

# CHAPTER - 3

## POLITICS OF PLANNED DEVELOPMENT

### TEXTBOOK QUESTIONS SOLVED

1. Which of these statements about the Bombay Plan is incorrect?

- (a) It was a blueprint for India's economic future.
- (b) It supported state-ownership of industry.
- (c) It was made by some leading industrialists.
- (d) It supported strongly the idea of planning.

**Answer:** (a) It was a blueprint for India's economic future.

2. Which of the following ideas did not form part of the early phase of India's development policy?

- (a) Planning
- (b) Liberalisation
- (c) Cooperative farming
- (d) Self sufficiency

**Answer:** (b) Liberalisation.

3. The idea of planning in India was drawn from

- (a) The Bombay plan
  - (b) Experiences of the Soviet bloc countries
  - (c) Gandhian vision of society
  - (d) Demand by peasant organisations
- (i) (b) and (d) only
  - (ii) (d) and (c) only
  - (iii) (a) and (b) only
  - (iv) All the above

**Answer:** (iv) All of the above.

4. Match the following:

(a) Charan Singh	(i) Industrialization
(b) PC Mahalanobis	(ii) Zoning
(c) Bihar Famine	(iii) Farmers
(d) Verghese Kurien	(iv) Milk Cooperatives

**Answer:** (a)-(iii), (b)-(i), (c)-(ii), (d)-(iv)

### **5. What were the major differences in the approach towards development at the time of Independence? Has the debate been resolved?**

**Answer.** At the time of independence, development was about becoming more like the industrialised countries of the West, to be involved with the break down of traditional social structure as well as rise of capitalism and liberalism.

1. Modernisation referred to growth, material progress and scientific rationality.
2. India had two models of modern development at the time of independence into considerations to be adopted i.e. the liberal capitalist model like Europe and the US and the socialist model like the USSR.
3. A debate had been occurred regarding adoption of model of development as communists, socialists and Pt. J.L. Nehru supported the socialist model to reflect a broad consensus to be developed during national movement.
4. Above mentioned intentions cleared that the government made the priority to poverty alleviation alongwith social and economic redistribution.
5. At the same time, these leaders differed and debated:
  - (a) Industrialisation should be the preferred path or
  - (b) Agricultural development should take place or
  - (c) Rural poverty should be alleviated.

### **6. What was the major thrust of the First Five Year Plan? In which ways did the Second Plan differ from the first one?**

**Answer:** The First Five Year Plan was commenced in 1951 to be drafted by Young Economist K.N. Roy with the emphasis on poverty alleviation. Its main thrusts were as follows:

1. To invest in dams and irrigation to improve agricultural sector with the urgent attention.
2. Huge allocations were made for large scale projects like Bhakra-Nangal Dam.
3. It focused on land reforms for the development in rural areas.
4. It aimed to increase level of National Income.

The first five year plan differed from the second five year plan:

- (a) The Second Five Year Plan stressed on heavy industrialisation.
- (b) Second Five Year Plan wanted to bring quick structural transformation in all possible directions in place of slow and steady growth like First Five Year Plan.

### **7. What was the Green Revolution? Mention two positive and two negative consequences of the Green Revolution.**

**Answer:** Green Revolution was introduced to bring about revolutionary changes in agriculture especially in foodgrains like wheat and rice to increase production through high yielding varieties of seeds, fertilisers and scientific irrigation—

1. The government offered high yielding varieties of seeds, fertilizers, pesticides and better irrigation facilities at subsidised prices to farmers.
2. The government fixed the prices also to purchase the produce of farmers at a given price.

Positive Consequences:

- (i) In many parts, the stark contrast between the poor peasantry and the landlords produced conditions favourable for left wing organisations to organise the poor peasants.

(ii) It resulted in the rise of what is called the 'Middle peasant sections' who were farmers with medium size holdings who benefitted from the changes and soon emerged politically influential in many parts of country.

Negative Consequences:

(i) This created a stark contrast between the poor peasantry and the landlords.

