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CONTENTS

Sr. No.	Author's Name	Title Name	Page No.
1	Dr. Kanhaiya Kumar	Changing Role of Foreign capital as Public Debt	6
2	Prof. (Dr.) D. P. Gupta	Entrepreneurship in Micro, Small and Medium Sized Enterprises (MSMEs)	11
3	Dr. Dimpal Rani	Impact of Covid 19 on Indian Economy	16
4	Dr. Kumari Anita Roy	Impact of COVID-19 on Indian Economy- A Review	22
5	Manish Kumar	Customer Satisfaction towards Life Insurance Corporation (LIC) of India	28
6	Kishor Kumar Mishra	Development of Indian Banking during Reforms Era	31
7	Nirlesh Kumar	Emerging Issues in Rural Areas	36
8	Dr. Sanjeev Kumar Singh	Need & Importance of Labour Welfare in India	53
9	Dr. Santosh Kumar	Top Management of Central Cooperative Bank in Bihar	57
10	Sapana Kumari	Women Entrepreneures : Emerging Force For Economic Development	62
11	Sumit Jiloka,	Opportunities & Challenges for Rural Women Entrepreneurship in India	66
12	Supriya Jiloka	Conceptual Framework of Non-Performing Assets (NPAs) in Bank	71
13	Dr. Rupesh Kumar	A Study on Issues and Challenges of Women Empowerment in India	77
14	Dr. Rupesh Kumar	Inventory Management Challenges	83
15	डॉ० संतोष कुमार	विनोबा भावे का "भूदान-यज्ञ" भूमि सुधार का गैर सरकारी भागीरथ प्रयास का निरीक्षण	86

Changing Role of Foreign capital as Public Debt



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Abstract :

Public debt and economic development of a country, both are irreversible interlinked as two factors for capital mobilization for development of a national economy. In the pre-globalization period the basic technique of operation of public debt was distinct from their operation in globalization. In pre-globalization option minimized public debt was, for example, to expand export and substitution of important many other alternatives which were commonly applied to substitute the goods and services imported.

However, in the new trade regime of WTO all alternatives have been made ineffective under the Trade Related Intellectual Property Rights (TRIPS) which allows free trade of goods and services and restrict trading in knowledge and technique employed. In this situation what impact it has inflicted on demand is the main theme of this paper.

Introduction :

In today's, globalized world economy of the importance of the foreign capital has increased unimaginatively, even to the extent of so much so as without aid of foreign capital developing economies can seldom be score their economic growth to match

universally. Prior to neo-liberalism, when the economies of developed nations were not fully and hospitality opened national market of developing countries were not linked globally with other nation's market and the situation was fundamentally different from today's. The fundamental difference between foreign aids in the years prior to globalization and later on globalization was laid down in the fact that pre-globalization foreign aid was oriented to meet the economic needs of the countries which derive them but the post-globalization foreign aids have been directed to meet the economic requirements of developed countries— to day foreign aids are a type of imposition on the developing countries rather than their development needs for finance. Previously, foreign aids, received by a weaker national economy, was supposed to be carry with it foreign exchange, technical know how, talent, resources etc. which were used and utilized by the weaker economy to strengthen its technological bases leading it to become technologically self-reliant in future. But to day this scene has gone far aside from the economic stage. Today the foreign aids enter in a country freely and operate not corresponding to the weaker nation's developmental needs but corresponding to its own profit from the capital invested.

Foreign aids are decidedly helpful to give economic development, an impetus, but simultaneously it is also apprehended that its uncontrolled expansion in the size of foreign aid may lead to a country to a situation of debt trap. Therefore, economic development through foreign aids works as a double edged weapon which is used properly will lead the economy to a right trap of growth otherwise it will sink the nation into an unrepairable crisis.

However, experiences about public debt through foreign debt does not always have humanitarian tinges rather it always tagged with political and military connection sometimes corrupts the national political condition. India is an example that when in 1991 the economy of the country was over burdened with financial scarcity the imperialist powers headed by America, imposed upon India, in coordination of the International Monetary Fund and the world Bank such conditions which revised the self-reliant economy of India in a complete about turn position and India came under the neo-colonial exploitative mechanism of the global imperialism. With this change price situation in India employment generation and all economic sectors have been disorganized under the market rules.

Since such aids are to be repaid in a specific time limit the budget and the national income became dislocated on this account.

The experiences of India itself shows that within 20 years how much amount was scheduled to be paid against market loans of the central and state government. The table given below gives data on it :

Table No. -1

Repayment schedule for market loans of the central and state government issued up to the end of March, 1996 (Rs. in crores)

S.No.	Year	Central Govt.	State Govt.
01.	1996-97	7921	Nil
02.	1997-98	10903	557
03.	1998-99	9892	1414
04.	1999-2000	12353	1301
05.	2000-2001	14426	420
06.	2001-2002	12464	1446
07.	2002-2003	14165	1789
08.	2003-2004	13143	4145
09.	2004-2005	3435	5122
10.	2005-06	16581	6274
11.	2006-07	7394	15
12.	2007-08	5651	3805
13.	2008-09	7338	2286
14.	2009-10	9199	2555
15.	2010-11	9100	2569
16.	2011-12	8610	3549

17.	2012-13	1755	Nil
18.	2013-14	1779	Nil
19.	2014-15	4088	Nil
20.	2015-16	4174	Nil

Source: RBI Report on currency and Finance 1995-98 Issue, vol.-I, p.VIII-6.

The outstanding liabilities of the central government at the end of March, 1996 aggregated at Rs. 605,710 crore accounting for 55.8 percent of GDP as against 57.0 percent at the end of March, 1995¹. Decline in debt-GDP ratio was consequences of policy initiative which, at end March, 1996 at Rs. 553044 crore accounted for 51.0 percent of GDP as against 51.6 percent of March,1995². Annually, the repayment of market loan acceded to Rs. 10,000 crore and with fresh barrowing it was to be increased. This debt scenario was a type of stranglehold for the Indian economy which imposed itself on India under globalized market economy.

India's Debt Trap : A problem—

In current economic scenario India's foreign indebtedness it has been said : "while rising trend in India's external debt and debt service constitute serious cause for concern. The situation is not one that threatens solvency or credit worthiness of the country. The real problem is that the burden of debt service reduces greatly the room manoeuvre on the development, from as well as the choice of development strategies"³.

According to a Report Indian credit worthiness with debt service ratio of 30 percent, has not yet reached a strategy where its credit worthiness could have questioned. However, with mounting debt burden India's choice for development strategy has to be restricted, which was not a case earlier. In the condition of no international indebtedness India was free to adopt its trade policy of efficient import substitution and export promotion were both in indicators of trade benefit, but in the WTO trade regime the entire scene has been altered under the Trade Related Intellectual Property Rights (TRIPS). Many similar policy had been framed supporting the supremacy of market and non-interference with the market by government.

Problems Regarding Moratorium :

The most prominent problem regarding debt to India is that how to meet the service changer on existing debt assuming that failure on this front will harm the responsibilities of the country on further credit worthiness of failure. The long turn credit is of the basic type that is to expand internal production and to export a large surplus from them. There are still unutilized but authorized foreign assistances which can be used for productive work, more efficiently. Projects which have been established but are unfinished can be completed. Similarly, the production units set up with the foreign loan will have to manage with greater efficiency to enable then to create large financial and physical surplus. But all these steps will not be make country free from foreign debt.

An another method to save creditability of debt repayment is rescheduled of existing debt, that is, the period of repayment is extended for a time being. It does not mean immunity to government for non-payment of debt rather a type of relief to government for some time. Additional borrowing can be made to payment of interest charges. All these methods are neither effective not any type of solvency of the debt problem.

The two methods viz. export promotion and import substitution, which are supposed to be remedies to come out of debt to trap, has been marketized. Under the WTO trade regime no technology and knowledge are allowed to be traded freely rather it has been assumed to be the exclusive property of the person who has invented them and to how that technology to be used for import substitution one has to pay colossal amounts

to the corporation, the owner of the technology. Consequently the poor countries are forced to import goods and services from their developed counterparts.

Utilization problem :

The role of private foreign capital has to be examined into period of economic development in present era of globalized economy and freer flow of capital. Period of allowance to freer flow to private foreign capital often came from private firms operating in various com. Reliance upon them to be reduced generally, depends upon the efficient uses of technology, timely accomplishment of projects and proper use of allocated fund etc. These projects should be managed to be as greater utilisers of indigenous resources and to get them projected a better unit producing a better imported. But the WTO trade regime and marketized economy of today the entire scenario have subsequently changed. In preglobalization two, things unskilled labour movement and freedom to labour to migrate to other countries for earning their livelihood to with the high freedom to migrate from other countries.

If a comparison between cross boundary movement of labour, specially unskilled, and private trade in foreign exchange is given a cursory look upon, one can find that in the era of globalization while the free cross boundary migration of unskilled labour has been restricted the free flow of capital, specially the finance capital has assumed unprecedented flow ever seen by human being before. A rough estimate of the Bank of World Settlement suggests that the daily volume of

private trade in foreign exchange counted in 1.2 trillion US dollar. Of this colossal amount hardly 2 percent is accounted for trade in goods. And if one adds all direct investment it would hardly approach below 4 percent. This trade in foreign capital in private hand, in these days of concentration of foreign exchange in private hands two days of hostile trade can sweep out entire foreign reserve of all countries Central Bank⁴.

Under the global market the suppressing of the role of private capital has become impossible.

However, in current phase of globalization, what ascendancy of international finance has been set up, was started with the successive wave of liberalization of the major capital markets of the advanced capitalist

countries in mid, 1970. It received irresistible momentum in 1980 ushering the current phase of globalization dominated by the international finance capital. Although little note of its implication on India has been taken into account on its implication on India yet undeniable is the fact that the policy and stances in India have gradually, been leaned to the sentiment of international finance capital. Since the application of neo-liberalism the traditional policy of India regarding trade, self-reliant growth strategy etc. have fundamentally been changes, indigenous policy are being substituted by standard market principles.

Problem in Finding Alternative :

To come out of the debt problem and to restrict future problems there are many remedies, but all of them have some complications in reaching their final objective. Besides so many other alternatives which are applied or sought to be applied the two remedies are most popular and sought by the state to implement. They are export promotion and import substitution, the methods applying which the deficit in trade balance could be minimized and debt can be reduced.

Let us consider the aforesaid two remedial suggestions in favour of export promotion and import substitution. In the WTO trade Regime of Trade Related Intellectual property Rights goods and services are traded freer, but there have been imposed heavy restrictions upon that knowledge and technology embodied in production of goods and services exported to developing countries. In the aura of Neo-liberalism a new trend in global trade has been gradually developing which makes increasingly difficult to use increasingly difficult for the develop use by them their alternative indigenous technique to use in the more developed trade regime of WTO, India find over greater pressure

upon it to import goods and services than produce them at homes. Secondly, it is much amicably forgotten that the internal trade has been the most potent vehicle to educate the weaker section of the people specially labour's locate in global history. This leading process involved through international trade may well be the most important dynamic game of the existing comparative advantage. But in stead of allowing International trade as a vehicle of import knowledge and technique to a backward national think thing invention as a privately owned things for use of which heavy amount is required to be paid its owner. This type of provisions in WTO regime has closed for over the chances of developing countries to invent alternative devices to make substitutions of the commodities and service which thy import.

Problems of Expansion of Export and Substitution of Import : In debt reduction the two major remedial suggestion advanced by the economists are expansion of export and second substitutions of import. This theory has assumed a more generic character in globalized economy. It starts from a wrong notion guided by the theory of methodological Individualism which stems that the individual micro-economic parts have the same properties as the whole macro-economic system. Such assertion of a correlationship between the more and macro-economies has created many fallacious of composition in micro-macro-economies.

Conclusion :

Illustrate the point One corporation restraining individually the wages of workers or shedding labour for raise productivity can raise efficiency and profit of the corporation but if all corporations begin to follow the same principle for profit enhancement at the same time the total demands and employment will shrink and even the profit of the corporation might be reduced.

Similarly, one country can increase its export greater than its import and place the country in favourable balance of payment, but all countries can not to it simultaneously, because one country export should have to match with some other country's import. This is the zero some global game in which not all would be gainers at the same time.

Reference:

1. *Report on currency and Finance Statement 155 to Vol. II.*
2. *Ibid*, Statement 189 of Vol. II.
3. Economic Advisory Council (EAC) "Report on the current economic situations and priority areas or Actions".
4. *Bank of International Settlement (BIB) 2001, Central Bank Survey of Foreign exchange and Derivative. Market Activities in April, 2001, Global Data.*

Entrepreneurship in Micro, Small and Medium Sized Enterprises (MSMEs)

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Abstract

The new trend that can be seen in the field of entrepreneurship is the increasing participation of women and especially in MSME. In developing countries, entrepreneurship in small scale industries has gained comparatively more popularity and importance than large industries. It is because of their contribution towards employment generation, GDP and exports with lesser amount of capital investment. The MSMEs in India engaged in various activities and also support the large industries by providing services and products to them. 'MSMEs are complimentary to large industries' and thus play a good role in industrialization of our nation (MSME report 2017-18). Small businesses are generally considered to be the first line of employment and thus the initial training grounds for this nation's workforce.

Keywords : MSME, Entrepreneurship, Women, Employment, GDP.

Introduction

In developing countries, entrepreneurship in small scale industries has gained comparatively more popularity and importance than large industries. It is because of their contribution towards employment generation, GDP and exports with lesser amount of capital investment. The MSMEs in India engaged in various activities and also support the large industries by providing services and products to them. 'MSMEs are complimentary to large industries' and thus play a good role in industrialization of our nation (MSME report 2017-18). Small businesses are generally considered to be the first line of employment and thus the initial training grounds for this nation's workforce (Clark and Radwan, 2010).

Recognizing the importance of entrepreneurship in small sectors, the Government of India had taken steps like setting up of Small Industries Development Organization (SIDO) in 1954, and within two years' of time the government set up the National Small Industries Corporation, the Khadi and Village Industries Commission and the Coir Board. Small Industries Service Institute (SISI) were also set up all over India to train youth in skills/entrepreneurship. Tool Rooms were established for providing technical services essential to MSEs as also for skill-training. At the State level, District Industries Centres were set up all over the country. After the implementation of new economic policy many other measures were taken to improve the quality of products and for the adoption of improved technologies and infrastructure in small businesses. To provide technical and financial assistance the government of India has set up Small Industries Development Bank of India (SIDBI). Ministry of Small Scale Industries and Agroand Rural Industries (SSI and ARI) came into being on 1999 with a aim to provide development and promotional assistance to the small business sector. Finally to enhance the progress and competitiveness of these small industrial Micro, Small and Medium Enterprises Development (MSMED) Act was passed in the year 2006.

The MSME Act 2006 differentiate or define micro, small and medium enterprises on the basis of their investment in plant and machinery and equipments as mentioned below. For manufacturing sector, an enterprise is classified as: a) micro enterprise, if investment in plant and machinery does not exceed twenty five lakh rupees; b) small enterprise, if investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; or c) medium enterprise, if investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees; In case, enterprise is engaged in providing or rendering of services, it is classified as: a) micro enterprise, if investment in equipment does not exceed ten lakh rupees; b) small enterprise, if investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; or c) medium enterprise, if investment in equipment is more than two crore rupees but does not exceed five crore rupees.

The central government and the state government had joined hand by hand to make tremendous changes in the field of micro, small and medium enterprises. All initiatives taken by the central as well as the

state government are intended to promote and encourage entrepreneurship which helps to generate employment opportunities and to improve the standard of living of the citizens. Rather than large industries the focus is given on micro, small and medium enterprises because of the return with lower investments compared to that of large industries. The MSME Development Act was passed with a view to review the policies and programs for the development of MSMEs. To encourage and promote setting up of new enterprises and to develop a culture of entrepreneurship among first generation entrepreneurs the government under the Act had set up an autonomous institution named National Institute for Micro, Small and Medium Enterprises at Hyderabad for providing consultancy services and training.

After the implementation of MSME Act Indian economy has witnessed a tremendous growth in the number of enterprises and employment generation, and also its contribution to the growth of GDP of the country (See Table 1).

Table No. 1 Number of enterprises and employment provided

Year	Total Working enterprises (in lakh)	Employment (in lakh)
2006-07	361.76	805.23
2007-08	377.36	842
2008-09	393.7	880.84
2009-10	410.8	921.79
2010-11	428.73	965.15
2011-12	447.64	1,011.69
2012-13	467.54	1,061.40
2013-14	488.46	1,114.29
2014-15	510.57	1,171.32

Source: MSME Report 2015-16

As stated in the table, the number of units of MSME has increased from 361.76 lakhs units to 510.57 units within a period of ten years which indicates nearly a hundred percentage increase in the number of units. The same way another notable contribution of MSME is employment generation. From the table we can infer that employment opportunities generated by MSME has increased by more than fifty percentage as ten years passed.

Large number of entrepreneurs are engaged in trading and services than manufacturing sector and that too in micro level and employment opportunities provided at high level in micro enterprises. It is also noted that the number of micro enterprises at rural area is more than that of urban area (rural – 324.09 lakh; urban – 306.43) whereas in the case of small and medium enterprises are more at urban area than at rural area [urban – small(2.53) and medium(.04); rural – small(.78) and medium(.01)] (MSME Report 2017-18). In the case of employment generation more number of employment opportunities are provided at micro level rather than at

small and medium enterprises. The number of enterprises and the employment generation at micro, small and medium level is reflected in the table below (table no 2).

Table No.2 Number of enterprises and employment generated by MSME

Nature of enterprises	Number of enterprises in lakh	Employment generated in lakh
Micro	630.52	1076.19
Small	3.31	31.95
Medium	0.05	1.75

Source: MSME Report 2017-18

The contribution of MSME in national GDP signifies the need for the growth and development of micro, small and medium enterprises in developing countries especially India. The share of MSME in the GDP is mentioned below in table no 3 from the fourth All India Census of MSME. The share of manufacturing sector and trade service sector is shown separately. This has been calculated at constant price taking base year 2011-12.

Table No 3 Share of MSME in GDP(sector wise)

Year	Manufacturing sector in percent	Trade and service sector in per cent	Total in percent
2011-12	6.16	23.81	29.97
2012-13	6.27	24.13	30.40
2013-14	6.27	24.37	30.64
2014-15	6.11	24.63	30.74

Source: MSME Report 2016-17

The 73rd survey conducted by the NSS (National Sample Survey) during 2015-16 gives the following result which is depicted in table no 1.4. The table gives the classification of enterprises on the basis of activity as manufacturing, trade, other services and electricity(non captive electricity generated). More number of enterprises are engaged in trade and other services(non manufacturing activities as compared to manufacturing activities). Another notable point is that manufacturing enterprises in MSME are more in rural area than urban area whereas the scenario is different in the case of non manufacturing enterprises where they are at large numbers in urban area than in rural area specifically in the case of trade and service.

Table No. 4 Estimated number of MSME (activity base)

Activity	Rural	Urban	Total	Share percent
Manufacturing	114.14	82.50	196.65	31
Trade	108.71	121.64	230.35	36
Other services	102.00	104.85	206.85	33
Electricity	0.03	.01	0.03	00
Total	324.88	309	633.88	100

Source: MSME Report 2017-18

The government of India under the ministry of MSME had launched a number of programs for promoting entrepreneurial culture among Indian citizens and for the further development of the existing enterprises. Some of the main programs and schemes provided by the ministry of MSME are discussed in the following paragraphs.

