(Q5) India announced a new economic Policy in 1991 that drew cheers for the economy and changed its fate. Justify.

Answer:— On 24th July, 1991, India announced a new economic policy that made many changes in the economy. The then Prime Minister ~~Atr~~ PV Narasimha Rao & finance Minister Manmohan Singh in their cabinet worked together & introduced the policy without which India would have collapsed.

Before 1991, there were scarcity of foreign reserves, the Balance of Payment crisis arose in the 1970s and worsoned towards the end of 1980s, The government was close to default. With India's foreign exchange reserve at USD 1.2 billion in January 1991 and depleted by half by june, an amount barely enough to cover roughly three weeks of essential imports.

After 1991's Policy, Indian Economy started on a path of economic "Liberalization, Privatisation and Globalisation", which has impacted each and every sector of the country, and the life of every citizen.

(1) The Balance of Payment crisis was over by the end of march 1994 & foreign

exchange rose to $ 15.7 billion.

(2) FDI & FII (Foreign Institutional Investment) into India increased massively.

(3) Telecom Subscriber growth rate Soared in the mid-1990s, with the overall base Crossing a billion in 2015-16.

(4) "Entrepreneurship" has surged post reforms.

(5) Roads have boosted Connectivity and acted as a multiplier.

(6) The share of Services in GDP has increased 20% points since 1991, reflecting a decisive change in the nature of India's economic output.

(7) Liberalised investment and trade regime increased Consumer Choices, and reduced Poverty significantly.

(8) Number of colleges and Universities increased by 537% in these 29 years since 1991.

(9) Tendulkar Committee estimated a drop in "poverty rate" to 21.9% in 2011-12

In these way India emerge out from the License Raj from 1991. and today we can say that, 52% (near about) of India was borne after 1991.