

CUET · POLITICAL SCIENCE · CLASS XII · CODE 323

Politics of Planned Development

CUET unit: Politics in India Since Independence — Era of One-Party Dominance / Planned Development

By UniDrill · NCERT-grounded study material

WWW.UNIDRILL.IN

The logo for UniDrill, featuring the word "UniDrill" in a sans-serif font. "Uni" is in a light blue color, and "Drill" is in a light orange color. The logo is centered on a white background.

Snapshot

- The third post-Independence challenge after nation-building and democracy was economic development to ensure well-being of all.
- It introduces the political choices behind planning — Left vs Right, capitalist vs socialist models, industrialisation vs agriculture.
- Establishes the Planning Commission (March 1950), the Five Year Plans (FYPs), and the role of leaders/economists like K.N. Raj, P.C. Mahalanobis.
- Traces the First (1951–56), Second (1956), and Third (1961) FYPs, the "plan holiday" of 1966, and limitations like urban bias and food shortages.
- CUET tests Planning Commission facts, Bombay Plan (1944), Avadi resolution (socialist pattern of society), key personalities, and Left-Right distinctions.

Detailed Notes

2.1 Core concepts

After establishing political democracy in the wake of Independence, India faced a third — and equally critical — challenge: **economic development** to ensure the well-being of the entire population. Success on this front "has been much more limited" than on the first two (nation-building and democracy) (NCERT Introduction, p. 44). Two reasons are cited: economic decisions cannot be left purely to technocrats because they always involve weighing the interests of one social group against another; and the choice of any model of development necessarily involves politics, because such choices "must finally be political choices, taken by people's representatives who are accountable to the people" (NCERT §"Political contestation", p. 45).

Despite intense contestation between competing visions, there was a **broad consensus** at the time of Independence: development meant **both** economic growth and social and economic justice; and the government — not businessmen or farmers alone — must play a key role in achieving it (NCERT §"Political contestation", p. 46). Two basic political-ideological positions that organised the development debate. The **'Left'** referred to those who favoured state control of the economy and preferred state regulation over free competition. The **'Right'** referred to those who believed free competition and a market economy would generate the best results and that the state's intervention should be minimal (NCERT box "What is Left and what is Right?", p. 46).

These labels structured almost every choice the new nation had to make about land, industry, agriculture, foreign exchange and the public sector.

'Development' had different meanings for different sections — for an industrialist it meant more industries, for an urban consumer cheap goods, for an Adivasi the protection of habitat and way of life. So debates were inevitable. The 'West' was often taken as the model — modernisation, growth, material progress and scientific rationality were equated with the West (NCERT §"Ideas of development", p. 46). On the eve of Independence, India had two main models before it: the **liberal-capitalist model** (Europe and the US) and the **socialist model** (USSR). Many leaders — including Nehru, the Socialist Party and the Communist Party of India — were impressed by the Soviet model of planned development. "There were very few supporters of the American style capitalism" (NCERT §"Ideas of development", p. 47). There was a "broad agreement that development could not be left to private actors, that there was the need for the government to develop a design or plan for development" (NCERT §"Planning", p. 47).

The **Planning Commission was set up in March 1950 by a simple resolution of the Government of India**; it was not a body created by the Constitution and not even one set up by a law of Parliament. "It has an advisory role and its recommendations become effective only when the Union Cabinet approves them" (NCERT §"Planning Commission", p. 48). The Prime Minister was the Chairperson of the Planning Commission (NCERT p. 49). On **1 January 2015** the Planning Commission was replaced by a new institution, the **NITI Aayog (National Institution for Transforming India)** — a Fast Forward box on p. 48.

On the early intellectual sources of Indian planning: a surprising endorsement came not from the Left but from the Right: in 1944, "a section of the big industrialists got together... and drafted a joint proposal for setting up a planned economy in the country. It was called the **Bombay Plan**. The Bombay Plan wanted the state to take major initiatives in industrial and other economic investments" (NCERT §"Planning", p. 49). The Bombay Plan thus showed that even big industrialists supported planning by the state — so from left to right, planning had become "the obvious choice". India then adopted **Five Year Plans (FYPs)** on the model of the Soviet Union. Each Indian government budget has two parts: the **'non-plan'** budget (routine yearly expenditure) and the **'plan'** budget (a fixed five-year set of priorities) (NCERT §"The Early Initiatives", pp. 49–50). The **First Plan Document was released in December 1951**, the **Second Plan in 1956**, and the **Third Plan in 1961**. The **Fourth Plan was due to start in 1966** but, by then, "the novelty of planning had declined considerably, and moreover, India was facing acute economic crisis. The government decided to take a 'plan holiday'" (NCERT p. 50).

