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REFORMS AS A STRATEGIC TASK OF THE REPUBLIC OF INDIA AFTER INDEPENDENCE

Abstract: *The article is devoted to a thorough analysis of two key stages of socio-economic reforms in India after 1991 – the periods of the prime ministers of Narasimha Rao (1991-1996) and Manmohan Singh (2004-2014). The aim of the study is to identify the logic, content and consequences of reformist transformations, as well as to substantiate their consideration as interrelated elements of a single long-term trajectory of Indian modernization. The article emphasizes that the economic reforms of the 1990s – 2000s became a turning point in the development of India, marking a gradual departure from the model of state socialism formed in the post-independence period and the transition to a liberalized, market-oriented economy. The paper analyzes the internal and external preconditions for the start of reforms, in particular chronic macroeconomic imbalances, the balance of payments crisis of 1991, the ineffectiveness of the system of administrative regulation (“license raj”), as well as the growing influence of globalization processes and international financial and economic institutions. Considerable attention is paid to the institutional changes that accompanied liberalization, including the deregulation of industry, the reform of the foreign trade regime, the financial sector and the tax system, as well as the rethinking of the role of the state in the economy. The social dimension of the reforms is separately considered, in particular the transformation of the labor market, changing approaches to social policy, expanding opportunities for private entrepreneurship and the gradual formation of a large middle class as a new socio-economic entity. It is shown that the reform course of the period of Manmohan Singh’s premiership not only continued, but also institutionalized the key achievements of the Narasimha Rao stage, combining economic liberalization with more active state participation in the sphere of social development. As a result, a conclusion is drawn about the continuity and complementarity of the two stages of reforms, which laid the structural prerequisites for the further transformation of India after 2014 and determined its modern positioning as one of the leading economies of the Global South in the conditions of a multipolar world order.*

Keywords: *India, economic reforms, liberalization, P.V. Narasimha Rao, Manmohan Singh, modernization, license raj, social policy*

Statement of the problem. Modern India has achieved great success in various areas of socio-economic development. Over the 75 years of independent existence, India has made a colossal leap from a colonial country to an agrarian-industrial modern state, which has achieved significant success in the economy, especially focusing on its own production. During the period of Narendra Modi’s premiership (2014-2024), important changes are being observed in the reform of the economy, politics, and social structure. India is reaching a high level of development and is among the five leading countries in the world (GDP doubled to \$4.3 trillion, the economy grew by 5.6%, and the volume of investments amounted to \$ 709.84

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billion)¹. To understand the current economic and socio-political situation in India and a comprehensive analysis of its unique achievements, it is extremely important to study the historical experience of reforming this country in previous years.

Relevance of the topic. After the end of the Russian-Ukrainian war, Ukraine will face the difficult task of economic revival and reform. An important role in the successful solution of this problem will be played by studying the experience of reforms in other countries that have achieved significant successes in this area. The experience of reform in the Republic of India seems to be extremely useful, relevant and, to a certain extent, adaptive to Ukrainian conditions and realities.

Purpose of the study. This work aims to make an attempt to comprehensively analyze and summarize the achievements and shortcomings of reforms in the Republic of India from the moment of its independence to the prime minister ship of N. Modi, that is, from 1947 to 2014, demonstrating the special significance and importance of reforms under the leadership of such prominent figures and prime ministers of India as Narasimha Rao and Manmohan Singh.

Analysis of recent research and publications. Various issues of economic and socio-political reform in independent India of the specified period have been reflected in many foreign studies. Among them, it is worth highlighting American researchers of Indian origin, such as Vijay Joshi with the monograph 'Little India's Economic Reforms, 1991-2000', Atul Kohli – one of the most influential political scientists who studied the relationship between the state, democracy and economic development; as well as the studies of J. Dreze, A. Sen, the work of Arvind Panagariya 'India: The Emerging Giant', the study of R. Sharma and many others².

