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Indian Economy in the Post-Reform Period: an Emperical Overview of Economic Performance and Inequality

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Abstract

The economic reforms of 1991 marked a paradigm shift in India's economic policy, with the adoption of Liberalisation, Privatisation, and Globalisation-based policy. The economy has undergone substantial transformation since the reforms, with growth accelerating and making India one of the largest and fastest growing economies in the world. At the same time, serious concerns have arisen due to rising economic inequalities persisting and rising in the country in the post-reform period. This study addresses these concerns by examining the overall performance and the economic inequality of the Indian economy in the post-reform period. It provides an empirical analysis of economic development, as well as distributional equities, using descriptive and trend-based analyses of secondary data and relevant indicators to evaluate economic performance and economic inequalities. The study found that while India's economic performance has improved according to conventional indicators in the post-reform period, income and wealth inequalities have markedly increased. The study highlights the need for sustained policy attention to the distributional aspects of India's economic growth, recommending progressive taxation and legislative interventions for distributional equity.

Keywords: Economic Reforms, GDP, Economic Inequality, Income Inequality, Wealth Inequality.

1. INTRODUCTION

The economic reforms of 1991, which heralded the adoption of Liberalisation, Privatisation, and Globalisation-based economic policy, marked a paradigm shift in the country's economic policy [1]. Although the economic reforms were adopted at the cusp of an unprecedented economic imbroglio, the Balance of Payment crisis of 1991, the reforms were intended to let the country adopt structural reforms that would replace the economic philosophy that had guided the country until then [2]. The economic reforms ushered in unprecedented economic growth and development in the country, making it one of the largest economies in the world [3].

Although the Indian economy in the post-reform period has witnessed significant strides in various conventional economic indicators, such as the Gross Domestic Product (aggregate) or the Gross Domestic Product (Per Capita) and has been one of the leading economies in the world in these indicators, several studies have cautioned that mere GDP growth alone cannot be indicative of the holistic development of the economy [4]. The high economic growth in the post-reform period has been accompanied by widening inequalities in the country [5].

Equitable distribution of the gains from economic growth and sustained improvements in social and human development outcomes provide a sustainable foundation not only for the improvement of immediate welfare and well-being but also as a prerequisite for the long-run viability of sustainable economic growth. The examination of cross-country empirical evidence by Ostry et al. [6] for the International Monetary Fund also established that higher inequality is associated with shorter and less durable growth spells, effectively undermining the proposition that growth benefits will spontaneously permeate all sections of society through market mechanisms alone.

This is particularly salient in the Indian context, where inadequacies persist in social development despite decades of robust economic expansion [7]. The evidence of sharply rising income and wealth inequality and concentration in the post-reform period, makes the situation more serious. This necessitates substantive and sustained policy attention to the structural dimensions of inequality to ensure that the advantages of economic growth are distributed effectively and that are improved across all segments of the population [8].

In this context, the present study seeks to understand the overall performance of the Indian economy in the post-reform period. It provides an empirical analysis of the country's economic performance as well as distributional equity during this period.

2. RESEARCH METHODS

The study employs descriptive and trend-based analyses of secondary data pertaining to the country's economy, encompassing relevant economic and social development indicators to evaluate economic performance, economic inequalities, and social development during this period. This study is organised around two major research objectives.

1. To analyse the trend and trajectory of India's economic performance in the post-reform period, employing conventional GDP-based output indicators.
2. To examine the trends in economic inequality in India during the post-reform period, with particular reference to the distribution of income and wealth across the population.33

The study employs trend analysis to assess the economic performance of the country in both the pre-reform and post reform periods, comparing the overall economic performance in both the periods, looking into both the trends as well as the growth rates of conventional economic performance indicators, the Gross Domestic Product (GDP) and Per Capita GDP, as well as the trends in economic inequality vis-à-vis the income and wealth by examining the trends in the wealth and income accruing to various segments of the income and wealth distributions in the country. The study conducts the analysis using secondary data. The study sources the data regarding GDP from the World Bank Open Data Repository and the data regarding income and wealth distribution from the World Inequality Database.

3. ANALYSIS AND DISCUSSION

3.1. India's Economic Performance in Post-reform Period: Analysis of Conventional Economic Indicators (GDP)

The Indian economy has experienced significant growth since the 1991 economic reforms compared to the pre-reform period, and its economic indicators have shown remarkable improvement [9], [10]. The Indian economy showed effective resilience during the various global crises, including the 2008 financial crisis, the post-2016 slowdown and the COVID-19 pandemic-induced economic crisis The Indian economy showed effective resilience during the various global crises, including the 2008 financial crisis, the COVID-19 pandemic-induced economic crisis [11]. This study evaluates the economic performance of the country by analysing its Gross Domestic Product (GDP), both in aggregate and per capita terms. GDP is a widely recognised and effective conventional indicator of economic performance and growth. GDP quantifies the total monetary value or income generated from the production of goods and services in an economic territory during a specific accounting period [10]. The present study chose GDP as an indicator of economic performance because the assessment of GDP can provide a holistic measurement of the conventional economic performance and status of any country. GDP can be an effective indicator of the trajectory and growth dynamics of an economy, despite its many limitations as an economic and welfare metric [12]. Figures 1 to 5 depict the key GDP indicators, encompassing aggregate and per capita GDP metrics and their growth, over both the long historical period (1960-2024) as well as the post-reform period (1991-2024). The GDP figures presented and analysed here are expressed in constant prices (in Crores INR) to facilitate a long-run analysis of the GDP data by controlling for inflation for the study period.