1. Prime Minister's Employment Generation Programme (PMEGP) – this is a scheme which is introduced with a view to generate employment opportunities in rural as well as urban area by promoting the setup of micro enterprises. The other aim of this programme is to arrest the migration of young generation from the nation due to unemployment. Any citizen with 18 years or above age can approach for the financial assistance under this scheme.
2. Credit Linked Subsidy Scheme (CLSS) - This scheme is meant for those micro and small enterprises who find difficult to afford the high cost in assessing new and updated technology. By this scheme the enterprises will get a subsidy up to 15 per cent on the credit availed for the upgradation of technology in the enterprises. This scheme found to be more helpful for the enterprises for improving their productivity with the help of updated technology.
3. Credit Guarantee Trust Fund for MSEs (CGTMSE) – under this scheme credits are sanctioned on the basis of guarantees provided to a limit. The collateral free credits are provided to both new and existing enterprises through banks and other financial institutions
4. A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) - this programme is meant to eliminate unemployment and foster the economic development from the grass root level by developing a culture of entrepreneurship. Under this incubators are set up and a database was created available technology with government and other agencies. This scheme also provides seed capital for innovative ideas to establish the enterprises
5. Scheme of Fund for Regeneration of Traditional Industries – this scheme is meant for traditional enterprises like artisans to bring them to form as clusters that enable them to be competitive for their sustainability. This also includes creating common facility centers and providing and making available the raw materials, upgrading infrastructure for increasing productivity.
6. Micro and Small Enterprises Cluster Development Programme (MSE- CDP) – to enhance the productivity and competitiveness of Micro and Small enterprises, the program was introduced by the ministry. This helps to improve the technology, skill, quality and marketability of the enterprises.

7. Financial Support to MSME in ZED Certification – this scheme is for promoting Zero Defect Production in MSME. This is meant for creating an awareness regarding the importance of quality in production to expand their production, market reach etc.

Besides all the above said schemes and programmes many awareness programs and seminars are arranged for technology up gradation, improving the quality of production IPR etc.,

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Impact of Covid 19 on Indian Economy

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Abstract

The outbreak of COVID-19 brought social and economic life to a standstill. In this study the focus is on assessing the impact on affected sectors, such as aviation, tourism, retail, capital markets, MSMEs, and oil. International and internal mobility is restricted, and the revenues generated by travel and tourism, which contributes 9.2% of the GDP, will take a major toll on the GDP growth rate. Aviation revenues will come down by USD 1.56 billion. Oil has plummeted to 18-year low of \$ 22 per barrel in March, and Foreign Portfolio Investors (FPIs) have withdrawn huge amounts from India, about USD 571.4 million. While lower oil prices will shrink the current account deficit, reverse capital flows will expand it. Rupee is continuously depreciating. MSMEs will undergo a severe cash crunch. The crisis witnessed a horrifying mass exodus of such floating population of migrants on foot, amidst countrywide lockdown. Their worries primarily were loss of job, daily ration, and absence of a social security net. India must rethink on her development paradigm and make it more inclusive. COVID 19 has also provided some unique opportunities to India. There is an opportunity to participate in global supply chains, multinationals are losing trust in China. To 'Make in India', some reforms are needed, labour reforms being one of them.

Key words : Outbreak of Covid-19, GDP, MSMEs, FPIs, Reforms, Aviation, Tourism, Retail, Capital Market.

Introduction

The outbreak of COVID-19 has impacted nations in an enormous way, especially the nationwide lockdowns which have brought social and economic life to a standstill. A world which forever buzzed with activities has fallen silent and all the resources have been diverted to meeting the never-experienced-before crisis. There is a multi-sectoral impact of the virus as the economic activities of nations have slowed down. What is astonishing and worth noting is an alarm bell which was rung in 2019 by the World Health Organization (WHO) about the world's inability to fight a global pandemic. A 2019 joint report from the WHO and the World Bank estimated the impact of such a pandemic at 2.2 per cent to 4.8 per cent of global GDP. That prediction seems to have come true, as we see the world getting engulfed by this crisis.

In another report entitled 'COVID-19 and the world of work: Impact and policy responses' by International Labour Organization, it was explained that the crisis has already transformed into an economic and labour market shock, impacting not only supply (production of goods and services) but also demand (consumption and investment). International Monetary Fund's (IMF) chief said that, 'World is faced with extraordinary uncertainty about the depth and duration of this crisis, and it was the worst economic fallout since the Great Depression'. The IMF estimated the external financing needs for emerging markets and developing economies in trillions of dollars. India too is groaning under the yoke of the pandemic and as per news reports in Economic Times published on 23 March 2020, the economists are pegging the cost of the COVID-19 lockdown at US\$120 billion or 4 per cent of the GDP (*The Economist*, 2020).

This COVID-19 pandemic affected the manufacturing and the services sector—hospitality, tours and travels, healthcare, retail, banks, hotels, real estate, education, health, IT, recreation, media and others. The economic stress has started and will grow rapidly. While lockdown and social distancing result in productivity loss on the one hand, they cause a sharp decline in demand for goods and services by the consumers in the market on the other, thus leading to a collapse in economic activity. However, lockdown and social distancing are the only cost-effective tools available to prevent the spread of COVID-19. Governments are learning by

doing, as it was in the case of success of containment strategy in Bhilwara district, Rajasthan, India, the economic risks of closing the economy remain nonetheless. Similarly, flattening the caseload curve is critical for economy at large, but it comes with an economic cost.

Impact on Tourism, Aviation and Retail

The tourism industry is the worst affected due to the COVID crisis, internationally. The World Tourism Organization (UNWTO) (2020) estimations depict a fall of 20–30 per cent in international tourist arrivals. These figures too are based on present circumstances and are likely to increase or decrease in future. Millions of people associated with industry are likely to lose their jobs. In India, the travel and tourism industry is flourishing and is contributing sizably to the economy.

The FICCI-Yes Bank report titled ‘India Inbound Tourism: Unlocking the Opportunities’ described India as a tourism powerhouse and the largest market in South Asia. Tourism in India accounted for 9.2 per cent of GDP and had generated US\$247.3 billion in 2018, with the creation of 26.7 million jobs. Currently, it is the 8th largest country in terms of contribution to GDP (JaganMohan, 2020). According to the report, by 2029, the sector is expected to provide employment to nearly 53 million people. Foreign Tourist Arrivals (FTAs) crossed 10 million in 2017. However, the coronavirus pandemic has restricted international mobility and the revenues generated by this sector will take a major toll on the GDP growth rate. It may bring a downfall of 0.45 per cent in the growth rate of GDP.

The aviation sector in India currently contributes US\$72 billion to India’s GDP. Foreign tourist arrival has been down in the first quarter. The lockdown will have a significant impact on arrivals in the second quarter. If we estimate a conservative 25 per cent decline in the contribution of the aviation sector, it will amount to 18 billion. Railways contributed US\$27.13 billion in 2019 to GDP. A 21-day lockdown period will bring down the revenue by US\$1.56 billion.

The Indian retail industry was worth US\$790 billion in FY 2019. It accounts for over 10 per cent of the country’s GDP and around 8 per cent of employment. In the past few years, online retail has seen a very rapid growth and the market projections had indicated a 30 per cent growth in online retail in 2020 (National Investment Promotion and Facilitation Agency, 2020). A month-long shutdown for retail will affect the Quarter 2 revenues. In the retail sector, the suppressed demand has a tendency to revive very fast and this will enable the sector to recover the losses once the lockdown is lifted. Online retail was operational in some parts of the country during the lockdown period and this will help in offsetting some of the losses for the industry.

Impact on GDP Growth Rate

While the COVID-19 pandemic is constantly growing and showing little signs of containment as of 15 April 2020, its adverse impact on economic growth of the country will probably be very serious. The UN warned that the coronavirus pandemic is expected to have a significant adverse impact on global economy, and most significantly, GDP growth of India for the present economy is projected to decline to 4.8 per cent (United Nation 2020). Similarly, the UN ‘Economic and Social Survey of Asia and the Pacific (ESCAP) 2020 reported that COVID-19 would have extensive socio-economic consequences in the region with inundate activities across borders in the areas of tourism, trade and financial linkages (United Nations, 2020).

Economic Survey 2019–2020 had provided advance estimates for growth in real GDP during 2019–2020 at 5.0 per cent, as depicted in Table 1, as compared to the growth rate of 6.8 per cent in 2018–2019. The nominal GDP is estimated at ₹204,400 billion in 2019–2020 with a growth of 7.5 per cent over the provisional estimates of GDP (₹190,100 billion) for 2018–2019. (Economic Survey, 2020, p. 100) On 28 February 2020, the National Statistical Office announced revised estimates of GDP growth, from 8 per cent to 7.1 per cent in the first quarter, from 7 per cent to 6.2 per cent in the second quarter and from 6.6 per cent to 5.6 per cent in

the third quarter. Goldman Sachs estimated the growth rate of GDP at 1.6 per cent, declining by 400 basis points because of 21-day lockdown (Goldman Sachs, 2020). In case of a quick retraction of COVID-19 pandemic across the globe by mid-May, KPMG India estimated India's GDP growth in the range of 5.3 per cent to 5.7 per cent. In second scenario where India controls the virus spread but there is a significant global recession, the growth may be between 4 per cent and 4.5 per cent. KPMG India in its report estimated India's GDP growth rate falling below 3 per cent if the virus spreads further in India and lockdown sees an extension (KPMG, 2020). Motilal Oswal research suggests that a single day of complete lockdown could shave off 14–19 basis points from annual growth (Oswal, 2020). Barclays reported the cumulative shutdown cost to be around US\$120 billion, or 4 per cent of GDP (Barclays, 2020). Mr Yashwant Sinha, former Finance Minister of India, estimated the cost of 21-day countrywide lockdown at 1 percentage point of GDP. The global recession and uncertainties of future might make a 2 percentage point decline in growth rate (for 2020–2021) possible.

Impact of COVID-19 Pandemic on Migratory Labour

The International Labour Organization in its report describes the coronavirus pandemic as 'the worst global crisis since World War II'. About 400 million people (76.2% of the total workforce) working in the informal economy in India are at a risk of falling deeper into poverty due to catastrophic consequences of the virus. As half of the world is in lockdown, it is going to be a loss of 195 million full-time jobs or 6.7 per cent of working hours globally. Many are in low-paid, low-skilled jobs where sudden loss of income is catastrophic (International Labour Organisation, 2020).

Seasonal migration of labour for work is a pervasive reality in rural India. A migration of millions of people happens from rural areas to industries, urban markets and farms. Major migration corridors in India are from UP and Bihar, to Punjab, Haryana, Maharashtra and Gujarat. Newer corridors from Odisha, West Bengal and North East to Karnataka and Andhra Pradesh, from Rajasthan to Gujarat, from MP to Gujarat and Maharashtra and from Tamil Nadu to Kerala are also being created. These migrant workers are employed in the construction sector (40 million), domestic work (20 million), textile (11 million), brick kiln work (10 million), transportation, mining and agriculture (IIPS, 2001). During lockdown, 92.5 per cent of labourers have lost 1 to 4 weeks of work. A survey done by Jan Sahas, of 3196 migrant workers across northern and central India, between 27 March and 29 March, reveals that 80 per cent of migrant workers feared that they will run out of food before lockdown ends on 14 April and will not get their job back thereafter (Figure 1). The survey revealed that 55 per cent of migrant workers get a daily wage between ₹200 and ₹400, and 39 per cent of the workers get it between ₹400 and ₹600, which is below minimum wage rate. Only 4 per cent of the workers get ₹600 and above, which is close to minimum wage rate. They work in exploitative conditions, are often under debt and have little savings of their own. About 49.2 per cent of these workers in the survey said that they did not have ration and 39.4 per cent said that they had ration which would last about 2 weeks.

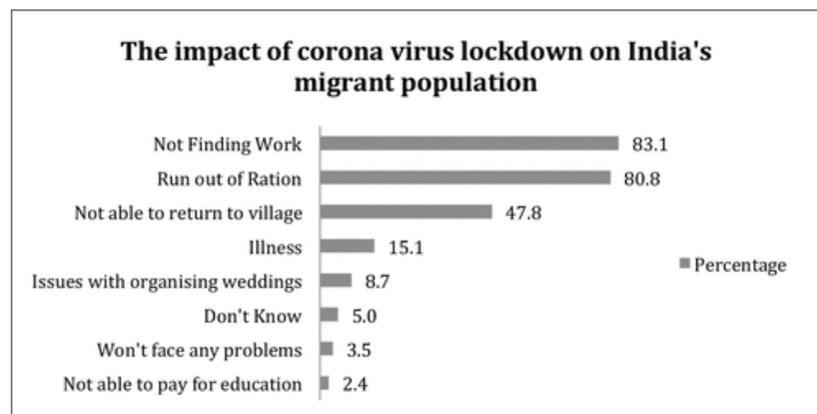


Figure 1. Impact of COVID-19 on Migrant Population

Source: Jan Saahas Survey (2020).

The survey further explains that about 99.2 per cent of these workers have Aadhaar card, 86.7 per cent have a bank account or Jan Dhan documents, 61.7 per cent have ration cards and 23.7 per cent have Below Poverty Line (BPL) cards. Although government has announced a relief package of ₹1,700 billion, many of them might find it difficult to avail the benefits. These workers expected the government to provide for monthly ration and monthly financial support (Jan Saahas Survey, 2020). The crisis witnessed a horrifying mass exodus of such floating population of migrants on foot amidst the countrywide lockdown. Their worries primarily emanating from loss of job and absence of a social safety net. Despite assurance from the government, they continued to walk back to their homes. It is a saga of inequality, poverty and social exclusion of vulnerable populations struggling to overcome this sudden crisis.

Implications on Capital Markets, Global Oil Market and its Impact on India

Coronavirus fears have sent shock waves across global financial markets. Indian capital markets are envisaging a funds flow to Western capital markets, owing to rate cuts and fall in the stock markets the world over. As per the NSDL data, Foreign Portfolio Investors (FPIs) have withdrawn huge amounts from India—₹247.76 billion from equity markets and ₹140.50 billion from debt markets in a short span of 13 days, that is, from 1 to 13 of March 2020. There will be a lot of volatility in the capital markets in the next 6 months, owing to rapid flow of capital from one market to another in the world.

A historic drop in demand for oil has dropped the crude oil prices to an 18 year low of US\$22 per barrel, in March from US\$65 per barrel in January. Some estimates have pegged a saving of US\$7–8 billion for India for every US\$5 a barrel fall in crude oil prices. A fall in crude oil prices may cut India's current account deficit, which was 1.55 of GDP in 2019–2020 (Economic Survey, 2020). But the capital outflows from India may exceed the potential saving in the current account deficit. INR to USD average exchange rate has been ₹70.4 per US dollar, but it is already quoting near the psychological barrier of ₹75 per US dollar. If capital outflows from India continue, rupee (INR) may depreciate further in the coming days.

Policy and Programme Implications

Fiscal and Monetary Measures

Coronavirus pandemic demands coordinated fiscal and monetary policy measures to deal with it. The fiscal measures include paying the healthcare bill raised by the pandemic. Providing for masks, gloves, testing kits, personal protection equipment, ventilators, ICU beds, quarantine wards, medicines and other equipment would mean a huge increase in healthcare spending. Public spending on healthcare in India is 1.1 per cent of GDP. It is likely to increase in the current fiscal year. The government has declared a relief package of ₹1,700 billion, it will be used to make cash transfers to the poor and vulnerable sections of the society. The sectors that are affected the most, that is, MSMEs and the farms, will be supported by another relief package which will be announced soon. Tourism and those sectors which are integrated with global supply chains will require support. Tax revenues will also drop due to recession. Fiscal receipts could drop by at least 2 per cent of GDP. All these fiscal measures will increase fiscal deficit by 1–1.5 per cent, which is currently at 3.2 per cent, as predicted by economists.

The crisis emerging from the coronavirus spread will pull down investment and consumption demand. Conventionally, the demand side components of GDP account for 72.1 per cent consumption, out of which government consumption is barely 11.9 per cent as depicted in Table 2. An anxiety-induced reluctance to spend is the main threat to economic growth rate. The government will have to increase the spending in order

to boost demand. Support to different sectors will have to be given as a measure to boost investment demand. Repo Rate has been reduced by 75 basis points, as part of a loose monetary policy. The federal reserve had cut its interest rate by 1 percentage point and decided to keep it in the range of 0–0.25 per cent in the USA. Monetary policy is less effective in dealing with a pandemic because the problem is not liquidity alone. The disruption of economic activity and the uncertainty of future bring down the investment sentiment. An anxiety-induced frugality among firms and investors wipes out the investment demand.

Impact on Start-Ups and Micro, Small and Medium Enterprises

Micro, Small and Medium enterprises, which have created more than 90 per cent of the jobs in India, employing over 114 million people and contributing 30 per cent of the GDP (Radhika Pandey, 2020), are at the risk of having a severe cash crunch if the lockdown is extended to 8 weeks. Many of these MSMEs have loan obligations and monthly EMIs to pay. Many of them might just disappear if their cash cycle is disturbed because of the lockdown, with fixed costs dangling over them in such a situation. They need a moratorium for loan repayments. RBI has released funds to non-banking financial corporations, some of whom provide finance to MSMEs. In addition to that, movement of perishable goods is hampered and thus, these businesses stare at huge losses. India cannot have a real and sustainable growth without having a thriving MSME sector. The COVID-19 crisis will also test the resilience of start-ups in India. Start-ups have to rely on cross-border fund raising. Several founders are seeing their businesses grinding to a halt. Receivables are spiralling and they have to undertake painful cost-reduction measures in their ventures. Government will have to make funds available to this sector, as venture capital firms may take a little longer to come and support because of the restricted global capital flows.

Economic Inequity and a Rethink on Developmental Paradigm for India

The Oxford Committee for Famine Relief (OXFAM) report on ‘Income Inequalities in India’, 2019, brought forth some eye-opening findings on asymmetrical developmental paradigm in India. The report mentioned that in 2017–2018, the richest 1 per cent of the population owned 73 per cent of the wealth generated in the country. The wealth of this group increased by ₹20913 billion, which is equivalent to the total budget of the central government in the same year. Richest 1 per cent in the country hold more than four times the wealth held by 953 million (bottom 70% of the country’s population). Six hundred and seventy million Indians who comprise the poorer half of the population saw 1 per cent increase in their wealth in 2017–2018. It is clear that the benefits of development have been claimed by a few people in the society. Stark income inequities in the country explain why a large part of the population which belongs to subsistence sector does not demand anything more than subsistence needs of food and shelter. An economic shock resulting from natural calamity or a pandemic pushes many others back to the subsistence sector. The COVID-19 pandemic has brought forth lopsided development in the country to the forefront. Loss of daily wages has forced a large segment of the society to struggle with hunger, unless a relief measure is provided to them.

Conclusion

The spiralling and pervasive COVID-19 pandemic has distorted the world’s thriving economy in unpredictable and ambiguous terms. But it significantly indicated that the current downturn seems primarily different from recessions of the past which had jolted the country’s economic order. Whereas the nations, conglomerates, corporations and multinationals continue to understand the magnitude of the pandemic, it is undoubtedly the need of the hour to prepare for a future that is sustainable, structurally more viable for living and working.

