Indian Economy · GS - I

The model of planned economy was adopted in India to address the regional imbalances left behind by colonial rule. Comment.

EXAM YEAR	PAPER	SUBJECT
2026	GS - I	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Colonial economic legacy, uneven development, regional disparities, Planning Commission, Five-Year Plans, public sector, infrastructure, irrigation, industrialisation, backward regions, balanced development, limitations

Model Answer

India adopted planned economic development after independence largely to overcome the structural weaknesses and regional disparities inherited from colonial rule. Colonial policies had produced uneven industrialisation, weak infrastructure and concentration of economic activity in selected regions, while large areas remained economically backward.

The Planning Commission, established in 1950, sought to promote balanced and inclusive development through Five-Year Plans. Public investment was directed towards irrigation, power, transport, education and healthcare, thereby creating basic infrastructure in less-developed regions. The development of heavy industries and public sector enterprises under the Second Five-Year Plan aimed to build domestic productive capacity and reduce dependence on external markets.

Planned development also sought to reduce regional disparities through investments in backward areas, agricultural development and community development programmes. The Green Revolution increased agricultural productivity and food security, although its benefits initially remained concentrated in regions with better irrigation and infrastructure.

However, planning did not eliminate regional inequalities. Industrial concentration, uneven infrastructure, differences in state capacity and disparities in agricultural productivity persisted. Some centrally sponsored programmes also faced implementation and governance challenges.

Nevertheless, planning provided a framework for directing scarce resources towards national priorities and building economic capabilities that were weak at independence.

Thus, the planned economy was an important instrument for addressing colonial legacies and regional imbalances, although its effectiveness was constrained by uneven implementation and structural inequalities.

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