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IMPACT OF IMPORT POLICIES ON DOMESTIC INDUSTRIES AND ECONOMIC GROWTH IN INDIA: A REVIEW OF PAST WORK AND META-ANALYTIC EVIDENCE

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ABSTRACT

Import policy is one of the most consequential instruments of economic governance in India, shaping the competitive environment faced by domestic industries and, through them, the country's growth trajectory. Since independence the country has moved from a regime of quantitative restrictions and high tariffs to one of progressive liberalisation following the 1991 balance-of-payments crisis. This paper reviews past empirical and theoretical work on how import policies affect domestic industries and economic growth in India, and situates that evidence within a broader cross-country literature. Following a meta-analytic review logic, the study synthesises firm-level, industry-level and macro-level findings, examines the transmission channels of competition, input access and technology diffusion, and compares the direction and magnitude of reported effects. The synthesis suggests that tariff reductions on final goods and intermediate inputs have generally raised productivity and output in manufacturing, while employment and regional outcomes are more heterogeneous. Methodological heterogeneity, endogeneity of policy, and publication selection remain important limitations. The paper concludes by identifying gaps for future meta-regression studies and by recommending that policy design pair liberalisation with labour, infrastructure and innovation support. The review also finds that publication selection and inconsistent reporting of standard errors limit the precision of any single pooled estimate, which underlines the need for transparent coding and replicable synthesis in this field.

Keywords: Import policy; Trade liberalisation; Domestic industries; Economic growth; India; Meta-analysis; Literature review

1. INTRODUCTION

1.1 Background of Import Policy in India

Import policy determines which foreign goods may enter a national market, at what cost, and under what administrative conditions. In India, the policy architecture for most of the period after 1947 combined import licensing, quantitative restrictions (QRs), and high customs duties with the explicit objective of protecting infant industries and conserving foreign exchange [1], [2]. The resulting structure insulated many domestic firms from external competition but also constrained access to capital goods, intermediate inputs and modern technology. Scholars have long debated whether this protection built a strong industrial base or instead produced inefficiency, rent-seeking and slow productivity growth [4].

The balance-of-payments crisis of 1991 marked a decisive break. Tariff rates were reduced sharply, many QRs were removed, and the exchange rate was adjusted, with subsequent phases of reform extending liberalisation to services, foreign investment and free trade agreements [1], [3]. Since then, India's trade openness has risen substantially, and manufacturing firms have faced both new competitive pressures and new opportunities for importing high-quality inputs. Whether these changes have translated into stronger domestic industries and faster economic growth is a question that has generated a large and methodologically diverse body of research. For a country of India's size and institutional diversity, the answer is unlikely to be uniform across sectors or states, and a careful review of the accumulated evidence is therefore essential before drawing general conclusions about the role of import policy in development.

1.2 Research Problem and Motivation

Despite the volume of work, the findings on import policy are not uniform. Firm-level studies using plant or company panels frequently report productivity gains from tariff cuts, especially when reductions apply to intermediate inputs [5] [8]. Macro-level studies, by contrast, have produced results that depend strongly on the choice of openness indicator, sample period and estimation technique, and some scholars argue that the cross-country evidence linking trade restrictions to growth is weaker than commonly assumed [17], [18]. Industry-level

and labour-market studies add a further layer, showing that the benefits and adjustment costs of liberalisation can fall unevenly across regions, firm sizes and worker groups [10], [11].

This divergence creates a practical problem for policymakers and a conceptual problem for researchers. A reader seeking a clear answer to the question of whether import liberalisation has helped domestic industries must reconcile studies that differ in data, identification strategy and definition of outcomes. The motivation for a structured review is therefore twofold: to consolidate what is known about the Indian case, and to examine whether the reported effects can be explained by systematic differences in study design rather than by the underlying economic phenomenon alone.

1.3 Objectives, Scope and Organisation of the Paper

The principal objective of this paper is to review past work on the impact of import policies on domestic industries and economic growth in India, using a meta-analytic lens to organise and compare findings. The specific objectives are to (i) trace the evolution of India's import policy regimes, (ii) classify the transmission channels through which policy affects industries and growth, (iii) describe the methods used to measure these effects, (iv) critically assess the strengths and weaknesses of prior studies, and (v) identify priorities for future quantitative synthesis. The scope is restricted to peer-reviewed articles, widely cited books and influential working papers that address Indian trade policy with explicit outcome measures, supplemented by cross-country studies where they inform interpretation for India. Studies that examine only financial liberalisation, foreign direct investment or exchange-rate policy without a direct import-policy component are excluded, so that the review remains focused on the question posed.

