

Swadeshi to Atmanirbhar: Narrative of shifting paradigm

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Abstract

India, that is, Bharat since time immemorial has been a guiding light to humanity. Her contribution to the fields of economy, astronomy, statecraft and scientific temper is path-breaking. With the arrival of foreign powers in India, especially the British, plundering and exploitation of resources and draining of wealth stepped its feet on the soil. Therefore, the people of India understood the need for self-reliance or 'Atmasakti' for the first time in 1905, with the clarion call from the Bengali revolutionaries to boycott foreign made goods and to practice indigenous way or 'Swadeshi'. Many textile mills, soap and match factories, handloom-weaving concerns, national banks and insurance companies opened. Acharya Prafulla Chandra Roy organised his famous Bengal Chemical Swadeshi Stores. Even the great poet Rabindranath Tagore helped to open a Swadeshi store. Soon the spirit of Swadeshi spread to other provinces of India. On 15th August, 1947, India got its independence at the cost of partition and ugly riots in the Bengal and Punjab provinces. The first prime minister of India, Pandit Jawaharlal Nehru introduced the Five-Year plan scheme. At the dawn of independence, as expressed in the First Five Year (1951-1956) plan, there were three major challenges: refugee crisis, severe food shortage and high inflation. The First Five Year plan emphasised on the refugee management, rapid agricultural development to achieve self-sufficiency in quick time and inflation control. The Third Five Year (1961-1966) plan, aimed for a self-reliant and self-generating economy. Subsequently, the Fourth Five Year (1969-1974) plan, was based on two pillars, 'growth with stability' and 'progressive achievement of self-reliance'. The Fifth Five Year (1974-1979) plan, aimed for two main objectives, removal of poverty (Garibi Hatao) and attainment of self reliance. The break-even point in Indian Economy came in Eighth Five Year (1992-1997) plan. The country was going through severe economic upheaval caused by a balance of payments crisis, sky-touching debt-burden, budget deficits, high inflation and recession. Therefore, India took a paradigm shift from the Nehruvian model of growth towards liberalisation to cope up with international economic dynamism. On 14th May, 2020, Prime Minister Narendra Modi , appealed for 'Atmanirbhar Bharat' or self-reliance. Thus, this paper would investigate the change in patterns of self-reliance from Swadeshi to Atmanirbhar Bharat and enquires how to achieve self-reliance 3.0 in the post-COVID19 world order.

Keywords: Nehruvian model, Liberalisation, Multilateralism, COVID-19, MSME.

Prologue

India through her process of civilization, acknowledge the importance of what we are emphasizing now is 'self reliance'. Pioneering in the fields of science, trade and commerce, statecraft and culture, India realised the necessity of self reliance after it was colonised and ruled by foreign powers for around seven-centuries. India once regarded as the golden bird where trading, resources and strategic importance felt by the Western world and gradually they solidify their positions in India. First the Portuguese, then the French and lastly the British came to India and exploited the resources and traded to other parts of the world and earned hefty profits. The process of draining of wealth started after 1757, when the Nawab Siraj-ud-Daulah lost to the British East India Company in the Battle of Plassey. In 1905, at the time of 'Partition of Bengal', the clarion call for boycotting foreign made goods and to adopt indigenous way or 'Swadeshi' by the Bengali revolutionaries which spread to other provinces of India. National leaders and stalwarts like Rabindranath Tagore and Mahatma Gandhi appealed to the masses to give up foreign made goods and adopt 'Swadeshi' goods.

India got her independence from Britain on 15th August, 1947 with the pain of partition of India and Pakistan. The first prime minister of India Pandit Jawaharlal Nehru, adopted the Five Year Plan model from Soviet Union and introduced here to have an aim in attaining the set goals in five years. For understanding the Nehruvian model of growth and how self-reliance panned in India, we need to analyse the First to Fifth Five Year plan.

The Eighth Five Year (1992-1997) plan turned out to be a paradigm shift from the conventional method of economic growth towards Liberalisation, Privatisation and Globalisation. India moved towards an open market system and economic multilateralism became the epicentre of growth. Prime Minister P.V. Narashima Rao and Finance Minister Dr. Manmohan Singh had taken the risk to counter the issues: balance of payments crisis, sky-touching debt-burden, budget deficits, high inflation and recession.

In 2014, NDA (National Democratic Alliance) won the Lok Sabha election with majority under the image of BJP (Bharatiya Janata Party) prime ministerial candidate, Narendra Modi. "Make in India" is an initiative which was launched on 25 September 2014, with three major objectives: (a) to increase the manufacturing sector's growth rate to 12-14% per annum in order to increase the sector's share in the economy; (b) to create 100 million additional manufacturing jobs in the economy by 2022; and (c) to ensure that the manufacturing sector's contribution to GDP is increased to 25% by 2022 (later revised to 2025).ⁱ On 14th May, 2020,

Prime Minister Modi in his address to the nation, appealed for 'Atamnirbhar Bharat' or self-reliant India.

