



AATMANIRBHAR BHARAT AND SUSTAINABLE DEVELOPMENT: FUTURE PATHWAY

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1.1 INTRODUCTION

The COVID-19 outbreak has severely affected the global economy, hampering industries across various fields around the world. The transmission of the diseases has forced countries into lockdown, anticipating the economy of a deflation. As the virus influences most of the developed countries dramatically, its effect on India is smaller than others but has a more significant impact on the businesses and economy of the country. At a time when the world was suffering from a deadly pandemic, India planned to convert this crisis into an opportunity by strengthening its fight by becoming Aatmanirbhar or self-reliant and introduced Aatmanirbhar Bharat Campaign. Aatmanirbhar Bharat was mainly in the context that the things which were imported before the COVID, shall be now manufactured in India not only for own consumption but also for the export. The government has made paramount importance the goal of self-reliance in its policy and practice, the COVID has taught us how to speed up the same and what efforts shall be put for it. Aatmanirbhar Bharat Campaign is the result of the same. It is the time to take bold decisions regarding investment for promoting manufacturing in India only. The focus of the Campaign is also on reforming various policies related to 'land, labour, liquidity and laws. It also focuses on empowering the poor, labourers, migrants, etc., both from organized and unorganized sectors. In fact, the Covid crisis has taught the decision makers the importance of local manufacturing, local market and local supply chains. Prime Minister Mr. Narendra Modi remarked that

Aatmanirbhar Bharat Abhiyaan or Self-reliant India campaign is the vision of new India envisaged by the Hon'ble Prime Minister Shri Narendra Modi. On 12 May 2020, our PM raised a clarion call to the nation giving a kick start to the Aatmanirbhar Bharat Abhiyaan (Self-reliant India campaign) and announced the Special economic and comprehensive package of INR 20 lakh crores - equivalent to 10% of India's GDP - to fight COVID-19 pandemic in India.ⁱⁱⁱ The self-reliant India is based on five pillars viz. Economy, which brings in quantum jump and not incremental change; Infrastructure, which should become the identity of India; System, based on 21st century technology driven arrangements; Vibrant Demography, which is our source of energy for a self-reliant India; and Demand, whereby the strength of our demand and supply chain should be utilized to full capacity

1.2 RATIONALE OF SELF-RELIANT INDIA (AATMANIRBHAR BHARAT)

Due to pandemic India has seen worst growth performance since the 1991 liberalization the coronavirus outbreak has severely disrupted the economy, the World Bank. Indian economy is expected to lose over \$4.5 billion every day due to lockdown and around \$100 billion during the 21-day nationwide lockdown period. In fact, the second wave of the coronavirus has proved more dangerous than the first and the covid-19 cases in India increased abruptly. During this period Indian economy faced many challenges most notably at two levels- supply-side disruptions and reductions in aggregate demand. An assessment was made by taking 5 key economic indicators GDP, Unemployment rate, Inflation rate, Interest rate, and Industry output. Due to this International Monetary Fund slashed India's economic growth rate for the fiscal year 2021 to 1.9% from 5.8%. Domestic agency CRISIL predicted India's economic rate to 1.8% from 3.5%.



Table 1: Various Sectors of Indian Economy affected by Covid -19

S. No.	Sectors affected by Covid -19	Decrease in Percentage
1.	Financial, Real Estate and Professional Services	20
2.	Mining and Quarrying	17
3.	Electricity, Gas, Water Supply and other utility Service	16
4.	Construction	15
5.	Trade, Hotels, Transport, Communication and other broadcasting service	11
6.	Overall CVA	11
7.	Manufacturing	7
8.	Agriculture, forestry and Fishing	2
9.	Public Administration, Defense and Other service	1

Because of the unexpected COVID pandemic, major cities globally were under lockdown that had led to an almost total stoppage of economic activities for a few months, which in turn led to economic recession in all countries. The unusual outcome of the crisis is that it has hit the services sector harder than manufacturing. All the contact-dependent services that are labour intensive are facing hard times, which includes hospitality, tourism, recreation activities, and related businesses. The crisis has disturbed the cyclical flow of funds in various economies. The liquidity crunch had a profound impact on global economies. Different Governments around the world have announced stimulus packages, and their respective central banks reacted through monetary measures for solving problems of social security, illiquidity in businesses. India, as a developing economy, also decided on and announced various monetary measures by RBI, the central bank of India, and fiscal stimulus package by the Government of India. The stimulus package is called an Atmanirbhar Bharat package that amounts to 20 billion rupees.^{viii} The focus of this campaign is on following sectors:

1.3 STRENGTHENING INDIAN BUSINESSES

The Self Reliant Campaign investment Package supported various sections of economy including cottage industry, MSMEs, labourers, middle class, industries, among others, Pradhan Mantri Garib Kalyan Package -1 and 2 which provided Crore relief package for the poor labourer and workers to help them fight the battle against Corona Virus, Collateral-free Automatic Loans for Businesses, including MSMEs, equity support to MSMEs, new definition of MSMEs further supported these by disallowing Global tenders up to Rs 200 crores- a step towards Self-Reliant India and support Make in India, EPF contribution reduced for Business and Workers for 3 months, Special Liquidity Scheme including financial guarantee for non-banking financial companies (NBFCs), housing finance companies (HFCs) and microfinance institutions (MFIs), Liquidity Injection for DISCOMs, Power Distribution Companies, Relief to Contractors, time line to complete Real Estate Projects under RERA, relief to Taxpayers.

