
CHAPTER TWO

PLANNING IN INDIA

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The first three years after independence were years of traumatic experience, and to add fuel to the domestic problems, India also had to face refugee movements. They were also the years of adjustments to a partition which took least into account economic realities of the subcontinent. In 1950 however it appeared that a question of economic growth with social justice should be taken and hence Planning Commission was set up under the chairmanship of Jawaharlal Nehru . Planning was not new to India, which was introduced quite before the independence; with the initiative of Jawaharlal Nehru.

Nehru was much fascinated by the planning efforts in Russia started in 1920. It was a struggle against the backward condition of Russia, against low standards of living. Nehru in this context in a letter in April 1933 (when the second five year plan of the U.S.S.R. had started) spoke admiringly of the " transformation of great parts of Siberia and Central Russia of all recognition by prodigious schemes of planning." ¹ By 1930's Nehru had become a strong believer in total planning. Nehru was quite aware of the importance of planned economic development in India. The post second world war period had

its own implications on even a country like U.S.S.R. Even in U.S.A.; U.K. the need and importance of planned economic development was felt essential. Nehru was solely responsible in establishing a Planning Commission, and in due course, he attached due importance to the Planning Commission, because of which it was also criticised as " Super - Cabinet ".

In 1938 when the Congress party controlled the governments in all but three of India's provinces Bengal, Punjab, and Sind - Nehru was able to persuade the Congress to set up a Planning Committee which secured the co-operation of both the Congress and the non-congress provinces and also some princely states, and industrialist as well as labour representatives and economists.

Accordingly, the National Planning Committee was appointed by Subhash Chandra Bose, the then President of Congress in October 1938. The Committee consisted of 11 eminent persons, Jawaharlal Nehru being the Chairman of the Committee. The committee with its numerous subcommittees - Found its work inhibited by the war in 1939 and later completely stopped by the arrest of all leaders in 1942. But when the reports came out after the war the idea of planned economic development had been firmly implanted on all minds.

For the chairman of the committee Jawaharlal Nehru who assumed the office of free India's first Prime Minister it was

a rewarding experience. He said " for me this has been fascinating work and I have learnt much from it. It is clear that any scheme that we may produce can be given effect to in a free India. It is also clear that any effective planning must involve a socialization of economic structure." ²

Nehru believed that the problems of Indian mass poverty and national economic stagnation could not be solved except through the adoption of economic planning on a socialistic basis. For him planning meant rebuilding the economic and social fabric of India, breaking the barrier of poverty, modernizing institutions and the apparatus of production and completing the entire sweep of scientific and technological change. The national problems would be solved only by conscious constructive and planned effort. Without planning Nehru said there would be anarchy. He said " If left to normal forces under the capitalist system, there is no doubt at all that the poor will get poorer and handful of the rich richer. Planning is essentially a process whereby we can stop these cumulative forces at work which make poor poorer and start new series of cumulative forces which make them get over that difficulty. We have to plan at both ends. In Russia this was done but at a terrific cost of human suffering. The problem which we have to face is how to cross the barrier of poverty, without paying the terrible task and without impinging individual freedom. " ³

For Nehru, planning was the process through which production would be increased and greater distributive justice achieved. It was only through planning that the goal of integration development could be reached.⁴ This approach was an attempt to find out the resources and how best to use them without waste. V.K.R.V. Rao says " Planning for Nehru was essentially linked up with an industrialization and eventual self-reliance for the countries economy on a self accelerating basis.

Planning was one of the component of Nehru's theory of socialism. Nehru was convinced that the only key to the solution of the world's problem and of Indian problems lies in socialism. Socialism according to Nehru was more than a economic doctrine, it is a way of life. Presiding at Indian National Congress in April 1936 Nehru said, :

" I see no way of ending the poverty, the vast unemployment, the degradation and the subjection of the Indian people except through socialism. That involves vast and revolutionary changes in our political and social structure, the ending of vested interests in land and industry as well as the feudal and autocratic Indian states system." But socialism according to Nehru was not a fixed or a rigid doctrine. Each country has to develop according to its own genius and traditions. Here Nehru developed his own doctrine of democratic socialism.

