

Planning & Economic Development in India

Revise → write a little → don't break the chain.

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1 Meaning & Rationale of Planning

What planning is

PLANNING deciding what has to be done → examining alternatives → fixing priorities → arranging resources → achieving objectives quickly and economically.

In a developing society it is never only technical allocation. It is a **political choice** — who gets resources, which regions get priority, whether growth serves equality, how the state balances markets and welfare.

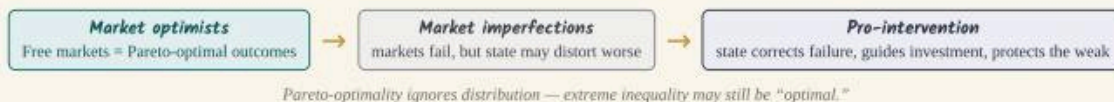
Why planning appeared necessary in India

India inherited a stagnant colonial economy: widespread poverty, domestic savings around **10%**, a weak industrial base (mainly cotton and jute), agricultural backwardness, fragmented holdings, indebtedness, poor infrastructure, low human capital, regional imbalance and weak private capacity for heavy investment.

For a resource-scarce society, planned development promised rapid and balanced growth, industrialisation, food security, social justice, control of speculation and prevention of gross inequalities produced by the private profit motive.

Market, State and Planning — three positions

The planning debate: where should the state stand?



Planned economies and the information problem

- **Lange and Taylor** — a "hypothetical auctioneer" lets a central authority reach equilibrium and improve on the market.
- **Friedrich Hayek and Joseph Stiglitz** stress the **information problem**: planners cannot know local conditions; managers understate capacity; workers conceal productivity; targets invite manipulation.
- Socialist economies never produced the "new socialist man" free of self-interest; excessive quantitative controls bred mismatch, waste and inefficiency.

India's choice rested less on ideology than on a practical belief — markets alone could not transform a poor, unequal, resource-starved society.

2 Historical Background of Planning

- **Soviet influence** — planning gained global prestige after Soviet success in the late 1920s. **Jawaharlal Nehru** admired Soviet economic achievement (not its politics), strengthening the case for planned development.
- **Concurrent List** — "Economic and Social Planning" was placed there; Congress pressed planning during Cabinet Mission talks.

Planning was almost a fait accompli before Independence



Bombay, Gandhian and People's Plans — support was not only socialist

- **Bombay Plan** — leading Indian capitalists, titled *A Plan of Economic Development for India*; accepted state-led development and large investment.
- **Gandhian Plan** — **Shriman Narayan**; rooted in Gandhi's rural reconstruction, decentralisation and moral economy.
- **People's Plan** — **Manabendra Nath Roy** for the Indian Federation of Labour; a working-class perspective.

Mixed-economy consensus

Industrial Policy Resolution, 1948: public and private sectors coexist; the state controls strategic sectors; private enterprise operates under regulation, with tax relief and financial support.

Amiya Bagchi — planning drew on three streams: nationalist conservatives (state supplements private enterprise) → official technocrats (planning against poverty) → socialists (planning as the basis of a just society). The compromise sought a "satisfactory rather than a maximum rate of growth."

3 Nehruvian Model of Development

Jawaharlal Nehru, chief architect, combined **democratic socialism**, scientific temper, industrialisation, mixed economy, centralised planning, public-sector leadership, secular modern education and welfare — political and economic democracy together.

the ending of poverty and ignorance and diseases and inequality of opportunity
— **Jawaharlal Nehru** (the larger promise of planning)

Seven major features

- 1 Scientific temper
- 2 Planned economy
- 3 Mixed economy
- 4 Heavy industry & capital goods
- 5 Import Substituting Industrialisation
- 6 Agriculture & rural development
- 7 Public-sector expansion

- **Scientific temper** — science as the base of modernisation; IITs, research bodies, space, atomic energy, technical manpower.

- **Heavy industry / capital goods** — the **Nehru–Mahalanobis strategy**: steel, machinery, chemicals, fertilizers, transport, electricity. Logic — private capital too weak for long-gestation projects; heavy industry cuts import dependence and builds future capacity; state control checks wealth concentration. **Jagdish Bhagwati** and **Sukhamoy Chakravarty** defended import substitution in basic, capital-intensive industry for growth and self-reliance, especially defence.
- **Import Substituting Industrialisation** — adopted because export-led growth looked hard: unfavourable terms of trade for farm exports, sluggish world market, protectionism abroad, weak industrial discipline. **Ragnar Nurkse** too stressed the difficulty of export-led growth in a sluggish market.
- **Agriculture** — not ignored but subordinate: abolition of intermediaries, occupancy rights, ceilings, irrigation and river-valley projects, seeds, fertilizers, the **Community Development Programme** and National Extension Service.
- **Public sector** — to build infrastructure, form capital, create jobs, prevent monopoly, cut regional imbalance and secure strategic sectors.

Foundations of modern growth laid early

A diversified industrial base (steel, aluminium, fertilizers, chemicals, petroleum), transport and power, irrigation, food self-sufficiency, science-and-technology institutions, space and atomic energy, skilled manpower and domestic capital-goods production — all sustained within democratic institutions, federal coordination and welfare commitments.

