

## Five Year Plans of India

Planning plays an important role in the smooth functioning of an economy. In 1950, the Government set up the Planning Commission to create, develop, and execute India's five-year plans. In the article, we will look at each five year plan of India and how it helps achieve the basic objectives of growth, employment, self-reliance, and also social justice. Further, it also takes into account the new constraints and possibilities to make the necessary directional changes and emphasis.

### Objectives of Five Year Plan of India

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1. Economic Growth
2. Economic Equity and Social Justice
3. Full Employment
4. Economic Self-Reliance
5. Modernisation

### First Five Year Plan of India (1951-56)

On December 8, 1951, the Prime Minister Jawaharlal Nehru presented the first five-year plan to the Parliament of India. This was based on the Harrod-Domar model. At that time, India was facing three problems — the influx of refugees, a severe shortage of food, and also mounting inflation.

India had to recover from the partition and the disequilibrium in the economy due to the Second World War. The First Plan, therefore, had the objectives of rehabilitating refugees, agricultural development, and self-sufficiency in food along with controlling inflation.

### Second Five Year Plan of India (1956-61)

The focus of the Second Plan was rapid industrialization, especially the development of heavy industries and capital goods, like iron, steel, chemicals, etc. and the machine building industries. Professor Mahalanobis developed the plan.

### Third Five Year Plan of India (1961-66)

The primary goal of the Third Plan was to establish India as a self-reliant and a self-generating economy. However, the Second Plan had slowed the rate of growth of agricultural production in the country which limited India's economic development.

Therefore, the Third Plan included agricultural development as one of its objectives to achieve balanced, regional development. Unfortunately, this

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- Indian Economy in comparison to Major Economies of the World
- Key Features of Budget 2018-2019

#### Fifth Five Year Plan of India (1974-79)

This plan had two main objectives - the removal of property and attainment of self-reliance. This was planned through the promotion of higher growth rates, better income distribution, and also a significant increase in the domestic rate of saving.

It also focused on import substitution and export promotion. Further, it included a National Program on Minimum Needs like housing, drinking water, primary education, etc.

#### Annual Plan (1978-80)

Also called the Rolling Plan, it helped to achieve the targets of the previous years.

#### Sixth Five Year Plan of India (1980- 85)

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#### Seventh Five Year Plan of India (1985 - 90)

The country enjoyed a reasonable rate of economic growth (5.4 percent) during the Sixth Plan. The Seventh Plan focused on the rapid production of foodgrains along with an increase in the creation of employment and overall productivity. The guiding principles were growth, modernization, self-reliance, and social justice.

Eighth Five Year Plan of India (1992 - 97) The Eighth Plan was scheduled to be introduced in April 1990. However, there were many changes in the Government at the Center, which led to the reconstitution of the Planning Commission and the preparation of different versions of the approach to

Ninth Five Year Plan of India (1997 - 2002)

The South East Asian Financial Crisis (1996.97) caused an overall slowdown in the economy of India too. While the liberalization process was still criticized, India was out of the fiscal mess of the early 1990s. The Plan targeted a high growth rate of 7 percent and also directed itself towards time-bound social objectives.

Further, the Plan focused on the seven Basic Minimum Services (BMS) with a view to achieving complete population coverage in a time-bound manner. The BMS includes:

- Safe drinking water
- Primary health service
- Universalization of primary education
- Public housing assistance to shelter-less families
- Nutritional support to children

### Tenth Five Year Plan of India (2002 - 07)

Some major aspects of this Plan were:

- Double the per capita income in 10 years • Higher growth rates must translate into better quality of life for people • Set monitorable targets • Consideration of governance as a factor of development • Policy and institutional reforms in all sectors
- Declaring the agriculture sector as the primary moving force (PMF) of the economy
- Emphasis on the social sector (health, education, etc.)

### Eleventh Five Year Plan of India (2007-12)

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## Eleventh Five Year Plan of India (2007-12)

The title of the 11th Plan was 'Towards Faster and more Inclusive Growth'. It envisaged a high growth rate of around 9 percent implying a growth rate of around 7.5 percent in the per capita GDR. It also ensured an overall improvement in the quality of life of people. The vision of the 11th Plan includes:

- Rapid growth with reducing poverty and increasing employment opportunities
- Easy access to essential services in health and education for the poor
- Empowerment through education and development of skills
- Using the National Rural Employment Guarantee Program to extend employment opportunities to all
- Environmental sustainability • Reducing gender inequality • Improving the overall governance

## Twelfth Five Year Plan of India (2012 - 17)

According to this plan, 'It must be guided by a vision of India moving forward in a manner that would ensure a broad-based improvement in the living standards of all the people through a growth process which is faster than in the past, more inclusive, and also more environmentally sustainable.' The objectives of this Plan are as follows:

- A growth rate of 9 percent
- Focus on the agricultural sector and have an average growth of 4 percent during the Plan period
- Restrain inflationary pressure
- For the growth of GDP, ensure that the commercial energy supplies grow at a rate of 6.5-7 percent per year.
- Develop a holistic water management policy
- Suggest new legislation for the acquisition of land