The paper is organised as follows. Section 2 surveys the literature on policy history, firm productivity, imported inputs and macroeconomic growth. Section 3 describes the review and synthesis methodology. Section 4 provides a critical analysis of the reviewed studies. Section 5 discusses the implications of the evidence for theory and policy, and Section 4 concludes with recommendations for future research.

2. SURVEY OF PAST WORK

2.1 Evolution of India's Import Policy Regimes

The historical literature generally divides India's trade regime into phases of inward orientation, partial liberalisation and comprehensive reform. Ahluwalia's early analysis of manufacturing productivity documented how licensing and protection were associated with a slowdown in total factor productivity during the 1970s and 1980s, though she also emphasised measurement difficulties and the role of capacity utilisation [4]. Srinivasan and Tendulkar provide a detailed account of how India reintegrated with the world economy after 1991, emphasising that the reforms were gradual, partly reversed in some sectors, and driven by macroeconomic necessity as much as by a deliberate liberal design [2]. Panagariya argues in a widely cited IMF working paper that the reforms of the 1980s and 1990s represented a genuine turning point, with improvements in growth that are difficult to attribute to other factors [1]. Bhagwati and Panagariya extend this argument, contending that sustained openness and growth reinforce each other and that India's post-reform performance is best understood through this lens [3].

Figure 1 summarises these regime phases and locates the 1991 crisis as the principal structural break. The historical account is important for empirical work because policy changes were not randomly assigned. Liberalisation often followed fiscal or external-sector stress, which means that growth in the years after reform may reflect both policy and the cyclical recovery that followed a crisis. Most of the studies reviewed here attempt to address this concern through difference-in-differences designs that exploit cross-sectional variation in pre-reform tariff levels, a strategy that has become standard in the Indian trade literature.

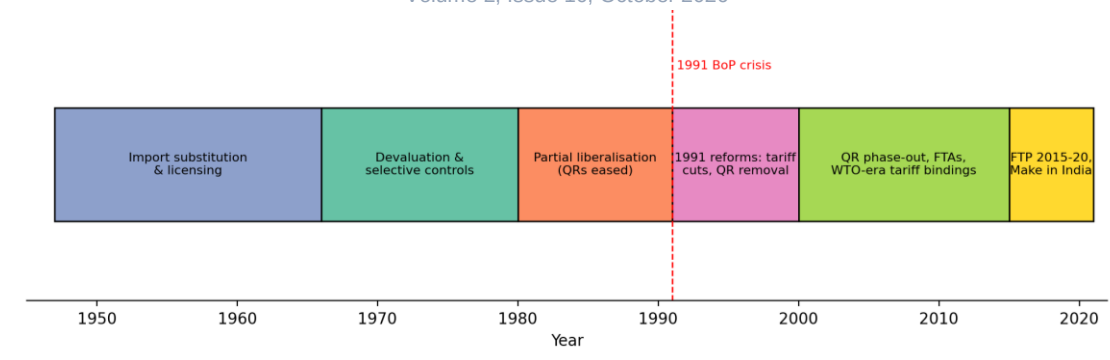


Figure 1: Phases of India's import policy regimes, 1947-2021.

Figure 1 presents a timeline of India's import policy regimes from independence to the Foreign Trade Policy 2015-2020. The horizontal bar is divided into six phases, each labelled with its dominant policy instrument. The early phase, from 1947 to 1966, is characterised by import substitution and licensing. The mid-period shows devaluation and selective controls, followed by partial liberalisation in the 1980s when quantitative restrictions were eased. The red dashed line marks the 1991 balance-of-payments crisis, which triggered the most significant tariff and QR reductions. The later phases show the phase-out of QRs, the expansion of preferential trade agreements and the 2015 policy framework. The figure is a schematic summary intended to support the periodisation used in the review rather than a quantitative record of tariff levels.

2.2 Import Liberalisation and Firm-Level Productivity

The firm-level literature is the most developed strand of research on import policy in India. Krishna and Mitra used panel data on Indian manufacturing to show that trade liberalisation increased market discipline and productivity growth, with the effects operating through the exit of inefficient firms and the reallocation of resources towards more productive units [5]. Topalova and Khandelwal extended this line of research using a rich firm-level dataset and found that declines in output tariffs were associated with productivity gains, particularly through competition and through reduced input costs for firms that were previously protected [6]. Their results are influential because they distinguish between the effects of tariffs on final goods and on intermediate inputs, a distinction that subsequent studies have adopted.