UPSC 2025 · ISm With reference to Nehruvian perspective of planning and economic development, examine how the early phase of economic planning in India has laid the foundation of modern India's economic growth.

Criticism

- **License Permit Quota Raj**: rationing bred black markets; heavy industry over consumer goods; weak export competitiveness; agriculture under-prioritised; federal tensions from centralised planning; an “Inspector Raj” of over-regulation; later “Garibi Hatao” slogans that did not fix structural weakness.

PSUs are like an old family silver where family had to spend more to just keep silver shining.

— **Bimal Jalan** (on public-sector decline)

Views of scholars

- **B.R. Ambedkar** — industrialisation necessary to remove social and economic inequality.
- **Amartya Sen** — valued the stress on education, scientific temper and higher learning.
- **Pranab Bardhan** — over-regulation and protection bred inefficiency; **Jagdish Bhagwati** — import substitution killed competition.
- **Francine R. Frankel** — democratic institutions and an industrial base, but agriculture and rural inequality neglected.
- **Ashutosh Varshney** — secular democratic vision, but insufficiently inclusive; **Bipan Chandra** — state-led planning and public sector as instruments of economic independence and social justice; **Rajni Kothari** — hard to balance modernisation with welfare for the marginalised.

4 Gandhian Model & Gram Swaraj

Mahatma Gandhi's was not a conventional economic model but a **moral, social and political** approach: humanity at the centre; body, mind and soul; limitation of wants; decentralised, self-reliant village economy; production by the masses; Swadeshi, Sarvodaya, Antyodaya, trusteeship, non-violence, dignity of labour, harmony with nature.

to refuse to have what the millions cannot

— **Mahatma Gandhi** (the golden rule)

Gram Swaraj — village self-rule

The village as the centre of economy, politics, culture and moral life: self-sufficient village republics, village assemblies, local control of resources, **Panchayati Raj**, small-scale agriculture, cottage industries, the khadi–charkha economy and a non-violent social order. Machinery must serve human beings; wealth must not concentrate.

India lives in villages

— **Mahatma Gandhi**

Gandhian Plan & core principles

The **Gandhian Plan** — **Shriman Narayan** and **S.N. Agarwal**: agrarian reform, land to tillers, rural credit, cooperatives, cottage/khadi industries, employment and local self-reliance — sharply unlike heavy-industrial planning.

Limitation of wants Decentralised economy Production by the masses Swadeshi Sarvodaya

Relevance & criticism

Relevant amid ecological crisis, climate change, rural unemployment, agrarian distress, over-urbanisation and weakening community bonds. Policy echoes: Panchayati Raj, CDP, **MGNREGA**, rural credit, MSMEs, renewable/solar mini-grids, handicrafts, financial inclusion, trusteeship.

- **E.F. Schumacher** (*Small is Beautiful*) — small-scale, human-centred production through “appropriate technology.”
- **Ramachandra Guha** — ethical/environmental/social value; **Ashis Nandy** — an alternative modernity rooted in Indian civilisation.
- **B.R. Ambedkar** — the village model romanticises rural life and ignores caste oppression.
- **Vandana Shiva** — Gandhian principles against industrial agriculture and globalisation; **Arundhati Roy** — large-dam critique reflects the same suspicion; **B.H. Liddell Hart** — noted his strategic non-violent mobilisation.
- Modern economists — hard to apply in a globalised industrial economy.

UPSC 2024 · ISm The blueprint of Gram Swaraj is the key to understand the Gandhian perspective on planning. Discuss.

5 Nehruvian vs Gandhian — Comparison

Nehruvian model	Gandhian model
State at the “commanding heights”	Distributive justice, moral regeneration, equality
Heavy industry & capital goods	Village republics & Gram Swaraj
Import substitution, self-reliance	Decentralised economy
Mixed economy, centralised planning	Production by the masses, not mass production
Faster industrialisation & urbanisation	Agriculture, rural MSMEs, khadi & charkha
Scientific temper, modern education	Limitation of wants; Swadeshi & Sarvodaya
Regulated, minor private role; welfare via state	Moral & ecological basis; against wealth concentration

Self-sufficiency, anti-colonial economic autonomy, poverty removal, concern for inequality, protection against “Neo imperialisms”, national reconstruction. Reconciling both is central to **Atmanirbhar Bharat**.

UPSC 2015 Compare the Nehruvian and Gandhian models of development.

6 Planning Commission & Indian Federalism

Created by a **Cabinet Resolution, 1950** as a staff agency: assess material, capital and human resources; frame Five-Year and Annual Plans; define stages, requisites and machinery for execution. PM was ex-officio Chairperson — political leadership on top, experts below — making it the central body for development strategy and plan grants.

The Commission, which was a small body of serious thinkers, had turned into a government department complete with a crowd of secretaries, directors and, of course, a big building.

— **Jawaharlal Nehru**

Criticism of overreach

Too many ministers reduced expert autonomy; it became a quasi-government department; it lacked parliamentary accountability yet held major power over plan grants; it weakened ministries and states and centralised development administration. The **Administrative Reforms Commission** noted the PM’s leadership let it encroach on executive authority.

- **K. Santhanam** — uniform national planning ignored India’s diversity, producing near-unitary functioning in a federal system.
- **Asok Chanda** — it was the “Economic Cabinet” for both Union and states.

