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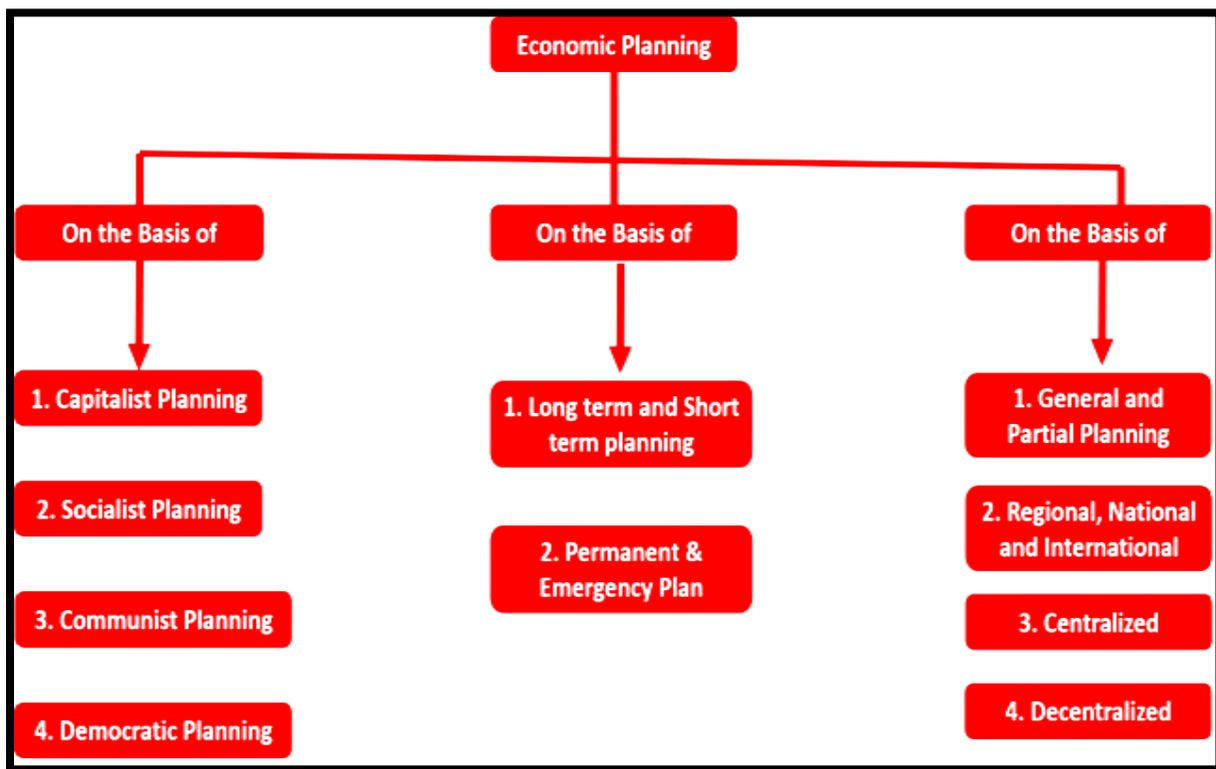
Class: B.Com Sem - III

Subject: Planning and Economic Development.(PED)

Topic: Types and Objective of Economic Planning.

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**Types of Economic Planning-**



This chart helps to shows the types of economic planning into different categories.

The types of economic planning are divided into three categories such as:-

**1.** On the basis of-

- Capitalist Planning
- Socialist Planning
- Communist Planning
- Fascist Planning
- Democratic Planning

**2.** On the basis of-

- Long Term & Short Term Planning
- Permanent & Emergency Plan

**3.** On the basis of-

- General & Partial Planning
- Regional, National, & International
- Centralized & Decentralized

On the basis of-

**(A) Capitalist Planning-**

It is planning adopted by the capitalist country. All the resources are managed, controlled, and regulated by private entrepreneurs or companies.

**(B) Socialist Economy-**

It is a specific way between capitalist planning and communist planning and also the resources are owned and regulated by the government (whether it is central or state).

### **(C) Communist Planning-**

These types of economic planning are adopted by the communist countries. All the resources are owned, managed, and regulated by the government.

### **(D) Fascist Planning-**

The planning is regulated, directed, and controlled by the individual. An individual is the head of the state to take efficient and important decisions.

