



Role of Aatmanirbhar Bharat Abhiyan in strengthening India's long-term economic growth

Himanshi Juneja^{1*} and Riya Gangwar²

¹ Research Scholar, Department of Economics, Mahatma Jyotiba Phule Rohilkhand University, Bareilly, Uttar Pradesh, India

² Research Scholar, Department of Commerce, Mahatma Jyotiba Phule Rohilkhand University, Bareilly, Uttar Pradesh, India

*Corresponding Author: Himanshi Juneja

Received 13 March 2026; Accepted 22 Apr 2026; Published 18 May 2026

DOI: <https://doi.org/10.64171/JSRD.5.S2.94-98>

Abstract

The Aatmanirbhar Bharat initiative has been introduced in India in 2020, also known as Self-reliant India. That is a major economic initiative taken by PM Narendra Modi to build India independently sustainable with global competitiveness. An approach that will shift India towards strengthening domestic capabilities and building a more self-reliant economy. Aatmanirbhar Bharat focuses on Make in India for the world that will reduce the excessive dependence on imports and enhance the competitiveness of Indian industries. This study explores how this initiative has influenced India's GDP growth trajectory by examining macroeconomic trends before and after its implementation. The study will rely on the secondary data from the official national and international sources based on the requirement of the paper. The paper will analyse changes in sectoral performance, particularly in Manufacturing, MSME and Agriculture. The findings will show that policies like Production linked incentive schemes, supports small businesses and increased government investment helped to improve domestic production and created better conditions for economic growth. Although India's GDP growth has shown improvement in recent years, the impact of Aatmanirbhar Bharat differs across sectors and regions but it needed to check on various timelines about the progress of such schemes to measure the impact of it.

The study concludes that the Aatmanirbhar Bharat Abhiyan has made a distinguishable contribution in strengthening India's domestic production capacity and reduced the reliability on imports. The initiative has supported the expansion of manufacturing, encouraged investment, and provided much needed assistance to MSMEs, which together form the backbone of India's economy. However, the impact of the initiative has not been uniform across all sectors. To ensure that Aatmanirbhar Bharat leads to a sustained and higher GDP growth trajectory, consistent policy implementation, technological upgradation, skill development, and stronger export competitiveness are essential.

Keywords: Aatmanirbhar Bharat Abhiyan, GDP Growth trajectory, Industrial policy, Manufacturing sector, Economic self-reliance

1. Introduction

India has become a very fast growing economy in recent two decades. India with its large domestic market, demographic advantage, and expanding industrial and service sectors, has steadily increased its role in the global economic system. However, despite this progress, the Indian economy has also faced persistent structural challenges such as heavy dependence on imports in critical sectors, limited manufacturing competitiveness, regional disparities in development, and vulnerabilities in global supply chains.

The outbreak of the COVID-19 pandemic in 2020 created an unprecedented economic disruption worldwide. The COVID-19 pandemic was not only a public health crisis but also a serious economic shock for countries across the world. For India, the crisis exposed several structural weaknesses that had existed for years, heavy dependence on imported inputs, fragile supply chains, limited manufacturing competitiveness, and uneven employment generation. In 2020-21, India's GDP contracted sharply, marking one of the deepest slowdowns in its post-independence economic history. This moment became a turning point in rethinking the country's development strategy.

In response to these challenges, the Government of India launched the Aatmanirbhar Bharat Abhiyan (Self-Reliant India Mission) in May 2020. The term "self-reliance" might suggest economic isolation but the initiative was not designed to withdraw from globalization. Instead, it aimed to strengthen India's domestic capabilities so that the country could participate in global markets from a position of strength rather than dependence. The idea was to make India more resilient, competitive, and structurally prepared for future economic disruptions.

