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GOVERNMENT SCHEMES FOR POST PANDEMIC ECONOMIC RECOVERY

The first case of COVID-19 in India was reported on 30 January 2020. After that two kinds of shock overtook India: a health shock and an economic shock. Both of them are key sectors for a country's overall growth. It has led to large disruptions in the economy.

The initial impact on the **Agrarian Sector** wasn't much as during the first lockdown the virus was more or less limited to cities. However, during the second wave, it was one of the worst hit sectors as COVID had penetrated into the villages. In the **Manufacturing Sector**, COVID put an immediate halt to many business activities due to strict social-distancing norms. Thousands of manufacturing units shut down forever and several thousand more were brought to their knees.

This sudden change in the manufacturing sector in turn affected the **Service Sector**. Sectors like Education, Gym, and Tourism witnessed a direct impact and the layoff of lakhs of workers.

All this needed to be dealt with firmly. Keeping this in mind, the government has launched various schemes in the past one and a half years related to this. The goal is to minimize the impact of COVID-19 and to maximize feeling of security to all the citizens and lift them economically.

Various schemes have been launched across many sectors but here we will be looking at a few policies which will impact the country's economy.

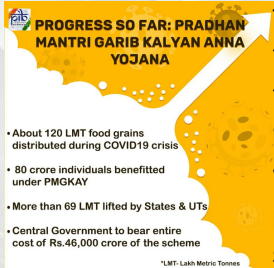
SCHEMES COVERED

- Pradhan Mantri Garib Kalyan Ann Yojana
- Emergency Credit Line Guarantee Scheme
- PM Street Vendor's Atmanirbhar Nidhi
- Production Linked Incentive Scheme
- One District One Product Scheme
- Garib Kalyan Rojgar Abhiyan



Pradhan Mantri Garib Kalyan Ann Yojana

This scheme is a part of the Atmanirbhar Bharat, and it provides free food grains to migrant labour and poor. This is to ensure food security for all in the pandemic, when most poor people struggled to find work. People will be provided with 5 kg free wheat / rice per person / month and also 1 kg free whole chana to each family per month. Wheat has been allotted to Punjab, Haryana, Rajasthan, Chandigarh, Delhi and Gujarat and the rest of the states/UTs have been provided with rice.



Emergency Credit Line Guarantee Scheme

This scheme was launched by the Finance Ministry of India in May 2020. It aimed to provide Rs. 4.5 lakh crore collateral free loans to MSMEs in order to wade through the stress caused by the lockdown. The government supports the banks and NBFCs in extending credit facilities to enterprises that have suffered due to the pandemic. The amount of Emergency Credit Line to be extended would be upto 20% of total outstanding as on Feb 29, 2020. The interest rate is capped at 9.25% for banks and 14% for NBFCs. Also, under this scheme, there are no charges for processing, foreclosure or prepayment of loans.

PM Street Vendor's AtmaNirbhar Nidhi

Launched by the Ministry of Housing and Urban Affairs, this scheme aims to empower Street Vendors by not just extending loans to them, but also trying to bring them under the fold of the formal sector of the economy from the informal and providing them means of availing loans in the future. It is a micro-credit facility that provides street vendors with a collateral-free working capital loan of upto Rs 10,000 with very low rates of interest for a period of one year. It aims to reach out to 50 lakh vendors, to help them resume their businesses and get back on their feet. It also provides various incentives for regular and digital repayment of loans.

Production Linked Incentive Scheme

In the Union Budget of 2021-22, a funding of Rs 1.97 lakh crores for the Production Linked Incentive Schemes for 13 key sectors. It aims to create national manufacturing champions envisaging an AtmaNirbhar Bharat while also creating employment opportunities for the youth. The production in India due to this is expected to be over US \$500 billion in 5 years. It offers companies incentives on incremental sales from products manufactured in India. Key Starting Materials/ Drug Intermediaries, Electronics, Medical Devices, Pharmaceutical drugs, telecom, food products, white goods, are some of the sectors falling under this scheme.

One District One Product Scheme

This scheme was launched by The Ministry of Food Processing Industries (MoFPI) under Centrally Sponsored Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme. It gives support in the form of financial, technical, and business to existing micro food processing enterprises. It adopts the One District One Product approach for procurement of inputs and marketing of products, and promotes each district's specialty. It is going to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 crores.



Garib Kalyan Rojgar Abhiyan

With the onset of the lockdown in March 2020, several thousands of migrant workers started returning to their homes because of the loss of almost all opportunities of work. This scheme was launched to provide work to these migrant labourers and similarly affected rural population in their own villages and towns. It was launched on 20 June, 2020 with an initial funding of Rs 50,000 crore. It is a 125-day Abhiyan. It provides public infrastructure to villages and creates long term livelihood opportunities.



Source: [financialexpress.com](https://www.financialexpress.com)