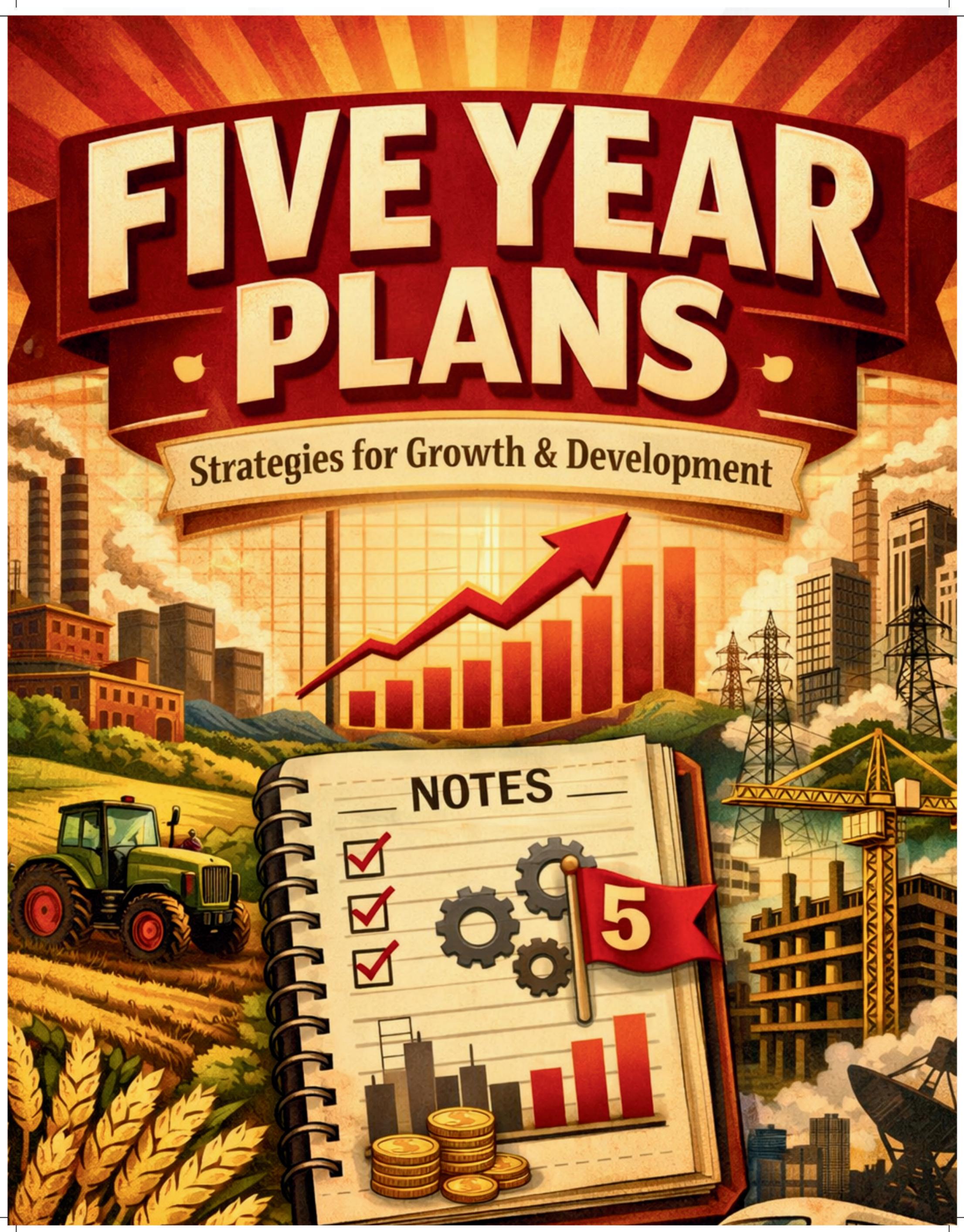


FIVE YEAR PLANS

Strategies for Growth & Development



NOTES

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"The greatest glory in living lies not in never falling, but in rising every time we fall." — Nelson Mandela

