

Introduction

What is
economic
Planning

It is a process under which attempts are made to achieve given targets of economic development within a specified period of time.

What it
refers to-

It refers to that method under which:

A central planning authority keeping in view the resources of the country seeks to control economic factors in order to achieve pre-determined objectives within a specified time period.

Definitions



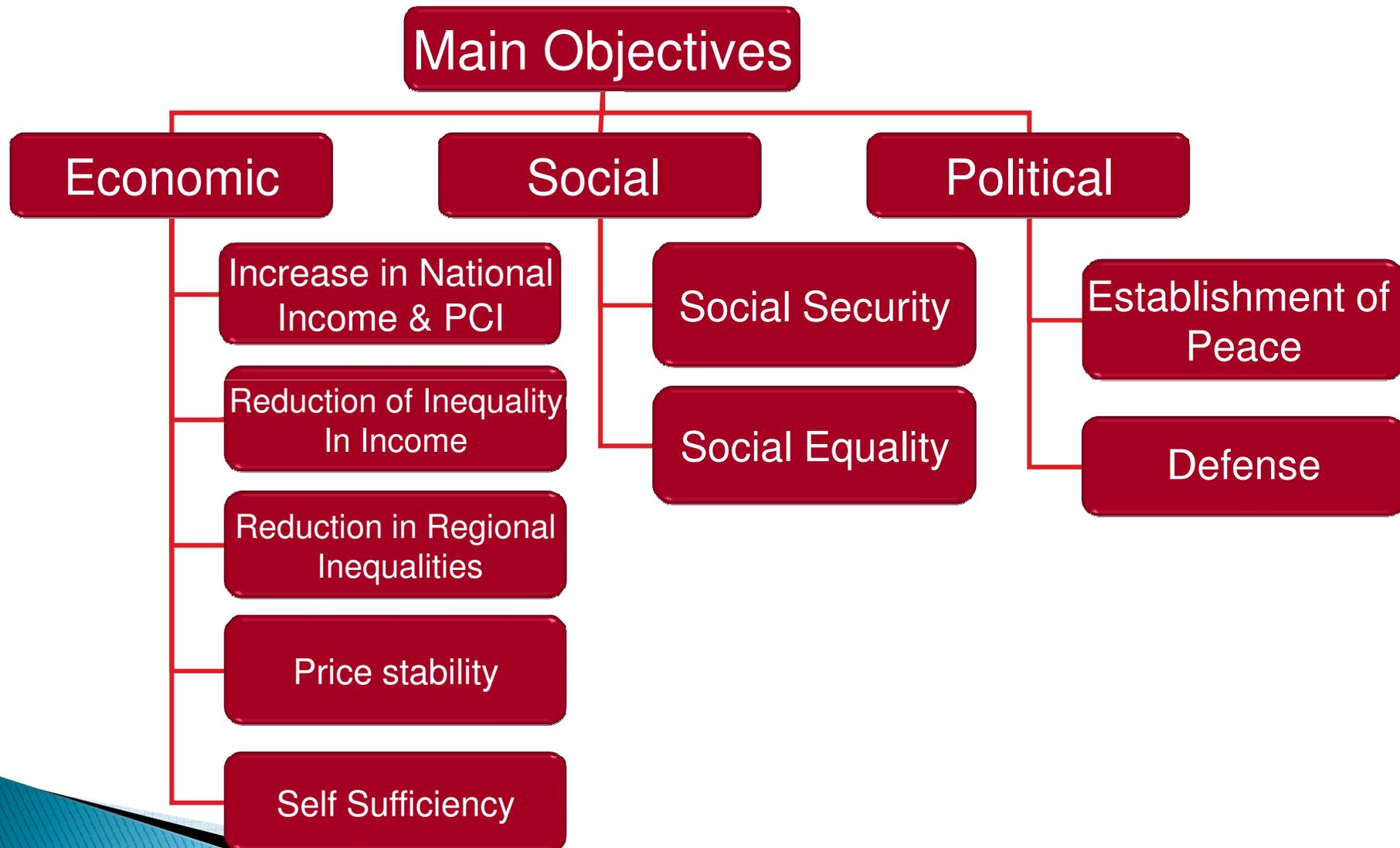
According to Dickenson, “Economic Planning is the making of major economic decisions, what and how much is to be produced and to whom it is to be allocated by the conscious decisions of a determining authority on the basis of a comprehensive survey of economic system as a whole.”