(ii) It delivered only a moderate agricultural growth i.e. a rise in rice and wheat production by raising availability of foodgrains in country. On the other hand it increased polarisation between the classes and regions like Northern States

i. e. Punjab, Haryana, West-UP become agriculturally rich but others remained backward.

### **8. State the main arguments in the debate that ensued between industrialisation and agricultural development at the time of the Second Five Year Plan.**

**Answer:** At the time of Second Five Year Plan, some controversial issues rose in reference of relevancy of agriculture over industry.

1. Second Five Year Plan emphasised on industry in place of agriculture or rural India.

2. J.C. Kumarappa, a Gandhian Economist proposed an alternative blueprint to emphasise on rural industrialisation.

3. Bharatiya Lok Dal leader, Chaudhary Charan Singh also commented that the planning leading to creation of prosperity in Urban and industrial sections at the cost of rural welfare.

Others debated that without an increase in industrial sector poverty could not be alleviated:

(i) India planning did not have an agrarian strategy to boost the production of food grains.

(ii) It also proposed programmes of community development and spent large sums on irrigation project and failure was not that of policy but of its non-implementation because of the politics of land owning classes.

(in) Besides, they also argued that every if the government had spent more money on agriculture it would not have solved the massive problem of rural poverty.

### **9. "Indian policy makers made a mistake by emphasising the role of state in the economy. India could have developed much better if private sector was allowed a free play right from the beginning". Give arguments for or against this proposition.**

**Answer:** No, the above statement is not perfectly true because state's intervention was mandatory to regulate country's economy after independence immediately. India did not follow either capitalist model of development or socialist model completely. Instead she adopted the model of 'mixed economy' to be criticised from the right and the left:

(i) Private sector lacked enough space and stimulus to grow.

(ii) Licensing and permits for investment in private sector created hurdles for private capital accumulation.

(iii) The state control beyond the limits led to inefficiency and corruption. State control was emphasised:

1. State helped the private sector to make profits by intervening only in those areas where the private sector was not prepared to go.

2. Instead of helping the poor, the states intervention ended up creating a new class that enjoyed the privileges of higher salaries without much account-ability.

### **Q10. Read the following passage:**

**"In the early years of Independence, two contradictory tendencies were already well advanced inside the Congress Party. On the one hand, the national party executive endorsed socialist principles of state ownership, regulation and control over key sectors of the economy in order to improve productivity and at the same time curb economic concentration. On the other hand, the national Congress government pursued liberal economic policies and incentives to private investment that was**

justified in terms of the sole criterion of achieving maximum increase in production”.

—Francine Frankel

(a) What is the contradiction that the author is talking about? What would be the political implications of a contradiction like this?

(b) If the author is correct, why is it that the Congress was pursuing this policy? Was it related to the nature of the opposition parties?

(c) Was there also a contradiction between the central leadership of the Congress party and its state level leaders?

**Answer:** (a) The author is talking about contradiction regarding adoption of development models either socialist or capitalist. Political implications of this contradiction may result the differences among party members itself and government can issue licensing and permits in more complicated manner.

(b) Congress was pursuing this policy as a sole criterion of achieving maximum increased in production. Yes, it was related to the nature of opposition parties to be pursued liberal economic policies and incentives to private investment.

(c) No, there was not a contradiction between the central leadership of the Congress Party and its state level leaders because state emphasised on states’ ownership, regulation and control over key sectors improve productivity whereas control leadership pursued liberal economic policies and incentives to private investment.

## MORE QUESTIONS SOLVED

### Very Short Answer Type Questions [ 1 Mark]

#### 1. Who was the founder of Indian Statistical Institute?

**Answer:** P.C. Mahalanobis to initiate Second Five Year Plan to support industrialisation and positive role of public sector.

#### 2. What is ‘Left’ and ‘Right’ in politics?

**Answer:** These refer to position of concerned party in the group. The left signifies to favour the poor and downtrodden section of society through government politics whereas the ‘Right’ favours free economy in the market not to be intervened unnecessarily by the government.