3.2 Aggregate GDP (In Constant Prices, in Crores INR) of India (1960-2024)

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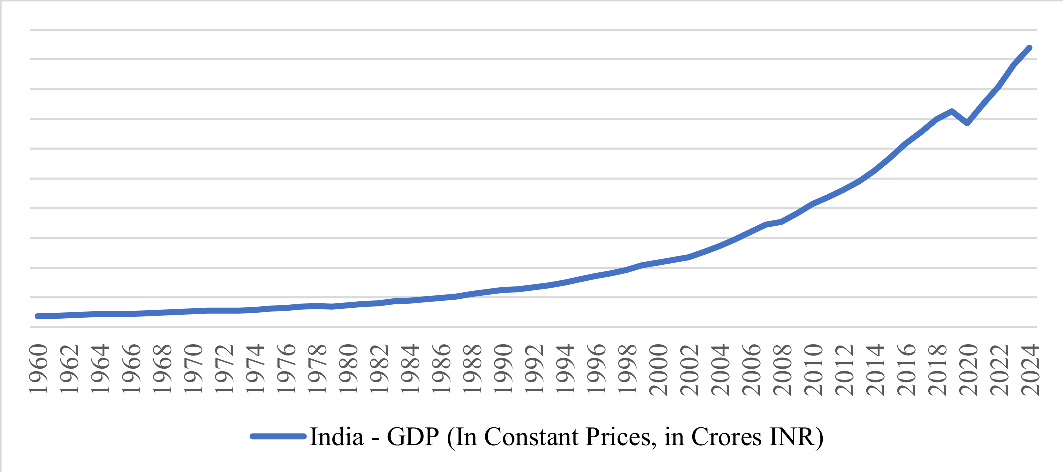
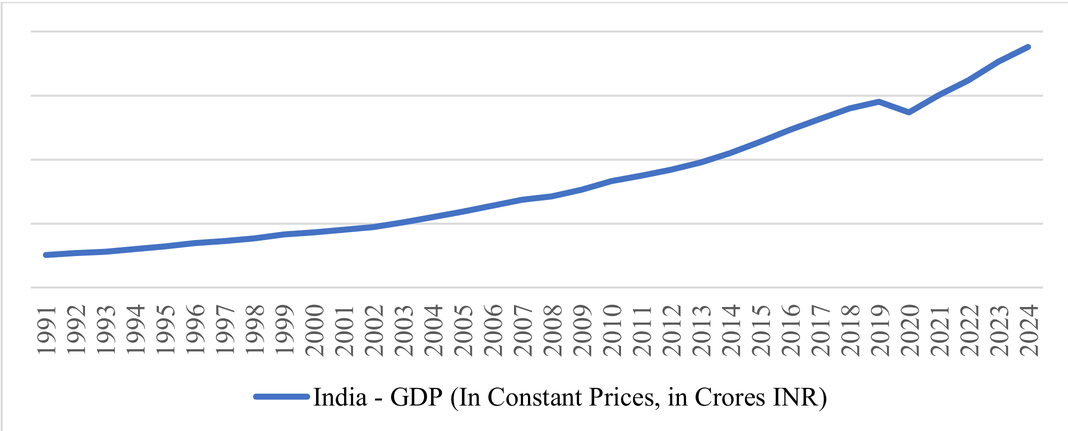
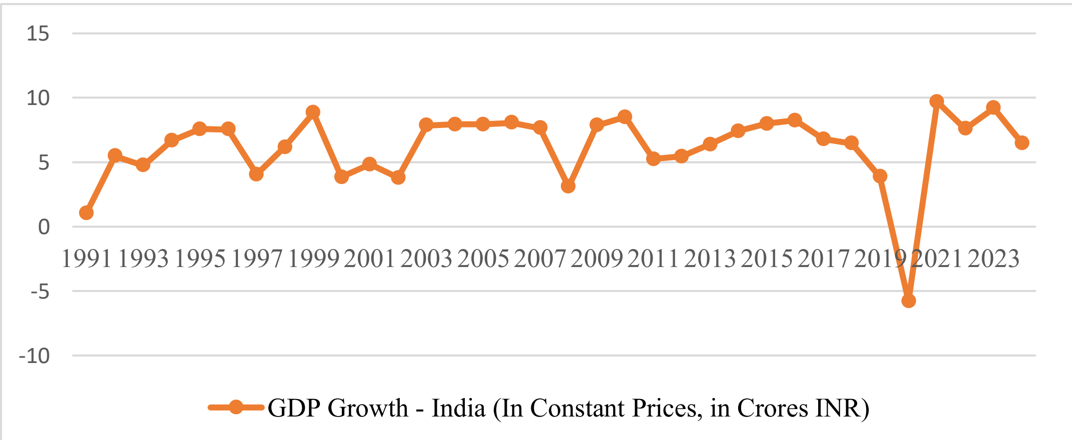