The Aatmanirbhar Bharat Abhiyan focuses on five key pillars: economy, infrastructure, technology driven systems, vibrant demography, and demand. It aims to promote structural reforms across multiple sectors, particularly manufacturing, agriculture, Micro, Small and Medium Enterprises, and infrastructure development. Several policy interventions were introduced under this mission, such as the Production Linked Incentive (PLI) scheme, emergency credit support for MSMEs, increased public investment in infrastructure, and reforms in key industrial sectors (Ministry of Finance, 2021).

For decades, India's growth model has been largely service driven, with manufacturing contributing a relatively modest

share to GDP compared to other emerging economies. At the same time, India has faced persistent trade deficits in several strategic sectors. Aatmanirbhar Bharat attempts to address these long standing challenges by encouraging domestic value addition, promoting innovation, and reducing excessive reliance on imports in key industries such as electronics, pharmaceuticals, and renewable energy.

This study seeks to analyse the role of Aatmanirbhar Bharat Abhiyan in strengthening India's long term economic growth. It examines whether the initiative has contributed to structural transformation in the economy, improved manufacturing performance, enhanced investment flows, and strengthened macroeconomic stability. By connecting policy measures with broader growth indicators, the research aims to assess whether Aatmanirbhar Bharat represents a meaningful shift in India's development strategy.

2. Literature review

The concept of economic self-reliance has remained an important policy objective for developing economies, particularly in the context of globalization, trade uncertainties, and external shocks. In India, the idea of self-reliance has evolved over time, shifting from import substitution strategies in the post-independence period toward a more competitive and globally integrated model in recent decades. The launch of the Aatmanirbhar Bharat Abhiyan in 2020 renewed this discourse by emphasizing domestic capacity building while simultaneously aiming to strengthen India's role in global supply chains.

Several scholars have highlighted that the COVID-19 pandemic exposed the vulnerabilities of highly interconnected global production systems. According to the World Bank (2023), disruptions in international trade and supply networks forced many economies to reconsider their dependence on imports for critical goods and services. India's experience during the pandemic further demonstrated the necessity of strengthening domestic manufacturing and ensuring resilience in essential sectors such as pharmaceuticals, electronics, and food supply chains.

The Government of India (2021), through the Economic Survey, emphasized that Aatmanirbhar Bharat is not intended to promote isolationism, but rather to enhance competitiveness through structural reforms, innovation, and industrial expansion. This approach aligns with the broader objective of achieving sustainable long term growth through improved productivity and investment in domestic industries.

A significant body of literature has examined the role of industrial policy in fostering economic development. Rodrik (2004) argued that targeted industrial strategies, when supported by appropriate institutions, can accelerate growth by promoting strategic sectors and addressing market failures. In this context, the Production Linked Incentive (PLI) scheme, introduced under Aatmanirbhar Bharat, has been widely discussed as a major industrial policy tool aimed at boosting domestic production and attracting foreign investment (Ministry of Finance, 2021). Studies suggest that incentives for electronics manufacturing, renewable energy and

pharmaceuticals may help India integrate more effectively into global value chains.

The MSME sector has also been central to the self-reliance mission. MSMEs contribute significantly to employment generation, exports, and industrial output in India. The Reserve Bank of India (2022) reported that liquidity constraints and reduced demand during the pandemic severely affected small enterprises. In response, credit guarantee schemes and collateral free loans introduced under Aatmanirbhar Bharat provided essential support for recovery. Scholars have argued that strengthening MSMEs is crucial for inclusive growth, as these enterprises serve as a bridge between rural and urban economic development.

Agriculture remains another critical sector in India's economy, employing a large proportion of the workforce. During the pandemic, agriculture demonstrated resilience compared to other sectors, supported by stable rural demand and government interventions (Government of India, 2021). Literature indicates that reforms aimed at improving agricultural supply chains and infrastructure investment may contribute to long term productivity gains and food security.