#### 3. What is ‘Development’?

**Answer:** Development refers to the process of improving living standard of country people and economic level in reference of industrialisation and modernisation to be judged by the improvements in the quality of life.

#### 4. Mention the primary responsibilities of India immediately after independence.

**Answer:** 1. Development of agriculture  
2. Poverty alleviation of rural and urban level both.  
3. Social and economic redistribution.

#### 5. Why did India adopt planning?

**Answer:** Because:  
1. To bring a socio-economic changes.  
2. It was to provide a controlled and faster growth rate.  
3. To resolve contradictions between societies.

#### 6. What is composition of Planning Commission of India?

**Answer:** 1. It consists Prime Minister as its Chairman.  
2. Some ministers or incharges of economic portfolios.  
3. The members of Planning Commission have a high public image alongwith an

administrative and educational background.

### **7. Mention the various interests associated with Orissa Reserved Iron Resource.**

**Answer:** The reserved iron resource of Orissa is an important investment destination due to rise a global demand of Iron. The state government signed Memorandum of Understanding (MoU) with both international and domestic steel makers in order to bring in capital investment and employment opportunities.

### **8. What are the key conflicts associated with Orissa reserved Iron Resources?**

**Answer:** 1. These iron resources lie in some most underdeveloped and predominant tribal districts.  
2. Tribal population feared that the setting up of industries would mean displacement from their name and livelihood.  
3. The environmentalist feared to be polluted the environment due to mining and industrial activities.

### **9. What was Bombay Plan?**

**Answer:** Bombay Plan was drafted in 1944 in the want of states to take major initiatives in industrial and other economic investment through a joint proposal of a section of the big industrialist for setting up a "Planned Economy".

### **10. What are the objectives of planning?**

**Answer:** 1. To make economy self reliant and self generating through planned strategies.  
2. To activate distributive justice among various sectors of economy.

### **Very Short Answer Type Questions [2 Marks]**

#### **1. Differentiate between the main objectives of the First and Second Five Year Plans.**

**Answer:** 1. Objectives of First Five Year Plan:

- (a) It focused on land reforms for the development in rural areas.
- (b) It aimed to increase level of National Income.

2. The First Five Year Plan differed from the Second Five Year Plan:

- (a) The second five year plan stressed on heavy industrialisation.
- (b) Second five year plan wanted to bring quick structural transformations in all possible directions in place of slow and steady growth like first five year plan.

#### **2. Differentiate between the capitalist and socialist models of development.**

**Answer:** The capitalist model of development refers to the strategies in which the private sectors are prioritised in place of social welfare whereas socialist model of development aims at public sector and planning to establish egalitarian society.

#### **3. What is meant by decentralized planning?**

**Answer:** Decentralized planning is designed to involve the peoples through voluntary citizens organisation in making plans at the panchayats, blocs and districts level. Its example is the 'Kerala Model'.

#### **4. Highlight the two areas on which the First Five Year Plan focused.**

**Answer:** The first five year plan was commenced in 1951 to be drafted by young economist K.N. Raj with the emphasis on poverty alleviation. Its main thrusts were as follows:

- 1. To invest in dams and irrigation to improve agricultural sector with the urgent attention.
- 2. Huge allocations were made for large scale projects like Bhakra-Nangal Dam.

#### **5. Which are the two models of development? Which model of development was adopted by**

## India?

**Answer:** Two models of development are the capitalist and socialist models of development, India adopted the elements from both these models together to be known as "Mixed Economy".

## 6. What were the fears of tribal population of Orissa and environmentalist about setting up industries in tribal areas?

**Answer:** 1. These iron resources lie in some most underdeveloped and predominant tribal districts.  
2. Tribal population feared that the setting up of industries would mean displacement from their home and livelihood.  
3. The environmentalists feared to be polluted the environment due to mining and industrial activities.

## 7. What is the meaning and importance of economic planning in Indian context?

**Answer:** Economic planning in India refers do a systematic regulation of economic activities by government to reduce the wastage of time and resources:

1. Economic planning helps to achieve national goals in a continuous process of development.
2. It is a rational process to associate with the future needs and goals to evaluate alternate proposals also.

