

PREFACE

vi

The role of the external sector in the development strategy has undergone a radical change as the Indian economy evolved from one that turned inward in pursuit of self reliance into an emerging growth centre with openness as its characteristic. Planned development in India has so far proceeded on the basic philosophy of the Mahalonobis two-sector model that under-pinned the Second Plan, although further refinements have been added in successive models developed for the Fourth and Fifth Plans. The Mahalonobis model stresses the importance of building up an entire structure of capital goods indigenously, with a view of maximizing the long run growth of income. Government control on economic activity, especially protection from foreign competition, is necessary for seeing the country through this period because free competition, is necessary for seeing the country through this period because free competition would allocate resources according to existing levels of demand, which cannot be totally planned in a mixed economy. However over a period import-substitution although led to a high cost economy, as reflected in declining productivity across a number of industries (Ahluwalia 1985). With the realisation of the drawbacks of the excessively inward-looking trade strategy on the one hand and the need for modernisation. The strategy of progressive liberalisation of external sector is the locomotive of growth and a step in the direction of greater integration of the Indian economy with the rest of the world. In the following chapters a review of India's trade performance over the period 1960-61 to 1995-96 reveals the influence of variety of factors – both external and internal.

I forward my deepest gratitude to my guide Prof. (Dr.) Bhavana S. Kantawala, Head of the Economics Department, who provided scientific guidance in accomplishing Ph.D. work. I am heavily indebted to her for skilful, genuine, scholarly and affectionate guidance at every stage and for going through the thesis word by word. More than a guide she is a wonderful human, an embodiment of remarkable degree of endurance and par excellence in her epitome. She has been a true patron who is a constant source of

inspiration and encouragement to me. It was such an unique experience to be her Ph.D student, she has an uncanny ability in making me discover and actualise the inner potential to the fullest extent. She maintained my vigour and zeal in my work till the end of the work.

I am thankful to Professor Maya Shah, former Head, Department of Economics and Ex-Dean, Faculty of Arts, for the encouragement ,valuable guidance and suggestions in my research work.

My thanks are due to professor N.M. Pandya, Ex-Head of the Department, for the continuous support and inspiration.

I am heartily thankful to professor V.N.Kothari, Ex-Dean, Faculty of arts and Ex-head, Department of Economics, Faculty of Arts, for his extremely useful directions and inspirations and scholarly and useful views to me on several occasions during the course of my study.

My thanks are due to the staff of Smt. Hansa Mehta Library, M.S.University of Baroda, GIDR, Ahmedabad, IIM Library, Ahmedabad, Sardar Patel Institue of Economics, Ahmedabad, for extending their kind cooperation during the course of my study.

I am greatly thankful to professor S.G. Kantawala, Ex-Head, Department of Sanskrit. Ex-Dean, faculty of Arts, Ex-Director, Oriental Institute, for his keen interest in my study and fatherly advise, inspiring and providing useful suggestions during the course of my study. My thanks are due to Smt. Virbala S. Kantawala. for her spiritual blessings and heart touching hospitality. I am also thankful to Dr. Pragna Kantawala, Reader in Applied Mathematics, Faculty of Engineering & Technology and Dr. Amita Kantawala. Reader in Management Studies, Faculty of Management Studies, M.S.University of Baroda, for extending help and support at different stages of my work.

I would like to thank Dr.Vinod Padaria for all the support and encouragement he provided through out the endeavour. I also thank Shri B.C.Patel, Shri B.N.Pathak, Shri Hemant Chauhan, of Department of Economics, for helping me at different stages of my work. I am also thankful to Shri P.R.Chalke for technical alignment and printout of the thesis, which made it possible to submit on time.

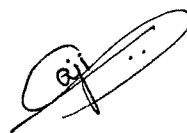
I am also thankful to my friend Mr. Ajay Sarvaiya, for the constant support and encouragement. My special thanks are due to other friends Mr. Amit Dave, Mr. Jagdish Patel and Manish Soni, for the extremely valuable support and help. I am specially thankful to Mr. K. Prashant, Branch Manager, ICFAI, Baroda, for extending all the facilities at a very crucial time.

My thanks are due to Prof. Bala Bhaskaran, The Dean of IBS, Ahmedabad, for the encouragement and granting me the leave to complete the thesis.

I express my indebtedness to my father Mr C. Tulsidharan and my mother Smt. Symala Devi, whose divine blessings and constant encouragement made it possible for me to join and complete the Ph.D thesis under most trying conditions.

I would like to indebted to my younger sister Mrs. Deepa, brother-in-law Mr. Suresh and two niece Kum. Sneha, and Kum. Arya, whose sacrifice, inspiring love, affection and assistance in various ways have always encouraged me in my present study.

I thank all those whose names I have failed to mention, but who have in their own way helped me in this study.



SAJIKUMAR

PLACE: VADODARA

DATE: May 27, 2002