

## CHAPTER-5

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## 5.1 Historical Review of Planning Commission

**Planning Commission** states, “Planning is not once for all exercise for five year period , it requires a continual watch on current or incipient trends, systematic observation of technical , economic and social data , and adjustment of programmes in the light of new requirements.”

The constitute of India pronounced Directive Principles of State Policy, which though not enforceable by any court are fundamental in the governance of the country and it shall be duty of the state to apply these principles in making laws. Article-38 and Article 39 (a),(b) & (c) are cited in the resolution of 15'th March,1950 by which the Planning Commission was set up. These principles are :

-The state shall strive to promote the welfare of the people by securing and protecting as effectively as it may.

-The state shall direct its policies towards securing ,

a)men and women equally have the right to an adequate means of livelihood.

b)equal distribution of ownership and control of material resources of the community.

c)free and compulsory education to all children below 14 years.

d) to promote with special care the educational and economic interests of weaker sections of the society.

In short , Planning in India has following main objectives which has been adopted in 1954's by The Parliament-

-The objective of economic policy should be Socialistic Pattern of Society and

-Tempo of economic activity in general and industrial development in particular should be stepped up to the maximum possible extent. And eventually Five Year Plans have started since 1951 to till date

## 5.2 Objectives of Economic Planning in India:

Jawaharlal Nehru , the architect of planning in India , in his one of the speech stated that , there are so many things we want to do in India , and we want to do them quickly and more passionately. The question of finding proper way to reach a certain goal becomes important. This is because India is having some regional variation in all parts of it. So managing a paradox becomes a skillful job while forming a policy planning.

The directive principles are an expression of the will of the people for economic growth .Consequently, the Government should adopt planning as a means for fostering economic development. An unplanned society what achieves in long period , a planned society should be able to achieve the same in short period.

Four long term objectives were derived by the economic planners in India are,

i)to increase production to the maximum possible extent so as to achieve higher level of national and per capita income.

ii)to achieve full employment.

iii)to reduce inequalities of income and wealth

and

iv)to set up a socialist society based on equality and justice and absence of exploitation.

So the basic aim of economic planning in India is to bring about rapid economic growth through the development of agriculture, industry , power , transportation and communications, and all other sectors of the economy. Economic growth should also include improvement in physical quality of life , consistency of life expectancy , infant mortality and literacy.

### **5.3 Review of First to Third Five Year Plans:**

Although the guiding principles of India's Five Year Plans are provided with the basic objectives of growth , employment , self reliance and social justice. Apart from these objectives each five year plan takes into consideration the new constraints and possibilities which would be faced during the period and attempts to make the necessary directional changes and emphasis.

#### **5.3.1 Approach to First Five Year Plan**

At the time of First Five Year Plan (1951-56) India was faced with 3 main problems

- Intake or influx of refugees ,
- severe food shortage            and
- mountaining inflation.

And other main constraints that Indian Economy had faced was to correct the disequilibrium in the economy caused by II World War and the partition of the country.

Accordingly the First Five Year Plan emphasised as its immediate objectives was ,

- rehabilitation of refugees
- attain self sufficiency in Foods' within possible shortest time period.

And

- Control over growing inflation.

I n another approach to the First Five Year Plan which expressed clearly long term objectives or goals of economic planning in India . These were ,

- Maximum Production in Agricultural and Industrial sector.
- Full employment guarantee.
- the attainment of economic equality or social justice which forms the

accepted objectives of planning under current conditions.

#### **5.3.2 Approach to Second Five Year Plan .**

The basic theme of the Second Five Year Plan was “rapid industrialisation with particular emphasis on the development of basic and heavy industries.”

The Second Plan was seems to be conceived in an atmosphere of economic stability. A lookout over First Plan shows whatever agricultural targets fixed in the First Plan had been achieved. Price level had registered a downfall trend and consequently it was felt

that Indian Economy had reached a stage where agricultural sector could be assigned a lower priority and forward thrust to be made in heavy and basic industries , for rapid and advanced growth in economy.

The basic philosophy of Second Five Year Plan was , therefore to give a big push to the economy so that it could enter in take-off stage. As a consequence of this the Government had announced its Industrial Policy in 1956. The plan laid a special emphasis on increased production of Iron , Steel , Heavy Chemicals and including nitrogenous fertilizers. Subsequently the development of heavy engineering and machine building industry was also keenly concentrated.

### **5.3.3. A Lookout on Third Five Year Plan.**

This plan was designed under the guidance of Mr. Ashok Mehta, who himself holds the Ministry of Planning during 1961-66.

During the beginning of Third Plan (1961-66) the Indian Planners felt that the Indian Economy had entered in the “take-off stage”. And during the period of first and second five year plans economist had generated an institutional structure needed for rapid economic development.

Consequently the motto of Third Five Year Plan was a “self reliant and self generating economy.”

The working experience of Second Plan had also revealed that the rate of growth of agricultural production was the main limiting factor in India’s economic development. This has also experienced that agriculture should be assigned top priority.

