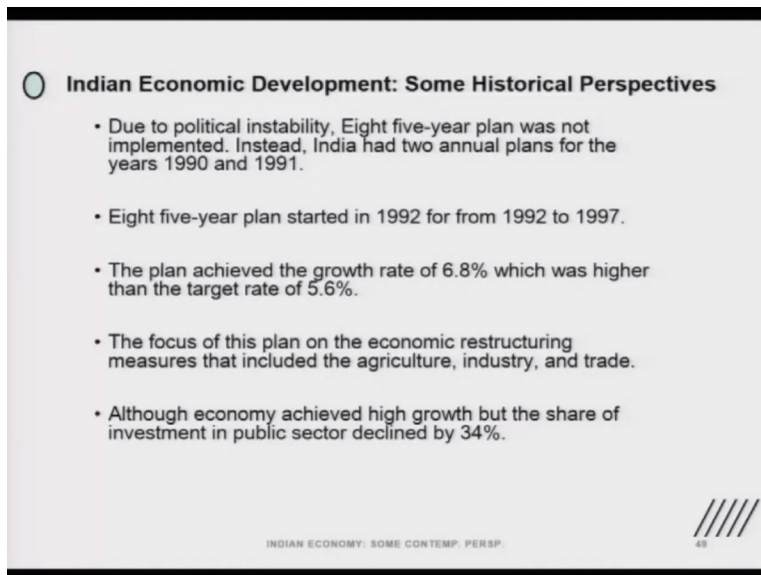


Indian Economy: Some Contemporary Perspectives
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Lecture-06
Indian Economy: Economic Planning 6

Yes, so let us just start. As I told that we will be now discussing on the eighth plan and ninth plan, and then 10th, 11th, 12th. So, we are left with only four to five plans to discuss, and then after that we will summarize that how we have progressed. I will be showing you some indicators that how we have done well on certain indicators and how we have improved, and where there is a scope for improvement and how we are still working on.

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Indian Economic Development: Some Historical Perspectives

- Due to political instability, Eight five-year plan was not implemented. Instead, India had two annual plans for the years 1990 and 1991.
- Eight five-year plan started in 1992 for from 1992 to 1997.
- The plan achieved the growth rate of 6.8% which was higher than the target rate of 5.6%.
- The focus of this plan on the economic restructuring measures that included the agriculture, industry, and trade.
- Although economy achieved high growth but the share of investment in public sector declined by 34%.

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INDIAN ECONOMY: SOME CONTEMP. PERSP.

So, after the political instability, Eight Five Year Plan was not implemented, as we have already mentioned. And India had two annual plans for the year 1990-1991. Eighth Five Year Plan, the duration was from 1992 to 1997. But if you compare with the previous lecture, then you find that we have most of the things that we have discussed, it was taken during this plan.

So, the target was to achieve 5.6 percent growth, but eighth plan achieved the growth rate of 6.8 percent, which is much better, and it gave better results. And this was possible because what we discussed in the previous lecture that how different measures helped the economy to boost up, and then most of the indicators were looking quite attractive.

The focus of this plan on the economic restructuring measures that included agriculture industry, trade, everything. And then the focus was also on reviving the investment outlook of the country utilizing the savings and all. So, the major changes that we saw during this plan was the role of public sector.

So, the public sector declined. And even in terms of savings, even in terms of investment, the share of investment in public sector declined by 34 percent, which means that government was completely focusing on the revival of or going into the mode of privatization. So, the more and more private firms were given importance compared to the public sector firms, and this was reflected with the public investment figure also.

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○ **Indian Economic Development: Some Historical Perspectives**

- Ninth five-year plan (1997-2002) was launched with the growth target of 6.4% but actual growth was 5.4%.
- The motto of this plan was "*Growth with Social Justice and Equity*".
- The market-oriented developments continued even during Ninth FYP.
- Private sector was given access to almost all sectors and necessary steps were taken to facilitate that even at state-level.

