

Political Science

Class 12 , NOTES

Chapter 12

Politics of Planned developments

Political Contestation

- In a democracy or in a democratic country the final decision must be a political decision, taken by people's representatives who are in touch with the feelings of the people.
- After independence, everyone agreed that the development of India will take place by, economic growth alongwith social and economic justice.
- There was disagreement on the kind of role that the government must play in ensuring economic growth with justice.

Ideas of Development

- Any discussion on development is bound to generate contradictions, conflicts and arguments.
- 'Development' was about becoming more 'modern' and modern was about becoming more like the industrialised countries of the West.
- Modernisation was associated with the ideas of growth, material progress and scientific rationality.

Planning

- Despite the various differences, there was a consensus on one point: that development could not be left to private sectors. So, there was the need for the government to develop a design or plan for development.
- In 1944, the big industrialists drafted a joint proposal for setting up a planned economy in the country known as Bombay Plan.
- Soon after India became independent, the Planning Commission came into being as Prime Minister its chairperson.

The Early Initiatives

- The draft of the First Five Year Plan and then the actual Plan Document, released in December 1951, generated a lot of excitement in the country.
- The excitement with planning reached its peak with the launching of the Second Five Year Plan in 1956 and continued somewhat till the Third Five Year Plan in 1961.

- The First Five Year Plan (1951-1956) addressed mainly the agrarian sector including investment in dams and irrigation.
- One of the basic aims of the planners was to raise the level of national income, which could be possible only if the people saved more than they spent.

Rapid Industrialisation

The second Five Year Plan stressed on heavy industries. It was drafted by a team of economists and planners under the leadership of PC Mahalanobis.

Key Controversies

The strategy of development followed in the early years raised several important questions.

Agriculture Versus Industry

- After first two plans agriculture could not develop at appreciable level. Gandhian economist J.C. Kumarappa proposed an alternative blueprint that put greater emphasis on rural industrialisation.
- Some others thought that without a drastic increase in industrial production, there could be no escape from the cycle of poverty.

Public Versus Private Sector

- India adopted 'mixed economy' where elements of both public and private sector exist together.
- Critics argued that the planners refused to provide the private sector with enough space and the stimulus to grow. The enlarged public sector produced powerful vested interests that created enough hurdles for private capital.

The First Five Year Plan Major Outcomes

- The early initiatives for planned development were at best realising the goals of economic development of the country and well-being of all its citizens.
- Those who benefitted from unequal development soon became politically powerful and made it even more difficult to move in the desired direction.

There were three major outcomes. These are

1. Economic Foundations

- During first two plan foundations of India's future economic growth were laid. Mega dams like Bhakhra-Nangal and Hirakund for irrigation and power generation were built.
- Some of the heavy industries in the public sector-steel plants, oil refineries, manufacturing units, defense production etc.-were started during this period.

- Infrastructure for transport and communication was improved substantially.

2. Land Reforms

- Colonial system of Zamindari was abolished.
- Attempts at consolidation of land-bringing small pieces of land together in one place was initiated.

3. Green and White Revolution

- During 1960s the government offered high-yielding variety seeds, fertilizers, pesticides and better irrigation at highly subsidised prices. This was termed as Green Revolution.
- The rich peasants and the large land holders were the major beneficiaries of this.
- Some regions like Punjab, Haryana, and Western Uttar Pradesh became agriculturally prosperous, while others remained backward.
- In 1970 the rural development programme called Operation Flood was started.
- Operation flood organised cooperatives of milk producers into a nationwide milk grid, with the purpose of increasing milk production.
- This was termed as White Revolution. Verghese Kurien is known as 'Milkman of India.'

Later Developments

- The period from 1967 onwards witnessed many new restrictions on private industry. Fourteen private banks were nationalised.
- Between 1950 and 1980 the Indian economy grew at a sluggish per annum rate of 3 to 3.5%.
- The presence of inefficiency, corruption etc forced people to lose faith in country's economic system thus it results in decreasing the significance of state in India's economy from 1980s onwards.