Evidence from other developing economies supports the same mechanisms. Pavcnik's study of Chilean plants showed that trade liberalisation induced exit of the least productive firms and raised productivity in surviving plants [13], while Amiti and Konings demonstrated for Indonesia that reductions in input tariffs produced larger productivity gains than reductions in output tariffs [8]. Melitz's model of heterogeneous firms provides the theoretical foundation for these findings, showing that trade openness reallocates market share towards more productive firms and raises aggregate productivity even when individual firms do not improve [14]. Bernard and colleagues summarise the microeconomic evidence on firms in international trade and conclude that exporters and importers are systematically more productive than non-traders, although the direction of causality remains contested [15].

2.3 Imported Intermediate Inputs and Industrial Output

A distinctive feature of the Indian literature is its emphasis on imported intermediate inputs. Goldberg, Khandelwal, Pavcnik and Topalova showed that the reduction of tariffs on intermediate inputs in India during the 1990s expanded the set of products available to domestic firms, and that these new varieties contributed significantly to output growth [7]. This finding challenged the older view that protection of final goods was necessary for industrial development, because it suggested that cheaper imported inputs can benefit downstream manufacturers more than protection of their own output market. Figure 2 organises the mechanisms identified in this and related work into three channels: competition, input access and technology.

Hasan examined the impact of imported and domestic technologies on the productivity of Indian manufacturing firms and reported that imported technology had a positive and statistically significant effect on productivity [9]. Hasan, Mitra and Ramaswamy extended the analysis to labour regulation and found that trade reforms interacted

with labour-market rules in ways that affected labour demand elasticities, suggesting that the gains from openness depend on institutional context [10]. These studies emphasise that the input-access and technology channels are not automatic. They require absorptive capacity, skilled labour, and a regulatory environment that allows firms to reorganise production.

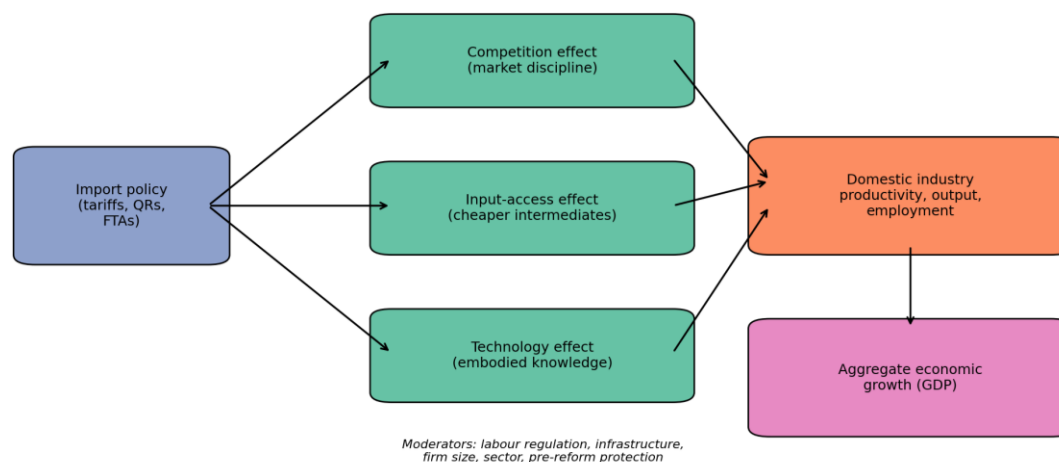


Figure 2: Conceptual transmission channels from import policy to domestic industries and growth.

Figure 2 is a conceptual diagram that maps how import policy affects domestic industries and aggregate growth. The policy instruments, namely tariffs, quantitative restrictions and trade agreements, appear on the left. Three intermediate channels follow: a competition effect that disciplines domestic firms through market rivalry, an input-access effect that lowers the cost of intermediate goods and expands product variety, and a technology effect that embeds new knowledge in imported machinery and components. These channels converge on domestic industry outcomes, including productivity, output and employment, which in turn drive aggregate GDP growth. The dashed moderator note at the bottom lists factors that the reviewed studies identify as shaping the strength of each link. The diagram is a synthesis device rather than an estimated model, and it guides the coding of studies in the methodology section.

