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Shifting Trends in Indian Economic Policies vis-a-vis Constitutional Mandate

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Introduction:

As per the Constitution of India, mixed economy and planned development has been accepted and practiced as the economy model in India since Independence. For this, the Government of India embarked upon economic planning through establishment of planning commission. Initial few decades of the working of our Constitution were ushered by the 'planning era' in the Indian economy. Planning commission emphasized the pressing need for establishment of Public undertakings.[1](Report of Second Planning Commission of India, 1956) Public undertakings are deemed to be the instrumentalities of the State.[2] (Sukhdev Singh v. Bhagatram, AIR 1975 SC 133). Through the medium of public undertakings, the State has controlled the economic development and industrial regulation. The public sector so encouraged was primarily confined to the infrastructural developments instead of consumer goods. During the initial decades, the government had also favored nationalization and State ownership several of commercial activities like road transport business, banking sector *etc*. therefore, the economic policies formulated by the State were also framed in such a way as to support and to strengthen the working of public sector undertakings till 1990.

However, in 1991, the Government of India embarked on the new economic policy by providing market-oriented free economy model. This economic policy was so devised as to accelerate economic development on the line of international economic developments in the light of coming into force of the World Trade Organization, TRIPS agreement *etc*. One of the recent instances of State economic policy, which opened up the national market for foreign investors is

[1] Report of Second Planning Commission of India, 1956.
[2] Sukhdev Singh v. Bhagatram, AIR 1975 SC 133.