

Jaishankar says opening the economy by earlier govts gave China easy entry



External Affairs Minister S [Jaishankar](#) on Friday questioned the policy of earlier governments to open up the economy without building capabilities at home, saying China took advantage of that policy.

“The Chinese walked in because you opened the door in conditions in which it was advantageous to them. If it was a problem for us, we are to blame for it,” Jaishankar said at the Asia Economic Dialogue organised by Pune International Centre.

It's great to be open, but nobody plays a cricket match without much practice and without not fully reading the pitch, he said.

“If we are so dependent on imports from outside, and I fully accept it's a globalised economy nobody should make everything themselves, but I can see today a huge potential to manufacture which had not been fostered by right policies at home,” he said.

Referring to 1991, he said opening up the economy is not the only answer to the problems as it would mean leaving yourself wide open to others who may have far more predatory practices. He stressed on building capabilities within the country.

“If you do not build more capabilities at home, openness by itself is not a solution to a society, it means leaving yourself wide open to other people who may have far more predatory practices,” Jaishankar said.

Jaishankar said supporting micro, small and medium enterprises, providing incentives to boost manufacturing, and attracting foreign investments are the answers to this problem.

Comparing smaller businesses and large businesses with small and rich farmers, Jaishankar said free trade agreements may have benefitted big businesses, but have impacted MSMEs.

India needs to look at two things as the world moves to become resilient in the post-Covid situation which includes managing home in an expansive way, and contributing more abroad. He said the government's approach for making India Aatmanirbhar is a first step towards thinking about itself, and standing up for its own interests.

Jaishankar said that the current period is a turning point, and for India to look ahead, doing “a little bit more of what we were doing and keep going that path” will not be enough.

He added that the economic, trade and strategic situation is different than earlier periods.

“The landscape has changed. And we need much more people-centric policies, whether policies at home, or policies abroad,” he said.

The external affairs minister said the disruption in supplies post-the Covid-19 crisis highlighted the vulnerabilities in the system and gave a clear message that over dependence of single sources needs to end.

So it has been a wake up call and today there is a realisation for the need of additional engines of growth, he said.

“India is one, but I’m not saying India is the only one. The world can do with more kinds of production rather than overly concentrated sources,” he said.

[Jaishankar](#)