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# 12 Major Achievements of Economic Planning in India

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The following points highlight the twelve major achievements of economic planning in India.

## Achievement # 1. Increase in National Income and Per Capita Income:

During planning period national income has increased manifold. The average annual increase in national income was registered to be 1.2 per cent from 1901 to 1947.

This increase was recorded to be 3 percent from 1950 to 2000-01. Moreover, average annual

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growth rate of national income was 4 per cent in 1970-80 which, further increased to 5 per cent in 1990-2000.

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The per capita income which was 254.7 at current prices in 1950-51 increased to Rs. 1741.3 in 1980-81 to Rs. 5365.3 in 1990-91 and further to Rs. 16563.5 in 2000-01. It is expected to be Rs. 20860.0 during 2003-04.

## Achievement # 2. Development in Agriculture:

Agricultural productivity has also marked an upward trend during the plan period. The production of food-grains which was 510 lakh tones in 1950-51 increased to 176.4 million tones in 1990-91 and further to 211.9 million tones in 2001-02.

Similarly, the production of cotton was 21 lakh bales in 1950-51 and it was expected to be 908 million bales in 1990-91 and further 10.0 million tones in 2001-02. In the same, the production of sugarcane was expected to be 241.0 million tones in 1990-91 <sup>the 69 lakh</sup> lakh tones in 1950-51. It rose <sup>to 298.4 million</sup> tones in 2001-02.

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### Achievement # 3. Development of Industry:

In the first five year plan much of the capital was invested to develop the industry and defence. About fifty per cent of the total outlay of the plans was invested for their development. As a result, industrial production has increased to a great extent. For instance, the production of cotton cloth which was 4215 million sq. metres in 1950-51.

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It was 31.1 million tones in 2001-02. In the same fashion, the production of sugar was recorded to be 12047 thousand tones in 1990-91 against 1100 thousand tones in 1950-51. It further rose to 15520 thousand tones in 2000-01.

### Achievement # 4. Development of Transport and Communication

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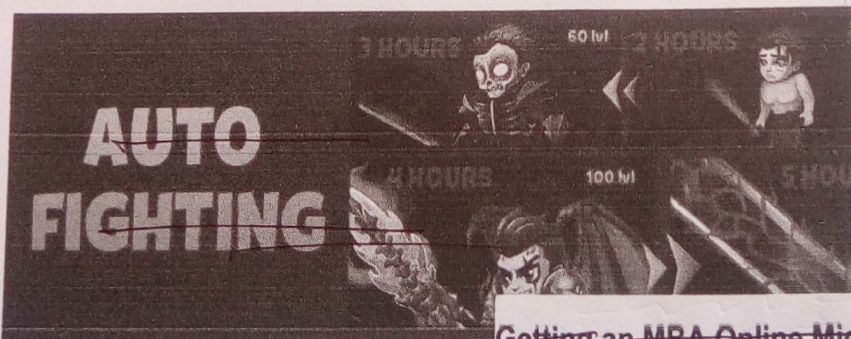
During the planning period, much attention has been paid towards the development of transport and communication. In the first two plans, more than one-fourth of the total outlay was invested on the development of transport and communication.

In 1990-91, the total length of roads increased to 19.92 lakh kms which increased to 252.2 lakh kms in 1998-99. Similarly route of railway was 63.1 thousand kms in 2001-02 against 53.6 thousand km in 1950-51. The Ninth Plan outlay was 19.6% . .

### Achievement # 5. Self Reliance:

During the last five decades, considerable progress seems to have been made towards the achievement of self reliance. We are no longer dependent on other countries for the supply of food-grains and a number of agricultural crops. In the same fashion, we have made substantial investment in basic and heavy industries. We are in a position to produce all varieties of basic consumer goods.

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The emphasis was extended development of basic industries like steel, power and chemical fertilizer. Similarly stress was

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given on achieving self sufficiency in different sectors.