So Third Plan had been given a top priority to agricultural sector but along with it laid down emphasis on the development of basic industries which were vitally necessary for rapid economic development of the country. But because of India’s conflict with China in 1962 and Pakistan in 1965 had changed the approach of the Third Plan from “Development to Defence and Development”

## **5.4 Detail Scenario Of Foruth Five Year Plan:**

Period :1969 to 1974.

Members of the Planning Commission :

- 1)Indiraji Gandhi -Chairman
- 2)Dr.D.R.Gadgil -Deputy Chairman
- 3)R.Venkataraman -Member
- 4)B. Venkatappaih -Member
- 5)Pitambar Pant -Member
- 6)B.D.Nagchaudhari -Member
- 7)B.D.Pande -Secretary (Aug-1967 to Feb-1970)
- 8)A.Mitra -Secretary (Feb-1970 onwards)

### **5.4.1 History**

The original draft outline of the Fourth Five Year Plan was prepared in 1966 under the guidance Mr.Ashok Mehta, who was Dy. Chairman of Planning Commission till 01-09-1967. But the said plan had been abandoned on account of drought , devaluation of rupee and inflationary recession.

So pressure on economist had been exerted to draw a Annual Plans instead of Five Year Plans. And accordingly three Annual Plans were taken place during 1966-69. The period 1966-69 was later called as “Plan Holiday”. Again in 1969 Government had decided to architect and follow a Five Year Planning system. Hence in 1969 a Fcurth Five Year Plan had been put forward under the active participation and editorial guidance of Dr.D. R.Gadgil.

### **5.4.2 Prime Objectives of the Fourth Plan:**

The Fourth Five Year Plan had set before itself the two principle objectives .Which were

- Growth with Stability .
- Progressive Achievement of Self Reliance.

The Fourth Plan had been aimed at an average 5.5% rate of growth in the national income and also provision of national minimum for the weaker sections of the

community – the later came to be derived as the objectives of “Growth with Justice” and “Garibi Hatao”(Removal of Poverty.)

#### **5.4.3 Economic Situation Before Fourth Five Year Plan:**

It would be useful to review and analyse briefly the development till the end of Third Five Year Plan. And to make a managerial assessment of the existed situation before delivering the approach to the Fourth Five Year Plan.

During the Third Plan , National Income had been rosed up by 20% in the first four years of planning period , but at last year it had been registered with decline of 5.6%. In 1966-67 following a severe drought ; national income registered only a nominal increase of 0.9%. However, the record harvest of 1967-68 makes a significant increase in agricultural output and ultimately results in rising national income by 9% that year. As a overall result the estimated national income had been put at 1.8% higher than in previous year. As far as agricultural sector are considered , the performance of agriculture during the first three years of the Third Plan was not satisfactory.

But 1964-65 which was a year of favorable weather conditions; there was record break harvest was raised. But that situation was short-lived because agricultural production was sharply failed due to widespread drought conditions in the year 1966 and 1967..

The slow growth rate in agricultural production had not only depressed the rate of growth of economy but also laid on alarming situation in the dependence and imports of Food grains and other agricultural commodities. During the Third Plan country had imported 25 million tones of Food grains , 3.9 million bales of Cotton and 1.5 million bales of Jute . Despite all these criticals like import of Food grains , low industrial growth rate there were putting severe pressure on prices.

All these advert situations had criticized by the economists , hence there were very keen development of economic policies for Fourth Five Year Plan.

#### 5.4.4 Outline Of The Fourth Five Year Plan:

##### 1. Size of the Plan and Pattern of Outlay:

The total outlay of Rs.24,882 Crore had been envisaged for the Fourth Plan.. Out of these Rs.15,902 Crore was in respect of the Public sector plan. And Rs.8,980 Crore for the Private sector. In the public sector Rs.13,655 Crore had been provided for investment and Rs.2,247 Crore for Current outlay.

The total investment for the creation of productive assets aggregates to Rs.22,635 Crore.

The tabular determination of distribution of the Public and Private Sector outlays under major heads of developments is exhibited in Table 4.1.

**Table 5.1**  
**Plan Outlay**

Sr.No.	Heads of Development	Public Sector		Private Sector	Public + Private Sector		% of Distribution to Total Outlay
		Current Outlay	Investment	Investment	Total Investment	Total Outlay	
1.	Agriculture and Allied Sector	610	2118	1600	3718	4328	17.4%
2.	Irrigation and Food Control	14	1073	---	1073	1087	4.4%
3	Power	--	2448	75	2523	2523	10.1%
4	Village and Small Industries	107	186	560	746	853	3.4%
5	Industry and Minerals	40	3298	2000	5298	5338	21.4%
6	Transport & Communication	40	3197	955	4152	4192	16.8%
7	Education	545	278	50	328	873	3.5%
8	Scientific Research	45	95	--	95	140	0.6%
9	Health	303	131	---	131	434	1.7%
10	Family	262	53	--	53	315	1.3%



