PREFACE

The prime concern of developing countries is to raise the per capita income and living standard of their people. Industrialisation is seen as a means towards this end and so is economic diversification. Many of the developing countries placed increasing reliance on import substitution as a strategy of industrial development. As a result the policy came to be known as 'Import-Substituting - Industrialisation'.

The inducement of structural changes accompanying a policy of import substitution has been a fairly important criteria in guiding the allocation of investable resources for industrial development in the Indian economy. The object was to achieve a rapid increase in the standard of living of the people and to lay the foundation for sustained economic growth within a democratic socialistic framework. With the emphasis placed on industrialisation, since the second plan, the organised industrial sector of India grew very rapidly. Since then, import substitution has been assigned a major role in determining the pattern of industry and trade in Indian economy.

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