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Impact of COVID-19 on Indian Economy- A Review

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ABSTRACT

The World Health Organization (WHO) declared CORONA (COVID-19) outbreak a pandemic in the month of March 2020 (2nd Week). The WHO reached to this decision since the positive cases were/are rapidly showing the up-swinging trends towards 20 lacs with death toll crossed over to 1 lakh plus. The entire world (around 170 countries; all across the continents) is suffering miserably without having any vaccine to embark upon the virus to contain it immediately. As an only effective tool available to weaken the virus spread, the countries are helplessly exercising lockdown. This will surely affect the health of the economy of the countries and eventually the global economic condition. It is felt that this will bring the biggest slow down of 100 years in the world. India; as a fast developing country will have to face an extremely severe effect of this natural phenomenon.

Keywords : WHO, Corona, Pandemic, Outbreak, India, Natural Phenomenon

Introduction

Pandemics are large-scale flare-ups of irresistible illness that can enormously increase dreariness and mortality throughout the world and cause critical financial, social and political disturbance. Facts recommends that the probability of pandemics has expanded over the past century since of expanded worldwide travel and integration, urbanization and noteworthy misuse of the common environment. (Jones and others 2008; Morse 1994). These patterns likely be proceed and escalating. Notable approach consideration has centered on to distinguish and restrain from development of flare-ups that might lead to pandemics. There is a need to grow and maintain attentiveness and well being capacity (Smolinsky, Hamburg and Lederberg, 2003).

In spite of these changes, critical holes and challenges exist in worldwide widespread readiness. Progression toward assembling the IHR has been uneven, and numerous nations have found themselves incapable to meet essential necessities for compliance (Fischer and Katz, 2013' WHO 2014). Numerous episodes, eminently the West Africa Ebola plague (2014) have uncovered crevices related to the opportune discovery of malady, accessibility of essential care, following of contacts, isolate and confinement methods as well as worldwide coordination and reaction mobilization (Moon and others 2015; Pathmanathan and others 2014). These holes are particularly apparent in resource- limited settings and have postured challenges at local epidemic with desperate suggestions for what may happen amid a full-fledged worldwide widespread. The present-day pandemic spotlight on COVID-19 (coronavirus disease-2019) was earlier placed on Zika virus, H1N1, severe acute respiratory syndrome (SARS), chikangunya, Middle East respiratory syndrome (MERS), and Ebola. (Achon C, Laporte A, Gardam M A. 2005).

The first case in India was noticed on 30th January 2020. In the last two and a half month, the positive cases have risen to 10,000 and death toll to 400. Sensing the horrendous situation of near future, the Indian Government had taken the earliest decision to lock down the country along with other effective measures. The Central Government of India is monitoring the situation with a paramount focus to contain it at the 2nd stage itself rather to let it move in the 3rd stage i.e. Community spread.

The nationwide lockdown declared to hold the corona virus spread is already started affecting industries and economy. The Investment Information and Credit Rating Agency (ICRA) of India said that “the

Indian economy will face a sharp down trend in Q4 of FY2020 and it is expected to be fallen to 4.5%". "They are also anticipating GDP growth for FY21 shall constrain to around 2%". ICRA have indicated their concern for the domestic market of India which shall witness high impact due to the broken logistic chain of China. This will not only slowdown the domestic production (since the raw materials supply is affected badly) but also will undergo negative growth in the global export.

The current COVID-19 outbreak has provoked social stigma and discriminatory behaviors against people of certain ethnic backgrounds as well as anyone perceived to have been in contact with the virus. (Barrett R, Brown P J. 2008)

ICRA has also indicated their concern for the production, manufacturing and service industries amid the uncertainty of lockdown situation. They suspect that the situation will take a longer period to get normalization. "The negative trend of the economy will start giving indicators from 3rd week of the March 2020". The industries like construction, hotel, live event, travel, tourism will be the first one to be affected due to their nature of unessential.

The increasing number of emerging infectious disease events of international concern, such as severe acute respiratory syndrome (SARS) and the 2009 pandemic influenza A/H1N1, dictate a specific need to increase bidirectional communication between local governments and the international community. Recognizing this need, the Global Outbreak Alert and Response Network (GOARN) was formed in 2000 as a global collaboration to consolidate technical support for outbreak surveillance and response efforts (8), and the WHO's International Health Regulations (IHR 2005) were revised to update surveillance capacity standards and mandate reporting of disease events that may constitute "public health emergencies of international concern" (Chan E H, Brewer T F, Madoff L C, Pollack M P, Sonricker A L., and others. 2010).

The lockdown situation will lower the domestic demand. A situation of mass job losses and continuous cut in the pays for the next few months cannot be ruled out. Less money in the pocket of the consumer will defer the demand of unessential items and shall stick only to essentially of the livelihood. Since the impact of lock down will affect entire world hence the global demand will move to a historical slowdown. The markets of Europe, South East Asia and USA will be downsizing their import hence will be a big impact on Indian Export Houses.

Methodology

The present Research Paper is using Secondary Data by collecting Information on the present issue like websites, newspaper articles, magazines, Government reports, journals, etc. In line of this, the use of extensive Literature Review method has been implemented to carry out the present research meaningful. Literature review methodology is a proven tool to do secondary data base reviews. They serve and present solid grounds for future investigation. However both conducting a literature survey and utilizing it for strategy reason is continuously been challenging. However, in this study we had utilized them tactfully to build on incredible precision instead of conducting the same research once again. This provides a better understanding of the subject and clear vision for establishment of hypothesis.

COVID-19 – An Economic Shock

The continued breakout of the COVID-19 pandemic has thickened the black cloud on the world economy. Global recession may return in most horrific appearance. This will bring disruptions in supply chain management by which the country like China will be affected badly. The lockdown condition of almost entire world will decrease the demand drastically which shall imbalance the financial situation of the world. The biggest currency of the world i.e. US dollar shall also be impacted.

The Indian economy had already been showing a downward trend in comparison to the last fiscal year 2018- 19 from approx. 8% to 4.5% in Q2 & Q3 of the current fiscal year 2019-20. The world pandemic out brake has attacked India in a highly disadvantageous time.

The World Economic Outlook, "The International Monetary Fund (IMF) already down-ranked India's growing progress to 4.8% for the FY2019 and revised it to more by 1.2% for the FY2020". All these reports

came even before the outbreak of the COVID-19. It is expected that after Corona; the situation will become more pathetic.

The Indian economy recently had faced the demonetization and GST implementation (an effort to overhaul the system holistically). Though the economy is progressing fast to absorb the impact of this transformation; however, the unorganized sectors still have to go a long way. This has led a difficult state of affairs to few banks and non-banking financial institutions. NPA for a few has started showing an upward trend since they were involved in the doubtful lending practices to ill business houses. India did come out with many schemes and plans to increase its presence in the global economy but eventually, those were not yielded enough compare to their expectation. 'Make in India' is one of the examples of such initiative which was aimed to boost the export of Indian makes.

Impact of COVID-19

The global impact of COVID-19 has already been started unmasking its monstrous. Avatar on the Indian economy. The financial sector is the first to get a dent. The Indian rupee is touching to an all-time low on every next day against USD. The free flow of downward rupee is bringing an unprecedented situation to the Indian organization to settle their dues in USD. On Internal front, India is already struggling with low demands in almost each sectors i.e. Manufacturing, Production, Construction, Services, Logistics, Transportation, Tourism, Hospitality etc. the lock downs and other measures to contain the pandemic have further cornered the demand especially to recrimination goods/services.

The recent fall in oil prices brings some relief but that is not enough to curve the bad impact of the situation. India declared self-imposed 'Jaanta curfew' on March 22 which was hugely respected by the citizen of the country. Now all States & Union Territories (30) have declared lockdown and implementing it seriously along with other measures. This will have a long-lasting effect on the Industries. The Industries and workers of the informal sector will enormously be affected for fairly a long period.

The lockdown somehow is holding the speed of spread of the virus (if compare it with the other countries) however anticipation of its comeback cannot be ruled out once the lockdown is removed. Mr Vivian Balakrishnan, the hon'ble Foreign Minister of Singapore recently has said that COVID-19 is "an acid test of every single country's quality of health care, standard of governance and social capital. If anyone of this tripod is weak, it will be exposed, and exposed quite unmercifully by this epidemic."

Macroeconomic policy

In this turmoil time, it is necessary to accept the challenge to uplift the sentiment of the industries and the people. The target set by the FRBM (*Fiscal Responsibility and Budget Management Act, 2003 - Act of India to institutionalize financial discipline, reduce India's fiscal deficit, improve macroeconomic management and the overall management of the public funds by moving towards a balanced budget and strengthen fiscal prudence*) need to either put off or deferred for a while till the situation is consolidated and returned to the normalcy. The Reserve Bank of India (RBI) - the central bank of the country has started reforming to boost in this time of economic distress. The Bank has relaxed the long-term repo operation (LTRO) rate and offered \$2 billion for the next 6 months to support Indian rupee. The Indian Govt. has also announced historical economic & social packages to support various sectors of the industries as well as the livelihood of the country people.

Though the RBI and the Indian Government have rolled out various stimuli however it is not known if these are adequate. The impact of corona virus will only be estimated; exactly, once the economy is ready to move. It all depends on the Indian Government that how it will respond to the emerging challenges. The Government will require readjusting its focus to deal on the economic front; stabilize it and uplift from the darkest historical hole. Need to ensure balance in social and political agenda along with economic priorities.

Fitch Solutions: Fiscal deficit of India may rise to 6.2% of GDP in current year

Fitch Solution said that “amid COVID-19 they have revised the forecast of fiscal deficit for India’s current financial year from 3.8% of GDP to 6.2%”. The lock down situation will bring massive backward push to the industries thus collection of revenue and taxes. The situation will only mount pressure to the Government to arrange more bank borrowings to settle expenses.

Moody’s downsized GDP forecast for India to 2.5%

Moody’s Investor Service (Moody’s) has also remarked that India’s economic growth will be in depression in the current FY due to maximum contribution of Corona. “It is expected that it will go down to 2.5%. However, the agency has forecasted overall 5.8% growth for the FY2019- 20. Moody has also predicted a negative growth in the global export to 0.50%”.

FICCI’s survey revealed that 53% of businesses will directly be affected

As per the survey of FICCI (Federation of Indian Chambers of Commerce & Industry) done amid Corona; around 53% of industries and businesses are directly be got affected by the COVID-19 shutdown. The aviation and hospitality industries are finding it difficult to continue with the salaries of their employees hence the phenomena of laying off staff and downsizing of the salaries are either started or shall shortly be seen. It is estimated that the industry will have to lose US\$420 million.

Sector-wise Micro Economic impact of Corona

Manufacturing and Production

The manufacturing & production sector of India is tremendously suffering due to the lockdown situation. All big guns like L & T, ITC, Dabur India, Grasim Industries, Ultra Tech Cement, Aditya Birla Group, Bharat Forge and many others have put off the production completely. Many Logistics and Motor companies like Maruti, Hero Honda, Escorts left no other option but to abide by the lockdown situation for 21 days as declared hence had shut down their production till the Government announce reopen. However, the lockdown is all set to go even further.

E-Commerce

From the 3rd week of March, almost all E-Commerce companies i.e Amazon, Flipkart, Big Basket, Grofers have decided to focus their sale only for essentials goods due to the legality involved in the essential and nonessential items during the lockdown situation. The Police are also giving permission only to those delivery persons who are carrying the essentials goods.

Agriculture

Due to the lack of logistics and the unavailability of labor; the agriculture sector which is the largest contributor in the economy with approx. 18% is finding it difficult to manage with this mammoth challenge. The crops are now all set and ready for harvesting. However, due to the unavailability of logistics, transport, packaging and labour, there is a fear that a big portion of the crops will rot in the field itself. Likewise; production of Tea & Coffee is also comes to a standstill.

Service and Live Event Sector

Though the service industry of India too shall not be able to get an escape from the hard bite of the lockdown situation of Corona Virus; however the organized sector in Education, IT and Knowledge shall able to perform its duties from the home to an extent and minimize the losses. The Live Events Industry has been closed down completely to maintain social distancing. It is estimated that the industry will lose around INR 3,000 crore. The App-based cab business is fully flattened due to COVID-19.

Aviation and Tourism

Tourism and Aviation is a big contributor to the Indian economy with 7.5%. KPMG has reported that the Indian Hospitality Industry is progressing with 16.1%. A large no. of national/international tourists and businessmen visits various places in India every year. The suspension of Tourism and Aviation activities shall hugely be impacting the Indian Economy and will take a lot of time to revive. There is a fear of an increase in the operations expenses thus ticket cost for the traveler which ultimately will lower the demand.

Stock Market

The Stock Market in India becomes volatile in this period. The SENSEX fell 4000 points (13.15%) on 23rd March 2020 which is the biggest dip in the history. The Sensex, however again on 25th March 2020 witnessed its biggest gain of the decade. The volatile situation is continuing; resulting in weakened confidence of the investor in the economy and its progress.

Since China is a big Import-Export partner of India hence Corona will bring a negative impact to the business balance of two big economies. India has already seen 40% slid in the import of electronics items from China and the reversal impact is possible to be seen in the export stock of Indian cotton and mineral. For pharmaceutical too, the Indian industries are dependent on China for API (Active Pharmaceutical Ingredients) which is 70% in present. The inaccessibility of logistics is making the situation even more worsen. The companies are trying hard to manage the situation. They are supporting their staff to hold the nerves during this testing time. Companies like Hero Motocorp, Tata Group, Siemens, Infosys, Reliance, Bajaj Finance, Wipro have asked their workforce to work from home where ever is possible. The immature and recently started startups are affected maximum since their financial is sabotaged. For an example, 45% decrease is reported in the Datalabs report as compared to the last year growth. The Job Market in India too is fearful to face mass loss of jobs of around 50 million. The estimation is figured out by the Centre for Monitoring Indian Economy. CMIE has further analysed that the unemployment rate shall rise from 8.4% to 23% and may continue declining.

Conclusion and Suggestions

India is already falling short in meeting its growth expectations in the last two FY. The GST collection is also not at par. The situation of COVID-19 is aggravating the financial health of the country even more worsen. As per the UN report, India will be impacted by \$348 mn on its trade due to Corona Virus. The figure shall increased even further depending on the period of lockdown, locally & globally.

Apart to this, the Government should also consider few more steps as under:

1. To cut various fiscal rates such as repo rate.
2. The tax rebate in the export should be continued.
3. The tax collection may also be considered to be rationalized hence industries will look for relaxation in the GST as per the need of the hour.
4. DBTs (Direct Benefit Transfer) should be exercised more effectively.
5. Availability of Working Capital and Loan facilities shall require to be more friendly's.
6. The expenses on Govt. Machinery must be brought down especially on transportation, salaries, comfort, events, etc.
7. There should be a good coordination & belief situation between Central Government and the State Governments.

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Customer Satisfaction towards Life Insurance Corporation (LIC) of India

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Abstract

Customer satisfaction is one of the important tools for the every insurance company and it focuses on analyzing the awareness and satisfaction level of the customers towards their investment of money in riskfree avenues. Therefore it is important to seek out the factors that influence customer satisfaction which will contribute to the development of our economy. Besides that, it is essential to identify the reason that restrains one from becoming customers of life insurance. It is a rare perspective compare to researches conducted based on factors like policies, price and promotion and this will help in enhancing the life insurance corporation for providing good policies to their customer according to their requirement.

Keywords : Customer Satisfaction, Insurance, Awareness, Investment, Policies.

Introduction

Insurance business was rapidly grown in 18th century. People are insecure towards risks and uncertainties. Time of death of a person is not certain. Every prudent man is more cautious about preventing them from risk or minimizing or providing effect against it. Insurance sector have made possible to cover the risk which is impossible. Insurance companies started to transfer the risk and dangerous to the take on who are willing to accept the burden for fiscal deliberation. The main objective of insurance corporation is to eliminate the risk on the substitution certainty for uncertain and thus it creates cooperation among the policyholders for spreading their risk. Due to increasing competition in Insurance sector and increasing expectation of policyholder's leads to measure the awareness and satisfaction level of the customers. LIC started to provide more services in order to satisfy the requirement of the customer and for their success and survival in the Insurance Sectors. Due to change in taste and preference of the policyholder it is becoming difficult for the insurance company to understand and measure the service effectively.

Customer satisfaction is one of the important tools for the every insurance company and it focuses on analyzing the awareness and satisfaction level of the customers towards their investment of money in riskfree avenues. Therefore it is important to seek out the factors that influence customer satisfaction which will contribute to the development of our economy. Besides that, it is essential to identify the reason that restrains one from becoming customers of life insurance. It is a rare perspective compare to researches conducted based on factors like policies, price and promotion and this will help in enhancing the life insurance corporation for providing good policies to their customer according to their requirement.

Review of literature

It highlights the study of previous literature regarding the consumer satisfaction and Life insurance Corporation the previous study helps to get an idea about different approaches made by the earlier researches in the field and also to identify the research-gap. The following are the few reviews taken from the renowned authors work.

Roy (1987) examined the environment and impact for providing better customer services to policyholders for fulfilling their needs by providing quality service. The author found about various steps for providing quality service to the customer by providing training programmes to their agents and employees, origin of new branches and services will enhance the quality of Life Insurance Company.

Planning Department (1987) discussed about level of customer satisfaction towards particular services provided by LIC such as timely report of discharge forms, cooperation among employees, receipt of policy amount contained by due date the study revealed that insurance company should keep on measuring the maturity settlement claim for quick settlement to the policyholder and their grievances at the delay in settlement could be satisfied by providing an prompt attention to them when they visit office.

The Insurance Institute of India (1987) examine the Extent of life insurance coverage, awareness, attitudes and beliefs of people on life insurance, perceptions, sense of identification of employees with Life Insurance Company. Author found that LIC is a better investment than bank deposits and their product are popular among the consumers on account of its reliability.

Shejwalker (1989) examined “Training in Life Insurance Marketing” author discussed about the importance of train agents for the development of life insurance business and he found out that present pattern of selecting agent should be changed and suggested that private institution should impart trainings to their agents.

Kirubashini (1991) study was undertaken to know the level of awareness, preference and factors influencing the policy holdings and to know the relationship between policy holdings and influencing factor. The study found that majority of the respondents were aware of the endowment policy and they preferred it as their choice. The study also revealed that there is relationship between individual factors like age, income, gender and policy holdings.

Frank and Enkawa (2010) examined the impact of economic growth and economic expectation that influence the customer satisfaction and their quality. They found that policyholders are positively influenced towards economic growth and negatively influenced towards their economic expectation and also found that economic expectation and quality expectations are positively correlated.

Results and discussions

The results of the study lights on consumer satisfaction towards Life Insurance Corporation with reference to Bhagalpur city, which enlighten on customer satisfaction, awareness and attitude towards Insurance sector.