	Planning						
11	Water Supply and Sanitation	--	407	--	405	407	1.6%
12	Housing Urban and Regional Development	--	235	2140	2375	2377	9.6%
13	Welfare of Backward Classes	142	--	--	--	142	0.6%
14	Social Welfare	41	--	--	--	41	0.2%
15	Labour Welfare and Craftmen Training	20	20	--	20	40	0.2%
16	Other Programmes	74	118	--	118	192	0.8%
17	Inventories	--	--	1600	16	160	6.4%
	<b>TOTAL</b>	<b>2,247</b>	<b>13,658</b>	<b>8,980</b>	<b>22,635</b>	<b>24,882</b>	<b>100%</b>

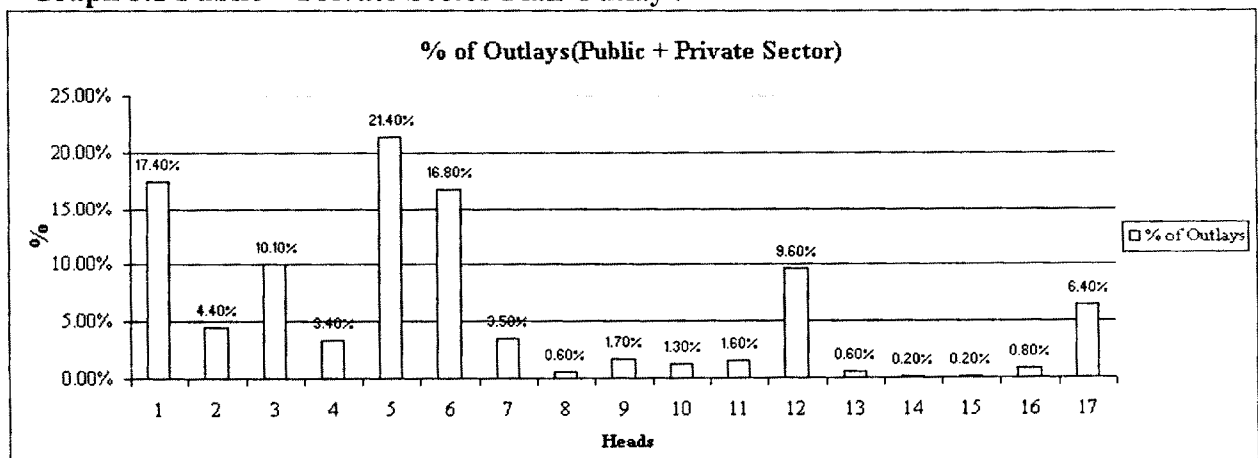
(Sources: Fourth Five Year Plan 1969-74 Report )

### Graph 5.1 Public + Private Sector Plan Outlay

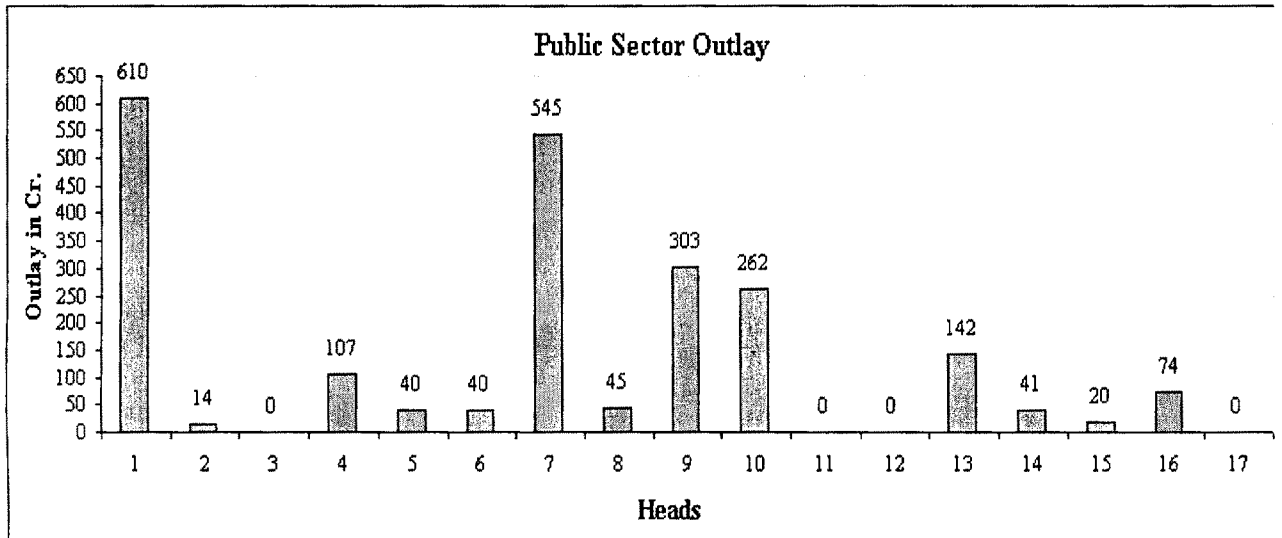
### Graph 5.2 Public Sector Plan Outlay.

