

# GOUR INSTITUTE

PSC, Bank (Clerk/PO), SSC, Railways, S.I., Classes

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F – 12, City Bazar, Thatipur, Gwalior (M.P.) [www.gourinstitute.in](http://www.gourinstitute.in)

## FIVE YEAR PLANS

### FIRST FIVE YEAR PLAN (1951-56)

- It was based on Harrod-Domar Model.
- Community Development Program was launched in 1952.
- Two-fold objectives were there.
  1. To correct the disequilibrium in the economy caused by 3 main problems – influx of refugees, severe food shortage and mounting inflation.
  2. To initiate a process of all-round balanced development to ensure a rising national income and a steady improvement in living standards.
- Emphasized on agriculture, price stability, power and transport.
- It was more than a success, because of good harvests in the last two years;

### SECOND FIVE YEAR PLAN (1956-61)

- Also called 'Mahalanobis Plan' after its chief architect PC Mahalanobis. It was based on 1928 Soviet Model of Feldman.
- Its emphasis was on economic stability. Agriculture target fixed in the plan was almost achieved. Consequently, the agriculture sector got low priority in the second five year plan.
- Its objective was **Rapid Industrialization**, particularly basic and heavy industries such as iron and steel, heavy chemicals like nitrogenous fertilizers, heavy engineering and machine building industry.
- Besides, the Industrial Policy of 1956 emphasized the role of Public Sector and accepted the establishment of a socialistic pattern of the society as the goal of economic policy.
- Advocated huge imports which led to emptying of funds leading to foreign loans. It shifted basic emphasis from agriculture to industry far too soon. During this plan, price level increased by 30%, against a decline of 13% during the First Plan.

### THIRD FIVE YEAR PLAN (1961-66)

- At its conception time, it was felt that Indian economy has entered a take-off stage. Therefore, its aim was to make India a 'self-reliant' and 'self-generating' economy.
- Also, it was realized from the experience of first two plans that agriculture should be given the top priority to suffice the requirements of export and industry.
- The other objectives of the plan included the expansion of basic industries, optimum utilization of country's labor power and reducing the inequalities of income and wealth.
- Relied heavily on foreign aid (IMF).
- Complete failure due to unforeseen misfortunes, viz. Chinese aggression (1962), Indo-Pak war (1965), severest drought in 100 years (1965-66).
- Prices increased by 36% in 5-years.
- Hence, third plan failed in every respect.

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## **THREE ANNUAL PLANS (1966-69)**

- Plan holiday for 3 years.
- The prevailing crisis in agriculture and serious food shortage necessitated the emphasis on agriculture during the Annual Plans.
- During these plans a whole new agricultural strategy involving wide-spread distribution of High-Yielding Varieties (HYVs) of seeds, the extensive use of fertilizers, exploitation of irrigation potential and soil conservation was put into action to tide-over the crisis in agricultural production.
- During the Annual Plans, the economy basically absorbed the shocks given during the Third Plan, making way for a planned growth.

## **FOURTH FIVE YEAR PLAN (1969-74)**

- The Fourth Plan set before itself the two principal objectives – growth with stability and progress towards self-reliance.
- Main emphasis on agriculture's growth rate so that a chain reaction can start.
- Fared well in the first two years with record production, last three years failure because of poor monsoon.
- Had to tackle the influx of Bangladesh refugees before and after 1971 Indo-Pak war.
- During the planning period, prices increased by about 61%.

## **FIFTH FIVE YEAR PLAN (1974-79)**

- The Fifth Plan prepared and launched by DD Dhar proposed to achieve two main objectives viz, 'removal of poverty' (**Garibi Hatao**) and attainment of self reliance', through promotion of high rate of growth, better distribution of income and a very significant growth in the domestic rate of savings.
- National Program of Minimum Needs was initiated in which primary education, drinking water, medical facilities in rural areas, nourishing food, land for the houses of landless laborers, rural roads, electrification of the villages and cleanliness of the dirty suburbs were included.
- The plan was terminated in 1978 (instead of 1979) when Janta Govt. came to power.

## **ROLLING PLAN (1978-80)**

- There were 2 Sixth Plans – One by Janta Govt. (for 78-83) which was in operation for 2 years only and the other by the Congress Govt. when it returned to power in 1980.
- The Janta Govt. Plan is also called 'Rolling Plan'.
- The focus of the plan was enlargement of the employment potential in agricultural and allied activities, encouragement to household and small industries producing consumer goods for consumption and to raise the incomes of the lowest income classes through minimum needs program.

