

Mona
Assistant Professor (Guest Faculty)
Department of Economics
Maharaja College
Veer Kunwar Singh University, Ara
B.A Economics , Part - 2
Paper - III
Topic - Industrial Policy (1948 and 1956)
Date : 12/02/2024

Industrial Policy

Background:

- It covers rules , regulations, principles, policies and procedures laid down by government for regulating and controlling industrial undertakings in the country.
- It prescribes the respective roles of the public, private ,joint ,cooperative large medium and small sectors for the development of the industries.
- It incorporates fiscal and monetary policies , tariff policy and labor policy.
- It shows the government attitude not only towards external assistance but also toward public and private sectors.

Main objective :

1. To maintain a sustained growth in productivity.
2. To enhance gainful employment.
3. To prevent undue concentration of economic power
4. To achieve optimal utilization of human resources.
5. To attain international competitiveness.
6. To transform India into a major partner and player in the global arena.

Industrial Policy (6 April, 1948)

The resolution emphasised at the following-

- The importance to the economy at securing a continuous increase in production.
- It's equal distribution.
- State must play progressively active role in the development of industries.
- It laid down that besides arms and ammunition, atomic energy and railway transport, which would be the Monopoly of the central government. The state would be exclusively responsible for the establishment of new undertakings in six basic industries except where, in the national interest, the state itself found it necessary to secure the cooperation of Private Enterprise.

- The rest of the industries field was left open to private Enterprise through it was made clear that the state would also progressively participate in this field.

Industrial Policy (30 April, 1956)

The resolution emphasised at the following -

- Improving living standard and working conditions for the people.
- To reduce disparities in income and wealth.
- To prevent private monopolies and concentration of economic power in different fields in the hands of small numbers of individuals.
- The state will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities.
- At the same time Private sector will have the opportunity to develop and expand.
- The principle of cooperation should be applied whenever possible and a steadily increasing proportion of the activities of the private sector developed along cooperative lines.
- The adoption of the socialist pattern of society as the national objective.
- All industries of basic and strategic importance or in the nature of public utility services, should be in the public sector.
- It is always open to the state to undertake any type of industrial production.
- Categorization of Industries :
 1. In the First category will be industries the future development of which will be the exclusive responsibility of the state.
 2. The second category will consist of industries which will be progressively state owned and in which the state will therefore, generally take the initiative in establishing new undertakings ,but in which private Enterprise will also be expected to supplement the efforts of the state.
 3. The third category will include all the remaining industries, and their future development of which will be the exclusive responsibility of the state.