Table 1. Demographic Profile of the Respondents

	Profile	Frequency	Percentage
Gender	Male	90	60.0
	Female	60	40.0
Occupation	Professional	56	37.33
	Business	30	20.0
	Employed	42	28.0
	Others	22	14.66
Age	Below 25 years	40	26.67
	26 - 35 years	66	44.0
	36 - 45 years	35	23.33
	Above 45 years	9	6.0
Education	Graduation	27	18.0
	Post-Graduation	65	43.33
	Professional	50	33.33
	Others	8	5.33
Annual Income	Below Rs.1,00,000	28	18.67
	Rs.1,00,000 - 2,00,000	35	23.33
	Rs.2,00,000 - 3,00,000	50	33.33
	Rs.3,00,000 - 4,00,000	23	15.33
	Above Rs.4,00,000	15	10.0
Family	Nuclear family	100	66.67
	Joint family	50	33.33
Total		150	100.0

Source: Primary data

The demographic characteristics of the respondents are summarized in table 1. Out of 150 respondents 60 % of the respondents were male and the remaining 40 were female. 44% of policyholders fall under the age group of 26-35 years and 43.33% have done their post – Graduation which is followed by Professional 33.33%. 66.67% of them belong to nuclear family. 37.33% of the respondents were professional, 28.0% of the respondents were employed. 18.67% of the respondents fall under the income group of below Rs.1,00,000, 23.33% of respondents fall under the income group of Rs.1,00,000 to 2,00,000, 33.33% of respondents fall under the income group of Rs.2,00,000 to 3,00,000, 15.33% of respondents fall under the income group of above Rs.3,00,000 – 4,00,000, where remaining 10% of respondents fall under the income group of above Rs.4,00,000.

Table 2. Consumer Satisfaction towards LIC

Particulars		Frequency	Percentage
Sources of awareness	Advertisement	30	20.0
	Friends and relatives	65	43.33
	Agents	40	26.66
	Marketing executives	15	10.0
Satisfaction towards premium rate	High	30	20.0
	Reasonable	95	63.33
	Low	25	16.66
Mode of payment	Monthly	17	11.33
	Arterly	34	22.67
	Half-yearly	45	30.0
	Annually	54	36.0
Policy preferred by policyholders feel secured	Child plans	37	24.67
	Pension plans	32	21.33
	Protection plans	47	31.33
	Saving plans	20	13.33
Reason for non-renewal of the policy	Financial problem	70	46.66
	Business problem	35	23.33
	Personal problem	40	26.66
	Not willing to continue	5	3.33
Duration of policy	Less than 3years	20	13.33
	3-8 years	56	37.33
	8-15 years	44	29.33
	Above 15 years	30	20.0
Factors influencing media advertisement	Television	67	44.66
	Exhibition	20	13.33
	Trade journals	50	33.33
	Others	13	8.67
Total		150	100.0

Source: Primary data

In this study, out of 150 LIC policyholders, 43.33% of the policyholders were aware about policies through their friends and relatives which were followed by 26.66% from their agents. 63.33% of the policyholders felt that premium rates are reasonable. 36% of respondent prefer to pay the premium on annual basis due to constrain in their income. 31.33% of the policyholders feels secured to invest in protection plan which is followed by child plan (27.67%).46.66% of the respondent were facing financial problem so they were not able to renew their policies. 37.33% of the policyholder proceeds policy for the period of 3 -8 years. Majority 44.66% of respondent were influenced through television advertisement.

Summary and suggestions

Satisfaction is a most important considered factor among the customers and company to add value towards their product and service which leads to customer satisfaction. This study results that every insurer should understand the consumer requirement about the policies offered by them. Some of the suggestions, for LIC in India can succeed by covering more clients through advisers and advertisement. They should create awareness among the illiterate and rural groups for the growth of business by concentrating on more promotional activities. They should create economic value for the customers. So, that lack of trust and privacy among the customer can be avoided, quick repayment and security measure should be taken for attracting more policyholders.

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Development of Indian Banking during Reforms Era

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Abstract

The decade of 1990 is called economic reform era for the nation. During that period the some nations all over the world which had opted socialism pattern of economy filed their failure in the global competitive market. The central Government had introduced a comprehensive financial reforms which were introduces as structural reforms for the economy of the Nation. The Globalization became necessity of the time and due to banking sector is an integral part of the financial system, the same also gone through certain changes in the form of the reform. Various reforms had been inducted into banking sector on recommendations of committees formed with specific purpose.

Keywords : Economic Reforms, Global, Competitive Market, Financial Reforms, Globalization, Banking Sector.

Introduction :

The decade of 1990 is called economic reform era for the nation. During that period the some nations all over the world which had opted socialism pattern of economy filed their failure in the global competitive market. The central Government had introduced a comprehensive financial reforms which were introduces as structural reforms for the economy of the Nation. The Globalization became necessity of the time and due to banking sector is an integral part of the financial system, the same also gone through certain changes in the form of the reform. Various reforms had been inducted into banking sector on recommendations of committees formed with specific purpose. The major committees and their recommendations were as under:

Narasimham Committee – I (1991 -92)

In August 1991, Under the chairmanship of Shri M. Narasimham, a committee known as 'The Narasimham Committee on Financial System' had been formed by the central government to evaluate various issues like structure, organization, functions and procedures of the financial system as part of the financial sector reforms. The same was introduced as overall structural reforms to bring efficient and sound financial system for the nation. In November 1991, Committee reported that though the banking sector had achieved commendable milestone of geographical access of the banking facilities, but the poor financial health indicates a threat against deterioration of the saving and deposits. The fundamental problem faced by the banking sector was feeble profitability and low capital base. The another challenge was to bring up the Indian Banking sector to the line of global banking practices Certain measures had been recommended by this committee to overcome from this scenario, which were grouped by the RBI into three major heads; Enabling measures, strengthening measures and Institutional measures. In other way, they can also be studied into different issue-wise:

1. Deregulation of Interest Rates:
2. Reserve maintenance Requirements:
3. Norms regarding Prudentially:
4. Restructuring the Directed Credit Programs:
5. Restructurer Measures for Banking sector with competitive global front:
6. Supervisory measures
7. Public Sector Banks
8. Formation of Asset Reconstruction Fund

1. Deregulation of Interest Rates:

Before banking sector reforms, the credit-deposit interest rates were administered by various authorities in Indian Banking Sector from 1966 to 1991. In 1966, the interest rates were regulated by Inter-bank Agreement, in 1969, RBI used to fixing minimum and maximum credit rates of commercial banks, various financial instrument rates such as, Industrial Debentures and Preference Shares. From 1973 to 1988 the Indian Banking Association (IBA) was used to fix all call rates.⁵ The central Government was in charge of fixing the interest rates of Treasury Bills and long-term financial instrument. RBI was in charge in fixing of various lending rates of different types of lending schemes.

The practice of Administered Lending Rates with development of banking structure felt complex in sense that it was affecting efficiency in credit-creation to achieve the objectives of the Monetary Policy. 'Chtakrwardi Committee'²⁸ which had been formed to evaluate Practice of Administered Lending Rates in India recommended replace the existing practice with modified deregulated Interest rates in India. The similar recommendation had been made by Narasimham Committee that of removal of administered interest rates and adopt the practice of accepting interest rates which are determined by Supply and Demand Force in context of Fund availability in the Market. By this step the concept of 'Bank Rate', 'Repo Rate' and 'Reserve Repo Rate' has come into existence.

2. Reserve maintenance Requirements:

Cash Reserve Ratio (CRR) and Statutory Reserve Ratio (SLR) are two statutory requirements imposed by RBI in order to safeguard of Interest of all Stake holders in relation to maintaining certain level of 'Reserve' by Indian banks. CRR (Percentage of total Deposits kept under Current Account with RBI) and SLR (percentage of total Deposits of total deposits invested in pre-determined central/state Government Securities) are also popular quantitative measures of RBI to control and manage inflow-outflow of cash in economy with special reference to inflationary/depression economic situation. The both margin requirements in prereform era were very high, 15 per cent and 38.5 per cent respectively which constricts the credit-deposit margin resulted into lower profitability of the banks.⁵ The committee recommended lower provisions both margin and thus granting more autonomy in lending practices of the banks.

3. Norms regarding Prudentially:

Prior to the reforms in banking the banks were used to recognize their revenues/interest incomes on accrual basis with lack of efficient recovery machinery. Due to this accounting treatment the banks' profit inflated with higher amount and worse outcome was increment in total Bad-Loans on continuous basis, the interest of depositors and creditors had been adversely affected. According to Narasimham committee, bank would have been restricted to recognize their incomes that are interest on loans and advances if those are due for 180 Days more than. It must be received within two quarters after it is past due. The assets of the banks should be classified into following various categories on basis of their performing status of repayment of Principal and Income generation. Further, the banks were asked to bifurcate their bad-loans into three categories, Sub-standard, doubtful and loss assets. The banks were also required to make provisions for different assets for bad, Poor or Doubtful Assets from Net Profit which was not in existent prior to reform era. The committee also questioned the lower and deteriorating capital base of banking firms, suggested to induce detailed guidelines answering this critical issue, by putting target to achieve the criteria of minimum capital adequacy ratio of percent to risk weighted assets by March 1993, 8 percent by March 1996, and 8 percent by those banks having international operations by March 1994.¹⁴

4. Restructuring the Directed Credit Programs:

In India, since its Independence the financial/economic disparity and financial inclusion was main agenda in economic planning, the banking sector became major tool to achieve this objective, the banks were insisted by the Government to lend loans to economically deprived and weaker sector of society at concessional interest rates, - a sort of 'Directed Credit Programs'⁵. The ratio to total Advances to Priority sector was very high, i.e., 40 Per cent. This administered credit programs eventually resulted into loss and

deterioration of the Asset Quality. The committee recommended lower the direct credit program margin from 40 to 10 per cent in Phased manner, allowing greater expanse to build profitable credit-advance portfolio.

5. Restructurer Measures of Banking sector with competitive global front:

With evolutionary step of inserting economic reforms in 1991 the economy of the country was galloped towards capitalism and far from socialism, the trade/commerce were free to other countries, which brought the existing financial system into direct contact of the competitive global market forces. As the India was backed by bank-based Financial System, committee had recommended the restructure of existing banking sector in line with international standards. This would lead to support the domestic economy to stand firm in new competitive environment and smoothly adaption by the changes brought with financial sector reforms. The committee had lined out the types of banks would have been operated in banking sector with their size, scope and operational activities along with numbers at Regional, State, National and International level. They were as under: 3 or 4 large banks of international character.

- 8 to 10 national banks engaged in "general or universal banking.
- Local banks whose operation be confined to a specific areas.
- Finance to the agricultural and allied activities exclusively grant by the RRBs.

6. Supervisory measures:

Committee recommended strong supervision system for several reasons; the extreme necessity for a strong system of supervision was sensed at starting of the reform phase. The main objectives were to ascertain effectual execution of prudential regulations; the ambiguity of the conventional differentiations among the financial intermediaries; and enhanced risks problems increased in operations of banks in a liberalized environment. RBI took responsibility if scrutinize operations of banking concern by establishing Board of Financial Supervision (BSF) 28 within its purview with sole function enhance clearer and sound banking operations consisting of Advisory Council. Conventional on-site supervision was backed by innovative computerized off-site Supervision tactic, which helps into keep tab on Money Laundering and similar activities. In 1995, the RBI opted CAMELS 5 as supervisory reporting system (Capital Adequacy, Asset Quality, Management, Earnings, Liquidity System and Controls) for domestic commercial banks and CALCS 5 (Capital Adequacy, Asset Quality, Liquidity Compliance and Systems) for foreign banks, which measures the financial performance of the banks, riskiness of projected financing by banks, capital adequacy levels and NPA level to their total Advances. The committee also recommended the establishment client – grievance settlement procedure in more efficient manner within banks.

7. Public Sector Banks:

The committee was in favor of greater autonomy and technology up gradation for PSBs. Further in line with restructure of banking sector suggestion committee had in favor of no further nationalization of banks in, along with into favor of dilution of Government stake in PSBs to 33 per cent in phased manner. The PSBs should liberated to raise funds from open market subjected to capital adequacy norms and had listed their Share on recognized stock exchanges. The branch licensing should have been abolished. The PSBs were guided in area of productivity and improvement of financial performance by Branch rationalization scheme. The core for recommendations for PSBs was brought them in line with new liberalized competitive force with entry of Private Sector Banks.

8. Formation of Asset Reconstruction Fund:

Due to Directed Credit Programs and lack of competitive force among the market as well inappropriate policy regarding Income Recognition, Asset Classification etc. the level of NPAs among PSBs were became alarming signal of weaken the financial system. The committee had recommended formation of Asset Reconstruction Fund (ARF)², to whom bank can sell their certain portion of NPAs and focus on more attentive business operations which lead to profitability. For NPA management committee has asked to constitution of special tribunals to quickening the process of recovery of loans.

Narasimham Committee – 1997 -98

The Report of the Narasimham Committee-II in 1998 furnished the guideline for the second-generation reform process. Two matters are noticeable at this whole process. The Government constituted a second high-level Committee on Banking Sector Reforms under the chairmanship' of Mr. Narasimham to review the progress of banking sector reforms to date and form a program of financial sector reforms which addresses the strengthen of Indian Financial System and make it globally competitive. The Committee had submitted its report in April, 1998. The major recommendations were as under:

1. Stronger Banking System
2. 'Narrow Banking' Concepts
3. Capital Adequacy criteria
4. Asset Quality
5. Work-force management
6. Regulatory & supervisory Measures
7. Legal Framework

1. Stronger Banking System:

The Committee was in favor of strong Banking system with regard to current Account convertibility (CAC), CAC can be explained capability of the domestic banks to handle their foreign transactions exchanges at determined rate as well as to stabilize the domestic liquidity.¹⁴ The merger should become a process of resource rationalization, and amalgamation of strong financial positioned banks, rather than weak banks should be acceptable. In the mergers of the public sector banks the role of the government should be supportive instead of directive in nature. However, Mergers should not be seen as excuse for weak banks. Mergers between financially sound banks would make desirable change for greater economic and commercial sense. The Committee is of the opinion that there is overlapping of activities between bank and Development financial Institutions such (DFIs), so that the DFIs with a passage of time transform themselves into banks. The committee recommended detailed framework of guidelines for entry level of Private sector/foreign sector banks encompassing with their commencement to operational front activities.

2. Narrow Banking Concept:

'Narrow Banking' Concept was introduced in keeping consideration of those 'weak PSBs' whose NPA level was 20 or more per cent of their total advances.²⁸ Those banks were asked to manage their investment portfolio by investing only in short-term and risk free assets as per classified by the RBI, so the liquidity and profitability aspect remains somewhat stable. Such banks should be nurtured into healthy units by eschewing high cost funds, confinement of expenditure recovery initiatives, etc. Mergers should be allowed only after they clean up their balance sheets.

3. Capital Adequacy

The Committee fixed new more prominent norms to strengthen capital adequacy criteria. It recommended that the minimum capital ratio to the risk assets ratio should be heightened in the phased manner, it should be achieved 9 per cent from the present level of 8 percent by the year 2000 and 10 per cent by the year of 2002. The RBI should have delegated authority to increase further in respect of individual banks if it demands discretion for the situation.

4. Assets Quality

The committee recommended some classification bases in context of the Asset Quality Management. Assets of the banks should be classified as doubtful if in the first place it remained as substandard category for more than 18 months and subsequently 12 months. The loss of it can be identified but cannot write off.

Advances guaranteed by the government should also be treated as NPAs. The Committee conceives that the target should be to cut down the average level of net NPAs for all banks to less than 5 per cent by the year 2000 and to 3 per cent by 2002. For banks with operating on international base, the minimal target should be to cut own gross NPAs to 5 per cent and 3 per cent by 2000 and 2002 respectively and net NPA and to 3 per

cent and 0 per cent by this time committee also pointed out to constitute an Asset Reconstruction Company for those banks having high NPA portfolio, in order to absorb bade debts.

5. Work-force Management

The committee recommended structure, size and quality of the manpower engaged in banking sector. Committee suggested that the work-force should be synchronized with size of the sector and job quality requirements, overlabored banking firm should pursue with voluntary Retirement Scheme (VRS), Which would be proved to beneficial both to employees and concerned bank. Committee recommended to starting a new post of the additional whole time director as well as recruitment of skilled workforce, and reviewing compensation policy from individual to managerial level, the PSBs should be granted more autonomy in restructuring of remuneration framework, computerized and technology up gradation.

6. Regulatory/Supervisory Frameworks:

The committee emphasized wider transparency in banking operations by elaborated guidelines on Disclosure norms making them more investor-friendly rather than rigid legal jargons. Separate board of financial and supervision should be established consisting personnel having specialized knowledge. The integral parts of the internal control system like internal inspection and internal audit, including concurrent audit submission by banks to the top level management, as well as risk management should be make effective and strengthened.

7. Reviewing Legal Frameworks:

The Committee recommended necessity to review and amend the provisions of RBI Act, SBI Act, Banking Regulation Act, and Banking Nationalization Act, etc. in order to bring them in line with the current needs of the industry. Other recommendations pertain to computerization process, permission to establish private sector banks, setting up of Board of Financial Regulation and Supervision and increasing the powers of debt recovery tribunals.

CONCLUSION

These are some major challenges faced by the Indian banking sector as matter of fact now. The RBI and Government are in continuous process in launching various remedial measures in order to address such issues and many others so that the Indian banking sector would have strengthening to compete with internationally financial forces. With such challenges, Indian banking sector has been possessing number of business opportunities which would lead to one of the strongest banking system.

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Emerging Issues in Rural Areas

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Abstract

The major problems that have been identified are, poverty, illiteracy, unemployment, homelessness and crime and violence. Poverty is the condition, when the individuals experience scarcity of resources that are necessary to sustain their living conditions appropriately. Illiteracy is when individuals do not possess the basic literacy skills of reading, writing and numeracy. Due to lack of literacy skills, they certainly experience problems in the implementation of tasks and activities. Unemployment is, when individuals do not have any job or work. Homelessness is a condition, when they do not have proper housing accommodation. In rural communities, it is unfortunate that women and girls are the ones, who in most cases experience criminal and violent acts. These include, verbal abuse, physical abuse, sexual harassment, neglect and discriminatory treatment. Therefore, in order to alleviate these problems and enhance the livelihoods opportunities of rural individuals, there have been formulation of measures and programs that have the main objective of promoting well-being of rural individuals.

Keywords: Challenges, Crime and Violence, Homelessness, Illiteracy, Poverty, Problems, Rural Areas, Unemployment

Introduction :

Problems and challenges are integral to the existence of the individuals as well as the communities. In rural areas, individuals and communities are experiencing number of problems and challenges, which are proving to be major impediments within the course of meeting livelihoods opportunities. The major problems are, poverty, illiteracy, unemployment, homelessness and crime and violence. The individuals get effected by either one or more of these problems, which are having unfavourable consequences within their overall quality of lives. Poverty is characterized by lack of resources, when the individuals do not possess adequate financial resources, they are unable to fulfil their needs and requirements. The prevalence of illiteracy is common among rural individuals, apart from poverty, there are number of causes, leading to illiteracy. Lack of literacy skills, education and awareness leads to an increase in unemployment. Homelessness among rural individuals takes place due to unaffordable housing, when they lose property, wealth and housing due to the occurrence of natural calamities and disasters and so forth. Prevalence of crime and violence is common in households as well as in other places, such as, schools, market places and so forth.

