

Rukmini Devi Institute of Advanced Studies

Madhuban Chowk, Rohini, Delhi-110085

(Approved By AICTE & Affiliated With GGSIP University)

DOSSIER

On

Guest Lecture

On

“Assessment of 25 years of Economic

Reforms in India”

On

October 18, 2016



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FORM A

Proposal:

- **Name of the event to be organized:** Guest Lecture on “Assessment of 25 years of Economic Reforms in India”
- **Date:** October 18, 2016
- **Time:** 11:30 am to 01:30 pm
- **Venue:** Lecture Theatre, RDIAS
- **Motivation for the activity:** The motive behind holding this session was to apprise the students about the Economic Reforms in India in the past 25 years, since 1991 after the new policies been given by then Finance Minister, Dr. Manmohan Singh.
- **Organized by:** MBA & BBA Department
- **Resource Person:** Prof. RK Mittal, USMS, GGSIPU, New Delhi.

FORM B

Part 1

Aim of the event:

The aim of conducting the Guest Lecture was to make students aware about “Economic Reforms in India” that occurred in past 25 years in the post-liberalization era, and also to apprise the students about the various initiatives taken by the Government of India during these years. The lecture was completely dedicated on the various enhancements and improvements that have been made in these 25 years in the Economic Policy of India. While many would argue that the process of economic reforms and opening up of the economy had started earlier, in the 1980s, the fact remains that the events that unfolded after 1991 did result in a clear shift in the ideology behind Indian economic policy, from a dirigisme regime to a market-friendly regime. It is then appropriate to evaluate the successes and failures of the past 25 years, a period which has seen unprecedented growth as well as poverty reduction.

Part 2

Abstract:

The reform process in India was initiated with the aim of accelerating the pace of economic growth and eradication of poverty. Prof. Mittal discussed that the process of economic liberalization in India can be traced back to the late 1970s. However, the reform process began in earnest only in July 1991. He further elaborated that it was only in 1991 that the Government signaled a systemic shift to a more open economy with greater reliance upon market forces, a larger role for the private sector including foreign investment, and a restructuring of the role of Government. The economic reforms initiated in 1991 introduced far-reaching measures, which changed the working and machinery of the economy. These changes were pertinent to the following:

- Dominance of the public sector in the industrial activity
- Discretionary controls on industrial investment and capacity expansion
- Trade and exchange controls

- Limited access to foreign investment
- Public ownership and regulation of the financial sector

Sir explicitly explained that the reforms have unlocked India's enormous growth potential and unleashed powerful entrepreneurial forces. He discussed Twenty-five years since the reforms were initiated, it is not just an opportunity to evaluate what has happened in the past 25 years but also reassess the challenges of economic growth and poverty reduction in the next 25 years. He elaborated that many would argue that the process of economic reforms and opening up of the economy had started earlier, in the 1980s, the fact remains that the events that unfolded after 1991 did result in a clear shift in the ideology behind Indian economic policy, from a dirigisme regime to a market-friendly regime. It is then appropriate to evaluate the successes and failures of the past 25 years, a period which has seen unprecedented growth as well as poverty reduction.

Sir further elaborated that in the post-reform period, India has done well in many indicators such as economic growth, exports, balance of payments, resilience to external shocks, service sector growth, and significant accumulation of foreign exchange, information technology (IT), stock market and improvements in telecommunications. Sir discussed some individual initiatives under political economy of reforms. There are four selective specific reform initiatives to illustrate the evolving political economy of interest group politics that determines the future path. Classifying the reform measures into three broad groups keeping in mind the coalition politics are:

- a. measures carried out by an agency other than the central government like the financial sector and exchange rate reforms carried out by the Reserve Bank of India.
- b. measures that lie within the discretionary powers of the government.
- c. measures that require legislative amendments.

Sir also discussed that, given the constraints of democracy, diversity and coalition politics, the progress of reforms can be fastest in category (a), slow in category (b) and extremely difficult in category (c). In the present context of disruptions to Parliament, observation particularly on category 'c' is more relevant now. Sir told that two procedural and two institutional reforms are required to bring out both the strengths and

weaknesses of coalition politics. In the case of two procedural the political economy of reforms are:

- a. Liberalization of domestic and international private investment.
- b. Liberalization of international trade in goods and services, the progress in reforms was rapid.

The two institutional procedures are

- a. Privatization of government owned commercial enterprises.
- b. Organized labour market reforms.

There was a partial success in the case of privatization while in the case of labour reforms, one observed emergence of informal labour flexibility. Indian economy with more than 2 trillion dollars in 2016 is different from 1991. The country is more globally integrated now as compared to the year when reforms started. The global financial crisis that originated in the US in 2008 transmitted to emerging market economies like India. Again continued global slowdown in the last few years had adverse impact on India's economy as the value of exports declined significantly in the last one year. Sir also mentioned five failures majorly that need to be focused in short and long terms.

- a. Slow Infrastructure development.
- b. Failure in increasing labor intensive manufacturing
- c. Not taking advantage of demographic dividend.
- d. Slow social sector development.
- e. Governance Failures

Part 3

Conclusion

The lecture was very knowledgeable where students asked questions and cleared their doubts on various issues like various achievements in terms of growth and inclusive

growth in the post-reform period, has inequality increased in the reform period? etc. It was indeed a fascinating lecture and Sir imparted best educational light and enlightened the students with their ideas and experiences. Students were completely satisfied and cleared their doubts. Students found the lecture to be really prolific and a magnificent learning experience.

Guest Lecture Moments



Anchors welcoming the Guest for the day...!!!



HOD-MBA, welcoming Prof. R.K. Mittal with a bouquet of flowers...!!!



Prof. R K Mittal addressing the audience...!!!



Students and faculty listening to the speaker...!!!



Dr. Manoj Kr. Gupta presenting token of appreciation to the Guest Speaker Prof. R K Mittal...!!!