

ATMANIRBHAR BHARAT ABHIYAN: AN ANALYTICAL REVIEW

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Abstract:

Atmanirbhar Bharat Abhiyan is the new version of 'Make in India' which was announced by Hon'ble Prime Minister on 12th May 2020 with new vision. The detailed announcements were made in five days relief package by the Finance Minister Nirmala Sitharaman to mitigate the negative effects of the COVID-19 pandemic. She clarified that it doesn't aim to adopt protectionism against other countries. Those sectors which require FDI and foreign technology are always welcome. In the critical situation of pandemic when international movements of goods and services are prohibited, India showed the independent skill of manufacturing PPE by growth of this sector from zero to 1,50,000 pieces a day by the beginning of May, indicating the capacity of self-reliance. The paper focuses on those sectors and areas which have potential to achieve self-reliance in the future. It tries to analyse the limitations and bring out the various suggestions to utilize the existing capacity for becoming a global supplier.

Keywords: Covid-19, Atmanirbhar Bharat Abhiyan, Organic Farming, APIs.

Objectives:

1. To find out the capacity of some sectors to achieve self-reliance
2. To find out the problems on the way to Atmanirbhar Bharat.
3. To suggest remedies for existing loopholes.

1. Introduction:

Due to COVID-19 pandemic India experienced declining international trade which gave an idea to achieve self-reliance in some sectors and to become a global supplier. In 1991 fiscal crisis, BOP crisis, hyperinflation led to launch new policy called LPG i.e. Liberalisation, Privatisation and Globalisation. Similarly since March, 2020 whatever situation was faced by

world as well as India due to COVID-19 gave a new concept to emerge that is self-reliant India. With the impact of COVID-19, many countries are adopting protectionist policies. India is a developing country; therefore, it is very difficult to adopt protectionism. But in some sectors in which we have potential to achieve self-reliance, we can impose trade barriers to protect and develop domestic industries. As mentioned by government, 12 sectors including auto components, textiles, industrial machinery and furniture, food processing, organic farming, iron, aluminium and copper, agro - chemicals, electronics, leather and shoes. Masks, sanitizers and ventilators have been identified to give more focus to become a global supplier. It has been seen that these products have comparative advantage as they can be produced domestically at low cost. India has huge potential in Agro-chemicals, Pharma & API's (active pharma ingredients) too.

Foreign secretary Shringala said that "The idea behind self-reliance or Atmanirbhar is not to become isolated country but on the contrary it is to ensure that India can emerge as the global nerve centre of the complex modern multinational supply chains. Pandemic situation gave India a new opportunity to become demonstrated and leading country in front of the world by localising their product and by improving supply chains to meet internal demands." Foreign Secretary while addressing the Federation of Indian Chambers of Commerce and Industry in New Delhi said that "India now have opportunity to diversify global supply chains. In these changing times with an integration of supply-demand basics with highly diversified value chains, emerging technologies and artificial intelligence, present us with an important opportunity for other country and mitigate the supply chain disruptions with the increased use of innovative digital platforms and applications."

2. Research Methodology:

The present study is based on secondary data collected from different journals, magazines, various books and websites which are clearly mentioned in the bibliography.

3. An Extension of Make in India:

There is no previous literature on this topic as it is recently introduced by Prime Minister of India to make India a self-reliant nation and make it a leading global supplier. There is some previous literature on 'Make in India' which is on the same line. A global perspective by According to Dr. (Smt.) Rajeshwari Shettar, SM Sheshgiri (2017), 'Make in India' program

shows drastic change in many sectors like aviation, automobiles, biotechnology. Many researchers tried to represent that Foreign Direct Investment and continuous increase in investment in Research and Development will help in generating employment. Puneet Anejain his paper focussed that 'Make in India' campaign is an imaginative idea of our Prime Minister to convert it into reality and to take some share from China in global manufacturing we have to improve our infrastructure, ease of doing business, reform tax and labour laws. Dr. Richa Shrivastava in her paper explained that India has the capability to push its manufacturing. Government had taken several steps to encourage domestic as well as foreign investors by removing the business barriers and increase the purchasing power of average person helps in boosting demand and generating employment.

