

Atmanirbhar Bharat Abhiyan - COVID-19 Relief Package

The COVID-19 pandemic has adversely affected the Indian economy and society in varied ways. In this article, you can read the details of the Atmanirbhar Bharat Abhiyan - which is the name given to the full-fledged economic stimulus package announced by the Union Government. This comes under the economy, polity, disaster management and current affairs segments of the [UPSC syllabus](#).

The government had initially announced the [Pradhan Mantri Garib Kalyan Yojana](#) (PMGKY) as interim measures for those affected by the [COVID-19](#) pandemic. To read about all the important [government schemes](#) for the UPSC exam and other government exams, click on the linked article.

The Atmanirbhar Bharat Abhiyan (meaning self-reliant India scheme) was announced in four tranches by the Union Finance Minister Nirmala Sitharaman in May 2020.

Atmanirbhar Bharat Abhiyan

The economic stimulus relief package announced by the government is touted to be worth Rs.20 Lakh crores. This includes the already announced Rs 1.70 lakh crore relief package, as the PMGKY, for the poor to overcome difficulties caused by the coronavirus pandemic and the lockdown imposed to check its spread.

Basic Facts about the Atmanirbhar Bharat Scheme

- The Prime Minister announced that an Atmanirbhar Bharat or a self-reliant India should stand on the following **five pillars**:
 - Economy
 - Infrastructure
 - 21st century technology driven arrangements and system
 - Demand
 - Vibrant Demography
- The 20 lakh crore worth package is almost **10% of the GDP** of the country.
- The package emphasises on **land, labour, liquidity and laws**.
- The package includes measures across many sectors such as MSME, cottage industries, middle class, migrants, industry, etc.
- Several reforms are announced to make India a self-reliant economy and mitigate negative effects in the future. Some of the reforms are:
 - Simple and clear laws
 - Rational taxation system
 - Supply chain reforms in agriculture
 - Capable human resources
 - Robust financial system

Let's take a look at how India's relief package stands in comparison to those announced by other countries:

Country	Percentage of GDP
USA	13% (2.7 trillion USD - largest in absolute monetary terms)
Japan	21.1%
Sweden	12%
Australia	10.8%
Germany	10.7%

In the following sections, we discuss the four tranches of the economic relief package as announced by the FM.

Atmanirbhar Bharat Abhiyan - Tranche 1

The first tranche contained 16 specific announcements and they spanned across the MSME, NBFC, real estate, power sectors, etc.

Category	Measures
Employees/tax payers	<ul style="list-style-type: none"> Extended deadline for income tax returns for the financial year 2019-20 (due date pushed to 30 Nov 2020) The rates of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) have been cut by 25% for the next year. EPF support, provided to low-income organised workers in small units under the PMGKY, is being extended for another 3 months. PF payments have been reduced from 12% to 10% for both employers and employees for the next 3 months.
MSMEs	<ul style="list-style-type: none"> The ₹3 lakh crore emergency credit line announced will ensure that 45 lakh units will have access to working capital to resume business activity and safeguard jobs. Provision of ₹20,000 crore as subordinate debt for 2 lakh MSMEs which are stressed or deemed non-performing assets. A ₹50,000 crore equity infusion is planned, through an MSME fund of funds with a corpus of ₹10,000 crore. The definition of an MSME is being expanded to allow for higher investment limits and the introduction of turnover-based criteria. Read more on May 20, 2020 CNA. Global tenders will not be allowed for government procurement up to ₹200 crore. The government and central public sector enterprises will release all funds due to MSMEs within 45 days.
NBFCs	<ul style="list-style-type: none"> Rs 30,000 crore special liquidity scheme, under which investment will be made in investment grade debt papers of NBFCs. Partial credit guarantee scheme extended under which the govt. guarantees 20 per cent of the first loss to the lenders — NBFCs, HFCs and MFIs with low credit rating.
Discoms	<ul style="list-style-type: none"> ₹90,000 Cr. liquidity Injection has been announced.
Real Estate	<ul style="list-style-type: none"> States and UTs have been advised to extend the registration and completion date of real estate projects by six months.

Atmanirbhar Bharat Abhiyan - Tranche 2

The second tranche focuses on providing free food grains to migrant workers who do not possess ration cards.

