

**SUBJECT NAME: CONTEMPORARY INDIA (1947-2014)**

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## **UNIT – III**

### **1. POLITICAL ISSUES-PUNJAB-OPERATION BLUE STAR**

The 1984 Operation Blue Star was the biggest internal security mission ever undertaken by the Indian Army. Operation Blue Star was Indira Gandhi's solution to the haywire going law and order situation in Punjab. She ordered the military operation to remove Sikh militants who were accumulating weapons in the Harmandir Sahib Complex (Golden Temple). Operation Blue Star was carried out between June 1 to 8, 1984 in Amritsar.

#### **KHALISTAN MOVEMENT**

Operation Blue Star took birth after the rise of Khalistan movement in India. The Khalistan movement was a political Sikh nationalist movement which aimed at creating an independent state for Sikhs inside the current North-Western Republic of India. Even though the Khalistan movement started in the early 1940s and 1950s, it gained popularity between 1970s and 1980s.

#### **JARNAIL SINGH BHINDRANWALE**

Bhindranwale was the leader of Damdami Taksal and was one of the main reasons behind Operation Blue Star. As a leader, Bhindranwale had an influence on Sikh youth. He persuaded many people many people to follow Sikh rules and

tenets. During Operation Blue Star, Bhindranwale and Khalistan supporters took over the Akal Takht complex in Amritsar's Golden Temple. He was seen as a supporter of the creation of Khalistan. Operation Blue Star specifically was aimed to eliminate Jarnail Singh Bhindranwale from the Golden Temple complex and regain the control over Harmandir sahib.

Officials reports put the number of deaths among the Indian army at 83 and the number of civilian deaths at 492, though independent estimates ran much higher.

#### OPERATION SUNDOWN

Operation Sundown was the aborted mission which was planned by the RAW agency to abduct Bhindranwale.

#### OPERATION BLACK THUNDER

Operation Black Thunder was the second phase of Operation Blue star. The first phase was carried out on April 30, 1986, while the second Operation Black Thunder began on May 9, 1988. It was carried out by Black cat commandos of National Security guards (NSG) to remove Sikh militant from the Golden Temple.

The government faced a lot of backlash in 1984 as they had barred media from entering Punjab altogether. Media personnel were put on a bus and were dropped off at Haryana border. As there was a curfew situation in Punjab, no mode of transport was available for them to travel. Whoever reached was not allowed to enter Punjab as well.

#### ASSASSINATION

The military assault led to tensions across members of Sikh community worldwide. Prime Minister Indira Gandhi was assassinated by two of her Sikh

bodyguards on October 31, 1984, for giving permission for the Operation Blue Star.

## **2. RAJIV GANDHI-ADMINISTRATION-PANCHAYAT RAJ**

Bharat Ratna Rajiv Gandhi, at 40, was the youngest prime minister of India. In his five years of rule from 1984 to 1989, the young leader made some sincere efforts to take the country to the 21<sup>st</sup> century. Rajiv Gandhi laid the foundation of a modern India. He left an imprint of modernity.

### **TELECOM REVOLUTION**

Rajiv Gandhi is hailed as the 'Father of Information Technology and Telecom Revolution of India'. He is rightfully known as the architect of digital India. It was under his rule that Centre for Development of Telematics (C-DOT) was established in August 1984 to develop state of the art telecommunication technology and meet the needs of the Indian telecommunication network. C-DOT revolutionized the communication network in the towns and even villages of India. Because of Rajiv Gandhi's efforts, the PCO (Public Call Office) revolution took place. PCO booth connected even the rural areas to the world outside.

In 1986, MTNL (Mahanagar Telephone Nigam Limited) was established which helped in the spread of telephone network. With Sam Pitroda as an advisor to the then Prime Minister Rajiv Gandhi, six technology missions related to telecommunications, water, literacy, immunization, dairy and oil seeds were established.

### **COMPUTERISATION**

Rajiv Gandhi promoted science and technology and associated industries. One of the ways was to reduce import quotas, taxes and tariffs on such industries,

especially computers, airlines, defence and telecommunications. The Indian Railways was modernized after introduction of computerized railway tickets.

#### VOTING AGE

As he was a youth himself, Rajiv Gandhi sought to give empower the youths. Towards that end, the 61<sup>st</sup> Amendment Act of the constitution was passed in 1989, lowering the voting age from 21 years to 18 years, this move allowed the youths to have a say in choosing Lok Sabha MPs and MLAs in the states.

