**Economic Planning in India-****Objectives of Indian Planning**

At the time of independence, Indian economy was a backward economy. In order to move the economy on the path of development, India adopted a model of planned eco­nomic development under the mixed economy structure.

**The main objectives of plan­ning in India include the following:**

**(i) Increase in National Income:**

This objective gets translated into an increase in not only the national income, but also in the level of production and real per capita income.

**(ii) Achieving Full Employment:**

Unemployment is a curse in any society. It is more so when there is an inadequate social security or its total absence. Employment imparts dignity to human beings and is also an important means of reducing poverty and inequalities. The objective of planning was not to reduce inequalities by lowering the income levels of the richer sections but by raising the income levels of the poorer sections of the society.

**(iii) Reduction in Inequalities of Income and Wealth:**

India being an extremely poor country, inequalities of income and wealth translate themselves into absolute pov­erty and destitution. There can be no difference of opinion regarding the desir­ability of reducing such inequalities, particularly because they also lead to inequality of economic opportunities.

**(iv) Creation of a Socialist Society:**

This was an obvious and generally accepted objec­tive inclusive-of there being equal opportunities of economic advancement for all sections of the society.

**(v) Removal of Bottlenecks:**

Removal of Bottlenecks in the way of economic growth such as, low rates of saving and investment, inefficient technology, problems of balance of payments, absence of basic industries and insufficient infrastructure, etc. is also an important objective of the Indian planning.

**(vi) Industrialization:**

Indian plans have adopted a strategy of industrialization of the economy with particular emphasis on heavy and basic industries. It also assigned a high priority to agricultural growth but in practice, agricultural and rural deve­lopment received inadequate attention.

Some analysts are of the view that India, with its vast agricultural potential should have first concentrated on the develop­ment of agriculture and rural parts of the economy. Such an approach would have generated economic surplus needed for capital formation and investment.

**(vii) Self-Reliance:**

Our plans also aimed at “self-reliance”. It deals with the freedom from the need to import and therefore a policy of “import substitution” regardless of its cost. This objective should have been taken to mean “ability to pay for our imports through our export earnings”. Thus, we should have added to our export capacity and competitive strength in international markets.

**(viii) Precedence to Public Sector:**

In our planned growth, public sector was assigned a place of precedence over the private sector so as to acquire commanding heights of the economy and be in a position to use it for guiding the private sector along chosen lines. This was done while ignoring the fact that public sector undertaking is inherently less efficient than private ones.

Thus, the basic objectives of India’s Five Year Plans are rapid economic growth, full employment, self-reliance and social justice. Apart from these basic objectives, each five- year plan takes into account the new constraints and potential/possibilities during the period and attempts to make the necessary directional changes and emphasis.