Source: World Bank Open Data [10]
Figure 1. India - GDP (In Constant Prices, in Crores INR) - 1960-2024



Source: World Bank Open Data [10]
Figure 2. India - GDP (In Constant Prices, in Crores INR) - 1991-2024



Source: Computed by Authors based on World Bank Open Data [10]
Figure 3. GDP Growth - India (In Constant Prices, in Crores Rs.) - 1991-2024

Figures 1 and 2 depict the trajectory of India's GDP, reflecting the country's aggregate economic output across both the extended historical period (1960-2024) and the post-reform period (1991-2024) [10]. Figure 1 reveals that the aggregate GDP of the country (in constant prices) followed a relatively flat trajectory, indicating slow economic growth from 1960 to the early 1980s. The significant inflexion point in the country's GDP

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trajectory occurred during the mid-to-late 1990s, as illustrated in Figure 1. The figure demonstrates that this period marked the onset of a sustained upward acceleration in the country's GDP, which intensified significantly during the first two decades of the 21st century. This acceleration in GDP is attributed to the economic reforms of 1991, which heralded the liberalisation, privatisation, and globalisation of the country's economy, dismantling the industrial licencing system, opening the economy to foreign investment and trade, restructuring the role of the public sector, and unleashing market forces across the economy [13], [14].

Figures 2 and 3 provide a more detailed examination of this acceleration, specifically isolating the trajectories of the country's aggregate GDP and its growth during the post-reform period (1991-2024). The Figures demonstrate that the acceleration in the GDP of the country became more pronounced after 2003, marking the beginning of India's high growth phase [15]. This growth moderated during 2008-2009, coinciding with the global economic slowdown, but subsequently recovered and resumed high growth. The sole disruption in this growth trajectory occurred in 2020 because of the COVID-19 pandemic.

Figure 3 presents a detailed analysis of the growth dynamics of post-reform India by depicting the trajectory of the year-on-year GDP growth rates (in constant prices) during various phases of the post-reform period. The Indian economy was going through a phase of very low growth in 1991, the year of commencement of the economic reforms, due to various factors, including the Balance of Payment crisis and the fiscal implications of the various structural changes and reforms initiated to overcome the Balance of Payment crisis [13]. Although GDP growth (in constant prices) improved significantly in the aftermath of the reforms, with growth rates of 5.48% in 1992 and 4.75% in 1993 compared to the plummeted GDP growth rate of 1991, it was from 1994 to 1996 that the Indian Economy started to witness the impact of the economic reforms. During this period, India's GDP growth improved significantly, reaching 6.66% in 1994, 7.57% in 1995, and 7.55 in 1996. Although the average GDP growth rates in the country declined in the late 1990s (from 1997) and the early 2000s (until 2002) to approximately 5.26%, the average GDP growth rate in the period from 1992 to 2002 was approximately 5.78%, positioning India as one of the fastest-growing economies in the world during the 1990s. Ahluwalia [13] concurs with this finding and attributes the slump in the country's economic growth in the late 1990s and the early 2000s to various external factors, such as adverse external spillovers from the East Asian financial crisis of 1997-98 and internal factors, such as domestic fiscal pressures and the incomplete implementation of second-generation structural reforms.

The period from 2003 to 2007 marked a significant phase of growth in India's GDP in the post-reform era, with the country's GDP growing at an average rate of 7.89%. The annual GDP growth rates during this period were 7.86 in 2003, 7.92% in both 2004 and 2005, 8.06 in 2006, and 7.66 in 2007. The persistent high growth in this period is largely attributed to the structural reforms in the post-reform period and the buoyant global economy, which led to increased domestic savings, capital formation, and Foreign Direct Investment (FDI) inflows [16]. Additionally, this period witnessed the rampant expansion of the Information Technology (IT) and Business Process Outsourcing (BPO) sectors [14], [17], [18]. This period of exceptional GDP growth in India came to an interregnum with the advent of the Global Financial Crisis of 2008-09, with the GDP growth rate of the country declining to 3.09% in 2008. However, India exhibited remarkable resilience to the global slowdown compared to the developed countries of the world, with the country's GDP growth rate recovering quickly to 7.86% in 2009 and 8.5% in 2010 during the post-slowdown period [1].