#### EDUCATION

Rajiv Gandhi as prime minister announced National Policy on Education (NPE) in 1986 to modernize and expand higher education programmes across the country. With NPE in place, residential schools called Jawahar Navodaya Vidyalayas, under the central government, were set up to bring out the best of rural talent. These schools provide free residential education from grades six to twelve to the rural population.

#### **PANCHAYAT RAJ**

Rajiv Gandhi is credited with laying the foundation of Panchayat Raj institutions in order to take democracy to the grassroots level. Though Panchayat Raj created by the 73<sup>rd</sup> and the 74<sup>th</sup> Amendments to the Constitution in 1992, a year after Rajiv Gandhi was assassinated, the background was prepared during the Congress government led by him.

Rajiv Gandhi died on May 21, 1991 at the young age of 46 years. However, in a short span of life, he left an indelible mark on Indian society and politics.

### **3. V.P.SINGH-MANDAL COMMISSION-P.V.NARASIMHA RAO**

#### **V.P. SINGH**

V.P.Singh, was a politician and government official who was prime minister of India in 1989 – 1990. Singh studied at Allahabad and Pune universities and became a member of the legislative assembly of his home state of Uttar Pradesh in 1969 as a member of the Indian National Congress (Congress Party). He won election to the Lok Sabha in 1971 and was appointed a deputy minister of commerce by Prime Minister Indira Gandhi in 1974. He was minister of commerce in 1976 -77, and when Indira Gandhi returned to power in 1980, he served as chief minister of Uttar Pradesh until 1982 and resumed his post as commerce minister in 1983.

Upon the death of Indira Gandhi in 1984, her son and successor as prime minister, Rajiv Gandhi, appointed as minister of finance. In that post Singh's efforts to reduce governmental regulation of business and to prosecute tax fraud attracted widespread praise. Singh was transferred to the post of minister of defense in January 1987, but he resigned from Gandhi's cabinet later that year, after his investigations of arms-procurement fraud were squelched. Soon afterward Singh resigned from the government altogether and left Gandhi's congress Party.

#### FOUNDER OF JANATA DAL

Singh was the principal founder in 1988 of the Janata Dal, a merger of three small centrist opposition parties. Using the JD as the cornerstone, he soon began assembling a larger nationwide opposition coalition called the National Front (NF), which contested the general parliamentary elections of November 1989. After that election, Singh, as the NF leader, was able to form a coalition government in alliance with two other major opposition parties. He was sworn in as India's prime minister on December 2, 1989. After state legislative elections in March 1990, Singh's governing coalition achieved control of both houses of India's parliament. The coalition was soon riven by disputes having to do with religious and caste issues, however, and Singh resigned on November 7, 1990, after receiving a vote of no confidence in the Lok Sabha.

Singh was later one of the forces behind the broad United Front coalition that governed the country in 1996-97 with JD's H.D.Deve Gowda as prime minister.

## **MANDAL COMMISSION**

Thirty years ago, on August 7, 1990, the then prime minister V.P.Singh made a historic decision that changed Indian politics and way of ensuring social justice. The then government decided to implement the recommendations of the Mandal Commission, and open up reservations for Other Backward Classes (OBC) in government jobs. He announced that OBCs would get 27% reservation in jobs in central government services and public sector units. This was perhaps the world largest affirmative action programme.

The decision changed the narrative of Caste that had been the basis of unbridled torture and ostracisation into the instrument of social justice. However, it also opened up a Pandora's Box, leading to widespread opposition and vote bank politics.

## **HISTORICAL BACKGROUND**

Establishing First Backward Class Commission – In January 1953, the Nehru government set up the First Backward Class Commission under the chairmanship of social reformer Kaka Kalelkar. The commission submitted its report in March 1955, listing 2,399 backward castes or communities, with 837 of them classified as 'most backwards'. However, the report was never implemented.

Establishing Second Backward Class – On January 1, 1979, the Morarji Desai government chose Bindeshwari Prasad Mandal, a former chief minister of Bihar, to head the Second Backward Class Commission. Mandal submitted his report two years later, on December 31, 1980. However, by then, the Morarji Desai government had fallen and Indira Gandhi came to power and the issue remained in the deep freeze for about a decade.

Implementation of Mandal Commission - In 1990, the then Prime Minister V.P.Singh announced in the Parliament that the recommendations of the Mandal

Commission would be implemented. The announcement witnessed violent protests all over India, especially in northern and western India, and many students immolated themselves in protest and a few of them died as well.