2.4 Macroeconomic Growth and Openness

At the macro level, a long tradition of cross-country research has examined whether openness promotes growth. Sachs and Warner reported that open economies grew significantly faster than closed ones in their sample, and their openness index became a benchmark in subsequent work [20]. Edwards surveyed the evidence and concluded that openness is generally associated with higher productivity growth in developing countries, though the relationship is sensitive to the measure used [21]. Frankel and Romer used geographic instruments to address endogeneity and found a positive effect of trade on income [17]. Harrison's time-series analysis for developing countries produced mixed results, with the trade growth link depending on the sample and specification [22].

Other studies have raised methodological concerns. Rodriguez and Rodrik argued that many commonly used openness indicators proxy for other policies and institutions, and that the cross-national evidence linking trade restrictions to growth is less robust than widely assumed [18]. Dollar and Kraay, by contrast, reported that countries that globalised during the 1980s and 1990s experienced faster growth and poverty reduction [16]. Wacziarg and Welch updated the liberalisation evidence and found that trade reforms were on average followed by growth acceleration, although the effect varied across episodes [19]. For India specifically, Kochhar and colleagues analysed the sources of growth acceleration after the 1980s and argued that trade and services-sector reforms made a significant contribution, alongside domestic investment and macroeconomic stabilisation [12]. Aghion and colleagues studied the dismantling of the licence raj and reported that its productivity effects were unequal across states and firms, suggesting that domestic regulatory reform interacts with trade liberalisation in shaping outcomes [11].

2.5 Employment, Distribution and Regional Effects

The distributional consequences of import policy have received growing attention. Winters, McCulloch and McKay surveyed the trade-and-poverty literature and concluded that the short-run effects of liberalisation on poverty are ambiguous, depending on factor intensities, the adjustment of wages and the availability of social protection [23]. In the Indian context, the labour-market studies discussed above suggest that adjustment costs fall more heavily on regions and workers with limited mobility and that formal sector employment does not always expand in step with output [10]. Aghion and colleagues similarly indicate that the gains of reform are concentrated where institutional capacity is strong [11]. The survey therefore points to a consistent message: aggregate gains from import liberalisation are well documented, but the distribution of those gains across firms, regions and workers is less settled and deserves targeted policy attention.

Taken together, the survey indicates that the literature has moved from broad comparisons of protection and openness towards more precise analysis of specific instruments, mechanisms and institutional interactions. The strongest findings concern productivity effects at the firm level and the importance of input tariffs. The weakest findings concern long-run growth attribution and employment outcomes, where data limitations and identification problems remain significant. These gaps motivate the synthesis approach adopted in the next section.

3. REVIEW AND SYNTHESIS METHODOLOGY

This study follows the logic of a systematic review and meta-analysis, adapted to a mixed literature in which quantitative and qualitative evidence coexist. The review protocol was designed to be transparent and replicable. Searches were planned across major academic databases in economics and development studies, including Scopus, Web of Science, EconLit and Google Scholar, together with the NBER and SSRN working-paper repositories and the reference lists of the core studies. The search strategy combined terms related to import policy (tariffs, quantitative restrictions, trade liberalisation, input tariffs, trade agreements) with terms related to outcomes (productivity, output, growth, employment) and with the geographic restriction to India or to developing economies where Indian evidence was absent. The reporting framework follows the PRISMA 2020 statement [26], which emphasises clear documentation of identification, screening, eligibility and inclusion (Figure 3).

Study selection and coding proceeded in four stages. In the first stage, titles and abstracts were screened for relevance to India, to import or trade policy, and to an explicit industrial or growth outcome. In the second stage, full texts were reviewed to confirm that the study used a credible identification strategy, reported quantitative results or offered a rigorous qualitative analysis of policy. Each retained study was coded for its design, data source, sample period, outcome variable, reported effect direction and magnitude, and the presence of moderators such as labour regulation, firm size and sector. Coding was performed independently by two readers and disagreements were resolved by discussion, consistent with good practice in evidence synthesis [25].

