

EconSurvey: Atmanirbhar Bharat not a return to protectionism

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NEW DELHI – The government's focus on Atmanirbhar Bharat or self-reliant India is not a return to protectionism but a focus on economic resilience, the Economic Survey for 2021-22 (Apr-Mar) said.

"Some commentators have likened the Atmanirbhar Bharat approach to a return to old school protectionism. Far from it, the focus on economic resilience is a pragmatic recognition of the vagaries of international supply-chains," the survey presented in Parliament today said.

Ever since the government's overarching philosophy of self-reliance was rolled out, it has been criticised as being inward-looking.

In a recent interview with Informist, Brickwork Ratings Chief Economist Govinda Rao said the government's ambitious self-reliance goals might end up hurting the economy.

"Going for AatmaNirbhar (sic) Bharat and increasing protectionist stance is not going to help. It will force inferior goods and services on domestic consumers at a very high cost and make the economy non-competitive," Rao had said.

"Refusal to join competition will condemn you to be non-competitive perpetually," Rao had said.

The Economic Survey said the goal of Atmanirbhar Bharat was to strengthen key industries domestically and put a strong emphasis on reciprocity in foreign trade agreements.

In an article, former chief economic adviser Arvind Subramanian said India had increased import tariffs in 3,200 of 5,300 product categories by an average 5% since 2014.

Under the Atmanirbhar programme, the government has prioritised strengthening domestic industries through schemes such as production-linked incentives.