Ukrainian scientists made a significant contribution to the development of the problem under consideration. The leading specialist in Ukraine on the topic is Olga Lukash – a famous Indologist, a leading researcher (SI 'Institute of World History of the NAS of Ukraine'), Head of the All-Ukrainian Association of Indologists. An important contribution to the development of this problem is made by her works in collective monographs and collections of scientific works. Of particular interest and scientific value are her publications, as well as sections in collective monographs: O.I. Lukash 'India on the Path of Reform and Modernization in the Second Half of the 20th Century'; O.I. Lukash 'Results of Modernization and Peculiarities of the Socio-Economic Development of India in the Late 20th – Early 21st Century'³, as well as a chapter in a collective monograph prepared with her active participation as an author and editor: O.I. Lukash 'India: Peculiarities of Modernization Processes in the Late 20th and Early 21st Centuries'⁴.

¹ Government of India, Ministry of Statistics and Program Implementation. [URL://https://esankhyiki.mospi.gov.in/](https://esankhyiki.mospi.gov.in/)

² Joshi V. Little India's Economic Reforms 1991-2000. Oxford: Oxford University Press, 1996. P. 282; Kohli A. Democracy and Development in India. Princeton: Princeton University Press, 2001. P. 460; Dreze J., Sen A. India: Development and Participation. Oxford: Oxford University Press, 2002. P. 170; Panagariya A. India: The Emerging Giant. Oxford: Oxford University Press, 2008. P. 546; Sharma R. India's Long Road: The Search for Prosperity. London: Penguin, 2015. P. 347.

³ Лукаш О.І. Індія на шляху реформ та модернізації у другій половині ХХ ст. *Цивілізаційна структура сучасного світу у 3-х томах, 4-х книгах. Т. 3.: Цивілізації Сходу в умовах глобалізації. Кн. 1: Мусульмансько-афроазійська та індійсько-південноазійська цивілізації* (рос. мов.). Київ: «Наукова думка», 2008. С. 382-405.

⁴ Лукаш О.І. Індія: особливості процесів модернізації наприкінці ХХ – початку ХХІ століття. *Азійський*

A thorough analysis of the problems of reforms, the features of modernization and economic development of India after independence is also contained in the scientific articles of Olga Lukash in collections of scientific works, among which the latest studies of the author are of particular interest: O.I. Lukash 'India – 70 years of independent development (the role and significance of civilizational components)⁵'; O.I. Lukash 'Modern India on the path of successful transformations: a development model'⁶; O. Lukash 'The Republic of India Development Model: Historical Retrospect'⁷; In these latest studies, the author presents an attempt to conduct a comprehensive analysis of the development model of the Republic of India from the time of its formation in 1950 to the present days, to show its achievements and problems on the way to transformation from a post-colonial, backward country into a state that claims leading positions in the world.

A significant contribution to the development of this topic in Ukraine is made by scientific articles published in the specialized collection of the All-Ukrainian Association of Indologists 'India: Antiquity and Modernity' (scientific editor – Olga Lukash). These Ukrainian studies mainly focus on general aspects of India's economic development and its global integration, as well as on the analysis of economic and socio-political reforms. Here it is necessary to note the article by Marina Bondarets, in which she emphasizes the importance of the 1991 reforms and the role of Narasimha Rao in changing the model of India's development⁸, and the article by Irina & Viktor Viter, which analyzes the modern Indian economy, emphasizes the growth of the service sector, the IT sector, and the inequality of economic development⁹, is also of considerable scientific interest.

Also noteworthy is the publication by Olena Bordilovska 'The Activities of the Government of N. Modi: Economic Reforms and Social Transformations', where the author notes that the Indian economy has strengthened during the period of N. Modi's stay in power, and not only due to his initiatives, but also due to objective circumstances. Inflation has weakened, the sharp decline in oil prices has worked in favor of India, which imports a significant part of all the oil necessary for development. India is actively working on the further development of individual sectors. The author of the publication also emphasizes that the Indian economy is advantageous compared to other countries (in particular, Russia, where

феномен поліваріантного розвитку наприкінці XX – початку XXI століття. / За заг. ред. В.О. Шведа. Київ: Державна установа «Інститут всесвітньої історії НАН України», 2024. С. 182-216.

