

STUDY MATERIALS FOR BA (HONS) ECONOMICS

PART – 2

PAPER – 3<sup>RD</sup>

PAPER NAME – ECONOMIC PROBLEMS OF  
INDIA AFTER INDEPENDENCE

TOPIC – FEATURES OF INDUSTRIAL POLICY  
1956

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## **OBJECTIVE OF 1956 INDUSTRIAL POLICY:-**

- 1- Development of machine-building industries.
- 2- Increase in rate of industrial development.
- 3- Reduction of income and wealth inequalities.

## **MAIN FEATURES OF 1956 INDUSTRIAL POLICY:-**

- 1- **Categories of Industries:-** Industries divided into three parts
  - A- **Public Sector:-** Under Schedule A, 17 industries were included. These industries were arms and ammunition, atomic energy, iron and steel, heavy machinery, mineral oil, coal etc.
  - B- **Public-cum-private sector:-** Under Schedule B, 12 industries were included. Industry will be state owned but private sector can also establish industry. Industries like aluminium, machine tools, drugs, chemical fertilizer, road and sea transport, mines and minerals were included.
  - C- **Private sector:-** Under Schedule C, all remaining industries not covered in A and B Schedule were included. These industries will be established by private sector.
  
- 2- **Cottage and small scale industries:-** Govt. will make efforts to promote cottage and small scale industries. Those

industries will make use of local resources and will generate employment.

- 3- **Concession to public sector:** - Govt. will provide facility of power, transport and finance to Public sector units. However, Govt. will not adopt indifferent attitude towards private sector units.
  
- 4- **Balanced regional development:** - Industrially backward regions will be given priority in establishing industries. More incentives will be given to industries which will be established in these regions.
  
- 5- **Training to managers:** - Private and public sector managers will be given technical and managerial training so that they can perform well. Management courses will be started in universities for these persons.
  
- 6- **Better facilities for labour:** - Under this policy, better facilities for labour will be provided. Workers will be given fair remuneration, better working conditions and opportunities to participate in management.
  
- 7- **Management in public units:** - Policy laid emphasis on the proper management of public units. Public units can be a good source of revenue if efficiently managed.
  
- 8- **Foreign capital:** - Policy laid stress that foreign capital can play important role in industrial development. Many concessions were offered to make use of foreign capital.