

FIVE YEAR PLANS IN INDIA

- After independence, India launched a programme of Five Year Plans to make the optimum use of country's available resources and to achieve rapid economic Development
- In India, development plans were formulated and carried out within the framework of the mixed Economy
- In India, economic planning was adopted in the form of Five Year Plans and was seen as a development tool on account of various reasons.
- The need for social justice as experience of the past five and-a-half decades suggests that in a free enterprise economy, economic gains do not necessarily trickle down and
- Judicious mobilisation and allocation of resources in the context of overall development programme in the light of the resource constraint in India
- So far, 12th Five Year Plans have been formulated since the year 12th Five year Plan (2012-2017), came into force once it was approved by the NDC on 27th December, 2012.

Formulation of Five Year Plans

- The preparation of Five Year Plan starts with the formulation of an Approach Paper, outlining the macroeconomic dimensions, strategies and objectives of the plan.
- The Approach Paper is prepared by the Planning Commission after intensive consultations with individuals and organisations of all the State Chief Ministers.
- The Planning Commission then presents this Approach Paper to the National Development Council (NDC), for its consideration and approval. On approval by the NDC, the Approach Paper is circulated among the State Governments and the Central Ministers, based on, which they prepare their respective Five Year Plans.
- Thus, based on the parameters postulated in the NDC approved Approach Paper, the Central Ministries and the states prepare their respective plans, with the help of a large number of Steering Committees/Working Groups. These are composed of representatives of the concerned ministries, selected State governments, academicians, private sector, NGOs
- Based on the reports of these Steering Committees and Working Groups, the States and the Central Ministries come up with their proposals of detailed plans and programmes. The Planning Commission reviews these plans and programmes of the Central and State Plans and as a result, a detailed plan is evolved.
- In recent years, Planning Commission has also started taking views of the general public into consideration during plan formulation by asking for their views.
- In the light of above, the Five Year Plan document is prepared by the Planning Commission listing out the objectives and detailing out plan orientation, development perspective, macro economic / dimension, policy framework, financing and sectoral profiles. The Planning Commission then presents the final Plan document to the NDC for its consideration and approval.

Implementation of Five Year Plans

- The five Year Plan is implemented through Annual Plans, which is a detailed description of the allocation of resources between centre and states and for different sectoral activities in the government
- In particular, it involves allocation of budgetary resources and detailed consideration of public sector projects / programmes / The sanction of government expenditure is affected through Annual Budget, which is passed by the Parliament every year

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 the 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	It could not be implemented fully due to the 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'
Plan Holidays – Annual Plans	1966-1969	A new agricultural strategy was implemented. It involved the 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	1969-	Was ambitious. Failure.	'growth with stability' and

Five year Plan	1974	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.	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 programs 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 the 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 the 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. The industry grew with an 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	Its growth rate target was 8%.	“faster, sustainable and more inclusive growth”. Raising agriculture output to 4 percent. Manufacturing sector growth to 10 % The target of adding over 88,000 MW of power generation capacity.