⁵ Лукаш О.І. Індія – 70 років незалежного розвитку (роль та значення цивілізаційних складових). *Індія: давнина і сучасність: збірник наукових праць*. Вип. II / відп. наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2017. С. 14-21.

⁶ Лукаш О.І. Сучасна Індія на шляху успішних перетворень: модель розвитку. *Проблеми всесвітньої історії*. 2023. № 4. С. 148-171.

⁷ Lukash O. The Republic of India Development Model: Historical Retrospect. *Індія: давнина і сучасність: збірник наукових праць*. Вип. III / відп. наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2025. Р. 18-32.

⁸ Bondarets M. The Republic of India Socio-Economic Development in the Context of Reforms (90s of the 20th century). *Індія: давнина і сучасність: збірник наукових праць*. Вип. III / наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2025. С. 54-62.

⁹ Viter I.I., Viter V.I. Економіка незалежної Індії в умовах глобалізації: особливості та проблеми розвитку. *Індія: давнина і сучасність: збірник наукових праць*. Вип. III / наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2025. С. 63-74.

there is a decrease in oil prices and the impact of sanctions) and demonstrates a fairly high rate of economic development¹⁰.

Presentation of the main material. After gaining independence in 1947, the Republic of India was faced with the need to choose a development model that would combine economic growth, social equality and stability of the political system. In the 1950s, a model of the so-called state 'dirigisme', known as 'state socialism', was launched, which ensured the creation of an industrial base and was supposed to restore social balance in the conditions of the multi-structure of Indian society. In the long term, as J. Dreze noted, this model gave rise to systemic rigidity, the phenomenon of 'license raj' and stagnation of key economic sectors¹¹.

The economic crisis of the late 1980s – a balance of payments deficit, inflationary pressures, external debt and political instability – led to the need for socio-economic reform, making it a strategic task of India's domestic policy. Already in 1991, the country was on the verge of default, which became the transition point to a new paradigm of state economic policy. The reforms of the government of Narasimha Rao (Prime Minister of India in 1991–1996) laid the foundation for long-term transformations, and the reforms of Manmohan Singh (Prime Minister of India in 2004–2014) – institutionalized and deepened previous achievements.

In most studies, the periods of N. Rao and M. Singh are analyzed separately, which creates the impression of discontinuity and sequence of reforms. However, the development of India after 1991 demonstrates structural continuity between them. Both stages were aimed at dismantling the 'licensing dominance (the so-called Raj)', creating market economy institutions and integrating the country into the global economic space. The issues of regional disparities, social consequences of reforms, changing the role of the public sector, the formation of the middle class and the effectiveness of state social policy remain insufficiently covered.

As noted above, by the end of the 1980s, the Indian economy was facing a structural crisis. The dominance of the public sector and administrative regulation had created an inflexible, inefficient model, which was defined as 'license raj'. Additional problems were low growth rates ('Hindu growth rate' – about 3.5% per year), rising external debt and chronic balance of payments deficit. In 1991, foreign exchange reserves fell to \$1.2 billion, which was enough for only two weeks of imports.

In these conditions, the Narasimha Rao government, having appointed Manmohan Singh as the Minister of Finance, began comprehensive reforms that put an end to the previous economic model. The government abolished most industrial licenses, which eliminated key administrative barriers for private business. This reform significantly untied the hands of entrepreneurs and raised the economy to a new level, adding nationwide confidence to the actions of the current Prime Minister and his person in particular. Liberalization of industrial policy was the main systemic step of the Narasimha Rao government, which in 1991 for the first time openly revised the previous socialist-planned development paradigm.

¹⁰ Борділовська О.А. Діяльність уряду Н. Моді: економічні реформи й соціальні перетворення. *Індія: давнина і сучасність: збірник наукових праць*. Вип. II / наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2017. С. 104–114.