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So, the ninth plan which had the duration from 1997 to 2002, was launched with the growth target of as 6.4 percent. But here the actual achievement rate was only 5.4 percent. The motto of this plan was the growth with social justice and equity. And it was decided that it will be based now more on the social transformation, the redistribution of income and wealth across different strata. So, that is why this became one of the debated topics during that time and opponents and proponents were sharing their views for and against.

The market-oriented development continued even during ninth Five Year Plan, and private sector was allowed to participate in any activity, any sector except three that government had reserved, those are strategic and atomic and environmental sensitive activities.

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Indian Economic Development: Some Historical Perspectives

- *Special Action Plan (SAP)*: For the first time, a five-year plan in India had a special rider from the Prime Minister.
- SAP focused on five areas viz., food & agriculture; infrastructure; education, health & drinking water; information technology.
- During this plan, the agriculture and manufacturing saw a major decline, but services remain a resilient sector.
- Agriculture sector registered lower growth due to weather shocks.
- Asian Crisis of 1997 and gloomy global economic outlook contributed impacted the industrial growth.
- Instability due to Kargil war, cyclone in Orissa, and earthquake in Gujarat further deteriorated the economic outlook.

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For the first time, a special action plan was attached with the ninth plan document and it was attached by the Prime Minister. So, for the first time it was decided, it was reflected on a policy document that that Prime Minister attached a note with the policy document, with the planning document. And this particular SAP was focused on food and agriculture, infrastructure, education, health and drinking, information technology. So, these were the priorities of the government at that time.

During this plan, agriculture and manufacturing also saw a bit decline because the transformation was happening from public to private and it was not very smooth. But services sector took a leap here and then it registered a higher growth. And there was a whole lot of focus on revival of this. By this time, we also had a lobbying group working for the services sector to expand and they were given a lot of incentives.

Here agriculture sector also because of the poor monsoon it was not a favorable number generated from this sector. In terms of external shocks, Asian financial crisis at that time had a

huge impact on the Indian economy and our business cycle was also trapped by this. So, there was some kind of contagion effect from this.

Global outlook was also not good, because of this there was a debate also on hot capital, whether this hot capital should be allowed or not, though we had allowed the FIIs with the 24 percent equity. But at that time, it was a hotly debated topic that whether a developing economy should participate in attracting hot capital or not, which is called foreign institutional investor. And these developments also impacted the export outlook of the industrial sector which resulted in the decline in the outlook.

Then, we also had domestic disturbances. Kargil war, we had a cyclone in some parts of the Orissa, earthquake in Gujarat, and these developments also thwarted the better prospect of India's economic growth and development. And despite a special action plan, we were not able to achieve that much our goal.

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Indian Economic Development: Some Historical Perspectives

- Tenth five-year plan (2002-2007) had the target growth of 8% but it achieved the growth rate of 7.6%.
- The plan focused on improving the 11 indicators of developments which included the dimensions of gender gap, human resources, infant and maternal mortalities rates, drinking water and sanitation and cleaning of polluted rivers.
- Emphasis was given on the involvement of Panchyati Raj institutions.
- For the first time state-wise targets were sought to monitor the balanced development.
- A Fiscal Responsibility and Budget Management (FRBM) Bill was introduced in Parliament in 2000 and it was passed by parliament as an act in 2003.

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The 10th plan, which started from 2002 to 2007 had the target growth of 8 percent and it also achieved the growth rate of 7.6 percent. It also focused on 11 indicators that included everything. So, now, you can compare from the first, second, third, fourth, fifth, sixth, seventh, eighth that how the objectives are shifting and how the priorities of the government were also changing, and how this became one of the important dimensions to look for.

For example, 11 indicators included the gender gap, human resources, infant and maternal mortality rate, drinking water, sanitation and cleaning of polluted rivers. Which means that now instead of thinking vertically we were also thinking horizontally in terms of expanding or protecting our natural resources, right.

