

POLITICS OF PLANNED DEVELOPMENT | WORKSHEET**Class 12 - Political Science**

Question No. 1 to 5 are based on the given text. Read the text carefully and answer the questions:

5.0

India did not follow any of the two known paths to development – it did not accept the capitalist model of development in which development was left entirely to the private sector, nor did it follow the socialist model in which private property was abolished and all the production was controlled by the state. Elements from both these models were taken and mixed together in India. That is why it was described as ‘mixed economy’. A mixed model like this was open to criticism from both the left and the right. Astride the Public Sector are Central Ministers Lal Bahadur Shastri, Ajit Prasad Jain, Kailash Nath Katju, Jagjivan Ram, T. T. Krishnamachari, Swaran Singh, Gulzari Lal Nanda, and B. V. Keskar. Poverty did not decline substantially during this period; even when the proportion of the poor reduced, their numbers kept going up.

1. Which countries elements have taken and mixed together in India?

- | | |
|-----------------------|---------------------|
| a) France and Germany | b) Japan and USSR |
| c) Germany and Japan | d) The USA and USSR |

2. Which of the following were supporters of priority given to the Public sector?

- | | |
|-----------------|-----------------|
| a) Swaran Singh | b) Jagjivan Ram |
| c) B. V. Keskar | d) All of these |

3. Which of the following is an author for the book ‘Economy of Permanence’?

- | | |
|-----------------------|-------------------------|
| a) J. C. Kumarappa | b) T. T. Krishnamachari |
| c) Kailash Nath Katju | d) Gulzari Lal Nanda |

4. Who was the Chairperson of the planning commission?

- | | |
|------------------------|---------------------|
| a) K. N. Raj | b) Jawaharlal Nehru |
| c) Lal Bahadur Shastri | d) J. C. Kumarappa |

5. Which of the following was not under the control of the state?

- | | |
|-------------------------|------------------------------|
| a) Agriculture | b) Trade regulations |
| c) Key heavy industries | d) Industrial infrastructure |

Question No. 6 to 10 are based on the given text. Read the text carefully and answer the questions:

5.0

The Government of India replaced the Planning Commission with a new institution named NITI Aayog (National Institution for Transforming India). This came into existence on 1 January 2015. The Planning Commission is not one of the many commissions and other bodies set up by the Constitution. The Planning Commission was set up in March 1950 by a simple resolution of the Government of India. It has an advisory role and its recommendations become

effective only when the Union Cabinet approved these. As in the USSR, the Planning Commission of India opted for five year plans (FYP). The idea is very simple: the Government of India prepares a document that has a plan for all its income and expenditure for the next five years. Accordingly, the budget of the central and all the State governments is divided into two parts: 'non-plan' budget that is spent on routine items on a yearly basis and 'plan' budget that is spent on a five-year basis as per the priorities fixed by the plan. A five-year plan has the advantage of permitting the government to focus on the larger picture and make a long-term intervention in the economy.

6. Which of the following commission has renamed NITI Aayog in 2015?

- a) Planning Commission
- b) Election Commission
- c) RTI
- d) CAG

7. When the Planning Commission was set up by a simple resolution in India?

- a) 1956
- b) 1950
- c) 1976
- d) 1952

8. From which of the following the country the idea of planning was taken?

- a) Norway
- b) USSR
- c) Finland
- d) USA

9. Into how many parts the budget of the central government is divided?

- a) Ten
- b) Two
- c) Five
- d) One

10. The recommendations of NITI Aayog can become effective only after which of the following's approval?

- a) Prime Minister
- b) State Government
- c) Union Cabinet
- d) President

11. _____ budget that is spent on routine items on a yearly basis. [1]

- a) None of these
- b) Both Plan and Non-plan
- c) Plan
- d) Non-plan

12. Name a young economist involved in drafting the first five-year plan, who argued that India should **hasten slowly** for the first two decades. [1]

- a) V. Keskar
- b) Jawaharlal Nehru
- c) C. Mahalanobis
- d) K.N. Raj

13. What was the principle obstacle in the way of agriculture growth? [1]

- a) None of these
- b) Pattern of land distribution
- c) Big industries
- d) Indian farmers

