

Learn From Past To Make Atmanirbhar Bharat Abhiyan An Eternal Quest

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IS India's first electric typewriter (ET) show-cased in any museum as a symbol in Self-reliance? Does the company that produced it exist as a public enterprise now?

The answer is No. And there hangs countless tales of self-reliance (SR) goals that failed or fizzled away for different reasons including shifts in political perception of SR.

Before latching on to Prime Minister Narendra Modi's SR vision, we should understand why our quest for SR has been a mixed bag of failures and successes. SR has never been addressed as a complex challenge, requiring initiatives at all levels of economy, governance and society. It thus often gets reduced to a mere political slogan spun in a challenging situation or at best a burst of disjointed initiatives.

The sweet, sour and bitter lessons from the past right from British India's days of **Swadeshi** should lay the foundation for PM's **"clarion call for Atmanirbhar Bharat"**.

Mr. Modi has actually pitched for self-reliance ever periodically ever since he became PM. Recall his speech captioned **"Self-reliance (aatma-nirbharta) in defence offsets essential for the security (aatma-raksha) of the nation"** delivered on 4th July 2014.

Before discussing SR's complexity & disconnect between slogan & actions, we need to recollect SR tales. They can serve as the building blocks for a wholesome **aatma-nirbharta**.

Revert first to ET tale. On 9th May 1975, Communications Minister Dr. Shanker Dayal Sharma, presented to Prime Minister Mrs. Indira Gandhi, India's first ET. She described it as **"a small but significant step in our progress towards self-reliance"**.

Significant step it was for two reasons. First, ET came three years after Mrs. Gandhi declared 1972 as '**Year of Self-Reliance**'. She harped on SR as a lesson from 1971 victory in 14-day war against Pakistan that led to birth of Bangladesh.

"The victory achieved by our Jawans owes itself to the work done since independence for self-reliance in defence preparedness", she stated in January 1972.

This is similar to Mr. Modi re-discovering SR's virtues amidst 68-lockdown war against Covid-19. It is another matter that SR's importance has been articulated by each and every Prime Minister & minister in their respective tenure.

The 2nd factor that made ET significant was that it was developed & produced by Hindustan Teleprinters Limited (HTL), a public enterprise. As put by official release in May 1975,

"Three firms in the private sector were given licences including one which was permitted foreign collaboration. However, none of them has produced an electric typewriter".

After the hype came the shocker. The company was flooded with consumer complaints about product quality. It thus stopped manufacturing after making 750 ETs over four years. In October 1981, HTL entered into technical collaboration with Italy's Olivetti for manufacture of ETs. It erred again as private competitors were then opting for electronic typewriters manufacture.

HTL also developed a few more indigenous products. None became a hit. It also opted for foreign collaboration to switch over from electro-mechanical teleprinters to electronic ones. All those products ultimately disappeared in a blackhole called technological obsolescence.

HTL thus could not compete due to technological changes & market forces unleashed by the 1991 big-bang Industrial liberalisation.

The Vajpayee Government sold off the controlling stake of 74% in HTL to HFCL in 2000. Later, privatized HTL's woes multiplied. It remained under care of erstwhile Board for Industrial and Financial Reconstruction (BIFR) through July 2003 to 2016. As a diversified entity, HTL appears to be doing well now.

For every failure of ET type, there is a success in every field. Our sterling SR successes in space, atomic, agriculture, defence and ship-building domains are well-known to require elaboration here. India's successes in reverse engineering, vaccine development, me-too/copycat pesticides and drug formulations and **juggad** are also notable.

SR is however, highly complex and multi-facet system of which technological initiatives are a vital element. Different leaders expounded their concept of SR and gave them fancy names such as **Swadeshi** and **Arthik Swarajya**. The concepts underwent radical changes over the decades.

In March 1976, Mrs. Gandhi stated: "**National self-reliance can be built only on the basis of individual self-reliance**". After Janata Government came to power at Centre and States, **Antyodaya** was viewed as means to building self-reliance from the level of individual. As put by a Gandhian in 1978, "**Antyodaya means Awakening of the Last Person**".

Under Antyodaya scheme launched by several States in 1978, five poorest families in each village were to be selected and provided with homestead land and minimum requirements of life. It is difficult to find whether the scheme took off and whether it exists in any State.