### Graph 5.3 Private Sector Plan Investment.

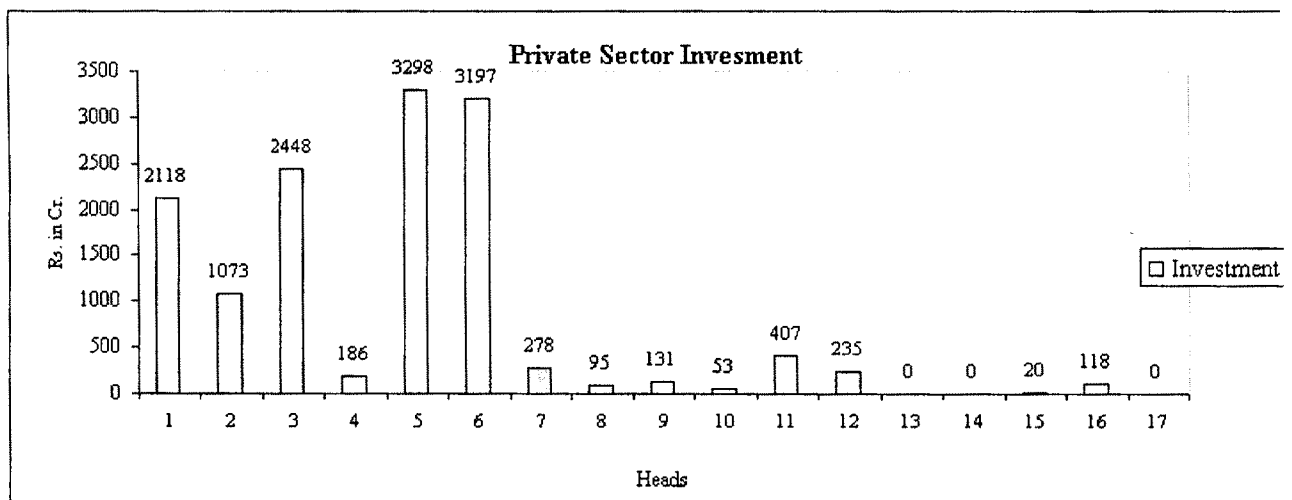
### Graph 5.1 Public + Private Sector Plan Outlay .



**Graph 5.2 Public Sector Plan Outlay**



**Graph 5.3 Private Sector Plan Investment.**



**Observations:**

1)The major quantum of outlay(Public + Private Sector) had been driven to industry, power and transportation which justifies that programmes were conducted to develop basic infrastructure activities in industrial sector.

2)About 21.8 % quantum of total outlay had been deployed to agriculture and allied programmes.

3) Social services including other aspects had occupied a space of 26.5% out of total outlay.

Hence all these figures determine that Fourth Five Year Plan was of Socio-economic base with top priority to industrial sector wherein almost more than 50% of total outlay had been deployed eventually.

#### **5.4.5 Financing The Plan:**

Apart from the general improvement in the economic situation, assessment of resources for the plan had taken into account following major intake.

- I) Award of the Fifth Finance Commission .
- II) The nationalization of 14 major commercial banks and acceleration of their branch expansion and deposit mobilisation particularly in the rural areas.
- III) Reorientation of Investment policies of Life Insurance Corporations and Employees Provident Fund.

The total resources were expected to amount of Rs.24,882 Crore out of which Rs.15,902 Crore would be available for financing a public sector and Rs.8,980 Crore for private investment. All this assessment had been in consultation with the Centre and State Governments, Reserve Bank Of India, LIC, PF Commission and Other undertakings of Central and State Government .

Thus the scheme of financing the Fourth Five Year Plan had been specifically designed to serve the objectives of growth with stability and promote progress towards self reliance .

#### **5.4.6 Fourth Five Year Plan w.r.t. Agriculture:**

The duration of eight years between commencement of the Third Plan and Fourth Plan had been years of great significance for Indian Agriculture.

While evolving a Agriculture Strategy Programmes initially in 1960-61, Intensive Agricultural District Programme (IADP) was started for promotion of deep intensive agriculture. After it, a new version of IADP in 1964-65 was introduced under a

name of Intensive Agricultural Area Programme (IAAP) . It had also main concern of promotion of High Yielding Variety, hybridization techniques for maize and millets was also introduced. In 1967-68 around 6.04 million hectares of land was brought under IAAP; and on the eve of Fourth Five Year Plan total estimation of land was 9.2 million hectares.

As far as agricultural sector in concerned , the Fourth Plan was having two main objectives.

-to provide a conditions necessary for a gradual increase of about 5% per annum over the next ten years.

-to enable as a large section of rural population under agricultural programmes.

Thus the creation of conditions in achieving a 5% growth rate per annum in agriculture was the basic approach of the Fourth Plan.

The specific targets of production corresponding to overall objectives of growth of agriculture was related to the projected growth of per capita income and consumption as well as growth of population too.

The here below showing selected targets of Crop Production for the Fourth Plan.

