

Economic Planning



Need for Planning

What is Economic Planning?

- ❖ Economic planning is the making of major economic decision:
 - What and how much is to be produced,
 - And to whom it is to be allocated
- ❖ This decision is taken by a determinate authority on the basis of a comprehensive survey of the economic system as a whole

Definitions of Economic Planning

- ❖ Some of the definitions of Economic Planning are:
- ❖ **Professor Robbins** defines economic planning as *“collective control or supervision of private activities of production and exchange.”*
- ❖ To **Hayek**, planning means, *“the direction of productive activity by a central authority”*
- ❖ According to **Dr. Dalton**, *“Economic planning in the widest sense is the deliberate direction by person’s in charge of large resources of economic activity towards chosen ends.”*

Major Features of Economic Planning

- It is concerned with survey and diagnosis of the present economic scenario
- It defines policy and objectives to be achieved in future
- It presents a macroeconomic projection for the whole economy

Major Features of Economic Planning

- It formulates strategies through which objectives are to be achieved
- It guides and directs the economy along with the path of growth and development
- It creates productive capacity in the country

Need for Economic Planning

The factors, which emphasize the need for economic planning in India, are as follows:

- To attain steady economic development in a free market economy
- To remove unemployment, poverty and inequalities among people.
- To provide infrastructural facilities such as banking, power, water, transport and communications

Need for Economic Planning

- To allocate resources properly between present and future needs.
- To attain balanced regional development

Thank You