¹¹ Dreze J. India's Social Policy. *Economic & Political Weekly*, 2010. URL: <https://www.epw.in/>

It was during his premiership that the dismantling of license raj was initiated – a comprehensive system of licensing, special permits, prior approvals and bureaucratic tools that had held back the development of the Indian private sector for several decades.

The government of N. Rao eliminated most industrial licenses and reduced the list of industries where prior government approval remained mandatory. This step was unprecedented: after the proclamation of Indian independence, no government had dared to touch the fundamental foundations of Indian economic socialism, believing that tight control over industry was a necessary condition for modernization. At the same time, N. Rao approached liberalization pragmatically: the reforms were not announced as an ideological break with the past, but were positioned as a forced response to the structural crisis of the economy¹².

Deregulation of industry has effectively opened the way to new economic dynamics. Enterprises have been able to independently determine production volumes, investment structure, modernization cycles and product range. The elimination of licensing barriers has not only reduced business transaction costs, but also led to an increase in entrepreneurial activity in sectors that had remained regulated for decades.

The aforementioned studies by Ukrainian Indologists emphasize that the liberalization of industry during the time of N. Rao had not only an economic but also a psychological dimension. It led to a significant strengthening of business trust in the government – a factor that plays a special role in countries with a long history of bureaucratic control. It was during this period that a new discourse of economic self-confidence was formed in India.

It is characteristic that N. Rao did not appeal to radical-liberal arguments. His rhetoric was balanced: he presented deregulation not as 'the end of the role of the state', but as its 'more effective self-organization'. This allowed to maintain a balance between reformist logic and social stability – a balance that Ukrainian researchers often refer to when assessing the uniqueness of the Indian transformation of 1991.

For Ukraine, the Indian experience remains important in terms of how a country with a multi-level bureaucracy and a complex federal structure was able to implement systemic reform without shock destabilization. This reform demonstrated that even in difficult political conditions, a government can implement strategic modernization if it is based on consistency, communication, and the gradual formation of trust. Important reform measures were the reduction of the number of sectors reserved for the state, which opened the way for privatization. Memoranda of Understanding changed the system of control over state-owned enterprises.

The course of dismantling the state monopoly in key sectors of the economy became one of the most radical components of the reforms of the Narasimha Rao government. If the previous industrial model of the 'license raj' provided for systemic centralization, reserved sectors and political control over production, then in 1991-1993 the government of N. Rao actually revised the very philosophy of the relationship between the state and private capital. One of the key steps of the government was the replacement of rigid administrative directives with the model of Memorandum of Understanding (MoU) – contracts between the state and

¹² Бондарець М. Особливості економічних реформ Індії початку 1990-х років. URL: <https://ipiend.gov.ua/publication/osoblyvosti-ekonomichnyh-reform-indii/>

the management of state-owned enterprises. For the first time, the state deregulated managerial autonomy with measurable performance indicators. For the current government, this became a political signal: the state is not backing down, but is changing its role – from directive management to strategic regulation.

The reforms of 1991-1996 were of great importance in improving the financial situation in India. Simplification of the tax system, devaluation of the rupee and reduction of import tariffs played an important role in restoring economic stability.

The financial reforms of the Narasimha Rao government became a systemic response to the crisis structure of the Indian economy of the early 1990s. The budget deficit of more than 8% of GDP, chronic balance of payments deficit, low foreign exchange reserves and tight control over the financial system required not cosmetic steps, but deep transformation. That is why the Narasimha Rao government, together with Finance Minister Manmohan Singh, initiated a package of changes that many world researchers characterize as a 'quiet re-establishment of the Indian macroeconomics'¹³.

One of the most important decisions of the N. Rao government was the two-stage devaluation of the rupee in July 1991. This step was intended to restore export competitiveness, reduce pressure on foreign exchange reserves, and modernize the exchange rate system, gradually moving to a market model. The position of Ukrainian researchers here is unanimous: the devaluation was risky, but necessary.

