

ATMANIRBHAR BHARAT ABHIYAN – TIME FOR INDUSTRIAL AND AGRICULTURAL REVOLUTION

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ABSTRACT

The Indian Government has recently declared two proposals for industrial and agriculture segment after Covid-19 pandemic and the changes in the global situation and as part of Atmanirbhar Bharat Abhiyan and the subsequent ordinances. The investment in infrastructure is a welcome step; market reforms proposed are inadequate to improve the prospects of smallholder farmers. An enabling ecosystem that enhances the market power of farmers must be created for smallholders to take advantage of the reform measures.

Each crisis triggers events that help initiate structural reforms. We did have a lot of liberalisations post-1991. Thereafter, the pace of reforms has been mostly incremental. Some big-bang measures such as Demonetisation, GST, and Insolvency code only have more of a symbolic value than in addition to the economic value.

KEY WORDS: Industry, Agriculture, Atmanirbhar, Abhiyan, economy.

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INTRODUCTION

A fresh IBC reference stand suspended, there is more currency in circulation now than the amount of currency before demonetisation, GST collection has been falling. While the intent could be high on content, empirical studies on the net result are not so promising besides the teething implementation issues possibly because of inadequate planning.

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During COVID-19, as part of the government's Rs 20 lakh Crore economic stimulus package, Finance Minister Nirmala Sitharaman announced structural measures in industries, mining, agriculture in bits and pieces. What we require is a complete overhaul of the current industrial policy and an agrarian policy towards Prime Minister Narendra Modi's 'Atmanirbhar Bharat Abhiyan' or Self-reliant India Mission.

INDUSTRIAL POLICY

During the COVID-19 crisis, FM Sitharaman had announced a slew of reforms as part of the government's fiscal stimulus package. The structural reforms pertaining to industries are as follows:

1. Commercial mining of coal by the private sector. 50 blocks will be offered for bidding, on the basis of a revenue-sharing model, and the government will invest Rs. 50,000 Crore to build evacuation infrastructure.
2. Enhanced private investment in the mineral sector. 500 blocks will be auctioned in a composite exploration-cum-mining-cum production regime. Besides, distinction between captive and non- captive mines to be removed for better redistribution of surplus materials.
3. Hike in FDI in defence manufacturing from 49% to 74%.
4. Easing of restrictions on Indian air space, benefitting civil aviation, and reducing flying costs.
5. Privatisation of electricity distribution companies in Union Territories to begin with, to be extended to states later.

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6. Boosting private participation in space activities. Private sector can use ISRO facilities.
7. Research reactors in atomic energy in public-private (sector) partnership (PPP) model.
8. Viability gap funding for social infrastructure projects.

While all of these are welcome initiatives, they operate in silos. This is an opportunity to review the entire industrial policy. The last industrial policy was enacted in 1991 when the industry faced a balance of payment crisis that led towards a set of reforms moving towards liberalisation. In view of the current crisis and our goal towards an Atmanirbhar Bharat (Self-reliant India), a comprehensive industrial policy should be put in place towards that direction.

At the present juncture, when we need both growth and jobs, there can be no second thought on ushering in nothing short of an industrial revolution. A well thought industrial policy can change the ecosystem which can transform India into a global manufacturing hub with competitive pricing, innovation, and make the country an attractive investment destination. With US-China Trade war, there is a great opportunity to attract investment in the region. We must not miss the bus now as it is now or never.

AGRARIAN POLICY

With respect to agriculture, the finance minister has announced several measures to address some agricultural structural issues. These are:-

1. Agri-marketing reforms, including a new central law to bypass Mandi and APMC reforms framework for e-trading.

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2. Revamp essential commodities act and deregulate oil, pulses, onion, potato, etc.
3. Rs 1 lakh Crore investment in farm gate infrastructure and logistics.

These too are welcome. But again, let us review the whole agriculture sector policy as a comprehensive approach rather than one in bits and pieces. The agrarian distress is palpable in rising farmer suicides. Many farmers still have to depend on moneylenders and the informal sector. It is time to review the agrarian problems and possible solutions in a holistic manner. The immediate goal can be to double farmers' income, which can only be possible by increasing production and productivity.

Issues pertaining to marginalised sections such as landless labour and sharecroppers/tenants need to be studied in depth. A few areas that need immediate attention are--land reforms, consolidation of fragmented holdings, clarity on titles, ownership, and possession of land resources and digitalisation, etc. nationwide warehousing and transportation grids to store perishable products, integrating labs into the land, extensive use of technology to boost productivity, and reduce redundancy in products, processes, and designs.

DISINVESTMENT - NOT A DIRTY WORD BUT KEY TO DELIVERANCE

In the meantime, to kick-start the economy, the government needs to spend and make huge Investments in Infrastructure. The Centre has to bite the bullet first and expect the private sector to follow. Aggressive and serious disinvestment can generate revenue to fund government spending. It is none of

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the business of government to be in business and hence must exit it, and the disinvestment target should be non-negotiable. In the absence of tax buoyancy and little space for borrowing as fiscal space is already stretched, disinvestment in all possible ways is the only way.

CONCLUSION

It is time to constitute a task force consisting of all stakeholders to review the policy framework in a time-bound manner and institutionalise a foundation for Post COVID-19 Atmanirbhar Bharat.

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