14. The year in which no five-year plan has adopted is called _____. [1]

- a) plan holiday
- b) economic crisis
- c) gap between five year plans
- d) none of these

15. The Second Five Year Plan was launched in [1]

- a) 1958
c) 1956
- b) 1955
d) 1957
16. The Socialist model of development was related to: [1]
a) USSR
b) Pakistan
c) Europe
d) The U.S.A.
17. Who said, **Planning is a way of organizing and utilizing resources to maximum advantage in terms of defined social ends?** [1]
a) None of these
b) K.T. Shah
c) Dr. Rajinder Prashad
d) Planning commission of India
18. Tribals of Orissa fear their displacement due to the extraction of _____. [1]
a) Uranium
b) Copper
c) Zinc
d) Iron ore
19. Name the commission which replaced planning commission? [1]
a) NITI Aayog
b) Start-up commission
c) Reserve Bank of India
d) Hazari commission
20. Which of the following is not a problem faced during the Second Five-Year Plan? [1]
a) Balancing agriculture and industry was difficult
b) India spent precious foreign exchange in buying technology
c) 2nd FYP had not preached quick structural transformation
d) Some thought industry was wrongly given the importance
21. Study the picture (NCERT Textbook, page 59) given below and answer the questions that follow: [5]



Questions

1. About which state the clipping is talking about?
2. What is food-crisis?

3. What were the main reasons for food crisis?
4. Is India now sufficient in food production?
22. **Assertion (A):** Huge allocations were made for largescale projects like the Bhakhra Nangal Dam. [1]
Reason (R): Agricultural sector was hit hardest by Partition and needed urgent attention.
- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false. d) A is false but R is true.
23. **Assertion (A):** The Second Five Year Plan stressed heavy industries. It was drafted by a team of economists and planners under the leadership of P. C. Mahalanobis. [1]
Reason (R): However, the Second Five Year Plan was responsible for the ruin of agriculture as it did not have enough funding to support it.
- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false. d) A is false but R is true.
24. Who is the ex-officio chairperson of the Planning Commission of India? [1]
25. What is 'Left' and 'Right' in politics? [1]
26. Why did India adopt planning (five-year plans)? [1]
27. How much national income increased during the first plan? [1]
28. Highlight the two areas on which the First Five Year Plan focused. [2]
29. Mention merits of Green Revolution. [2]
30. What is 'plan holiday'? When and why was it taken by the Government of India? [2]
31. Define 'Mixed Economy'. [2]
32. Differentiate between the capitalist and the socialist models of development. [2]
33. Analyse the criticism against the Indian model of mixed economy. [4]
34. Explain the merits and demerits of the Green Revolution. [4]
35. Describe consequences of the Green Revolution? [4]
36. State differences between the First Five Year Plan and the Second Five Year Plan. [4]
37. Describe the objectives and achievements of Third Five Year Plan. [6]
38. Examine the controversy regarding Agriculture vs. Industry in India after the 2nd Five Year plan. [6]
39. Examine the different areas of agreement and disagreement with respect to the model of economic development to be adopted in India after independence. [6]

Solution

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Class 12 - Political Science

1. **(d)** The USA and USSR
Explanation: The USA and USSR
2. **(d)** All of these
Explanation: All of these
3. **(a)** J. C. Kumarappa
Explanation: J. C. Kumarappa
4. **(b)** Jawaharlal Nehru
Explanation: Jawaharlal Nehru
5. **(a)** Agriculture
Explanation: Agriculture
6. **(a)** Planning Commission
Explanation: Planning Commission
7. **(b)** 1950
Explanation: 1950
8. **(b)** USSR
Explanation: USSR
9. **(b)** Two
Explanation: Two
10. **(c)** Union Cabinet
Explanation: Union Cabinet
11. **(d)** Non-plan
Explanation: Non-plan
12. **(d)** K.N. Raj
Explanation: K.N. Raj
13. **(b)** Pattern of land distribution
Explanation: Pattern of land distribution
14. **(a)** plan holiday
Explanation: plan holiday
15. **(c)** 1956
Explanation: 1956
16. **(a)** USSR
Explanation: On the eve of Independence, India had before it, two models of modern development: the liberal-capitalist model as in much of Europe and the US and the **socialist model as in the USSR.**
17. **(d)** Planning commission of India
Explanation: Planning commission of India
18. **(d)** Iron ore
Explanation: Orissa, which has one of the largest reserves of untapped **iron ore** in the country, the State government hopes to cash in on this unprecedented demand for iron ore and has signed a Memorandum of Understanding (MoU) with both international and domestic steelmakers. The government believes that this would bring in necessary capital investment and provide a lot of employment opportunities. The iron ore resources lie in some of the most underdeveloped and predominantly tribal districts of the state. **The tribal population fears that the setting up of industries would mean displacement from their home and livelihood.**

