

**TRENDS IN INDIAN ECONOMY AND NEED FOR  
STRUCTURAL REFORMS**

**INTO**

**TRENDS IN INDIAN ECONOMY**

**ON**

**15<sup>th</sup> OCTOBER**

**AND**

**STRUCTURAL REFORMS**

**ON**

**22<sup>nd</sup> OCTOBER.**

# TRENDS IN INDIAN ECONOMY

NATURE OF ECONOMY ?

MIXED ECONOMY ?

CO-EXISTENCE OF PUBLIC AND PRIVATE SECTOR

BUT

PUBLIC SECTOR CAME TO DOMINATE

HEAVY INDUSTRY  
TRANSPORTATION

TELECOMMUNICATION  
PRIVATE SECTOR FOR CONSUMER GOODS

PRIVATE SECTOR WAS MORE CONTROLLED BY A VARIETY OF REGULATIONS

STATE DIRECTED GROWTH AND TO REDUCE POVERTY.

STATE EMPHASIZED SELF-SUFFICIENCY

RATHER THAN

FOREIGN TRADE

IN 50S THERE WAS STADY GROWTH BUT RESULTS IN 60S AND 70S  
LESS ENCOURAGING.

IN 70S, SUCCESSIVE GOVERNMENTS SOUGHT TO REDUCE STATE CONTROL

BUT PROGRESS TOWARDS THAT GOAL WAS SLOW

MANY ANALYSTS ATTRIBUTED THE STRONGER GROWTH OF 80S TO THOSE efforts

But in late 80s INDIA RELIED ON FOREIGN BORROWING TO FINANCE PLANNING



AS A RESULT ,WHEN THE PRICE OF OIL ROSE (DUE TO IRAQ -US WAR)  
IN AUGUST 1990.

THE NATION FACED A BALANCE OF PAYMENTS(BOP) CRISIS.

NEED FOR EMERGENCY LOANS LED THE GOVERNMENT TO MAKE  
A GREATER COMMITMENT TO ECONOMIC LIBERLIZATION.

AND

IN THE EARLY 1990s

INDIA'S STRONG CENTRALIZED PLANNING

REGULATION

CONTROL OF PRIVATE ENTERPRISES

STATE OWNERSHIP( PSUs)

TRADE PROTECTIONISM

WERE  
QUESTIONED  
BY  
POLICY MAKERS.

AND THAT WAS THE NEED FOR STRUCTURAL REFORMS

SINCE 1991 MORE NEW ECONOMIC POLICIES

OR

**REFORMS INTRODUCED.**



# Q & A

THANQ