4. Scope to boycott China:

The trade between India and China is falling almost 12.4% year on year and to USD 12 billion in the first two months. The declining trade was largely due to the slowdown of the economies of the two countries. As a result of lockdown Indian pharma industry is concerned as India is a big importer of the main raw materials APIs (Active pharmaceutical ingredients) from China. Chinese investments in Indian start-ups-Zomato, Swiggy, Ola, Big basket, Udaan, Policy Bazaar etc. In 2018, Alibaba invested \$216 million in online grocer BigBasket, \$21 million in food delivery app Zomato. Tencent has \$400 million on Ola and huge amount invested in Paytm and Byju's, an education start-up. Two-third of Indian start-ups valued at \$1 billion according to the data from think-tank Gateway house. It is not much harmful to the country if the percentage of Chinese investment is lower. But if the percentage goes upto 40% like in case of paytm then we should not use it. Also, it is dangerous if the percentage of Chinese share becomes more than 50% as with this the Chinese companies get decision making power. Niti Aayog member Shri V.K. Saraswat had said that UP firms in Kanpur should avoid importing raw materials for manufacturing bullet proof jackets due to consistent supply of low quality raw materials and switch to American and European countries for importing raw materials. India's leading multinational engineering, construction, technology and financial services conglomerate L&T (Larsen & Toubro) committed to reduce dependency on Chinese products. L&T CEO, Shri SN Subrahmanyam said that they firmly stand with the policy of 'Make in India' to develop local manufacturing and construct ecosystem in producing efficient and cost effective substitutes for the global markets. Company plays a significant role in producing key engineering and technological products and construct almost all nuclear reactors for power generation over eight decades.

India should negotiate with Australia and European Union on trade related aspect to encourage trade with other rather than China.

5. Sectors having potential to achieve self-reliance in future

5.1 Textile Industry: Indian textile industry is a second largest industry after agriculture in terms of economic contribution and employment generation. Textile and Apparel sector contributes 14% to industrial production, 4% to India's GDP, and constitutes 15% of the country's export earnings. India imports accessories and raw materials from China for textile industry. Global suppliers are looking for alternatives for textile. China is the largest exporter and leading importer of all products finished as well as raw materials. Indian Textile industry is second largest producer of raw cotton, cotton yarn, cellulosic fibre yarn, in silk production. It is also largest producer of jute and fourth producer of synthetic fibre. India exports 25million kg cotton yarn per month to China. We have to analyse both positive and negative side i.e. threats & opportunities. Textile production cost increases by 3 to 5%. Closure of units in China has led to demand drop for textile. India will be preferred market for sourcing of apparels. Garment industry also imported synthetic fibre from the China. Therefore, garment importers have to switch to other countries. This is the opportunity for the domestic manufacturer to supply the fabric to garment exporter. China's share in the export market is around 40%. Not only India, but other countries also like Vietnam, Bangladesh is importing from China. Therefore in case if they are not getting from China these opportunities may get diverted to India. As a recent report by India Brand Equity Foundation, India's overall textile exports during FY 2017-18 stood at USD 39.2 billion and is expected to increase to USD 82.00 bn by 2021(up to Jan 19). Many textile industries started manufacturing PPE kits and Masks. India has become the second largest manufacturer of PPE kit worth Rs 7000cr. 600 companies manufacturing PPE kit across the country. Polyester sportswear companies are manufacturing 7-8 thousand PPE kit per day. Fabric for PPE kit comes from Nasik, Zindal, Himachal, Gujarat, South India etc. Thus, India is a great manufacturing nation but due to lack of quality and timely delivery of goods we will lose the opportunities in next two-three months until we do not improve.

5.2 Organic Farming: The World Organic Agriculture report of 2018 reveals India is third amongst the organic food producers in the world. Indian organic food market is approx. \$1.5 billion out of \$ 250 billion global organic food market. North east states of India

have developed as a hub of organic farming with their efforts. Organic farming can become a huge movement in the North-East and dominate the global market. Sikkim has taken lead to convert their entire produce in organic cultivation. It is estimated that Indian organic agriculture is growing at 25% a year. Enabavi, Telangana's first leading organic or chemical free village is the best example of organic farming and shows huge potential in Indian farming through which farmers can produce more than subsistence level. A farmer from this village said that one farmer's effort can do nothing; every farmer has to do something to improve mother earth's health which gets spoiled due to excessive use of fertilizers. That is why everyone in the Enabavi village adopts natural farming. Earlier there were large number of farmers who committed suicides due to uncertain weather but after adopting natural farming their life has been changed. Now, they have become debt-free and every farmer have bicycle and tractor and their life has become easy.