Indira Sawhney Case – Following the severe opposition the issue of OBC reservation reached the Supreme Court in 1992. This case is known as ‘Indira Sawhney Judgement’ or Mandal Case. The Supreme Court upheld the 27% reservation for OBCs but also stated that the only caste was not an indicator of social and educational backwardness. Also, to ensure that benefits of the recommendations of the Mandal commission percolated down to the most backward communities, the creamy layer criteria was invoked.

#### AFTERMATH OF MANDAL COMMISSION

Opposition to Mandal Commission - It faced mainly opposition on two grounds, that reservation would compromise the merit and can the reservation be given on economic lines. However, it revolves around vote-bank politics which defeats the original purpose of reservation policy.

Defeating the Intended Goal of Reservation Policy: In order to fulfill populists demands, political parties continued to expand reservation to the extent that communities who are well-off, avail reservation quotas. This has undermined the entire purpose of reservation, envisaged as a tool to address historic injustice, and made it an exercise in power distribution and employment generation.

Unequal Benefits and Creation of Political Divide: According to the Rohini Commission, out of almost 6,000 castes and communities in the OBCs, only 40 such communities had gotten 50% of reservation benefits for admission in central educational institutions and recruitment to the civil services. Thus has led to a political divide and demands for sub-categorisation, a process currently underway.

Cause of Social Disharmony: The policy of reservation has caused the resentment of those communities which did not have a share in the reservation.

#### REVIEW

Reservation has remained a powerful tool of affirmative action. However, after nearly 75 years of independence, India's socio-economic policy has transformed. Therefore, strong political will is required to review the reservation policy and establish an egalitarian society.

Implementation of Mandal Commission recommendations empowered communities. But the current architecture of reservations needs a review, with the aim of creating a just, inclusive and equal society, without pandering to populist movements.

### **P.V. NARASIMHA RAO**

P.V. Narasimha Rao, was a leader of the Congress Party faction of the Indian National Congress and Prime Minister of India from 1991 to 1996. He was born in a small village near Karimnagar (now in Telangana, India). He studied at Fergusson College in Pune and at the Universities of Bombay and Nagpur, eventually receiving a law degree from the latter institution. He entered politics as a Congress Party activist working for independence from Britain. He served in the Andhra Pradesh state legislative assembly from 1957 to 1977, supporting Indira Gandhi in her split from the Congress Party organization in 1969; initially called the New Congress Party, the splinter group took the name Congress Party in 1978. He held various ministerial positions in the Andhra Pradesh government from 1962 to 1973, including that of chief minister (head of government) from 1971. In that latter post he implemented a revolutionary land-reform policy and secured political participation for the lower castes. He was elected to represent Andhra Pradesh districts in the Lok Sabha in 1972 and, under Gandhi and her son and successor, Rajiv Gandhi, served in various ministries, notably as foreign minister (1980-84, 1988-89). Besides his political career, Rao was known as a distinguished scholar-intellectual who once was chairman of the Telugu Academy in Andhra Pradesh (1968-74). He was fluent in six languages, translated hindi verses and books, and wrote fiction in Hindi, Marathi, and Telugu.

After Rajiv Gandhi's assassination in May 1991, the Congress Party chose Rao as its leader, and he became India's 10<sup>th</sup> prime minister after the general



elections in June. Rao almost immediately began efforts to restructure India's economy by converting the inefficient quasi-socialist structure left by Jawaharlal Nehru and the Gandhi's into a free-market system. His program involved cutting government regulations and red tape, abandoning subsidies and fixed prices, and privatizing state-run industries. Those efforts to liberalize the economy spurred industrial growth and foreign investment, but they also resulted in rising budget and trade deficits and heightened inflation. During Rao's tenure, Hindu fundamentalism became a significant force in national politics for the first time, as manifested in the growing electoral strength of the Bharatiya Janata Party and other right-wing political groupings. In 1992 Hindu nationalists destroyed a mosque, leading to sectarian violence between Hindus and Muslims that persisted throughout Rao's term as prime minister. Corruption scandals rocked the Congress Party, which continued its long decline in popularity and lost control of several major state governments to opposition parties in 1995.

Rao stepped down as prime minister in May 1996 after the Congress party the designation had been dropped by then was soundly defeated in parliamentary elections in which it garnered an all-time low share of the popular vote. Rao resigned as party chief that September, and the following year he was charged with corruption and bribery in an alleged vote-buying scheme dating from 1993. Rao, the first Indian prime minister to face trial on criminal charges, was found guilty in 2000, but his conviction was later overturned.