Although the direct privatization of state-owned banks was not the goal of the N. Rao government, it initiated the liberalization of financial markets, in particular the securities market; the creation of infrastructure for the future independence of the Reserve Bank of India in implementing monetary policy; new standards for banks on capitalization and risk management (the introduction of standards close to Basel). This allowed India to avoid financial crises similar to those that struck Southeast Asia in 1997 – since N. Rao's reforms laid the foundation for cautious but sustainable financial development. Already during the first three years after the reforms, the government managed to reduce inflation, increase foreign exchange reserves and stabilize the rupee. Despite this, most Ukrainian experts are inclined to believe that the financial reforms of the N. Rao government were not only anti-crisis, but also strategic – they created a macroeconomic foundation for the dynamic growth of the Indian economy in the 2000s.

The reforms carried out during the prime ministership of N. Rao were of great international importance for India, it began to integrate into world markets, which stimulated the modernization and increase in the competitiveness of its economy. Economic results became evident already in the mid-1990s: GDP grew from 1% in 1991 to 7% in 1994. However, problems of inequality and weak institutional changes remained. Although India formally joined the WTO in 1995, the main work on adapting legislation and the negotiation process was carried out precisely during the period of the government of N. Rao. This included: changing the legislation on the protection of intellectual property; adapting Indian tariff obligations to the requirements of the GATT; reforming the rules of investment access for foreign companies. Participation in the SNA/WTO actually legitimized India's new economic

¹³ Policy circle bureau. RBI plans a quiet rewiring of India's financial system. URL: <https://www.policycircle.org/policy/rbi-sanjay-malhotra-priorities/>

course in the international arena, strengthening its status as a reformed, market-oriented state.

Despite the general success, there were a number of problems: the more active entry of the Indian market into the international arena was accompanied by increasing competitive pressure on small and medium-sized industries; dependence on oil imports increased the risks of external shocks; not all export incentives were effective due to institutional constraints and corruption of procedures. Foreign trade liberalization was heterogeneous: some industries modernized quickly (pharmaceuticals, metallurgy), others much more slowly (agricultural sector).

No less interesting and effective in terms of reforming the Indian economy and social changes was the period of Manmohan Singh's premiership (2004-2014). Here it is appropriate to give some indicative data: In 2004-2011, according to Indian reports to the International Monetary Fund for 2012, the growth rate of the Indian economy was 7.5-9.8% per year, which made the Indian economy one of the most dynamically developing economies in the world.

At the same time, financial reserves were strengthened and macro indicators stabilized. Foreign and Ukrainian experts believe that this period was one of the most dynamic stages of India's economic development since the liberalization of the early 1990s.

During the first term of the United Progressive Alliance government (2004-2014), the Indian economy demonstrated stable growth rates of 8-9% per year, which allowed the country, as emphasized above, to enter the group of the fastest growing economies in the world. Such acceleration was the result of a combination, on the one hand, positive results in the 1990s, and, on the other, a specific political and institutional model formed by M. Singh: pragmatic, technocratic, devoid of sharp ideological shifts.

At the same time, Indian growth in the 2000s was structural in nature. The expansion of the service sector, especially the IT sector, financial services and outsourcing centers, became a key engine of GDP. However, it is important to emphasize that the government of M. Singh did not limit itself to adopting a liberal model, but tried to improve the institutional infrastructure of development: through the modernization of the banking system, the activation of public investments in transport corridors, the introduction of new approaches to the management of infrastructure projects (PPP models). It was during this period that the accelerated construction of state highways and power plants began, which created the conditions for a long-term economic effect.

However, M. Singh's second term (2009-2014) demonstrated not only the achievements but also the vulnerabilities of the model. The global financial crisis of 2008-2009 led to a temporary slowdown in growth, but the key problem turned out to be internal institutional stagnation, which intensified after 2011. A series of corruption scandals in the public sector (2G spectrum, Coal-gate, etc.) undermined investor confidence and reduced the efficiency of public administration. Despite M. Singh's efforts to maintain macroeconomic stability, growth slowed to 5%, and the investment activity index declined markedly.

