



Dr. Manmohan Singh

For Prelims: Dr. Manmohan Singh, [Chief Economic Advisor](#), [Reserve Bank of India](#), [Right to Information](#), [Padma Vibhushan](#), [India-United States Civil Nuclear Agreement](#)

For Mains: [Impact of 1991 Economic Reforms on India's Growth](#), Integrity in Governance

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Why in News?

Prime Minister Narendra Modi paid tribute to **Dr. Manmohan Singh**, the **former Prime Minister** and key architect of the [1991 economic reforms](#), following his passing on **26th December 2024**.

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Who Was Dr. Manmohan Singh?

- **Early Life:** Dr. Manmohan Singh born on **26th September 1932** in Gah, Punjab (now in Pakistan), his life was shaped by the aftermath of **Partition of India and Pakistan in 1947**, which led his family to **migrate to India**.

- He pursued higher education in economics, earning a Bachelor's and Master's degree from Panjab University and later studying at **Cambridge** and Oxford, where he received a D Phil in Economics.
- His doctoral thesis focused on **India's export performance between 1951-1960**, laying the foundation for his future contributions to the Indian economy.
- Singh held teaching positions at Panjab University and the Delhi School of Economics, shaping future policymakers.
- **Literary Contributions:** *India's Export Trends and Prospects for Self-Sustained Growth*.
- **Economic Administration:** Held critical government positions, including **Chief Economic Advisor**, **Secretary of Economic Affairs**, **Governor of the Reserve Bank of India**, and **Chairman of the University Grants Commission**.
 - As RBI Governor (1982-1985), Singh pushed for **financial stability and policy discipline**.
- **1991 Economic Reforms:** As Finance Minister during the **1991 balance of payments crisis** (**foreign exchange reserves** were just adequate to finance 15 days of imports), then **Prime Minister P.V. Narasimha Rao**, along with **Finance Minister Dr. Manmohan Singh**, initiated the **LPG reforms (Liberalization, Privatization, and Globalization)** (also known as **Rao-Manmohan Model**).
 - Dr. Manmohan Singh implemented key reforms, including the **devaluation of the rupee to boost exports** and dismantling the **License Raj to reduce industrial bottlenecks**.
 - He also **liberalized foreign investment policies** to attract global capital, which helped **stabilise and grow India's economy**.
- **Contributions as Prime Minister (2004-2014):** India's **14th Prime Minister**, Dr. Manmohan Singh, served as **India's third-longest-serving Prime Minister**, after **Jawaharlal Nehru** and **Indira Gandhi** (excluding PM Narendra Modi, who is currently serving his third term). He was known for balancing coalition politics with effective governance.
 - India experienced sustained economic growth, with the **economy growing at 8-9% annually** during his first term.
 - India emerged as the **world's second-fastest growing major economy in 2007** and Dr. Singh steered India through the **2008 global financial crisis**.
 - Key legislations such as the **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of 2005**, **Right to Information Act (RTI) of 2005**, and the **National Rural Health Mission (NRHM) of 2005** were passed during his first tenure.
 - The **Right of Children to Free and Compulsory Education Act of 2009**, **Right to Education Act (RTE) of 2009**, **National Food Security Act (NFSA) 2013** and **Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act of 2013** were important legislations of his second term, focused on equity and justice.
- **Foreign Policy and Global Relations:** Singh played a key role in **India-United States Civil Nuclear Agreement (2008)**, which facilitated **civilian nuclear cooperation with the US and other countries**.
 - Dr. Singh represented India at various international forums, leading delegations to the **Commonwealth Heads of Government Meeting in Cyprus (1993)** and the **World Conference on Human Rights in Vienna (1993)**.
- **Awards:** **Padma Vibhushan** (1987), the **Jawaharlal Nehru Birth Centenary Award** (1995), and multiple **Finance Minister of the Year awards** from Asia Money (1993, 1994) and Euro Money (1993).
 - He also won the **Adam Smith Prize** (1956) and the **Wright's Prize** (1955) from the University of Cambridge.

Key Positions Held In Government Of India

• **1971–1972**

Economic Adviser,
Ministry of Foreign Trade

• **1972–1976**

Chief Economic Adviser,
Ministry of Finance

• **1977–1980**

Secretary,
Department of Economic
Affairs, Ministry of Finance

• **1982–1985**

Governor,
Reserve Bank of India

• **1985–1987**

Deputy Chairman,
Planning Commission

• **1990–1991**

Advisor to the
Prime Minister on
Economic Affairs

• **March 1991 –
June 1991**

Chairman,
University Grants
Commission

• **1991 – 1996**

Finance Minister of
India

• **2004 – 2014**

Prime Minister
of India



What Lessons Can Be Drawn from Dr. Manmohan Singh's Leadership?

- **Academic Rigor Meets Policy Pragmatism:** Singh's grounding in economics ensured that his decisions were **informed by empirical evidence and theoretical rigor**, making his policies

both effective and sustainable.

- His belief in **dialogue and education** translated into a consultative leadership style, where he was **approachable and open to ideas** from diverse quarters.
- **Balancing Pragmatism with Principles:** He emphasized **gradual, socially acceptable reforms**, such as the carefully phased **1991 economic liberalization, to minimize disruptions**.
- **Commitment to Equity:** Singh championed inclusive growth through **rights-based initiatives** like the **National Rural Employment Guarantee Act** and the **Right to Education**, even while supporting **market-oriented reforms**.
- **Integrity and Ethical Leadership:** Known for his strong moral compass, Singh maintained **integrity in a system prone to corruption**, earning respect across political lines.
 - His readiness to resign over ethical issues, like the **Harshad Mehta Stock market scam (1992)**, underscored his commitment to principles.
- **Strengthening Institutions:** Singh believed in empowering institutions like the **RBI** and the **Planning Commission**, ensuring that their policies were both independent and aligned with national goals.
 - His tenure saw systemic changes like introducing **service taxes, abolishing ad hoc treasury bills**, and modernizing **India's tax structure**, which outlived his time in office.
- **Leadership in Adversity:** Despite facing political challenges, Singh maintained a calm, focused approach. His dignified handling of political setbacks, including the United Progressive Alliance defeat in 2014, solidified his legacy as a respected leader.

Drishti Mains Question:

Evaluate the significance of Rao Manmohan Model and its impact on India's transformation from a closed to an open economy.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Which of the following has/have occurred in India after its liberalization of economic policies in 1991? (2017)

1. Share of agriculture in GDP increased enormously.
2. Share of India's exports in world trade increased.
3. FDI inflows increased.
4. India's foreign exchange reserves increased enormously.

Select the correct answer using the codes given below:

- (a) 1 and 4 only
- (b) 2, 3 and 4 only
- (c) 2 and 3 only
- (d) 1, 2, 3 and 4

Ans: (b)

Q. With reference to the Indian economy after the 1991 economic liberalization, consider the following statements:

1. Worker productivity (Rs. per worker at 2004-05 prices) increased in urban areas while it decreased in rural areas.
2. The percentage share of rural areas in the workforce steadily increased.
3. In rural areas, the growth in non-farm economy increased.

4. The growth rate in rural employment decreased.

Which of the statements given above is/are correct?

(a) 1 and 2 only

(b) 3 and 4 only

(c) 3 only

(d) 1, 2 and 4 only

Ans: (b)

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