



## ATMANIRBHAR BHARAT – A GOVERNMENT OF INDIA INITIATIVE TO SPEED-UP THE ENTREPRENEURIAL GROWTH AND EMPLOYMENT GENERATION

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### **Abstract**

*In the previous five years India has emerged as the fastest growing economy. **Atmanirbhar Bharat** is the vision of our honourable Prime Minister Shri. Narendra Modijito make India a self-reliant nation. The “**Five Pillars**” of Atmanirbhar Bharat focuses on the (1) “**Economy**,” (2) “**Infrastructure**,” (3) “**System**,” (4) “**Demography**,” and (5) “**Demand**.” The Government of India is taking appropriate measures ensuring we are all well prepared to face the threats, challenges and aftermaths posed by the Covid-19 pandemic. Our honourable Prime Minister Shri. Narendra Modijion 12<sup>th</sup> May, 2020, announced a special economic package worth Rs. 20 Lakh crores under the Atmanirbhar Bharat Abhiyaan to fight the Covid – 19 pandemics as well as encourage the vastly affected agriculture and industrial sectors.*

*This research was carried out with an objective of studying the various initiatives undertaken under this scheme as well as studies its effect on the growth of Entrepreneurship and Employment generation. The data will be collated from the government websites as well as some of the already published works on Atmanirbhar Bharat. The information gathered will be added to the available literature on the respective topic, i.e., Atmanirbhar Bharat.*

**Keywords:** *Atmanirbhar Bharat, Self-Reliance, Five Pillars, Entrepreneurship and Employment Generation.*

### **Introduction**

The Atmanirabhar Bharath Abhiyaan is the mission initiated by the Government of India on 12<sup>th</sup> May, 2020, towards making India a self-reliant country as well as make its citizens independent in all probable and possible ways. This scheme will encourage and guide almost all the Indian companies to be extremely competitive on the global stage. Over the past few months, the Indian government has attempted to support the economy by a mix of monetary and fiscal packages with the Reserve Bank of India also contributing in a big way to ease the liquidity concerns. The idea was to give a “direct financial support” to the most vulnerable sections/sectors encouraging “focus on self-reliance “and in the process creating a strong structural base for the economy in the long run. This is exactly where the Atmanirbhar Bharat initiative fits in. Under the Atmanirbhar Bharat scheme, the structural reforms and the policy aimat strengthening the economy and putting the economy on a strong growth path once the country recovers from the pandemic shock. The Atmanirbhar Bharat Abhiyaan also emphasizes on encouraging participation and investment by the common public which in turn would increase the investments from the private sector. The policy also adds that the private sector needs to partner with the Government of India in minimising the destructive impact of the pandemic on the Indian economy.

The Atmanirbhar Bharat scheme is aiming to firmly lodge India either in the high-income or upper-middle-income group. Globally, as of today, India is at the 48<sup>th</sup> position based on the “innovation ecosystem.” A country like India should use its demography for the promotion of innovation, which can only be possible, when we do not fear failure. Hence, all activities related to innovation, especially those brought forth by the youth of India should be given utmost importance encouraging them to



explore fearlessly in the areas of entrepreneurship. As India is heavily reliant on importing a large number of products, there are ample opportunities for the budding entrepreneurs in these areas bearing in mind the future requirements of the market and making India self-reliant, i.e., thoroughly Atmanirbhar in all senses.

The Atmanirbhar Bharat campaign is a call to encourage “entrepreneurship” encouraging the creation of an environment of innovation and entrepreneurship amongst the individuals who have been first to adopt the Atmanirbhar campaign to transform “Local India” into “Global India.”

### **Atmanirbhar Bharat and Entrepreneurship in India**

It is a launch pad to boost entrepreneurship and nurturing the “innovation and development ecosystem” for a substantial “Rural-Urban Symbiotic Development.” India’s (Bharat’s) call for a self-reliant economy is not for protectionism or isolationism, rather, it is for adopting a practical growth strategy which would enable the country to identify and capitalise on its inherent strength.

### **Role of Innovators and Start-ups in the Atmanirbhar Bharat Abhiyaan:**

For the Indian start-ups who produce locally the Atmanirbhar Bharat Abhiyaan is a chance to “take charge of innovation,” for which, we are usually dependent on the global suppliers. These are quick-to-spot opportunities in adversities and “innovate affordable products. “the start-ups can lead the way by innovation and bring into the market “new products and/or services” that are of world class and yet be affordable. The innovators and start-ups should be quick to spot the opportunities and innovate and infuse their “products and/or services” into the market within a stipulated or short span of time and budget to have a competitive edge. Start-ups in sectors like automation, supply chain logistics and healthcare would lead the charge in the “Atmanirbhar Bharat Abhiyaan” mission.

