

Atmanirbhar Bharat Abhiyan

[UPSC Notes]

What is Atmanirbhar Bharat?

Atmanirbhar Bharat Abhiyan is a mission initiated by the government of India under the leadership of Prime Minister Narendra Modi, who initiated it in May 2020 to make India a self-reliant nation. This mission was launched during the pandemic. The main purpose of launching this program was to support the country during the pandemic, for which the prime minister announced an economic package worth 20 lakh crore.

- Atmanirbhar Bharat is based on 5 basic components: economy, demography, system, demand, and infrastructure.

Although this mission was launched to combat the vaccination crisis during the Coronavirus pandemic, later on, it developed drastically, and today many sectors are seen performing in the same field working in other dimensions.

Latest Updates on Atmanirbhar Bharat UPSC

- The Atmanirbhar Bharat Abhiyan was recently in the news as the United Kingdom India Business Council released a report in 2021 named '*Road To A UK-India Free Trade Agreement: Enhancing the Partnership and Achieving Self Reliance*'.
- In this report, an annual survey was conducted on doing business in India, in which about 77% of United Kingdom companies believed in Atmanirbhar Bharat Abhiyan as an opportunity for their business ideas and did not take it as a challenge to them.
- But the UK India Business Council focused on the point that some reforms included under the Atmanirbhar Bharat program may create negative consequences for the United Kingdom and many other multinational companies.

Atmanirbhar Bharat Abhiyan in India

Atmanirbhar Bharat mission includes a package that was announced at the beginning of the pandemic period. This package incorporated some of the measures from the Reserve Bank of India and some payouts from the Pradhan Mantri Garib Kalyan Yojana (PMGKY). The package released by the Prime Minister of India focused on four major fields: land, labour, laws, and liquidity.

- The goal of Atmanirbhar Bharat mission is to reduce the import of products by improving the quality and quantity within the country itself.
- This mission does not signify any exclusionary strategy but is more of creating a helping hand to the world by empowering the country's population.
- Atmanirbhar Bharat mission's primary focus is on the promotion of local products.

- It was carried out in two phases; wherein the first phase, it will work in the sections related to electronics, medical, textiles, and plastics, and in the second phase, it considers the products related to pharmacy, steel, gems, and pieces of jewellery.
- Atmanirbhar Bharat is more complimentary to the Make in India initiative, where manufacturing in India is encouraged.

Objectives of Atmanirbhar Bharat

The Atmanirbhar Bharat program has the higher objective of reducing the dependency on the import of any foreign products and focuses on the production of its substitute within the boundaries of the country to improve the compliance and production of quality goods to create a global market share.

- The Atmanirbhar Bharat program focuses more on becoming vocal for locals and promoting the products produced locally that benefit the rest of the country.
- It has already released a package worth 20 lakh crore and will keep on releasing more funds to cater to the labourers, MSMEs, cottage industries, and Middle-Class industries.
- By reducing the imports, increasing the production within the country, and increasing the export, it is a vision to become a helping hand and partner for the economic growth of the entire world.

Five Pillars of Atmanirbhar Bharat

By now, we have been discussing the five pillars of Atmanirbhar Bharat. Let's take a look at them in detail.

- 1. Economy:** To build a type of economy that is sufficient enough to take a Quantum jump rather than growing and changing incrementally.
- 2. Infrastructure:** To create more and more Infrastructures within the country that become the spotlight and identity for modern India.
- 3. System:** To create a system that runs on technology and can fulfil the needs and dreams of 21st-century requirements. The present system would be entirely upgraded, unlike the past conditions.
- 4. Demography:** The vibrant demographic is the present millennials in the country who are ambitious enough to bring the nation to a global level and upgrade it from developing to developed countries. Being the world's largest democracy, the vibrant demography would be given chances to come up and be part of a self-reliant India.
- 5. Demand:** To create a demand cycle, there has to be proper supply there for Atmanirbhar Bharat aims to create a proper cycle of demand and supply chain within the economy, which will boost the needs of the country to be harnessed at its fullest.

Atmanirbhar Bharat Abhiyan - MSME Reforms

Read about several other reforms taken to boost Atmanirbhar Bharat.

Emergency credit lines to businesses from banks

- The loan was available for the borrowers without any outstanding balances up to 25 crores and turnovers up to 100 crores.
- Principal repayment was suspended for 12 months on loan with a tenor of 4 years.
- A cap on interest was imposed.
- Principle and credit interest guarantee 100% credit coverage for NBFC and banks.
- For MSME, there was no guarantee fee and no fresh collateral.
- SME loans were collateral-free for 12 months.

20,000 crore subordinated debt for the MSMEs

- A subordinate debt facility of rupees 20000 crores has been announced for stressed MSMEs. About 2 lakh MSMEs benefited from this.
- The program was available to functioning MSMEs who were NPA or worked under stress at that time.
- The government provided an amount of rupees 4000 crores to CGTMSE, providing a partial credit guarantee for supporting the banks.
- People who promoted the MSME were given that by the banks which letter was to be confused by the promoter as equity in the unit.

Equity Infusion

- The government had announced a sum of rupees 50000 crores equity infusion for the MSMEs who had an available business but could not accomplish it due to lack of funds and support under the then-current conditions.
- This fund was operated by the mother fund and a few other types of funds.

Government Procurement

- The government procurements up to 200 crores were prohibited from using global tenders.
- There was a smooth payment process for all the pending payments from the government and other CPSEs to the MSMEs within the coming 45 days.

EPF Support businesses

- The Eligible establishments received 12% of the employer and 12% of the employee contribution under the Pradhan Mantri Garib Kalyan Package.
- It was provided for the salary month of March, April, and May in 2020. Never this support was extended to another three months for June, July, and August.
- Later on, for the coming 3 months, the EPF contributions were reduced for both the businesses and the workers.
- CPSE and state PSUs were to be continuing their 12% employer contribution, but the statutory PF contribution for each was to be reduced from 10% to 12%.
- The workers who were not eligible for 24% EPF support under the Pradhanmantri Garib Kalyan package their extension was covered by this scheme.

Tranches of Atmanirbhar Bharat Abhiyan

After announcing a package for Atmanirbhar Bharat, the finance minister, Nirmala Sitharaman, also announced tranches worth 20 lakh crores as the Atmanirbhar Bharat stimulus package.

- The first tranche extensively focused on supporting the MSMEs hit by the pandemic and the lockdown imposed.
- The second tranche focused on measures to revive the economies of the migrant workers and street vendors who have to leave their working places and move to their hometowns in adverse conditions.
- The third tranche focused on the agriculture and marketing reforms where the package was pending for a long period and was expected to relieve the farmers and consumers during the pandemic.
- The fourth tranche was related to the special sectors related to the defence mineral atomic space, Aviation and power, where privatisation was a major concern and emphasised.