19. **(a)** NITI Aayog
Explanation: National Institute of Transforming India came into existence and replaced planning commission.
20. **(c)** 2nd FYP had not preached quick structural transformation
Explanation: The Second Five Year focussed on heavy industries. It was drafted by economists' team and planners under the leadership of PC Mahalanobis. If the first plan had preased patience, the Second wanted quick structural transformation by making changes simultaneously in all possible directions.
21. 1. The clipping is talking about Bihar.
2. Food crisis is the unavailability of sufficient food or food shortage.
3. The main reasons for food crisis were:
 - High prices of food items.
 - Zoning policy of government.
4. Yes, India is now sufficient in food production, due to the Green Revolution. Food grain production has been increased upto maximum extent.
22. **(a)** Both A and R are true and R is the correct explanation of A.
Explanation: Agricultural sector was hit hardest by partition and needed urgent attention. Huge allocations were made for large-scale projects like the Bhakhra Nangal Dam. The Plan identified the pattern of land distribution in the country as the principal obstacle in the way of agricultural growth. It focused on land reforms as the key to the country's development.
23. **(c)** A is true but R is false.
Explanation: During this plan, annual plans were made and equal priority was given to agriculture, its allied sectors, and the industry sector. Agriculture was never left out of the plan at all. In this plan as industry attracted more investment than agriculture, the possibility of food shortage loomed large. The Indian planners found balancing industry and agriculture really difficult.
24. The ex-officio chairperson of the Planning Commission of India is the Prime Minister of India.
25. The left-right political spectrum is a system of classifying positions, ideologies, and parties from equally on the left to social hierarchy on the right. The 'Left' signifies to favour the poor and downtrodden section of society through government politics whereas the 'Right' favours free economy in the market not to be intervened unnecessarily by the government.
26. India adopted planning (five-year plans) because:
 - i. To bring socio-economic changes.
 - ii. It was to provide a controlled and faster growth rate.
 - iii. To resolve contradictions between societies.
27. National income over the five years increased by about 18 percent; foodgrains production went up by 20 percent. Industrial production increased steadily with an average annual rate of about 7 percent.
28. The first five year plan was commenced in 1951 to be drafted by young economist K.N. Raj with the emphasis on poverty alleviation. Its main thrusts were as follows:
 - 1. The First Five Year plan addressed, mainly, the agrarian sector including investment in dams and irrigation. It focused on land reforms as the key to the country's development.
 - 2. Huge allocations were made for large scale projects like Bhakra-Nangal Dam.
29. The merits of Green Revolution were :
 - i. After launching this revolution, India achieved self-sufficiency in food production. Poor farmers also get benefit from this revolution.
 - ii. It raised the availability of food in the country with agricultural growth mainly a rise in wheat and rice production.
 - iii. Some regions like Punjab, Haryana and Western Uttar Pradesh became agriculturally prosperous, flourished more and hence the living standards also improved. Thus, first socially, then politically and economically the status of farmers in these states rose.
30. a. 'Plan holiday' implies that the government had not prepared any plan for the development of the country. Plan Holidays is a gap between two-five years plan, i.e. 1979-1980 and 1990-92.
b. The government took a plan to holiday in 1966 when the Fourth Five Year Plan was due to start. The government took the decision due to by this time, the novelty of planning had declined considerably and moreover, India was facing an acute economic crisis.
31. A mixed economy is one in which the public sector (consisting of government enterprises) and private sector (consisting of private enterprises) coexist with each other.

