Nrityanjali Multidisciplinary International Research Journal
Volume 2, Issue 2, April -June 2026
E-ISSN: 3108-1452
NMIRJ
Website: https://nrityanjaliresearchjournal.com/home/ Email: info@nrityanjaliresearchjournal.com

# "Economic Nationalism and Indigenous Thought Building a Framework for Self-Reliant Growth"

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https://doi.org/10.5281/zenodo.21280829

**Abstract**

This paper is an attempt to examine the relationship between 'economic nationalism' and 'indigenous thought' in shaping the growth story of India. Strating from the historical foundations—from 'Kautilya's Arthashastra' and 'Gandhian school of economics' the discussion goes on to the post-independence planning. This study shows how self-reliance has remained a pivotal theme in the Indian economic planning and discourse. The attempt has been made to explore the impacts of economic nationalism, import substitution, Green Revolution, cooperative movements, and latest initiatives such as Atmanirbhar Bharat. The analysis identifies key challenges and contradictions, particularly the tensions between globalization and autonomy, protectionism and innovation, inclusivity and inequality, and growth and sustainability. By synthesizing indigenous knowledge systems with modern policy imperatives, the paper proposes a conceptual framework for self-reliant growth based on principles of indigenous innovation, strategic autonomy, inclusive development, and environmental sustainability.

Ultimately, the study argues that self-reliance in India is not merely an economic strategy but a holistic vision of national empowerment. It underscores the importance of integrating cultural identity, ethical responsibility, and modern competitiveness to build a resilient economy capable of thriving in a globalized world. This framework offers a pathway for India to achieve sustainable development that is both uniquely rooted in its intellectual heritage and globally relevant in scope.

**Key Words:** Economic Nationalism, Indigenous Thought, Self-Reliant Growth, Gandhian Economics, Atmanirbhar Bharat, Sustainable Development, Inclusive Growth

## 1. Introduction

Economic nationalism and indigenous thought have long shaped India's developmental trajectory, reflecting a deep desire for autonomy, resilience, and cultural continuity. From the Swadeshi movement of the early 20th century to contemporary calls for Atmanirbhar Bharat, the pursuit of self-reliance has remained a recurring theme in Indian economic discourse. This paper explores how indigenous philosophies—rooted in traditions of village self-sufficiency, Gandhian trusteeship, and cooperative models—intersect with the broader framework of economic nationalism to create pathways for sustainable and inclusive growth.

The central problem addressed here is the tension between globalization and self-reliance: while integration with global markets offers opportunities, it also exposes vulnerabilities in supply chains, technology dependence, and socio-economic equity. By revisiting historical foundations and analyzing contemporary policy initiatives, this study aims to construct a conceptual framework that blends indigenous thought with nationalist economic strategies. Such a framework seeks not only to strengthen India's economic sovereignty but also to ensure that development remains inclusive, environmentally sustainable, and culturally grounded.

The objectives of this paper are threefold:

- To trace the historical evolution of Indian economic thought and its emphasis on self-reliance.
- To critically examine the role of economic nationalism in shaping India's development policies.
- To propose a synthesized framework for self-reliant growth that integrates indigenous knowledge systems with modern economic imperatives.

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Through this inquiry, the paper contributes to ongoing debates on how India can balance openness with autonomy, tradition with innovation, and national priorities with global interdependence.

## 2. Historical Foundations of Indian Economic Thought

The roots of Indian economic thought extend deep into history, reflecting a blend of philosophical, ethical, and practical approaches to resource management and social welfare. Unlike purely materialist traditions, Indian economic ideas have often emphasized moral responsibility, community well-being, and sustainable use of resources alongside wealth creation.

### 2.1 Ancient Foundations

- **Kautilya's Arthashastra** (4th century BCE) stands as one of the earliest systematic treatises on statecraft and economics. It emphasized:
    - Strong state intervention in trade and taxation.
    - Regulation of markets and protection of local industries.
    - Strategic self-sufficiency in food and defense.
- Village self-sufficiency was central to ancient Indian society, with agriculture, crafts, and local trade forming the backbone of economic life.
- Dharma (ethical duty) was integrated into economic activity, linking prosperity with social justice.

### 2.2 Medieval and Pre-Colonial Thought

- Guilds (shrenis) and cooperative institutions managed production and trade, ensuring quality and collective responsibility.
- Indigenous systems of credit and finance (e.g., hundis) facilitated commerce without reliance on external institutions.
- Economic life was closely tied to cultural and spiritual values, reinforcing the idea that wealth should serve social harmony.