Macroeconomic studies have also evaluated India's growth trajectory in the post 2020 period. The International Monetary Fund (2022) observed that India's recovery has been among the strongest globally, supported by fiscal measures, industrial reforms, and increased domestic demand. However, the IMF also highlighted challenges such as inflationary pressures, uneven sectoral recovery, and the need for sustained structural reforms.

Despite the positive outlook, some researchers caution that the benefits of self-reliance initiatives may not be evenly distributed. Regional disparities, technological gaps, and limited access to skilled labour could restrict the long term impact of such policies. Furthermore, excessive protectionism may lead to inefficiencies if domestic industries are not able to achieve global competitiveness (Rodrik, 2004).

Overall, the existing literature suggests that the Aatmanirbhar Bharat Abhiyan has the potential to strengthen India's economic resilience by supporting domestic production, enhancing industrial competitiveness, and promoting MSME growth. However, long term success depends on consistent policy implementation, technological upgrading, skill development, and stronger export performance. This study builds upon these discussions by examining sectoral trends and macroeconomic indicators to assess the initiative's contribution to India's long term GDP growth trajectory.

3. Objectives of the study

- To examine the role of Aatmanirbhar Bharat Abhiyan in strengthening India's economic growth.
- To analyse the impact of the initiative on GDP growth trajectory after 2020.
- To study sectoral performance changes in manufacturing, MSMEs, and agriculture.
- To evaluate the effectiveness of policies such as PLI schemes and MSME support measures.
- To identify challenges and future requirements for sustainable self-reliant growth.

4. Research methodology

4.1 Research design

The study adopts a descriptive and analytical research design to examine the economic implications of the Aatmanirbhar Bharat Abhiyan. The research focuses on evaluating macroeconomic and sectoral indicators to understand changes in India’s growth performance following the introduction of the initiative.

The approach is quantitative in nature and is based on the examination of officially published economic data.

4.2 Data sources

The study is based entirely on secondary data collected from reliable and official sources, including:

- Economic Survey of India
- Reserve Bank of India (RBI) publications
- Union Budget documents
- Ministry of Commerce and Industry reports
- Ministry of MSME reports
- World Bank and IMF databases

The period of analysis covers 2018–2024, which allows comparison of economic performance before and after the introduction of Aatmanirbhar Bharat Abhiyan in 2020.

4.3 Variables and measurement

The analysis is based on key macroeconomic and sectoral indicators that reflect economic growth and structural performance. These include:

- Gross Domestic Product (GDP) growth rate (annual percentage at constant prices)
- Gross Value Added (GVA) in manufacturing
- MSME performance indicators (output and contribution to employment)
- Agricultural growth rate
- Export performance
- Foreign Direct Investment (FDI) inflows
- Gross Capital Formation

These indicators are measured using officially reported annual data and are used to assess overall economic conditions and sectoral developments.

4.4 Tools and techniques of analysis

The study employs simple statistical and comparative methods for analysing the data. These include:

- Tabular presentation and analysis of GDP and sectoral indicators
- Comparative assessment of economic performance before and after 2020
- Policy-oriented interpretation of government interventions such as PLI schemes and MSME credit support measures.
- As the study is exploratory and analytical in nature, advanced econometric modelling is not employed. The focus remains on systematic examination and interpretation of observed economic outcomes.

4.5 Limitations of the study

The study is limited to secondary data and officially published sources. As the initiative is relatively recent, its long-term impact may still be evolving. External global economic conditions during the study period may also influence the results.

5. Findings and Result

5.1 GDP growth trajectory before and after Aatmanirbhar Bharat

India experienced a significant economic contraction during the pandemic year 2020-21. However, following the implementation of Aatmanirbhar Bharat stimulus packages and structural reforms, GDP growth rebounded strongly in the post 2020 period.