India's GDP growth stabilised at a relatively high level in the subsequent years until the country's economy encountered another bout of deceleration in GDP growth from 2017 to 2020 [19]. The decline in India's GDP began in 2017, with the country's GDP growth plummeting to 6.80% in 2017, 6.45% in 2018, and 3.87% in 2019 due to various domestic and structural factors, including the economic disruption caused by demonetisation in 2016, the implementation of the Goods and Services Tax (GST) in 2017, and the deep Non-Banking Financial Company (NBFC) credit crunch that persisted in the economy during that period [13], [20].

The Indian economy witnessed the greatest disruption in the post-reform period in 2020, with the country's GDP growth becoming negative (-5.78%) for the first time in the post-reform period due to the outbreak of the COVID-19 pandemic and the nationwide lockdown imposed in the economy. The economy rebounded well in the post-pandemic period, demonstrating a V-shaped recovery, with the GDP growth of the country recovering to 9.69% in 2021 and 7.61% in 2022, returning to its growth phase. The GDP growth of the country stabilised subsequently, with growth of 9.19% in 2023 and 6.49% in 2024, positioning the country as one of the fastest-growing economies in the world [3], [17].

3.3 Per-Capita GDP (In Constant Prices, in Crores INR) of India (1960-2024)

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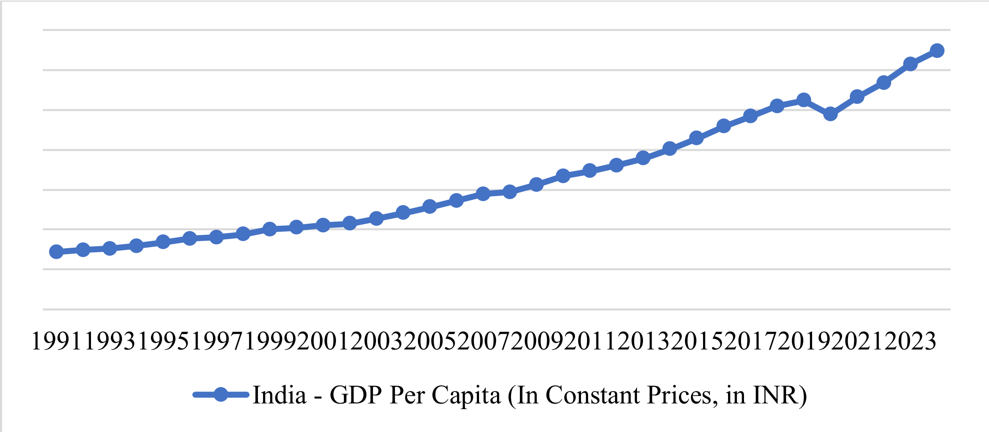
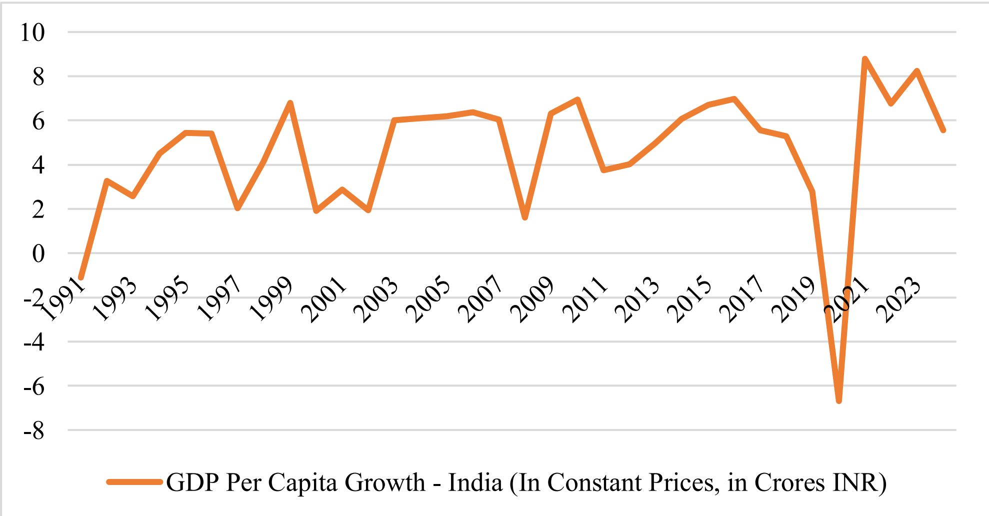


Source: World Bank Open Data [21]
Figure 4. India - GDP Per Capita (In Constant Prices, in INR), 1991-2024



Source: Computed by Authors based on World Bank Open Data [21]
Figure 5. GDP Per Capita Growth - India (In Constant Prices, in Crores INR), 1960-2024

