

## Economic Planning In India - Five Year Plans

The term economic planning is used to describe the long term plans of the government of India to develop and coordinate the economy with efficient utilization of resources. Economic planning in India started after independence in the year 1950, it was deemed necessary for economic growth and development of the nation.

Long term objectives of Five Year Plans in India are:

- High Growth rate to improve the living standard of the residents of India.
- Economic stability for prosperity.
- Self-reliant economy.
- Social justice and reduced inequalities.
- Modernization of the economy.

The idea of economic planning for five year was taken from the Soviet Union under socialist influence of first Prime Minister Pt. Jawahar Lal Nehru.

The first eight five year plans in India emphasised on growing the public sector with huge investments in heavy and basic industries, but since the launch of Ninth five year plan in 1997, attention has shifted towards making government a growth facilitator.

An overview of all Five Year Plans implemented in India is highlighted below.

List of Five Year Plans in India [1951-2017]			
Five Year Plans	Years	Assessment	Objective
First Five year Plan	1951-1956	Targets and objectives more or less achieved. With an active role of state in all economic sectors. Five Indian Institutes of Technology (IITs) were started as major technical institutions.	Rehabilitation of refugees, rapid agricultural development to achieve food self-sufficiency in the shortest possible time and control of inflation.

Second Five year Plan	1956-1961	Could not be implemented fully due to shortage of foreign exchange. Targets had to be pruned. Yet, Hydroelectric power projects and five steel mills at Bhilai, Durgapur, and Rourkela were established.	The Nehru-Mahalanobis model was adopted. 'Rapid industrialisation with particular emphasis on the development of basic and heavy industries Industrial Policy of 1956 accepted the establishment of a socialistic pattern of society as the goal of economic policy.
Third Five year Plan	1961-1966	Failure. Wars and droughts. Yet, Panchayat elections were started. State electricity boards and state secondary education boards were formed.	'establishment of a self-reliant and self-generating economy'
Annual Plan	1966-1969	A new agricultural strategy was implemented. It involved distribution of high-yielding varieties of seeds, extensive use of fertilizers, exploitation of irrigation potential and soil conservation measures.	crisis in agriculture and serious food shortage required attention
Fourth Five year Plan	1969-1974	Was ambitious. Big failure. Achieved growth of 3.5 percent but was marred by Inflation. The Indira Gandhi government nationalized 14 major Indian banks and the Green Revolution in India advanced agriculture.	'growth with stability' and progressive achievement of self-reliance Garibi Hatao Target: 5.5 pc
Fifth Five year Plan	1974-1979	High inflation. Was terminated by the Janta govt. Yet, the Indian national highway system was introduced for the first time.	'removal of poverty and attainment of self-reliance'

Sixth Five year Plan	1980-1985	Most targets achieved. Growth: 5.5 pc. Family planning was also expanded in order to prevent overpopulation.	'direct attack on the problem of poverty by creating conditions of an expanding economy'
Seventh Five year Plan	1985-1990	With a growth rate of 6 pc, this plan was proved successful in spite of severe drought conditions for the first three years consecutively. This plan introduced programs like Jawahar Rozgar Yojana.	Emphasis on policies and programmes that would accelerate the growth in foodgrains production, increase employment opportunities and raise productivity
Annual Plans	1989-1991	It was the beginning of privatization and liberalization in India.	No plan due to political uncertainties
Eighth Five year Plan	1992-1997	Partly success. An average annual growth rate of 6.78% against the target 5.6% was achieved.	Rapid economic growth, high growth of agriculture and allied sector, and manufacturing sector, growth in exports and imports, improvement in trade and current account deficit. to undertake an annual average growth of 5.6%
Ninth Five year Plan	1997-2002	It achieved a GDP growth rate of 5.4%, lower than target. Yet, industrial growth was 4.5% which was higher than targeted 3%. The service industry had a growth rate of 7.8%. An average annual growth rate of 6.7% was reached.	Quality of life, generation of productive employment, regional balance and self-reliance. Growth with social justice and equality. growth target 6.5%
Tenth Five year Plan	2002-2007	It was successful in reducing the poverty ratio by 5%, increasing forest cover to 25%, increasing literacy rates to 75 % and the economic growth of the country over 8%.	To achieve 8% GDP growth rate, Reduce poverty by 5 points and increase the literacy rate in the country.

Eleventh Five year Plan	2007-2012	India has recorded an average annual economic growth rate of 8%, farm sector grew at an average rate of 3.7% as against 4% targeted. Industry grew with annual average growth of 7.2% against 10% targeted.	Rapid and inclusive growth. Empowerment through education and skill development. Reduction of gender inequality. Environmental sustainability. To increase the growth rate in agriculture, industry and services to 4%, 10% and 9% resp. Provide clean drinking water for all by 2009.
Twelfth Five year Plan	2012-2017	-	"faster, sustainable and more inclusive growth". proposes a growth target of 8 percent. Raising agriculture output to 4 per cent. Manufacturing sector growth to 10 % Target of adding over 88,000 MW of power generation capacity.