The **First Five Year Plan (1951–56)** sought to break the cycle of poverty by raising the country's income to a level at which it could sustain itself. Drafted by the young economist **K.N. Raj**, the Plan argued that India should "hasten slowly" for the first two decades, because too rapid growth would carry political risks for democracy (NCERT §"The First Five Year Plan", p. 51). The First Plan focused on the **agrarian sector**, on

investment in **dams and irrigation** (the **Bhakra-Nangal Dam** is highlighted as a flagship project), and identified the existing pattern of land distribution as the principal obstacle to agricultural growth — leading the Plan to focus on **land reforms** as essential to the country's development. Savings rose in the first phase but then "dropped consistently from the early 1960s to the early 1970s" (NCERT p. 51).

The **Second Five Year Plan** stressed **heavy industries** and was drafted under the leadership of **P.C. Mahalanobis** (1893–1972) — a scientist and statistician, founder of the **Indian Statistical Institute in 1931**, a supporter of rapid industrialisation and the active role of the public sector. Just before this Plan was finalised, the Congress passed a resolution at its **Avadi session, near the then Madras city, declaring 'socialist pattern of society' as its goal** — a goal reflected in the Second Plan's design (NCERT §"Rapid Industrialisation", p. 51). To protect domestic industries, the government imposed "substantial tariffs on imports"; the public sector developed electricity, railways, steel, machinery and communication. Problems emerged: technological backwardness obliged India to spend foreign exchange on technology imports; the country was simultaneously facing food shortage. The Third Plan was "not significantly different from the Second Plan", and critics argued that the planners had a "wrong priority of preferring industry to agriculture", reflecting a structural **urban bias** (NCERT p. 52).

The profile-box on **P.C. Mahalanobis (1893–1972)** identifies him as a scientist and statistician, founder of the Indian Statistical Institute (1931), the architect of the Second Plan, and a supporter of rapid industrialisation and active role of the public sector (NCERT profile box, p. 51). NCERT also alludes (via its exercises) to **Vergheese Kurien** — associated with the **milk cooperatives** that became iconic of cooperative-based rural development.

NCERT is candid about contestation. The model adopted came under pressure from those who argued that the agrarian sector had been neglected (the urban-bias critique), that the Centre's planning was disconnected from village realities (Sudhir Dar's cartoon "Village Reality / Centralised Planning / Never-say-die" on p. 50 makes this point visually), and that the entire developmental model failed to anticipate the food crises of the mid-1960s. Yet the early planning era produced India's basic industrial infrastructure — the **Damodar Valley Project, Bhakra Dam, Chittaranjan Locomotives, Gauhati Refinery, Sindri Fertilisers, Hirakud Dam** and the **Hindustan Aircraft Factory** — depicted on a montage of stamps from 1955–1968 (NCERT p. 44).

2.2 Definitions to memorise

Term	Definition	Page
Left	Those who favour state control of the economy and prefer state regulation over free competition.	46
Right		46

Term	Definition	Page
	Those who believe free competition and the market economy ensure progress; minimal state intervention.	
Planning Commission	Body set up by a Government of India resolution in March 1950; advisory; PM was Chairperson; NOT a constitutional body.	48–49
Bombay Plan (1944)	Joint proposal by a section of big industrialists for a planned economy with state initiative in industrial investment.	49
Five Year Plan (FYP)	Government document planning income and expenditure for the next five years, modelled on the USSR.	49–50
Plan budget	Five-year priority part of the budget.	50
Non-plan budget	Routine annual expenditure portion of the budget.	50
Plan Holiday	Pause in five-year planning declared in 1966 due to acute economic crisis when the Fourth Plan was due.	50
First Five Year Plan (1951–56)	Drafted by K.N. Raj; focused on the agrarian sector, dams and irrigation; argued India must "hasten slowly".	51
K.N. Raj	Young economist associated with the First Plan; advocated cautious early growth ("hasten slowly").	51
Bhakhra-Nangal Dam	Flagship irrigation/power project under the First FYP.	51
Second Five Year Plan	Drafted under P.C. Mahalanobis; stressed heavy industries and quick structural transformation.	51
P.C. Mahalanobis (1893–1972)	Scientist and statistician; founder of Indian Statistical Institute (1931); architect of the Second Plan.	51
Indian Statistical Institute	Founded by Mahalanobis in 1931.	51
Avadi session (Congress)	Session near the then Madras city where Congress declared 'socialist pattern of society' as its goal.	51
Socialist pattern of society	The goal declared at Avadi and embodied in the Second FYP.	51
Tariffs on imports	Substantial duties imposed during the Second Plan to protect domestic industries.	51
Public sector		51