So, this is one of the important points to note that how the planning process evolved over a period of time and how it incorporated different dimensions of reviving not only the economy, but also thinking about the distribution of income and wealth, and how the poor or the lower income strata of the society can participate and can be given opportunity to participate in the mainstream economy or mainstream society.

So, emphasis was given on the involvement of Panchayati Raj institutions. For the first time, in this plan, one of the major indicators that are always asked in the exams and all that which plan had given specific targets to the states which were a laggard as compared to the national parameters and which were forward in terms of national parameters.

So, to make sure that there is equitable development across the states, for the first-time state-wide targets were issued to monitor the balanced development, and it continued. So, now a days it is more in an organized manner. So, if you go on the RBI website, you will find that you have state level indicators also even on development parameters.

So, it is started because we started collecting information on state level indicators also, so that we can see clearly that which sector is lagging behind or which sector has the high deviation from the national average and which sector is having low. So that it can be worked out and further incentives will be given or further monitoring mechanism will be developed so that those states may also come on average or may go beyond average.

There was one more historical development that took place was the announcement of Fiscal Responsibility and Budget Management Act. It became act in 2003, but it was introduced in 2000. So, Fiscal Responsibility and Budgetary Management, FRBM Act is one of the landmark achievements in India's domain of public finance, because it created a specific target for the center that they cannot bypass that target.

So, it was decided that the fiscal deficit target should be set at 3 percent which was later because of some reason it moved to 3.5 percent, then again time to time there is always a change in FRBM Act. But it has been always a difficult time for the country like India, which is of developing nature and which has so much of responsibility to take care of different economic indicators, it has rarely been a chance when the government has been able to meet this FRBM target. But in a more generalized sense, it can be called as a major development, because it gave government a particular target that they should be focusing on.

So, there is a whole lot of debate on this, whether this FRBM Act was supposed to be one of the major developments or it was a simple imposition of a norm. So, this is also one of the important things to note. And later, government has gone for further modification.

Now, under FRBM Act states were also given targets, the states were more efficient in implementing this act than the center. So, there is a whole lot of debate on this. Even the Economic Survey of 2016-2017 or 2017-2018 had given up complete detailed account of this, that how different states have done on this these parameters.

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Indian Economic Development: Some Historical Perspectives

- Eleventh five-year plan (2007-2012) had the target to achieve the growth rate of 9% but its actual growth was 8%.
- The plan was "Towards Faster & More Inclusive Growth"

Plans	Tenth Plan	Eleventh Plan
Investment Rate (% of GDP)	32.4	36.7
Domestic Savings Rate (% GDP)	30.9	34.8
Current Account Deficits	1.5	1.9
ICOR	4.3	4.1
GDP Growth Rate	7.5	9.0

Source: Plan, E. F. Y. Plan 2007-2012, Volume 1 Inclusive Growth. Delhi: Planning Commission, GOI.

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Then 11th Five Year Plan, 2007 to 2012. So, this 11th Five Year Plan is having a lot of importance again, and it had the target growth rate of 9 percent. But it achieved the growth rate of 8 percent because of the different circumstances that India had to pass through. And during

this period India also had gone for a general election, plus we had 2008-09 global economic crisis, that also led to the deterioration of the economic health of the country. And the planned target was towards faster and more inclusive growth.

So, the target was set in this manner. So, I have tried to indicate on four parameters, one was the investment and domestic savings. Because in this plan, the focus was on this that there should be higher saving and at the same time it should result in higher investment. So, investment rate as a percentage of GDP, 10th plan, 32.4 percent it was. In case of 11th plan, it was decided that it should be 36.7 percent.

Domestic saving rate as a percentage of GDP, it was decided that it should be 30.9 percent and it should increase to 34.8 percent, it was envisaged. Current account deficit, it was also decided, but then it increased 1.9 percent, right. Incremental capital output ratio, it was also 4.3 percent in case of 10th plan, in case of 11th plan it became 4.1 percent, which is good, lower values means you require less amount of capital to produce output. And GDP growth rate was 7.5 percent and target were 9. Here, current account deficit as compared to 10th plan it was higher because it was expected that the economy may face awkward moments and that is why this was kept in mind.