### 2.3 Colonial-Era Responses

- The colonial economy disrupted indigenous systems, prioritizing extraction and export of raw materials.
- In response, Indian thinkers and leaders articulated economic nationalism:
- **Dadabhai Naoroji's "Drain Theory"** exposed how colonial policies impoverished India.
- The **Swadeshi Movement** (1905) promoted indigenous industries and boycotts of foreign goods.
- **Mahatma Gandhi's economic philosophy** emphasized village industries, khadi, and self-sufficiency as moral and practical resistance to colonial exploitation.

### 2.4 Post-Independence Debates

- After 1947, Indian policymakers grappled with balancing modern industrialization and indigenous traditions:
    - **Nehruvian planning** prioritized heavy industry and state-led development, inspired by socialist models.

  - **Gandhian economics** continued to influence debates, advocating decentralized, village-based development.

- The tension between centralized industrial growth and grassroots self-reliance became a defining feature of India's economic trajectory.

The historical foundations of Indian economic thought reveal a consistent emphasis on self-reliance, ethical responsibility, and community-centered development. From ancient village economies to Gandhian ideals, these traditions laid the groundwork for contemporary debates on economic nationalism and indigenous models of growth.

## 3. Economic Nationalism in Practice

Economic nationalism in India has manifested through diverse policies and movements that sought to prioritize domestic industries, reduce external dependence, and strengthen national sovereignty. While its expressions have varied across historical periods, the underlying goal has consistently been to safeguard India's economic autonomy and promote indigenous development.

### 3.1 Import Substitution Industrialization (ISI)

- In the decades following independence, India adopted a strategy of import substitution to reduce reliance on foreign goods.
- The state played a central role in establishing heavy industries, steel plants, and public sector enterprises.
- Protective tariffs and licensing systems were introduced to shield domestic industries from foreign competition.
- While ISI fostered industrial growth, it also led to inefficiencies, bureaucratic hurdles, and limited global competitiveness.

### 3.2 Agricultural Self-Reliance: The Green Revolution

- The Green Revolution of the 1960s and 1970s exemplified economic nationalism in agriculture.
- By investing in high-yield seeds, irrigation, and fertilizer subsidies, India reduced dependence on food imports.
- This transformation ensured food security and strengthened national resilience, though it also created regional disparities and environmental challenges.

### 3.3 Indigenous Industrial Movements

- Cooperative models such as **Amul** demonstrated how indigenous institutions could achieve global competitiveness while remaining rooted in local communities.
- The promotion of **Khadi and village industries**, inspired by Gandhian thought, symbolized economic nationalism by linking self-reliance with cultural identity.
- These movements highlighted the potential of grassroots initiatives in building sustainable economic systems.

### 3.4 Policy Shifts and Liberalization

- By the 1990s, economic nationalism faced new challenges with liberalization and globalization.
- India opened its markets to foreign investment, reducing protectionist barriers.

- Yet, nationalist impulses persisted in strategic sectors such as defense, energy, and technology, where self-reliance remained a priority.

**3.5 Contemporary Expressions**

- The Make in India initiative (2014) and Atmanirbhar Bharat (2020 onwards) represent modern iterations of economic nationalism.
- These policies emphasize domestic manufacturing, innovation, and reduced dependence on imports, particularly in critical sectors like defense, pharmaceuticals, and digital technology.
- The blending of indigenous thought with modern industrial policy reflects a renewed commitment to self-reliant growth in a globalized economy.

Economic nationalism in India has evolved from protectionist industrial policies to contemporary initiatives that balance global integration with domestic resilience. While past approaches like ISI and the Green Revolution laid the foundation for self-reliance, modern strategies seek to combine indigenous innovation with global competitiveness. This trajectory underscores the enduring relevance of economic nationalism as a guiding principle for India's development.

**4. Indigenous Thought and Development Models**

Indigenous economic thought in India emphasizes community-centered development, ethical responsibility, and sustainability. Unlike purely growth-oriented models, these approaches integrate cultural values, social equity, and ecological balance into economic planning. They provide alternative pathways to development that remain relevant in the contemporary quest for self-reliance.

**4.1 Gandhian Economics and Village-Centric Development**

- Gandhi's vision of Gram Swaraj (village self-rule) placed villages at the heart of India's economic system.
- He advocated for **khadi and cottage industries** as symbols of self-sufficiency and resistance to industrial exploitation.
- The principle of **trusteeship** emphasized that wealth should be held in trust for the welfare of society, ensuring ethical distribution of resources.
- This model sought to harmonize economic activity with moral and social responsibility.

**4.2 Cooperative Movements**

- Indigenous cooperative institutions have played a transformative role in India's development.
- **Amul Dairy Cooperative** exemplifies how collective ownership and local participation can achieve global competitiveness while empowering rural communities.
- Cooperative banking and credit societies provided accessible financial services, reducing dependence on exploitative moneylenders.
- These models highlight the strength of collective action in achieving economic resilience.