## 8. What was Kerala Model?

**Answer:** Kerala model is an example of decentralised planning at the state level:

1. It is the initiative taken by Kerala for planning and development strategies.
2. It targeted on education, health, land reform, effective food distribution and poverty alleviation.
3. Kerala model initiated to implement Panchayati Raj, blocs and district level of government.

## 9. Which state was prone to food crisis in the early years of independence?

**Answer:** Bihar was prone to food crisis in the early years of independence

1. It was due to a near famine situation.
2. The food shortage was very much acute in all districts of Bihar.
3. Food shortage led to acute and widespread malnutrition.
4. The zoning policies of government prohibited trade of food across states, which reduced availability of food in Bihar.

## 10. Who was J.C. Kumarappa?

**Answer:** 1. J.C. Kumarappa was originally known as J.C. Cornelius.  
2. He was an economist and chartered accountant.  
3. He was the follower of Mahatma Gandhi to apply Gandhian Principles of Economic Policies.  
4. He was the author of 'Economy of Permanence' and a member of planning commission.

## 11. What is Plan Holiday?

**Answer:** 1. Plan Holidays is a gap between two five years plan, i.e. 1979-1980 and 1990-92.  
2. It was a stop gap arrangements by the provisions of annual plans.  
3. Plan holidays took place due to change in government to be locked in development-goals and priorities etc.  
4. Those five year plans were supposed to be reviewed and changed by the succeeding government.

## 12. What results were revealed by Planned Economy?

**Answer:** 1. Big industrialists continued to benefit.

2. The land owning classes became politically powerful.
3. Land reforms could not take place effectively.
4. The early initiatives for planned development were realising the goals of economic development.

### **13. Which methods were used to implement the development process in a mixed economy?**

- Answer:**
1. Planning and governmental regulation to control economy.
  2. Licensing, subsidies, progressive taxing, price control and reforms etc. were also implemented.
  3. To make a significant role of public sector.
  4. To ensure a political democracy.

### **14. What is 'Mixed Economy'?**

- Answer:** Mixed economy is an economy to co-exist private and public sector both:
1. Both the sectors work within invisible lands of market forces and visible lands of planning set by government.
  2. 'State own' means of production to aim social welfare and 'private own' means of production to be regulated by states.

### **15. How did Indian lay down the foundation of future economic growth?**

- Answer:**
1. Some of the largest developmental projects in India's history were undertaken during this period to include mega dams like Bhakra- Nangal and Hirakud for irrigation and power generation.
  2. Heavy industries were started in the public sector like steel plants, oil refineries, manufacturing units and defence production etc.
  3. Infrastructure and communication were also improved.

### **Short Answer Type Questions [4 Marks]**

#### **1. Explain any two merits and two demerits each of the Green Revolution.**

**Answer:** Two Merits of the Green Revolution:

- (i) The Green Revolution ensured food sufficiency in the country. In many parts, the stark contrast between the poor peasantry and the landlords produced conditions favourable for left wing organisations to organise the poor peasants.
- (ii) The Green Revolution resulted in the rise of middle peasant sections. These were farmers with medium size holding, who benefited from the changes and soon emerged politically influential in many parts of the country.

Two Demerits of the Green Revolution:

- (i) The Green Revolution delivered only moderate agricultural growth and raised the availability of food in the country but also increased polarisation between classes and regions.
- (ii) Some regions like Punjab, Haryana and Western UP became agriculturally prosperous while others remained backward.

#### **2. List any two merits and two demerits of Green Revolution.**

**Or**

#### **What is Green Revolution? Highlight any two of its effects?**

**Answer:** Green Revolution was introduced to bring about revolutionary changes in agriculture especially in foodgrains like wheat and Rice to increase production:

1. Production was increased by the use of high yielding varieties of seeds.
2. Scientific irrigation and fertilisers were also applied.