There have been implementation of policies and programs by the government and organizations that have the major objective of promoting well-being of rural communities. Building of capacities and skills among stakeholders for promoting success of the program is considered as an indispensable factor, which is crucial for the success of the program. The

component of capacity building is considered to be an inadequate link of most of the rural development programs. Since the stakeholders are not being equipped with knowledge, information, awareness, skills and attitudes that are required for the successful implementation of the program (Chapter – V. Emerging Issues in Rural Development, n.d.). The organizations, agencies, individuals, and communities, that are working towards the implementation of programs, policies and strategies to promote welfare of the rural individuals and communities, need to possess adequate awareness in terms of problems and challenges. Furthermore, apart from possession of skills and abilities, they need to possess the attitude that would enable them to accomplish the desired goals and objectives.

Poverty

India comprises of one-thirds of the poverty stricken individuals. Indian poverty is primarily rural. In rural communities, landless labourers and casual workers are the individuals, who are residing in the conditions of poverty. The individuals, who are required to experience unfavourable effects as a result of poverty are, scheduled castes, scheduled tribes, the families, in which women are the heads, elderly individuals and children. The conditions of poverty among rural communities are characterised by lack of financial resources, land, assets, property and other resources. Due to lack of these resources, the individuals experience problems in sustaining their livelihoods in an appropriate manner. The vast majority of the poverty stricken individuals are employed in the agriculture sector, farming practices, and other activities, such as, animal husbandry, fisheries and so forth

Poverty is considered to be a complex phenomenon. It manifests itself within the range of overlapping and interlinked political, economic and social deprivations. These include shortage of assets, monetary resources, malnutrition, social and economic hardships, unawareness, backwardness, discrimination and incapability. The living conditions of these individuals are also in a deprived state. This is apparent that when the individuals will not possess adequate resources, then they would not be able to meet their livelihoods opportunities in an appropriate manner. Poverty stricken individuals belonging to rural communities usually migrate to urban areas in search for better opportunities. In urban areas too, they are either residing in urban slums or are homeless, as they cannot afford housing accommodation. Hence, it can be stated that the conditions of poverty are proving to be disadvantageous to the individuals to a major extent

Causes of Poverty

The major causes of poverty in rural communities have been stated as follows:

Unemployment – Unemployment is the condition, when the individuals are not engaged in any work or occupation, either within their homes or outside the home. This is apparent that individuals get engaged in employment opportunities to generate income. Therefore, when they are unemployed, they would not be able to generate a source of income and as a result would experience poverty. When the individuals are unemployed and do not

possess sufficient financial resources to meet the living requirements of their families, then there is prevalence of the conditions of poverty among them.

Participation in Minority Jobs – The agriculture and farming practices are regarded as the major occupations of the individuals in rural communities. Apart from these, they are engaged in activities, such as, fisheries, animal husbandry, production and manufacturing of handicrafts, and so forth. These jobs are regarded as minority jobs, which do not generate much income. In some cases, they are even required to wait for the season, when the demand for their products would be high and they would market their produce. Throughout the year, they are making use of materials to manufacture their products and have to experience poverty.

Illiteracy and Unawareness – When the individuals do not possess the basic literacy skills of reading, writing and arithmetic and are unaware of certain aspects, particularly the ones, which are required to sustain better livelihoods, then they experience poverty. Lack of literacy skills are regarded as major impediments within the course of taking up any work or employment. When the individuals are illiterate and unaware, then they would experience barriers in even marketing their products. Hence, when they are unable to get engaged in any occupation, due to illiteracy and unawareness, then they ultimately experience poverty.

Occurrence of Natural Calamities and Disasters – The occurrence of natural calamities and disasters, such as, earthquakes, floods, draughts, Tsunamis are detrimental to the lives of the individuals to a great extent. As a consequence, the individuals experience immense loss of life, wealth and property. Therefore, when they experience natural calamities and disasters, then loss of wealth and property causes poverty.

Inadequate Financial Management – Rural individuals mostly are illiterate and unaware. They do not possess adequate knowledge in terms of effective management of finances. In some cases, they do not make savings and investments and spend the available monetary resources on things, which are not necessary. Hence, when they do not make savings or investments in meaningful schemes, then they experience scarcity of funds, at the time of need. Hence, inadequate financial management leads to prevalence of poverty.

Borrowing Loans – When the rural individuals borrow loans from the moneylenders, and when they are unable to repay the loans, then they may end up as being bonded labourers. The bonded labourers usually are required to work long hours and get either very less pay or no pay at all. When they work hard, just for the purpose of repaying the loans, then they are unable to generate income to sustain the living conditions of themselves and their families. The ultimate outcome is poverty.

Large Families – In rural communities, individuals mostly have large families. In one nuclear family, there are usually more than two children. Whereas, in some cases, there are even up to six children in a family. When the individuals are engaged in the agriculture sector or farming practices, or in other occupations, then their income is not sufficient to meet the needs and requirements of all family members, hence, when they experience scarcity of funds, then they are unable to meet the needs and requirements of all family members and have to experience poverty.

Health Care Needs – The rural individuals, belonging to all age groups and backgrounds pay adequate attention towards their health conditions. The elderly individuals are required to make visits to health care centres on a regular basis to get their check-ups done. But in the case of severe health problems and illnesses, individuals are even required to make visits to urban areas. When the individuals spend their savings on medical treatment, then they do experience financial constraints in meeting other requirements. Hence, taking care of health care needs may use financial resources, thus giving rise to poverty.

Migration – The rural individuals in most cases, possess the viewpoint that in urban communities, they would be able to access better livelihoods opportunities. When the poverty stricken and underprivileged individuals migrate to urban communities, then they experience poverty. They do not possess adequate resources to obtain housing accommodation and are homeless, they do not possess the skills to get engaged in any occupation or activity, hence, experience problems and difficulties within the course of generating a source of income.

Participation in Other Activities – The participation in other activities by the poverty stricken individuals may augment the conditions of poverty, especially when they incur losses. In rural areas, apart from agriculture and allied activities, individuals are engaged in the production of handicrafts, food items and so forth. Hence, when they make investments in the purchase of materials and in the implementation of production processes and do not incur much sales, then they experience losses. On the other hand, when the cost price is higher than the selling price, then they experience losses and are unable to bring about improvements in their living conditions.

It is vital for the government and other organizations and agencies to put into practice the policies and programs, which have the main aim of alleviating the conditions of poverty. On the other hand, the rural individuals too need to generate awareness in terms of causes of poverty and formulate measures to lead to its alleviation. For instance, schools and training centres have been established in rural communities, but it is crucial on the part of the individuals to recognize the significance of education and hone their literacy skills. After the acquisition of education and augmentation of literacy skills, they should make effective use of them to alleviate the conditions of poverty and promote better livelihoods opportunities.

Illiteracy

Illiteracy is referred to the inability of the individuals to identify, interpret, understand, create, communicate, and compute, using printed and written materials, associated with the varying context. In 1930, the U.S. Bureau of Census defined the person as an illiterate, who is unable to read and write in any language. By the next census in 1940, the concept of functional illiteracy was adopted. Any individual with less than five years of schooling is considered as functionally illiterate. Such individuals would also experience problems in getting involved in any activity, in which, adequate literacy skills are regarded as indispensable (Qamar, 2017).

Illiteracy is a social issue that is prevalent among rural individuals, especially belonging to deprived, marginalized and socio-economically backward sections of the

society. This social problem is not only detrimental upon the lives of the individuals, but impose impediments within the progression of the entire community. When the rural individuals are illiterate and do not even possess the basic literacy skills, then they not only experience problems within the course of implementation of their tasks and activities, but also remain unaware of their rights and duties. The individuals are unable to understand the causes of problems and challenges that may take place within the course of their daily lives. They are unable to acquire employment opportunities. As a result of illiteracy, they also remain unaware in terms of policies, programs and strategies that have been put into operation to promote their well-being.

Causes of Illiteracy

In rural communities, there are number of causes that lead to illiteracy among individuals. These have been stated as follows:

Lack of Financial Resources – Financial resources are regarded as significant, especially when the individuals are required to get enrolled in schools or training centres. In Government schools, education is provided free of cost to the children and there is not any fees. But the individuals are required to incur expenses on bags, books, stationary, uniforms, transportation and other expenses involved in the acquisition of education. When the individuals are residing in the conditions of poverty and do not possess adequate financial resources, then they are unable to meet the expenses that are involved in the acquisition of education. Hence, as a consequence are required to experience illiteracy.

Parental Illiteracy – Lack of literacy skills on the part of parents is also regarded as one of the major causes of illiteracy among children. When the parents are illiterate, then they possess this viewpoint that their children, especially girls should also be discouraged from getting enrolled in schools. Instead, they should remain within homes and be trained in terms of implementation of household responsibilities. This viewpoint is the major cause of the prevalence of illiteracy among rural children, especially girls. On the other hand, boys are usually enrolled in schools and also engaged in jobs to supplement family income. The male children are enrolled in schools, as their parents possess the viewpoint that acquisition of education would enable them to get engaged in good employment opportunities and enhance family status.

Lack of Educational Facilities – In rural communities, the system of education is not in a well-developed state. The school environmental conditions are not amiable and suitable to the needs and requirements of the students as well as other members. In schools, there are lack of facilities and amenities that are required to facilitate acquisition of education among students in an appropriate manner. These include, clean drinking water, restrooms, cooling and heating equipment in accordance to the weather conditions, furniture, teaching-learning materials and so forth. The classroom environmental conditions do not possess the essential materials and equipment, which would facilitate learning. Hence, due to lack of educational facilities, teachers and students experience problems in the implementation of teaching-learning methods.

Lack of Teaching-Learning Methods – The teaching-learning methods and instructional strategies are not in an appropriate form in rural schools. The teachers need to put into operation, the teaching-learning methods and instructional strategies in accordance to the needs and requirements of the students. They need to be aware of what methods would be suitable in accordance to the subjects and class standards. For instance, when students are able to acquire an adequate understanding through giving verbal explanations and notes, then the teachers need to provide verbal explanations as well as notes. But lack of proper teaching-learning methods and instructional strategies is one of the major causes of illiteracy.

Lack of Interest in Studies – Learning academic concepts is not easy. In the pursuance of academic goals, students are required to pay adequate attention and get engaged in continuous practice. When they are unable to pay adequate attention towards their studies or when are unable to obtain assistance in acquiring an efficient understanding of the academic concepts, then they usually experience setbacks. Students usually lack interest in their studies, when they do obtain the desired academic outcomes. In rural schools, normally students experience problems in obtaining help as well, either from teachers or fellow students. As a consequence, they are unable to pursue academic goals and ultimately drop out from schools.

Transportation Problems – In rural areas, mostly schools are located at a distance from home. When the students experience problems in transferring to schools, then they are unable to pursue academic goals. It has been researched upon that girls normally experience problems in transferring to schools and are depended upon their family members. In the case of transportation problems, parents are vested with the responsibility of taking their children to school and bringing them back home. When they are able to carry out their responsibilities in an appropriate manner, then children are able to acquire education. Whereas, when they do not have family members to provide them assistance in terms of transportation, then they are unable to acquire education. As a result, they either get discouraged from getting enrolled in schools or drop out, before their educational skills are honed.

Shortage of Teachers – The primary job duty of the teachers focus upon making provision of academic knowledge and information to the students. Apart from academic knowledge, they need to generate awareness among students in terms of various aspects in order to facilitate their effective growth and development. In rural schools, shortage of teachers is the major problem that is also a primary concern in the development of the system of education. When the schools will not recruit qualified and experienced teachers, then certainly there would be occurrence of impediments in the achievement of academic goals. When there are shortage of teachers in schools, then it also leads to a decline in the enrolment of students.

Engagement in Employment Opportunities – Rural individuals are usually residing in the conditions of poverty to a major extent. They have the primary objective of alleviating the conditions of poverty. Due to this, they give more preference to employment opportunities. From the stage of early childhood, they train their children to get engaged in various forms of employment opportunities in accordance to their skills and abilities. For instance, when they are in family business, then they provide training to their children in

terms of production processes. Whereas, in other cases, children are involved in other jobs as well, such as, plantations, factories, industries and so forth. Hence, due to engagement in employment opportunities, they are unable to get enrolled in schools and pursue education.

Child Labour – In India, there has been prevalence of child labour. The individuals, belonging to deprived, marginalized and socio-economically backward sections of the society are the ones, who mostly encourage their children to get engaged in various forms of labour practices, thus depriving them from acquisition of education. The children are even engaged in hazardous occupations, including diamond polishing, gem cutting, silk weaving, beedi rolling, plantations, agriculture, lock industries and so forth. To carry out their job duties appropriately in these areas, it is vital for them to possess adequate knowledge and acquire proper training. The children are usually employed in these industries and factories on a full-time basis. Therefore, they are unable to hone their literacy skills.

Social Disputes – In rural communities, social and cultural disputes normally take place with regards to education of girls. The individuals, primarily the ones, who are poverty stricken and belong to economically weaker sections of the society, usually possess the viewpoint that girls are liabilities. They have to eventually get married and go to their marital homes. If they are educated, they would not be able to make use of their educational skills in any manner, the reason being, they need to carry out the household chores. Due to the prevalence of this viewpoint, girls are discouraged from getting enrolled in schools and are trained regarding the implementation of household responsibilities. This social dispute is the major cause for a high rate of illiteracy among girls.

To alleviate the problem of illiteracy, it is vital to put into operation the policies, and programs with regards to improvements in the system of education. In addition, there should be improvements made in the teaching-learning methods, instructional strategies, infrastructure and facilities and transportation. The rural individuals need to bring about changes in their viewpoints, especially regarding the education of girls. They need to understand that girls and women too can bring about improvements in the livelihoods opportunities of their families and communities, when they are provided with opportunities. Children should get enrolled in schools and parents should create an amiable environment within home that would help the individuals to hone their educational skills.

Unemployment

Unemployment is referred to as the state, when individuals are not engaged in any form of work or occupation or task, primarily to generate a source of income. When the individuals are jobless and idle, then they are stated to be unemployed. In rural communities, the problem of unemployment is severe among the individuals. When they are unemployed, they experience number of problems and challenges, which are regarded as major barriers within the course of attainment of better livelihoods opportunities. When the rural individuals are unemployed and are struggling to make ends meet, then they are continuously looking for employment opportunities or means to generate a source of income. When the individuals are looking for employment opportunities, they need to ensure that they possess adequate skills and abilities to put into practice their job duties in a well-organized manner.

When searching for employment opportunities, the individuals need to take into consideration number of factors. These are pay and reimbursements, location of the workplace, working environmental conditions, job duties, other members within the workplace, possession of qualifications, skills and abilities, organizational goals and objectives, family and household responsibilities, availability of materials and equipment within the workplace, especially required in the implementation of job duties and terms and relationships with the other individuals within the working environment. When the individuals feel that these factors are satisfying to the individuals, then they get engaged in jobs. Whereas, when any of these factors are not satisfying, then the individuals experience problems in looking for employment opportunities.

Causes of Unemployment

The major causes of unemployment have been stated as follows:

Increased Education Expectations – In the present existence, there has been an increase in education expectations, especially in terms of reputed jobs in organizations (Das, 2018). Well-paid and reputed jobs require the individuals to possess educational qualifications of Bachelors, masters or doctorate. When the individuals are illiterate and do not possess the basic literacy skills, then it is apparent that they are unable to meet the education expectations. Hence, inability to meet the increased education expectations is an impediment within the course of acquisition of employment opportunities.

Lack of Basic Literacy Skills – Basic literacy skills are the skills of reading, writing and numeracy. When the individuals lack the basic literacy skills, then too they experience problems within the course of implementation of household responsibilities, as well as in carrying out other tasks and activities. When the individuals are making purchases of items from the market, then too they need to possess the basic literacy skills, especially in making monetary transactions and analysing usefulness of the product. In rural communities, individuals usually lack the basic literacy skills, which are barriers within the course of acquisition of employment opportunities.

Family and Household Responsibilities – The implementation of family and household responsibilities usually require the individuals to put in all their time and effort, that they are unable to get engaged in any employment opportunities. This usually applies to women and girls. They are trained from the initial stage in terms of management of household responsibilities. These include, cleaning, washing, preparation of meals, fetching water, rearing of livestock and looking after the needs and requirements of younger siblings, and elderly family members. Therefore, when women and girls are engaged in family and household responsibilities, then they are unable to participate in employment settings.

Decent Work Deficit – Decent work deficit is referred to shortage of employment opportunities, which are civilized and ethical and which require the individuals to make use of their skills and abilities in an appropriate manner. The rural individuals aspire to get engaged in decent work. Lack of education among them is a major cause of occurrence of problems in acquiring reputed employment opportunities. But they possess the skills and abilities to get engaged in minority jobs, such as cleaning, domestic labour, construction

work etc. In some cases, they are able to obtain work in domestic households, offices or other places, but in others, they experience decent work deficit, which causes unemployment.

Lack of Information – The employment of rural individuals in the agriculture sector and farming practices do not generate much income for the agricultural labourers and farmers, especially landless and marginal farmers. The income is primarily meant to sustain their living conditions in an appropriate manner. Hence, it is vital for individuals to look for employment opportunities to supplement their income. Lack of information regarding various employment opportunities, programs and schemes that are implemented to promote their well-being is one of the major barriers within the course of acquisition of employment opportunities.

Health Problems and Illnesses – The individuals are required to maintain their good health and well-being to get engaged in any task or activity. Due to the prevalence of the conditions of poverty, individuals experience malnutrition and health problems and illnesses. In case of health problems and illnesses, the individuals are unable to get engaged in any tasks or activities, or look for employment opportunities. The rate of unemployment is mostly high among the individuals, who experience permanent disabilities or health problems.

Temporary Contracts – Research has indicated that rural households normally send their children to urban areas to find employment as domestic helpers. In such cases, mostly they are hired on a contract period of two years. After the completion of their contract period, they are send back home. The domestic helpers are trained in terms of all household chores, such as, cleaning, washing, preparation of meals, purchasing groceries and other items from the marketplace and so forth. In return, they are given pay, food, clothes and in some cases, even get enrolled in schools to develop academic skills. But after the contract period is over, they are unemployed. Hence, temporary contracts lead to unemployment.

Skills Mismatch – The individuals are required to possess the essential skills in accordance to the job requirements. For instance, when an individual is working as a carpenter, then it is vital for him to possess adequate knowledge in terms of his job and so forth. When the skills possessed by the individuals are not in accordance to the job requirements, then they experience problems in looking for jobs. Therefore, it can be stated that skills mismatch is one of the major causes of unemployment, especially among the poverty stricken, marginalized and socio-economically backward sections of the society.

Lack of Training for Work – The rural individuals, normally are illiterate and unskilled. When they are engaged in employment opportunities, then they aspire to obtain sufficient training and augment their skills and abilities in the implementation of job duties. But lack of training for work prevents them from honing their skills and abilities, and thus they are unable to generate the desired academic outcomes. Even though the individuals are experienced, but when training is provided in terms of employment opportunities, then the desired academic outcomes can be achieved in a manageable manner. On the other hand, lack of training for work is an impediment within the course of acquisition of employment opportunities.