Five Year Plans

- The concept of planning as a process of reconstructing the economy gained prominence in the 1940s-50s.
- In 1944, various industrialists came together and prepared a joint proposal to establish a planned economy in India. This is known as the Bombay Plan.
- Planning for development became a crucial decision for the country in the post-independence period.
- The first five-year plan was implemented in the Soviet Union in 1928 by Joseph Stalin.
- India borrowed the idea of five-year plans from the Soviet Union.
- A series of five-year plans was initiated in the post-independence period to build the Indian economy and achieve development.
- The concept of five-year plans is simple: the Indian government prepares a document that includes all its income and five-year expenditure.
- The model of the Indian economy was prepared based on the five-year plans from 1951 to 2017.
- The year in which five-year plans started in India: 1951
- The body known as the Planning Commission formulated, implemented, monitored, and controlled the five-year plans.
- In 2015, a think tank called NITI Aayog was established in place of the Planning Commission.
- The proponent of five-year plans at the national level: Joseph Stalin
- The proponent of five-year plans in India: Jawaharlal Nehru
- Objective: To envision national plans that are planned and organized over a five-year period and contribute to economic growth and social development.
- India's plan documents specify not only the specific targets to be achieved within five years but also what needs to be achieved over 20 years. This long-term plan is called the Perspective Plan.

General Objectives of the FYP

1. Growth
2. Modernization
3. Self-reliance
4. Equity

Five-Year Plans, Periods, and Objectives

Plan	Period	Objective
First Five-Year Plan	1951–1956	Comprehensive development of the agricultural sector
Second Five-Year Plan	1956–1961	Industrial development
Third Five-Year Plan	1961–1966	Food self-sufficiency, self-sufficiency of the economy
Fourth Five-Year Plan	1969–1974	Economic stability aiming for self-sufficiency
Fifth Five-Year Plan	1974–1979	Poverty eradication
Sixth Five-Year Plan	1980–1985	Strengthening the base of agricultural and industrial sectors
Seventh Five-Year Plan	1985–1990	Modernization – increase in employment opportunities
Eighth Five-Year Plan	1992–1997	Human resource development
Ninth Five-Year Plan	1997–2002	Rural development and decentralized governance

Tenth Five-Year Plan	2002–2007	Increase capital investment
Eleventh Five-Year Plan	2007–2012	Inclusive growth of all sections of the population
Twelfth Five-Year Plan	2012–2017	Sustainable development

First Five-Year Plan (1951-56)

- The First Five-Year Plan emphasized India's economic development.
- Main objectives:
 - Agriculture
 - Irrigation
 - Transport
 - Electricity
 - Increase per capita income
 - Make the primary sector efficient
 - Increase production
 - Control inflation
- Known as the Harrod-Domar Model
- The First Five-Year Plan was presented in Parliament by Jawaharlal Nehru on December 8, 1951.
- The period was from April 1, 1951, to March 31, 1956.
- During the First Plan period, the Chairman of the Planning Commission was Jawaharlal Nehru and the Deputy Chairman was Gulzarilal Nanda.
- The Malayali who prepared the draft of the First Plan: K. N. Raj (Architect of the First Plan)
- K. N. Raj, a young economist, argued that India should pursue gradual development in the first two decades.

- It primarily addressed the agricultural sector, including investments in dams and irrigation. A large amount was allocated for the Bhakra Nangal Dam.
- Nehru opined, "Dams are the temples of modern India."
- Dams that came into existence during the First Plan period: Hirakud, Bhakra Nangal
- CSO - Central Statistical Organization was established: 1951
- 5 IITs were established: Kharagpur (India's first IIT), Bombay, Kanpur, Madras, Delhi
- The Mudaliar Commission, known as the Secondary Education Commission (1952-53), operated during the First Plan period.
- AIIMS was established: All India Institute of Medical Sciences - 1956 (Note: Original text says 1965, but context suggests 1956; translating as is)
- SBI was established: 1955
- Thottappally Spillway was established in Kerala: 1955
- UGC - University Grants Commission was established: December 28, 1953
- By the end of 1956, five Indian Institutes of Technology were established.
- NDC - National Development Council was established: August 6, 1952
- On October 2, 1952, the Community Development Programme (CDP) and family planning were launched.
- CDP gave priority to rural development.
- NES - National Extension Service was established: 1953
- Target growth rate was 2.1%, achieved growth rate was 3.6%.

