

# Planning in India



*Strategy and Technology of Indian Planning*

*Part B*

# Nehru-Mahalanobis Strategy

- ❖ This strategy was based on the two sector model, that is, consumer good sector and capital good sector
- ❖ The strategy emphasised investment in heavy industry to achieve industrialisation for rapid economic development
- ❖ It was based on the Russian experience

# Nehru-Mahalanobis Strategy

- ❖ The objective was to become self-reliant and overcome capital constraint
- ❖ This strategy was adopted in the 2nd Five Year Plan and with minor modifications, up to the 5th Plan
- ❖ It was a long-term strategy

# Nehru-Mahalanobis Strategy

- ❖ The Mahalanobis strategy called for larger role for public sector because of two reasons
- ❖ Private Sector was not mature enough to undertake the responsibility.
- ❖ It was feared that opening industries to private sectors could lead to concentration of wealth in private hands.

# Gandhian Strategy

- ❖ It was enunciated by Acharya Shriman Narayan Agarwal in his 'Gandhian Plan' in 1944
- ❖ The basic objective of the Gandhian Model is to raise the material as well as cultural level of the masses so as to provide a basic standard of life

# Gandhian Strategy

- ❖ It laid emphasis on scientific development of agriculture and rapid growth of cottage and village industries
- ❖ Moreover, Gandhian Strategy emphasised on employment oriented planning rather than production oriented planning of Nehru

# LPG Strategy

- ❖ Liberalisation, Privatisation and Globalisation (LPG) strategy of planning was introduced by the Finance Minister, Dr Manmohan Singh under Narasimha Rao Government.
- ❖ The strategy ended the “license-permit-raj” and opened the hitherto areas reserved for the public sector to private sector
- ❖ It allowed for foreign direct investment and followed an export promotion policy to boost economic growth

# LPG Strategy

- ❖ In all, it changed the nature of planning from centralised to “indicative”, wherein planning was to play a facilitating role
- ❖ It is also referred to as planning by inducement as against imperative planning

Thank You