



Economics Class Notes for IAS and PCS

Chapter 3: Economy planning

Economic Plan

- **The Visvaraya Plan** – Planned Economy of India.
- **The Bombay Plan (By 8 Capitalist)** – A Plan of Economic Development for India.
- **Nehru Plan** – Heavy Industrialization.
- **Gandhian Plan** – Agriculture with Industrialization of College & Village level industries.
 - Decentralized Economic Structure
 - By “Sriman Narayan & S.N. Aggarwal”.
- **The People Plan** – M.N Roy plan was bound on Marxist socialism & Advocate need of providing people with basic necessities of life.
- **The Sarvodaya Plan** – 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 – 7th Schedule
- Concurrent list (added by 42th Amendment)
- Development mean – Social change
- Economic survey published by “Ministry of Finance”.

Planning

1. Perspective Planning – Long FYP
2. Rolling Planning – 1/2 year Planning
3. Core Planning – Specific sector/ point

India is 4th 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

Steel Factory

- Durgapur → WB → UK
- Bhilai → Chhattisgarh → USSR
- Bhokaro → Jharkhand → USSR



- Rahulkela → Odissa → Germany
- Locomotion factory → Chittrangen
- Coach factory → Perambur
- Lokodwala committee → an unemployment
- Tendulkar committee → poverty
- Ist Budget by "James Wilson" Regim of Lord Canning IN 1860.
- Ist factory of cotton textile in India established in 1818 at Chugharines Kolkata but failed.
- Seed of cotton textile by Kawaji Nova Bhai in Mumbai
- Ist Jute factory – in Rishara (WB)
- Ist steel factory by Tata in Jamshedpur

Five Year Plan

Ist FYP: 1951 – 1955

- By R.K. Raj
- Herold Doman Modal
- Agriculture Growth Rate increase (2.1 → 3.6%)
- More strengthen on Agriculture

2ND FYP: 1956 – 1960

- P.C. Mahalanobis and Nehru Model
- Heavy Industrialization
- Steel factory established :
 - Durgapur → WB → UK
 - Bhilai → Chhattisgarh → USSR
 - Bokhro → Jharkhand → USSR
 - Rurukela → Orissa → Germany

3rd FYP : 1961 – 1966

- Godgil formula and Sukhmaray Cakhula
- Focused on Agriculture with Industrial
- Focused on Self Reliant
- Value of rupees decreased Rupee (↓)
- Taken Loan from IMF
- Green Revolution

PLAN HOLIDAY (Annual plans) 1966 – 1967, 1967- 1968, 1968 – 1969

- Plan Holiday (gives Primary Priority)
- Target not achieved due to
 - Indo – Pak
 - Indochina War

4th FYP: 1969 – 1974

- Growth with justice & stability
- By Ashok Rudra Plan



- Not achieve target due to Bangladeshi Refuge

5th FYP: 1974 – 1979

- D.P. Dhar
- Removing of Poverty
- Growth increase 4.5% → 5%
- Janta Party lost government.

Rolling plan: 1978 – 1980 (Gunar Myrdal)

6th FYP: 1980 – 1985

- During Indira Gandhi
- IDRP (Integrated Development Program) lunched
- NABARD and EXIM Bank 1882 formed
- MNP (Minimum Need Program) lunched

7th FYP: 1985 – 1990

- During Rajiv Gandhi
- Jawahar Rojgar Yojna lunched
- Related to Hindu growth (by Raj – Krishna)
- More fiscal deficit occurred
- Private > Public
- SIBBI 1990 Established
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Annual Plan: 1991 – 1992 (Elephant Plan)

8th FYP: 1992 – 1997

- Economy open, LPG ,Model – adopt (Liberalization, Privatization and Globalization)
- Rupee convertibility
- Pradhan Mantri Rojgar Yojna lunched
- P.V. Narshima Rao was PM
- Manmohan Singh was Finance Minster.

9th FYP: 1997 – 2002

- Focused on Growth with social justice
- BOB, CA(↑)
- Recession in International Economy

10th FYP: 2002 – 2007

- Focused on Bring down regional inequality
- Main emphasis on agriculture
- No fix production

11th FYP: 2007 – 2012

- Toward faster & more inclusive growth.
- Target was: Agriculture – 4.1%, Industry – 10%, Service – 9%
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12th FYP: 2012 – 2017

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

13th FYP: 2017 – 2022

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



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Chapter 4: INDEX

Index
Human Development Index (HDI)-3
➤ Longer and health life ➤ Knowledge ➤ Standard of living
Humans Poverty Index (HPI)-4
➤ Life span ➤ Literacy skill ➤ Long term employment ➤ Relative poverty
Bhutan Report Index-4-5
➤ High rate per capital income ➤ Good governance ➤ Environment protection ➤ Cultural promotion
World Happiness Index
➤ GDP per capital ➤ Health life expectancy ➤ Freedom from corruption ➤ Generosity ➤ Make life change
Note
➤ Ist economic policy by – Rajiv Gandhi ➤ IInd economic policy by – P.V. Narshima Rao (Not fulfilled due to Gulf war & BOP issue] ➤ LPG Model by Manmohan Singh in 1991 ➤ Nehru – Mahalonobis Model – economy through Public sector & heavy Industrialization



Union Budget – Largest expenditure revenue – on Interest Payment

Apx. Body to finance agriculture in India is NABARD.



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