

## Need for Atmanirbhar Bharat:

1. **International Dependence:** Globalisation has led to an economic interdependence which has created many regional and global supply chains. These chains have been disrupted during the pandemic and exposed India's dependence. For Example:

Sectors	Dependence
Electronics	88% of mobile accessories assembled in India are sourced from China
Pharmaceuticals	India imports 250 billion rupees worth of API for its pharmaceutical industries. According to the Trade Promotion Council of India (TCPI), India imports 70% of its API requirements from China.
Medical Devices	60% of medical devices including testing kits, ventilators are imported
Sunrise sectors	Solar panels, electric vehicle components are dependent on Chinese exports
Resilient sectors	Even India's world famous textile has imported dependency for yarn.

2. **Self-sufficiency:** Atma-nirbhar in the present context doesn't imply a move towards protectionism. It is also not move towards swadeshi or adopting the policy of import substitution. In a globalised world, self-sufficiency means:
  - a. Improving the efficiency of the economy by reforming the various factors of production.
  - b. Improving the ease of doing business, unleashing entrepreneurial skills while maximizing demographic dividend.
  - c. Specialisation of production based on domestic and international demands.
  - d. Become competitive in international markets to attain 5 Trillion-dollar economy by 2025.
  - e. Attaining strategic autonomy in foreign policy by reducing dependence on defence(Russia/USA), food supply (PL-480 issue with USA), essential medicines (testing kits and lifesaving drugs) etc.
  - f. Emphasis on the cultural principals of *Vasudhev Kutumbkam* (world is one family).
3. **Maximize globalisation:** LPG reforms have helped India reducing poverty from 49% in 1992 to 27% in 2015(Tendulkar committee report), therefore India cannot isolate from the global supply chain to become independent. We have to focus on reducing our trade deficits, promoting make in India while becoming the manufacturing hub of the world.
 

Protectionism is not possible in India considering that the country has always maintained a trade deficit due to its dependence on imports, even in sectors that earn a lot from exports.

Category	Value (₹ trillion)
Imports	2.3
Exports	1.6
Trade deficit	0.7

Source: Database on the Indian Economy, Reserve Bank of India
4. **Consumption-oriented Domestic Market:** India (1.37bn) is set to surpass China (1.43bn) in terms of population by 2027, this demographic boom will increase domestic demand. India can cater to this demand through locally produced goods and supplement a consumption driven economy.
5. **Compassionate Capitalism principle:** This is not a rejection of globalisation, but a call for a new form of globalisation which moves from profit-driven to people-centric and takes into account the needs of laborers, vulnerable sections and the have nots.