**Table 5.2**  
**Targetted Crop Production**

Sr.No	Item	Unit	Base Level	Target for Fourth Plan
1.	Food Grains	Million Tones	98	129
2.	Jute	Million Bales	6.2	7.4
3.	Cotton	Million Bales	6	8
4.	Oil Seeds	Million Tones	8.5	10.5
5.	Sugar Cane (& Gur)	Million Tones	12	15

(Sources: Fourth Five Year Plan 1969-74 Report )

Thus from the above table we can observe that around 20% to 30% rise in target to the base level was setup. Although the job was quiet challenging but made successful by deep intensive agriculture programmes.

#### **5.4.7 Financial Outlays:**

Out of aggregate outlay of Rs.2,728 crore , in the public sector programmes of the order of Rs.1,426 crore were in state plan sector. Further a number of programmes in the Central Sector such as Agricultural Research and Agricultural Education were designed

to fill up the gap necessary infrastructure for different schemes in the state plans. A provision of Rs.324 crore was made to support financial institutions , which intended exclusively for state programmes.

Besides these direct plan outlays, investment in agriculture sector was flown from institutional and private sector.

On institutional ground expansion of Agricultural Refinance Corporation and Agro Industries Corporation was envisaged. It was also decided to set a Agricultural Credit Corporation in weaker agricultural credit agency sector.

It was expected in Fourth Plan that in addition to public sector outlay of Rs.2,728 crore, a private investment of Rs.1600 crore would be made in agriculture.

#### **Agricultural Research and Education:**

The Indian Council of Agricultural Research (ICAR) is the apex organization to sponsoring ,co-ordinating and directing agricultural research and education in the country. Around 25 research institutes were brought under ICAR during Fourth Plan.

A sum of Rs.21.5 crore had been allocated in the Fourth Plan to enable ICAR to assist agricultural universities in regards to specified development programmes. During Fourth Plan the important developments envisaged were establishment of Water Technology Center at IARI and Central Soil Salinity Research Institute –Kamal .

A special stress were also put on farmers training and education during the fourth plan.

#### **Agricultural Implements and Machinery:**

Among the institutional arrangements for agricultural implements and machinery, the most crucial element was representation by Agro Industries Corporation . This corporation was working initially in 15 states which were responsible for distribution of tractors , agricultural equipments and spares.

#### **High Yielding Variety Programmes:**

This programme was having crucial importance during Fourth Plan , because out of increase of 31 million tones of food grain projected for plan, a total of 21 million tones was attributed towards this programmes. This was projected to achieve by extension of programme from base level of 9.2 million hectares in 1968-69 to 25 million hectares in 1973-74.

**Agricultural Credit:**

All India Rural Credit Review Committee (1969) had estimated that short term production credit requirement in 1973-74 was in the order of Rs.2,000 crore. And the estimates of medium and long term credit for the Fourth Plan period were Rs.500 crore and Rs.1500 crore respectively.

In the sphere of agricultural credit another significant institute was Agricultural Refinance Corporation.

**Agricultural Pricing:**

In the Fourth Plan efforts had been made to strengthen public and co-operative agencies so as to ensure that purchase operations do infact benefit the primary producers. Food Corporation of India , State Trading Corporations were taking initiatives in safeguarding a benefit of primary producers.

**Agricultural Administration and Statistics:**

Agricultural Statistics are an important tool for agricultural administration and planning. Efforts had been therefore made continuously to improve the quality , content and coverage of agricultural statistics. At present the estimates of acreage under different crops are compiled on the basis of complete field to field data collection by primary reporting agencies in almost all agencies.

**5.4.8 Fourth Plan w.r.t. INDUSTRY and MINERALS:**

Industrial Progress has been remarkably uneven during Third Plan period and annual plan period. The drought situation in 1965 and series of dislocations caused by the hostilities were severely affected industrial sector. e.g The third plan targets for steel and fertilizers were not realized even by 1968-69.

**Table No.5.3 Steel and Fertiliser Targets.**

Item	Target for Third Plan	Achievement
Finished Steel	6.8 million tones	4.7 million tones
Nitrogenous Fertiliser	8.00 lakh tones	5.41 lakh tones

So in order to overcome this situation, steps had been accounted in industrial programmes for Fourth Plan .

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### **Iron and Steel:**

The domestic demand for finished steel and pig iron by 1973-74 was estimated about 7.12 million tones and 1.95 million tones respectively.

Also the production of pig iron was expected to be 3.8 million tones during 1973-74. And export quantum of finished steel was 1.0 million tones and for pig iron was 1.5 million tones.

### **Fertilisers:**

To meet the growing demand of fertilisers , minimum capacity and production target of 3.0 million tones and 2.5 million tones of nitrogen were envisaged .All these needs are coped up with contribution from public as well as private sector institutions.

### **Petrochemical Sector:**

In petrochemicals, the main development envisaged were formation of aromatic project and the naptha cracker project at Koyali in public sector. By implementation of these projects the basic intermediates require for synthetic fibers and synthetic rubber would become available.

