

**ECONOMIC REFORMS IN INDIA:
UNDERSTANDING THE PROCESS AND LEARNING FROM EXPERIENCE**

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Abstract

This paper seeks to develop an understanding of the factors that made reforms possible and analyse the lessons that emerge from the experience. The external debt crisis allowed the reforms to be introduced, while the changed international context supported the process. The lessons learnt are that: competition in the market is desirable; marketization, in itself, is not always desirable; and the speed and sequence of change matter. The lessons not yet learnt are that: a prudent macromanagement of the economy is essential; infrastructure is of critical importance; and the role of the state in a market economy must be redefined. Some essentials, however, are forgotten. This needs correctives.