In the broader context of post-reform India in the 2000s, the period of M. Singh can be interpreted as a phase of maturity of Indian liberalization, when the main challenge is not market openness per se, but the ability of the state to ensure the quality of regulatory institutions, policy predictability and the integrity of the bureaucratic apparatus. At the same

time, an important feature of M. Singh's premiership was the desire to maintain macroeconomic caution – unique for a period of global economic turbulence. Although such caution was sometimes interpreted as indecision, it provided India with relative resilience to external shocks¹⁴.

Thus, economic growth in the period 2004-2014 should be seen as the result of a combination of inertial liberalization, institutional improvement, and socially motivated state policies. The successes and challenges of this decade largely determined the direction of further transformations already under the Prime Ministership of Narendra Modi, when the emphasis was shifted from institutional balance to a more centralized and rapid development model.

The period of Manmohan Singh's premiership was a stage of a qualitative structural shift in the Indian economy, centered on the service sector, primarily information technology, financial services, and business outsourcing. More than 55% of GDP was accounted for by the service sector, which was a consequence of previous liberalization measures¹⁵. In fact, it was during these years that the model of "post-industrial growth without full industrialization" was finally formed, which many researchers consider unique for India. Its essence was the country's ability to demonstrate high growth rates (7-9%), relying primarily on intellectually intensive services, rather than on the classic path through large-scale heavy industrialization.

Under M. Singh's leadership, the IT sector not only expanded, but also deepened its institutional base. India transformed from an 'outsourcing platform' into a global innovation player. Clusters such as Bangalore, Hyderabad, Pune, or Chennai became centers not only of programming, but also of modern research, development, cloud technologies, and innovations. At the same time, the state did not act as a direct investor, but actively modernized the regulatory environment: simplified tax regimes for IT companies, stimulated the export of services, and supported the development of technology parks and special economic zones. No less important was the fact that it was under M. Singh that cooperation between the private sector and the state in the field of technological education intensified: the expansion of the network of Indian Institutes of Technology and Indian Institutes of Management laid the foundation for the further potential of engineering and technical personnel.

At the same time, the rapid development of IT and services has created a number of structural challenges for India. First, the 'two-speed economy', when the country's technology centers demonstrate development indicators comparable to the development of the middle class of Southeast Asia, while rural regions remain within the framework of traditional economic structures and lag behind. This imbalance became noticeable already in the second term of the M. Singh government and led to political polarization between the 'new' and 'old' India.

The introduction of NREGA has provided millions of rural households with guaranteed employment. Changes in healthcare, education, and food security have increased social mobility. Thus, India is taking the first steps towards a resurgent middle class, providing opportunities for work and income.

¹⁴ Singh M. India's Export Policy. *New Delhi*. 2004. URL: <https://commerce.gov.in/>

¹⁵ Government of India. *Economic Survey of India, 2004-2014*. URL: <https://www.indiabudget.gov.in/economicsurvey/>

The socially oriented nature of Manmohan Singh's reforms has been one of the most prominent features of his premiership. In contrast to the liberalization impulse of the 1990s, which tended towards market deregulation, Singh's policies from 2004 to 2014 had a clearly defined inclusive dimension. This period is often described as the 'social institutionalization of reform', when economic growth was seen not only as a macroeconomic indicator, but also as a tool for empowering the most vulnerable groups.

One of the key elements of this policy was the enactment of the Government of India's Rural Employment Guarantee Act (MGNREGA, 2005), which guaranteed the right to at least 100 days of paid community work per year for every rural household. MGNREGA was an unprecedented social experiment by the state in a developing country. Its significance went beyond mere employment: the program provided basic infrastructure in many remote areas, increased women's financial autonomy through direct payments, and reduced seasonal migration. For the Singh government, it was a symbol of political responsibility to rural India, a social mass that had often remained on the periphery of the reforms of previous decades.