Social Restraints upon Women – In rural communities, as it has been stated above that social restraints are imposed upon women. They are considered inferior to men and are not given equal rights and opportunities. The prevalence of discriminatory treatment against women not only is an impediment within the course of acquisition of literacy, but also within the course of attainment of employment opportunities. They are compelled to remain within the households and carry out the household responsibilities. The other social restraints that have been imposed upon them are, lack of participation in the decision making processes, social, cultural, political, economic and religious functions and so forth. Hence, these restraints prevent them from acquiring employment opportunities.

In order to alleviate the problem of unemployment, it is vital to take into consideration various aspects. These are, formulation of policies and programs, focusing upon development of skills and generating employment opportunities for the individuals; making improvements in the system of education and vocational training programs, policies and measures for controlling the growth of population; generating awareness within rural youth in terms of utilization of modern and innovative methods and approaches in agriculture, farming practices and in other tasks, such as production and manufacturing processes; enabling the individuals to hone their technical skills and appropriate planning needs to be done, regarding the utilization of human resources. When these aspects are adequately taken into consideration and measures are formulated to put them into practice in an appropriate manner, then solutions would be brought about regarding alleviation of unemployment.

Homelessness

Homelessness in rural India is a relatively hidden and an unknown phenomenon. This phenomenon is comprehensive and is continuing to grow with the increase in the country's population. Homelessness is a condition, when the individuals do not have any form of shelter or housing accommodation. Homeless individuals are residing in temporary shelters, pavilions, on the roadside or within homes of friends or relatives. It is regarded as one of the major problems that individuals experience within the course of acquisition of better livelihoods opportunities. When the individuals are homeless, they experience problems and challenges in fulfilling major requirements that are considered imperative in improving the overall quality of lives. These include, education, employment opportunities, health and well-being, diet and nutrition, hygiene and sanitation and so forth.

Research has indicated that in rural communities, the rate of homelessness is lower as compared to urban areas (Wardhaugh, n.d.). The major reason for this is, in rural communities, individuals are mostly residing in the conditions of poverty and backwardness. They have the major objective of alleviating the conditions of poverty and bringing about improvements in their living conditions. In order to achieve this objective, they migrate to urban communities. When they do not possess adequate resources to obtain a housing accommodation, they end up being homeless. Lack of secure, permanent and appropriate shelter leads to homelessness among individuals. The term 'homeless' is often replaced by the term 'houseless'. Emphasis is put upon those, lacking any form of shelter, rather than the ones, who do not have a real home.

Typology of Rural Homelessness

The typology of rural homeless individuals have been stated as follows:

Displaced Individuals – The displaced individuals are the individuals, who lose their homes, as a result of occurrence of natural calamities, disasters, communal riots, infrastructure development and political conflicts. They usually reside in relief camps, after becoming homeless for months or even years. The relief camps are established by the government and other organizations and agencies, with the main purpose of making provision of help to these individuals (Wardhaugh, n.d.).

Migrants – Migrants are the individuals, who migrate to other regions and cities in search for better livelihoods opportunities. Poverty and landlessness are the major causes that lead to migration of the individuals. When the individuals migrate to urban areas, they may or may not receive assistance in the form of night shelters, food and so forth. In most cases, when the individuals migrate to urban areas, their families continue to remain in rural areas (Wardhaugh, n.d.).

Inmates of Institutions – These are the individuals, who are normally affected by disabilities, illnesses and diseases. They are normally incapacitated and reside by the roadsides. Apart from the roadside, they are residents of beggar's settlements or state homes for beggars. They are normally involved in begging for alms to meet their living requirements. They experience unfavourable conditions to a major extent (Wardhaugh, n.d.).

Living in Other Households – When rural individuals migrate to urban areas in search of better employment opportunities, then in some cases, they are able to obtain housing accommodation within other households. These include, friends, relatives or other individuals, such as, domestic employers. Within the house of the domestic employers, they carry out certain job duties and obtain housing accommodation. In some cases, they render their domestic responsibilities on a full-time basis, whereas, in other cases, they take up another job and work in domestic households on part-time basis.

Urban Slums – Individuals, residing in urban slums too are regarded as homeless. In slum areas, the living conditions are in a deprived state. The individuals experience lack of civic amenities and facilities and are residing in the conditions of poverty. These individuals are engaged in minority jobs, such as cleaners, sweepers and so forth. Their income is meagre to sustain their living conditions and as a result are required to experience severe poverty.

Itinerant Groups – Itinerant groups are the ones, who do not have a fixed location. These individuals are normally religious mendicants or gypsy groups. These individuals normally travel from one place to another in search for opportunities to improve their livelihoods. Officially, they are not regarded as homeless and due to this, they are not eligible for any assistance. They are usually dependent upon non-government organizations or informal assistance (Wardhaugh, n.d.).

Causes of Rural Homelessness

The major causes of homelessness are, poverty, landlessness, natural calamities and disasters, wars, communal riots and political conflicts (Wardhaugh, n.d.). Poverty is regarded

as one of the major causes that imposes barriers upon individuals to obtain adequate livelihoods opportunities. The individuals residing in the conditions of poverty experience lack of resources, which are necessary for an effective living. Influenced by the conditions of poverty, when individuals are unable to afford housing accommodation, then they end up being homeless. Landlessness is the state, when the individuals do not possess land or property, which they can effectively make use of to make provision of adequate and secure housing. The occurrence of natural calamities and disasters, such as, earthquakes, Tsunamis, floods and so forth, cause immense loss of life and property. When the effects of natural calamities and disasters are experienced on a large extent, then the individuals end up losing their homes and become homeless. The occurrence of wars, communal riots and political conflicts also render an important contribution in leading to an increase in homelessness among individuals. The occurrence of these situations, not only lead to loss of life, but individuals lose their housing and property as well.

Indira AwaasYojana (IAY)

Indira AwaasYojana is a flagship scheme of the Ministry of Rural Development. IAY is the largest and the most comprehensive rural housing program that has ever been put into operation within the country. It has its origin in the wage employment programs of the National Rural Employment Program (NREP), (1980) and the Rural Landless Employment Guarantee Program (RLEGP), which was initiated in 1983. Construction of houses in rural communities was the main objective of this scheme. It has been making provision of assistance to the families, who are living below poverty line (BPL). These individuals are either homeless, or they have inadequate housing facilities for constructing a safe and a durable shelter. This effort has been part of the larger strategy of the Ministry in the alleviation of poverty and assisting in the development of environmentally appropriate habitats with adequate provisions in alleviation of the problem of homelessness. Making provision of housing accommodation is one of the major aspects in alleviating poverty (Indira AwaasYojana, 2013).

India's Ministry of Rural Development has undertaken the IAY as part of the Bharat Nirman undertaking to improve rural infrastructure. The IAY program has been implemented to make provision of rural housing to the individuals and to replace the kutchha i.e. inadequate housing. The intended recipients of this accommodation in most cases belong to the marginalized, underprivileged and economically weaker sections of the society (Wardhaugh, n.d.).

Under the IAY scheme, around 11.5 million rural houses were built in between 1985 and 2004. They are designed to provide new housing accommodation to the individuals as well as replace kutchha housing. The primary recipients of this scheme are the individuals, living below poverty line and economically weaker sections of the society. The main objective of Bharat Nirman program was to end homelessness in rural India. During the first four years, there has been establishment of 7.176 million houses. Furthermore, measures were formulated to build 12 million houses, during the first five years from 2009-2010 to accommodate 54 million individuals (Wardhaugh, n.d.).

Kutcha and Pucca Housing

Kutcha is a hindi term, which means temporary or which has not been built in an appropriate manner. Whereas, pucca means of good quality or something that is of reliable quality. In the establishment of kutcha houses, the materials that are made use of are not of good quality and the methods of construction have also not been put into operation in an appropriate manner. On the other hand, in pucca housing, the materials and the construction processes that have been implemented are of appropriate standard. In the case of occurrence of natural disasters, kutcha houses get affected easily, whereas, pucca houses may not get effected easily. The problem of homelessness is a major barrier not only within the course of progression of individuals, but country as a whole. Hence, policies and schemes need to be implemented to build pucca housing accommodation, particularly in rural areas.

Crime and Violence

In rural communities, there have been prevalence of criminal and violent acts. All individuals, irrespective of gender, age, caste, creed, race, religion, ethnicity and socio-economic background have been victims of crime and violence. The major cause behind the prevalence of these acts is poverty. The individuals residing within the conditions of poverty, normally lack the resources, which are needed to promote better livelihoods opportunities. When they experience problems and impediments within the course of fulfilment of their daily requirements, then they get prone to crime and violence. Inability of the individuals to sustain their living conditions in an appropriate manner, usually arouse the feelings of anger and frustration among them. Due to these attitudes, they get involved in criminal and violent acts, within as well as outside the home.

In rural communities, girls and women are the ones, who get subjected to abuse and mistreatment more as compared to their male counterparts. The birth of the girl child is still not appreciated and preference is given to male children. Girls are regarded as liabilities, and families, primarily belonging to underprivileged, deprived and socio-economically backward sections of the society possess the viewpoint that they would make demands and not yield any returns upon investment. Hence, they are discouraged from acquisition of education, trained from the initial stage in terms of implementation of household responsibilities and are get married. On the other hand, more attention is paid towards the male children, particularly, their education, health, diet and nutrition, participation in other activities, making of important decisions and so forth. Therefore, in this manner, girls and women experience neglect and discriminatory treatment. They are not given equal rights and opportunities as compared to the males. In some cases, they usually carry out their daily routine in the management of household responsibilities and are discouraged from participating in any tasks and activities.

Types of Crime and Violence

The various types of crime and violence normally are classified into five categories, violent interpersonal crimes, including verbal abuse, physical abuse, trafficking and exploitation; property crimes, including theft and robbery and crimes against women, including sexual harassment, dowry deaths, domestic violence, rape and acid attacks.

Verbal Abuse – Verbal abuse is the form of abuse which involves making use of obscene language, meant to degrade the individuals. This form of abuse is prevalent within the household, among family members as well as outside the household. This abuse does not cause any physical injury, but has a negative influence upon the mind-sets of the individuals. It normally involves name-calling, blame, criticism, with-holding, isolation, condescension, manipulation, degradation, arguments and threats. It is usually believed that harsh words leave a scar upon the mind-sets of the individuals, particularly the ones, who experience them. Therefore, it is stated that severe verbal abuse has a major impact upon the psychological well-being of the individuals.

Physical Abuse – Physical abuse is the form of abuse, which involves physically hurting the person. In some cases, men and boys too experience this form of abuse, but girls and women usually, experience this form of abuse in their marital as well as natal homes. The various forms of physical abuse include, beating, pushing, hitting with an object, shaking, force feeding, kicking, strangling, choking, denying of food, physically restraining, pinning against the wall, reckless driving or inflicting burns. When the individuals experience physical abuse, then they not only experience injuries and hurt, physically but also psychologically. Experiencing major extent of physical abuse also contribute in incapacitating the individuals to get involved in the implementation of any tasks or activities.

Trafficking – Trafficking among women and children have been a major concern, both nationally and internationally. In India, there has been an increase in trafficking of women and children. The prevalence of conditions of poverty are stated to be the major cause. The professional criminals, who are involved in trafficking, often lure women and children of employment opportunities and prosperous lives. Hence, due to conditions of poverty, illiteracy and unawareness, they give their consent and send their children. Mostly, women and children, who experience trafficking are kidnapped and sold. They are beaten, burned, deprived of food and rest, are made to work long hours and are required to undergo various unfavourable consequences, augmenting misery and pain.

Exploitation – Exploitation is the form of criminal act, which normally both men and women experience. It is carried out by individuals upon others, against their consent. In rural communities, women and girls are the ones, who are exploited more as compared to males. They are compelled to get involved in the implementation of tasks and activities, which they may not be willing to perform. For instance, they are compelled to prepare meals and carry out other household chores, against their desires. Elderly individuals also experience financial exploitation. When the individuals are unable to get engaged in any jobs or work and earn income, then they may exploit their elderly parents in terms of financial resources.

Theft and Robbery – Theft and robbery are the acts that are prevalent among the individuals, belonging to deprived, marginalized and socio-economically backward sections of the society. These involve, stealing, burglary, shop-lifting, and larceny. The individuals may commit these acts in terms of valuables, jewellery and finances or in obtaining basic necessities, such as, food and water. The major causes for the involvement of individuals in theft and robbery are poverty, unemployment and illiteracy. When they are illiterate and unskilled, due to which they are required to undergo challenges and problems in finding

employment opportunities. On the other hand, lack of resources needed in the sustenance of their living conditions, compel them to get involved in the acts of theft and robbery.

Sexual Harassment – Sexual harassment is referred to the gross violation of the rights of women to equality and dignity. This form of criminal act is usually experienced by women within the workplace. When women are involved in various forms of employment opportunities, then they are not given equal rights as the male counterparts. In terms of wages, they are discriminated against. They are given less wages as compared to men, for the same work performed. In order to alleviate sexual harassment, there are formulation of policies and programs, which have the main objective of treating women with respect and dignity and providing them equal rights and opportunities.

Dowry Deaths – Dowry is referred to the bride price, which the bride's family is required to pay to the groom's family at the time of marriage. It normally involves giving financial resources, jewellery and other valuables to the daughter at the time of her marriage. This is apparent that individuals, belonging to poverty stricken, marginalized and underprivileged sections of the society experience problems in paying sufficient bride price. When the groom's family is unsatisfied with the bride price, then they impose harm and injuries upon the bride. Dowry deaths involve killing as well as suicide. When the brides are unable to bear the harassment, then they end up committing suicide.

Domestic Violence – Domestic violence is the violence that is inferred upon women within the house. The major causes of domestic violence are, possession of feelings of antagonism and hatred, dowry demands, when women are unable to meet the needs and requirements of the family members or when the implementation of tasks and activities does not meet expectations. Verbal abuse of women is common in the case of domestic violence, but in some cases, women may also experience physical abuse. Among rural households, domestic violence in most cases takes place over trivial issues, which can be solved peacefully. The development of feelings of anger and frustration gives rise to domestic violence.

Rape – Rape is a type of sexual assault, usually involving sexual intercourse. It is inflicted by one or more persons upon the other person, without the person's consent. The act may be carried out by physical force, coercion, abuse of authority or against the person, who is incapable of valid consent. The women and girls, who are incapable of valid consent, are unconscious, incapacitated and below the legal age of consent. This is regarded as the major crime not only against the individuals, but the entire society. It is unfortunate that girls, who are below 10 years of age are also subjected to rape.

Acid Attacks – Acid attack is referred to throwing of acid upon the individuals, with the main purpose to mutilate, deface or to kill. Women and girls mostly have been victims of acid attacks. One of the major causes was, just because they expressed interest and enthusiasm towards acquisition of good education, getting engaged in employment opportunities and rejected the marriage proposals of men. Out of the feelings of anger and frustration, acid was thrown upon these women and they experienced long-term detrimental

consequences. Research has indicated that these women and girls, belonged to the age group of 15 to 25 years.

The prevalence of crime and violence is regarded as a major impediment within the course of progression of not only individuals and communities, but also country as a whole. Women and girls are the ones, who are mostly subjected to these acts. It is vital to formulate programs and policies to combat crime and violence against women. The individuals need to bring about changes in their viewpoints and perspectives and make provision of equal rights and opportunities to girls and women. Furthermore, it is vital to formulate measures to alleviate the conditions of poverty. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) guarantees 100 days of minimum wage employment to every rural household (Iyer, & Topalova, 2014). This would help the rural individuals in sustaining their livelihoods in an improved manner. In addition, they also need to recognize the significance of education and enhance their academic and literacy skills.

Conclusion

In rural areas, the major problems are, poverty, illiteracy, unemployment, homelessness and crime and violence. Poverty is the condition, when the individuals do not possess sufficient financial resources to sustain their living conditions. The major causes of poverty are, unemployment, participation in minority jobs, illiteracy and unawareness, occurrence of natural calamities and disasters, inadequate financial management, borrowing loans, large families, health care needs, migration and participation in other activities. Illiteracy is the inability of the individuals to identify, interpret, understand, create, communicate, and compute, printed and written materials. Causes of illiteracy are, lack of financial resources, parental illiteracy, lack of educational facilities, lack of teaching-learning methods, lack of interest in studies, transportation problems, shortage of teachers, engagement in employment opportunities, child labour and social disputes. Unemployment is the condition, when individuals are not involved in any job or activity, primarily to generate income. The major causes of unemployment are, increased education expectations, lack of basic literacy skills, family and household responsibilities, decent work deficit, lack of information, health problems and illnesses, temporary contracts, skills mismatch, lack of training for work and social restraints upon women.

The state of homelessness is characterized by lack of housing accommodation or shelter. The homeless individuals live in various areas, including roadsides, temporary shelters, or with relatives and friends. These are, displaced individuals, migrants, inmates of institutions, living in other households, urban slums and itinerant groups. The major causes of homelessness are, poverty, landlessness, natural calamities and disasters, wars, communal riots and political conflicts. In rural communities, the various forms of criminal and violent acts are, verbal abuse, physical abuse, trafficking, exploitation, theft and robbery, sexual harassment, dowry deaths, domestic violence, rape and acid attacks. Women and girls mostly experience various forms of crime and violence, within and outside the household. The difficulties that individuals are required to experience depend upon the extent of these problems. There have been formulation of measures, policies and programs by the

government, organizations and agencies, which aim to alleviate these problems and facilitate education, health care and employment opportunities among the individuals.

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Need & Importance of Labour Welfare in India

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Abstract

Labour is the most important factor of industrial production. Management seeks co – operation of labour force by providing welfare in terms of provisions for better working conditions adequate lighting and ventilation etc. Labour welfare work aims at providing such service facilities and amenities which enable the workers employed in industries to perform their work in healthy congenial surrounding conducive to good health and high morale.

Keywords : Labour, Industrial Production, Welfare, Working Conditions, Lighting, Ventilation.

Introduction :

Labour is the most important factor of industrial production. Management seeks co – operation of labour force by providing welfare in terms of provisions for better working conditions adequate lighting and ventilation etc. Labour welfare work aims at providing such service facilities and amenities which enable the workers employed in industries to perform their work in healthy congenial surrounding conducive to good health and high morale. The labour welfare operates to neutralise the harmful effects of large scale industrialization and urbanisation . Provision of welfare amenities enable the worker to live an richer and more satisfactory life and contributes to their efficiency and productivity . It help in maintaining industrial peace.

Objectives of Labour welfare activities.

Following are the objectives of the voluntary labour welfare services by employer:

1. To win over employees loyalty and increase their morale.
2. To develop efficiency and productivity among workers.
3. To save one self from heavy taxes on surplus profits.
4. To reduce of threat of further government intervention.
5. To make recruitment more effective.
6. To give expression to philanthropic and paternistic feelings.
7. To combat trade unionism and socialist ideas.
8. To earn good will and enhance public image.
9. To build up stable labour force, to reduce labour turnover and absenteeism.

Importance of Labour welfare activities.

Labour welfare in India has a special significance as the constitution provides for the promotion of welfare of the labour for humane condition of work and securing to all workers leisure, social and cultural opportunities. Labour welfare is measure to promote the efficiency of labour. The various welfare measures provided by the employer will have immediate impact on the health, physical and mental efficiency, alertness, morale and overall efficiency of the workers and thereby contributing to the higher productivity. Moreover, the workmen require protection from certain calamities which imperial their efficiency. Social security measure provided by employer will act as a protection to the workers. Social security aims at providing collective measures to protect the members of a community against social risk as their individual resources are seldom adequate to after protection against hardship. Both assistance and social insurance from integral parts of the system of social security . Labour welfare introduces the extra dimension to industrial relationship which ever a satisfactory wage alone cannot provide. Labour welfare express the humane interest as enlightened employer has in the well being and contentment of the people who work for him. Labour welfare means activities designed for the promotion of the economic, social and cultural well being of the employees.