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Indian Economic Development: Some Historical Perspectives

- Eleventh five-year plan (2007-2012) had the target to achieve the growth rate of 9% but its actual growth was 8%.
- The plan was "Towards Faster & More Inclusive Growth"

Sectors	Eight Plan (1992-1997)	Ninth Plan (1997-2002)	Tenth Plan (2002-2007)	Eleventh Plan (2007-2012)
Agriculture	4.72	2.44	2.30	3.7 (4.0)
Industry	7.29	4.29	9.17	7.2 (10-11)
Services	7.28	7.87	9.30	9.7 (9-11)
Total	6.54	5.52	7.74	8.0 (9.0)

Source: Plan, E. F. Y. Plan 2007-2012, Volume 1 Inclusive Growth. Delhi: Planning Commission, GOI.

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Then, if you compare the sector wise growth, so, 8th plan, 9th plan, 10th plan, 11th plan, you will find that in this plan we had agriculture sector which had recorded a higher growth

compared to 9th and 10th plan. In 9th plan it was 2.44 percent, in 10th plan it was 2.30 percent, but in 11th plan it recorded a higher growth of 3.7 percent, thanks to good monsoon, but it did not meet the target of 4 percent.

So, the numbers in brackets are the targets set by the plan and the values which are not in bracket or the actual numbers achieved. So, in case of industry the target was 10 percent to 11 percent, but it achieved 7.2 percent. Services, it was 9 percent to 11 percent, but it achieved the growth rate of 9.7 percent. And a total, of course, it was 8 percent, the target was 9 percent.

So, you can see that services sector has the consistent performance. So, from 8th plan, 9th plan and 10th plan service sector performed well, so from 7.28 percent, 7.87 percent, 9.30 percent, 9.7 percent, but industry had a volatile movement. So, in case of 8th plan it achieved 7.29 percent, and then in case of 11th plan it achieved 7.2 percent, 10th plan had the best performance in terms of industry and it achieved a growth rate of 9 percent. And that was because at that time India had started gaining the benefit what it was introduced in in terms of post reform period. But after that, there was a further correction and this particular number came down.

So, I think with this table, it is clear that we should spend some more time understanding the services sector. So maybe I will have one particular session on services sector, how and which all measures helped this particular sector to become one of the leading sectors of our country.

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Indian Economic Development: Some Historical Perspectives

- Twelfth five-year plan (2012-2017) had the target to achieve the growth rate of 8.2%.
- The plan was "Faster, sustainable and more inclusive growth"
 - To achieve the growth rate of 4% in agriculture sector
 - The focus was more on the re-distribution, social welfare and gender gap
 - Increasing infrastructure spending
 - Secondary education for all
 - Reducing infant and maternal mortalities
 - Complete eastern and western freight corridors
 - Listing 5 top universities in the list of top 200 global universities
 - National Action Plan for Climate Change

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Then this was the last plan post-independence, so 12th Five Year Plan, that was envisaged that it will continue till 2017. But in 2015 we had Niti Aayog, and this Niti Aayog idea is continuing and we have now going ahead with the Vision Document that will be coming up soon.

So 12th five-year plan, 2012 to 2017 had the target to achieve the growth rate of 8.2 percent. The plan was, again, to achieve the growth rate of 4 percent agriculture sector the focus was more on the redistribution, social welfare and the gender gap again. Increasing infrastructure spending, so in this plan it was decided that government will go for expansion in infrastructure activities,

Secondary education for all, reducing infant and maternal mortality, complete Eastern and Western freight corridors and list top universities in top 200 global universities. For the first time we had understood the role of climate change. So, there was a National Action Plan for climate change, but it continued till 2015. In the budget on 1st January, 2015, Government of India had announced the setting of Niti Aayog, National Intuition for Transforming India.

