

ECONOMIC LIBERALIZATION: THEN AND NOW

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Abstract

The story of 1991 began much earlier. Even if adjustment and reform were driven by economic compulsions, it was the political process that made these possible. However, liberalization was shaped largely by economic problems of the government rather than by economic priorities of the people or by long-term development objectives. Thus, there were limitations in conception and design which have been subsequently validated by experience. Jobless growth, persistent poverty and rising inequality have mounted as problems since economic liberalization began life. And, 25 years later, there are four quiet crises confronting the economy in agriculture, infrastructure, industrialization and education that loom large as constraints on future prospects. These problems must be resolved if economic growth has to be sustained and transformed into meaningful development over the next quarter century. In this quest, India needs a developmental State for its market economy to improve the living conditions of her people.