According to Planning Commission, “ It is a purposive adoption of resources to social ends.”

Objectives of Planning

Theory of Economic Planning



Process Of Planning

Formulation:

It is the first stage of economic planning. Planning authority prepares the draft of the physical targets and financial resources. It is called Draft of the plan.

Adoption:

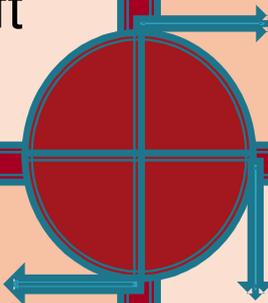
The draft-plan is adopted by the government of the country.

Supervision:

Execution of the Plan must be monitored properly to ensure whether the objectives are being materialized or not.

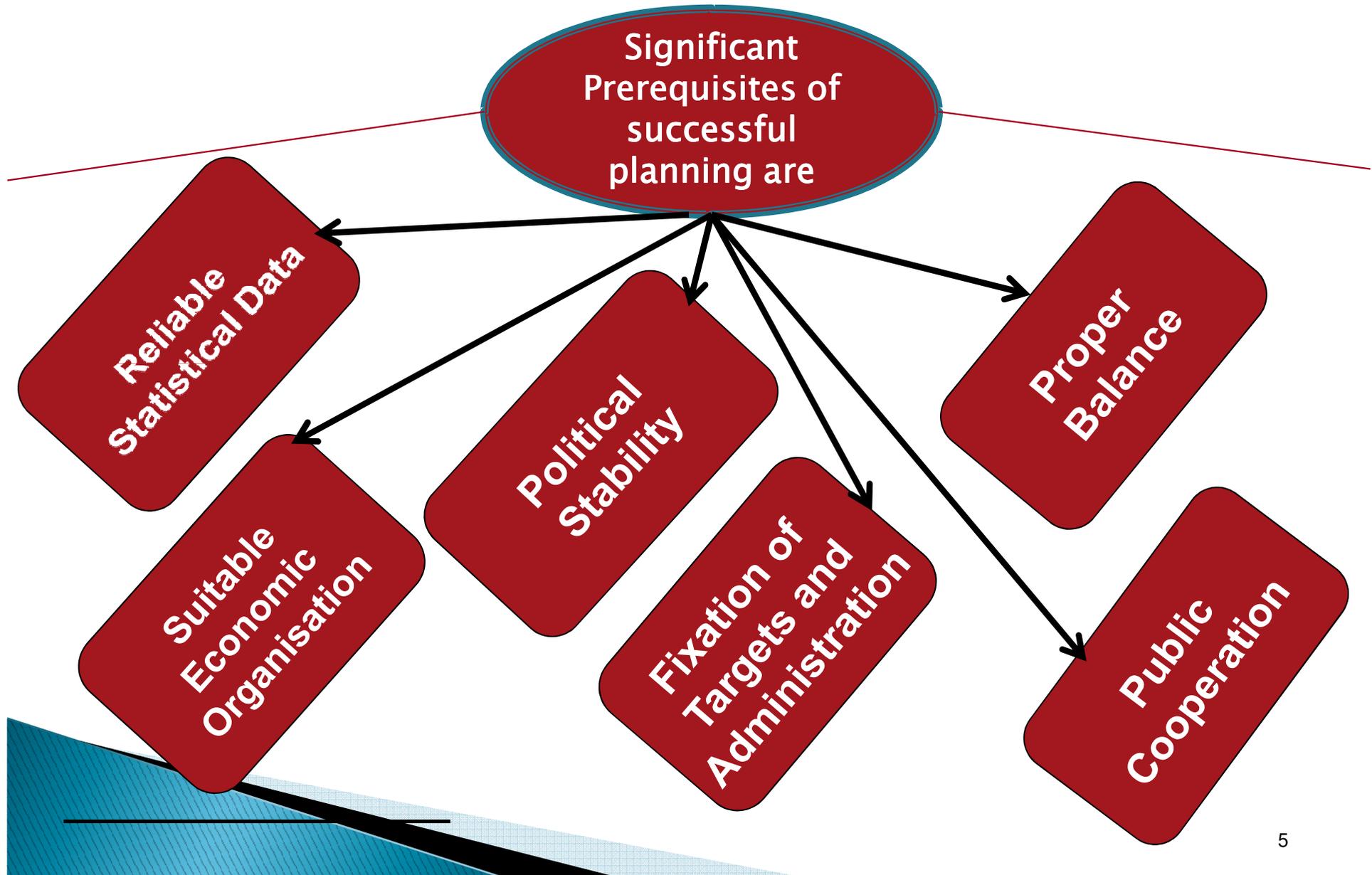
Execution:

Success of the plan depends more on its execution than formulation. So responsibility of its execution rests with different departments of the government.



Prerequisites of successful Planning

Theory of Economic Planning



Determination of Priorities

Theory of Economic Planning

What should take precedence in a plan?

It largely depends on proper choice of priorities.

Every Plan decides as to which economic activities are to be accorded priority.

Priority to Production Vs Distribution

Priority to Investment Vs Consumption

Priority to Industry Vs Agriculture

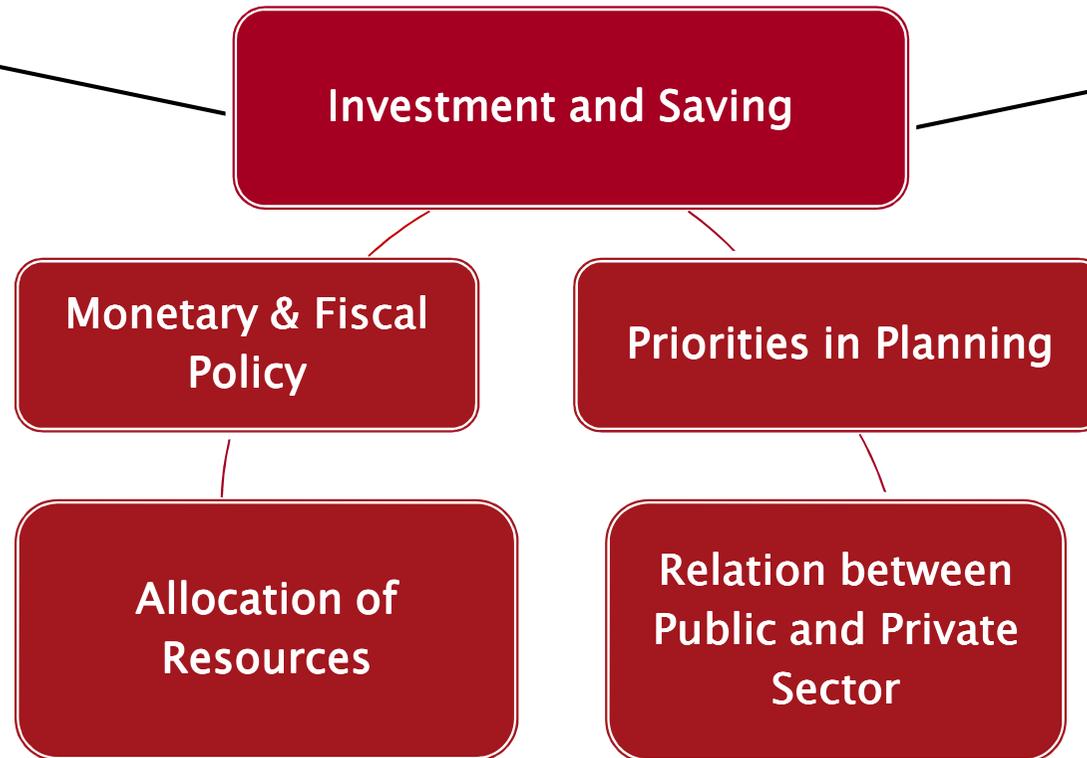
Priority to Capital Intensive Vs Labour Intensive