As Nehru stood for parliamentary democracy he never advocated for the adoption of ' Planning by stick ! By virtue of his deep meditation and inexhaustible fund of wisdom he succeeded in introducing economic planning for India, within the framework of parliamentary democracy. It was a middle way approach to planning intended for combining political and economic democracy.

Nehru believed that democracy alone could solve deep conflicts within society by peaceful methods. Democracy has the merit of being able to bring opposing economic and social doctrines nearer to one another and creating thus, a larger national unity, a consensus in the service of the entire people. Moreover in this and other context, Nehru reminded himself constantly that ends were shaped by the means that led to them.

Keeping this view in mind Nehru invited the participation and involvement of people in the Planning Process directly or indirectly right from the stage of preparation to the stage of implementation. " This is what distinguishes planning in a democracy from planning in a totalitarian state and large element of consent upon which Indian planning methods and objectives depend is one of the features which sharply differentiate the Indian five year plans from similar exercise in the Communist Countries. " ⁵ It can be said unhesitatingly that

credit for introducing and initiating Democratic planning in India - the largest Democracy of the world is Nehru's due.

Nehru's approach to planning was not only democratic but long term dynamic and balanced also. He was of the opinion that a country should have a long term view of economic development and five yearly or annual plans should fit in with that distant objective. He said " Two things are necessary, The first is long term planning. The second concentrated planning for relatively shorter period that is a year at a time. The five year plan should be a broad framework, subject to suitable changes, not only keeping with our resources but also of the ultimate longrange picture that we may develop." ⁷

For Nehru planning was a continuous process blessed with a vision of a historian. He knew it fully well that the task of building a country required a considerable period of time and if there were no continuous and persistent efforts on the part of the people development would be either lengthy, time consuming or impossible.

He writes " Planning is a continuous process and cannot be isolated for short period. Thus the Third Five Year Plan is a projection and continuation of the first and second plans, and it will lead to the fourth and subsequent plans. Planning is a continuous movement towards desired goals." ⁸

Here it is important to study planning chiefly as an administrative effort of Nehru because, " Planning is essentially a series of constructive and interlinked administrative acts, which require for their efficient performance a rationally organised, properly trained and adequately motivated bureaucracy.⁹

Nehru's optimism always kept in mind the large charges that are likely to take place in the alignment of real resources during the process of economic development. For him planning ' was science in action'. While delivering the presidential address at the Indian Institute of Public Administration (New Delhi, April 6, 1957) Nehru added that " Planning has to be flexible, it has to be wide awake and alert. "

Because of his dynamic spirit Nehru tried to learn by trial and error method while framing plans for India. He was ready for making alterations in objectives and priorities, if there was any need for it. In his address to the National Development Council in November 1954 he stated " The Planning Commission is of no use at all if it has a static outlook of change, change of every kind-political, social and economic."

Before considering the three five year plans launched during Nehru's regime, it is worth while to look into the organization of its machinery namely planning commission. Setting up of a planning commission a separate body outside the ministry of finance was Nehru's innovation, which marked his greatest impact on administration.

The government of India's intention to create a Planning Commission was announced in Parliament in February 1950 and the commission was established on 15th March by cabinet resolution. The commission was to take as its basic terms of reference the Directive Principles of State Policy embodied in the Constitution.

Here again it is important to mention that the constitution was also much more influenced by Nehru's idea of 'Welfare State' and 'social justice' as he was the active member of the Constituent Assembly.

Article 38 of the constitution provides that "The state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political shall inform all the institutions of National life."

The resolution also specified the commission's role in the system of government "The Planning Commissions will make recommendations to the cabinet. In framing its recommendations the Commission will act in close understanding and consultation with the ministries of Central Government and Governments of the States. The responsibility of taking and implementing decisions will rest with the central and states governments."

Nehru signified his personnel involvement in economic planning by becoming Chairman of the Planning Commission. He remained chairman for 13 years upto 1964. Originally the Committee consisted of Shri Gulzarilal Nanda as deputy chairman, C. D. Deshmukh, the Finance minister and V. T. Krishnamachari, G. L. Mehta and R. K. Patil.