**4.3 Indigenous Knowledge Systems**

- Traditional agricultural practices, such as mixed cropping and organic farming, reflect centuries of ecological wisdom.

- Indigenous water management systems (e.g., tank irrigation, step wells) ensured sustainability in resource-scarce regions.
- Handicrafts and artisanal industries preserved cultural identity while supporting livelihoods.
- These knowledge systems demonstrate how local innovation can contribute to sustainable development.

**4.4 Integration with Modern Development**

- Indigenous thought has influenced contemporary policies, particularly in areas of **sustainable agriculture, renewable energy, and rural entrepreneurship**.
- Programs promoting **Khadi, handicrafts, and small-scale industries** continue to embody Gandhian ideals.
- The emphasis on **inclusive growth** ensures that marginalized communities benefit from development initiatives.
- By blending traditional wisdom with modern technology, India can create development models that are both self-reliant and globally competitive.

Indigenous thought and development models in India provide a framework that prioritizes community welfare, sustainability, and ethical responsibility. From Gandhian economics to cooperative movements and traditional knowledge systems, these approaches offer valuable lessons for building a self-reliant economy. Their integration into modern policy underscores the enduring relevance of indigenous wisdom in shaping India's developmental path.

**5. Contemporary Framework: Atmanirbhar Bharat**

The concept of Atmanirbhar Bharat (Self-Reliant India) represents the modern articulation of economic nationalism in India. Announced in May 2020 as a response to the COVID-19 pandemic, it builds upon historical traditions of self-reliance while adapting to the realities of globalization and technological change. The initiative seeks to strengthen domestic capabilities, reduce external vulnerabilities, and promote indigenous innovation across critical sectors.

**5.1 Origins and Vision**

- Prime Minister Narendra Modi launched the Atmanirbhar Bharat Abhiyaan with a special economic package worth ₹20 lakh crore (approximately 10% of India's GDP) to mitigate the pandemic's impact.
- The framework rests on **five pillars**: Economy, Infrastructure, System, Vibrant Demography, and Demand.
- Inspired by Gandhian ideals of Swadeshi and Vocal for Local, the campaign emphasizes indigenous production and consumption as pathways to resilience.

**5.2 Policy Initiatives**

- **Manufacturing and Industry:** Programs like Make in India and Production-Linked Incentive (PLI) schemes encourage domestic manufacturing in electronics, pharmaceuticals, and renewable energy.
- **Defense Sector:** Greater emphasis on indigenous defense production to reduce reliance on imports and enhance strategic autonomy.

- **Digital Economy:** Promotion of local platforms, data sovereignty, and innovation in fintech and e-governance.
- **Agriculture and Rural Development:** Supply chain reforms, improved credit access, and promotion of local produce under Vocal for Local.

**5.3 Strategic Autonomy and Global Positioning**

- Atmanirbhar Bharat is not isolationist; it seeks to integrate India into global value chains while ensuring domestic resilience.
- The initiative emphasizes **strategic autonomy** in critical sectors such as energy, defense, and technology.
- However, debates persist on whether trade agreements dilute self-reliance, with critics questioning if India risks becoming dependent on external powers despite the rhetoric of autonomy.

**5.4 Challenges and Opportunities**

- **Challenges:**
    - Balancing protectionism with competitiveness.
    - Ensuring inclusivity so that small enterprises and rural communities benefit.
    - Addressing environmental sustainability in industrial expansion.
- **Opportunities:**
- Leveraging indigenous knowledge systems for sustainable agriculture and crafts.
- Strengthening innovation ecosystems to compete globally.
- Building resilience against external shocks in supply chains and geopolitics.

Atmanirbhar Bharat represents the contemporary framework of India's economic nationalism, blending indigenous thought with modern industrial and technological strategies. While it offers opportunities for strategic autonomy and inclusive growth, its success depends on balancing global integration with domestic resilience. The initiative thus embodies the ongoing evolution of India's pursuit of self-reliant development.

**6. Challenges and Contradictions**

While economic nationalism and indigenous thought provide a compelling framework for self-reliant growth, their practical implementation in India faces several challenges and inherent contradictions. These tensions highlight the complexity of balancing tradition with modernity, autonomy with globalization, and inclusivity with competitiveness.

**6.1 Globalization vs. Self-Reliance**

- India's integration into global trade and investment networks creates dependence on external markets, technologies, and supply chains.
- Efforts to promote self-reliance often clash with the need for foreign capital, advanced technology, and global competitiveness.
- The contradiction lies in pursuing autonomy while simultaneously relying on global partnerships for growth.

