

Failures of the Economic Reforms in India

- The agriculture sector was neglected and the public investment in this sector was reduced and hence the infrastructure areas were affected.
- The subsidies on the fertilizers were removed and hence it led to an increase in the cost of production which affected many marginal and small farmers.
- Further, many policies were introduced which reduce the import duties on agriculture products, reduce the minimum support price increased the threat of international organizations competing with the local farmers.
- The industrial sector saw uneven growth.
- The imports were made cheaper as a result of which the demand for the industrial goods reduced.
- The globalization which allowed for free trade between the countries affected adversely on the local industries and thus affected employment opportunities.
- The reforms led to an increase in economic colonialism.
- It also led to the erosion of culture.
- The investments in many infrastructural facilities like power supply were inadequate.