The 13 year period of planning during Nehru's regime the membership of the commission not only increased in number but change its character. By 1962 the number increased upto 13 with Finance minister, a Minister for Planning as important members of Planning Commission. P. C. Mahalanobis remained in the Commission from 1953 upto 1963 earlier as defacto member and later with de jure status. The membership included not only ministers but also experts, economists, statisticians and sociologists.

Through the ministers, close contact was maintained with cabinet and parliament, while governments of states were brought into picture by means of National Development Council on which they were represented by their Chief Ministers and Development Commissioners. This required every state to establish some kind of planning machinery.

In 1951 a draft outline of the first five year plan was published and was widely distributed throughout the country for discussion and comment. Eighteen months later, in the

light of public criticism and comment, a revised summary was released on which the First Five Year Plan was based. The target date was set for April 1, 1956.

In a broadcast to the Nation, Nehru explained both the purpose and the policy of the plan which was produced approximately two and a half years of inquiry, discussion, and thought . He explained,

" Our economy and social structure had outlived their day and it has become a matter of urgent necessity for us to refashion them so that they may promote the happiness of all our people in things material and spiritual. We have to aim deliberately at a social philosophy which seeks a fundamental transformation of this structure, at a society which is not dominated by the urge for private profit and by individual greed and in which there is a fair distribution of political and economic power. We must aim at a classless society based on co-operative effort, with opportunities for all. To realise this we have to pursue peaceful methods in a democratic way." ¹⁰

In the First Plan the ratio of public to private sector was 47 : 53 but Nehru always encouraged public investment and expansion of public sector for the socialistic structure of society as a result of which in the second plan the public investment increased and the ratio of public to private investment became 54 : 46 .

The first plan gave highest priority to the agriculture. This was a natural priority in a plan seeking to raise the standard of living of the mass of people, specially in rural areas, but it was also justified in the special circumstances of shortage and inflation which existed when the plan was formulated. It was also based on the ground that " without a substantial increase in the production of food and raw material needed for industry a higher tempo of development in the latter cannot be sustained. The economy has first to be strengthened at the base and a sizeable surplus created in the agricultural sector and mobilized for sustaining increased employment in other sectors." ¹¹ Nehru always considered self sufficiency in food as the keystone to any kind of national recovery or progress and it was with his initiative that the First Five Year Plan got highest priority to agriculture and irrigation, a total of 31 % of expenditure with (Rs. 601 Crores of expenditure.) Similarly greater priority was given to power with Rs. 260 Crores of expenditure. ' Power ' said Nehru in a broadcast he made in December 1952 " is the Foundation of all development today."

According to the plan various multi purpose projects were undertaken by the government. The first among them was ' The Bhakra Nangal Project ' in East Punjab with the irrigation canal system and hydroelectric station. Others include Hirakud project in Orissa, Damodar Valley Project, a thermal power station at Bokaro and host of other thermal projects, irrigation canals and Dams.

Though Nehru was keenly interested in multi purpose projects, he emphasised the major importance to India of minor works of irrigation " They yield quicker and more widespread results." Water he always felt is India's lifeblood and water provides the common link between agriculture and industry, giving irrigation to the first and power to the second. It was on this basis on Nehru's thinking that today we find a web of irrigation canal in India.

In all some 46 percent of the public investment of the First Five Year Plan was earmarked for increasing agricultural output and extending India's irrigation and power projects.

The second priority in the plan was given to transport and communication with the obvious reason that only an efficient and well developed system of transport can pave way to the success of a plan for a economic development. Greater allotments were made for railways, roads, shipping, river and air transport, measures to liberalise licensing policies and remove other obstacles hampering the development of large scale consumer goods industries was left entirely to the private sector.

Not that Nehru was not interested in industrialization but he stressed that in a country where the over whelming majority of the people live in villages, agriculture was bound to continue India's greatest activity. The strongest stress should therefore be laid on it because it was only on the basis of agricultural prosperity that India could make industrial progress.

Nehru was convinced that " The economy based on the latest technical achievements of the day must necessarily be the dominating one. If technology demands the big machine, as it does today in a large measure, then the big machines with all its implications and consequences must be accepted." 12

Thus from Nehru's approach one aspect which can be realised is that in his planning system he stressed the area's, vital for the economic development. As stated above he gave more importance to the multi purpose projects. The first being the Bhakra - Nangal Project. It was with these idea's in his mind he introduced the governments role in public utility services. He wanted to base the foundations of socialistics economy by developing the role of public corporations, of which the administration was to be carried by autonoms bodies appointed/nominated for the purpose. Nehru was not happy with the civil service role, interested in hierachial order. The approach of Nehru was very different than what the approach of civil service was learning from this experience.