Finance Commission – Planning Commission friction

The **Finance Commission** (constitutional, **Article 280**) was the “balancing wheel” of fiscal federalism — tax devolution and revenue grants. The Planning Commission was **extra-constitutional**, non-statutory, PM-chaired, and controlled large discretionary development grants. **P.V. Rajamannar** (Fourth FC) flagged the overlap; the dual-channel transfer system weakened rule-based federal finance and made states dependent on discretionary plan assistance.

Legacy

Five-Year Plans, public-sector expansion, mixed economy, agricultural and industrial development, poverty-alleviation programmes, regional goals, a long-term planning culture. **Rajni Kothari** — it consolidated the state’s authority over economic policy but built a top-down approach ignoring regional diversity. **Bimal Jalan** and **Amartya Sen** — credited its attention to social justice, health and education. **Ashutosh Varshney** — inefficiency and the “Hindu rate of growth.” **M. Govinda Rao** — major early role, declining relevance after liberalisation.

UPSC 2024 · 15m The legacy of the Planning Commission still has a bearing on India’s development policies. Discuss.

7 Public Sector, Mixed Economy & Disinvestment

Rationale of expansion

Weak private capital; long-gestation heavy industry; huge infrastructure needs; strategic control; checks on monopoly; regional balance; employment; self-reliance; protection of social objectives. Core areas: steel, power, mining, railways, heavy machinery, petroleum, defence, atomic energy, irrigation, transport.

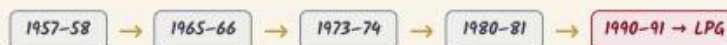
Contributions	Problems
Capital formation; infrastructure; industrial diversification; middle-class employment; strategic autonomy; regional development; public control of natural monopolies	Under-utilised capacity; over-capitalisation; bureaucratic inefficiency; weak pricing; takeover of sick units; low returns; ministerial interference; overstaffing; poor accountability

Contemporary rationale of disinvestment

After liberalisation, private entry into reserved areas, a shift from control to regulation and market financing all cut the Planning Commission’s allocative role. Disinvestment now aims to reduce fiscal burden, improve efficiency, bring professional management, create fiscal space and cut political interference — keeping limited CPSEs in notified strategic sectors while privatising, merging or closing non-strategic units. The **New Public Sector Enterprise Policy** reflects selective state presence, not blanket ownership.

8 Liberalisation & Economic Reforms

Every BoP crisis forced a policy shift — 1991 forced the big one



Aid India Consortium · devaluation & plan holiday · IMF oil & Trust facilities, NRI deposits

Import substitution & its limits

Rational at first (low savings, no domestic capital goods, poor terms of trade). But it produced low export earnings, rising import bills, high tariffs, inefficient industry, licensing, excess capacity and expensive consumer goods. **Jagdish Bhagwati** and **T.N. Srinivasan** highlighted the inefficiency — some tariffs reached **400%**, protecting weak industry at huge consumer cost.

1991 reforms — Liberalisation, Privatisation, Globalisation



Maximum tariff fell from about **400% to 40–50%**; average tariff from about **100% to 20%**. QRs on manufacturing imports ended after a WTO dispute; QRs on agricultural imports ended under Uruguay Round commitments.

Achievements & limitations

Achievements	Limitations
Higher GDP growth; larger forex reserves; IT/BPO, telecom and services growth; more FDI; software, pharma, autos; better consumer choice; absolute poverty decline	Agriculture & manufacturing did not accelerate; weak job creation; widening regional disparity; services did not absorb unskilled labour; lagging human development; vulnerable informal sector; declining public investment in irrigation/infrastructure

- **Narayana Murthy** — IT growth flowed from import delicensing, financial liberalisation and current-account convertibility.

- **Montek Singh Ahluwalia** defended reforms for growth and poverty reduction; **Jagdish Bhagwati** and **Arvind Panagariya** saw them as positive for growth and democratisation; **S.D. Tendulkar** noted complex employment patterns behind poverty decline.

Inadequate complementary reforms

Liberalisation was not matched by reform in governance, education, health, legal institutions, agriculture, labour, land, credit and social security. India stayed hobbled by corruption, red-tapism, poor delivery, slow courts, weak public education/health, bad loans and unreformed PSUs.

institutional quality decides long-term success

— **Daron Acemoglu & James Robinson, Why Nations Fail — India must avoid the “middle-income trap”**

C. Rangarajan — continue banking and labour reform; **Raghuram Rajan** — better regulation and broader benefits; **Sudipto Mundle** — both growth and fiscal-financial challenges.

UPSC 2020 · 15m ‘liberalisation of Indian economy has not been accompanied with adequate reforms’ comment.

9 Social Development Outcomes

Growth rose after reforms; social development improved only modestly — growth was services-led and skill-intensive (not labour-intensive), manufacturing employment did not expand as in East Asia, agriculture stagnated, investment favoured richer states, poorer states had weak fiscal capacity, and public spending on health and education stayed low.

