

## Foreword

Monetary Policy was a subject quite dear to Professor P R Brahmananda and therefore the experts' choice of the subject for the first Professor Brahmananda Memorial Research Award in the field of research was eminently appropriate. The first award was given to Professor Ashima Goyal, who completed this monograph with her strong academic acumen and in-depth research inputs. We are grateful to Prof Ashima Goyal for undertaking this challenging task and completing it with this exceptional monograph.

Monetary Policy has assumed greater importance in the Indian economy and we have had many phases and interventions spanning decades. It is known that tracking the history of monetary policy of India is not an easy task but the careful fact-based analyses by Prof Ashima Goyal make it quite lucid reading. Initially, in the import-substituting and restrictive growth scenario, operations of the monetary policy were quite effective. The author traces all those monetary policy initiatives during the first four decades after Independence. Subsequently, the liberalisation and globalisation era exerted tremendous pressure on the operations of the monetary policy. Added to this, the operations in global money market and the ensuing global crisis exerted pressure on the tools of the monetary policy and posed new challenges to the policy-makers. Prof Goyal discusses these issues quite scholarly.

The monograph covers most of the major mile-stones in the development of monetary policy in the post-Independence India. The author not only elaborates on the justification but also describes the consequences of the steps taken. Initially, Professor Goyal discusses major structural changes in the Indian economy and the macro-economic indicators of the economy. Interestingly, she also looks at these during the governance of different RBI Governors. This discussion is followed by an elaboration on the international and national ideas about the working of the monetary policy. The policy steps initiated over the past six decades are discussed to give an overview of the operations of the monetary policy in the country.

I strongly feel that the monograph is very timely and a most appropriate step in honour of the late Professor P R Brahmananda. We are grateful to the family of the late Professor Brahmananda for the donation to initiate this research theme. The help received from leading monetary economists in the award selection process, like Professors V S Chitre, D M Nachane, Mihir Rakshit and Dr Y V Reddy, is gratefully acknowledged. I am sure that this scholarly monograph by Professor Ashima Goyal will serve as the most important landmark in the study of history of monetary policy of India.

*January 2012  
Bangalore*

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