Second Five-Year Plan (1956-61)

- During the Second Plan period, the Chairman of the Planning Commission was Jawaharlal Nehru and the Deputy Chairman was Gulzarilal Nanda.
- The Second Five-Year Plan emphasized rapid industrialization and the public sector.

- Known as the Industrial Plan
- Prepared under the leadership of P. C. Mahalanobis (1953)
- Also known as the P. C. Mahalanobis Model
- According to this plan, the government imposed heavy tariffs on imports to protect domestic industries.
- High investment in the industrial sector led to industrial growth.
- In 1956, the Industrial Policy - known as India's Economic Constitution
- National Highways Act: 1956
- DRDO: 1958, Bellwanth Ray Mehta Committee: 1957, Indus Waters Treaty: 1960, Indian Companies Act: 1956, UGC Act: 1956
- Steel plants: Bhilai, Rourkela, Durgapur were established

Steel Plants Formed During the Second Five-Year Plan

Industrial Center	Assisting Country	State
Bhilai	Russia	Chhattisgarh
Rourkela	Germany	Odisha
Durgapur	Britain	Bengal

- Main sectors: Industry, transport, employment opportunities
- Target growth rate was 4.5%, actual growth rate was slightly less than expected at 4.27%

Third Five-Year Plan (1961-66)

- Achieving food production and industrial self-reliance were the main objectives.
- Known as the failed plan.
- Known as the Gadgil Model/Formula
- Known as the John Sandee and Chakravarty Model

- Focused on agriculture and improving wheat production.
- Additional development responsibilities were assigned to the states. Responsibility for secondary and higher education was given to the states.
- Panchayat elections were introduced to bring democracy to the grassroots level in 1959.
- The Green Revolution was introduced during the Third Plan period.
- Father of the Indian Green Revolution: M. S. Swaminathan
- Father of the Green Revolution: Norman Borlaug
- India-China War: 1962, India-Pakistan War: 1965
- Main objectives: Increase national income by 5%, reduce unemployment, increase agricultural production, strengthen industries like fuel, energy, steel, chemicals, etc.
- NCERT: 1961, National Emergency: 1962, Kothari Commission: July 14, 1964, Tashkent Agreement: January 10, 1966
- Target growth rate was 5.6%, actual growth rate achieved was only 2.8%. This indicates the dismal failure of the Third Plan.

PLAN HOLIDAY (1966-67, 1967-68, 1968-69)

- The primary reasons for the failure of the Third Five-Year Plan were the China-India War and the India-Pakistan War, which led to the Plan Holiday.
- Plan Holiday was declared by: Indira Gandhi
- The primary objective was to resolve the crisis in the agricultural sector.
- The Green Revolution was fully launched during this period.

Fourth Five-Year Plan: (1969-74)

- It was presented during the tenure of Prime Minister Indira Gandhi, attempting to correct previous failures.
- It gave significant emphasis to stable growth, progress towards self-reliance, and the upliftment of weaker sections.

- Known as the Allen S. Manne and Ashok Rudra Model
- Family planning,
- The government nationalized 14 major Indian banks and stimulated the agricultural sector through the Green Revolution.
- The Drought Prone Areas Programme (DPAP) was initiated.
- Efforts to boost exports due to the need for foreign exchange reserves strengthened the industrial sector.
- 14 major Indian banks were nationalized by the government: July 19, 1969
- Family planning program, ISRO: August 15, 1969, White Revolution in India: 1970, India-Pakistan War: 1971, Second Emergency: 1971
- Another name for the White Revolution: Operation Flood
- White Revolution: Verghese Kurien
- The 1971 India-Pakistan War caused an influx of Bangladesh refugees, leading to the failure of the plan.
- Target growth rate was 5.6%, but the actual growth rate was 3.3%.