Figures 4 and 5 present the trend and trajectory of India's per-capita GDP (the GDP of a country divided by the population of the country to achieve a per-capita estimate) and its growth in the post-reform period, respectively [21]. The figures demonstrate that the trends and trajectories in both the GDP per capita (Figure 4) and the growth of the GDP per capita (Figure 5) of India paralleled the trends and trajectories of aggregate GDP (Figure 2) and the growth in the aggregate GDP (Figure 3) in India, respectively, during the post-reform period. The per capita GDP of the country also demonstrated a moderate growth phase in the 1990s, followed by a high growth phase in the early 2000s, a slowdown during the global financial crisis, a recovery post the global financial crisis slowdown, the post 2016 slowdown as well as the sharp deceleration associated with the COVID-19 pandemic and the sharp V-shaped recovery in the aftermath of the pandemic. This aligns with the findings of and Ahluwalia [1], who found that the high growth phase of the Indian economy from 2003 to 2008 marked the most significant improvement in average living standards in the country in the post-reform period.

While the country's growth in per capita GDP (Figure 5) parallels the growth in the country's aggregate GDP (Figure 3), the per capita GDP growth Figures as depicted in figure 5, remains consistently lower than the aggregate GDP growth Figures presented in figure 3. This highlights the impact of India's substantial population on the distribution of aggregate economic growth in the country, underscoring the importance of evaluating the country's economic performance on a per-capita basis, rather than solely considering aggregate output [22].

Overall, the country's Gross Domestic Product has experienced significant improvements during the post-reform period, both in aggregate and per capita terms. While the aggregate GDP of the country (in constant prices) grew at an average annual growth rate of 4.13% in the 31 years preceding the economic reforms (1961-1991), the aggregate GDP of the country grew at an enhanced average annual growth rate of 6.29% in the 33 years following the economic reforms (1992-2024). Similarly, the average annual growth in the per capita GDP (in constant prices) of the country was 1.78% in the 31 years preceding the reforms (1961-1991), but the average annual growth rate of the GDP per capita improved significantly to 4.7% in the 33 years following the reforms (1992-2024). This substantial improvement in the country's GDP growth, both in aggregate and per-capita terms, is attributable to the economic reforms implemented in the country, which have altered its economic growth trajectory in an unprecedented manner.

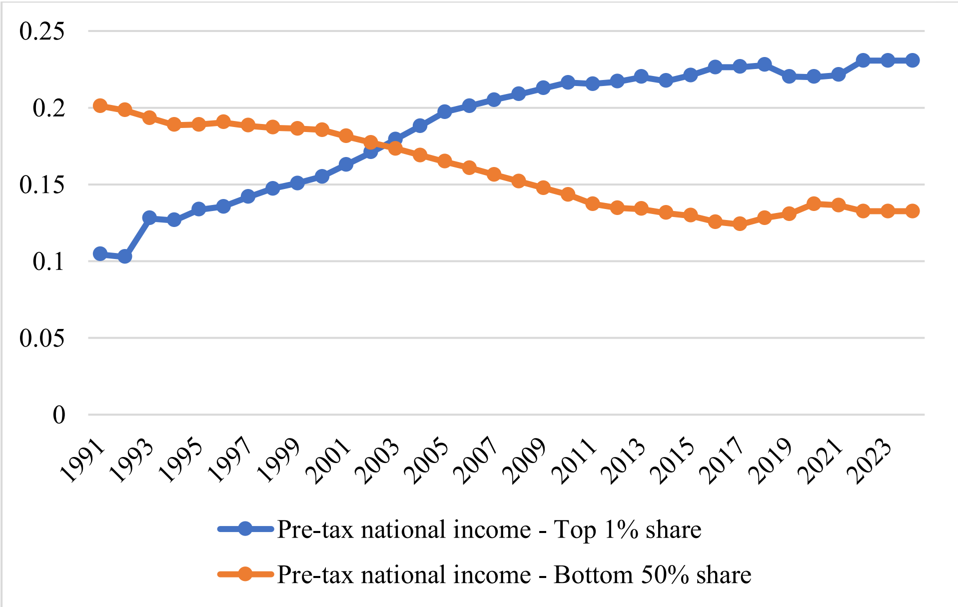
Various studies have frequently attributed the country's notable GDP growth, both in aggregate and per capita terms, to the reforms implemented since 1991 [13], [14]. Successive governments at the central and state levels have also invoked GDP figures to substantiate their assertions regarding the economic progress and development achieved during their respective tenures. However, recent discourse among economists and findings from various academic studies have underscored that GDP alone does not fully represent economic development, improvements in well-being, or enhancements in the overall standard of living within an economy. This critique has been notably made by Sen [12], whose capability approach redefines development as the expansion of substantive freedoms rather than the mere accumulation of aggregate output. Therefore, to understand and evaluate these dimensions of economic progress and development, the distributional and social developmental aspects that contribute to the economic progress, capabilities, and well-being of agents in an economy must also be considered. Accordingly, the subsequent sections of the present paper examine the distributional dimension of the Indian economy in the post-reform period to assess these aspects in greater empirical detail.