The term labour welfare includes any thing done for intellectual, physical, moral and economic betterment of worker by government or by other agencies over and above what laid down by law in various contingencies like illness, unemployment , disability and death which have direct impact on the well being of the worker and the dependent.

Reasons for the labour welfare activities in India.

Following are the reasons for the labour welfare activities in India. By understanding these reasons, the importance of labour welfare activities can be understood:

- a) Increase in the efficiency of employees.
- b) Helpful in reducing the state of poverty among employees.
- c) Establishment of industrial Peace.
- d) Helpful in maintaining health and physical ability of employees.
- e) Helpful in reducing the rate of absenteeism and labour turnover.

a. Increase in the efficiency of the employees – Labour welfare activities increase in efficiency of the employees to work. These facilities help in developing the feeling of dedicating among them. Due to the increase in efficiency the production and roductivity of the enterprises increase considerably.

b. Helpful in reducing the state of poverty among employees – A great problem in industrial development of our country is extreme poverty among Indian workers. Most of the workers in our country are unable in providing for base necesicities for themselves and to their family members. Provision of labour welfare activities plays an important role in reducing such poverty and providing essential amenities to the workers.

c. Establishing Industrial peace. – Labour welfare activities help in establishing harmonious relations between employees and employers. Employees realize that they are getting all possible facilities, and the employer take care of them, Such feeling among employees is helpful in establishing industrial peace.

d. Helpful in maintaining health and physical ability of employees – most of the Indian workers are unhealthy and ill fed. It reduces the production capacity of the employees. Provision of nourishing food and medical facilities help in maintaining health physical ability of the employees.

e. Helpful in reducing the rate of absenteeism and labour turnover- The rate of absenteeism and labour turnover is much higher in India as compared to that of developed countries of the world. Provision of labour welfare activities help reducing this arte because the workers feel themselves well settled at one place.

Principles of Labour welfare. – The following principles should be kept in mind properly following to achieve successful implementation of welfare programmes:

- 1. Principles of social responsibility of industry.
- 2. Principles of totality of welfare.
- 3. Principle of accountability.
- 4. Principle of timelines
- 5. Principle of responsibility
- 6. Principle of association or democratic values.
- 7. Principle of efficiency
- 8. Principle of co ordination or integration
- 9. Principle of adequacy of wages
- 10. Principle of re - personalisation
- 11. Principle of self help

1. Principle of social responsibility of industry – Industry, is a sub system of the society. It draws its manpower from the society. Obviously, industry has an obligation or duty towards its employees to look after their welfare. According to this principle, to provide welfare facilities to the employees is social responsibility of industry.

2. Principle of totality of welfare – According to this principle, labour welfare activities and facilities must be extended to all the employees of the organisation will be achieved if a section of the employees are unable to counteract the baneful effects of industrial system.

3. Principle of accountability – This principle is also called as principle of evaluation. his principle suggests that welfare programmes must be evaluated periodically. This is very much necessary to judge and analyse the success of welfare programme and recognize it for better results.

4. Principle of timeliners – The timeliners of any welfare programme help its success. To find out what are the labour welfare needs and what kind of welfare programme are necessary, the time required is very important. Timely action in proper direction is essential in any kind of welfare activities.

5. Principle of responsibility – The principle of responsibility is based on assumption that labour welfare is the joint responsibility of employers and employees. According to this principle, labour welfare becomes simple and easiest task because responsibility is shared by different groups.

6. Principle of association or democratic values – For the success of a welfare programme association of employees in planning, organizing and implementation is most essential. Employees who have associated in planning, organizing, and implementation of welfare activities get keenly interested in the welfare programmes.

7. Principle of efficiency – Efficiency of the workers and welfare facilities are interdependent. Hence principle of efficiency plays an important role in organizing welfare facilities to their employees as it would increase their efficiency which would in turn lead to increase productivity.

8. Principle of co ordination or integration – This principle of co ordination or integration plays an important role in the success of the welfare programmes. Welfare measure to be effective new co ordination or integration approach will promote a healthy development of the employees in his work, home and community. This is essential for integrating employees to their work environment.

9. Principles of adequacy of wages – According to this principle worker have a right to adequate wages. Labour welfare facilities must be provided over and above the adequate wages. That means labour welfare measures can not be a substitute for wages. At the same time, it is also true that high wage rate alone can not create a healthy atmosphere nor being about sense of commitment on the part of workers. A combination of wages and labour welfare together would achieve good results.

10. Principle of re – personalisation - This principle suggests that goal of labour welfare should be overall development of the employees. According to this principle, labour welfare measures help workers to resist the baneful effects of industrial system; therefore, it is necessary to organize labour welfare activities both inside and outside the factory.

11. Principle of self – help – This principle suggests that the labour welfare must aim at helping employees to help themselves in future. This helps employees to become more responsible and more efficient.

Labour welfare in India - The directive principle of state policy in our constitution express the need for labour welfare. Following acts are there in the constitution for labour.

Article 32 - The state shall make effective provisions for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness, disablement and other cases of undeserved want.

Article 33 - The state shall make provisions for securing just human conditions of work and for maternity relief.

Article 39 – The state shall in particular direct its policy towards securing:

- a. that the citizen, men and women equally have the right to an adequate means of livelihood
- b. that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.
- c. That the ownership and control of the of the material resources are so distributed as to sub serve the common good.

d. that the health and strength of workers men and women and tender age of children are not abused and that citizens are not forced by economic necessity to enter a vocation unsuited for their age and strength.

e. that there is equal pay for equal worker for both men and women.

Article 41 – The state shall within the limits of its economic capacity and development, make effective provisions for securing the right to work, to education and to public assistance in cases of under served wants.

Article 42 - the state shall make provision for securing just and human conditions of work and maternity relief.

Article 43 – The state shall endeavour to secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural industrial or otherwise, work, a living wage, condition of work ensuring decent standards of life and full employment of leisure and social and cultural opportunities and in particular, the state shall endeavour to promote cottage industries on an individual or co – operative basis in rural areas.

Article 43 A – the state shall take steps by suitable legislation or in any other way to secure participation of workers in development of undertaking, establishments or other organisations engaged in industry.

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Top Management of Central Cooperative Bank in Bihar

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Abstract

Democratic pattern is the backbone of administration and management of cooperative institutions in Bihar. Cooperative management is a joint venture in joint responsibility of the officials, elected non-officials and the employees working in the cooperative institutions. The main administrative bodies of these banks which frame policies and take decisions are General Body, Board of Directors, Working Committee, Chairman and Deputy Chairman.

Key words : Democratic Pattern, Backbone, Management, Cooperative Institutions, Adventure.

Introduction

Democratic pattern is the backbone of administration and management of cooperative institutions in Bihar. Cooperative management is a joint venture in joint responsibility of the officials, elected non-officials and the employees working in the cooperative institutions. The main administrative bodies of these banks which frame policies and take decisions are :-

1. General Body
2. Board of Directors
3. Working Committee
4. Chairman and Deputy Chairman

1. GENERAL BODY

The General-Body of the Central Cooperative Bank consists of the following members :-

- a. Affiliated Societies
- b. Individual members and
- c. Representatives of the State Government

Each affiliated society shall appoint a delegate as provided in its bye-laws, and vacancies among such delegates shall be filled up in the same manner. A delegate ceasing to be a member of his society or whose delegation is withdrawn by the society or who is a defaulter in accordance with the bye-laws of the society in respect of any dues outstanding against him in the society shall cease to be its delegate. Every delegate shall hold office until his successor shall have been appointed provided that it shall be competent for any society at any time to remove its delegate and appoint another. Each members of the General Body shall have only one vote. Voting by proxy shall not be allowed. A list of the voters shall be prepared, as on the closing date of every cooperative year and only these whose names are on the list shall be entitled to vote. The ultimate authority in all matters relating to the general administration of Central bank shall be vested in the General Body. The General Body shall not, however, interfere with the actions of the Board of Directors done in exercise of the powers conferred on the by the bye-laws.

2. BOARD OF DIRECTORS

The Board of Directors in Central Cooperative Banks in Bihar is the main executive body with a variety of functions. The policy and programme regarding the rate of interest on borrowing and lending, mobilization and raising of funds through shares, debentures and loans and the investment of these funds in gainful avenue, are laid down by the Board of Directors. It gives general directions to working Committee or Local Advisory committee for the grant of loans and advances to members. It scrutinizes and approves the annual budget, submits to the annual general meeting the, annual report, the statement of accounts, and the Audit Report and makes arrangements for efficient supervision of the societies affiliated to the Central Bank. Its other functions are to appoint, suspend, remove or dismiss or otherwise deal with employees of the central

cooperative banks other than those deputed to work under the central cooperative bank by the Registrar, Cooperative Societies, in accordance with such subsidiary rules as may be framed in this behalf subject to such directions as may be issued by the Registrar, Cooperative bank.

The Board of Directors consists of 11 members besides an ex-officio Chairman who are elected in the following manner :-

1. The Directors nominated by the Registrar, Co-operative Societies.
2. Two representatives of individual members.
3. Seven representatives of societies affiliated to the Central Cooperative Bank. The Registrar, Cooperative Societies may however, vary the proportion of individual representatives and representatives of the societies from time to time in consultation with the Board of Directors, The directors are elected at the Annual General meeting, the Directors representing societies are elected from amongst I the representatives of societies by such representatives and the Directors representing individual shareholder are elected by the individual members from among themselves.

An individual member of the Central Cooperative Bank is not eligible for election or continuances as the member of the Board of Directors.

- i. If he comes under the operation of rules, if any, framed under the Act concerning disqualification of Directors;
- ii. If he does not hold at least two fully paid-up shares, and
- iii. If an order to surcharge has been passed against him, passing of the order of surcharge, if he has paid up the full amount of surcharge.

The members of the Board of Directors hold office till the next general election to be held in accordance with bye-laws. All the members of the Board vacate their offices on the day following the date on which the general election is held.

ORGANISATIONS STRUCTURE

The organizational setup of central cooperative bank is concerned with the discharge of administrative function sanctioning, disbursement and recovery of loans, may be described below.

The following chart presents the organizational structure of the banks at the head office.

Head Office

Chairman

Deputy Chairman

Director

Director

Director

Secretary

Manager

Treasurer

Each central co-operative bank in Bihar has a working committee / Board of Directors / Advisory Committee at its head chairman and Deputy Chairman, the Secretary and three Directors elected by the Board from amongst themselves.

The Committee is empowered to exercise the following powers and duties :-

- i. To raise funds from the local areas of the branches by way of deposits in the Central Cooperative Bank and to determine the terms subject to approval of the board on which the deposits may be raised.

- ii. To sanction or approve investment of Hinds allotted to the branch by the Board,
- iii. To sanction and, approve for submission to the Board and The annual budget relating to the branch,
- iv. To prescribe or to regulate, subject to approve of the Board, from time to time, the strength of the office and the field establishment, relating to the branch and their salaries and allowances and fixing the nature and amount of securities to be furnished by several grades of employees subject to such general instructions as may be issued by the Registrar, Cooperative Societies in this behalf.
- v. To submit to the Board, the annual report and statement of accounts relating to the branch.
- vi. To make arrangement for efficient supervision of affiliated societies of the Central Bank lying with the area of the branch.
- vii. To transact all other business incidental to the function of the Board delegated above.

The members of the working committee and / or the Local Advisory Committee, hold office till the board, which has elected it, holds office An elected member of the Working Committee, or Local Advisory Committee ceases to hold office if he absents himself from four consecutive meetings of the committee but he may be reinstated on office by the Board for sufficient reason recorded in writing. Any interim vacancy caused by resignation or otherwise occurring among the elected members of the committee is filled up by election by the Board.

In addition to the powers and duties that the Board may delegate, the working committee exercise the following powers and duties subject to such general directions the Board may issue from time to time.

- i. Admission of members and allotment of shares, in case of any refusal to allot shares, it shall refer the matter to the Board.
- ii. Sanction of transfer of shares.
- iii. Disposal of loan applications.
- iv. Examination of all cases of arrears and taking proper action for their recovery, and
- v. Holding preliminary annual general meeting for electing delegates for general body.

CHAIRMAN

The Chairman of the bank is elected from amongst the Directors of the bank in its annual general meeting. Besides presiding over the meetings of the bank, controlling and supervising the affairs of the bank, the Chairman formulates and carries out the policy regarding the conduct of the bank. He has the right to suspend and fine the salaried staff. He presides over the meeting of the General Body.

DEPUTY CHAIRMAN

Whenever the Chairman is absent from his headquarter or falls ill or any other cause the Deputy chairman exercise the powers and performs the duties of the chairman. He may also exercise such powers and perform duties as may be delegated to him by the Chairman. In case there is a branch of the Central bank and if it is not possible for the sub-divisional officer or collector to act as the Ex-officio Chairman of the Local Advisory acts as Chairman of the Local. Advisory Committee of the Branch and may exercise all the powers of the Chairman in relation to the branch subject to overall supervision of the Chairman.

SECRETARY

It is the key post in whole administrative setup of the institution. The main function of the Secretary is to supervise the work of the bank, to inspect the accounts of the seeds and other agricultural requisites maintained by the affiliated societies, The Secretary has been authorized to incur contingent expenditure. He has also to prepare and submit annual, half yearly and monthly financial statements of the bank. He has to exercise the powers delegated to him by the board and may subject to the approval of the Board except in an emergency, delegate any of his powers and duties to joint Secretary or in his absence to any Director of a specified period and may withdraw any powers so delegated.

MANAGER

The Manager is also appointed by the Registrar, Cooperative Societies, on such terms and conditions as he may think fit. He is a paid member of the staff and is under the direct-control of the Board of Directors

of the Bank. The Manager of the Bank is the custodian of all the properties of the Central Cooperative Bank. He has to work in close harmony with the policies and programmes chalked out by the bank and do all that necessary for carrying on generally the day-to-day administration of the Central Cooperative Bank.

The Manager is the officer to sue of the sued on behalf of the bank. He has powers for and on behalf of the Central Bank to operate the Bank's accounts and subject to such directions and limits as may be laid down by the Board or the Working Committee or Local Advisory Committee to buy, sell, pledge, endorse and transfer promissory notes, Government and other securities standing in the name of or held by the Central Bank, to sign, endorse and negotiate cheques and other negotiable instruments and to sign all receipts of all accounts and other documents connected with the business to the Central Bank, The Manager has also the following powers and duties :

- i. The power subject to direction of the Board to accept deposits of all, kinds and to carry on general banking transactions within the frame-work of the bye-laws;
- ii. The Working Advisory Committee for its consideration. The working / advisory committee does not consider any such application without his recommendation.
- iii. To examine and review the progress made in the collection of instalments of Central Bank.
- iv. To arrange for holding out the meeting of the working / advisory Committee / Board and the General Body in such manner as may be prescribed.
- v. To maintain such accounts and registers as are prescribed under rules framed under the Act and by the Registrar, Cooperative Societies; and
- vi. To do all that is necessary for carrying on generally the day-to-day administration of the Bank.

TREASURER

The Treasurer of Central Cooperative Bank is appointed by the Board of Directors of the bank to receive and pay all the money by way of transaction of the Bank. He keeps under his custody all the valuable securities deposited with it.

BRANCHES

The branch of Central cooperative Bank functions under a branch manager who is assisted by a supervisory and clerical staff. The number of supervisors and clerical staff depends on the number of accounts and the size of business of the branch.

There is Local Advisory Committee for each branch. The committee has the same powers and duties with regard to the branch as the working committee has with regard to the head office these Committee is headed by a joint honorary Secretary who is vested with almost similar powers as the Secretary at the Head office.

HOME COMMENTS:

A look into the functioning of the head office and branch office of Central Cooperative Bank reveals the following:

- i. Both the Chairman and the Secretary are elected by the Board from among the non-official members and both are empowered to exercise the general control and supervision over the affairs of the bank and the work of its officers. This position is bound to result in denying full freedom to the Chief Executive of the bank in handing matters of day-to-day administration. He has to function under dual control.
- ii. The Secretary at the head office level and the Joint Secretary at the branch level are in a dominant position to interfere in the functioning of the bank and may bring external interference.
- iii. The officers of the Cooperative Department are mostly deputed, to function as Chief Executive and branch Managers. This has prevented, building-up of the permanent cadre in the bank. Further, as the deputed officers are not allowed to stay for a reasonable period of time, this further prevents the development of sense of belongingness among the senior executives of the bank.

- iv. There is no personnel management in the Central Cooperative Banks. There is no proper system of recruitment and the staff employed have no prospect of promotion to the level of the key officers.
- v. There is no proper functional departmentalization either in the head office or in any branch.
- vi. The bank is not vested, with the power of exercising supervision over its loanee members and there is absence of the machinery for collection of loans. This responsibility has been entrusted to cooperative supervisors appointed by the State Government.

In order to, achieve a record of successful performance, the management of the banks should fulfil the following requirements :-

- i. The work done by the Board should justify the cost which is incurred in maintaining it.
- ii. Effective group action should be applied and ensured for the practical implementation of the Board decisions, Once a decision is taken by the Board, no members should try to circumvent it, directly or indirectly.
- iii. No member of the Board should try to dominate or be allowed to dominate in the Board meetings and decisions should be taken in the Interest of the bank.
- iv. The Board should strive for co-ordination and integration of the various efforts made for the furtherance of the bank's objectives.
- v. At no point of time the Board should exceed the authority given to it under the Act, Rules and Bye-laws of the Bank.
- vi. The views of the employees should also be taken into consideration in the management of the bank.

If a cooperative Bank fails to achieve the objective for which it was established, the responsibility for this failure has to be borne by the Board. For instance, if a Central Cooperative Bank has failed to meet the credit requirements of agriculturists residing within its area of operation or has not been able to recover the loans advanced by it or has not been able to raise adequate resources for its business operations, the Board of Directors of such a bank : has no right to continue in office. Hence the functioning of the Board of Directors should be corrected with the fulfilment of the objectives of the bank and if it is found that the Board has failed to run the bank on correct lines such a Board should be disbanded, forthwith.

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Women Entrepreneures : Emerging Force For Economic Development

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Abstract

Entrepreneurship all over the world is emerging today as an important opportunity for gainful employment. It is helping women to improve their economic and social status. Women's enterprise development can play a key role in poverty alleviation and employment. Entrepreneurship among women offers the possibility of independence and flexibility to combine income with family and other lifestyle choices. Governments and other development authorities have also identified entrepreneurship for women as one of the key areas for their development policies. Women through entrepreneurial activities are able to support their family financially and improve their standard of living. The emergence of women as entrepreneurs is a significant development for securing them a place in the society. This proves to be an important contribution to their household economy and thus to their development in gaining confidence, decision-making experience and an enhanced control over their lives.

Key words : Entrepreneurship, Employment, Family, Development, Decesion-making.

