



Aatmanirbhar Bharat Abhiyaan & Indian Economy

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Introduction:

Due to corona virus pandemic, the India is in a serious financial crisis – National tensions already at high levels not seen in a generation over various issues like Article 370 to CAA and related protests, escalated into political unrest, violence, and conflict. Now COVID-19 is tipping the world into a dangerously unstable new era and India is also no exception for that. It has affected India over Health & Economy. In addition to this, Natural Calamities like Cyclones, untimely divesting rains, locust attacks on Crop etc., crippling the country's Socio-economy Fabric causing a severe and almost insuperable problem and the country is on the verge of a Serious Trouble, health issues, social distancing, reduced domestic activity, stalled economic activity, issues especially related to informal and low-skilled workers. The problems of large internally displaced populations and migrants are also serious.

Crises possess a challenge and test the leadership. During a crisis, real leaders rise and become visible. With a solid focus on right vision and determination good leaders rise above the circumstances and see into the future. Their ability to stand bold, confident and courageous even in the deepest crisis and in the face of unprecedented challenges, and navigate to stay focused, stable, steady and authentic approach to crisis, makes them ambassadors of hope and victorious.

In this severe crisis, Prime Minister Narendra Modi exhibiting his leadership ascent announced in his nationwide address on 12 May 2020, "Atmanirbhar Bharat Abhiyan" "A Call to the Nation for Self – Reliance" that serves as a massive stimulus package as well as a move towards making India more self-reliant in the post-COVID situation. The stimulus is focussed to strengthen India's cottage and home industries, small and medium enterprises (SMEs) and other industries. Prime Minister Narendra Modi has announced a special economic package worth 20 lakh crore rupees.

Features of the 'Atma-Nirbhar Bharat' are as: 1) Five pillars of Atmanirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand; 2) Special economic and comprehensive package of Rs 20 lakh crores – equivalent to 10% of India's GDP; 3) Package to cater to various sections including cottage



industry, 4) MSMEs, labourers, middle class, industries, among others; 5) Bold reforms across sectors will drive the country's push towards self-reliance, 6) It is time to become vocal for our local products and make them global. The Five pillars of Atmanirbhar Bharat focus on: 1) Economy; 2) Infrastructure; 3) System; 4) Vibrant Demography and 5) Demand

Objectives of the Abhiyan

1. To make the country and its citizens independent and self-reliant in all senses.
2. To studied five pillars of Aatmanirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand
3. To prove the three steps- like local to local, reducing imports gradually and producing globally competitive products.

Areas of Reforms:

Micro, Small and Medium Enterprises-

The schemes major focus was on MSMEs sector and its development as there are about 67 million MSMEs operating in the non-agricultural sector in India, and provides sustenance to a large proportion of the population. The government will offer Rs 3 lakh crore as collateral free or unsecured loan to MSMEs with an annual turnover of Rs 100 crore or an outstanding loan of Rs 25 crore. The loan tenure will have tenure of four years with a moratorium period of 12 months. In addition, Rs 20,000 crore loans will be provided to stress MSMEs. The government has formulated a new definition for the MSMEs. It has also increased the limit for investment in these units. The change in definition will allow these units to expand and at the same time avail the benefits of MSME classification. It has also disallowed tenders from foreign companies up to Rs 200 crore mainly to protect these small units from unfair competition. The boost to the MSME sector will consequently benefit a lot more industries, especially automobile sector as most of the auto companies are MSMEs. It will help resume businesses, strengthen the supply chain and will also help reduce dependence on other countries.

Power Distribution Companies-

The government will provide Rs 90,000 crore bailout to cash starved discoms and independent power producers. Discoms functioning in Union Territories are expected to be privatized, so as to strengthen as well as bring efficiency to the entire sector. This provides stability to the power sector.

Agriculture and allied sectors-

The fiscal assistance will focus on improving the farm gate infrastructure like warehousing, cold chains, post-harvest management infrastructure, dairy infrastructure



along with investment in cattle feed, beekeeping and herbal and medicinal plants. National Bank for Agriculture & Rural Development (Nabard) will provide financing facility for funding agriculture infrastructure projects at the farm gate and for cluster formation across all levels.

It is planned to launch Pradhan Mantri Matsya Sampada Yojana for development of marine and inland fisheries. It will enable to fill in the gaps in the value chain and also lead to an additional fish production of 70 lakh tons in upcoming few years. Simultaneously it will increase employment also. It will also focus on formulating agricultural marketing reforms like barrier-free inter-state trading, the choice to sell produce at attractive prices, and also provide an e-trading platform for agricultural produce.

Civil Aviation

The government will ease the restriction placed on the utilization of the Indian Air Space for commercial flights (currently 60% of domestic airspace is available), and will help these companies save about Rs 1000 in terms of operational costs.

Coal and Minerals

The government will be ending the monopoly of Coal India Ltd (CIL), by introducing commercial mining of coal. The government is focusing to reduce the country's dependence on coal import and be fully self-reliant in coal production.

NBFCs/HFCS-

The government has come up with special liquidity scheme worth Rs 30,000 for investing in investment grade debt paper of NBFCs, HFCs and MFIs. The scheme will be fully guaranteed by the government and will be especially beneficial for the housing sector. A partial credit guarantee scheme will also be allocated where the first 20% of the loss will be borne by the government. Thus, providing the required liquidity support essential for the smooth functioning of the sector.

Real Estate

The government has extended the CLSS for middle income households to March 2021. This will lead to investments of Rs 70,000 crore in the housing sector, thus boosting the already ailing real estate sector. The states and regulatory authorities have also been advised to extend the registration and completion date of real estate projects under RERA to distress developers and ensure timely completion of projects. The boost in real estate sector will lead to surge in demand of related sectors like steel, cement, transport and also lead to increase in employment.



Action Plan and Benefit:

- “Atma Nirbhar Bharat Abhiyan” to revive every sphere of the economy from demand, supply to manufacturing, and make India self-reliant to sustain and tackle any Black Swan event in the future.
- The package is divided into four tranches, where each tranche has their own focus areas.
- The package’ score focus is on MSMEs and agriculture and its allied activities.
- However, the package fails to bring optimism and confidence among the corporate as it focuses more on indirect benefits, with a major focus on loan disbursal.
- It would have been for the benefit of the corporate if the government would have provided direct benefits like cash support and pause or reduction in GST payments.
- This would have helped in reducing the prices of the products, thus leading to higher demand

Conclusion

Atmanirbhar Bharat Abhiyan is a long-term campaign. In short-term it is very difficult to achieve. It is concluded from the above study that, Indian Economy have huge potential to achieve self-reliance but it requires proper implementation. It needs improvement in laws made by government and proper allocation of funds. Urban as well as rural sector also have great potential to develop subject to proper policies and its implementation. In post COVID world, India needs to concentrate on skills reforms and innovation to emerge as an economic power house of the world. Recent steps taken by the central government through Atmanirbhar Bharat Abhiyan provided a boost necessary to make India a 5 trillion dollars economy by 2024.

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