As part of the Atmanirbhar Bharat package numerous government decisions have been taken such as changing the definition of MSME (Micro, Small, Medium) enterprises/industries boosting the scope for private participation in numerous sectors thus increasing the foreign direct investment (FDI) in the defence sector.

The Prime Minister's address came a day after he held a marathon 6-hour meeting on 11<sup>th</sup> May, 2020, with the chief ministers of all the states in India and almost all of them asking for a large financial package. The scheme has an aim to revive the Indian economy, to help the farmers and migrant workers, and to revive the industrial sector. This package of Rs. 20 Lakh crores was equivalent to 10% of India's total GDP as on 12<sup>th</sup> May, 2020. The details about the package were announced in a series of press conferences by the finance minister Smt. Nirmala Sitharaman in 5 tranches, namely;

**Tranche 1:** Business including the MSMEs - on 13<sup>th</sup> May, 2020.

**Tranche 2:** Poor including migrants and farmers - on 14<sup>th</sup> May, 2020.

**Tranche 3:** Agriculture - on 15<sup>th</sup> May, 2020.

**Tranche 4:** New Horizons of Growth - on 16<sup>th</sup> May 2020.

**Tranche 5:** Government Reforms and Enablers - on 17<sup>th</sup> May, 2020.

MSMEs are provided with “6 relief measures” under the Atmanirbhar Bharat scheme. Rs. 3 Lakh crores collateral-free loan will be provided by the Government of India and will infuse Rs. 20,000 crore to the stressed MSMEs. The government will also provide a fund of Rs. 50,000 crore to the MSMEs having



potential growth. The Atmanirbhar Bharat scheme has been called by some as a repackaged version of the Make in India Movement using a new tag line such as “Vocal for Local.”

### Review of Literature

1. SmitaDubey and Harish Kumar Dubey, Topic: Atmanirbhar Bharat Abhiyaan- An analytical review. Name of the Journal: Dogo Rangsang Research Journal-2347 –Volume number 10; 4<sup>th</sup> July, 2020

In their paper, the authors have studied how the art of the scheme is an extension of “Make in India” and the study also extends to finding out the potential to achieve self-reliance in the future. Some of the sectors that were studied are the Textile Industry, Organic Farming, Automobile Industry and the Pharmaceutical Industry.

2. Vijay D. Joshi, Ashok Panigrahi and Manish Pitke, Topic: Vision of “Atmanirbhar Bharat”- Role and Significance of MSME. Name of the Journal –The Management Accountant. Volume 55, Issue 12, December 2020. ISSN Number 09 72-3528, DOI: 10.33516/maj. v55i12.44-47p

In their research paper, the authors have concluded that a systematic framework is required to include MSME in making the Atmanirbhar Bharat scheme a reality. They have advised that there is no need to understand our strengths, and accordingly to bring up and support the industry, they have suggested that agro-based MSME is India’s strength and can create employment in India.

3. Dr. Ajay Massand, M. K. Lodhi and Dr. Lubna Ambreen, Topic: Atmanirbhar Bharat: Economics, Legal and Social Aspects. Name of the Journal –International Journal of Management, IJM 11 06 092; June 2020; DOI: 10.34218/IJM.11.6.2020.092

The authors in their paper have studied their unprecedented COVID-19 and its effect on the Indian economy in their paper. They have studied the problems faced in terms of liquidity due to the shutdown in the economy.

4. Tom K. Thomas and Sudeep B. Chandramana, Topic: Role of Start-ups in Building Atmanirbhar Bharat, Conference Paper; November 2020; DOI: 10.6084/m9.figshare.13332449.v1, Conference: Atmanirbhar Bharat: A Roadmap to Self-reliant India, Place: Thiruvalla.

### Objectives

1. The objective of this research paper is to understand the Atmanirbhar Bharat scheme introduced by the Government of India.
2. To study how whether the scheme created new job opportunities in the country.

### Research Methodology

The research is descriptive in nature. Secondary data was used to collate and analyse the information.