In December 2000, Vajpayee Government launched **Antyodaya Anna Yojana** (AAY), a scheme to provide highly subsidized foodgrain to one crore poorest of the poor families. AAY still exists with larger coverage of poorest of the poor. Whether it has helped them inch towards self-reliance is difficult to gauge.

Modi Government has added two variants of Antyodaya to SR-cum-social welfare domain. It renamed National Urban Livelihoods Mission (NULM) as Deen Dayal Antyodaya Yojana-(DAY-NULM).

It also launched Mission Antyodaya (MA) under Ministry of Rural Development. MA is a convergence and accountability framework to facilitate optimum use and management of resources allocated by 27 Ministries under various programmes for the development of rural areas.

Antyodaya maze brings us to the need for clarifying SR at different levels, starting with the individuals. This domain should list all governmental activities that aim to make citizens self-reliant from motivating students to letting rag-pickers return to work with safety gear amidst 4th phase of lockdown.

Lockdown inflicted biggest & deadliest blow to SR at individual level by robbing countless poor of their daily work opportunities. The first and foremost goal of **Atmanirbhar Bharat Abhiyan** (ABA) should thus be to enable returning migrant workers to get back their dignity of labour.

SR concept should likewise be defined at community level by local governmental bodies. In Covid times, strengthening and expanding healthcare infrastructure at village, block and district level should get focus to create self-reliant communities.

Moving to the State level, we find fiscal SR as the crying need of the hour. Lockdown gave deadly blow in this sphere by depriving States the opportunity to collect GST, liquor excise and VAT on transportation fuel, etc. The 15th Finance Commission (15th FC) should keep States' fiscal SR in focus while deciding sharing of tax and non-tax revenue mopped up by the Centre.

Fiscal SR is equally relevant from standpoint of pruning down bewildering variety and span of central and centrally sponsored schemes. Let States get more resources to decide capital and welfare projects.

The 15th FC should also draw the road-map for fiscal SR for both urban and rural local governance bodies. Put simply, all three tiers of government should have a robust fiscal SR for good governance.

Shifting focus to industry, the Government should eschew temptation to impose price controls that weaken enterprises' capacity to sustain their operations including research and development.

It is bizarre to impose price caps on air fares for grounded airlines while unveiling plan to allow them to resume operations in calibrated manner. Instead of price caps, the Government should give some specific relief to all stakeholders of aviation business to avoid job losses &

wage cuts.

Similarly, ***aatma-nirbharta***

in development and manufacture of pharmaceuticals and medical aids can't be achieved by imposing sweeping price controls. The key to reducing prices lies in allowing cut-throat competition in all sectors of economy.

The Government should also know thyself "as an entrepreneur. If given full autonomy & professionalism, there is no reason why public enterprises can't compete with private ones on a level-playing field.

Competition Commission of India should be empowered to probe swiftly all cases of predatory pricing or exploitation of oligopolic and monopolistic situations by business houses.

It is here pertinent to quote a World Bank's Policy Research Working Paper (PRWP) released last month. Captioned '***Price Controls Good Intentions, Bad Outcomes***', it concludes:

"While often implemented with the best social intentions in mind, these policies often distort markets and their consequences for growth, poverty reduction and government policies grow over time".

PRWP notes:

"Replacing price controls with expanded and better-targeted social safety nets, coupled with reforms to encourage competition and a sound regulatory environment, can be pro-poor and pro-growth".

Price control is just an example to illustrate how Government's different policies work at cross-purposes, thereby derailing SR.

The Government should, therefore, clean all policies and regulations of dogmas and activism. Excessive obsession with environmental regulations & regular recourse to public interest litigation (PIL) continues to checkmate SR.

A glaring case in point is genetic engineering of food crops for boosting crop yields. This is a vital means to enabling farmers to double their income & reboot food security and exports. Activists have blocked GM food R&D for more than a decade through PIL route. BJP & its allied outfits are also dogmatic about GM food. Has anyone died eating GM food in the United States "the flag-bearer of food & drug safety standards?

We should also remember how policy dogmas in the past have curtailed wealth generation, jobs creation and SR. Recall closure of Indian operations of few multinational corporations (MNCs) such as IBM and Coca-Cola. They had refused to reduce their foreign equity to levels mandated by the Janata Government in mid-seventies.