### **Petroleum Refinery:**

The demand for petroleum product during Fourth Year was expected to go up to 26 million tones by 1973-74. This pushed us to increase refining capacity . As a result of which two new refineries were set up having capacity of 2.5 million tones per annum. Out of these Madras Refinery was streamlined in 1969-70 and Haldia Refinery was extended till end of 1972.

### **Coal:**

The requirement of Coal in 1973-74 had been estimated at 93.5 million tones. This determines a 25.4 million tones of coking coal and 68.1 million tones of non coking coal. The requirement of coking coal is majorly contributed by the Steel Industry.

**Iron Ore:**

Production of Iron Ore in 1968-69 was about 28 million tones and demand envisaged in 1973-74 was near to 51 million tones. Out of these the demand on account of export was placed to 31 million tones. All these required production for export was expected to met from Bellary , Hospet (Karnataka State) , Goa , Daitari(Orissa) and Barajamda (Bihar) etc. National Mineral Development Corporation (NMDC) were controlling Bellary and Hospet mines. The additional ore requirement for Fourth Plan would be from existing steel mills and the new Bokaro Steel Plant.

**Table No.5.4 Outlay on Industrial and Mineral Programmes:**

Sr.No.	Department	Fourth Plan Outlay (in Rs. crore)
01	Ministry of Steel and Heavy Engineering	1120.67
02	Department of Industrial Development	214.41
03	Department of Chemicals	589.38
04	Department of Petroleum	303.20
05	Department of Minerals and Metals	510.02
06	Department of Foreign Trade	39.91
07	Ministry of Finance	268.02
08	Ministry of Transport and Shipping	41.00
09	Department of Atomic Energy	64.25
	<b>TOTAL</b>	<b>3,150.86</b>

(Source : Fourth Five Year Plan Report , Indian Economy by Datta Sundaram)

**Village and Small Industry:**

The main objective of Fourth plan towards Small Industry were ; to improve progressively the production techniques of small industries so as to enable them to produce quality goods and to bring them at viable level.

- To promote decentralised and dispersal of Industries and
- To promote Agro Based Industries.

At the present technological level of Khadi and village industries , these were not been able to sustain themselves unless appropriate fiscal support.



At the present technological level of Khadi and village industries , these were not been able to sustain themselves unless appropriate fiscal support.

Also the measures to promote and encourage dispersal of industries to small towns and suitable rural and selected industrially backward areas had been outlined. The Fourth Plan envisages a total outlay of about Rs.293 crore in the public sector for the development of village and small industries.

#### 5.4.9 Fourth Plan w.r.t. Power Sector:

Sources of electrical power are large and varied. They are coal , oil, natural gas , atomic fuel and water. The Atomic Energy Commission has established a research and prototype breeder reactor for providing Thorium as an economic fissile material for power generation.

The progress in the generation of electricity has been significant. The concerned organisation at Center and State level are continuously engaged in tracing out and produce more and cheaper power. The government , in 1969 had constituted a committee of technical experts to go into the questions of effecting economies in the cost of generation , transmission , and distribution of electricity.

Growth of electricity generated was ,

**Table No.5.5 Electricity Generation and Consumption**

Year	Electricity Generated during the Year (million kwh)	Electricity Consumed during the Year (million kwh)
1960-61	20123	16644
1965-66	36825	30366
1968-69	51700	41400

(Source: Fourth Five Year Plan Report)

This data reveals that electricity generation had been tremendous and almost 150% rise in generation as well as consumption during a decade (1960-70).

The Fourth Five Year Plan had emphasised on other power related programmes .

- 1)Preliminary survey of hydro power generation sites .
- 2)Research work connected with power generation , transmission and distribution.

3)Power equipment testing centers .

4)Consultancy service for power development .

5)Training to Thermal Power Station operating personnel. And accordingly the Fourth Plan had been provided with extension of two training institutes for the operation personnel of Thermal Power Stations established at Neyvelli and Durgapur.

#### **5.4.10 Fourth Plan w.r.t. Transport and Communication:**

There was continuous expansion in transport and communication in Indian Economy. Every plan has been reserved with sufficient funds for it. Although there has been substantial investment in development of transport and considerable expansion of transport capacities , imbalances had emerged from time to time e.g. Transport difficulties were experienced in the early years of Third Plan in the movement of Coal from Bengal and Bihar coalfields towards northern , western and southern parts of the country. Hence in the Fourth Plan measures were taken to increase rail capacities and to augmentation of rolling stock.

Transport has crucial role in economic development. Because the results of a large no of surveys as well as past experience, have highlighted the complexities involved in making accurate projections of transport demand , w.r.t. its total volume and its spiral pattern.

#### **Outlays :**

The total outlay on transport and communications in the public sector during the Fourth Plan was estimated at Rs.3,237 crore which includes Rs.2,664 crore in the Central Sector and Rs.573 crore in the plans of states and Union Territories.

