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**Recent and Indian Economic Policies**

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# Recent and Indian Economic Policies

India's economic policies have evolved significantly over the past few decades, driven by a mix of internal and external factors. These policies have shaped the nation's economic landscape, influencing growth, development, and the lives of its citizens. This presentation delves into the significant milestones and recent trends in Indian economic policies, analyzing their impact and implications for the future.



# The New Economic Policy of 1991

The New Economic Policy (NEP) of 1991 marked a turning point in India's economic history. This policy shift, driven by the country's economic crisis, aimed to liberalize and globalize the Indian economy. Key components of the NEP included deregulation, privatization, and opening up foreign investment. This resulted in a significant increase in economic growth, attracting foreign investment and creating new opportunities for businesses and individuals.

## 1 Deregulation

The NEP reduced government control over industries, allowing for greater market forces to determine prices and production. This facilitated competition and encouraged innovation.

## 2 Privatization

The NEP aimed to transfer ownership and control of state-owned enterprises to private entities. This move aimed to improve efficiency and productivity in these sectors.

## 3 Foreign Investment

The NEP encouraged foreign direct investment, providing foreign companies access to the Indian market. This brought in capital, technology, and management expertise.

# Liberalization

Liberalization is a key tenet of the New Economic Policy and refers to the process of removing restrictions and barriers to trade, investment, and economic activities. This policy aimed to create a more open and competitive business environment, both domestically and internationally. It involved reducing tariffs, simplifying import-export procedures, and promoting free trade agreements.

## Deregulation of Industries

Liberalization involved removing bureaucratic hurdles and regulations that hindered industrial growth and competitiveness. This paved the way for businesses to operate more freely and efficiently.

## Foreign Investment Promotion

Liberalization made it easier for foreign companies to invest in India, leading to increased capital inflows and access to advanced technology.

1

2

3

## Trade Liberalization

Liberalization resulted in the reduction of tariffs and import quotas, fostering greater international trade. This allowed Indian consumers to access a wider range of goods and services.

# Globalization and Privatization

Globalization refers to the increasing interconnectedness of economies, societies, and cultures worldwide. It has been a significant driver of economic growth in India, leading to greater integration with the global economy. Privatization, on the other hand, involves the transfer of ownership and management of state-owned enterprises to private entities.

## Globalization

Globalization has led to increased trade, investment, and technology transfer, fostering economic growth and creating new job opportunities.

However, globalization also raises concerns about potential job displacement and income inequality.

## Privatization

Privatization aimed to improve efficiency, increase competition, and raise capital for the government.

It has had mixed results, with some privatized companies performing better, while others have faced challenges.

# Recent Trends in Industrial Policy and Foreign Exchange Management

India's industrial policy has undergone a shift towards a more focused approach, encouraging innovation, promoting manufacturing, and facilitating the growth of small and medium enterprises (SMEs). The government has introduced various schemes and initiatives to support these goals, including the "Make in India" campaign.

1

## Skill Development

To support the growth of manufacturing and technology-driven industries, the government has implemented various skill development programs to equip the workforce with the necessary skills.

2

## Infrastructure Development

The government has focused on improving infrastructure, including transportation, energy, and communication networks, to create a more conducive environment for industrial growth.

3

## Ease of Doing Business

The government has undertaken reforms to improve the ease of doing business in India, streamlining regulations, and simplifying processes for businesses.

# Demonetization-Effect and Consequences of GST

Demonetization, the withdrawal of high-denomination banknotes from circulation, was a major policy decision in 2016. It aimed to curb corruption, counterfeit currency, and black money. The GST (Goods and Services Tax) introduced in 2017, was a major tax reform designed to simplify India's indirect tax system and create a unified national market.

Demonetization	GST
Aimed to curb corruption, counterfeit currency, and black money.	Simplified India's indirect tax system and created a unified national market.
Led to temporary disruptions in the economy, particularly in cash-intensive sectors.	Brought about a significant increase in tax compliance and transparency.
Had a mixed impact on the economy, with some sectors benefiting while others experienced a slowdown.	Promoted a more efficient supply chain and reduced the cost of doing business.