Raj - Nehruvian model - Modi's Reform

While revisiting old lanes of memory, during the time of Swadeshi movement in Bengal, later on spread to other provinces, emphasis given on self-reliance or 'Atmasakti'. Self-reliance meant assertion of national dignity, honour and self-confidence. In the economic field, it meant fostering indigenous industrial and other enterprises.ⁱⁱ Though there is no exact data of fall in export, but it was observed there was some degree of fall in foreign export. The structure of Indian Economy cemented its base under the Nehruvian model of Growth and the concept of Five Year Plans. The First to Fifth Five Year plan, the soul of formulating the policies is the perception of 'Self-reliance'. The First Five Year (1951-1956) plan, there were three major challenges: refugee crisis, severe food shortage and high inflation. The First Five Year plan emphasised, as its immediate objectives: rapid agricultural development to achieve self-sufficiency in quick time and inflation control. The Second Five Year (1956-1961) plan, priority was given to heavy and basic industries for more rapid advance in future. The basic philosophy of the Second Five Year (1956-1961) plan was, therefore, to give a big push to the economy so that it enters the 'Take-off stage'. The Third Five Year (1961-1966) plan, aimed for a self-reliant and self-generating economy. Subsequently, the Fourth Five Year (1969-1974) plan, was based on two pillars, 'growth with stability' and 'progressive achievement of self-reliance'. The Fifth Five Year (1974-1979) plan, aimed for two main objectives, removal of poverty (Garibi Hatao) and attainment of self reliance.ⁱⁱⁱ

The approach to the Eighth Five Year (1992-1997) plan, the country was going through severe economic upheaval caused by a balance of payments crisis, sky-touching debt-burden, budget deficits, high inflation and recession. Under Prime minister Narashima Rao, initiative was taken for the process of economic reforms to provide a new dynamism to the economy. The Eighth Five Year (1992-1997) plan reflected these changes in its attempt to accelerate economic growth and improve the quality of life of the common man.^{iv}

The current scenario, multilateralism in economic context and the interconnectedness through regional cooperation and economic axis, India cannot remain an appendage in this global order. But the question remains, how to tackle the competitive world market? Selection of partners and allies are becoming more relevant when the immediate neighbours are using terrorism as foreign policy and spreading misconceptions over territorial demarcations.

Pharmaceuticals, furniture and leather sectors are in focus and states could be asked to re-access their procurement processes to prefer local manufacturing. Prime Minister Modi, therefore, keeping in mind the current COVID-19 situation emphasised on local manufacturing, market and supply chain.

The current COVID-19 pandemic situation played the role of catalyst and the sparked the competition for rising as Asian giant. It is the favourable time to introspect the policies for using local ways and means and to reduce the dependency rate.

Self-Reliance 3.0

The COVID-19 pandemic situation is a brutal challenge in front of humanity. India with its Atmanirbhar Bharat agenda is producing about two lakhs of protective gears and Personal Protection Equipments (PPE).

The pandemic situation somehow has given India the level-playing field and a key contender to provide a way out from this situation, providing greater opportunity in front of India. Automobile industries collaborating with concern authorities to manufacture ventilators. Prime Minister's call for Atmanirbhar Bharat has been accepted by the people, to boost the economy, with proper restrictions in Unlock 1 situation.

Agenda for Atmanirbhar Bharat focuses on five aspects: Economy, Infrastructure, System, Demography and Demand.

And, five phases are:

- 1- Business including MSMEs;
- 2- Poor, including migrant and farmers;
- 3- Agriculture;
- 4- New Horizons of growth; and
- 5- Government reforms and enablers.

Government-e-Marketplace will come handy for fulfilling the ambition of Make in India and Atmanirbhar Bharat.

GeM will indicate the percentage of local content in the products. Hence, the buyers can see the percentage of local content and can choose to meet minimum 50% of local content provision.

Government has given more preference to companies which consists of 50% local content in their goods and services, aiming for the self-reliant country.

Bolstering MSMEs

The micro, small and medium enterprise (MSME) sector is to provide the basic backbone in the post-COVID-19 situation and is the root for the Atmanirbhar Bharat. Prime Minister Modi and Finance Minister Nirmala Sitharaman supported the MSEM sector with around 5.94 lakh crore.

The current COVID-19 situation and lockdown has affected the economy hugely. Prime Minister Modi announced twenty lakh crore rupees economic package to fight with this situation. Finance Minister Nirmala Sitharaman has given the details of this economic package and the first target is to revive and boost the MSME sector. In order to revive stressed MSMEs, about twenty thousand crore rupees have been allotted. Therefore, this will boost other industries like automobile. Besides this, the government has also finished the distinction between manufacturing and service related MSMEs and have widened the scope of micro, small and medium category enterprises.

Epilogue

Therefore, from the above detailed analysis, we can draw the conclusion that self-reliance 'then' and self-reliance 'now', there has been a sea change in the pattern of purchasing, way of business and the COVID-19 pandemic, which determines the economy. Atmanirbhar Bharat is a well thought initiative by the Modi Government and therefore will definitely pull up the pace of India's economy. MSME sector will definitely foster the growth and government's investment will show result.