1.4 FINANCIAL SUPPORT TO POOR, INCLUDING MIGRANTS AND FARMERS

Investment support to ameliorate the hardships faced by poor, specifically by migrant labourers, street vendors, migrant urban poor, small traders self-employed people and small farmers and housing. Various incentives were given which includes: Free food grains supply to migrants for 2 months, Technology system to be used enabling Migrants to access PDS (Ration) from any Fair Price Shops in India by March, 2021-One Nation one Ration Card, Affordable Rental Housing Complexes for Migrant Workers and Urban Poor, 2% Interest Subvention for 12 months for Shishu MUDRA loanees, Credit facility for Street Vendors, boost to housing sector and middle income group through extension of Credit Linked Subsidy Scheme for MIG under PMAY(Urban), Emergency Working Capital for farmers through NABARD, special drive to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards. Fisherman and Animal Husbandry Farmers.

1.5 DEVELOPING AND MODERNIZING AGRICULTURE SECTOR OF INDIA

India's agriculture sector presently contributes around 15.9% of the country's GDP and provides 49% of the total employment (2018-19). India's agricultural sector has performed better with 2.9% growth rate during 2019-20, as against 2.74% achieved during 2018-19. Farmers have toiled against all adversities during COVID and provided food security, ensuring continuous supply of agriculture commodities, especially staples like rice, wheat, pulses and vegetables. They are our true COVID warriors and their silent efforts, coupled with timely intervention by



the Central and State Governments, ensured that there was no disruption to harvesting activities.^x During lockdown period Minimum Support Price (MSP) purchases of amount more than Rs 74,300 crores, interest subvention at 2% rate per annum to dairy cooperatives for 20-21., additional liquidity provided benefitted two crore farmers, Agri Infrastructure Fund for farm-gate infrastructure for farmers, scheme for Formalisation of Micro Food Enterprises (MFE), Fishermen were provided Rs 20,000 crores through Pradhan Mantri Matsya Sampada Yojana (PMMSY), setting up of Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crores, promotion to Herbal Cultivation and Bee farming in India, Operation Greens which was initially limited to Tomatoes, Onion and Potatoes (TOP) has been extended to ALL fruits and vegetables (TOTAL), amendments to Essential Commodities Act to enable better price realisation for farmers, Agriculture Marketing Reforms to provide marketing choices to farmers. The main objectives of these measures were to provide barrierfree flow of Agricultural Produce in the country.

1.6 NEW HORIZONS OF GROWTH

In order to boost growth and manufacturing in the country various measures has been started in Self-reliant (Atamnirbhar Bharat) Campaign. These are like Policy Reforms to fast-track Investment, Upgradation of Industrial Infrastructure, Self-reliance in coal production which include policy reforms and investment in coal and mineral sector, self-Reliance in Defence Production, enhancement of FDI limit in the defence manufacturing under automatic route will be raised from 49% to 74%, reduction in flying cost, construction of three new airports in PPP mode, making India an Aircraft Maintenance, Repair and Overhaul (MRO), Privatization of Distribution of electricity in UTs, Boosting private sector investment in Social Infrastructure through revamped Viability Gap Funding Scheme, boosting private participation in Space activities etc.

1.7 GOVERNMENT REFORMS AND ENABLERS

The self-reliant approach is aimed at providing employment, support to businesses, ease of doing business, development of Education and Health sectors of State Governments Additional Allocation of Rs 40,000 crore increase in MGNREGS to provide employment boost in the rural area., increase in Public Expenditure on Health and starting National Digital Health Mission, Technology driven Systems - Online Education during COVID, PM eVIDYA boosting online education, Reforming Governance for Ease of Doing Business, Decriminalisation of Companies Act violations involving minor technical and procedural defaults such as shortcomings in CSR reporting, inadequacies in Board report, filing defaults, delay in holding of AGM, Ease of Doing Business for Corporates, Public Sector Enterprise Policy for a New, Self-reliant India, increase in borrowing limits of States from 3% to 5% for 2020-21.

