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A Path to Progress That is Paved with Gold

Context

- **Atmanirbharta,** or self-reliance, has long been **a cornerstone of India's national philosophy**, transcending economic strategy to embody a deeper sense of identity and resilience.
- From the earliest decades after independence to the present era of global uncertainty, **India's progress has been shaped by its capacity to draw strength from within.**
- Under Prime Minister Narendra Modi, this vision has been **revitalised as a defining principle of governance, guiding the nation toward greater independence** across multiple sectors.
- Yet, as the global economic landscape evolves, **India now faces a new frontier in its self-reliance journey: achieving financial independence** by mobilising its own wealth to sustain its growth.

Historical Foundations of Self-Reliance and The New Frontier

- **Historical Foundations of Self-Reliance**
  - The **pursuit of Atmanirbharta has repeatedly enabled India** to transform crises into capabilities.
  - The **Green Revolution of the 1960s** secured food independence amid famine. The liberalisation and **technological foresight of the 1990s positioned India as a global leader in information technology.**
  - More recently, **during the COVID-19 pandemic, India demonstrated scientific and manufacturing self-reliance** through the rapid development of indigenous vaccines.
  - Each episode underscores a recurring truth, that **India's greatest leaps have occurred when it turned inward for solutions.**
  - Self-reliance has been not an isolationist impulse but a dynamic, adaptive strategy that converts adversity into advancement.
- **The New Frontier: Financial Self-Reliance**
  - Today, **the challenge lies not in food or technology but in finance.**
  - Since 2000, India has attracted over a trillion dollars in foreign direct investment, a testament to global confidence in its economy.
  - However, **shifting global conditions, declining investment flows, rising costs of capital,** and geopolitical fragmentation, **have exposed the vulnerability of relying on external funds.**

    - As the world retreats from globalisation, **India must cultivate a financial model rooted in domestic strength.**
    - This **entails harnessing the wealth already held within the nation**, enabling Bharat to fund Bharat.

Gold: A Hidden Reservoir of National Wealth

- Among India's untapped resources, **gold stands out as both a cultural and economic powerhouse**.
- **Indian households collectively own approximately 25,000 tonnes of gold**, a reserve valued at $2.4 trillion, surpassing half of the nation's GDP.
- Despite this abundance, **India continues to import nearly 87% of its gold demand**, making the metal a persistent contributor to the trade deficit.
- This **paradox reflects an opportunity:** to convert dormant household assets into active financial capital.
- However, **any effort to monetise gold must respect its deep cultural roots**.
- **Coercive measures would undermine trust**; instead, a voluntary, transparent, and technology-driven approach is essential.
- **By drawing from international best practices, investing in assaying infrastructure**, developing gold-based financial products, and digitising transactions, **India can successfully integrate private gold reserves into the formal economy.**

The Pathway to Gold Monetisation

- **Infrastructure**: expanding hallmarking and purity-testing centres to ensure credibility and accessibility across India.
- **Logistics**: nurturing partnerships between banks and certified collection centres to manage the physical and financial flows of gold securely.
- **Digitalisation**: enabling citizens to monitor their metal balances through user-friendly platforms, thereby enhancing transparency.
- Above all, **trust is the cornerstone**. Policies must eliminate bureaucratic frictions, such as unnecessary taxes and customs scrutiny, and guarantee straightforward returns to depositors.
- If executed effectively, **the cost of funds raised through gold monetisation could be lower than international borrowing rates**, providing a sustainable, domestic source of capital for national development.

Conclusion

- **India's journey toward Atmanirbharta** has always been **marked by the transformation of challenges into triumphs.**
- By **developing trust, innovation, and collective participation**, India can build an economy that not only grows but does so on its own terms.
- The **vision of an Atmanirbhar Bharat is thus both pragmatic and profound:** a nation confident enough to fund its future from the wealth of its own people.

A Path to Progress That is Paved with Gold

Q1. What is the central theme of the passage?

Ans. The central theme is Atmanirbharta, or self-reliance, as both a guiding philosophy and a practical strategy for India's economic and financial independence.

Q2. How has India historically demonstrated self-reliance?

Ans. India has shown self-reliance by achieving food security during the Green Revolution, technological strength in the IT era, and vaccine independence during the COVID-19 pandemic.

Q3. Why is financial self-reliance important for India today?

Ans. Financial self-reliance is important because global investment flows are shrinking, and India must reduce its dependence on volatile foreign capital to sustain long-term growth.

Q4. What opportunity does India's household gold reserve present?

Ans. India's large household gold reserve, valued at about $2.4 trillion, offers a chance to mobilise domestic wealth and fund national development from within.

Q5. What are the key requirements for a successful gold monetisation scheme?

Ans. A successful gold monetisation scheme requires strong infrastructure, efficient logistics, digital transparency, and public trust supported by simple, fair policies.

Source: **The Hindu**