It is here pertinent to quote Industrial Policy presented by Industry Minister George Fernandes in December 1977. As put by the Policy Statement,

"the Government will not favour large scale industry merely for demonstration of sophisticated skills or as monument of irrelevant foreign technology".

It stated : ***"Future development of industries in India must be based on indigenous technology as far as possible".***

Dogmatic touch can also be sensed in Mr. Modi's appeal to Indians to be "***vocal***" for "***local***"

purchase of locally-made products. This appeal under ABA package on 12th May was immediately seized by certain companies and swadeshi activists to advertise their products with tagline #VocalForLocal. In the past too, certain activists have pitched for boycott of indigenous products of MNCs.

It is odd to see Government appealing to the public to buy local products and simultaneously wooing foreign investors to invest in India. If Government has apprehensions about foreign brands, let it ban or regulate foreign direct and portfolio investment (FDI & FPI) in sensitive sectors. Let it come with a new Make in India Policy that discourages MNCs. Let it increase import duty on foreign-branded products that it perceives as threat to Mr. Modi's 'Vocal for Local' vision.

Recall the fact that the Swadeshi tag has been utilized shrewdly by companies to build their businesses for decades. It does not help the country create more jobs, enhance exports and generate savings.

Some industrial houses later sold off swadeshi businesses for handsome profit. Some tycoons siphoned off money from the businesses that they promoted as swadeshi, leaving them as sick enterprises.

Take the case of detergent '**Special 501 Soap**'. Before Independence, Tata Oil Mills Co. (TOMCO) pitched this product as '**Pure Swadeshi Soap**'. In 1993, Tata group sold TOMCO, India's 2nd largest soap & detergents maker, to Hindustan Unilever Limited (then Hindustan Lever).

A search through HUL website and Internet yields no information about the 501 brand. Thus, neither the brand nor the swadeshi maker of the product exists now.

Mind you this not an isolated case of a local company with Swadeshi pitch selling its business to multinationals.

In British India, Swadeshi sentiment was exploited by businessmen to mint money even by pedalling 'evil products' as Swadeshi pride. As pointed out by Sir Deva Prasad Sarvadhikary in Central Legislative Assembly (CLA) in March 1922, **"When we first started the Swadeshi campaign, some of our first endeavours were fortunately for some or unfortunately for us in the direct of the promotion of swadeshi cigarettes, Kali brandy and Durga soap"**.

A similar ground-reality was driven to CLA in March 1925 by Sardar V. N Mutalik. He stated:

"The Swadeshi movement and then the Boycott movement came in and that supported this industry. But the profits which the millowners made did not go for the development of the industry itself. The profits went in foreign articles like motor cars and other luxuries".

Participating in debate on Indian Finance Bill in CLA in March 1922, Sir Malcolm Hailey observed:

"I myself happen to be wearing on this warm afternoon some of those despised Swadeshi products, whereas I notice that some of the strong advocates of Swadeshi products are themselves clothed in foreign cloth. But let that be, Sir"

. (Sir Hailey was a well-known British administrator whose surname adorns a road in New Delhi)

These tales should bring us to the need to define SR at macro-economic level without getting bogged down in sentimentalism that often spins out of control into jingoism.

In a globalized world, corporate mantra **"think global, act local"**

is best for India to attain SR in foreign trade of goods and services including India's surplus labour. This mantra was perhaps coined by engineering giant ABB's CEO, Percy Barnevik, in late eighties.

As put by Prime Minister P.V.Narasimha Rao on 9th July 1991,

"Self-Reliance is not a mere slogan for me. It means the ability to pay for our imports through exports. My motto is - Trade, not aid. Aid is a crutch. Trade builds pride. And India has been trading for thousands of years".

A similar chord was struck by Prime Minister Rajiv Gandhi in April 1988 at a conference. He stated:

"Exports must become a major focus of Indian industry. A rapidly growing, modernising economy will need a growing volume of imports, and an expanding inflow of technology. We can only pay for this inflow if we can export much more than what we are doing now. This is the basis of real self-reliance".

Both trade surplus and foreign exchange surplus are two sides of platinum SR coin. And these goals have eluded us due to our failure to address SR at all levels.