**6.2 Protectionism vs. Innovation**

- Policies that shield domestic industries through tariffs and restrictions can encourage local production but may also stifle innovation and efficiency.
- Overprotection risks creating complacency, reducing incentives for technological advancement and quality improvement.
- The challenge is to design policies that nurture indigenous industries without isolating them from global competition.

**6.3 Social Equity and Inclusivity**

- Self-reliance initiatives often benefit large corporations and urban industries more than small-scale rural enterprises.
- Indigenous models emphasize inclusivity and community welfare, yet modern nationalist policies sometimes overlook marginalized groups.
- Ensuring that self-reliant growth reaches farmers, artisans, and small entrepreneurs remains a critical challenge.

**6.4 Environmental Sustainability**

- Industrial expansion under self-reliance goals can conflict with ecological balance.
- Indigenous thought promotes harmony with nature, but rapid industrialization risks resource depletion and environmental degradation.
- Reconciling economic nationalism with sustainable practices is essential for long-term resilience.

**6.5 Policy Contradictions**

- India’s pursuit of Atmanirbhar Bharat emphasizes domestic production, yet trade agreements and foreign investment policies often dilute this vision.
- The coexistence of liberalization and protectionism creates policy ambiguity, making it difficult to sustain a coherent self-reliance strategy.
- Contradictions between rhetoric and practice weaken the credibility of nationalist economic initiatives.

The pursuit of self-reliant growth in India is marked by contradictions between autonomy and interdependence, protectionism and innovation, inclusivity and inequality, and growth and sustainability. Addressing these challenges requires a nuanced approach that integrates indigenous wisdom with pragmatic policy design. Only by reconciling these tensions can India build a truly resilient and self-reliant economy.

**7. Towards a Framework for Self-Reliant Growth**

The pursuit of self-reliant growth in India requires a framework that synthesizes historical lessons, indigenous thought, and contemporary policy initiatives. Such a framework must balance economic nationalism with inclusivity, sustainability, and global competitiveness. By integrating traditional wisdom with modern innovation, India can chart a path toward resilient and equitable development.

**7.1 Principles of the Framework**

- **Indigenous Innovation:** Encourage research and development rooted in local needs, traditions, and resources.

- **Inclusive Growth:** Ensure that marginalized communities, small-scale industries, and rural enterprises benefit equally from self-reliance initiatives.
- **Strategic Autonomy:** Prioritize self-sufficiency in critical sectors such as defense, energy, food, and technology.
- **Environmental Sustainability:** Align economic growth with ecological balance, drawing on indigenous practices of resource management.
- **Cultural Identity:** Promote indigenous industries (khadi, handicrafts, cooperative models) as symbols of national pride and resilience.

### 7.2 Policy Dimensions

- **Industrial Policy:** Blend protectionist measures with incentives for innovation and competitiveness.
- **Agriculture and Rural Development:** Integrate traditional farming practices with modern technology to ensure food security and sustainability.
- **Digital and Technological Sovereignty:** Invest in indigenous digital platforms, AI, and renewable energy to reduce dependence on external technologies.
- **Education and Skill Development:** Incorporate indigenous knowledge systems into curricula while fostering modern technical skills.

### 7.3 Institutional Mechanisms

- Strengthen **cooperative institutions** to empower local communities.
- Create **innovation hubs** that merge traditional knowledge with modern science.
- Establish **policy coherence** between self-reliance goals and trade agreements to avoid contradictions.
- Promote **public-private partnerships** that prioritize indigenous industries and sustainable practices.

## 8. Conclusion

The evolution of Indian economic thought reveals a persistent emphasis on self-reliance, rooted in indigenous traditions and reinforced through nationalist movements. From the village-centric ideals of Gandhian economics to the state-led industrialization of the post-independence era, India's pursuit of autonomy has consistently reflected a desire to balance cultural identity with economic resilience. Contemporary initiatives such as Atmanirbhar Bharat demonstrate how these historical legacies continue to shape policy, blending indigenous wisdom with modern innovation to address the challenges of globalization.

Yet, the journey toward self-reliant growth is marked by contradictions—between openness and protectionism, inclusivity and inequality, and growth and sustainability. Recognizing these tensions is essential for designing policies that are both pragmatic and principled. A coherent framework for self-reliance must therefore integrate economic nationalism with indigenous thought, ensuring that development remains inclusive, environmentally sustainable, and strategically autonomous.

Ultimately, self-reliant growth in India is not merely an economic agenda but a holistic vision of national empowerment. By drawing upon its rich intellectual heritage while embracing contemporary opportunities, India can build a resilient economy that safeguards sovereignty, uplifts communities, and contributes meaningfully to the global order. This synthesis of tradition and modernity offers a pathway toward sustainable development that is uniquely Indian in character yet globally relevant in scope.

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