3.4 Economic Inequality in the India During the Post-Reform Period: Income and Wealth

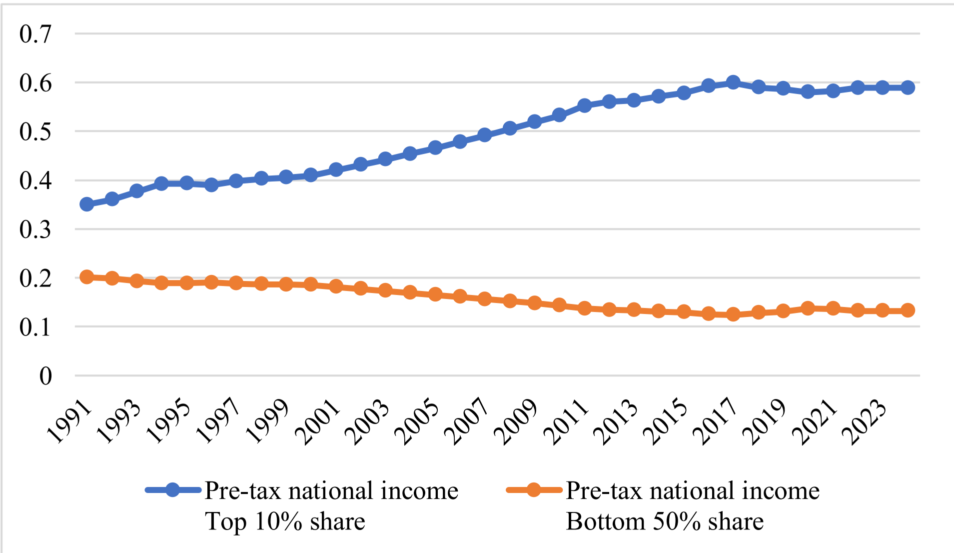
Although aggregate GDP and employment in India have expanded since the post-reform period [1], resulting in consistent increases in overall national income and per capita income, this has also led to unprecedented income and wealth inequality [5]. Economic inequality, vis-à-vis income, consumption, and wealth, has consequently become a policy concern in the country [23]. The inequality issue calls for policy intervention, as the effective and equitable distribution of economic development is crucial for a country's sustainable progress.

3.5 Income Distribution and Inequality in India (1991-2024)

Chancel and Piketty [5] conducted a comprehensive analysis of income inequality in the country by employing a methodology that integrated survey data, tax records, and national accounts to construct the complete distribution of pre-tax income. Their findings revealed a significant concentration of top incomes in the post-reform period. Specifically, the study identified that the income share of the top 1% of earners increased from 6% in 1983 to over 23% in 2015, while the share of the bottom 50% declined, indicating a substantial increase in income inequality over the study period, particularly in the aftermath of the 1991 economic reforms. This study, which implies that India may be among the most unequal countries in the world, raises profound questions about the distributional impacts of the 1991 economic reforms.



Source: Income and Wealth Inequality, India, World Inequality Database [24]
Figure 8. Income Inequality in India (1991-2024)



Source: Income and Wealth Inequality, India, World Inequality Database [24]
Figure 9. Income Inequality in India (1991-2024)

Figure 8 presents the trend in income inequality in India over the post-reform period (1991-2024), by comparing the data collected from the World Inequality Database [24], juxtaposing the share of pre-tax national income accruing to the top 1% of the income distribution against that of the bottom 50% of income recipients. Figure 9 presents the income inequality in the country in the post-reform period, comparing the pre-tax national income shares of the top 10% and bottom 50% of the income distribution. Ideally, economic progress should reduce the share of national income accruing to top earners and expand the income share of those at the lower end of the income distribution, reflecting the normative aspiration grounded in the foundational principles of distributional justice [12], [25]. However, the empirical evidence regarding the case of India stands in sharp contrast to these normative aspirations, as the share of the national income received by the very top 1% of income earners has increased tremendously in the post-reform period, indicating the concentration of the national income in the affluent sections of society. This empirical evidence is consistent with the structural argument of Piketty

[26] that when the rate of return on capital exceeds the rate of economic growth, income and wealth tend to concentrate progressively at the upper end of the distribution.

Figure 8 reveals a consistently widening divergence in the distribution of pre-tax national income during the post-reform period. The share of national income accruing to the top 1% of the income distribution increased substantially from approximately 10.5% in 1991 to approximately 23.07% by 2024, increasing more than twice in the post-reform period. Simultaneously, the share of the bottom 50% of income recipients decreased considerably by seven percentage points from approximately 20.11% in 1991 to approximately 13.25% in 2024. A remarkable crossover happened in 2002-2003, when the pre-tax national income share of the top 1% surpassed that of the bottom 50% of the income distribution, markedly encapsulating the structural concentration of income at the upper end of the distribution during this period. The divergence between the two income groups widened persistently throughout the remainder of the study period. These findings concur with the estimates of Chancel and Piketty [5] and Bharti et al. [27], who reported that the income share of the top 1% in India rose to historically unprecedented levels in the post-liberalisation period, reaching levels higher than comparably unequal economies such as South Africa, Brazil, and the United States.