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The slide is titled "Indian Economic Development: Some Historical Perspectives". It contains a section titled "Assessment of planning process:" with three bullet points. The first bullet point states that India had a total of 11 successful five-year plans, with the 12th plan shelved in 2015. The second bullet point notes that from capacity generation in the formative years to high growth paths, redistribution, and focus on social transformation are some of the major contributions to India's economic history. The third bullet point mentions that opponents argue India did not take off at the right time due to the socialistic framework of the planning process, which kept the country in a low-growth regime for a longer period. The slide also features a navigation bar at the bottom with icons and the text "INDIAN ECONOMY: SOME CONTEMP. PERSP." and a logo consisting of four slanted lines.

So, assessment of a planning process. So now it's time that we should devote some minutes to understand. So, India had 11 successful plans, which means that we had gone for a complete five years, 12 plans continued till 2015. So, whatever progress we saw, it has been recorded. But if you compare this, then we find that we had in the beginning years, in the formative years we had gone for high growth path, thinking about output ratio, how we can go for import substitution.

And there was always back in mind the idea of nationalization of major activities, so public sector entities were given importance. But after 1970s and in the mid of 80s, we realized that we should be now moving towards more of a market-oriented economy. We started giving more preference to the private sector and the private sector became really important to drive the economy.

Opponents, however, argue that, because we continued the socialistic pattern and this particular socialistic pattern did not give that much space for the private sector to grow, though we had conceived the idea of mixed economy, but there was a complete dominance of the nature that we had in terms of socialistic nature. And this nature did not allow the economy to expand at the rate it was supposed to be. So, a few decades just were exhausted in just increasing the capacity.

So, this also is linked to what we had low growth regime, what is called in terms of Hindu rate of growth, that how we were not able to achieve more than 3.5 percent, very constant economic growth that we had. Had it been market oriented economy, then we would have gone at a different pace and we would have achieved a different level of development.

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Plan Period	Target	Actual	Plan Period	Target	Actual
First Plan (1951-56)	2.1	3.5	Seventh Plan (1985-1990)	5.0	5.6
Second Plan (1956-61)	4.5	4.2	Annual Plan (1990-1991)	--	3.4
Third Plan (1961-66)	5.6	2.8	Eight Plan (1992-97)	5.6	6.5
Annual Plans (1966-69)	--	3.9	Ninth Plan (1997-2002)	6.5	5.5
Fourth Plan (1969-74)	5.7	3.2	Tenth Plan (2002-2007)	7.9	7.6
Fifth Plan (1974-79)	4.4	4.7	Eleventh Plan (2007-2012)	9.0	8.0
Annual Plan (1979-80)	--	-5.2	Twelfth Plan (2012-2017)	8.0	--
Sixth Plan (1980-85)	5.2	5.5	Niti Aayog (2015 - till)		

Source: Plan, E. F. Y. Plan 2007-2012, Volume 1 Inclusive Growth. Delhi: Planning Commission, GOI.

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But if you compare in terms of numbers, then I have some numbers. For example, in terms of plans, so from first plan I have listed down the target and the actual growth rate. So, you can see that till fourth plan, we had passed the growth rate only once when we had a second plan, though

we did not meet the target. But in most of the years, we had the growth rate of either 3 percent or just in the range of 2 to 4 percent.

After fifth plan, we moved from 4.7 percent and more than 4.7 percent. Then annual plan was launched and that did not work, it gave negative growth. Sixth plan, we had a better scenario, and after that we started achieving a higher growth rate. 11th plan, it really worked and it gave a good growth. So, we were moved from 2.8 percent era, 3.5 or 4 percent era to 8 percent era.

And then we have Nav Niti Aayog to take care, so of course this also gives a lot of idea that overall if you just see after 1970s, if you see the progress, then it has not been that bad, especially after 1980s we have consistently done well, except annual plans that we had to introduce in 1990-1991 because of political instability and we had achieved the growth rate of 3.4 percent only. We did not have any target for this.