**Table 5.6**

#### **Relative Share of Rail and Road Transport in Goods from 1960 –61 to 1973-74.**

Year	Goods Traffic Billion tones-km	Goods Traffic Billion tones-km	Share %	Share %
	Railways	Road	Railways	Road.
1960-61	88	17	83.8	16.2
1965-66	117	34	77.5	22.5
1968-69	125	40	75.8	24.2
1973-74	159	84	65.4	34.6

**Table 5.7****Relative Share of Rail and Road Transport in Passengers from 1960 –61 to 1973-74.**

Year	Goods Traffic Billion tones-km	Goods Traffic Billion tones-km	Share %	Share %
	Railways	Road	Railways	Road.
1960-61	78	57	57.8	42.2
1965-66	96	82	53.9	46.1
1968-69	107	98	52.2	47.8
1973-74	135	140	49.1	50.9

(Sources: Fourth Five Year Plan Report)

The above data defines that goods traffic carried by rail had increased by 42 % from 1960-61 to 1973-74 and that of by road it was 135% for the above period.

The same increasing trend also resulted in passengers traffic. There was 73% growth in passengers traffic by rail and 145 % of growth in passengers traffic by roads.

All these figures concludes that the situation of transport and communication was growing drastically.

**5.4.11 Fourth Plan w.r.t. SOCIAL WELFARE:**

In the programmes of social welfare services government had only attempted limited tasks to try and ensure optimal benefits from both sides. i.e. State and Voluntary Agencies. These tasks includes various types of monetary , technical and administrative assistance to voluntary organisation .

The following data denotes the expenditure on Social Welfare Programmes in First 3

**Table No.5.8 Five Year Plans and Outlay For Fourth Plan.**

Sr.No.	Plans	Expenditure / Outlay (in crore Rs.)
1.	1 <sup>st</sup> Plan	1.60
2.	2 <sup>nd</sup> Plan	13.40
3.	3 <sup>rd</sup> Plan	19.40
4.	1966-69	12.80
5.	4 <sup>th</sup> Plan	41.38

The period 1960-61 to 1968-69 had been resulted and important period for the development of welfare services. State has shown significant participation in statutory enactment and organisation of basic services for education and rehabilitation of the handicapped peoples, children and women in rural areas.

A quick reviews of the development of welfare services during last eight years shown certain weaknesses. There were inadequate attention was paid to the needs of destitute children.

- Absence of counseling or advisory services ,
- Lack of statistical data,
- Deficiencies in management and supervision at the field level .
- Absence of proper co-ordination between the central, social , welfare board and state departments of social welfare.

As a outcome of these only Rs.19.crore was spent in Third Plan as against The Plan Outlay of Rs.31 crore.

**Table No.5.8 Some major sectorial outlays in social welfare was as below.**

Sr.No.	Sector	Outlays in Rs.(Crore)
1.	Central Schemes	27.00
2.	Family and Child Welfare	7.00
3.	Grants to Voluntary Organisation	6.00
4.	Welfare of the physically handicapped	2.50
5.	Nutritional Feeding in Balawadi's	6.00
6.	Research Training and Administration	1.5
7.	Educational Work for Prohibition	0.10
8.	Pre-Vocational Training Centers	2.0
9.	Assistance to voluntary organisation for welfare and destitute children and women.	2.0

(Source: Fourth Five Year Plan Report)

As a matter of social defense services organized under Fourth Plan were, to expand programmes for the prevention and treatment of juvenile , delinquency , probation , suppression of immoral traffic in women and girls, social and moral hygiene and eradication of beggary.

Also special attentions were made on efforts to convince the employers that in many cases the physically handicapped persons were as efficient as like normal workers.

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### **Health and Family Planning:**

During a decade 1961 to 1969, the broader objectives of the health programmes had been , to control and eradicate communicable diseases , to provide curative and preventive health services in rural areas. This could be achieved through the establishment of a primary health centers in each community development block. And to augment the training programmes of medicals and paramedical personnel .

During the Fourth Plan efforts were made to provide an effective base for health services especially in rural areas by strengthening the services of primary health centers. These health centers were focused on following objectives ,

- To render preventive and curative health services.
- To take over the maintenance phase of communicable diseases control programmes for Malaria and Small Pox.
- To become the focal points for a nationwide family planning programmes.

**Table 5.9**

**Distribution of Outlays for Fourth Plan was as per below:-**

Sr.No.	Programmes	Outlay (Rs. crore)
1.	Medical Education and Research (Including Dental)	85.29
2.	Training Programmes	12.93
3.	Control of Communicable diseases	127.01
4.	Primary Health Centers	76.49
5.	Hospitals and Dispensaries	88.29
6.	Indigenous Systems of Medicines	15.83
7.	Other Programmes	27.69
	<b>TOTAL</b>	<b>433.53</b>

The Third Plan was estimated of around Rs.225.86 crore outlays on health and family planning , and Fourth Plan have estimated Rs.433.53 crore on it.

This was around 90% increase to that of Third Plan.

**Education:**

A properly oriented system of education can always facilitate and promote social change and subsequently contribute to economic growth.. This can be achieved not only producing training skilled manpower , but by creating of requisite attitude and climate.

