

## Chapter - 25

### PLANNING COMMISSION

The Planning Commission was established in March 1950 by an executive resolution of the Government of India, (i.e., union cabinet) on the recommendation of the Advisory Planning Board constituted in 1946, under the chairmanship of K.C. Neogi. Thus, the Planning Commission is neither a constitutional body nor a statutory body. In other words, it is a non-institutional or extra-constitutional body (i.e., not created by the Constitution) and a non-statutory body (not created by an act of Parliament). In India, it is the Supreme organ of planning for social and economic development.

#### FUNCTIONS

The functions of the Planning Commission include the following :

1. To make an assessment of material, capital and human resources of the country and investigate the possibilities of augmenting them.
2. To formulate a plan for the most effective and balanced utilization of the country's resources.
3. To determine priorities and to define stages in which the plan should be carried out.
4. To indicate the factors that retard economic development.
5. To determine the nature of the machinery required for successful implementation of the plan in each state.
6. To appraise, from time to time, the progress achieved in execution of the plan and to recommend necessary adjustments.
7. To make appropriate recommendations for facilitation the discharge of its duties, or on a matter referred to it for advice by Central or state governments.

It should be noted that the Planning Commission is only a staff agency – an advisory body and has no executive responsibility. It is not responsible for taking and implementing decisions. This responsibility rests with the Central and state governments.

#### COMPOSITION

The following points can be noted in context of the composition (membership) of the Planning Commission :

1. The prime minister of India has been the chairman of the commission. He presides over the meetings of the commission.
2. The commission has a deputy chairman. He is the de facto executive head (i.e., full-time functional head) of the commission. He is responsible for the formulation and submission of the draft Five-Year Plan to the Central cabinet. He is appointed by the Central cabinet for a fixed tenure and enjoys the rank of a cabinet minister. Though he is not a member of cabinet, he is invited to attend all its meeting (without a right to vote).
3. Some Central ministers are appointed as a part-time members of the commission. In any case, the finance minister and planning minister are the ex-officio (by virtue of) members of the commission.
4. The commission has four to seven fulltime expert members. They enjoy the rank of a minister of state.
5. The commission has a member-secretary. He is usually a senior members of IAS.

The state governments are not represented in the commission in any way. Thus, the Planning Commission is wholly a Centre-constituted body.

#### INTERNAL ORGANISATION

The Planning Commission has the following three organs :

1. Technical Divisions
2. House keeping Branches
3. Programme Advisors

#### TECHNICAL DIVISIONS

The technical divisions are the major functional units of Planning Commission. They are mainly concerned with plan formulation, plan monitoring and plan evaluation. These fall under two broad categories, that is, general divisions (concerned with aspects of the entire economy). and subject divisions (concerned with specified fields of development).

**HOUSEKEEPING BRANCHES:**

The Planning Commission has the following housekeeping branches :

1. General administration branch.
2. Establishment branch
3. Vigilance branch
4. Accounts branch
5. Personal training branch

**PROGRAMME ADVISORS**

The post of programme advisors were created in the Planning Commission in 1952 to act as a link between the Planning Commission and the states of Indian Union in the field of planning.

**NATIONAL DEVELOPMENT COUNCIL**

The National Development Council (NDC) was established in August 1952 by an executive resolution of the Government of India on the recommendation of the first five year plan (draft outline). Like the Planning Commission, it is neither a constitutional body nor a statutory body.

**COMPOSITION**

The NDC is composed of the following members.

1. Prime minister of India (as its chairman/head).
2. All Union cabinet ministers (since 1967).
3. Chief ministers of all states.
4. Chief ministers/administrators of all union territories.
5. Members of the Planning Commission.

The secretary of the Planning Commission acts as the secretary of the NDC. It (NDC) is also provided with administrative and other assistance for its work by the Planning Commission.

**OBJECTIVES**

The NDC was established with the following objectives.

1. To secure cooperation of states in the execution of the Plan.
2. To strengthen and mobilize the efforts and resources of the nation in support of the Plan.
3. To promote common economic policies in all vital spheres.
4. To ensure balanced and rapid development of all parts of the country.

**FUNCTIONS**

To realize the above objective, the NDC is assigned with the following functions :

1. To prescribe guidelines for preparation of the national Plan.
2. To consider the national Plan as prepared by the Planning Commission.
3. To make an assessment of the resources that are required for implementing the plan and to suggest measures for augmenting them.
4. To consider important questions of social and economic policy affecting national development.
5. To review the working of the national Plan from time to time.
6. To recommend measures for achievement of the aims and targets set out in the national Plan.

The Draft Five-Year Plan prepared by the Planning Commission is first submitted to the union cabinet. After its approval, it is placed before the NDC, for its acceptance. Then, the Plan is presented to the Parliament. With its approval, it emerges as the official Plan and published in the official gazette.

Therefore, the NDC is the highest body, below the Parliament, responsible for policy matters with regard to planning for social and economic development. However, it is listed as an advisory body to the Planning Commission and its recommendations are not binding.