

Q No → Explain the main characteristics and importance of Indian Economic planning?

Ans.

"Economic planning is the collective control or suppression of private activities of production and exchange." (Robbins)

Prof. Wootton - "Economic planning is a system in which the market mechanism is deliberately manipulated with the object of producing a pattern other than which would have resulted from its spontaneous activity."

\* The main characteristics of Economic planning are as follows:—

(a) Continuous process: → Economics planning is a continuous process. After the completion of plan, another plan is formulated and this process continues consecutively.

(b) Definite period → A plan has a definite period. While preparing a plan, targets are fixed for the plan period. If the targets are achieved during the plan period the plan is considered as successful. Generally, plans are prepared for the long period and divided further into various short periods. In India, usually plans are prepared for five years.

(c) A system of Economic organisation → Economic planning is a system of economic organisation wherein different people, industries and industrial institutes are run as a co-ordinated unit.

(d) Central Control and Interference → A central authority is set up particularly in communist or socialist countries for the purpose of economic planning. This authority maintains a balance between demand and supply in the country through interfering in the market mechanism.

(e) Pre-determined objectives → The central planning authority (Indian Planning Commission in case of India) determines the objectives of planning keeping in view the socio-economic political conditions of the country. The emphasis is given on the achievement of pre-determined objectives while implementing the plan.

(f) Determination of Targets → The physical and financial targets are determined for attaining the objectives of planning. Efforts are made to achieve the fixed targets in a pre-determined period.

(g) Allocation and use of Resources: → All available resources, be it physical, financial or human resources, are put under control of the government or the planning authority. After having conducted comprehensive survey of whole resources, these are allocated and used for determined objectives.

(h) Plan for the whole economy → Generally, economic plans are prepared for the whole economy. Plans are prepared for the different sectors of the economy such as agriculture, industry, transport, trade, social sector, infrastructure etc. An integrated plan for the country is prepared on the basis of sectorial plans. This plan is implemented in the whole economy. Some of the countries have also adopted partial planning but it has little possibility of success.

- (i) Structural changes.
- (j) public co-operation
- (k) maximum social welfare