A comparison of the trends in income accruing to the top 10% and the bottom 50% of the income earners in the country during this period, as depicted in Figure 9, highlights a divergence between these income groups in the share of national income received by them. The figure illustrates that the share of pre-tax national income accruing to the top 10% of the income distribution, which was approximately 35.02% in 1991, saw a remarkable increase to approximately 58.89% by 2024. Conversely, the share of pre-tax national income accruing to the bottom 50% declined from approximately 20.11% in 1991 to approximately 13.25% in 2024. Although this reduction may appear modest in percentage point terms, it indicates a significant redistribution of national income from the majority of the population to the affluent upper decile of the income distribution [28].

Both the above figures on income inequalities in the country highlight the persistent and escalating nature of income disparities, marked by a structural and intensifying concentration of national income among the uppermost segments of the income distribution. This trend is accompanied by a consistent decline in the income share of the bottom 50% of the population, apart from the period of economic slowdown experienced by the country between 2018 and 2021 [29]. This observation aligns with the findings of Atkinson [30] and Piketty [26] which indicate that inequality has risen sharply in advanced economies over recent decades, with income progressively concentrating at the upper end of the distribution while gains at the lower end have remained limited.

While the trend analysis presented above does not establish a direct causal link between the economic reforms of 1991 and the observed patterns of income inequality and income concentration, the strong temporal association between the 1991 economic reforms-led policy regime and income inequality in the country is empirically significant and warrants urgent policy attention [5], [27]. The income distribution scenario necessitates urgent and focused policy attention, as the inequality of this scale and persistence is associated with reduced durability of growth and greater susceptibility to economic instability [6]. The long-run sustainability of India's economic development is contingent on addressing the structural dimensions of income inequality through deliberate redistributive and social policy interventions [31], [32].

3.6 Wealth Distribution and Inequality in India (1991-2024)

Wealth inequality in the country has consistently and significantly increased during the post-reform period. This trend was highlighted by a study on income and wealth inequality in India from 1922 to 2023 by Bharti et al. [27], which revealed that the top 1% of India’s population held approximately 40.1% of the total net personal wealth by 2022–23. According to the study, India had one of the highest levels of wealth concentration among world countries, with the wealth inequality in the country markedly increasing since the early 1990s and accelerating significantly in the post-2000 period.

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Source: Income and Wealth Inequality, India, World Inequality Database [24]
Figure 11. Wealth Inequality in India (1991-2024)

Figures 10 and 11 illustrate the trend in personal wealth inequality in India over the post-reform period, utilising data collected from the World Inequality Database [24]. Figure 10 juxtaposes the net personal wealth share held by the top 1% of the wealth distribution with that held by the bottom 50%, while Figure 11 presents a similar comparison between the top 10% and the bottom 50% of wealth holders over the same timeframe.

The trends in personal wealth distribution in the country indicate a widening divergence between the top and bottom sections of the personal wealth distribution spectrum during the post-reform period. This observation aligns with the broader patterns of rising wealth concentration documented in the existing literature on wealth inequality in the country [27], [5]. Figure 10 demonstrates that the proportion of net personal wealth held by the top 1% of wealth holders increased significantly from approximately 16.15% in 1991 to approximately 40.14% by 2024, indicating that the net personal wealth of this group nearly tripled during the post-reform period. The same figure also indicates a marginal decline in the net personal wealth of the bottom 50% of the population from approximately 8.78% in 1991 to approximately 6.42% in 2024 over the same period [33]. Figure 11 further corroborates this trend in wealth distribution during the post-reform period, with the share of net personal wealth held by the top 10% increasing from approximately 50.56% in 1991 to approximately 65.01% in 2024, and the share of net personal wealth held by the bottom 50% remaining consistently low and declining marginally from approximately 8.78% in 1991 to approximately 6.42% in 2024. These trends point to a sustained increase in the wealth share of the upper decile and the top percentile, alongside a stagnation or decline in the wealth share of the lower segments of the population during the post-reform period. This demonstrates a structural and persistent concentration of wealth among the uppermost segments of the population, particularly the top 1% during this period.

The trajectory of wealth concentration observed in India aligns with the structural argument posited by Piketty [26], who contends that wealth tends to accumulate disproportionately at the upper echelons of the distribution, with this accumulation of wealth occurring when the rate of return on capital (r) systematically exceeds the rate of economic growth (g). Atkinson [30] asserted that while such patterns of concentration are not economically inevitable, they emerge as a consequence of specific policy choices, particularly those that prioritize capital over labour and deregulation over redistribution. The findings are directly relevant to the Indian policy context. The observed pattern of increasing wealth concentration in post-reform India can thus be interpreted, at least partially, as a distributional consequence of the liberalisation-oriented policy framework implemented since 1991. This framework has effectively accelerated aggregate economic growth while disproportionately benefiting those with substantial capital endowments through increased asset values, capital returns, and financial wealth [5], [27]. However, establishing a direct and exclusive causal link between the economic reforms of 1991 and the observed trends in wealth concentration necessitates a more rigorous econometric analysis than the descriptive trend analysis presented here. Despite this limitation, the association identified in the data remains empirically significant and policy relevant.

