**SECOND GENERATION REFORMS**

The Economic Reforms in the year 1991 can be considered as a defining event in the development of history of India. It altered the Principles of Indian development policy growth with justice, social responsibility, accountability, equity and self-reliance. It made radical changes in all the sectors of the economy. It imposed fiscal austerity measures and tried to reduce the fiscal deficit and achieve higher growth rate. The new programmes like Liberalisation, Privatisation and Globalisation gained wider currency in the realm of economic policy.

The reforms altered the positive role of the state to bring social change and the agency for providing social security measures. The following task was left to free market competition.

The main objective is to bring rapid and sustained improvement in the quality of people of India. With the help of reforms, India overcame the worst economic crisis in a short period of 2 years. Along with structural reforms, Macro-economic stabilization reforms were launched in June 1991. During 1996–97, the manufacturing product declined to 6.8%. To increase the GDP growth rate, agriculture GDP, gross domestic investment & to reduce the fiscal deficit, a second generation reform is needed.

The term is being used increasingly by mandarins, ministers, and the media to refer to a general continuation of the process of economic reform and liberalisation initiated by the Centre in the early 1990s. In India, the second generation reform started from 1996 to 2007. During this period, 2 five year plans were included.