

Planning: Objectives

In this article we will discuss about the importance and objectives of planning in an economy. Economic planning is often regarded as technique of managing an economy. When the structure of an economy becomes complex and subject to rapid change and transformation (due to population growth, discovery of resources, industrialisation, etc.) some sort of advance thinking becomes necessary to resolve that complexity and to prepare the economy for those changes. Such preparation is called planning.

Most often than not an economic plan is regarded as a programme of action. It may also be taken to mean an instrument for regulating a free private enterprise economy. The regulatory measures may vary from to country.

They may leave either too much or too little a degree of freedom to private enterprise. This may hamper the working out of the plan. Many plans leave their programmes incomplete because they hesitate to exercise their regulatory functions. They are little more than a list of public development projects.

Many other plans perform their regulatory functions with such seriousness and severity that their programmes of action are completely jeopardize. In such planned economies any sort of enterprise ceases to

exist. The correct plan is one in which a comprehensive and consistent programme of action is sought to be implemented by carefully harnessing enterprise for the success of the plan.

It should be noted that a plan is just a programme of action, it is not a guarantee for action. In short, a good plan is one which makes adequate provisions for and ensures that its targets are properly fulfilled.

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