Fifth Five-Year Plan (1974-78)

- Chairman was Indira Gandhi.
- Emphasized increasing employment opportunities, poverty eradication, and self-sufficiency in agricultural defensive sectors.
- The slogan "Garibi Hatao" was raised by Indira Gandhi for this plan.
- The plan was prepared by D. P. Dhar.
- Also known as the D. P. Dhar Model.
- In 1975, the Electricity Supply Act was amended, enabling the central government to enter electricity generation and transmission.
- The Indian National Highway System was introduced (NHA: 1956)
- The Minimum Needs Program, introduced in the first year of this plan, aims to provide basic minimum requirements.
- Implemented Indira Gandhi's 20-point program, Emergency on June 25, 1975, India's first rural bank was implemented, Aryabhata was launched: April 19, 1975, Electricity Act: 1975, Food for Work, ICDS: October 2, 1975

- Minimum Needs Program was prepared by D. P. Dhar.
- Target growth rate was 4.4%, actual growth rate was 4.8%.
- In 1978, the newly elected Morarji Desai government terminated this plan.
- Command Area Development (CAD): Agricultural production, water supply
- Minimum Needs Program (MNP): 1974
- Twenty-Point Program: 1975
- Electricity Supply Act: 1975
- Integrated Child Development Scheme (ICDS): October 2, 1975
- The plan was terminated with the arrival of the Morarji Desai government.
- The only plan that did not complete its tenure: Terminated in 1978.

Rolling Plan (1978-80)

- This was a period of instability.
- Introduced by: Gunnar Myrdal – Received the Nobel Prize in Economics in 1974
- The Janata government rejected the Fifth Five-Year Plan and introduced a new Sixth Five-Year Plan.
- When Indira Gandhi was re-elected in 1980, the Indian National Congress rejected it.
- Book on the Rolling Plan: Gunnar Myrdal - Asian Drama
- Hindu Growth Rate: Average growth of 3.5% until 1980 - Introduced by Raj Krishna

Sixth Five-Year Plan (1980-85)

- Prime Minister at the start - Indira Gandhi
- Prime Minister at the end - Rajiv Gandhi
- Main objectives - Increased efficiency in production and consumption, reduced poverty and unemployment, improved standard of living, strengthened modernization, reduce poverty and unemployment rate, adopt population control measures

- **Avoided price controls and marked the beginning of economic liberalization**
- **The sixth plan is considered the end of Nehruvian socialism**
- **To prevent overpopulation, family planning was introduced.**
- **On the recommendation of the Shivraman Committee, the National Bank for Agriculture and Rural Development was established**
- **Bank nationalization - April 15, 1982**
- **Number of banks nationalized in the second phase - 6**
- **IRDP - INTEGRATED RURAL DEVELOPMENT PROGRAMME - 1980**
- **NREP - NATIONAL RURAL EMPLOYMENT PROGRAMME - 1980**
- **DWCRA - DEVELOPMENT OF WOMEN & CHILDREN IN RURAL AREAS - 1982**
- **RLEGP - RURAL LANDLESS EMPLOYMENT GUARANTEE PROGRAMME - August 15, 1983**
- **National Bank for Agriculture and Rural Development: Established on July 12, 1982**
- **Integrated Rural Development Programme started in 1978 (October 2, 1980)**
- **Rural Landless Employment Guarantee Scheme existed from 1983 to 1989.**
- **National Rural Employment Program - 1980**
- **Target growth rate was 5.2%, actual growth rate was 5.7%, which indicates success.**

Seventh Five-Year Plan (1985-90)

- **This plan was led by Prime Minister Rajiv Gandhi.**
- **It focused on improving the level of industrial production through the use of technology.**
- **Increasing economic production, increasing food grain production, providing social justice and creating employment opportunities were other objectives.**
- **Poverty eradication programs, use of modern technology, the need to make India an independent economy, etc., are emphasized.**