He started stressing the role of Community Development Programmes and latter the role of the Panchayati Raj. Nehru always felt that administration was to be participatory in nature and the administration was to be the servent of the people rather than master of the people. The biggest step in

this direction was taken in 1959 by establishing democratic decentralization or Panchayati Raj. The hope was that these institutions would speed up plan implementation by providing for peoples participation in administration.

Democratic decentralization or Panchayati Raj, as one of the important step in developmental planning can be studied in a later chapter, ' entitled ' Community Development and Panchayati Raj '. It may also be added that Nehru's approach was more ahead than the civil servants approach. Nehru's planning and the civil servants approach were two quite apart from each other. Perhaps Nehru totally engrossed in the policy making had little time to think of the type of administrative structure required for the implementation of his policy.

Under the stimulus of the First Five Year Plan severel new major industries came into being. In the public sector these include fertilizer factory at Sindri, locomotive workshop at Chittaranjan, Pencillin and D.D.T. Factories. Factory for making railway passenger coaches a machine tools and several other industries under private management participated in the development programme.

Besides this it was considered desirable to spend Rs. 459 Crores on social services like education, technical training, health, refugee rehabilitation etc., with a view to improving the human material.¹³ These Community Development

Projects were important features of the First Five Year Plan. This was derived from Nehru's strong interest in these projects and his concern that unless material advancement is fortified by progress in education and the social services, national development will be lopsided. This view was in tune with his socialistic policies. The more detail study of Community Development Programmes would be done in a later chapter as it was a the birth child of Nehru.

The first plan went through to completion, it achieved nearly 90 % of its objectives. The per capita income rose to 11 percent. Industrial and agricultural production was both diversified and increased, food grains production increased by 20 percent and exceeded the agricultural target set by the plan. The industrial production increased overall by 40 percent the biggest advances being made in established lines like cotton, textiles, jute manufacturers, sugar and so on.

Community Development Projects spread throughout the country, increasing agricultural efficiency and raising the living standards. Village panchayats and Co-operatives were created on a large scale so that people could have a sense of participation in the plan programme.

The first plan was in true sense a collection of few projects which were already in operation or were about to be taken in hand. The plan was conceived in haste without sound

statistics and data. The country had no experience of planning and consequently the plan was not comprehensive. Nehru himself told the National Development Council in 1957 " we had rather an easy time in the first plan because really we had not stretched ourselves. We had not made any particular effort. We just took what there was and called it a plan."

Much of the credit for all this went to Nehru personally. Though it was not his responsibility to look after the details of economic development, it was he who provided the vision and the desire and in a very real sense was the focal point from which radiated much of the enthusiasm for planning.¹⁴ He let it be known that the second five year plan was to be a considerably more ambitious affair, one which would call for a much bigger national and individual effort.

The Second Five Year Plan was taken up in an atmosphere of considerable optimism and economic stability. In January 1955, in Avadi Session Congress, with the initiative of Jawaharlal Nehru had decided the objectives of congress the establishment of socialist pattern of society. Similarly the Parliament adopted this goal which was followed by passing the 1956 Industrial Policy resolution which accepted the establishment of a Socialistic Pattern of Society.

In the light of these developments, the Second Five Year Plan found a highest priority for rapid industrialization. Nehru expressed clearly that the country should get rid of an acquisitive society. What India wanted was the socialist pattern of society in which the basic criterion for determining lines of advance would be social gain and social justice instead of private profit.

The plan was formulated with the objectives such as

- 1) A sizeable increase in the national income so as to raise the standard of living in the country.
- 2) Rapid industrialization with particular emphasis on the development of basic and heavy industries.
- 3) Large expansion of employment opportunities.
- 4) Reduction of inequalities in income and wealth and a more even distribution of economic power, thus helping the creation of a Socialist pattern of society.