## **SIXTH FIVE PLAN (1980-85)**

- Objectives: Increase in national income, modernization of technology, ensuring continuous decrease in poverty and unemployment, population control through family planning, etc.

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## **SEVENTH FIVE YEAR PLAN (1985-90)**

- The Seventh Plan emphasized policies and programs which aimed at rapid growth in food-grains productions, increased employment opportunities and productivity within the framework of basic tenants of planning.
- It was a great success, the economy recorded 6% growth rate against the targeted 5%.

## **EIGHT FIVE YEAR PLAN (1992-97)**

- The Eighth Plan was postponed by two years because of political upheavals at the Centre and it was launched after a worsening Balance of Payment (BOP) position and inflation during 1990-91.
- The plan undertook various drastic policy measures to combat the bad economic situation and to undertake an annual average growth of 5.6%.
- Some of the main economic performances during Eighth Plan period were 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.
- The most notable feature of the Eighth Plan period was that the GDP grew at an average rate of 6.8% exceeding the target growth rate of 5.6%

## **NINTH FIVE YEAR PLAN (1997-2002)**

- It was developed in the context of four important dimensions: Quality of life, generation of productive employment, regional balance and self-reliance.

### **Appraisal of the Ninth Plan**

- Growth rate of GDP during the plan was 5.4% per annum as against the target of 6.5%.
- Agricultural grew by 2.1% as against the target of 4.2% p.a.
- Industrial growth was 4.5% as against the target of 3% p.a.
- Exports grew by 7.4% (target was 14.55%) and imports grew by 6.6% (target was 12.2% p.a.)
- Services grew at the rate of 7.8% p.a.

## **TENTH FIVE YEAR PLAN (2002-2007)**

- The major objectives were as under:
  1. To attain a growth rate of 8%.
  2. Reduction of poverty ratio to 20% by 2007 and to 10% by 2012.
  3. Providing gainful high quality employment to the addition to the labor force over the Tenth Plan period.
  4. Universal access to primary education by 2007.
  5. Reduction in gender gaps in literacy and wage rates by at least 50% by 2007.
  6. Reduction in decadal rate of population growth between 2001 and 2011 to 16.2%.
  7. Increase in literacy rate to 72% within the plan period and to 80% by 2012.
  8. Reduction of Infant Mortality Rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012.
  9. Reduction in Maternal Mortality Rate (MMR) to 20 per 1000 live births by 2007 and to 10 by 2012.
  10. Increase in forest and tree cover to 25% by 2007 and 33% by 2012.
  11. Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

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## **ELEVENTH FIVE YEAR PLAN (2007-2012)**

- Accelerate growth rate of GDP from 8% to 10% and then maintain at 10% in the 12<sup>th</sup> Plan in order to double per capita income by 2016-17.

Increase agricultural GDP growth rate to 4% per year to ensure a broader spread

- Create 70 million new work opportunities.
- Reduce educated unemployment to below 5%.
- Raise real wage rate of unskilled workers by 20%.
- Reduce the headcount ratio of consumption poverty by 10 percentage points
- Increase literacy rate for persons of age 7 years or more to 85%.

## **12<sup>th</sup> Five Year Plan (2012-17)**

- The 12<sup>th</sup> Five Year Plan will be operational from 2012 till 2017.
- The Plan aims to achieve average growth rate of 8 per cent during the 12th Five Year Plan (2012-17)
- It aims to raise the farm sector growth rate to 4 per cent and achieve a growth rate of 10 per cent in the manufacturing sector.
- The target is to generate 50 million new jobs while achieving 8% growth target.
- The Plan aims at increasing investment in infrastructure to 9 per cent of the GDP by the end of the Plan period (2012-17).
- The aggregate Plan resources are estimated at Rs 37.16 lakh crore during the five year period.
- The 12<sup>th</sup> Plan also seeks to reduce poverty by 10 percentage points in the five-year period.
- The other targets include increasing green cover by one million hectare every year and adding 30,000 MW of renewable energy generation capacity in the Plan period.
- target of 20-25 reduction by 2020 over 2005 levels.