



# Economics Class Notes for IAS and PCS

## Chapter 3: Economy planning

<b>Economic Plan</b>	
➤ <b>The Visvaraya Plan</b> – Planned Economy of India.	
➤ <b>The Bombay Plan (By 8 Capitalist)</b> – A Plan of Economic Development for India.	
➤ <b>Nehru Plan</b> – Heavy Industrialization.	
➤ <b>Gandhian Plan</b> – Agriculture with Industrialization of College & Village level industries.	
• Decentralized Economic Structure	
• By “Sriman Narayan & S.N. Aggarwal”.	
➤ <b>The People Plan</b> – M.N Roy plan was bound on Marxist socialism & Advocate need of providing people with basic necessities of life.	
➤ <b>The Sarvodaya Plan</b> – By Jaiparkash Narayan. Bound on concept of “Acharya Vinoba Bhava”.	
➤ PC [1950] → 1952 [NDC]	
➤ Planning has long term goals	
1. Modernization	
2. Growth	
3. Self – Reliance	
4. Social Justice/ equality	
➤ Economic Planning – 7 <sup>th</sup> Schedule	
➤ Concurrent list (added by 42 <sup>th</sup> Amendment)	
➤ Development mean – Social change	
➤ Economic survey published by “Ministry of Finance”.	
<b>Planning</b>	
1. Perspective Planning – Long FYP	
2. Rolling Planning – 1/2 year Planning	
3. Core Planning – Specific sector/ point	
India is 4 <sup>th</sup> Biggest Economy – USA, China, Japan, India	
Contribution → Service > Manufacturing > Agriculture	
Business Cycle: Expansion → Growth → Slowdown → Recession	
Financial Year – 1 April to 31 March (Data of estimation of NI Issued by CSO)	
<b>Steel Factory</b>	
➤ Durgapur → WB → UK	
➤ Bhilani → Chhattisgarh → USSR	
➤ Bhokaro → Jharkhand → USSR	



➤ Rahulkela → Odissa → Germany
<ul style="list-style-type: none"> <li>➤ Locomotion factory → Chittrangen</li> <li>➤ Coach factory → Perambur</li> <li>➤ Lokodwala committee → an unemployment</li> <li>➤ Tendulkar committee → poverty</li> <li>➤ 1st Budget by “James Wilson” Regim of Lord Canning IN 1860.</li> </ul>
<ul style="list-style-type: none"> <li>➤ 1st factory of cotton textile in India established in 1818 at Chugharines Kolkata but failed.</li> <li>➤ Seed of cotton textile by Kawaji Nova Bhai in Mumbai</li> </ul>
<ul style="list-style-type: none"> <li>➤ 1st Jute factory – in Rishara (WB)</li> <li>➤ 1st steel factory by Tata in Jamshedpur</li> </ul>
<b>Five Year Plan</b>
<b>1st FYP: 1951 – 1955</b>
<ul style="list-style-type: none"> <li>➤ By R.K. Raj</li> <li>➤ Herold Doman Modal</li> <li>➤ Agriculture Growth Rate increase (2.1 → 3.6%)</li> <li>➤ More strengthen on Agriculture</li> </ul>
<b>2<sup>ND</sup> FYP: 1956 – 1960</b>
<ul style="list-style-type: none"> <li>➤ P.C. Mahalanobis and Nehru Model</li> <li>➤ Heavy Industrialization</li> <li>➤ Steel factory established : <ul style="list-style-type: none"> <li>• Durgapur → WB → UK</li> <li>• Bhilani → Chhattisgarh → USSR</li> <li>• Bokhro → Jharkhand → USSR</li> <li>• Rurukela → Ordissa → Germany</li> </ul> </li> </ul>
<b>3<sup>rd</sup> FYP : 1961 – 1966</b>
<ul style="list-style-type: none"> <li>➤ Godgil formula and Sukhmay Cakhula</li> <li>➤ Focused on Agriculture with Industrial</li> <li>➤ Focused on Self Reliant</li> <li>➤ Value of reupes decreased Rupee (↓)</li> <li>➤ Taken Loan from IMF</li> <li>➤ Green Revolution</li> </ul>
<b>PLAN HOLIDAY (Annual plans) 1966 – 1967, 1967- 1968, 1968 – 1969</b>
<ul style="list-style-type: none"> <li>➤ Plan Holiday (gives Primary Priority)</li> <li>➤ Target not achieved due to <ul style="list-style-type: none"> <li>• Indo – Pak</li> <li>• Indochina War</li> </ul> </li> </ul>
<b>4<sup>th</sup> FYP: 1969 – 1974</b>
<ul style="list-style-type: none"> <li>➤ Growth with justice &amp; stability</li> <li>➤ By Ashok Rudra Plan</li> </ul>