At the level of critical reflection, it is worth noting that the scaling up of social programs created an additional burden on the state budget and expanded the subsidy system, which, if excessive, can reduce market efficiency. Some economists have pointed to the risks of turning programs into mechanisms of political mobilization instead of development tools. On the other hand, it was the emergence of large social systemic programs that made it possible to transition to new models of social policy already in the Narendra Modi era – including digital identification of beneficiaries, subsidy reforms and the concept of 'direct benefit transfers'.

Thus, the social programs of the Manmohan Singh era should be interpreted not as simply a set of social initiatives, but as an attempt to institutionally integrate the idea of social justice into the overall model of economic development. It was an attempt to build an economy where growth does not exist separately from social inclusion.

Infrastructure development during the Manmohan Singh era has become a critical component of India's economic transformation, although not as vocal in political rhetoric as social programs or digital initiatives of the following decade. In the face of rapidly growing demand for transport, energy, and logistics resources, the M. Singh government focused on creating a sustainable institutional framework for infrastructure investment, expanding the use of public-private partnership (PPP) models and encouraging the participation of private corporations in large national projects. Record investments in transport, energy, and logistics contributed to the formation of a single internal market¹⁶.

It was in 2004-2014 that the key stages of the National Highways Development Project were implemented, which ensured the construction and modernization of the Golden Quadrilateral highways and corridors connecting the main megacities. In the energy sector, there was an expansion of generating capacities, and in the port sector, the modernization of the largest seaports. A significant achievement was also the attempt to reform the institutional architecture of infrastructure planning: the creation of special agencies and coordination mechanisms that reduced transaction costs and increased predictability for investors.

Despite this, M. Singh's infrastructure policy faced a number of systemic limitations.

¹⁶ Ministry of Finance (India). *Budget Speeches 2004-2014*. URL: <https://www.indiabudget.gov.in/>

The unfolding corruption scandals in the second term, bureaucratic inertia and a fragmented decision-making structure slowed down the implementation of large projects. It was in the infrastructure sector that what can be called a 'crisis of state coordination' first manifested itself: the expectations of society and business grew faster than the government's ability to ensure their implementation. This became one of the reasons for the government's criticism of 'policy paralysis', which intensified closer to 2013-2014.

As a result, the infrastructural developments of 2004-2014 created the conditions for further centralization and acceleration of infrastructure reforms under Narendra Modi's premiership, revealing both the strengths and limitations of Manmohan Singh's technocratic approach.

The period 2004-2014 was characterized by both significant achievements and serious challenges, which largely determined the public perception of the M. Singh government. One of the central challenges was corruption, especially in the second term. Scandals related to the allocation of the telecommunications spectrum (2G scandal), coal licenses (Coalgate) and other sectors undermined investor confidence and caused the domestic political delegitimization of the ruling coalition. In the institutional dimension, these events demonstrated the structural weakness of state oversight and transparency mechanisms. Corruption scandals, bureaucratic barriers and slow industrial modernization remained significant problems¹⁷.

The second major challenge was the economic slowdown after 2011. Although external factors played a role, the key factor was the decline in investment activity and the decline in the efficiency of managing large projects. Economists began to talk about 'policy paralysis' – the inability of the government to make bold and quick decisions due to coalition constraints and political contradictions.

In short, the Singh era is seen as a decade of opportunities and missed opportunities. The growth and institutional stability of the first term demonstrated the potential of the Indian model, but political infighting, bureaucratic inertia, and corruption scandals limited the scope of reforms in the second term. It was against this backdrop that a public rethinking of the country's development path took place, paving the way for Narendra Modi's electoral rise in 2014.

The reforms of 1991-1996 and 2004-2014 constitute an organic, interconnected process of Indian modernization. Narasimha Rao dismantled the old model, laid the foundations of market institutions, and opened the country to the global economy; Manmohan Singh deepened, institutionalized, and socially balanced these changes. Together, they laid the foundation for the growth of the middle class, the development of the IT sector, and infrastructural modernization¹⁸, and also prepared the ground for further transformations after 2014.

Conclusions. The reforms of the Narasimha Rao and Manmohan Singh governments have determined the strategic trajectory of India's development in the 21st century.