1. Both the sectors work within invisible lands of market forces and visible lands of planning set by the government.
 2. 'State own' means of production to aim social welfare and 'private own' means of production to be regulated by states.
 3. Here some important decisions are taken by the government and economic activities are by and large conducted through the market.
32. The difference between the capitalists model and the socialist model greatly lies in the scope of government intervention in the economy.
- The capitalists model allows free market conditions to drive innovation and wealth creation, there is freedom of choice resulting in either success or failure. The socialist-based economy incorporates elements of centralized economic planning, utilized to ensure and encourage equality of opportunity and economic outcome.
 - In capitalists, property and business are owned by individuals. In socialist, the state owns and controls the major means of production.
33. i. In a mixed economy like India, the development is not left entirely to the private sector, nor all the production is controlled by the state. It is a combination of a free-market economy and a centrally planned economy. Thus, elements from both the models-capitalist model and the socialist model are taken and mixed together.
- ii. It has been criticised on the following grounds:
- a. The planners refused to provide the private sector with enough space and the stimulus to grow.
 - b. The enlarged public sector produced powerful vested interests that created enough hurdles for private capital, especially by way of installing systems of licenses and permits for investment.
 - c. The state's policy to restrict the import of goods that could be produced in the domestic market with little or no competition left the private sector with no incentive to prove their products and make them cheaper.
 - d. The state-controlled more things that were necessary and this led to inefficiency and corruption.
 - e. The state did not spend sufficient amount on public education and healthcare.
34. **The Merits of Green Revolution were:**
- i. After launching this revolution, India achieved self-sufficiency in food production.
 - ii. Poor farmers also get benefit from this revolution.
 - iii. Delivered only a moderate agricultural growth and raised the availability of food in the country.
 - iv. Some regions like Punjab, Haryana and Western Uttar Pradesh flourished more and here the living standards also improved. Thus, first socially, then politically and economically the status of farmers in these states has risen.
 - v. Surplus food can be sold to earn more.
 - vi. Machines made for ploughing harvesting easy.
- The Demerits of Green Revolution were:**
- i. This revolution created a valley between poor peasants and the landlords.
 - ii. Discrimination and exploitation of poor farmers by the landlords became a wide set of practice. Some political parties started politics on it and managed seats in Assemblies and Lok Sabha elections
 - iii. Increased polarisation between classes and regions.
 - iv. This revolution also increased the power of middleman who worked as mediators between poor farmers and affluent landlords.
 - v. Excessive use of fertilizers makes soil alkaline and unfit for cultivation.
 - vi. Use of tube well reduced the water table.
35. **The two merits of Green Revolution were:**
- i. After launching this revolution, India adopted a new strategy for agriculture in order to ensure food-sufficiency. Poor farmers also get benefit from this revolution.
 - ii. Some regions like Punjab, Haryana and Western Uttar Pradesh became agriculturally prosperous, while others remained backwards. Thus, first socially, then politically and economically the status of farmers in these states rose.
- Demerit/Negative Outcomes:**
- i. This revolution created the stark between the poor peasantry and the landlords. Discrimination and exploitation of poor farmers by the landlords became a wide set practice. Some political parties started politics on it and managed seats in Assemblies and Lok Sabha elections.
 - ii. This revolution also resulted in the rise of the middle peasant sections. These were farmers with medium size holdings who benefited from the changes and soon emerged political influential in many parts of the world. It increased the power of middleman who worked as mediators between poor farmers and affluent landlords.
36. There were some differences between the first and second Five Year Plan which are elaborated below:

- i. The First Five Year Plan totally focused on agriculture whereas Second stressed on heavy industries sector.
- ii. The First Five Year plan started all round balanced development which would ensure increase in level of national income 22.6% allocation was done on education, health, housing etc whereas Second Plan reflected the goal of socialist pattern of society and it allocated only 19.7% on social services.
- iii. First Five Year plan allocated 15 percent on agriculture, 17% on irrigation and food control whereas the second Five Year Plan allocated only 11.8% on agriculture and 10% on irrigation and food control.
- iv. First Five Year Plan focused on land reforms as the key to the country's development, whereas the second Five Year Plan focused on the 'socialist pattern of society'.