India neglected human capabilities

— **Amartya Sen & Jean Dreze, An Uncertain Glory — growth alone cannot ensure human development**

But real progress too

- Absolute poverty declined; more than **90 million** people left extreme poverty between 2011 and 2015.
- Midday-meal scheme improved attendance, nutrition and learning; **NFHS-4** showed faster progress on stunting, underweight children, youth literacy, child and maternal mortality.
- The Global **Multidimensional Poverty Index** reported a large decline (2005–06 to 2015–16); NITI Aayog’s discussion paper reported **24.82 crore** escaping poverty in nine years.

Gaps persist — poor service delivery, regional social disparity, exclusion of SCs/STs, low employment quality, malnutrition and sanitation.

UPSC 2021 · 15m What explains India’s modest improvements in social development outcomes even as the rate of growth has accelerated since the initiation of economic reforms?

10 Politics of Economic Growth

Growth is political because it shapes class relations, regional inequality, state capacity, welfare, jobs, social movements, tribal displacement, environmental conflict and electoral competition.

- **Atul Kohli** (*State & Redistributive Development in India*) — pro-poor redistribution stayed limited because the ruling alliance is largely an **alliance of state and capital** for growth: weak land redistribution, poor education/health for the poor, thin public works, weak bureaucracy, elite resistance.
- **Francine R. Frankel** — weak elite commitment; **Gunnar Myrdal** — poor peripheral bureaucracy; India a “soft state.”
- **Myron Weiner** (*Politics of Scarcity*) — the state could not protect all interests equally; business interests overrode tribal land rights, forest livelihoods and ecological security — feeding alienation and Left-Wing Extremism.
- **Madhav Gadgil** and **Ramachandra Guha** — **ecosystem people, omnivores, ecological refugees**: growth pressures ecosystem people; the displaced become ecological refugees supplying cheap labour to construction, mining, quarrying and domestic work.

Growth episodes & the political use of reform

Three post-reform phases: **1993–2002** “ordered deals” between elites; **2002–2010** increasingly closed deals with negative feedback from accountability institutions; **after 2011** deceleration and “disordered deals.” Post-2014: demonetization (against illicit cash, for formalisation) and **GST, July 2017**. Job creation stayed weak — capital-intensive trade regime, stringent labour rules, infrastructure and power bottlenecks, high formalisation costs, weak SMEs.

Growth cut poverty but widened inequality and regional disparity — the **triple bottom line** of people, planet and profit stays central.

UPSC 2016 · 20m Critically examine the politics of Economic growth in India.

11 Developmental vs Ascriptive Politics

Ascriptive politics rests on caste, religion, region, birth, ethnicity and social status. Post-liberalisation, **development issues** moved centre-stage: jobs, entrepreneurship, FDI, infrastructure, business sentiment, inflation, welfare delivery.

- Changes — ideological dilution of parties; wider acceptance of the growth agenda; rise of **pocket-book voting**; leaders judged on economic performance; higher turnout; a shrinking gender gap; social media diversifying political information.
- But ascription persists — caste and religious mobilisation, dynastic parties, weak rule-of-law institutionalisation, poor representation of weaker sections, findings of the **Sachar Committee**.
- **Kanchan Chandra** — ethnicity has been *modernised, not eliminated*, by technology and modernisation.

Developmental politics has expanded — it has not displaced ascriptive politics.

UPSC 2017 · 10m In the post-liberalization era, Indian politics is moving from ascriptive politics to developmental politics.

12 DPSP in the Era of Liberalisation

Directive Principles — Part IV, **Articles 36–51**: the welfare state, positive liberalism, social and economic justice, democratic socialism, Gandhian ideals, directions to legislature and executive. **Sir B.N. Rau** — moral precepts for state authorities; **L.M. Singhvi** — the philosophy of social justice.

conscience of the constitution

— **Granville Austin (On Fundamental Rights & Directive Principles)**

The frontiers of Indian democracy have been widened like never before
— Neeraj Gopal Jyoti (after LPG reforms)

Relevance after 1991

The state moved from protector of the public sector to regulator/facilitator; market fundamentalism grew; inequality rose; welfare retrenchment and rising private education/health costs became a worry. DPSP hold the welfare character against the “rolling back of the state”, supplement rights with socio-economic rights (health, work, education, food, clean environment) and protect the vulnerable. **Robert Cox**’s “internationalisation of the state” makes them more important; **Suhas Palshikar** (“democratisation of democracy”) and **Ronald Dworkin** (“democracy of fairness”) fit their logic.

Implementation & the courts

Land-reform laws, bank/industry nationalisation, welfare schemes, Panchayati Raj, Equal Remuneration Act, RTE, National Food Security Act, MGNREGA, Maternity Benefit Act, Sexual Harassment at Workplace Act 2013.

- *Air India Statutory Corporation v. United Labour Union* — DPSP as forerunners of the UN right to development, part of fundamental human rights.
- *K.K. Verma v. Union of India* — growth must benefit all, especially the vulnerable; *M.C. Mehta v. Union of India* — balance environment and industry; *Tata Power Co. v. Maharashtra ERC* — tariffs must consider low-income consumers.

In globalisation, DPSP ensure that growth does not override social justice and democratic fairness.

UPSC 2019 - ISM Comment on the relevance of the Directive Principles of State Policy in an era of liberalization and globalization.