Merits of Green Revolution:

- (a) The government offered various irrigational facilities at a subsidised prices.
- (b) It resulted in the rise of 'Middle Peasant Section' who soon emerged politically influential.

Demerits of Green Revolution:

- (a) This created a stark contrast between the poor peasantry and the landlords.
- (b) It increased polarisation between the classes and regions like northern states i.e. Punjab, Haryana, West UP, became agriculturally rich but other remained backward.

### **3. How was Planning Commission of India : set up? Mention its scope of work.**

**Answer:** Planning Commission was set up as:

- 1. It consists Prime Minister as its chairman.
- 2. Some ministers or incharges of economic portfolios.
- 3. The members of planning commission have a high public image alongwith an administrative and educational background.

Its scope of work:

- 1. To bring socio-economic change.
- 2. It was to provide a controlled and faster growth rate.
- 3. To resolve contradictions between societies.

### **4. describe the main functions of planning commission of India.**

**Answer:** Planning commission was set up in 1950 by a cabinet resolution as an extra constitutional body:

- 1. It look advisory in nature but it is very powerful to be known as economic cabinet of country.
- 2. Planning commission prepares a document to have plan for income and expenditure for five year plans.
- 3. Planning commission prepares strategies to provide adequate means of livelihood for every man and woman.
- 4. It also ensures not to concentrate wealth and means of production into few hands only.

### **5. What was the protest against Posco plants in Orissa?**

**Answer:** In Orissa, Posco is the state plant. The government of Orissa signed a Memorandum of understanding (MoU) with Korean Company for enhancement of the plant. But this displaced many workers working in the plant.

Hence, the workers demonstrated outside Korean Company's office to cancel the memorandum. This demonstration was organised by Rashtriya Yuva Sanghata and Navmirmana Samithi.

### **6. Which part of constitution helps the planning commission to ensure socio-economic justice?**

**Answer.** The directive principles of state policy ensure the welfare through securing and protecting them from any kind of social, economic and political industries:

- 1. Men and women equally have the right to adequate means of livelihood.
- 2. Prevent concentration and means of production into the few hands only.
- 3. Equal distribution of resources.

### **7. What do you know about land reforms in India during planning period?**

**Answer:** 1. Zamindari system was abolished to release land from big landlord who were least interested in agriculture.

2. Lands were consolidated to bring small pieces together to increase the farm size.

Drawbacks:

- 1. Despite a 'ceiling', people with excess land managed to violate the laws.
- 2. The tenants, who worked on someoneelse's land were given greater legal security which rarely implemented.
- 3. Landowners were very powerful and wielded considerable political influence.

## 8. What is meant by White Revolution in Gujarat?

**Answer:** The White Revolution in Gujarat was started by 'Varghese Kurien' known as milkman of India to launch Gujarat Cooperative Milk and Marketing Federation Ltd., which further launched 'Amul'.

Amul is a dairy cooperative movement based in 'Anand' town of Gujarat to become a unique appropriate model for rural development and poverty alleviation.

### Passage Based Questions [5 Marks]

1. Read the passage given below carefully and answer the questions:

It was in Bihar that the food-crisis was most acutely felt as the state faced a near-famine situation. The food shortage was significant in all districts of Bihar, with 9 districts producing less than half of their normal output. Five of these districts, in fact, produced less than one-third of what they produced normally. Food deprivation subsequently led to acute and widespread malnutrition. It was estimated that the calorie intake dropped from 2200 per capital per day to as low as 1200 in many regions of the state (as against the requirement of 2450 per day for the average person.). Death rate in Bihar in 1987 was 34% higher than the number of deaths that occurred in the following year. Food prices also hit a high in Bihar during the year, even when compared to other states. For wheat and rice the prices in the state were twice or more than their prices in more prosperous Punjab. The government had 'hoarding' policies that prohibited trade of food across states\* which reduced the availability of food in Bihar dramatically. In situations such as this, the poorest sections of the society are most affected.

#### Questions

1. What is food-crisis?
2. What were the reasons of food crisis in Bihar?
3. What do you understand by 'Zoning' policies of government?