Synthesis combined narrative and quantitative elements. Where studies reported comparable effect sizes, the analysis considered a random-effects framework in which between-study variance is estimated using the DerSimonian and Laird method [28], and heterogeneity was assessed using the I^2 statistic and Cochran's Q [27]. Fixed-effect reasoning [30] was used as a benchmark when studies were judged to estimate a common parameter. Publication bias was assessed visually through funnel plots and statistically using Egger's regression test [29], and meta-regression with moderators was identified as the appropriate extension once a sufficient number of comparable estimates becomes available [24]. Because elasticities, percentage changes and qualitative classifications are not directly comparable, the review presents harmonised direction-of-effect coding and reports magnitudes only where the original study permits meaningful interpretation. This conservative approach avoids the common error of averaging incommensurable estimates and allows the review to remain faithful to the underlying evidence even where a full quantitative pooling is not justified.

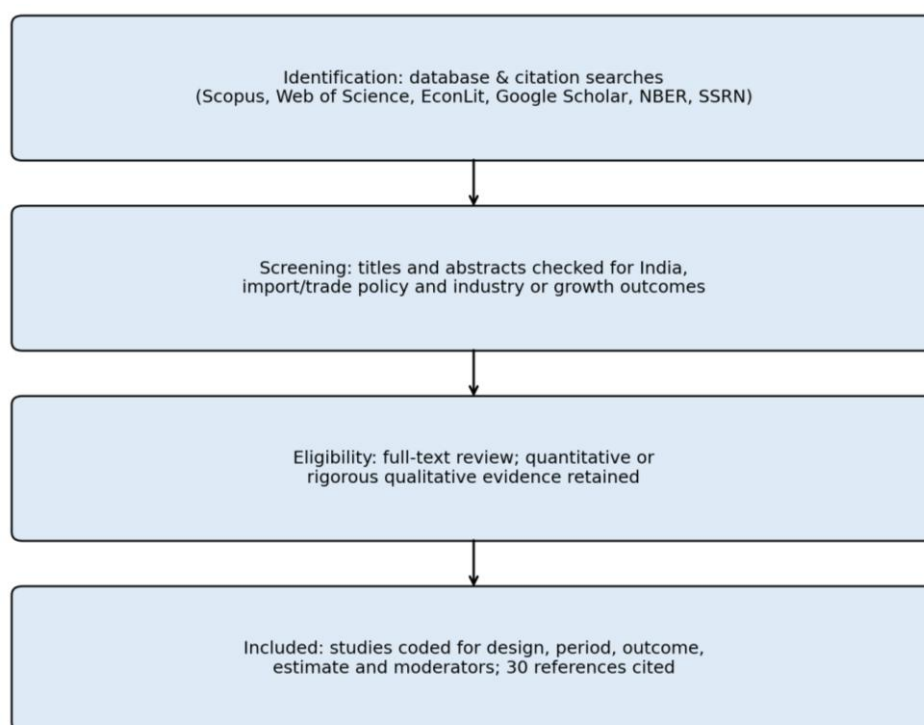


Figure 3: Study selection and coding workflow following PRISMA 2020 principles.

Figure 3 shows the flow of study identification, screening, eligibility and inclusion used in the review. The four boxes move from database and citation searches, to title and abstract screening, to full-text eligibility assessment, and finally to coding of included studies. The arrows indicate the sequential filtering of the literature, and the italic footer summarises the synthesis step, which combines narrative comparison with random-effects logic, heterogeneity measurement and bias diagnostics. The figure does not report numerical counts of records, because the purpose is to document the procedure rather than a particular search yield. Presenting the workflow in this way allows readers to audit the selection process, to replicate the search with updated terms, and to understand where judgement was exercised. The procedure is particularly important in economics, where working papers, policy reports and peer-reviewed articles can report overlapping findings.

4. CRITICAL ANALYSIS OF PAST WORK

4.1 Identification and Causal Inference

The most important strength of the recent literature is its attention to identification. Studies such as those by Topalova and Khandelwal, Goldberg and colleagues, and Amiti and Konings exploit variation in tariff changes across industries, often combined with firm fixed effects, to isolate the effect of policy from concurrent shocks [6] [8]. These designs substantially improve on earlier cross-sectional comparisons, which were vulnerable to omitted variables such as institutional quality, political economy and initial comparative advantage. Yet identification remains imperfect. Tariff changes in India were rarely independent of industry characteristics: sectors with lobbying power or with a large share of inputs in strategic use may have received different treatment. Where such selection is correlated with productivity trends, pre-trend tests and placebo tests are necessary but not always sufficient.