13 Environmental Movements after Liberalisation

Roots in colonial forest management, tribal displacement, post-independence dams, mining and state-led projects. Major mobilisations:

Chipko Appiko Narmada Bachao Andolan Silent Valley

After liberalisation, industrial and mining activity expanded and FDI accelerated resource extraction; tribal areas in Jharkhand, Odisha, Chhattisgarh and Andhra Pradesh faced deforestation and displacement. **K.B. Saxena** and **Rajkishor Meher** link LPG development with displacement, dispossession and unrest among indigenous communities.

Why movements weakened

State–corporate nexus; economy over ecology; weak legal enforcement; corrupt permissions; fast industrial clearances; fragmented movements; limited citizen participation; expert-dominated discourse; a consumerist culture. **Arun Kumar** — the state–MNC nexus suppressed recent environmental movements.

environmentalism was never an organized “movement.”

— Donella Meadows

Judicial jurisprudence

Built through *Vellore Citizens Welfare Forum* (tanneries), the *Fertilizer Gas Leakage* case, *S. Jagannath* (coastal management), *Goa Foundation v. Konkan Railway*, *Narula Dyeing* and *Indian Council for Enviro-Legal Action* — giving the **public liability**, **polluter-pays** and **precautionary** principles and the “right to environment” within “right to life” under **Article 21**. Consumption after liberalisation brought hyper-consumerism, food waste, urban pollution, a rising Gini and SDG 11–12 concerns.

UPSC 2022 - 10m High concentration of economic activities and consumption patterns in post-liberalisation period has led to the failure of environmental movements in India. Elucidate.

14 NITI Aayog & New Planning Architecture

NITI Aayog (National Institution for Transforming India) — formed **1 January 2015**, replacing the Planning Commission: a policy think tank, strategic advisor, platform for cooperative federalism, innovation hub, monitoring body and facilitator of bottom-up planning.

From allocation to persuasion



Structure

PM as Chairperson; Vice-Chairperson; full- and part-time members; ex-officio Union Ministers; CEO and special invitees; a **Governing Council** of Chief Ministers and Lieutenant Governors; Regional Councils; subject experts and verticals.

Functions

Cooperative federalism Strategic planning Innovation & knowledge hub Coordination Monitoring & evaluation Decentralised planning
National agenda & global interface

Cooperative & competitive federalism

We want to promote co-operative federalism in the country. At the same time, we want a competitive element among the states. I call this new form of federalism Co-operative and Competitive Federalism

— Narendra Modi

Tools: state rankings, SDG/health/education indices, the Aspirational Districts Programme, Ease-of-Doing-Business rankings, peer learning and reputational incentives. **Arvind Panagariya** — “competitive cooperative federalism”, the onus on states to drive transformation; **Bibek Debroy** — it fits a fast-changing economy better than centralised planning; **Balveer Arora** — an “imperfect clone”, federal-bargaining reform incomplete; **Arun Maira** — the Planning Commission was “a force for allocation of money, not for persuasion of change.”

NITI Aayog is not just a name change but also a mind change, signifying a paradigm shift from a centralized planning model to a more collaborative and cooperative one.

— George Mathew

C. Rajamohan — action agendas allow dynamic, responsive planning; **Chimhowu** and others identify two paradigms — classical top-down science vs communication-and-

negotiation planning; NITI Aayog moves to the second. Limitation — advice without fund allocation may reduce leverage over states.

UPSC 2015 Comment on the Structure and function of NITI Aayog.

UPSC 2023 · 15m How does NITI Aayog as a 'policy think tank with shared vision' visualize the reorganization of planning in India? Justify your answer.

15 District Planning Committee

Created under **Article 243ZD**, linked to the **73rd & 74th Amendments**: it consolidates plans prepared by Panchayats and Municipalities into a draft district development plan, joining rural, urban and sectoral plans. **Four-fifths** of members are elected by and from elected members of Panchayats and Municipalities in rural-urban proportion. Functions — decentralised and sectoral planning across agriculture, infrastructure, watershed, public health, education, women-and-child care, spatial planning, resource sharing and environmental conservation; it is central to "planning for economic and social justice."

Many DPCs are not fully functional or properly constituted; weak technical capacity; too few qualified District Planning Officers.

UPSC 2023 · 10m Comment on the Functions of District Planning Committee.

16 Fourteenth Finance Commission & Agriculture

The Finance Commission (**Article 280**) reviews Union-state finances, recommends tax devolution, distributes grants and augments resources of Panchayats and Municipalities. The **Fourteenth FC** — chaired by **Y.V. Reddy**, report tabled 24 February 2015 — raised the states' share of the divisible pool from **32% to 42%**, deepening fiscal autonomy and automatic transfers.

Devolution criterion	Weight
Income distance	50%
1971 population	17.5%
Area (2% floor for smaller states)	15%
2011 population	10%
Forest cover	7.5%

Agriculture gained indirectly — untied funds and fiscal space let states design their own policies for irrigation, research, rainfed and watershed development, drought-proofing, livestock, APMC market reform, post-harvest storage and cold chains, credit, financial inclusion and crop insurance. Impact depended on whether states used the space for agriculture.

UPSC 2022 · 15m Discuss the policy initiatives of the Fourteenth Finance Commission aimed towards promoting and strengthening agricultural development in India.