37. Objectives:

The principal objectives of the Third Five Year Plan were laid down as follows:

- i. To secure an increase in national income of ever 5% per annum.
- ii. To achieve self-sufficiency in foodgrains and increase agricultural production to meet the requirements of industry and exports.
- iii. To expand basic industries like steel, chemicals, fuel and power and establish machine building capacity so that the requirements of further industrialisation can be met within a period of ten years or so mainly from the country's own resources.
- iv. To utilise to the fullest possible extent the manpower resources of the country and to ensure a substantial expansion in employment opportunities, and
- v. To establish progressively greater equality of opportunity and to bring about a reduction in disparities in income and wealth and a more even distribution of economic power.

Achievements: The First Plan achieved considerable success, the performance of the Second Plan was also not unsatisfactory but the record of the Third Plan has not been good. Commenting on the achievements of the Third Five Year Plan, the Planning Commission observed that 'the progress has been less than adequate and less than anticipated, the most important short-falls being in the agricultural and the industrial sectors'. At another place, it comments that 'in financial terms, the targets of the plan have been achieved'. But several physical targets of production and capacity could not be achieved owing largely to the unfavourable weather conditions which gave a serious set back to agricultural production, failure to take preparatory action, delays in finalising schemes, time taken in negotiating foreign assistance and obtaining equipment, hangover of certain shortfalls in the Second Plan, aggression on our borders and the long gestation period and phasing for most of the projects and programmes.

38. The controversy regarding Agriculture vs. Industry in India after the 2nd Five Year Plan:

- i. The Second Five Year Plan stressed on heavy industries. It was drafted by a team of economists and planners under the leadership of P. C. Mahalanobis. If the first plan had preached patience, the second wanted to bring about quick structural transformation by making changes simultaneously in all possible directions. A resolution was passed by Congress before the plan. It declared that the 'socialist pattern of society' was its goal. This was reflected in the Second Plan.
- ii. India was technologically backward, so it had to spend precious foreign exchange to buy technology from the global market. That apart, as industry attracted more investment than agriculture, the possibility of food shortage loomed largely. The Indian planners found balancing industry and agriculture really difficult.
- iii. The agricultural sector was hit hardest by partition and needed urgent attention. Huge allocations were made for large-scale projects like the Bhakhra Nangal Dam.
- iv. The agricultural situation went from bad to worse in the 1960s. Already, the rate of growth of foodgrain production in the 1940s and 1950s was barely staying above the rate of population growth. Between 1965 and 1967, severe droughts occurred in many parts of the country. This was also the period when the country faced two wars and a foreign exchange crisis. All this resulted in a severe food shortage and famine-like conditions in many parts of the country.

39. Agreement of Economic Model After independence, there were lot of discussion with respect to the model of economic development to be adopted in India are:

Development: 'Development' was about becoming more 'modern' and modern was about becoming more like the industrialized countries of the West. Modernisation was also associated with ideas of growth, material progress and scientific rationality. Indian planners did not follow any of the two known models of development i.e. capitalist model of development and socialist model of development. The elements from both these models were taken and mixed together in India. That is why it was described as 'Mixed Economy'. Private sectors and public sectors flourished well. Much of the agriculture, trade and industry were left in private hands. In India, state controlled the key heavy industries, provided industrial infrastructure, regulated trade and made some crucial interventions in agriculture.

Disagreement of the Economic Model:

- A mixed economy was criticized by many scholars and they argued that the planners refused to provide the private sector with enough space and the stimulus to grow.
- The enlarged public sector provided powerful vested interests that created enough hurdles for private capital, especially by way of installing systems of license and permits for investment.
- Some critics have opinion that the era of public sectors where poverty did not decline even number of poor were adversely increased.
- The public sector did not spend much money on health care and education. The state intervened only in those areas where private sector made profits.
- Moreover, the state's policy to restrict import of goods that could be produced in the domestic market with little or no competition left the private sector with no incentive to improve their products and make them cheaper.
- The state controlled more things than were necessary and this led to inefficiency and corruption.

After all this criticism government adopted the policy of globalisation, liberalisation, and privatisation in 1991. This policy is called new economy policy where private firms enjoy their independence and government interferes only in economic matters.