The Second Five Year Plan which started in 1956 had the total development outlay of Rs. 4800 Crores in public sector. Industries were given highest priority with the expenditure of Rs. 900 Crores. The relative share of industries and minerals, was raised from 4 percent in the first plan to 20 percent in the second plan. Small scale industries and

village industries also find its due place in the plan with 2 percent of the total outlay, with 175 Crores of expenditure. It was with the initiative of Nehru's ideas that ^{the} plan was balanced between heavy industry and village industries. Taking on this issue Nehru said,

" In Planning we have to balance heavy industry, light industry, village industry and cottage industry. We want heavy industry because without it we can never really be an independent country. Light industry too has become essential to our country so has cottage industry. I am putting this argument not from the Gandhian ideal, but because it is essential in order to balance heavy industry and to prevent the big gap between the pumping in of money and production." 15

Hence during Second Plan period three steel plants were set up at Durgapur, Bhilai and Rourkela. Other basic industries such as coal, heavy engineering and electrical equipment, fertilisers, chemicals, cement and the like were given new and ample production targets.

Agriculture was accorded a lower priority in the second plan, since only 20 percent of the total outlay was spent on agriculture and irrigation as compared to the First Plan outlay of 31 percent on these items. According to the plan, emphasis was placed on diversification of agricultural



production, extension of irrigation facilities, increasing production in sugar cane, oilseeds, jute and cotton and increases were to be made in chemical fertilizers, seed multiplication farms and land reclamation schemes.

Transport and communication received nearly the same proportion of total outlay in both the plans. The expenditure on social service etc., was reduced from 23 percent of total outlay in the first plan to 18 percent in the Second Plan. One of the important feature of Second Plan was employment opportunities which were to be created in commerce and industry. As compared to 1st plan in which no effort was made for employment opportunities the Second Plan was more practical.

The Second Plan met with serious difficulties right from its start. The major obstacle to be encountered was the running down of India's Foreign Exchange reserves at a much quicker rate than had been planned. Then the food production fell down as a result of which prices of foodgrains rose all over the country. At the same time inflationary pressures throughout the world pushed up the prices of machinery and equipments which were needed for development projects. The Suez crisis shut off international supplies and helped to boost up prices still further; which added to the existing crisis.

This made it necessary in the middle of the plan period i.e. in 1958 to review the situation, scale down the total public sector investment and revise the plan priorities to suit the deteriorating financial resources and balance of payments position.

On the whole the Second Plan was not as successful as the First Plan. Some of its achievements were below target. Failure on agricultural front was noticeable, the food production was below target due to unfavourable monsoons in 1957-58 and 1959-60. There was slow progress in the programme of multiplication of improved seeds, irrigation and soil conservation. Some major short falls in the industrial sector also created difficulties. The industrial production was very much behind schedule and there was shortage of power in almost every state.

The plan which originally proposed 10 million jobs but as the plan progressed the target was revised downward; by two million due to change in the size of investment. This backlog of 8 million posed pressure on the Third Five Year Plan which worked at 15 million additional employment target and this backlog still continues to this day.

Nehru was never deterred by these problems but through his speeches he galvanised the people to face them bravely. And with new hopes and aspirations took over the formulation of the

Third Five Year Plan in 1961. Nehru in a long series of meetings in the Planning Commission in Nov-Dec. 1958 and early 1959 discussed about the objectives of plan and the final plan came into operation from 1961.

The working of the Second Plan had shown that rate of agricultural production was the main limiting factor in India n economic development and thus experience of the first two plans suggested that agriculture be assigned top priority. Consequently the third plan emphasised that agricultural production should be expanded and rural economy be diversified so as to reduce the presure of population on agriculture. The Third Plan allotted 36 percent of investment to agriculture, irrigation and power in comparison with the second plan which allotted 30 percent on these items. It marked the emergence of accent in Indian planning on the goal of self-reliance, of which Nehru was most concern.

While giving top priority to agriculture the Third Plan laid adequate stress on the development of basic industries such as steel, fuel and power and machine building and chemicals vitally necessary for rapid economic development. The plan proposed about 24 percent of expenditure for both small scale and heavy industries. The percentage share for industry in Third Plan was about the same as in Second Plan. Transport and

Communications received a relatively small share viz 20 percent in the Third Plan in comparison with 28 percent in the Second Plan.