### Government Reforms

1. The government’s reforms policy under Atmanirbhar Bharat Abhiyaan highlighted an increase in borrowing limits of the state governments from 3% to 5% of the gross state domestic produce for the year 2020 and 2021.
2. Privatisation of Enterprises (PSEs): A new PSE policy had been announced with plans to encourage private businesses except the ones functioning in certain strategic sectors which is



being worked upon and will be notified or rolled out by the government in the immediate future. In the strategic sector, at least one PSE will remain, but private sectors will also be allowed. To reduce any imprudent administrative costs, it has been planned/outlined to maintain a ratio of “1:4” as the number of enterprises in the strategic sectors and others to be privatized, merged or brought under holding companies.

3. All the businesses including MSMEs will be provided with collateral-free automatic loan of upto Rs. 3 Lakh crores. MSMEs can borrow up to 20% of their entire outstanding credit as on February 2020 from banks and non-banking financial companies.
4. Corpus for MSMEs: Refund of funds with a corpus of Rs. 10,000 crores will be set up for MSMEs. This will provide equity funding for MSMEs with a growth potential and viability. Rs. 50,000 crores is expected to be leveraged through the fund structure.
5. Subordinate Debt for MSMEs: The policy/scheme aims to support the stressed MSMEs which have non-performing assets.
6. Schemes for NBFCS: A special liquidity scheme is announced under which Rs. 30,000 crores of investment will be made by the government in both primary and secondary market transaction at the investment grade. The existing partial credit guarantee scheme will be extended to partially safeguard the businesses against borrowings of such entities.
7. Employee Provident Fund: Under the PM GaribKalyanYojana, on 15<sup>th</sup> April, 2020, the government approved paying 12% of the employer’scontribution and 12% of employee’s contribution to the EPF account of eligible establishments for the month of March 2020, April 2020, and May 2020 and on 13<sup>th</sup> May, 2020, it was decided by the honourable Finance Minister of India, Smt. NirmalaSitaraman, that the same would be extended for the subsequent 3 more months, i.e., June 2020, July 2020 and August 2020.
8. Statutory PF contribution: Statutory PF contribution of both the employer and the employee was reduced from 12 % to 10% each for all establishments covered by EPFO for the months of March 2020, April 2020 and May 2020. The scheme was applicable to the workers who were not eligible for the 24% EPF support under the PM GaribKalyan package and its extension.
9. Street Vendors: A special scheme “PM Street Vendors AtmannirbharNidhi” (PM SVAnidhi) for street vendors/hawkers vending in urban areas as on or before 24<sup>th</sup> March, 2020, was launched on 1<sup>st</sup> June, 2020, to facilitate easy access of credit for street vendors under this scheme. Bank credit of Rs.10 thousand rupees was provided to each eligible street vendor as an initial working capital and almost 50 lakh eligible street vendors benefited from this scheme.
10. Social Sector Policy Highlights: Public health investment in public health was increased along with investment in grass-root Health Institutions of the urban and rural areas. The lab networks were strengthened in districts and at block levels for the efficient management of the pandemic. A “National Digital Health Blueprint”was implemented to create an ecosystem to support universal health coverage in an efficient, inclusive, safe and timely manner.
11. Allocation for MGNREG(Mahatma Gandhi National Rural Employment Guarantee): Under the fifth tranche of the Atmanirbhar Bharat scheme, with an intention to support the rural economy and the migrant workers, an additionalRs. 40,000 crores were allocated under the MGNREG scheme. This had then increased the union budget allocation for MGNREG from Rs. 61,500crores to Rs. 1,01,500crores for the fiscal year 2020-2021.
12. Technology Driven Education: PM e-Vidya was launched for multi-mode access to digital or online education consisting of:
  - (a) DIKSHA for school education in states and union territories with e-content and QR coded and energized textbooks for all grades (One Nation, One Digital Platform).
  - (b) One earmarked TV channel per class from standard 1 to 12 (One Class, One Channel).



- (c) Extensive use of radio, community radio and podcasts.
- (d) Special e-content for visually and hearing impaired.
- (e) Top 100 Universities were permitted to automatically start online courses from 30<sup>th</sup> May 2020.

For those students in the country who do not have an access to the internet were offered the SwayamPrabha DTH channel, and today, there are 34 DTH channels under the SwayamPrabha telecasting high-quality educational programmes on a 24x7 basis (using the GSAT-15 satellite).

Similarly, a “National Foundational Literacy and Numeracy” mission was launched in December 2020 with a vision to create a suitable environment ensuring universal acquisition of foundational literacy and numeracy, so that by 2026-2027 every child achieves the desired learning competencies in “reading, writing, and numeracy at the end of Grade III and not later than Grade V.

