis on self sufficiency in foodgrains
Eighth FYP	Elimination of poverty, emphasis on social structure, agriculture and information technology.
Ninth FYP	Reduction in poverty through gainful employment.
Tenth FYP	Improvement of production of wheat.
Eleventh FYP	Higher economic growth through higher investments and greater fund mobilisation.
Twelfth FYP	Employment, poverty alleviation and justice.

Answers:

Five Year Plans	Objectives
First FYP	Development of the primary sector.
Second FYP	Development of the public sector.
Third FYP	Improvement of production of wheat.
Fourth FYP	Emphasis on self sufficiency in foodgrains
Fifth FYP	Employment, poverty alleviation and justice.
Sixth FYP	Economic liberalisation: removal of price control.
Seventh FYP	Improvement in the productivity of industry by upgrading technology.
Eighth FYP	Introduction of the New Economic Policy to overcome economic crisis.
Ninth FYP	Elimination of poverty, emphasis on social structure, agriculture and information technology.
Tenth FYP	Reduction in poverty through gainful employment.
Eleventh FYP	Inclusive Growth.
Twelfth FYP	Higher economic growth through higher investments and greater fund mobilisation