The past figures reveals the enrollment of students at various level of education growing by means of effectively deployed schemes. The recommendation of the Education Commission(1964-66) form the basis of the National Policy on Education and provide the framework for the formulation of the planned programmes.

**Table 5.10****Table Showing Enrollment of Student at Various Level :**

Education	Year	Student Enrollment
I'st – V'th Std.	1960 - 61	35 million.
	1968 - 69	55.5 million
VI'th – VIII'th Std.	1960 - 61	6.7 million
	1968 – 69	12.3 million
IX'th – XI'th Std.	1960 - 61	3 million
	1968 - 69	6.6 million
University Level	1960 - 61	0.74 million
	1968 – 69.	1.69 million

(Source : Fourth Five Year Plan Report.)

The admission capacity at technical and engineering level also increased . During the Fourth Plan priority had been given to the expansion of elementary education and special emphasis have been put on providing facilities for backward areas and communities and for girls. A survey of the deficiencies in respect of building and equipment of educational institutions was made with a view to removing them as per phased programme.

Other programmes which had been initiated during Fourth Plan were :

- i)Improvement of Teachers Education.
- ii)Expansion and improvement of science education.
- iii)Raising the students of P.G. and Research Institutes .
- iv)Development of Indian language and Books production especially text books.

And

And

v)Consolidation of technical education w.r.t. needs of industry and orientation towards self employment.

In the field of Pre-School Education ; the Fourth Plan have initiated few steps such as

-Training to teachers .

-Evolution of suitable teaching techniques.

-Production of teaching material and teachers guide.

A surveyed data of statewise enrollment of student defines that in Bihar , M.P, Rajasthan , and Orissa were having low enrollment of girls and also childs from SC's and ST's community. Comparatively number of SC and ST childs in mentioned states were sizable hence during Fourth Plan special concentration was made on enrollment of above sector.

Two important programmes were contemplated for book production. First was the production of books in modern Indian Languages , with the collaboration between Central Government and University Grant Commission (UGC). And another programme was production of cheaper text books at various levels.

### **5.5 Relevance Between Current Five Year Plans with Dr.Gadgil's Economic Planning Views.**

The overall growth performance of the Indian Economy had been characterized by substantial regional variation in growth since last four decades. This was despite the focus in successive five year plan policies and programmes on reducing the determinants of poverty.

Dr.Gadgil had evoked a range of policies for balanced development in economy. And had succeeded in it. Gadgil's recommendations like industrial growth policy , specific development programmes , fiscal incentives to industries in backward areas etc . are still enacting in reformation of planning and development .

Development in education , health and physical infrastructure at the state level were also the goals of current planning process at state level. These programmes have

been initiated by Dr.Gadgil's vision under which state had got participation in rendering these programmes on equitable basis.

Rules for allocation of resources from central government to state government have been established by Dr.Gadgil , which in broader view latterly known as "Gadgil Formula" for resource distribution. This formula is still creating a base work for resource distribution from central to state government.

Dr.Gadgil was of the opinion that economic planning should have basic objectives which is "Growth with Stability". In current economic planning process we could see this base more precisely. As per Dr.Gadgil , the planning should justified the policies which were backed up by means of which more accuracy in planning process could be achieved.

As a result of this after Fourth Five Year Plan , all Five Year Plans were reformed on the basis of various types of regional surveys and reports on actual regional situations. And after the Fourth Plan to till Eleventh Plan more emphasis could be seen in deploying outlays on social welfare , family health and education to sections of people.

Dr.Gadgil had emphasised more concentration over economically and regionally backward classes of people and efforts were generated to pull them in the main flow of growth. Still our planning reformers are emphasising on these sectors to eradicate the imbalances occurred in economic development.

As far as agriculture sector is considered , Dr. Gadgil have got credit of transforming some programmes like High Yielding Variety Programmes , Farmers Training and Education , Intensive Agricultural Area Programme (IAAP) , Fertiliser Promotion Council , and National Seed Corporation. etc have made us to such a higher level from where we are experiencing the benefits of these programmes.

Dr.Gadgil express that power plays a crucial role in industrial development and ultimately in economic development also. And in order to overcome the problem power shortage , crises and need of power Dr.Gadgil had been initiated a steps in carrying out surveys of hydroelectric power generation sites.

Now in current days we are realising the importance of decisions made by Dr.Gadgil in carrying out power generation surveys.



## 5.6 Summery

Dr.D.R.Gadgil was indigenou economist , true planner and real social reformist. His some historical invasions like Gadgil Formula, Pragmatism Theory , Three Tier System in Co-Operation , Survey Based Planning Policies etc have led a foundation stone for our current economic growth . He was seemed to be a perfect planner and good implementer of policies . He had undoubtedly carried out Indian economy at upward growth since 1968-69.

Dr.Gadgil's concerns about poverty eradication , free primary education to all , social welfare , family health and Industrial Sector etc .would be deeply appreciated by every economist in coming days and future also.