# Bitcoin-Cryptocurrency

Bitcoin, a decentralized digital currency, has emerged as a prominent cryptocurrency, gaining significant traction worldwide. In India, the government is taking a cautious approach towards cryptocurrencies, with regulations still evolving. The Reserve Bank of India (RBI) had initially banned banks from dealing with cryptocurrency businesses, but this was later overturned by the Supreme Court.



## Security Concerns

Concerns about the security of cryptocurrencies and the risk of fraud and hacking continue to be a major focus for regulators and investors.



## Price Volatility

The price of Bitcoin and other cryptocurrencies is highly volatile, making them a risky investment.



## Regulatory Uncertainty

The lack of clear regulatory frameworks for cryptocurrencies creates uncertainty for businesses and investors.





# Recent Economic Policies in India

An Analytical Overview of Key Policies and Trends



## 1 Introduction to Economic Policies

Overview of India's economic landscape since 1991.

## 2 Liberalization

Impact of liberalization on Indian markets and economy.

## 3 Globalization

How globalization has shaped economic policies in India.

## 4 Privatization

The role of privatization in enhancing economic growth.

## 5 Goods and Services Tax (GST)

Analysis of GST implementation and its effects.

## 6 Demonetization

Discussion on the consequences of demonetization.

## 7 Trends in Cryptocurrency

Examining the rise of cryptocurrency in the Indian economy.

## 8 Future Economic Outlook

Predictions and implications for India's economic future.

# Understanding India's Economic Policies

Key Developments and Impacts



## Importance of Economic Policies

Economic policies are fundamental for a nation's growth and stability, influencing all sectors.

## Post-1991 Reforms

The economic reforms of 1991 opened up the Indian economy, leading to increased foreign investment.

## Evolution Since Independence

India's economic landscape has changed dramatically since 1947, especially after the 1991 liberalisation.

## Major Policies Overview

This presentation will explore significant policies affecting agriculture, industry, and services.

## Future Policy Directions

Understanding past policies is essential for addressing current challenges and shaping future strategies.

## Impact on Various Sectors

Each policy has distinct impacts on different sectors, shaping the overall economic environment.

# Key Features of the 1991 Economic Policy

Exploring the transformational 1991 reforms



## Liberalization

Removal of restrictions on private sector investment and encouragement of foreign investment for economic growth.



## Globalization

Integration into the global economy through enhanced trade and investment opportunities.



## Privatization

Disinvestment of public sector enterprises aimed at improving efficiency and productivity.



## Results

Resulted in significant economic growth, increased foreign direct investment (FDI), and a competitive market landscape.

# Understanding GATT and WTO: Impacts on India

Examining the Framework and Its Implications



## GATT: Establishing Trade Rules

The General Agreement on Tariffs and Trade set fundamental rules to foster international trade by reducing tariffs and barriers.



## WTO: The Successor to GATT

The World Trade Organization, established in 1995, builds upon GATT's framework, offering a robust platform for trade negotiations.



## Enhanced Market Access for India

India has gained improved access to international markets through the provisions established by GATT and WTO.



## Boosting Competitiveness

The rules set by the WTO have enhanced the competitiveness of Indian goods in the global market, driving economic growth.



## Challenges in Agriculture

Despite benefits, Indian agriculture faces challenges due to increased global competition, affecting farmers' livelihoods.



## Textile Sector Challenges

The textile industry in India encounters significant competition from international players, challenging its market position.

# IMF and Intellectual Property in India

Understanding the interplay of IMF and IPR in India's economy



## IMF's Role in Financial Stability

The IMF supports India with financial resources and policy frameworks to ensure economic stability.



## Importance of Intellectual Property Rights

IPR is crucial for enhancing innovation, fostering creativity, and attracting foreign investments.



## India's Engagement with the IMF

India has collaborated with the IMF during economic challenges to implement necessary reforms.



## Strengthening IPR Laws

India is enhancing its IPR laws to align with global standards, promoting a robust knowledge economy.