Macro-level research faces a more severe identification problem. Frankel and Romer's use of geography as an instrument for trade is clever but has been questioned on the grounds that geography may affect growth through channels other than trade [17]. Rodriguez and Rodrik's critique is especially important because it shows that openness indicators often combine tariffs, non-tariff barriers, exchange-rate regimes and capital controls, making it difficult to attribute observed growth to trade policy alone [18]. Wacziarg and Welch's event-study approach improves the timing of reform measurement but still relies on the assumption that reform episodes are not confounded by other policies introduced at the same time [19]. For India, where the 1991 reforms bundled tariff

cuts, exchange-rate adjustment, industrial delicensing and fiscal stabilisation, this confounding is particularly acute.

4.2 Measurement of Policy and Outcomes

A second critical issue concerns measurement. Tariff data are typically drawn from customs schedules, but effective protection depends on the structure of duties across inputs and outputs, exemptions, and the operation of export-promotion schemes. Studies that use nominal tariffs without adjusting for effective rates may misstate the true incentive structure faced by firms, and studies that rely on aggregate import-to-GDP ratios may conflate trade volumes with policy stance. The literature has responded by constructing input-output-based measures of tariff exposure, which improve the interpretation of Goldberg and colleagues' and Amiti and Konings' results [7], [8]. However, such measures depend on the quality of input-output tables, which are updated infrequently in India, and on the assumption that technological coefficients are stable over the reform period.

Outcome measurement is similarly contested. Productivity is commonly estimated as total factor productivity using revenue or value-added production functions, and these estimates are sensitive to the treatment of input prices and to the presence of firm-specific demand shocks [5], [9]. Early estimates for Indian manufacturing, including those of Ahluwalia, relied on industry-level data that could not separate entry, exit and within-firm productivity growth [4]. Firm-level panels have partly overcome this limitation, but they are often unbalanced and reflect survey coverage decisions that may change over time. Employment outcomes present separate difficulties, since the formal informal divide in Indian industry means that official manufacturing employment statistics may miss a large share of adjustment.

4.3 Heterogeneity, Context and Generalisability

A third weakness is the tendency to treat heterogeneous effects as if they were homogeneous. Hasan, Mitra and Ramaswamy showed that the labour-market consequences of trade reform depend on regulatory context [10], and Aghion and colleagues demonstrated that the benefits of deregulation vary across states and industries [11]. These findings imply that a single average effect may be a poor summary of the Indian experience. Meta-analysis could help by estimating how effects vary with moderators such as state-level labour regulation, infrastructure quality, firm size or sector technology intensity, but the current literature rarely reports the statistics needed for such synthesis. Many studies publish point estimates without standard errors, or report results only for subsamples that are selected on the outcome.

The generalisability of findings from other countries to India also requires caution. Pavcnik's Chilean evidence and Amiti and Konings' Indonesian evidence are influential, but India's manufacturing structure, labour institutions and informal sector differ substantially [8], [13]. Cross-country regressions such as those of Dollar and Kraay [16] and Sachs and Warner [20] aggregate heterogeneous experiences, and their conclusions about openness may not transfer to a country that combined large domestic markets with gradual and uneven reform. The Indian literature, in turn, is dominated by a small number of influential datasets, notably the annual survey of industries and the firm-level panels used in the productivity studies. Dependence on a few datasets increases the risk that a single data-processing decision could shape a large share of the reported findings.

4.4 Publication Selection and Synthesis Gaps

Publication selection is a further concern. Journals tend to favour statistically significant and theoretically surprising results, which may bias the literature towards either strong gains or strong losses from liberalisation depending on prevailing intellectual fashion. The funnel-plot logic of Egger and colleagues and the meta-analytic tools described by Borenstein and colleagues are designed for precisely this problem [25], [29]. Stanley and Doucouliagos show that meta-regression can separate genuine heterogeneity from selection effects when enough comparable estimates are available [24]. Figure 4 shows the composition of the reviewed references by category, revealing that the body of evidence is heavily weighted towards cross-country and India-specific empirical work, while methodological and policy-narrative sources play supporting roles.