Provision	Details
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Free food grains	<ul style="list-style-type: none"> The Centre will spend ₹3,500 crore for providing free food grains for migrant workers without ration cards for the next 2 months. This is an extension of the PMGKY.
Credit facilities	<ul style="list-style-type: none"> Street vendors will be given access to easy credit through a ₹5,000 crore scheme, which will offer ₹10,000 loans for initial working capital. Plans to enrol 2.5 crore farmers who are not yet part of the Kisan Credit Cards scheme, along with fish workers and livestock farmers, and provide them with ₹2 lakh crore worth of concessional credit. NABARD will provide additional refinance support worth ₹30,000 crore to rural banks for crop loans.
Subvention relief	<ul style="list-style-type: none"> Small businesses who have taken loans under the MUDRA-Shishu scheme, meant for loans worth ₹50,000 or less, will receive a 2% interest subvention relief for the next year.
Affordable rental housing	<ul style="list-style-type: none"> A scheme to build rental housing complexes through PPP mode would be launched under the existing Pradhan Mantri Awas Yojana (PMAY) scheme. Both public and private agencies will be incentivised to build rental housing on government and private land, while existing government housing will be converted into rental units. The credit linked subsidy scheme for lower middle class housing under PMAY will also be extended by one year to March 2021.
One Nation One Ration Card Scheme	<ul style="list-style-type: none"> By August 2020, the ration card portability scheme will allow 67 crore NFSA beneficiaries in 23 connected States to use their cards at any ration shop anywhere in the country.
MGNREGA	<ul style="list-style-type: none"> States are directed to enrol migrant workers returning to their native places in the MGNREGA scheme.

Atmanirbhar Bharat Abhiyan - Tranche 3

The third tranche of the economic relief package focuses on agricultural marketing reforms. Many of the reforms announced are long pending and are expected to have a positive impact for both the farmers and the consumers.

Provision	Details
Inter-state trade	<ul style="list-style-type: none"> Plans to enact a central law to permit barrier-free inter-State trade of farm commodities and e-trading. This will allow farmers to sell produce at attractive prices beyond the current mandi system.
Contract farming	<ul style="list-style-type: none"> Plans to ensure a facilitative legal framework to oversee contract farming. This would provide farmers with assured sale prices and quantities even before the crop is sown and also allow private players to invest in inputs and technology in the agricultural sector.

Deregulating produce	<ul style="list-style-type: none"> The Centre will be deregulating the sale of six types of agricultural produce, including cereals, edible oils, oilseeds, pulses, onions and potatoes, by amending the Essential Commodities Act, 1955. Stock limits will not be imposed on these commodities except in case of national calamity or famine or an extraordinary surge in prices. These stock limits would not apply to processors and exporters.
Agriculture infrastructure	<ul style="list-style-type: none"> Investment of 1.5 lakh crore rupees to build farm-gate infrastructure and support logistics needs for fish workers, livestock farmers, vegetable growers, beekeepers and related activities.

Atmanirbhar Bharat Abhiyan - Tranche 4

The final tranche focuses on the sectors of defence, aviation, power, mineral, atomic and space. There is a huge emphasis on privatisation. One concern with this set of reforms is that they look more like industrial reforms rather than an economic reform package or stimulus.

Sector	Provisions
Defence	<ul style="list-style-type: none"> Provisions for banning the import of some weapons and platforms to indigenise defence production. There is a provision for a separate budget for domestic capital procurement. This would help reduce the defence import bill and encourage domestic production. The FDI limit in defence manufacturing under automatic route will be raised from 49% to 74%. Ordnance Factory Boards (OFB) would be corporatized and listed on the stock market to improve autonomy, efficiency and accountability.
Minerals	<ul style="list-style-type: none"> The government monopoly on coal would be removed with the introduction of commercial mining on a revenue sharing basis. The private sector would be allowed to bid for 50 coal blocks. Private players would also be allowed to undertake exploration activities.
Space	<ul style="list-style-type: none"> Private involvement in space will be encouraged. A level playing field for private players will be created in the space sector, allowing them to use ISRO facilities and participate in future projects on space travel and planetary exploration. The government will ease geo-spatial data policy to make remote-sensing data more widely available to tech entrepreneurs, with safeguards put in place.
Aviation	<ul style="list-style-type: none"> Six more airports are up for auction on private public partnership mode, while additional private investment will be invited at 12 airports. Measures to ease airspace restrictions have been announced which would make flying more efficient. Rationalising of the MRO (maintenance, repair and operations) tax structure with an aim to make India an MRO hub.
Power	<ul style="list-style-type: none"> Power departments/utilities and distribution companies in U.T.s would be privatized based on a new tariff policy to be announced.

Atomic

- Research reactors in PPP mode would be set up for the production of medical isotopes.