17 Land Reforms & Agrarian Transformation

Central to social justice after Independence. **Article 39(b)** — material resources should serve the common good; **Article 39(c)** — the economy must not concentrate wealth and means of production. Land was never only production — it carried social status, caste power, livelihood security and political influence.

Constitutional amendments & the Ninth Schedule

Amendment	What it did
First Amendment, 1951	Amended Art 31; added Art 31A & 31B; created the Ninth Schedule ; protected 13 state land-reform laws
Fourth Amendment, 1955	Substituted a more elaborate Art 31A
Seventeenth Amendment, 1964	Protected acquisition of estates; personal-cultivation land needed compensation not below market value within ceiling limits
Seventy-Eighth Amendment, 1995	Added 27 state land-reform laws to the Ninth Schedule
Forty-Fourth Amendment	Removed the right to property as a Fundamental Right

Cases — *Shankari Prasad v. Union of India* upheld the First Amendment; *State of Bihar v. Kameshwar Singh* read Bihar land reform as consistent with Directive Principles and social justice.

The four instruments

- **Abolition of zamindari** — bills in UP, MP, Bihar, Madras, Assam; around **20 million** tenants became landowners; rural power shifted from feudal landlords to independent cultivators.
- **Tenancy reform** — security of tenure, fair rent (about one-fourth to one-sixth of produce), ownership; but most tenancies were oral, so tenants could not prove rights and tenancy went underground. West Bengal's **Operation Barga, 1978** registered around **1.5 million** sharecroppers.
- **Ceiling laws** — failed through high ceilings, the individual (not family) as unit, benami transfers, exemptions and litigation. The **National Guidelines, 1970** lowered ceilings, made the family the unit and gave SCs/STs priority in surplus distribution.
- **Cooperatives** — the **Kumarappa Committee, 1949** backed cooperation; the **1959 Nagpur Resolution** pushed cooperative farming but shrank to pilots under pressure. **N.G. Ranga, C. Rajagopalachari** and **Charan Singh** feared coercive collectivisation; bogus cooperatives helped landowners evade ceilings.

The abolition of intermediaries transformed agrarian relations by shifting the locus of rural power from feudal landlords to market oriented independent cultivators ... marginal tenants, dwarf holders, and agricultural labourers did not benefit.

— **Lloyd I. Rudolph & Susanne Hoeber Rudolph**

Bhoodan, Gramdan & the state cases

Acharya Vinoba Bhave — **Bhoodan** (April 1951, from Pochampali, Telangana) used Gandhian moral persuasion for land donation; **Gramdan** (1955, "all land belongs to God") worked better in tribal communities but declined by the 1960s. **Kerala** (Land Reforms Amended Act, 1969) — about 2.8 million tenants gained ownership over 600,000 hectares. **West Bengal** (1977–2011) — about 205,444 hectares redistributed among 2,102,529 individuals, backed by CPI(M) networks.

Why land reform underperformed

a planned and institutional reorganisation of the relation between man and land.
— **Gunnar Myrdal** (defining land reform)

Reasons — land is a State subject (uneven implementation), weak political will, dominance of landowning classes, poor records, oral tenancy, loopholes and exemptions, corruption, litigation, benami transfers, caste/religion divisions and the post-LPG decline of the agenda.

- **Bina Agarwal** — lack of political will and elite obstruction; **M.S. Swaminathan** — outdated, inaccurate records; **Pranab Bardhan** — done well, reform can cut poverty and raise output.
- **Atul Kohli** — the state lacked capacity to confront propertied classes; **Daniel Thorner** — massive legislation, limited grassroots change; **Ashutosh Varshney** — Kerala/WB success came from strong movements and grassroots mobilisation.
- **Klaus Deininger** and **Hari K. Nagarajan** — poor implementation hurts productive agriculture and leasing; **Utsa Patnaik** — poverty and food insecurity; **Hamza Alvi**’s “overdeveloped state” applies.

UPSC 2025 · 10m Land reforms programmes led to some constitutional amendments. Comment.

UPSC 2016 · 20m Land reforms have failed in the eradication of rural poverty. Comment.

18 Green Revolution & Agrarian Crisis

Agricultural modernisation through HYV seeds, fertilizers, pesticides, irrigation, tractors, tube wells, assured prices, institutional credit and public investment — a response to food shortages, PL480 imports and fear of famine. It began in the 1960s via the **IADP** and later **IAAP**, supported by the **Agricultural Prices Commission (1965)**. Leaders — **Lal Bahadur Shastri**, **C. Subramaniam**, **Indira Gandhi**, **M.S. Swaminathan**, with **Norman Borlaug**’s wider influence. It turned India from “Begging bowl” to “Grain bowl.”

Food-grain output rose from **82 mt (1960–61)** to **264 mt (2013–14)**; later estimates place it at **329.69 mt (2022–23)**. India became self-sufficient and a net supplier by the 1980s.