Table 1: India’s GDP Growth Rate Before and After Aatma Nirbhar Bharat (2018–2024)

Year	GDP growth rate (%)	Key economic context
2018-19	6.1%	Stable growth before slowdown
2019-20	3.9%	Economic slowdown prior to COVID-19
2020-21	-5.8%	Severe contraction due to pandemic
2021-22	9.1%	Strong rebound after stimulus and reforms
2022-23	7.2%	Recovery supported by domestic demand
2023-24*	6.5%	Growth driven by manufacturing and investment

Note: 2023-24 figures are provisional estimates.

Source: World Bank (2023); IMF (2022); Ministry of Finance (2021) As shown in Table 1, GDP growth declined sharply from 3.9% in 2019-20 to -5.8% in 2020-21 due to pandemic-related disruptions. However, the economy recorded a substantial rebound of 9.1% in 2021–22, indicating the immediate impact of fiscal stimulus and policy interventions under the Aatmanirbhar Bharat framework. Subsequent years reflect moderate but stable growth, suggesting a transition from short-term recovery toward medium-term stabilization.

5.2 Sectoral performance under Aatmanirbhar Bharat

The performance of key productive sectors: Manufacturing, Agriculture, and MSMEs, reflects the structural impact of

Aatmanirbhar Bharat interventions. Table 2 presents a comparative view of sectoral growth trends before and after 2020.

Table 2: Comparative sectoral growth performance before and after Aatmanirbhar Bharat (2018-2024)

Year	Manufacturing GVA growth (%)	Agriculture growth (%)	MSME credit growth (%)
2018-19	5.7%	2.6%	8.5%
2019-20	-1.4%	4.3%	7.8%
2020-21	-7.2%	3.6%	2.1%
2021-22	11.1%	3.3%	14.3%
2022-23	4.5%	4.0%	12.8%
2023-24	6.8%	3.8%	10.5%

Note: 2023-24 figures are provisional estimates.

Source: MoSPI; Ministry of MSME; Economic Survey (various issues)

As shown in Table 2, manufacturing and MSMEs experienced sharp contractions in 2020-21 due to pandemic related disruptions, while agriculture maintained positive growth. This highlights the relative resilience of the agricultural sector during the crisis.

In the post 2020 period, manufacturing recorded a strong rebound of 11.1% in 2021-22, supported by industrial policy measures such as PLI schemes. Similarly, MSME credit growth increased significantly following the introduction of liquidity support mechanisms under Aatmanirbhar Bharat. Agriculture, while stable throughout, did not experience extreme volatility, suggesting its role as a structural stabilizer in the economy.

5.3 Summary of results

The findings indicate that India experienced a sharp economic contraction in 2020-21, followed by a strong recovery in the post 2020 period. GDP growth rebounded significantly after the implementation of Aatmanirbhar Bharat measures. Manufacturing and MSMEs, which were severely affected during the pandemic, showed notable improvement supported by policy interventions such as PLI schemes and credit support. The agricultural sector remained relatively stable throughout the crisis. Overall, the results suggest that the initiative contributed to economic stabilization and sectoral recovery in the short to medium term.

6. Policy effectiveness: PLI and MSME support measures

The results show that policy measures introduced under Aatmanirbhar Bharat played an important role in supporting economic recovery after 2020. The strong rebound in manufacturing growth suggests that schemes like the Production Linked Incentive helped boost domestic production and encouraged investment in key sectors.

Similarly, the improvement in MSME credit growth indicates that support measures such as the Emergency Credit Line Guarantee Scheme (ECLGS) provided much-needed financial relief to small businesses during a difficult period. These policies helped stabilize operations and improve confidence among enterprises.

However, while the short term impact appears positive, the long term success of these measures will depend on improving productivity, strengthening competitiveness, and ensuring sustainable growth beyond temporary stimulus support.

7. Challenges and future requirements for sustainable self-reliant growth

Although the Aatmanirbhar Bharat initiative has supported economic recovery, several challenges still remain. Many industries continue to depend on imported raw materials and intermediate goods, which limits true self-reliance. MSMEs face issues such as limited access to advanced technology, skill gaps, and financial constraints. Infrastructure bottlenecks and global economic uncertainty also affect long term growth prospects.