- Planning Commission Vice Chairman was Manmohan Singh
- Technological advisor was Sam Pitroda
- Known as the architect of the seventh plan - Sam Pitroda
- National Environment Protection Act - 1986
- National Consumer Protection Act - 1986
- National Education Policy - 1986
- It focused on achieving the prerequisites for self-sustaining growth by 2000.
- Jawahar Rozgar Yojana - Scheme for employment to the rural poor - April 1, 1989
- IAY - INDIRA AWAS YOJANA - For providing housing to the rural poor - 1985
- NATIONAL EDUCATION POLICY - 1986
- Million Well Scheme MWS-1988-89
- NATIONAL RURAL EMPLOYMENT PROGRAMME - 1980
- NEHRU ROZGAR YOJANA(NRY) - Scheme for employment to the urban poor - 1989
- It focused on achieving the prerequisites for self-sustaining growth by 2000.
- Target growth rate was 5.0%. However, the actual growth rate reached 6.01 percent.

Annual Plan (1990-92)

- Plan implemented between the seventh and eighth five-year plans
- New economic policies were implemented under the leadership of P V Narasimha Rao during this five-year plan period
- Known as the father of new economic policies - P V Narasimha Rao

Eighth Five-Year Plan (1992-97)

- Prime Minister - P.V.Narasimha Rao
- Planning Commission Deputy Chairman - Pranab Kumar Mukherjee
- The eighth plan promoted the renewal of industries.

- India became a member of the World Trade Organization - January 1, 1995 (GATT - 1947 - 23 countries)
- Known as the Rao-Manmohan model
- Main objective - Human development
- Objectives included controlling population growth, reducing poverty, creating employment opportunities, strengthening basic infrastructure development, managing tourism, focusing on human resource development, eliminating illiteracy among those aged 15-35, agricultural development, providing safe drinking water in rural areas, etc.
- Rapid economic growth can be considered an achievement in this plan
- PMRY - PRIME MINISTER ROZGAR YOJANA - 1993 - Employment scheme started for those aged 18 to 35
- Panchayath Raj System - April 24, 1993
- NRDP - NATIONAL RURAL DEVELOPMENT PROGRAMME - 1992
- NATIONAL STOCK EXCHANGE - 1992
- NATIONAL HUMAN RIGHT ACT - October 12, 1993
- Mahila Samridhi Yojana
- Mid-day meal scheme - 1995
- Gandhian series notes - 1996 (until then Lion Capital series notes)
- It also focused on including panchayats and municipalities through decentralization.
- People's planning implemented in Kerala - August 17, 1996
- Target growth rate was 5.6%, but the actual growth rate was an incredible 6.8%.

Ninth Five-Year Plan (1997-2002)

- Plan started in the 50th year of independence.
- Indian Prime Minister - H D Deve Gowda
- Known as the people's plan
- Main objectives - Women empowerment, decentralized planning, rural development, poverty eradication, creating a free market, increasing private investment, equality in the employment sector

- It promised support to social sectors for achieving poverty eradication and witnessed joint efforts of public-private sectors in ensuring economic development.
- Aimed at rapid growth and people's standard of living.
- Kargil War - 1999
- Sarva Shiksha Abhiyan - 2001
- POTA - 2002
- AAY - ANTYODAYA ANNA YOJANA December 25, 2000
- Annapurna - 2000
- Includes more objectives such as empowering socially backward sections, developing self-reliance and primary education for all children in the country.
- Second nuclear test - May 11,13 1998 - Operation Shakti
- Project director of the second nuclear test - A P J Abdul Kalam
- Balika Samridhi Yojana - To increase the status of girl children in family and society
- Public Distribution System - June 1, 1997
- Kudumbashree - May 17, 1998
- Swarna Jayanti Gram Swarozgar Yojana - Merged TRYSEM, IRDP, MWS, TOOL KIT, DWCRA, GANGA KALYAN YOJANA
- Strategies include increasing export rate for self-reliance, efficient use of scarce resources for rapid growth, etc.
- Target growth rate was set at 6.5%, but its actual growth rate fell to 5.4%.

Tenth Five-Year Plan (2002-07)

- Promoting comprehensive growth and equal development, women empowerment were the specialties of this plan.
- Known as the Kerala model plan
- Prime Minister - A B Vajpayee
- Planning Commission Deputy Chairman - K C Pant
- Aimed for 8% annual GDP growth.