Social, economic & ecological costs

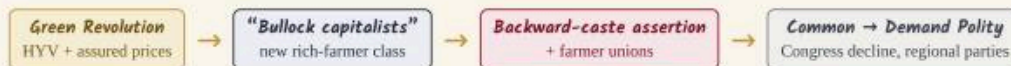
- **Regional imbalance** — Punjab, Haryana, Western UP and parts of Tamil Nadu gained; the East, Deccan and rainfed areas lagged. **G.S. Bhalla** — benefits later spread, but early inequality mattered.
- **Class inequality** — **Daniel Thorner** and **Wolf Ladejinsky**: rich farmers gained most. **Francine R. Frankel** (India’s Green Revolution: Economic Gains and Political Costs) — gains carried social tension. **V.K.R.V. Rao** — widening rich–poor gap, rising indebtedness, some land loss, reversal of land-reform gains.
- **Labour** — **G.S. Bhalla** and **G.K. Chadha**: wages and bargaining power rose. **G.S. Grewal** — food-price inflation offset gains; migrant labour from Bihar/UP weakened local bargaining; women bore more burden.
- **Environment** — groundwater depletion, waterlogging, salinity, soil-fertility decline, pesticide pollution, monoculture, pest resurgence. **Vandana Shiva** (Violence of Green Revolution) — the model’s ecological and social cost. **T.N. Khoshoo**, **Ashok Gulati** and **Utsa Patnaik** warned on sustainability.

Ever-Green Revolution — productivity in perpetuity without ecological harm.

— **M.S. Swaminathan**

Political fallout

How the Green Revolution reshaped politics



Farmer unions: Bharatiya Kranti Dal (Charan Singh) · BKU · Shetkari Sangathan · Karnataka Rajya Ryot Sangha

Lloyd I. Rudolph and **Susanne Hoeber Rudolph** named rich farmers “bullock capitalists” and traced India’s move from “Common Polity” to “Demand Polity.” Rising groups — Jats, Yadavs, Lodhs, Gujars, Kurmis, Marathas, Lingayats, Vokkaligas, Reddys, Kammars. **Yogendra Yadav** — the “first democratic upsurge”; **Aditya Dasgupta** — class differentiation, farmer movements, decline of the Congress system; **Christopher Jaffrelot** and **Louise Tillin** — regional consciousness and federalisation; **Zoya Hasan** — communalism in some contexts.

failure of land reforms could convert the Green Revolution into a RED REVOLUTION.

— **K.R. Narayanan**

Need for a Second Green Revolution

Productivity has stagnated; ecological costs are severe; water scarcity and climate change threaten farming; rainfed areas and Eastern India were left behind; small farmers remain vulnerable; farming is no longer sufficiently profitable.

The green revolution that made the nation self-sufficient in food grains has run its course ... a second green revolution that maximises productivity and generates income and employment ... is needed.

— **Pratibha Patil**

Eastern India · Rainfed & dryland · Micro-irrigation · Climate-resilient crops · Diversification · Organic & conservation agriculture · C2+50% MSP

Ramesh Chand — power/fertiliser price distortions; **Tushaar Shah** — micro-irrigation and water management; **Ashok Gulati** — market reform, supply chains, price support; **Vandana Shiva** — agroecology.

UPSC 2017 · 15m What do you understand by Green Revolution? Do you think that a Second Green Revolution is needed to adequately address the agrarian challenges in contemporary India? Examine.

UPSC 2019 · 15m What has been the political fallout of the Green Revolution in India? Explain.

Agrarian crisis today

Visible in farmer suicides, Nashik–Mumbai and Delhi marches, distress sales, indebtedness, migration and protests over MSP and farm laws. **D.N. Dhanagare** — farmers moved from landlord dependence to **market dependence**, unregulated by the state; **P. Sainath** — neoliberal macro-policy and corporate input costs; **Ashok Gulati** — farmers often get as little as 25% of the final consumer price; **M.S. Swaminathan** — procurement, PDS and C2+50% MSP. Weak mobilisation — **Atul Kohli**, **Ashutosh Varshney**, **Pranab Bardhan**; urban bias — **Charan Singh**; anti-WTO critique — **Mahendra Singh Tikait** and **M.D. Nanjundaswamy**.

UPSC 2018 · 20m Examine the various causes of agrarian crisis in India.

19 Overall Assessment & Conclusion

Four phases of India's development story



Neither the state nor the market alone can produce just development. Planning is still needed — but as guidance, not command; markets raise efficiency — but need regulation; welfare cannot be left to trickle-down; agriculture needs structural reform, not only technology; environmental justice must be part of growth; federalism needs rule-based transfers; local planning is essential for real inclusion; human capabilities are central; growth must stay tied to justice, liberty, equality and fraternity.

Nehru's industrial base and scientific temper → Gandhi's decentralisation, sustainability and moral economy → Ambedkar's social justice → Sen's capability approach — planning institutions that guide rather than command, markets that work within constitutional welfare commitments.

★ Power Quotes

The Commission ... had turned into a government department complete with a crowd of secretaries, directors and, of course, a big building.

— Jawaharlal Nehru — on the Planning Commission

PSUs are like an old family silver where family had to spend more to just keep silver shining.

— Bimal Jalan — public-sector decline

conscience of the constitution

— Granville Austin — FRs & DPSP

a planned and institutional reorganisation of the relation between man and land.

— Gunnar Myrdal — land reform

NITI Aayog is not just a name change but also a mind change ... a paradigm shift from a centralized planning model to a more collaborative and cooperative one.