One of the important feature of the Third Plan was its priority given to social services. Nehru as the Chairman of the Planning Commission, observed that on account of certain factors the last range of the social ladder of the Indian society was not satisfactorily benefited by a decade of planning. The poor both in the rural and urban area being still underfed, underclad, illiterate and illhoused were a bit critical of the economic planning in India. Nehru like true psychologist could read that dissatisfaction, and he wanted that more attention should be given to the provisions of social services so that the people might feel involved in the task of reconstructing the country.

Shri. Tarlok Singh writes " Nehru felt more and more concerned with the lags in education, with the need to ensure certain minimum amenities to the mass of the people in the rural areas, with the problem of slum clearance and slum improvement in the cities and more actual than ever before, with the welfare of children. The emphasis in the Third Plan on these aspects of development was strongly influenced by the views which Nehru urged repeatedly within the Planning Commission and in other forums." 16

The Third Plan proposed Rs. 6300 Crores of investment in Public Sector and investment of Rs. 4100 Crores in Private Sector. The ratio was approximately 60 : 40 . The expansion of Public Sector was intentional and the intention was to build up a socialist society in place of an acquisitive society.

To the demand for scrapping the Third Plan, Nehru made the people realize that economic development would go to strengthen our defence and there was no war between development and defence. While moving the resolution on Chinese aggression, on November 8, 1962 he stated, " A modern army fights with modern weapons which it has to manufacture itself in its own country. It is based on the development of industry and industry must have an agricultural base if it is to succeed. Then there is power which is essential from the point of view the war effort and from the point of view of industry and even of agriculture. Therefore we have to develop all round. To talk of scrapping Five Year Plan so that we may concentrate on the war effort is not to understand the real springs of war strength." 17

Though Nehru was not alive at the completion of the Third plan the performance of the Third Plan was poor. Over the Five Year period the rate of increase of national income was less than half of the rate of 5 percent per annum aimed at.

The performance of agriculture during the first three years of the Third Plan was disappointing, though in 1964-65 a record harvest was raised due to good monsoons. But in the subsequent year 1965-66 agricultural production fell sharply because of widespread drought. This led to rise in prices of food and essential consumer goods.

Implementation of plans was one of the basic aspect of Indian planning. Nehru gave a great deal of importance to the implementation of plan. He wanted planning to be properly monitored, he wanted plan progress to be watched and desired to set up an institutionalized system for watching and monitoring implementation of the plan.

The Planning Commission was not able to exercise any control on implementing the plan beyond tendering advice on policy matters. The task of implementing the policies of the plan was left to the bureaucracy. But in India with British reins still influencing the administration there was lack of dedication and ignorance of modern socio-economic philosophies and governmental procedure. Nehru was aware that the civil service of the old (British) type was connected only with functions of law and order. Qualities which are connected with that, will not be good enough because Public administration in the context of development planning has to deal with vast range of tasks to be performed.

The low level of understanding calibre and character and lack of sense of service were great obstacles in way of effecting quantitative and qualitative change in the Indian economy. Similarly government officials at the District and Tehsil levels were not blessed with required imagination drive and initiative. In addition to their executive, judicial and revenue duties they were assigned developmental duties. Being overburdened and lacking in persuasive power they failed to exhort and inspire the masses and their subordinates to fulfil the targets envisaged for the plan period.

Due to these factors in many cases implementation of projects in/^{the}plan was delayed, giving rise to increase in cost. Nehru was concerned about this and wished that administration should be activated so that decisions could be taken quickly at every stage and delay could be prevented.

Nehru was aware of the fact that there was lack of partnership and co-operation between the administrators and the people. He himself admitted " The real question is not planning but implementing the plan. I fear we are not quite so expert at implementation as at planning, although there too, we are making improvements. Now in this business of implementation, a very important factor is the administrative aspect. The other aspect in implementation the vast plans that we have and which concern millions of people, is not a set of officials who implement them. The officials have to bring

in a certain understanding of the public a certain co-operation of the public. I think every administrator should realise this public aspect of any major undertaking." 18

He therefore said that the essential qualities in administration should be that it should be oriented towards the people, should show courtesy to the common man, should give people a sense of participation and should inspire the co-operation in the people. In his view this was really an extremely important character of administration for the developmental planning in a democratic political system. Further Nehru said " an administrator has to work with some objectives in view more specially in a dynamic society."