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Indian Economic Development: Some Historical Perspectives

Growth rates of GDP and major sectors during different plans

Plans	Target	GDP	Agriculture	Manufacturing	Services
6 th (1980-84)	5.2	5.7	5.7	5.1	5.4
7 th (1985-89)	5.0	6.0	2.8	6.0	6.1
8 th (1992-96)	5.6	6.8	4.7	9.4	6.8
9 th (1997-01)	6.5	5.4	2.4	3.3	7.8
10 th (2002-06)	8.0	7.6	2.4	9.3	10.1
11 th (2007-12)	9.0	8.0	3.2	7.9	10.0

Source: Agarwal, M., & Whalley, J. (2015). The 1991 reforms, Indian economic growth, and social progress. In *World Scientific Reference on Asia and the World Economy* (pp. 3-22).

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Sector wise if you see, in terms of growth rate, then you find that manufacturing has been the most versatile, even agriculture. Sixth plan had the agriculture growth rate of 5.7 percent, but here in case of 11th plan, we saw that if you compare sixth plan and an 11th plan, then you find that services sector is continuously doing well, whereas manufacturing is somewhat volatile, so 9.4 percent, then 3.3 percent, then 9.3 percent and 7.9 percent.

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Indian Economic Development: Some Historical Perspectives

Sectoral break-up

Year	Agriculture	Manufacturing	Services
1950-51	51.9	11.1	34.6
1955-56	50.0	12.2	35.4
1960-61	47.6	13.7	36.6
1965-66	40.5	16.6	41.5
1970-71	41.7	16.0	40.9
1975-76	39.9	16.8	42.1
1980-81	35.7	18.0	45.3
1985-86	32.9	19.2	47.1
1990-91	29.5	20.6	49.6
1995-96	25.7	21.9	52.2
2000-01	22.3	20.6	56.9

Source: Reserve Bank of India

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I have also shown the sectoral contribution to GDP, that if I have to just see. So, agriculture sector had the share in total GDP of about 51.9 percent in 1950-1951. And you can see that after this, 1955, it has been declining and it in 2000-2001 its share was just 22.3 percent. Manufacturing, you can see its share has increased but it is not at the rate it was supposed to be out it was envisaged.

Then the services sector, it is continuously rising and this services sector, though it has a share of 34.6 percent in 1950-1951, it has gone up to 56.9 percent, so that shows the substantial improvement in the contributions to GDP by this particular sector. So, now, India is called services sector driven economy because of this reason, that 51.9 percent that we had in agriculture, share of agriculture, now we have now moved to 56.9 percent.

Then manufacturing, it has been always somewhat increasing trend, but now it looks like there are was a dip in 2000-2001 from 21.9 percent in 1995-1996 to 20.6 percent. So, this this shows that how we have gone, but it gives an overall picture that we moved from agriculture to services, and manufacturing was somewhat left out.

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○ Indian Economic Development: Some Historical Perspectives

Sectoral break-up

Indicators	1950-51	2009-10
Economic Indicators		
Food grains production	50.8	218.2
Finished steel (million tons)	1.0	59.7
Cement (million tons)	2.7	200.7
Coal and lignite (million tons)	32.3	566.1
Electricity generated (billion KWH)	5.0	768.0
Exports (in USD million)	1,296	1,78,751
Imports (in USD million)	1,273	2,88,373
Foreign Exchange Reserves (in USD million)	1,914	2,54,685
Social Indicators		
Population (million)	359	1,210
Birth (death) rate (per 1000)	39.9 (27.4)	22.5 (7.3)
Life expectancy at birth: Male (Female)	32.5 (31.7)	62.6 (64.2)
Literacy rate (in %): Male (Female)	27.2 (8.9)	82.2 (85.2)
Registered medical practitioners (per 10,000 pop.)	1.7	5.6
Hospital beds	3.2	9.5

Source: Suri, M. M. (2011). Twenty years of Economic Reforms in India: 1991-2011. New Century Publication, New Delhi.