### **(E) Democratic Planning-**

This type of planning is adopted in mixed economies both the public and the private sector work under government rules & regulations in control. In this planning, the government provides the code of conduct to all companies for explaining the purpose of how to work in an economy.

On the basis of-

### **(A) Long Term & Short Term Planning-**

When the plan is drafted for a long period of time. Say 5 to 10 years, it is called long term planning.

When the plan is drafted for a short period of time, say less than a year, it is regarded as short term planning.

### **(B) Permanent & Emergency Plan-**

A permanent plan exists for a longer period of time and is fixed for a longer time period. For Example- 5-year plan.

Emergency planning is a plan which is used to deal with emergency situations such as floods, etc.

On the basis of other factors-

**(A) General & Partial Planning-**

It is planning for the economy as a whole and economic planning for a particular part of the economy is called partial planning.

**(B) Regional, National, & International-**

When the economic plan is drafted for a regional level is called Regional Planning. Similarly, the economic plan drafted for a national level is called as national planning and finally, an economic plan which is crossing the boundary of countries it is called international planning.

**(C) Centralized & Decentralized-**

The economic plan drafted by a central or head authority is known as centralized planning. While planning done by regional authority it is known as decentralized planning.

**Objectives of Economic Planning-**

The objectives can be classified into various sources like economical, social, and political also.

The 3 main objectives of economic planning are classified as follows:-

1. Economic Objectives
2. Social Objectives

### 3. Political Objectives

#### **1. Economic Objectives-**

This is the first part of objectives of economic planning and it includes various sub-points such as:-

##### *(A) Better Utilization of National Resources-*

Economic planning ensures the better utilization of natural resources such as water resources, land resources, mineral resources, and forest resources.

##### *(B) Full Employment-*

Unemployment is the root cause of concern for any nation. Economic planning ensures full employment opportunities to prospective employees with desired skills and abilities.

##### *(C) Promoting Balanced Development-*

There should be balanced between agricultural and industrial development, rural and urban development, economic and social development, and so on.

##### *(D) Minimizing Economic Inequalities-*

Effective economic planning leads to minimization of inequalities those results in differences in the distribution of wealth and incomes. The ultimate objectives of economic planning are that wealth should be distributed equally among the masses.

##### *(E) Maximum Production & Productivity-*

Economic planning can result in better utilization of resources and appropriate use of technology to increase the production and enhancing the productivity of employees.

*(F) Promoting Standard of Living-*

Economic planning ensures a better quality of products is provided to the various members of the society ensuring a better standard of living.

*(G) Attaining Self Reliance-*

The best efforts are made to promote exports and to channelize industrial development of the country in such a manner that dependence on imports is minimized.

*(H) Economic Security & Stability-*

It ensures fair remuneration to workers, a fair return to investors, and reasonable returns to entrepreneurs.

**2. Social Objectives-**

This is the second part of objectives of economic planning and it includes various sub-points such as:-

*(A) Social Security-*

It deals with old age, pensions, unemployment, allowances, accidental insurances, and so on.

*(B) Social Welfare-*

Economic planning ensures better facilities in education, accommodation, medical, recreation, transport facilities, and so on.

*(C) Social Equality-*

Equal opportunity for development is provided to way citizen of the country irrespective of the caste, religion, gender, and so on.

**3. Political Objectives-**

This is the third part of objectives and it includes various sub-points such as:-

*(A) Promoting Defense-*

Defense from for foreign attacks and aggression is an important objective of economic planning.

*(B) Promoting Internal Peace-*

Maintenance of law, order and internal peace is an essential condition for a social and economic department.

*(C) Satisfying the Political Ego-*

Economic planning has been adopted by different political parties as a tool to satisfy their political ego. There are various changes in economic plans and policies a change in government.

**Conclusion: Some other objectives of Economic Planning.**

## Objectives of Economic Planning

1. To increase per capita and national income
2. Higher level of employment
3. Price stability
4. Reduction of inequalities in income distribution
5. To remove BOP difficulties
6. Reducing regional disparities
7. Self-sufficiency in food
8. Redressing imbalances in the economy
9. Increase in savings
10. Reducing population growth
11. Reducing poverty levels
12. Provision of social services
13. Long term economic growth