### Findings

The Ministry of Commerce and Industry has published the following data:

1. Number of start-ups recognized by Department for Promotion of Industry and Internal Trade (DPIIT) goes up to 50,000. The last 10,000 start-ups were added in just 180 days. Recognized start-ups have now spread across 623 districts. About 1.7 lakh jobs were created by recognized start-ups in the fiscal year 2020-2021.

Start-up India- Reaching New Heights, Making India a Global Leader in Innovation. (Posted On: 03 June, 2021; 3:25 p.m. by PIB Delhi.)

Start-up India is a flagship initiative of the Government of India launched by the honourable Prime Minister, Shri.NarendraModiji on 16 January, 2016. The initiative was intended to catalyse the start-up culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India. The DPIIT acts as the Nodal Department for the Start-up initiative.

As on 3<sup>rd</sup> June, 2021, about 50,000 start-ups across the country had been recognized as start-ups by DPIIT, of which 19,896 had been recognized since 1<sup>st</sup> April, 2020.

With the launch of the Start-up India initiative, recognized start-ups have now spread across 623 districts. Each State and UT has at least one start-up. Thirty States and UTs making up the Republic of India have announced specific Start-up Policies to support Start-ups. Maharashtra, Karnataka, Delhi, Uttar Pradesh and Gujarat have the greatest number of start-ups.

Notably, it took only 180 days to add the last 10,000 start-ups, as compared to 808 days for the first 10,000 at the beginning of the initiative. About 743 start-ups were recognized in 2016-2017, in the first year of the initiative, which has now increased exponentially to over 16,000 start-ups being recognized in the fiscal year 2020-2021.

Entrepreneurs now have options to avail benefits across a range of laws, regulations, fiscal and infrastructural support leading to a surge in the start-up ecosystem growth.

The recognized start-ups have contributed significantly to job creation with 5,49,842 jobs created and reported by 48,093 start-ups with an average number of 11 employees per start-up. About 1.7 lakh jobs were created by recognized start-ups in the fiscal year 2020-2021 periods alone.

The sectors that had the maximum registered start-ups were ‘Food Processing,’ ‘Product Development,’ ‘Application Development,’ ‘IT consulting’ and ‘Business Support Services’. The leadership teams



of 45% start-ups have a women entrepreneur, a trend which will inspire more women entrepreneurs to turn their ideas into start-ups.

Start-up India at DPIIT has played a pivotal role in strengthening the key pillars identified for our start-up economy. Funding opportunities to start-ups have been enhanced through the multiple programs conceived and implemented by DPIIT.

Recognition and Rewarding of the start-ups through “National Start-up Awards,” “State Ranking Framework,” “Global VC Summit,” “Prarambh: The Start-up India International Summit” have provided the ecosystem an opportunity to engage with multiple partners, get recognized for their contribution and showcase the work that is being done.

DPIIT will continue to engage with multiple stakeholders to address the growth opportunities and challenges in the ecosystem helping the Indian start-up ecosystem reach greater heights.

### **Conclusion and Recommendation**

Atmanirbhar Bharat Abhiyaan is a long-term concept. In a short period of time, it is very difficult to achieve 100% success because since 1991 all the economies are integrated under Liberalization, Privatization and Globalization (LPG) policy. From the above study, it is concluded that the Indian economy has a huge potential to achieve self-reliance but requires proper implementation of the laws laid down by the government and proper allocation of funds allotted by the government. It has been noticed thus far that not only the urban sectors but also the rural sectors have great potential to develop if appropriate policies are laid down and implemented. The government should give all the facilities to develop those sectors which have the potential to take innovative steps. This is not only the government’s responsibility but also the consumers’ responsibility to consume domestically produced goods as it has been the common understanding that “demand is the main determinant to develop any sector.” India is not only capable of producing the basic products but also has the capacity to produce advanced technical products for itself as well as the world.

Success of any idea or policy depends on good governance and appropriate mechanism for implementation of the same. To become self-reliant as well as a global supplier, it is necessary to increase the quantity as well as the quality of the commodities and ably promoted by the Government of India as well as the Private sector.

For the successful implementation of the schemes mentioned in the Atmanirbhar Bharat Abhiyaan, it is a must to identify, develop and nurture the actual potential of various sectors (start-ups) existing in both the urban and rural India and the same will certainly bring out the best in them when ably promoted, recognized and rewarded suitably.

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