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In terms of sectoral indicators breakup, so here it should be indicators, there is a typo here. So, here in indicators, if you will compare from 1950-1951 to 2009-2010. You can see that in case of food grain production, we have now moved from 50.8 million tones to we have now 218.2 million tones in 2019.

Finished steel in million tones, it was 1 million tonne in 1951, now we are 59.7 million tones. Cement, again we have moved from 2.7 million tones to 207 million tones. Then coal and lignite also, these two are the industrial inputs, so it has become one of the important contributions. Electricity generated, we are moved from 5 to 768.

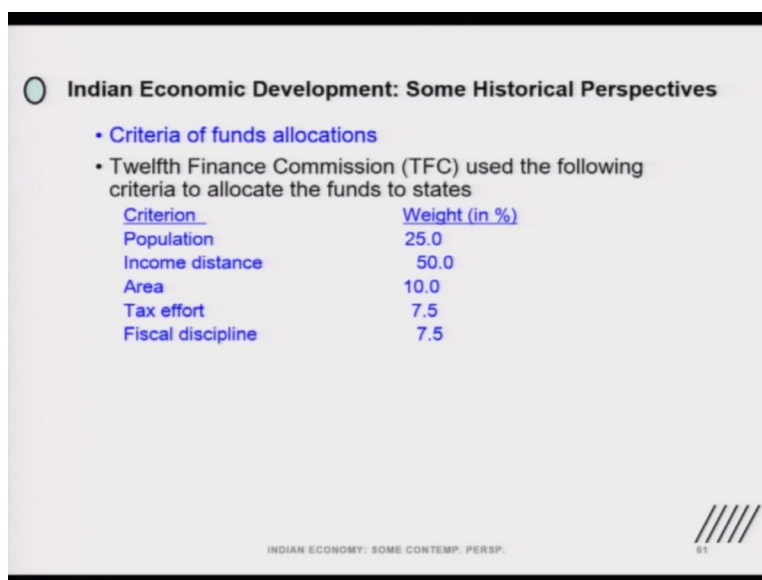
Exports also we have done well, so you can see in terms of million dollar, we were only in four digits, but now we are in seven digits. So, that also shows you that there is a continuous improvement. Foreign exchange reserves also in millions we have moved, in the same fashion that we have moved in terms of exports. But export share has not gone up and that is because we have not given that much emphasis to the manufacturing sector.

Population has gone up, birth rate and death rate per 10,000 it has also gone down, from 39.9, in brackets you have for death, here also for death. So, you can see that now it has come down significantly, 27.4 to 7.3, right. Birth rate has also come down, 39.9, 22.5. Life expectancy at birth, 32.5 to 66.6, this is for male; for female 31.7 to 64.2, which means that the lifestyle and the

standard of living has improved and this has resulted in. Literacy rate, male female, it has also improved, 27.2 to 82.2 and 8.92 we have 65.2.

Then we have medical services, hospital beds. Though we have not done so much well on this parameter, but we can see that we are still improving and there is scope for improvement. So, this particular aspect helps a lot.

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Indian Economic Development: Some Historical Perspectives

- Criteria of funds allocations
- Twelfth Finance Commission (TFC) used the following criteria to allocate the funds to states

Criterion	Weight (in %)
Population	25.0
Income distance	50.0
Area	10.0
Tax effort	7.5
Fiscal discipline	7.5