➤ Not achieve target due to Bangladeshi Refuge
<b>5<sup>th</sup> FYP: 1974 – 1979</b>
<ul style="list-style-type: none"> <li>➤ D.P. Dhar</li> <li>➤ Removing of Poverty</li> <li>➤ Growth increase 4.5% → 5%</li> <li>➤ Janta Party lost government.</li> </ul>
<b>Rolling plan: 1978 – 1980 ( Gunar Myrdal)</b>
<b>6<sup>TH</sup> FYP: 1980 – 1985</b>
<ul style="list-style-type: none"> <li>➤ During Indira Gandhi</li> <li>➤ IDRP ( Integrated Development Program) launched</li> <li>➤ NABARD and EXIM Bank 1982 formed</li> <li>➤ MNP (Minimum Need Program) launched</li> </ul>
<b>7<sup>th</sup> FYP: 1985 – 1990</b>
<ul style="list-style-type: none"> <li>➤ During Rajiv Gandhi</li> <li>➤ Jawahar Rojgar Yojna launched</li> <li>➤ Related to Hindu growth ( by Raj – Krishna)</li> <li>➤ More fiscal deficit occurred</li> <li>➤ Private &gt; Public</li> <li>➤ SIBBI 1990 Established</li> <li>➤</li> </ul>
<b>Annual Plan: 1991 – 1992 ( Elephant Plan)</b>
<b>8<sup>th</sup> FYP: 1992 – 1997</b>
<ul style="list-style-type: none"> <li>➤ Economy open, LPG ,Model – adopt (Liberalization, Privatization and Globalization )</li> <li>➤ Rupee convertibility</li> <li>➤ Pradhan Mantri Rojgar Yojna launched</li> <li>➤ P.V. Narshima Rao was PM</li> <li>➤ Manmohan Singh was Finance Minister.</li> </ul>
<b>9<sup>TH</sup> FYP: 1997 – 2002</b>
<ul style="list-style-type: none"> <li>➤ Focused on Growth with social justice</li> <li>➤ BOB, CA(↑)</li> <li>➤ Recession in International Economy</li> </ul>
<b>10<sup>th</sup> FYP: 2002 – 2007</b>
<ul style="list-style-type: none"> <li>➤ Focused on Bring down regional inequality</li> <li>➤ Main emphasis on agriculture</li> <li>➤ No fix production</li> </ul>
<b>11<sup>th</sup> FYP: 2007 – 2012</b>
<ul style="list-style-type: none"> <li>➤ Toward faster &amp; more inclusive growth.</li> <li>➤ Target was: Agriculture – 4.1%, Industry – 10%, Service – 9%</li> <li>➤</li> </ul>



**12<sup>th</sup> FYP: 2012 – 2017**

- Theme “Toward faster, sustainable & more inclusive growth “
- Agriculture – 4%, Industry – 9.6%, Service – 10%

**13<sup>th</sup> FYP: 2017 – 2022**

- Theme “Moderate economic growth, Industrial upgrading innovation & refere environment improvement.”



# Economics Class Notes for IAS and PCS

## Chapter 4: INDEX

Index
<b>Human Development Index (HDI)-3</b>
<ul style="list-style-type: none"> <li>➤ Longer and health life</li> <li>➤ Knowledge</li> <li>➤ Standard of living</li> </ul>
<b>Humans Poverty Index (HPI)-4</b>
<ul style="list-style-type: none"> <li>➤ Life span</li> <li>➤ Literacy skill</li> <li>➤ Long term employment</li> <li>➤ Relative poverty</li> </ul>
<b>Bhutan Report Index-4-5</b>
<ul style="list-style-type: none"> <li>➤ High rate per capital income</li> <li>➤ Good governance</li> <li>➤ Environment protection</li> <li>➤ Cultural promotion</li> </ul>
<b>World Happiness Index</b>
<ul style="list-style-type: none"> <li>➤ GDP per capital</li> <li>➤ Health life expectancy</li> <li>➤ Freedom from corruption</li> <li>➤ Generosity</li> <li>➤ Make life change</li> </ul>
<b>Note</b>
<ul style="list-style-type: none"> <li>➤ 1st economic policy by – Rajiv Gandhi</li> <li>➤ 2nd economic policy by – P.V. Narshima Rao ( Not fulfilled due to Gulf war &amp; BOP issue]</li> <li>➤ LPG Model by Manmohan Singh in 1991</li> <li>➤ Nehru – Mahalonobis Model – economy through Public sector &amp; heavy Industrialization</li> </ul>



Union Budget – Largest expenditure revenue – on Interest Payment
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Apx. Body to finance agriculture in India is NABARD.
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