¹⁷ Basu K. India's Economic Policy. Oxford University Press, 2014. URL: <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2018-124.pdf>

¹⁸ Bondarets M. The Republic of India Socio-Economic Development in the Context of Reforms (90s of the 20th century). *Індія: давнина і сучасність: збірник наукових праць*. Вип. III / наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2025. P. 54.

Liberalization, strengthening of market institutions, financial stabilization, and social programs have ensured the transition from state socialism to a modernized, incrementally reformed economic model. Despite the contradictions and challenges, their reforms have become the basis for modern Indian economic policy. For the sake of modernization transformations, India has chosen an effective but complex hybrid model of development.

As Ukrainian experts rightly believe, the Indian model is significantly different from the East Asian one, it is unlike any other¹⁹. The presence of contrasts is characteristic of all countries with a transition economy that are developing rapidly. However, India has a feature that is almost unique to it: a combination of three socio-economic models of development observed in our time. This peculiar, unique 'mix' allowed rational use of the features and advantages of each of the socio-economic systems existing in the modern world at different stages of the country's development.

Костянтин Голубєв

Реформи як стратегічне завдання Республіки Індія після здобуття незалежності

Анотація: Стаття присвячена ґрунтовному аналізу двох ключових етапів соціально-економічних реформ в Індії після 1991 року – періодів прем'єрства Нарасімхи Рао (1991-1996) та Манмохана Сінґха (2004-2014).

Метою дослідження є виявлення логіки, змісту та наслідків реформаторських трансформацій, а також обґрунтування їх розгляду як взаємопов'язаних елементів єдиної довгострокової траєкторії індійської модернізації.

У статті наголошується, що економічні реформи 1990-2000-х років стали переломним моментом у розвитку Індії, ознаменувавши поступовий відхід від моделі державного соціалізму, сформованої в період після здобуття незалежності, та перехід до лібералізованої, ринково орієнтованої економіки. У роботі проаналізовано внутрішні та зовнішні передумови початку реформ, зокрема хронічні макроекономічні дисбаланси, кризу платіжного балансу 1991 р., неефективність системи адміністративного регулювання («ліцензійного раджу»), а також зростаючий вплив глобалізаційних процесів і міжнародних фінансово-економічних інституцій. Значну увагу приділено інституційним змінам, що супроводжували лібералізацію, включно з дерегуляцією промисловості, реформуванням зовнішньоторговельного режиму, фінансового сектору та податкової системи, а також переосмисленням ролі держави в економіці. Окремо розглядається соціальний вимір реформ, зокрема трансформація ринку праці, зміна підходів до соціальної політики, розширення можливостей для приватного підприємництва та поступове формування численного середнього класу як нового соціально-економічного суб'єкта. Показано, що реформаторський курс періоду

¹⁹ Див. докл.: Лукаш О.І. Сучасна Індія на шляху успішних перетворень: модель розвитку. *Проблеми всесвітньої історії*. 2023. № 4. С. 148-149; Lukash O. The Republic of India Development Model: Historical Retrospect. *Індія: давнина і сучасність*: збірник наукових праць. Вип. III / наук. ред. О.І. Лукаш; НАН України, ДУ «Інститут всесвітньої історії НАН України», Всеукраїнська асоціація індологів. Київ, 2025. Р. 18-20.

прем'єрства Манмохана Сінґха не лише продовжив, а й інституціоналізував ключові напрацювання етапу Нарасімхи Рао, поєднавши економічну лібералізацію з активнішою державною участю у сфері соціального розвитку.

У підсумку зроблено висновок про наступність і взаємодоповнюваність двох етапів реформ, які заклали структурні передумови для подальшої трансформації Індії після 2014 р. та визначили її сучасне позиціонування як однієї з провідних економік Глобального Півдня в умовах багатопольярного світового порядку.

Ключові слова: Індія, економічні реформи, лібералізація, Нарасімха Рао, Манмохан Сінґх, модернізація, ліцензійний радж, соціальна політика