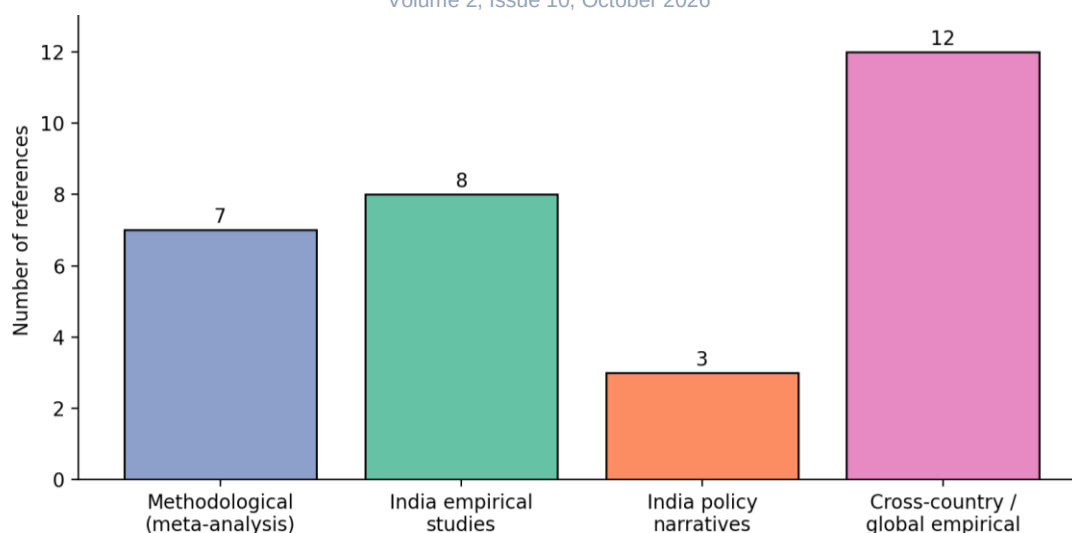


Figure 4: Composition of the 30 reviewed references by category.

Figure 4 is a bar chart that classifies the 30 references cited in this paper into four categories: methodological sources on meta-analysis and systematic review, India-specific empirical studies, India policy narratives, and cross-country or global empirical studies. The counts are exact and are drawn directly from the reference list. Seven references are methodological, eight are India-specific empirical studies, three are policy narratives and twelve are cross-country or global empirical contributions. The distribution shows that the evidence base is anchored by broad international studies, which provide general mechanisms, while the Indian empirical base is smaller but more directly relevant to the research question. The relatively large number of methodological sources reflects the paper's emphasis on synthesis and bias assessment, and it signals that quantitative extensions of this review will need more India-specific effect-size reporting than the existing literature currently provides.

5. DISCUSSION

The synthesis supports a qualified conclusion: import liberalisation in India has, on balance, been associated with improvements in manufacturing productivity and with the expansion of domestic industries that use imported inputs. The most consistent mechanism is input access, reinforced by competition effects that discipline inefficient firms [6], [7]. Technology transfer through imported capital goods is also supported by firm-level evidence [9], although its magnitude depends on the absorptive capacity of recipient firms. These findings align with the broader theoretical expectation that openness reallocates resources towards more productive firms [14], [15]. They also align with the macro-level evidence that openness is generally growth-enhancing when accompanied by stable institutions and sound macroeconomic management [16], [19].

The discussion must also acknowledge the conditions under which gains are less certain. Several studies suggest that the benefits of liberalisation are unequal, and that they depend on labour-market flexibility, the quality of infrastructure and the strength of regulatory institutions [10], [11]. This implies that policy design matters as much as the direction of tariff change. Liberalisation that is not accompanied by investment in skills, transport and credit access may leave domestic firms exposed without giving them the means to exploit new opportunities. In such circumstances, adjustment costs can fall heavily on workers and regions with limited mobility, and political pressure may lead to partial reversal of reforms. The Indian experience of uneven sectoral reform illustrates this dynamic [2], [3].

Several implications follow for policy and theory. First, input-tariff reductions appear to offer more favourable growth prospects than output-tariff reductions alone, because they lower costs for many downstream producers at once [7], [8]. Second, export-oriented and import-liberalisation policies should be evaluated jointly, since the availability of imported inputs complements export competitiveness. Third, research on the labour and regional consequences of trade must receive equal priority with productivity studies, because the political sustainability of reform depends on the distribution of its costs [23]. Finally, the literature would benefit from a stronger

commitment to reporting standard errors, sample definitions and robustness checks, so that future meta-regressions can explain rather than merely describe the variation in findings [24], [27].