Term	Definition	Page
	The state-owned segment of the economy that developed electricity, railways, steel, machinery and communication.	
Urban bias	Criticism that plan strategies, especially from the Third FYP onwards, favoured cities/industry over agriculture.	52
NITI Aayog	National Institution for Transforming India; replaced the Planning Commission on 1 January 2015.	48
Bhakra Dam, Hirakud Dam, DVC, Sindri Fertilisers, Hindustan Aircraft Factory	Iconic projects of the early planning era depicted on the stamp montage.	44
Liberal-capitalist model	One of the two models India faced in 1947 — Europe/USA.	47
Socialist model	The other model — USSR-style state planning, which influenced Nehru, the Socialist Party and CPI.	47

2.3 Diagrams / processes to remember

- **Stamp montage of planned development** (p. 44): Damodar Valley, Bhakra Dam, Chittaranjan Locomotives, Gauhati Refinery, Tractor, Sindri Fertilisers, Electric Train, Wheat Revolution, Hirakud Dam, Hindustan Aircraft Factory — visual snapshot of the Nehruvian developmental imagination, 1955–1968.
- **Sudhir Dar cartoon "Village Reality / Centralised Planning / Never-say-die"** (p. 50): visual critique of high-jumping centralised planning over village realities.
- **Newspaper clip "Hindustan Times — Five Year Plan presented to Parliament, Rs 2,069 crores outlay"** (p. 49): illustrates the scale of the early Plans.
- **Photo of Nehru addressing the staff of the Planning Commission** (p. 47).
- **Profile box: P.C. Mahalanobis (1893–1972)** — architect of the Second Plan (p. 51).
- **Process flow:** Bombay Plan (1944) → Planning Commission set up by Gol resolution (March 1950) → First Plan released December 1951 → Avadi resolution → Second FYP (1956) → Third FYP (1961) → acute economic crisis → Plan Holiday (1966) → Fourth Plan resumed thereafter → eventual replacement of Planning Commission by NITI Aayog (1 January 2015).
- **Left-Right schematic** (p. 46 box): Left = state control + regulation; Right = free competition + market economy + minimal state intervention.

2.4 Common confusions / NTA trap points

- The Planning Commission is **not** a constitutional body — it was created by a 1950 Cabinet resolution, not by the Constitution. A common distractor calls it a "statutory" or "constitutional" body (p. 48).
- The Bombay Plan (1944) was made by **industrialists**, not by Gandhians or peasants — and it **supported** planning and state initiative, not free markets (p. 49).
- The Avadi session declared "**socialist pattern of society**" — not "socialism" or "communism". Avadi is near Madras (now Chennai), not Bombay (p. 51).
- The First FYP focused on **agriculture/irrigation**; the Second FYP focused on **heavy industries** (Mahalanobis model). Don't swap them (p. 51).
- K.N. Raj said "**hasten slowly**" — linked to the First Plan, not the Second (p. 51).
- NITI Aayog came into existence on **1 January 2015**, replacing the Planning Commission (p. 48).
- **Liberalisation was NOT part of the early planning phase** — it came much later (1990s). NTA exercises often place "liberalisation" in distractor positions (Exercise Q2, p. 52).
- Indian planning drew on the **Bombay Plan + Soviet model** — not on Gandhian visions or peasant demands (Exercise Q3, p. 52).
- The Plan Holiday was caused by the **acute economic crisis of 1966** — not by abolition of the Planning Commission.
- P.C. Mahalanobis founded the **Indian Statistical Institute in 1931** — not in 1947 or 1950.
- The Bombay Plan was in **1944**, not 1945 — the year is a typical NTA trap.
- The Planning Commission was set up in **March 1950**, not on 26 January 1950.