## Attracting Foreign Investments

Strong IPR laws create a secure environment for foreign investors, encouraging economic growth.



# Shifts in Industrial Strategy in India

Exploring strategic shifts and current trends



1

## Focus on 'Make in India'

This initiative promotes domestic manufacturing, reducing import dependence and boosting local jobs.

2

## Support for 'Start-up India'

Encourages entrepreneurship by providing funding and mentorship to new ventures, fostering innovation.

3

## Emphasis on Technology-Driven Sectors

Current industrial policies prioritise growth in IT, biotech, and renewable energy sectors to drive economic progress.

4

## Initiatives for MSMEs

Government support for Micro, Small and Medium Enterprises enhances their competitiveness and market access.

5

## Enhancing Ease of Doing Business

Efforts to streamline regulations and simplify processes are aimed at attracting more domestic and foreign investments.

# Foreign Exchange Management Overview

Understanding FEMA and Its Impact on Trade



## Regulation of Foreign Exchange

The Foreign Exchange Management Act (FEMA) regulates all foreign exchange transactions in India.

## Management of Currency Reserves

FEMA oversees the management of India's foreign currency reserves to ensure stability.

## Facilitating External Trade

FEMA facilitates external trade and payments, promoting smoother international transactions.

## Attracting Foreign Investments

The Act aims to attract foreign investments while ensuring compliance with Indian regulations.

## Promoting Market Development

FEMA promotes the orderly development and maintenance of the foreign exchange market in India.

# Demonetization: Effects on the Economy

Examining the Economic Implications



## Objective of Demonetization

The primary aim was to combat black money and counterfeit currency, enhancing economic transparency.



## Immediate Economic Disruption

Cash-dependent sectors like retail and agriculture faced significant disruptions, leading to operational challenges.



## Short-term Economic Slowdown

The sudden withdrawal of currency caused a temporary slowdown in economic activity across various sectors.



## Rise of Digital Transactions

Post-demonetization, there was a marked increase in digital transactions as consumers adapted to new payment methods.



## Shift Towards Formal Economy

The initiative encouraged a transition towards a more formal economy, reducing the reliance on cash transactions.



## Mixed Responses

Public and expert opinions varied widely on the success of the initiative, reflecting diverse economic perspectives.



# Transforming the Indirect Tax Structure

Overview of GST Introduction and Its Effects



## ◆ Introduction of GST

GST unifies multiple indirect taxes into a single framework, simplifying tax administration.

## ◆ Streamlining Tax Compliance

GST enhances compliance by reducing complexity in tax processes for businesses.

## ◆ Promoting Ease of Business

With a single tax regime, businesses can operate more efficiently across states.

## ◆ Broadening the Tax Base

GST aims to include more entities under the tax net, increasing government revenue.

## ◆ Initial Confusion Among Businesses

Many businesses faced challenges understanding the new GST regulations during implementation.

## ◆ Implementation Issues Across States

Diverse state regulations created hurdles in uniformly applying GST across the country.

# Navigating the Digital Currency Landscape

Exploring the Impact of Cryptocurrencies in India



1

## Bitcoin and Cryptocurrency Popularity

Bitcoin and cryptocurrency are gaining traction among Indian investors and traders, indicating a shift in financial engagement.

2

## Regulatory Environment

The regulatory landscape in India remains uncertain with discussions around potential bans impacting market sentiment.

3

## Opportunities for Innovation

The rise of cryptocurrencies presents opportunities for innovative financial solutions and services in India.

4

## Financial Stability Risks

The volatility of cryptocurrency markets poses risks of financial instability and potential fraud in trading.

5

## Need for Balanced Regulation

A balanced regulatory framework is essential to harness the benefits of cryptocurrencies while mitigating associated risks.

# Transforming India's Economic Landscape for Tomorrow

Join us in understanding the evolution of economic policies in India and how recent trends and technologies like cryptocurrencies could shape our future economy.



# Recent Economic Policies in India

An analytical overview of India's economic policies since 1991, emphasising liberalization, globalization, privatization, and the rise of cryptocurrencies.

Presenter Name