For sustainable self-reliant growth, the focus now needs to move beyond short-term stimulus toward long term capacity building. Greater investment in innovation, technology, skill development, and infrastructure is essential. Strengthening domestic supply chains and improving global competitiveness will be keys to ensuring that self-reliance leads to sustained and inclusive economic growth.

8. Result and Discussion

The findings of this study suggest that Aatmanirbhar Bharat Abhiyan played a meaningful role in stabilizing the Indian economy after the severe contraction in 2020-21. The sharp rebound in GDP growth reflects the combined impact of fiscal stimulus, policy reforms, and renewed domestic demand. This indicates that timely government intervention helped prevent a prolonged economic slowdown.

Sectoral analysis shows varied responses across industries. Manufacturing and MSMEs were among the worst affected during the pandemic, but they also demonstrated strong recovery once targeted support measures were introduced. This highlights the importance of policy driven industrial support in reviving productive sectors. At the same time, the steady performance of agriculture confirms its role as a structural stabilizer in times of crisis.

However, the recovery pattern also suggests that short term growth revival does not automatically guarantee long term structural transformation. While output levels improved, sustained self-reliance will require deeper reforms in productivity, innovation, and competitiveness. Policies such as PLI and MSME credit support appear effective in the short run, but their long term success will depend on how well they strengthen domestic capacity and reduce structural vulnerabilities.

Overall, the discussion indicates that Aatmanirbhar Bharat has contributed positively to post-pandemic recovery, but

achieving sustainable self-reliant growth will require continuous policy refinement and long-term structural strengthening.

9. Conclusion

The study shows that the Aatmanirbhar Bharat Abhiyan has played a significant role in stabilizing India's economy after the pandemic-induced contraction of 2020-21. GDP growth rebounded strongly, and key sectors such as manufacturing and MSMEs demonstrated recovery, reflecting the positive impact of policy measures like PLI schemes and credit support programs. Agriculture remained relatively stable, highlighting its structural resilience.

While these results indicate effective short term interventions, achieving long-term self-reliant growth requires continued focus on structural reforms, technological advancement, skill development, and strengthened domestic supply chains. Addressing these challenges will be crucial to ensure sustainable growth and reduce dependence on external factors. In summary, Aatmanirbhar Bharat has contributed to post-pandemic recovery and sectoral revival, but its true success will depend on translating short-term gains into sustained, inclusive, and self-reliant economic development.

References

1. Government of India. Aatmanirbhar Bharat Abhiyan: Policy package announcement. Press Information Bureau, 2020.
2. Government of India. Economic Survey 2020–21. Ministry of Finance, 2021.
3. International Monetary Fund. World economic outlook database. IMF Publications, 2022.
4. Ministry of Finance. Production linked incentive (PLI) scheme and industrial growth. Government of India, 2021.
5. NITI Aayog. Strategy and reforms under self-reliant India mission. Government of India, 2021.
6. Reserve Bank of India. Annual report 2021–22. RBI Publications, 2022.
7. Sharma R. Impact of Atmanirbhar Bharat on Indian manufacturing growth. *J Econ Policy Stud.* 2021;15(2):45-60.
8. Singh P. MSME growth and policy support under self-reliant India. *Indian J Commer Manag.* 2022;10(1):20-35.
9. World Bank. India development update: Navigating recovery pathways. World Bank Group, 2023.
10. Ministry of Finance. Economic Survey of India 2020–21. Government of India, 2021.
11. Ministry of Statistics and Programme Implementation. National accounts statistics. Government of India, 2023.
12. International Monetary Fund. World economic outlook database. IMF, 2022.
13. NITI Aayog. Self-reliant India strategy and sectoral reforms. Government of India, 2021.
14. World Bank. India development update: Navigating recovery pathways. World Bank Group, 2023.