2.5 Key personalities / events / institutions table

#	Personality / Event / Institution	Role / Year	Page
1	Bombay Plan	1944 — drafted by big industrialists; supported state initiative in industrial investment	49
2	Planning Commission	Set up March 1950 by Gol resolution; advisory body; PM as Chairperson	48–49
3	First Five Year Plan (1951–56)	Drafted by K.N. Raj; agrarian sector, dams, irrigation; "hasten slowly"	51
4	K.N. Raj	Young economist associated with First FYP	51
5	Bhakhra-Nangal Dam	Flagship project of the First FYP	51
6	Second Five Year Plan (1956)	Drafted under P.C. Mahalanobis; heavy industries, structural transformation	51

#	Personality / Event / Institution	Role / Year	Page
7	P.C. Mahalanobis (1893–1972)	Architect of the Second Plan; founded the Indian Statistical Institute (1931)	51
8	Avadi session (Congress)	Declared 'socialist pattern of society' as the Congress goal	51
9	Third Five Year Plan (1961)	Not significantly different from the Second Plan; critics noted urban bias	51–52
10	Plan Holiday (1966)	Pause in planning when the Fourth Plan was due; acute economic crisis	50
11	NITI Aayog	National Institution for Transforming India — replaced Planning Commission on 1 January 2015	48
12	Verghese Kurien	Associated with milk cooperatives (Exercise reference)	52
13	Bombay Plan industrialists	Showed planning was the "obvious choice" from Left to Right	49
14	Damodar Valley Project, Sindri Fertilisers, Hirakud Dam	Iconic early-plan public-sector projects	44
15	Nehru	Chairperson of the Planning Commission; impressed by the Soviet model	47, 49

Practice MCQs

PYQ Alignment

This chapter is a high-yield CUET zone — 1–2 MCQs typically appear each year. Favourite NTA picks are factual: year/mode of setting up the Planning Commission (1950, by resolution), Bombay Plan (1944, industrialists), Avadi session ("socialist pattern of society"), architect of the Second Plan (P.C. Mahalanobis), focus of the First vs Second FYP, the 1966 "plan holiday", and the Left–Right distinction. Match-the-following with Charan Singh / Mahalanobis / Bihar Famine / Verghese Kurien is a recurring NCERT-exercise-derived template.

CUET 2023 — Actual PYQs from this chapter

Q.5 (CUET 2023) P. C. Mahalanobis focused on which aspect of the Indian economy during the framing of the Second Five-Year Plan?

- A) Agrarian sector including dams and irrigation B) Democracy and education C) Health care D) Rapid industrialisation and active role of the public sector **Tests:** Politics of planned development **Answer:** Not in extracted key

Q.6 (CUET 2023) The idea of the Planning Commission in India was derived from:

- A) USA B) USSR C) UK D) China **Tests:** Politics of planned development **Answer:** Not in extracted key

CUET 2024 — Actual PYQs from this chapter

Q.7 (CUET 2024) Who among the following was known as the “Milkman of India”?

- A) Arun Krishna B) Muljibhai Patel C) Verghese Kurien D) M.S. Swaminathan **Tests:** Politics of planned development **Answer:** Not in extracted key

Q.8 (CUET 2024) Statement I: The Second Five Year Plan stressed on heavy industries. Statement II: A bulk of industries like electricity, railways and steel could be developed by the private sector.

- A) Both statements are correct B) Both statements are incorrect C) Statement I is correct but Statement II is incorrect D) Statement I is incorrect but Statement II is correct **Tests:** Politics of planned development **Answer:** Not in extracted key

Q.9 (CUET 2024) The Second Five Year Plan was drafted under the leadership of:

- A) K.N. Raj B) P.C. Mahalanobis C) J.C. Kumarappa D) P.C. Mahapatra **Tests:** Politics of planned development **Answer:** Not in extracted key

CUET 2025 — Actual PYQs from this chapter

Q.8 (CUET 2025) Operation Flood deals with:

- A) Nationwide milk grid B) Flood management in Bihar C) Increasing wheat production in Punjab and Haryana D) Investigating flood crisis in Assam **Tests:** Politics of planned development **Answer:** Not in extracted key

Q.15 (CUET 2025) When was the Department of Defence Supplies established?

- A) 1962 B) 1965 C) 1968 D) 1974 **Tests:** Politics of planned development **Answer:** Not in extracted key