5.3 Automobile Industry: According to the Foreign Secretary, Indian automobile industry particularly low cost automobiles including 2 and 3 wheelers will have an augmented market in developing countries. India is already the fourth largest auto market in the world. It contributes 7% of GDP, 40% of India's manufacturing and engaging 45 million Indian directly or indirectly. The 'Make in India' initiative has played an important role in uplifting country's position. In the past 3-4 years India improved on nine out of ten parameters for ease of doing business. India's automotive industry transferred it from traditional roles to digital environment to increase connectivity with its customers. India has been known for frugal engineering and for low cost managerial talent. Many global companies named it 'Jugaad' to develop products at low cost, but have enough value to attract demand. To make our country self - reliant in automobile industry our manufacturers should not wait for outsiders because we are not only vehicle makers but also component makers, technology and service providers. Workers are asset for any industry so it will be better to make an Auto Industry workers benefit Fund and do more investments to train them which can enable them to get job. There is need of significant investment in research and development that while recognising 'Jugaad' will set a clear protocol that fosters innovation and solution. It is required to build a PAN - India supply chain network for displaced workers and need to work out on low interest loans.

5.4 Pharmaceutical Industry: In 1969 Indian pharmaceutical industry had a 5% share of the global market. By 2020, it is the reverse, now Indian pharma is having an almost 85% share of the global market. Over the last more than 50 years, India has been successful in meeting the domestic market and has a potential to play the role of ‘pharmacy of the world’. According to Pharmexil, India exported pharma products worth of \$200.02 million in financial year 2018, with a recorded growth of 37.52%. Excess dependency on China for APIs need to be reduced because continuous increase in import of raw materials from China shows alarming situation for Indian Pharma industry. In 2015, Dr. V.K. Subburaj, Secretary, Department of Pharmaceuticals highlighted to achieve self-sufficiency in APIs. In 2018, Chemical and Fertilizer Ministry along with other ministries joined hands to increase the production of APIs domestically to reduce dependency on China. To grasp the real potential of the industry and to speed up the available opportunities, Indian pharma industry is producing as per market demand and spending more on R&D. Existing policies requires to be more friendly which enable local industries to manufacture the core of the industry. Many of the top Pharma companies already set up their plants in Vishakhapatnam for manufacturing APIs to access the sea routes and airports and make it more focussed Centre of Excellence for Pharma sector. The Indian Pharma industry has been growing steadily from the past few years as seen in the following table:

Steady Trend	Value Growth in %					
	2014	2015	2016	2017	2018	2019
Indian Pharma Market	8	15	11	8	7	9
National List of Essential Medicines (NLEM)	-9	10	5	-6	3	6
Non NLEM	11	16	12	10	7	10

Source: Value Growth of Indian Pharmaceutical Market (IPM) MAT July Ref (PwC API Paper)

6. MGNREGA:

Mahatma Gandhi believed that a self-reliant India would not be possible without self-reliant villages. The MGNREGA is also one of the most important Rural Employment Programme which provides opportunities to villagers to become self-reliant. Government has allocated an

additional fund of Rs. 40,000 crore for the MGNREGA under Atmanirbhar Bharat Abhyan. In Madhya Pradesh farm bunds under MGNREGA had helped massive increase in agricultural productivity. It has been observed that this scheme led to the 190% increase in the income of the beneficiaries in Jharkhand. Recently, there has been a focus on the construction of assets on private land. These include fruit orchards, farm bunds, farm ponds and well for drinking and irrigation. This is the time for rural population including the migrant workers who have returned to be engaged in such activities as the creation of small check dams and gully plugging and many become enable to cultivate three crops instead of single crop annually. Government increased the allocation of funds for MGNREGA but it is not sufficient because in poor states due to corruption these funds are not properly allocated so it is needed to 'go vocal' for workers to implement it efficiently in local areas.

7. Conclusion:

Atmanirbhar Bharat Abhiyan is a long-term concept. In short-term it is very difficult to achieve because since 1991 all economies are integrated under LPG policy. From the above study it is concluded that Indian Economy have huge potential to achieve self-reliance but it requires proper implementation of laws made by government and proper allocation of funds allotted by the government. Not only in urban, but rural sector also have great capacity to develop if proper policies are made and implemented. Government should give all the facilities to develop those sectors which have potential to take innovative steps. This is not only government's responsibility but also consumers responsibility to consume domestically produced goods because demand is the main determinant to develop any sector. India is not only capable of producing basic products but also have the capacity to produce highly technical products.

8. Recommendations:

The objectives of the Abhiyan could be fulfilled by adopting some measures. As government allotted huge amount for the development of many sectors and schemes but there is need of the proper allocation of the funds generated and it should reach the actual hands. The poor population affects severely by natural calamities and pandemic. Therefore, country should be prepared for facing natural and economic challenges. Success of any idea and policy depends on good governance and appropriate mechanism for implementation of that policy. To become self-reliant and global supplier it is necessary to increase quantity as well

as quality of the commodity, so that we can deploy the benefit from the opportunity diverted from China. For the successful implementation of the schemes mentioned in Abhiyan, it is must to recognize the actual potential of various sectors existing in urban and rural India and provide them sufficient resource.

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