#### **4. LPG-IMPACT-ECONOMIC REFORMS**

LPG stands for Liberalization, Privatization and Globalization. India under its New Economic Policy approached International Banks for development of the country. These agencies asked Indian Government to open its restrictions on trade done by the private sector and between India and other countries. Indian Government agreed to the conditions of lending agencies and announced New

Economic Policy (NEP) which consisted wide range of reforms. Broadly we can classify the measures in two groups:

### 1.STRUCTURAL REFORMS:

With long-term perspective and eyeing for improvement of the economy and enhancing the international of the economy and enhancing the international competitiveness, reforms were made to remove rigidity in various segments of Indian economy.

- Liberalization
- Indian Economy during Reforms

### 2.STABILIZATION MEASURES (LPG)

These measures were undertaken to correct the inherent weakness that has developed in Balance of Payments and control the inflation. These measures were short-term in nature, various Long-Term Structural reforms were categorized as:

- Liberalization
- Privatization and
- Globalization

Collectively they are known by their acronym LPG. The balance of Payment is the system of recording the economic transactions of a country with the rest of the world over a period of one year. When the general prices of goods and services are increasing in an economy over a period of time, the same situation is called Inflation.

### LIBERALIZATION

The basic aim of liberalization was to put an end to those restrictions which became hindrances in the development and growth of the nation. The loosening of government control in a country and when private sector companies' start

working without or with fewer restrictions and government allow private players to expand for the growth of the country depicts liberalization in a country.

Objectives:

- ❖ To increase competition amongst domestic industries.
- ❖ To encourage foreign trade with other countries with regulated imports and exports.
- ❖ Enhancement of foreign capital and technology.
- ❖ To expand global market frontiers of the country.
- ❖ To diminish the debt burden of the country.

## PRIVATIZATION

This is the second of the three policies of LPG. It is the increment of the dominating role of private sector companies and the reduced role of public sector companies. In other words, it is reduction of ownership of the management of a government-owned enterprise. Government companies can be converted into private companies in two ways:

- By disinvestment
- By withdrawal of governmental ownership and management of public sector companies.

Forms of Privatization:

1. Denationalization or Strategic sale: When 100% government ownership of productive assets is transferred to the private sector players, the act is called denationalization.

2. Partial Privatization or Partial Sale: When private sector owns more than 50% but less than 100% ownership in a previously construed public sector company by transfer of shares, it is called partial privatization. Here the private sector owns

the majority of shares. Consequently, the private sector possesses substantial control in the functioning and autonomy of the company.

3. Deficit Privatization or Token Privatization: When the government disinvests its share capital to an extent of 5-10% to meet the deficit in the budget is termed as deficit privatization.

#### OBJECTIVES:

- Improve the financial situation of the government.
- Reduce the workload of public sector companies.
- Raise funds from disinvestment.
- Increase the efficiency of government organizations.
- Provide better and improved goods and services to the consumer.
- Create healthy competition in the society.
- Encouraging foreign direct investments (FDI) in India.

#### GLOBALIZATION

It means to integrate the economy of one country with the global economy. During Globalization the main focus is on foreign trade and private and institutional foreign investment. It is the last policy of LPG to be implemented. Globalization as a term has a very complex phenomenon. The main aim is to transform the world towards independence and integration of the world as a whole by setting various strategic policies. Globalization is attempting to create a borderless world, wherein the need of one country can be driven from across the globe and turning into one large economy.

#### Outsourcing as an Outcome of Globalization

The most important outcome of the globalization process is Outsourcing. During the outsourcing model, a company of a country hires a professional from some other country to get their work done, which was earlier conducted by their internal resource of their own country. The best part of outsourcing is that the work can be done at a lower rate and from the superior source available anywhere in the world. Services like legal advice, marketing, technical support,

etc., as Information Technology has grown in the past few years, the outsourcing of contractual work from one country to another has grown tremendously. As a mode of communication has widened their reach, all economic activities have expanded globally.

Various Business Process Outsourcing companies or call centres, which have their model of a voice-based business process have developed in India. Activities like accounting and book-keeping services, clinical advice, banking services or even education are been outsourced from developed countries to India.

## BENEFITS

The most important advantage of outsourcing is that big multi-national corporate or even small enterprises can avail good services at a cheaper rate as compared to their country's standards. The skill set in India is considered most dynamic and effective across the world. Indian professionals are best at their work. The low wage rate and specialized personnel with high skills have made India the most favorable destination for global outsourcing in the later stage of reformation.