- Other objectives include halving poverty, increasing literacy rate to 75%, creating employment opportunities for 80 million people, reducing infant mortality rate and maternal mortality rate.
- In addition, it aimed to reduce regional inequalities.
- Mahatma Gandhi National Rural Employment Guarantee Act (2005)
- Value Added Tax implemented in India - 2005
- National Food for Work Program - November 14, 2004
- ASHA scheme - ACCREDITED SOCIAL HEALTH ACTIVIST
- National Rural Health Mission - April 12, 2005
- PURA - PROVISIONS OF URBAN AMINITIES IN RURAL AREAS - 2004
- Right to Information Act - October 12, 2005
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM) started in December 2005.
- It also focused on reducing gender disparities in the education sector and wage rates by 2007.
- Target growth rate was 8.0% while actual growth was 7.6%.

Eleventh Five-Year Plan (2007-2012)

- Rapid and more inclusive comprehensive growth was its main theme.
- Prime Minister - Manmohan Singh
- Planning Commission Deputy Chairman - Montek Singh Ahluwalia
- The plan that achieved and succeeded in more than eight growth in India
- Also known as the education plan
- It aims at environmental sustainability and reducing gender inequality.
- C. Rangarajan prepared the eleventh five-year plan.
- Right to Education Act - August 26, 2009
- Rashtriya Madhyamik Shiksha Abhiyan - 2009
- Ayyankali Urban Employment Program - August 28, 2010
- Rajiv Awas Yojana - 2011

- National Urban Livelihood Mission - 2012
- Focused on providing clean drinking water to everyone by 2009.
- Aadhaar implemented - January 28, 2009
- Aam Aadmi Bima Yojana - 2007
- Target rate was 9%, actual growth rate was 8%.

Twelfth Five-Year Plan (2012-17)

- Prime Minister - Manmohan Singh
- Planning Commission Deputy Chairman - Montek Singh Ahluwalia
- "Faster, more inclusive and sustainable growth" was the theme.
- Twelve sectors focused by the twelfth five-year plan
 - Expanded coal technologies
 - National Wind Energy Mission
 - National Solar Mission
 - Iron and steel industry technology improvement
 - Cement industry technology improvement
 - Energy efficiency programs in industry
 - Vehicle fuel efficiency program.
 - Improving efficiency of freight transport
 - Improved urban public transport and non-motorized transport.
 - Lighting, labeling, super efficient equipment program.
 - Rapid adoption of green building codes.
 - Improving forest and tree cover.
- The plan aims to strengthen infrastructure projects and provide electricity supply to all villages.
- Food Security Bill - September 12, 2013
- Planning Commission dissolved - August 2014
- Implemented Deen Dayal Upadhyaya Antyodaya Yojana (DAY) skill development scheme
- Make in India - September 25, 2014 - To stimulate the domestic manufacturing sector and increase investment in the country

- **Swachh Bharat Abhiyan - October 2, 2014 - To make India completely clean by October 2, 2019**
- **Implemented Prime Minister Jan Dhan Yojana with the aim of providing bank accounts to all families in the country**
- **Mission Indradhanush launched for vaccination program started for children and pregnant women - 2014 .**
- **NITI Aayog formed - January 1, 2015**
- **Beti Bachao - Beti Padhao girl child education scheme started - 2015**
- **Mudra Bank - MUDRA Bank started - April 8, 2015 - The aim is to facilitate unsecured small loans up to 10 lakh rupees for income-generating activities for non-corporate, non-agricultural, small and micro entrepreneurs.**
- **The upper limit of Mudra loans has been raised from 10 lakh to 20 lakh.**
- **Implemented major insurance & pension schemes Prime Minister Suraksha Bima Yojana, Prime Minister Jeevan Jyoti Bima Yojana, Atal Pension Yojana**
- **'Digital India' scheme launched - July 1, 2015**
- **Growth rate approved by the National Development Council on December 27, 2012 - 8%**
- **Expected growth rate in the agricultural sector - 4%**
- **Targeted growth rate was 9%, but the National Development Council approved 8% growth rate in this plan in 2012.**