Strategy of Development in Planning

Theory of Economic Planning

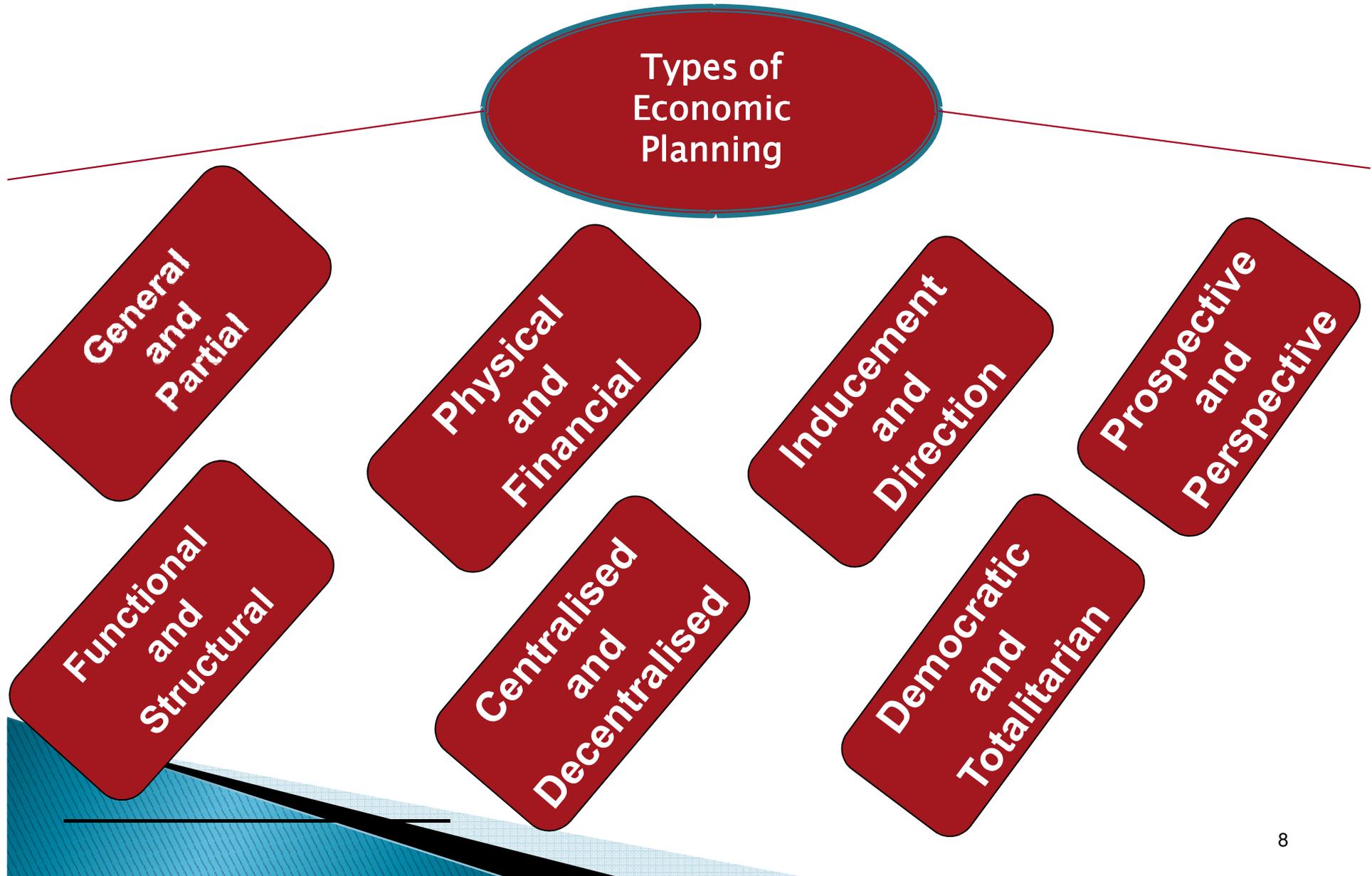
Before launching a Plan, the Planning authority has to take bold decisions regarding the development strategy-

Many factors account for development in planning which are as under



Types of Planning

Theory of Economic Planning



Need for Planning in Under Developed Countries (UDCs)

Theory of Economic Planning

Almost all UDC's of the world have adopted the path of economic planning for these reasons:

Vicious circle of poverty

Lack of able entrepreneurs

Under-utilization of resources

Lack of proper allocation of resources

Economic inequalities

Low rate of capital formation

Lack of infrastructure

Rapid economic growth

Problem of human resources

THANK YOU