#### Answer:

1. When any state or country face the problem of insufficiency of food in the region or food shortage is known as food crisis.
2. (i) Famine situation occurred there.  
(ii) Food prices also hit a high in Bihar than other states.  
(iii) Government policies of 'Zoning' also caused it.
3. Zoning policies of government prohibit trade of food across the states which reduced the availability of food in Bihar.

2. Read the passage given below carefully and answer the questions:

**Decentralized Planning:** It is not necessary that all planning always has to be centralised; nor is it that planning is only about big industries and large projects. The 'Kerala model' is the name given to the path of planning and development charted by the State of Kerala. There has been a focus model on education, health, land reform, effective food distribution, and poverty alleviation. Despite low per capita incomes, and a relatively weak industrial base, Kerala achieved nearly total literacy, long life expectancy, low infant and female mortality, low birth rates and good access to medical care. Between 1987 and 1991, the government launched the New Democratic Initiative which involved campaigns for development (including total literacy especially in science and environment) designed to involve people directly in development activities through voluntary citizens' organisations. The State has also taken initiative to involve people in making plans at the Panchayat, block and district level.

#### Questions

1. What is meant by decentralisation?
2. Which state is the best example for this?
3. Which methods were used by state of Kerala for decentralisation?

**Answer:**

1. Decentralisation shares the powers even among the states and its subordinate units to run the administration in efficient manner i.e. at the Panchayats, blocs and district level.
2. Kerala which is known as 'Kerala Model' also.
3. 1. Campaigning for development especially in Science and environment.  
2. To involve people in making plans at Panchayat, blocs and district level.

**Long Answer Type Questions [6 Marks]**

**1. What was Green Revolution? Mention its any two positive and two negative consequences.**

**Answer:** Green Revolution was introduced to bring about revolutionary changes in agriculture especially in foodgrains like wheat and rice to increase food production through high yielding varieties of seeds, fertilisers and scientific irrigation. Positive Consequences:

1. In many parts, the stark contrast between the poor peasantry and the landlords produced conditions favourable for left wing organisations to organise the poor peasants. It resulted in the rise of what is called the 'Middle Peasant Sections' who were farmers with medium size holdings who benefitted from the changes and soon emerged politically influential in many parts of country. Negative Consequences:  
(i) This created a stark contrast between the poor peasantry and the landlords.  
(ii) It delivered only a moderate agricultural growth i.e. a rise in rice and wheat production by raising availability of foodgrains in country. On the other hand it increased polarisation between the classes and regions like Northern States i. e. Punjab, Haryana, West-U.P. became agriculturally rich but others remained backward.

**2. Explain the main arguments in the debate that ensued between industrialisation agricultural development at the time of second five year plan.**

**Answer:** At the time of second five year plan, some controversial issues rose in reference of relevancy of agriculture over industry:

1. Second five year plan emphasised on industry in place of agriculture or rural India.
2. J.C. Kumarappa, a Gandhian Economist proposed an alternative blueprint to emphasise on rural industrialisation.
3. Bharatiya Lok Dal leader, Chaudhary Charan Singh also commented that the planning was leading to creation of prosperity in Urban and industrial sections at the cost of rural welfare. Others debated that without an increase in industrial sector poverty could not be alleviated:  
1. India planning did not have agrarian strategy to boost the production of foodgrains.  
2. It also proposed programme of community development and spent large sums on irrigation projects and failure was not that of policy but of its non-implementation because of the politics of land owning classes.  
3. Besides they also argued that even if the government had spent more money on agriculture, it would not have solved the massive problems of rural poverty.

**Picture/Map Based Questions [5 Marks]**

**Al. Study the picture given below and answer the questions that follow:**



### Questions

1. What message does the cartoon convey?
2. Name the person who is making efforts to balance both the sectors.
3. How was both these sectors balanced?

### Answer:

1. Cartoon is trying to make balance between the private and public sector to maintain the growth of an economy adopted by India.
2. Pt. Jawahar Lai Nehru, the then Prime Minister of India.
3. Pt. Nehru made a balance between both the sectors by adopting the model of mixed economy to co-exist the private and public sector.