— George Mathew

to refuse to have what the millions cannot

— Mahatma Gandhi — the golden rule

We want to promote co-operative federalism ... I call this new form of federalism Co-operative and Competitive Federalism

— Narendra Modi

Ever-Green Revolution — productivity in perpetuity without ecological harm.

— M.S. Swaminathan

failure of land reforms could convert the Green Revolution into a RED REVOLUTION.

— K.R. Narayanan

The frontiers of Indian democracy have been widened like never before

— Neeraj Gopal Jayal — after LPG

■ Scholar Index

Acemoglu, Daron · Agarwal, Bina · Agarwal, S.N. · Ahluwalia, Montek Singh · Alvi, Hamza · Ambedkar, B.R. · Arora, Balveer · Austin, Granville · Bagchi, Amiya · Bardhan, Pranab · Bhagwati, Jagdish · Bhalla, G.S. · Bhave, Vinoba · Borlaug, Norman · Chadha, G.K. · Chakravarty, Sukhamoy · Chanda, Asok · Chand, Ramesh · Chandra, Bipan · Chandra, Kanchan · Chaudhuri, B.B. · Chimhowu · Cox, Robert · Dasgupta, Aditya · Debroy, Bibek · Deininger, Klaus · Dhanagare, D.N. · Dharampal · Dreze, Jean · Dworkin, Ronald · Frankel, Francine R. · Gadgil, Madhav · Gandhi, Indira · Gandhi, Mahatma · Grewal, G.S. · Guha, Ramachandra · Gulati, Ashok · Hart, B.H. Liddell · Hasan, Zoya · Hayek, Friedrich · Jaffrelot, Christopher · Jalan, Bimal · Jayal, Neeraj Gopal · Kaviraj, Sudipta · Khoshoo, T.N. · Kohli, Atul · Kothari, Rajni · Kumar, Arun · Ladejinsky, Wolf · Lange, Oskar · Maira, Arun · Mathai, M.P. · Mathew, George · Meadows, Donella · Meher, Rajkishor · Modi, Narendra · Mundle, Sudipto · Murthy, Narayana · Myrdal, Gunnar · Nagarajan, Hari K. · Nanjundaswamy, M.D. · Nandy, Ashis · Narayan, Shriman · Narayanan, K.R. · Nehru, Jawaharlal · Nurkse, Ragnar · Palshikar, Suhas · Panagariya, Arvind · Patil, Pratibha · Patnaik, Utsa · Rajagopalachari, C. · Rajamannar, P.V. · Rajamohan, C. · Rajan, Raghuram · Ranga, N.G. · Rangarajan, C. · Rao, M. Govinda · Rao, V.K.R.V. · Rau, B.N. · Reddy, Y.V. · Robinson, James · Roy, Arundhati · Roy, M.N. · Rudolph, Lloyd I. · Rudolph, Susanne Hoeber · Sainath, P. · Santhanam, K. · Saxena, K.B. · Schumacher, E.F. · Sen, Amartya · Shah, Tushaar · Shastri, Lal Bahadur · Shiva, Vandana · Singh, Charan · Singhvi, L.M. · Srinivasan, T.N. · Stiglitz, Joseph · Subramaniam, C. · Swaminathan, M.S. · Taylor, Fred · Tendulkar, S.D. · Thorner, Daniel · Tikait, Mahendra Singh · Tillin, Louise · Varshney, Ashutosh · Weiner, Myron · Yadav, Yogendra

≡ How UPSC Asks It — theme → PYQ

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Nehruvian planning & foundations of modern growth	2025 · 15m
Gram Swaraj & the Gandhian perspective on planning	2024 · 15m
Nehruvian vs Gandhian models — comparison	2015
Legacy of the Planning Commission	2024 · 15m
NITI Aayog — structure & function	2015
NITI Aayog as think tank / reorganisation of planning	2023 · 15m
District Planning Committee — functions	2023 · 10m
Fourteenth Finance Commission & agriculture	2022 · 15m
Liberalisation without adequate reforms	2020 · 15m
Modest social development despite faster growth	2021 · 15m
Politics of economic growth in India	2016 · 20m
Ascriptive → developmental politics post-liberalisation	2017 · 10m
Relevance of DPSP under liberalisation/globalisation	2019 · 15m
Concentration/consumption & failure of environmental movements	2022 · 10m
Land reforms → constitutional amendments	2025 · 10m
Land reforms & eradication of rural poverty	2016 · 20m
Green Revolution & need for a Second Green Revolution	2017 · 15m
Political fallout of the Green Revolution	2019 · 15m
Causes of the agrarian crisis	2018 · 20m

► Today's Practice

UPSC 2025 · 15m With reference to Nehruvian perspective of planning and economic development, examine how the early phase of economic planning in India has laid the foundation of modern India's economic growth.

UPSC 2024 · 15m The blueprint of Gram Swaraj is the key to understand the Gandhian perspective on planning. Discuss.

UPSC 2016 · 20m Critically examine the politics of Economic growth in India.

Model answers drop tonight on @psirbyamitpratap. It's all covered in full in your Foundation / OGP class notes & handouts. Revise it, then write.

See you tomorrow with Day 24.