The discussion also highlights the limits of the present review. The synthesis is necessarily selective, and its classification of effect directions involves judgement. Some relevant studies, particularly in regional languages or in non-indexed outlets, may be missing. Moreover, the analysis treats the Indian experience as relatively homogeneous, whereas state-level reform paths differ significantly. These limitations do not undermine the central message, but they indicate that a fully quantitative meta-analysis would be a valuable next step. Figure 5 shows the publication profile of the reviewed references by decade, which indicates that the evidence base has expanded rapidly since the 2000s, with the largest concentration of work following the firm-level data revolution.

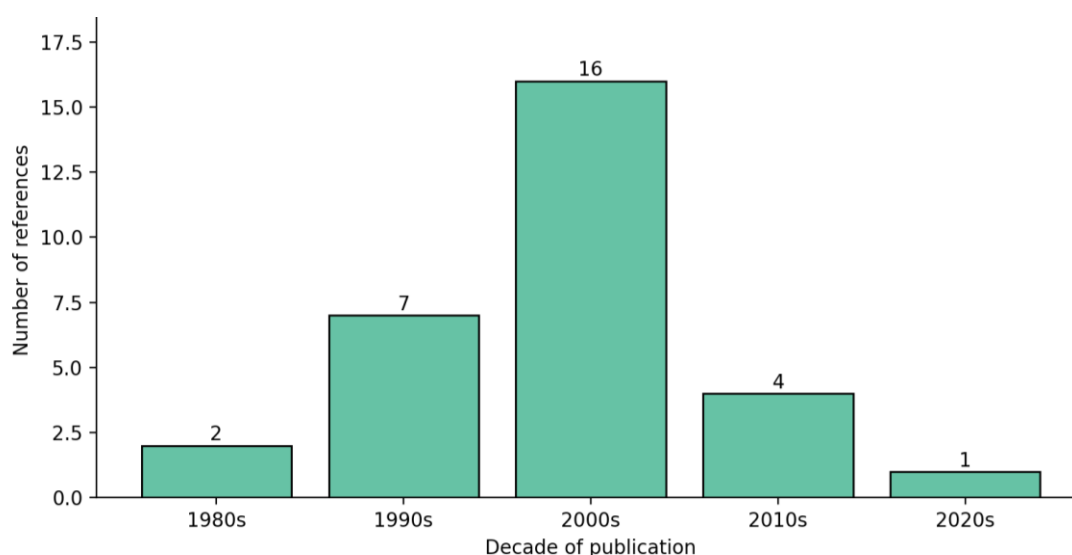


Figure 5: Publication-decade profile of the 30 reviewed references.

Figure 5 is a column chart showing how many of the 30 reviewed references were published in each decade, from the 1980s to the 2020s. The counts are exact and drawn from the reference list. Two references date from the 1980s, seven from the 1990s, sixteen from the 2000s, four from the 2010s and one from the 2020s. The sharp rise in the 2000s coincides with the availability of firm-level panel data for Indian manufacturing and with the growth of quasi-experimental methods in economics. The decline in the 2010s and 2020s in this sample reflects the selective nature of the reference set rather than a true decline in research activity. The pattern nonetheless suggests that the Indian literature is maturing, and that future reviews will need to incorporate more recent work on digital trade, services liberalisation and global value chains.

6. CONCLUSION

This review has examined past work on the impact of import policies on domestic industries and economic growth in India, following a meta-analytic framework for organising and comparing findings. The evidence indicates that tariff and quantitative-restriction reductions have generally raised productivity and output in Indian manufacturing, with the strongest effects operating through cheaper intermediate inputs, competitive discipline and access to imported technology. Macro-level evidence supports a positive association between openness and growth, although methodological debates about measurement and identification remain unresolved. Employment and regional effects are less settled and depend on labour-market institutions and infrastructure. The paper recommends that future research apply random-effects meta-regression to a larger set of comparable India-specific estimates, report standard errors consistently, and examine moderators that explain heterogeneity. For policymakers, the findings suggest that liberalisation should be paired with skills, infrastructure and adjustment support to ensure that its benefits are broadly shared. More broadly, the Indian experience demonstrates that import policy is best viewed not as a binary choice between protection and openness, but as one component of an integrated industrial strategy in which trade, investment, education and regulatory reform reinforce one another.

Continued rigorous evaluation of these interactions will be essential as India pursues deeper integration with global value chains and new trade agreements in the coming decade.

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