1.8 SELF-RELIANT INDIA (ATAMNIRBHAR BHARAT): AN ANALYSIS

Self-reliant India campaign was started to bring the country out of the damage caused by the Corona crisis. So far, 2 phases of self-reliant India have been launched. Now the third phase of the self-reliant India campaign 3.0 has been launched by the government. Under the third phase, 12 new schemes have been started to give boost to economy. Under the self-reliant India campaign, an investment of Rs 27.1 lakh crore has been made by the government and the Reserve Bank. This amount is 13% of the country's GDP. The focus of Aatmanirbhar 3.0 is on

The first and second wave of corona virus has brought social and economic life to a standstill. India's distressed financial condition has been further impacted by the global halt of trade and exports. COVID-19 pandemic has affected the manufacturing and the services sector—hospitality, tours and travels, healthcare, retail, banks, hotels, real estate, education, health, IT, recreation, media and others. The focus of the programme is to encourage domestic enterprises to cater the demand from national and global customers. The programme facilitates for higher share of investments from global companies, while also bringing in technology and building local supply

The Atamnirbhar Bharat campaign through various measures is committed to achieve this target. Recently Government of India has started a Production-Linked Incentive Schemes which focuses thirteen vital sectors of Indian economy with an incentives /investment of Rs 1.97 lakh crore for boosting manufacturing sectors. Production-Linked Incentive Schemes is a way to reward increased production in a specified sector, and has ramifications for economic growth and job creation. "PLI schemes area cornerstone of the government's push for achieving an Atamnirbhar Bharat" announced an outlay of INR 1.97 Lakh Crores for the Production Linked Incentive (PLI) Schemes across 13 key sectors, to create national manufacturing champions and generate employment opportunities for the country's youth. In addition to the three schemes announced earlier in March 2020, Government of India has further introduced the following 10 new PLI schemes in November 2020. The dream of the country is to make Indian economy a \$5-trillion economy by 2024.



1.9 SELF-RELIANT INDIA (AATMANIRBHAR BHARAT) CAMPAIGN: CHALLENGES AND SUGGESTIONS

The government announced an economic stimulus package of Rs. around 21 lakh crores under the Atmanirbhar Bharat Abhiyan. The intended objective of this plan is two-fold. First, interim measures such as liquidity infusion and direct cash transfers for the poor will work as shock absorbers for those in acute stress. The second, long-term reforms in growth-critical sectors to make them globally competitive and attractive. Together, these steps may revive the economic activity, impacted by Corona virus pandemic and create new opportunities for growth in sectors like agriculture, MSMEs, power, coal and mining, defense and aviation. However, there are several challenges that are needed to be addressed in order to fulfill the vision of this plan.

1. **Confusion about the Policy:** It appears that Atmanirbhar Bharat Abhiyan reduced domestic market access to imports, but at the same time opened the economy and export to the rest of the world. It appears that the campaign pushes towards protecting domestic industries under the self-reliance initiative, echoing India's pre-liberalisation stance.
2. **Logistics cost:** It is estimated that the Logistic cost in India is about 13 percent of GDP. Which is more as compare to many manufacturing countries of the world. Due to the high logistics cost, the competitiveness of India's exports is greatly reduced.
3. **Lack of Infrastructure:** Whereas it is an accepted thing in the world that the creation of quality infrastructure for sustainable development is such a way, which gives rise to many economic activities, creates employment on a very large scale. But the Self Reliant (Atmanirbhar Bharat Abhiyan) approach do not address this shortcoming.
4. **Skilled Manpower:** Skilled workforce is pre requirement for achieving the required results. Lack of skilled work force leads to poor performance and middling manufacturing of products.
5. **Budget:** The package of Rs 20 lakh crore comprises both fiscal and monetary measures, the latter being in the nature of credit guarantees and liquidity infusions into banks and other financial sector institutions.
6. **Lack of Demand:** The great lockdowns have lowered the aggregate demand in the country. People don't have money as they have no work. So, a fiscal stimulus is needed. However, the package is largely based on credit, little has been disbursed directly in the banks of people as compared to US and various other countries. So, they don't have money to spend which has led to demand crunch.
7. **Reforms in Domestic Sector:** reform in economy is a comprehensive approach and should be carried out by state and centre govt. However, many states due to one or other reasons are not reforming the economy. Unless an integrated and comprehensive approach is not followed, domestic economy cannot be revived and economy can face shortage of demand and its production may hamper.
8. **Escalating Fiscal Deficit:** Government claims that the stimulus package is around 10% of India's GDP. However, it would be very difficult for the government to contain the fiscal deficit.

1.10 CONCLUSION

It is revealed from the above analysis that country need FDI, Technology and demand, therefore, Indian industries should build global linkages with reputed MNCs to bring in Foreign Direct Investment and critical technology into the country so that high skill jobs and quality products can be manufactured for the need of country as well as for world. Also, there is need to execute various infrastructure and manufacturing projects in a coordinated, planned and in time bound manner therefore it is suggested to establish a Common AI (Digital) Platform for planning and coordination at all level i.e. for the need of Centre and State governments for planning and execution of infrastructure project effectively and efficiently. Further, there should be proper coordination between various Central and state level agencies. In order to make the self-reliant (Atamnirbhar) campaign successful it is vital to have next generation infrastructure and connectivity in the country. The Atmanirbhar Bharat Abhiyan is an important mission for the economic revival and progress of the Indian economy. If implemented effectively, it can help achieve the dream of India of being economically stable, technologically superior and self-reliant in its needs.

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