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The period after the economic reforms of 1991 has witnessed a sharp increase in various forms of economic inequality, including disparities in income and wealth in India, raising significant concerns regarding the distributional consequences of the 1991 economic reforms [34]. The rise in income and wealth inequalities, as presented above, highlights the distributional inefficiencies inherent in the growth model focused on liberalisation, privatisation, and globalisation adopted in the country during this period. The limitations of the new economic policy adopted in the period after the 1991 economic reforms in advancing the holistic economic situation of all sections of the people of the country by improving their economic situation and well-being. The inadequacy of the GDP-oriented approach in measuring the economic development in the country is also being revealed here. This necessitates refinements in the development metrics, calling for measures that account for distributional equity and comprehensive social development of the country, alongside the GDP growth. Furthermore, the above analyses demonstrate the need for modifications in the country's economic policy to promote the effective distribution of the gains from the country's economic growth and its holistic and sustainable development.

4. TESTING

This study investigates conventional economic indicators, distributional equity, and social development in India following the 1991 economic reforms. The testing of the various objectives and the respective findings of the study is provided below.

The study reveals that India's economic performance, as gauged by GDP-based economic indicators, has been robust since the reforms. Both aggregate GDP and per capita GDP have shown a sustained upward trend, with growth in these indicators accelerating markedly after 2003. This observation aligns with Kotwal et al. [14], who noted that economic reforms accelerated India's growth, positioning it as one of the fastest growing economies in the world [3]. The analysis further indicates that despite several economic slowdowns, including the Global Financial Crisis of 2008-09, the economic disruptions caused by demonetisation in 2016, the introduction of the Goods and Services Tax in 2017, and the economic contraction due to the COVID-19 pandemic in 2020, the Indian economy exhibited considerable resilience, recovering swiftly from all these crises and returning to its high growth trajectory [1], [35], [29], [36], [37]. The study also finds that the per capita GDP growth of the country also parallelled the aggregate GDP growth of the country, albeit at a somewhat lower rate, reflecting the impact of India's large and growing population on the per-capita distribution of aggregate economic growth. The significant improvement in both aggregate and per-capita GDP of the country during the study period can be partly attributed to the economic reforms of 1991, which accelerated economic growth in an unprecedented manner, consistent with the findings of the existing literature [13], [14].

While conventional economic indicators depict a broadly favourable post-reform economic trajectory for India, the analysis of income and wealth inequality presents a less encouraging picture. The study finds that economic inequality, in terms of both income and wealth, has increased substantially during the post-reform period in China. The country experienced historically unprecedented levels of income and wealth concentration during this period, with the shares of income and wealth accruing to the uppermost and lowermost segments of the respective distributions diverging progressively. These findings are consistent with the broader empirical literature on post-reform inequality [5], [27] and Piketty's [37] structural argument regarding the self-reinforcing concentration of wealth and income. Although these findings contradict the normative aspirations rooted in the foundational principles of distributional justice [12], they align with the cautionary observations of Ostry et al. [6] and Atkinson [30] that economic growth may not always result in an equitable distribution of that growth.

In summary, the findings of this study suggest that India's economic trajectory since the 1991 economic reforms has been marked by promising economic growth and performance, alongside an alarming rise in economic inequalities. These characteristics of the post-reform Indian economy have significant implications for formulating future social and economic policies in India [38].

5. CONCLUSION

This study provides an empirical analysis of India's economic and social development performance following the economic reforms of 1991. It examines conventional GDP-based indicators of economic performance, trends in economic inequality in the country vis-à-vis income and wealth, in the post reform period. The findings indicate that while India's economic performance has significantly improved according to conventional economic indicators in the post-reform period, economic inequalities related to income and wealth have markedly increased. This study highlights the necessity of sustained and focused policy attention on the distributional aspects of India's economic growth. The recommended policy measures include progressive taxation and legislative interventions for distributional equity [31].

It is important to acknowledge the limitations of this study, as it is primarily descriptive and trend-based, relying on secondary data and aggregated national-level indicators. The absence of econometric or causal inference techniques means that definitive causal relationships between the 1991 economic reforms and documented trends could not be established. Furthermore, the use of aggregate national data may obscure regional, spatial, and intersectional heterogeneities in these trends. Future research should focus on disaggregated regional data, considering various intersectional heterogeneities, and employing econometric tools to establish potential causal relationships. Despite these limitations, this study contributes to the existing literature by integrating economic performance and distributional equity within a single analytical framework and timeframe, as these aspects are often examined separately rather than in conjunction.

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