**Achievements of Economic Planning in India:**

Economic planning in India, formally conceived in 1951, has come a long way in helping the economy to tackle the challenges in various sectors and has enabled it to achieve rapid economic progress.

**Some of the major achievements of planning in India are as follows:**

**1. Economic Growth:**

Economic planning in India has been successful in increasing the national income and the per capita income of the country resulting in economic growth. The net national income at factor cost increased from Rs. 4393.45 billion in 1966- 67 to Rs.45, 733 billion in 2011-12 (at 2004-05 prices). The per capita income increased from Rs.8876 to Rs.38, 048 during the same period (at 2004-05 prices).

The average growth rate has increased from 3.5 percent during 1950 to 1970 to about 5.5 percent after 1990’s. The economy recorded a growth rate of 7.8 percent during the eleventh five- year plan.

**2. Progress in Agriculture:**

The first five-year plan focused on agricultural development. However, agricultural sector did not receive priority in the subsequent plans. Yet, with various initiatives implemented in the agricultural sector such as the green revolution and agricultural pricing policies, there has been a considerable increase in the output of the agricultural sector.

The index of agricultural production increased from 85.9 in 1970-71 to 165.7 in 1999-2000 (Base year- 1981-82). The production of major food grains which includes rice, wheat, coarse cereals and pulses has increased from 77.14 million tons in 1958-59 to 252.22 tons in 2015-16. With the introduction of green revolution, the yield per hectare of food grains has increased from 662 kg in 1959-60 to 2056 kg in 2015-16.

Similarly, the production of commercial crops has also recorded an increasing trend. Various reforms in the agricultural sector such as the Rashtriya Krishi Bima Yojana and Kisan credit cards during the ninth plan and National Food Security Mission and Rashtriya Krishi Vikas Yojana during the eleventh plan have been quite successful in improving the performance of the agricultural sector.

**3. Industrial Growth:**

Economic planning has also contributed to the progress of the industrial sector. The index of industrial production increased from 54.8 in 1950-51 to 152.0 in 1965-66 (Base year- 1960-61) which is about 176 percent increase in production during the first three five-year plans.

It went up from 109.3 in 1981-82 to 232.0 in 1993-94 (Base year- 1980-81). Taking 2004-05 as the base year, the index of industrial production recorded an increase from 108.6 in 2005-06 to 181.1 in 2015-16. The introduction of reforms in 1991 relieved the industrial sector from numerous bureaucratic restrictions that were prevalent earlier.

This has led to the rapid growth of the industrial sector in India. India has made remarkable progress in cotton textiles, paper, medicines, food processing, consumer goods, light engineering goods etc.

**4. Public Sector:**

The public sector played a predominant role in the economy immediately after the independence. While there were only 5 industrial public sector enterprises in 1951, the number increased to 244 in 1990 with an investment of Rs.99, 330 cores. However, the number of public sector enterprises fell to 217 in March 2010.

Yet, the cumulative investment went up to Rs.5, 79,920 cores. The ratio of gross profit to capital employed increased from 11.6 percent in 1991-92 to 21.5 percent in 2004-05. Heavy engineering and transport equipment industries recorded a 117 percent and 111 percent growth respectively in 2006-07 over the previous year.

Very high profits were recorded by petroleum, telecommunication services, power generation, coal and lignite, financial services, transport services and minerals and metal industries. The government has eliminated a number of restrictions on the operational and financial powers of the Navaratnas, Miniratnas and several other profit making public sector enterprises.

**5. Infrastructure:**

Development of infrastructure such as transport and communication, power, irrigation etc., is a pre-requisite to rapid economic growth and development. Expansion of transport facilities enables easy movement of goods and services and also enlarges the market. Irrigation projects contribute significantly to rural development.

Power projects help in meeting the growing demand for power by both industrial and household sector. The total road length increased from about 400,000 km in 1951 to about 4.7 million km in 2011. India has the second largest road network in the world with about 5,472,444 kilometers of road, as on March 31, 2015.

The route length of the Indian railway network has increased from about 53,596 km in 1951 to about 64,450 km in 2011. The investment in infrastructure as a percentage of GDP was about 5.9 percent during the tenth plan and increased to about 7.2 percent during the eleventh plan.

**6. Education and Health Care:**

Education and health care are considered as human capital as they contribute to increased productivity of human beings. Considerable progress was achieved in the education as well as health sector during the five-year plans. The number of universities increased from about 22 in 1950-51 to 254 in 2000-01. There were about 22 central universities, 345 state universities, 123 deemed universities and about 41,435 colleges in 2016.

The number of institutions in higher education has increased to over 100 percent since 2008. With the growth in the number of institutions, the literacy rate in India has increased from 16.7 percent in 1950-51 to 74.04 percent in 2011. With improvements in the health infrastructure, India has been able to successfully control a number of life threatening diseases such as small pox, cholera, polio, TB etc.

As a result, there has been a fall in the death rate from 27.4 per thousand persons in 1950-51 to 7.3 per thousand persons in 2016. The life expectancy has increased from about 32.1 years in 1951 to 68.01 years in 2014. The infant mortality rate has declined from 149 per thousand in 1966 to 37.42 per thousand in 2015.

**7. Growth of Service Sector:**

Service sector is the key contributor to the economic growth of India. The service sector contributed to about 53.2 percent of the gross value added growth in 2015-16. The contribution of the IT sector to India’s GDP increased from about 1.2 percent in 1998 to 9.5 percent in 2015. The service sector has recorded a growth rate of about 138.5 percent in the last decade.

Financial services, insurance, real estate and business services are some of the leading services that have been recording a robust growth in the past few years. The rapid growth of the service sector in India could be attributed to the inflow of huge amount of FDI in this sector. India’s share of service exports in the world service exports has increased from 0.6 percent in 1990 to 3.3 percent in 2011.

**8. Savings and Investment:**

Savings and Investments are major driving forces of economic growth. The gross domestic savings in India as a proportion of GDP has increased from 8.6 percent in 1950-51 to about 30 percent in 2012-13. The gross capital formation has increased from 8.4 percent in 1950-51 to 34.70 in 2012-13. Capital accumulation is the key to economic development. It helps in achieving rapid economic growth and has the ability to break the vicious circle of poverty.

**9. Science and Technology:**

India is the third most preferred destination for technology investments. It is among the top most countries in scientific research and space exploration. India is also making rapid progress in nuclear technology. ISRO has made a record of launching 104 satellites in one go on a single rocket. India today has the third largest scientific manpower after U.S.A and Russia.

The government has undertaken various measures such as setting up of new institutions for science education and research, launching the technology and innovation policy in 2013, strengthening the infrastructure for research and development in universities, and encouraging public- private partnership etc.

**10. Foreign Trade:**

On the eve of independence, India’s primary exports were agricultural commodities and UK and US were its major trading partners. India was largely dependent on other countries for various capital and consumer goods. However, with the development of heavy industries during the five-year plans, India has been able to reduce its dependence on other countries and was able to achieve self-reliance in a number of commodities.

With the liberalisation of trade, India now exports about 7500 commodities to about 190 countries and it imports about 6000 commodities from about 140 countries. The exports of the country increased from Rs. 54.08 billion in 1977- 78 to Rs. 17,144.24 billion in 2015-16. And imports have increased from Rs. 60.20 billion in 1977-78 to Rs. 24, 859.27 billion in 2015-16.