### **Achievement # 6. Employment Generation:**

In India, the problem of unemployment is most crucial. During the first Nine plans much emphasis was laid on the creation of larger employment opportunities, such as, emphasis on the establishment of small and cottage industries, spread of technical education, development of self-employment schemes, creation of larger industries, improvement of agriculture and service sectors etc.

During the first two plans employment opportunities were generated for about 16 million people.

Again during 1961-71 about 20 million people got fresh job opportunities. Again during 1981-91, about 28 million people were provided job opportunities. But with the huge growth of number of working population, the backlog of unemployment at the end of each plan is increasing at a rapid rate.

Total backlog which was 5.3 million at the end of first plan gradually rose to 106 million by the end of Ninth Plan. This backlog on employment front is likely to further increase during the Tenth Plan Period.

### **Achievement # 7. Power:**

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Total installed capacity (including non-utility), which was only 2,301 MW in 1950, increased to 97,899 MW (including non-utility of 12,079 MW) by the end of March, 2000. The cumulative capacity in the public utilities as on March, 2000 in the country has reached 97,837 MW (provisional) comprising 23,816 MW as hydro, 70,186 MW as thermal, 2,680 MW as nuclear and 1,155 MW as wind energy.

A capacity addition of 40,245 MW in the public utilities has been targeted for the Ninth Five Year Plan period (1997-2002) and against this achievement so far during the first three years of the Plan period were 3,226 MW, 4,242 MW and 4,507 MW respectively.

### **Achievement # 8. Price Stability:**

Attaining economic stability has been considered as one of the major objective of economic planning throughout the entire plan period. But unfortunately, the country has been subjected to series of economic fluctuations and instability in the price level. Instability and rising prices has been considered the biggest failure of economic planning in India.

The average of inflation in terms of the Wholesale Price Index (WPI) increased significantly from 3.3% in 1999-2000 to 7.1% in 2000-2001 due to substantial rise in administered prices of petroleum products. During 2001-2002, the inflation declined in terms of WPI.

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The 52 weeks average inflation rate declined from 7% at the beginning of 2001-2002 to 4.7% for the week-ended January 19, 2002. The point-to-point inflation rate reached a low of 1.3% by the end of January, 2002 which was the lowest in over two decades.

### Achievement # 9. Capital Formation:

In India due to the development of agriculture, industry and defence, the rate of capital formation has also increased. In 1950-51, the rate of capital formation was 11.0 per cent which in 2000-01 remarkably increased to 21.3 per cent.

### Achievement # 10. Development of Science and Technology:

In the era of planning, India has made much progress in the field of science and technology.

In reality, the development is *so fast that India* stands third in the world in the *sphere of* science and technology. *India's* scientists are in a position that *they can* independently establish any *industrial venture*.

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## Achievement # 11. Social and Miscellaneous Services:

Development of social and miscellaneous services is also another important sector of our five year plans. It consists such vital services as education, health and family planning, housing, labour welfare and welfare of backward classes etc. and a considerable amount has been allotted in our five year plans for the provision of these services.

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These services are significant from the point of view of the poor and economically backward whose low level of living could be raised with the help of these services. The outlay during the Ninth Plan on social and economic services was Rs. 1,82,005 crores, i.e. 21.2% of the total outlay. The outlay from second plan to Ninth plan moved between 15% to 21% on social services.

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## Achievement # 12. Social

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The planning in India has an objective of sustained growth with social justice. It has also

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been emphasising the achievement of this objective. As a result, these plans have been ensuring the improvement of living standards of the people, removal of poverty, creation of additional jobs, and reduction in inequalities of income and wealth.

The objective of sustained growth with justice has been tried to be achieved over the planning period through several measures like land reforms, abolition of bonded labour, liquidation of rural indebtedness, fixation of minimum wages, provision of basic minimum needs, and reduction of concentration of power and economic disparities. One of the main objectives of Ninth Plan is growth with social justice and equity.

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