



BASICS OF ECONOMIC POLICY

S.K.KATARIA



2 INTRODUCTION AND MEANING

- Any public policy directly related with economic activities is generally known as 'economic policy'.
- In its broader term it is a collective name of many public policies in economy of a country.
- In India, the 'Industrial policy' is generally called as economic policy.
- Economic policies are the key input of the govt. in economy.
- Economic activities e.g.- production, distribution, consumption and exchange of resources and goods are directly affected by these policies.

3 FEATURES

- Economic policies are framed and implemented by the govts.
- These policies are flexible and run as a continuous process with amendments.
- These are influenced mainly by the nature of the State and its type of economy.
- Major financial, monetary, fiscal, industrial, agriculture, trade and commerce and market components are included in it.
- International, ruling political party and domestic demand scenario play very crucial role.

4 ANCILLARY PARTS

-The Economic Policy may be appeared in any of the the following names –

- Industrial policy
- Fiscal Policy
- Monetary policy
- Taxation Policy
- Trade policy
- Price Policy

5 CONTD.-

- Wage policy
- Environment policy
- Mineral policy
- Energy policy
- Technology policy
- Computer or IT Policy
- Tourism policy
- Fuel policy
- Transport policy

6 CONTD.

- Credit policy
- Water policy
- Co-operative policy
- Textile policy
- Housing policy
- Atomic energy policy
- Ocean policy
- Subsidy policy
- Food policy
- Tariff policy

7 INSTRUMENTS OF ECONOMIC POLICY

- Economic planning.
- Fiscal instruments- Budget etc.
- Monetary tools- Credit control.
- Trade tools- Import /export.
- Subsidy.
- Institutional changes.
- Guidelines and instructions from RBI and Ministry of Finance and Ministry of Industries.
- NITI Aayog advisories.