Nehru wanted that in dealing with a vast range of function, a high level of standard of efficiency and achievements of goal was important. He desired that the administration should be dynamic, modern and human and should develop new and higher standards for dealing with vast range of activities undertaken by administration for development. This would require introduction of new techniques of management. Here Nehru specifically mentioned the importance of work study. He said that the new management techniques have to be assimilated in the administrative system so that it becomes efficient and dynamic.

Having said about the implementation of plan in the context of Administration, it will be essential to take a over all view of planning during Nehru's period.

Intially it should be mentioned that planning process in a mixed economy was a more complex job than in the socialist economy. Because it operates under the divergent and in many situations, conflicting motivations, self interest on the one hand and social gain on the other. The purpose of economy is to reconcile the conflicting interests so that they subserve the national interest.

How far planning was successful in this regard ? It has been observed that private sector has been constantly and increasingly trying to evade and in many ways distorting the planning process. The private capitalist has been trying to corrupt the bureaucracy. It has been also observed that under pressure from both the national and international industrial lobbies, the government has pledged to liberalise its policies towards the private sector. Thus to the extent of creating a socialistic society, planning has failed and private profit and acquisitive spirit dominated the scene of Indian society. Though the country did not fall in the traps of self reliant economic development, his efforts of ' Socialism' through planning has failed in distributive function and because of that purchasing power of the people both in urban and rural areas did not increase appreciably.

When Nehru initiated planning in India his basic philosophy behind it was to make country self reliant. He made efforts while formulating the plans. But even after 13 years of planning India's international debt was one of the highest and she had to depend on others for her food.

Similarly planning had failed to provide a national minimum level of living. Even after three plans formulated and implemented by Nehru 40 % population lived below poverty line. The number of unemployment increased. Land reforms were not properly implemented, resulting in much dissatisfaction in rural areas. Administration failed to provide drinking water and education to half the villages. Inequalities of income and wealth increased leading to more concentration of economic power in few hands. New regional disparities in economic conditions emerged threatening to the integrity of the state.

Why planning under Nehru's leadership failed ?

Various reasons could be put forward.

Firstly merely enunciation of policy by the planning commission was not crucial. It was the political will, determination of bureaucrats that mattered. But Indian administrators were not able to reach those heights.

Secondly, Indian planning was mainly in hands of Central government, and the states were involved only for the purpose of overall co-operation.¹⁹ As a result of which gains

of planning could not reach upto the grass root level though Nehru was very keen to make administration as near as possible to the people.

Thirdly, major deficiency in Indian planning under Nehru was that the planners had no dependable data of unemployment and poverty. It was only in 1971 that V. M. Dandekar and N. Rath revealed that in closing years of Nehru 40 % people were living under poverty line.

Though planning in India failed in some fields, the strides that India has taken in fields of industry, technology and agriculture are remarkable. Due to the rise in agricultural production today India is self sufficient in food and she has accumulated huge reserves of foodgrains. Further huge industrial projects, multi-power projects have not only strengthen industrial infrastructure, reduced dependence on foreign aid but has given country a measure of national progress, pride and honour.

The analysis of Nehru's ideas on economic planning makes the point crystal clear that it was his zest and zeal that made a beginning of democratic planning in India. In order to make India a meaningful democracy he made earnest efforts to introduce the planned economic development in India. The First, Second and Third plans were framed, finalized and implemented under his guidance as the Chairman of the Planning

Commission and as Chief administrator. During this period the Indian economic planning made both credit and debit entries in its balance sheet. Though the rate of economic development was slow, there was consensus of opinion that during this period the Indian economy grew in size, depth and diversity.

To sum up, the words of Tarlok Sing, former member of planning commission could be quoted. He said " Nehru's personal dedication and compassion and the goal he held supreme will remain a cherished possession and a source of strength in building a better India and a better world."

In this chapter an attempt was made to study planning, as an administrative process in India during Nehru's period. In this context it is necessary to see, how Nehru attached importance to remoulding the administrative structure of India, to meet the requirements of the planned development.

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