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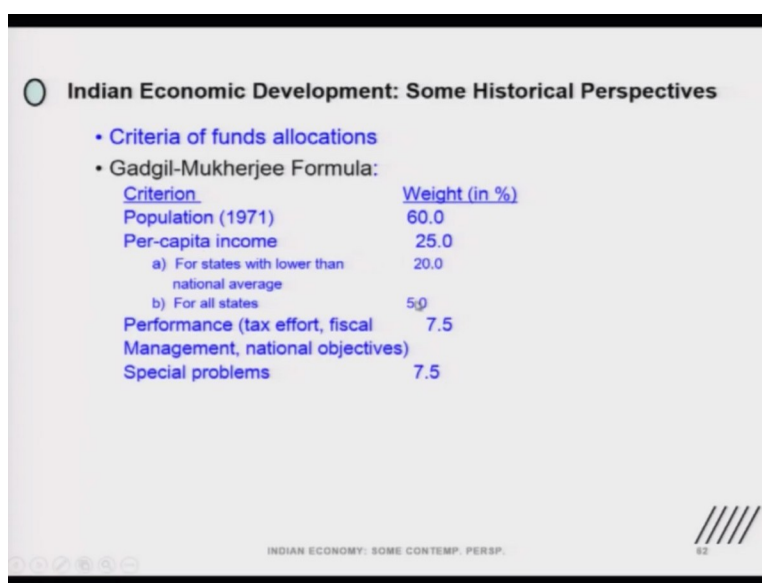
Then the Twelfth Finance Commission. So, if you ask me from the perspective of how Planning Commission decides about the allocation of money to different states, then the plan document of 11th plan mentioned about this particular criterion used by Twelfth Finance Commission. So, this I have referred from the 11th plan document.

So, it mentions that population was given weight of 25 percent. Income distance, which means that how much the state is distinct from the national average, so if it is more than, of course, it should be given higher weight. So, it was 50 percent. Area, 10 percent, which means the geographical area.

The tax effort, how much effort the government has made in terms of collecting taxes, it was given 7.5 percent. Fiscal discipline, which means that how much government has made effort to reduce the fiscal deficits and other revenue deficits, then it has been given 7.5 percent.

So, which means that these two are the performance parameters, rest are just based on the area. And income distance also can be linked with performance parameter, right. So, what is more important that if the state is large, area is large, and if the population is large, then of course those states are going to get more money?

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Indian Economic Development: Some Historical Perspectives

- Criteria of funds allocations
- Gadgil-Mukherjee Formula:

Criterion	Weight (in %)
Population (1971)	60.0
Per-capita income	25.0
a) For states with lower than national average	20.0
b) For all states	5.0
Performance (tax effort, fiscal Management, national objectives)	7.5
Special problems	7.5

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Then in most of the documents you will find the mention of this. If you go to any plan document you will find the mention of this Gadgil-Mukherjee formula. Under this formula, the population based on 1971 census, it was given a 60 percent weight, per capita income was given 25 percent, and 25 percent was further divided into four states with lower national average 20 percent, for all state 5 percent. And these indicators are not for specific category states, special category states are given extra incentive but these are for the non-special category states.

Performance, tax effort, fiscal management, national objectives was 7.5. Special problems, if the state is facing any kind of special problem, means, if the state is facing a regular flood or having a maoist problem, then there will be extra incentive given to those states. So, that was the idea behind this.

So, I would like to conclude that we have covered the planning process till 12th plan and we have also summarized the major findings, we have also highlighted that what are the parameters that we decide about. Now it's time to focus only on contemporary things that we have, so now

we will be focusing on Niti Aayog, then we will be focusing on disinvestment measures, certain topics which are worth mentioning.

So, I hope, the journey from 1951 till 2017, it was clear that how India has passed through these phases, what all measures were taken, what all shocks India had to face, what were the normal and extraordinary situations where Government of India had to take measures, when we discontinued our planning process, which all measures were critically important for India to become modern economy. For instance, the pre-1991 era, post-1991 era, what were the reasons for 1991 debacle that we say always, what was the reasons for the balance of payment crisis.

So, I think all these questions are being answered now, whatever we have covered in our six lectures. Now, going forward, we will have some more topics to be discussed in a more contemporary context and even we may go for a few moments in a historical context and we may come back again.

So, now I think it gives a clear-cut idea. I will be also having one session on indicators that we use, for example, a balance sheet. In the Union Budget you have different indicators, those who are from non-economics it is very difficult to understand, so I will be spending some time to give you some basic idea about that. Thank you. Thank you so much.