### 2. Study the picture given below and answer the questions that follow:



### Questions

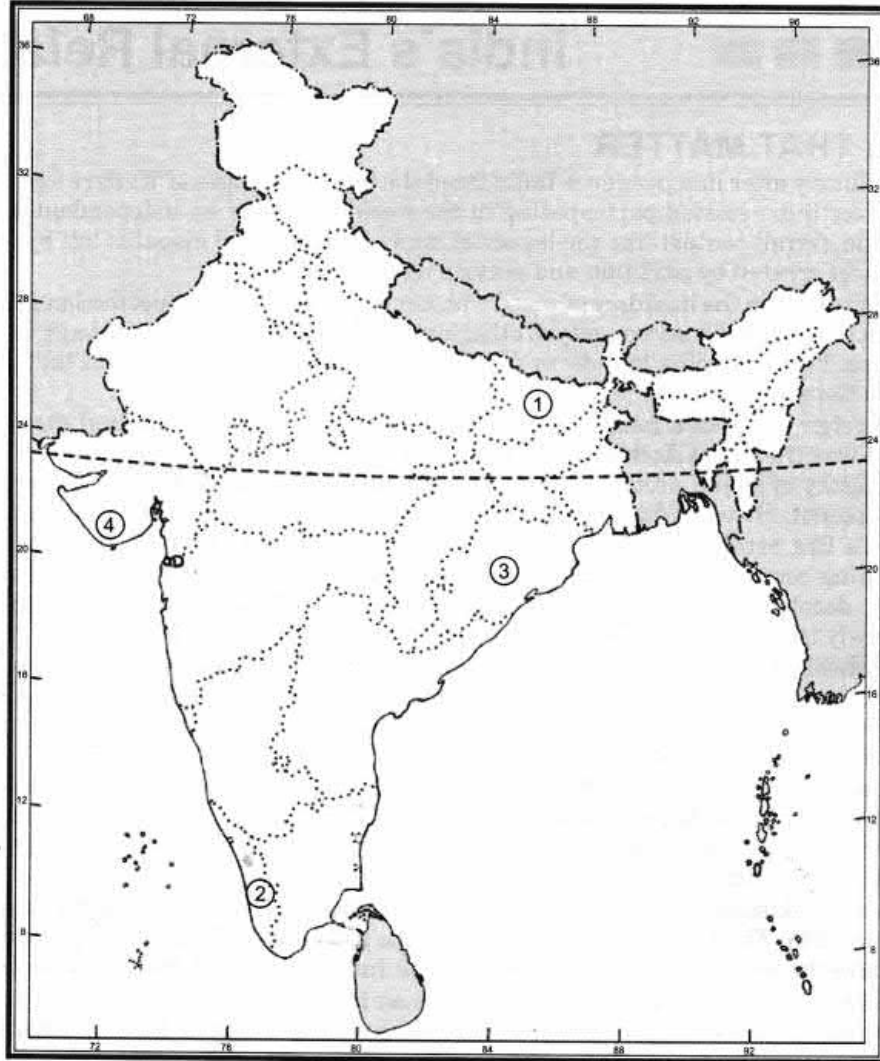
1. About which state the clipping is talking about?
2. What is food-crisis?
3. What were the main reasons for food- crisis?
4. Is India now sufficient in food production?

### Answer:

1. Bihar
2. Food crisis is unavailability of sufficient food or food shortage.
3. (i) High prices of food items.  
(ii) Zoning policy of government.
4. Yes, due to Green Revolution foodgrain production has been increased upto maximum extent.

### B. On a political outline map of India locate and label the following and symbolise them as

indicated:



### Questions

1. The state prone to food crisis during independence days!
2. The state adopted decentralisation.
3. The state where people protested against POSCO plants.
4. The state where White Revolution took place.

### Answer:

1. Bihar 2. Kerala
3. Orissa 4. Gujarat