Introduction

In today's competitive world, women's economic status becomes not only an economic concern, but a social concern as well. The decision to start a business is a complex process that incorporates one's personality and interests, upbringing and role models, skills and opportunities. Most self-report surveys show that men's career decisions focus on income, risk-taking, and control; while women desire work that provides personal satisfaction, intellectual growth, and independence. Women, unlike men, typically rate their family higher in importance than their career asserts that many "modern" women, like men, are career focused, rather than family focused. Like men, women want to make money, to be independent, to achieve, to use their skills and talents, and to enhance their job satisfaction. *Moore, D. P. (1990)* suggests that women started their own businesses from a desire for self-determination and for career challenge, and that they expect the corresponding respect and recognition. All around the world, poor economic conditions, high unemployment rates, and divorce cases usher the women into entrepreneurial activities.

WOMEN ENTREPRENEURSHIP IN INDIA:

Entrepreneurship is a relatively new concept in many developing and transition economies. However, women in these economies have started playing an important role by venturing into new innovative businesses. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in **India**. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs have demonstrated their potential, but still the fact remains that they are capable of contributing much more than what they already are. Women entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. They are playing an increasingly important role in promoting growth and development. Women are changing the face of modern business. They are in the forefront of the service sector, the fastest growing sector of the economy. They have instituted innovative systems and schedules.

The 1991 Industrial Policy has helped females in many ways to take up the entrepreneurial activities. Entrepreneurship Development Programmes (EDPS) conducted by many institutions and organizations at the centre and state level have been training women. The Small Industries Development Organization (SIDO) has its field offices all over the country and has not only been providing training but also providing technical schemes to set up SSI units. In order to give a boost to the women entrepreneurship the SSI Board in 1991

revised the definition of women owned enterprises. The condition of employing 50% of women workers was omitted which further encouraged the females to set up their enterprises and avail of the facilities/concessions as provided for the SSI units.

In India, 1990's was the decade of entrepreneurial explosion. The new Industrial policy helped the small-scale industrial sector emerge as a dynamic and vibrant sector of the economy with entrepreneurship being the focal point. The trend of women entrepreneurship has not only spread in the metros but also in smaller towns. This change has basically come due to the change in social attitudes in urban area, breaking up of joint families, rise in living standards, growing awareness of economic independence, recognition of potentials, credit and other facilities given by the government for setting up an enterprise.

Entrepreneurship all over the world is emerging today as an important opportunity for gainful employment. It is helping women to improve their economic and social status. Women's enterprise development can play a key role in poverty alleviation and employment. Entrepreneurship among women offers the possibility of independence and flexibility to combine income with family and other lifestyle choices. Governments and other development authorities have also identified entrepreneurship for women as one of the key areas for their development policies. Women through entrepreneurial activities are able to support their family financially and improve their standard of living. The emergence of women as entrepreneurs is a significant development for securing them a place in the society. This proves to be an important contribution to their household economy and thus to their development in gaining confidence, decision-making experience and an enhanced control over their lives.

The world has witnessed drastic changes in the national economies, markets or industries. The credit goes to the Entrepreneurs around the globe who have changed the means of production and have also innovated new products and developed new organizations. They have introduced new technology for more productive uses and thus brought about the reallocation of resources to more productive users. There have been many innovations which have transformed the society and altered our pattern of living. The introduction of services has given rise to new service industries.

Financial risk and emotional fears are the foremost barriers which any entrepreneur faces in the initial stages of his business. Once his new venture is able to make a place for itself in the market, he gets immense satisfaction and pleasure for having taken the initiative and dared to think different. Since the dawn of civilization, at periodic intervals there have been leaders and innovators who have dared to think different, brought new ideas and shaped the future of mankind in a different direction.

There has been a tremendous rise in the entrepreneurial activities in the last 2-3 decades. Entrepreneurs have found that venturing into innovative business ideas bring a promising bright future. This thought has led to a record number of entrepreneurial launching everywhere. "Over a period of last five years the small businesses created 10 million jobs in comparison to the shedding of 2 million jobs by the large companies of the United States" (*Justin Martin, 2002*).

New technologies and inventions triggered the entrepreneurial activities. The new breed of entrepreneurs such as Andrew Carnegie who started large steel industries, Henry Ford started manufacture of automobiles on large scale and Rockefeller started new oil industries. Henry Ford, Andrew Carnegie and Rockefeller were not inventors or scientists, but were pioneering entrepreneurs for modern industries.

Communication world has also witnessed new inventions namely, telephone by Alexander Graham Bell and electrical bulb and alternator by Thomas A. Edison who created new manufacturing processes, new products and expanded the horizon of the industries. During this period the inventors and the entrepreneurs joined hands for new inventions, new products and thus adding considerably to improve human productivity.

The Entrepreneurship in India has strengthened in recent times, as new entrepreneurs from non-traditional business communities have begun to emerge in large numbers. The growth of Entrepreneurship in India is encouraging and has started in resulting into generation of employment opportunities and creation of wealth in India during last two decades. Abolishing of 'license raj' and initiation of economic reforms,

followed with growth and emergence of IT sector in India after 1991, have been very crucial in entrepreneurial development in our country. The growth of “Software Industry” is a great boost to development of entrepreneurship in recent past.

Thus, the opportunities created at the global level have really been contributing in making India a very fertile and conducive destination for development of entrepreneurial activities. The modern period can be divided into two distinct sub divisions. Development of large manufacturing organizations, multinational corporations and financial companies emerged across the globe during the first sub division. The second phase or the sub-division was a Hi-Tech Era when the new technologies gave rise to service industries which took business to new unknown heights in India.

India, during its 40 years of independence 1947 to 1980’s developed its entrepreneurial capabilities in the basic industries like steel, fertilizers, rail wagon building, locomotives, cars, cement, and chemicals and so on. All these industries were conceived and developed by a host of entrepreneurs namely, J.N.Tata, J.R.D. Tata, G.D.Birla, DhirubhaiAmbani, Oberoi, O.P.Munjhal and many more.

When large manufacturing industries such as steel, aluminum, fabrication, copper, zinc had developed throughout the world, India also entered the field. The first large plant established was steel plant by Jamshedji Tata at Jamshedpur in India. Subsequently, the Bruisers brought considerable number of industries at Calcutta. The well-known few names are Martin Burn & Co., Breith Weight & Co., Jessop & Co. and Balmer Lawry & Co. All these companies though more than hundred years old are in existence even today.

The Hi-Tech Era which started in the 1970’s, saw the conversion of the mechanical typewriter to electrical one by one of the pioneers, i.e. IBM. This company was also responsible for the development of the punch card system of computing. The age of macro-electronics was introduced by Intel Corporation and Data General Corporation which helped to improve the computing capabilities. The developments created new opportunities and the service industries started growing faster than the manufacturing industry in the 1980’s. The high growth of these industries also involved high risks. The new top rated entrepreneurial opportunities arose in the field of communication, food services, entertainment, merchandising, cosmetics, apparels, parcel services etc., with the electronic communication reducing the distances to a global village.

The Service Industry boomed with the advent and growth of Information Technology (IT) during the last decade. A new bunch of entrepreneurs in India and Indians abroad have made a name for themselves in this industry. Entrepreneurs like N.R.Narayan Murthy, Azim H. Premji, Sam Pitroda, Gururaj Deshpande are well known names. India is proud to have entrepreneurs in the field of Biotechnology in the recent years.

According to the *Fifth Economic Census (2005)*, at present, there are 42.12 million ‘enterprises’ in India engaged in different economic activities (other than crop production and plantation). Five states - Andhra Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal together account for about 50% of the total enterprises in the country. The total number of persons working in all the enterprises is about 98.97 million. The overall average annual growth rate in enterprises per year during the period 1998 to 2005 was 4.80% and the average annual growth rate in total employment during over the same period was 2.49%

Statistics on the growth of India’s technology driven entrepreneurship are reflected in the result of a survey report by the Deloitte group, which ranks India 2nd globally as home to the fastest growing technology firms. (*The Economic Times 2007*). Recent surveys, such as those undertaken by Goldman Sachs and Price water house Coopers; have estimated that India has the potential to be among the world’s leading economies by 2050. Goldman Sachs’ BRIC report states that by 2050, India could have a GDP of \$37.66 trillion, just marginally less than USA’s estimated \$38.51 trillion (*Outlook Business, 2007*)

Further, India’s economy can potentially gain significantly from the country’s characteristic features — a democratic open society, a strong technology base (with capacity for leap frogging), unparalleled diversity, vibrant capital markets (including growing private equity and venture capital markets), an increasingly youthful population (50% of India is 25years and younger), a sizeable market of a large number of customers with vast unmet needs as well as an environment of full and free competition in the private sector (*Vijay Govindarajan, 2007*).

This clearly reflects that there lie ample opportunities in India to transform it into a key destination for entrepreneurial development. With abundant untapped resources, India has huge potential for the creation of wealth through knowledge. Entrepreneurship is one of the most important key drivers for creation of wealth in the country. Entrepreneurship development, irrespective of gender, region, caste, income, cultural & social parameters, is thus the key factor to fight against unemployment, poverty and domestic & international economic/non-economic adversities. For such transformation to happen there needs to be a support both at the governmental and societal level.

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Opportunities & Challenges for Rural Women Entrepreneurship in India

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Abstract

Women's entrepreneurship contributes to the economic well-being of the family and communities and also reduces poverty. It ensures country's economic growth and development. The empowerment of women to a large extent depends on taking part in some development activities. Therefore the promotion of micro and small scale enterprises has been recognized as an important strategy for advancing the economic empowerment of women. At the household level, women's microenterprises and small scale businesses play an important role in ensuring the survival of poor household and in building up women's confidence, skills and socio economic status. However it is seen that women are the most deprived category in the society specifically in developing countries. In India also the economic status of women is very low especially in rural areas and opportunities of earning are very less. In this scenario the Self Help Groups (SHGs) are considered as institutional innovation that fosters empowerment of rural women. Therefore the need for designing exclusive self-employed and other development programmers for promotion of women empowerment is essential.

Key words : Empowerment, Entrepreneurship, Micro Enterprise, SHGs.

Introduction

Rural entrepreneurship implies entrepreneurship emerging in rural areas. Rural entrepreneurship means rural industrialization. Industrialization can't originate or sustain without entrepreneurship whether rural or urban. Industries coming under the purview of **KVIC** are treated as rural industries. Rural industrialization means encouraging location of large and small scale units away from urban areas or planned shifting of units from urban areas to rural areas. Rural entrepreneurship can stop the increasing migration towards cities as it provides wide range of employment opportunities to the village people. Migration from rural areas should not only get checked but overpopulated towns and cities should also get decongested. If it is so, ways can always be found out. One is by forcibly stopping villagers from settling in the slums of towns and cities, making use of all powers to clear the slums so the villagers are forced to go back.

The basic principles of entrepreneur which applied the rural development are:

- Optimum utilization of local resources in an entrepreneurial venture by rural population – Better distributions of the farm produce results in the rural prosperity.
- Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration.
- To activate such system to provide basic '6 m'- manpower, money , material, machinery, management and market to the rural population. **(Patel & Chavda, 2013)**

Types of Rural Entrepreneurship

- (i) **Individual Entrepreneurship**- It is basically called proprietary i.e. single ownership of the enterprise.
- (ii) **Group Entrepreneurship** - It mainly covers partnership, private limited company and public limited company.
- (iii) **Cluster Formation** - It covers NGOs, VOs, CBOs, SHGs and even networking of these groups. These also cover formal and non-formal association of a group of individuals on the basis of caste, occupation, income, etc.

- (iv) **Cooperatives** - It is an autonomous association of persons united voluntarily for a common objective. An entrepreneur has to decide on a particular type of entrepreneurship based on the various options available.

Concept of Rural Women Entrepreneurs

Rural woman constitutes the family that leads to society and Nation. Overall development of women is necessary for the development of society and nation. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. **According to of statistics women in India 2010**, proportion of female main workers to total population in percentage is 16.65 in rural areas and 9.42 in urban areas this shows overall less contribution of women in work but more percentage of women workers in rural areas. Women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision making status in the family and society as a whole. (Sharma, et.al., 2012)

Status of Women Entrepreneurship in India:

Now women's entrepreneurship has been recognized as an important untapped source of economic growth. In India it is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years women will comprise 20 % of the entrepreneurial force. Even though women own around 10% of the total enterprises in the small sector, the gross output of these units is just 3.5% of the total output of the SSI sector. In contrast, in developed countries such as United States, women own nearly 91 lakh small businesses and the number of women-owned startups is going at nearly twice the rate of their male counterparts. India has 397 million workers, 123.9 million are women, 106 million are in rural areas, 18 million are in urban areas, only 7% of India's labour force is in the organized sector; 93% is in unorganized sector.

Women Empowerment through Entrepreneurship:

Following are the impact of entrepreneurship development on women empowerment:

1. Through entrepreneurship development self confidence level of women are increased and gave them a prosperous future.
2. Now rural women are engaged in small scale entrepreneurship programs with the help of Self Help Groups by which they were economically empowered and attaining very good status in family and community.
3. Entrepreneurship also helps to bring about awareness among rural women about savings, education, health, environment, cleanliness, family welfare, social forestry etc.
4. Micro enterprise is the best tool for rural women as it enables them to add to the family income and as such it provides family members to a better life style, including education for the children and improvement of family health.
5. Some aspects of household decision making are reported to have changed as a result of women's contribution in family income. Most of the men now consult with their wives in important family matters.
6. Promoting entrepreneurship through microenterprise approach enables eradicating the rural poverty in developing economies to a larger extent.

Challenges for Rural Women Entrepreneurs

The main challenges that women face in business are educational and work background, Balancing their time here between work and family, Problems of raising start-up capital, Difficulty in borrowing fund, Thought-cut completions endangered existence of small companies, Problems of availing raw-materials access to export market without intermediaries, as well as an overall psychological barrier

on the part of banks, suppliers, and clients alike, are a few of these challenges. In addition to this some of the challenges faced by rural entrepreneurs are as follows-

1. **Family ties**

Women in our country are very emotionally attached to their families. They are being very less practical. They are supposed to do all the household work, to look after the children and other members of the family. They are over burdened with family responsibilities like care of children extra attention to husband, and in laws which take away a lots of their time and energy. In such conditions, it will be very difficult for women to concentrate and run the enterprise successfully.

2. **Lack of education**

Even in 21st century, rural women in India are lagging far behind in the field of education. Most of the rural women are illiterate. Women in rural areas who are educated are provided either less or inadequate education than their male counterpart partly due to poverty, early marriage, low socioeconomic status, partly due to son's higher education. Lack of education is one of the biggest obstacles for rural women who want to start an enterprise. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

3. **Lack of Raw Materials**

Due to poor road connectivity and poor transportation, it is quite difficult to make availability of raw materials all the time in rural areas. Availability of raw materials is an essential component of entrepreneurship. Women entrepreneurs in rural areas really face a tough task in getting the required raw material and other necessary inputs for the enterprises when the prices are very high.

4. **Male Dominated Society**

In our constitution there are equal rights for men and women but in real sense equality does not exist in rural areas. Women are being neglected in many spheres of life. Women are not treated equal to men. As far as rural areas are concerned, people have a set attitude that women are only for household work. Their entry to business needs the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve and male dominated. All these put a break in the growth of women entrepreneurs. Thus male entrepreneurs become hurdle in the success of women entrepreneurs.

5. **Problem of finance**

Women entrepreneurs have to suffer a lot in raising and meeting the financial needs of the business, bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in-progress finished goods and non-receipt of payment from customers in time.

6. **Tough competitions**

In the age of technology, women entrepreneurs face a lot of problems and challenges. Usually women entrepreneurs do not employ high technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organized sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises

7. **High cost of production**

Several factors including inefficient management contribute to the high cost of production which stands as a stumbling block before women entrepreneurs. Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.

8. Low risk-bearing ability:

In our country, generally women are delicate and emotional by nature. An entrepreneur must have risk bearing capacity for being successful entrepreneur. But women, sometimes fail to bear the amount risk which is essential for running an enterprise. Lack of proper education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises

9. Limited Mobility

In our country, mainly in rural area, women mobility is very limited and has become a problem due to traditional values and inability to drive vehicles. Moving alone and asking for a room to stay out in the night for business purposes are still looked upon with suspicious eyes. Sometimes, younger women feel uncomfortable in dealing with men who show extra interest in them than work related aspects. Thus security of rural women entrepreneurs is a major challenge.

10. Social Barriers

The traditions and customs prevalent in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions dominate with one another and hinder women entrepreneurs too. In rural areas, they face more social barriers as they are always seen with suspicious eyes.

11. Lack of entrepreneurial aptitude

Lack of entrepreneurial aptitude is a major concern for rural women entrepreneurs. They have no entrepreneurial bent of mind. Sometimes even after attending various training programmes on entrepreneurship, women entrepreneurs fail to tide over the risks and troubles that may come up in an organizational working.

12. Limited managerial ability

Management has become a specialized job which only efficient managers perform. Due to lack of proper education women entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, staffing, directing, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

13. Legal formalities

To fulfill the legal formalities required for running an enterprise becomes an upheaval task on the part of a women entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.

14. Exploitation by middle men

Women are biologically very delicate, since women cannot run around for marketing, distribution and money collection; they have to depend on middle men for the above activities. Middle men tend to exploit them in the guise of helping. They add their own profit margin which results in less sales and lesser profit.

15. Lack of motivation

Motivation plays an important role for running an enterprise. Women entrepreneurs because of their inherent nature, sometimes feel less confident which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise.

Conclusion

Entrepreneurship among rural women, no doubt improves the wealth of the nation in general and of the family in particular. Women need encouragement and support from the family members, government, society, male counterparts etc., with the right assistance from varied groups mentioned above, they can join the main stream of national economy and thereby contribute to the economic development. Government should draw up a plan

so that the Indian Women Entrepreneurs can work more on empowerment through training and capacity building programs. It is very true that rural entrepreneurship cannot be developed without proper training. Therefore, it is necessary to provide training to rural women to enhance their entrepreneurial skill and giving a path of success to rural women.

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Conceptual Framework of Non-Performing Assets (NPAs) in Bank

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Abstract

Non-performing assets of banks are one of the biggest hurdles in the way of socio-economic development of India. The level of NPAs of the banking system in India is still too high. It affects the financial standing of the banks so that it is a heavy burden to the banks. A vigorous effort has to be made by the banks to strengthen their internal control and risk management systems and to setup early warning signals for timely detection and action. The problem of NPAs is tied up with the issue of legal reforms. This is an area which requires urgent consideration as the present system that substantially delays in arriving at a legal solution of a dispute is simply not tenable. The absence of a quick and efficient system of legal redress constitutes an important 'moral hazard' in the financial sector, as it encourages imprudent borrowers.

Key words : Non Performing Assets, Banks Socio Economic Development, NPAs, Risk Management, Efficient System, Moral Hazard.

Introduction

In the general term, an asset is classified as Non-performing Assets (NPA), if interest or installment payment of principal remain due and unpaid for more than 180 days. However, since March 2004, default status had to be given to a borrower, if dues are not paid for 90 days. If any advance or credit facility granted by a bank to a borrower becomes non-performing then the bank will have to treat all the advances and credit facilities granted to that borrower as non-performing regardless existence of some performing advances or credit facilities. As per guidelines of the RBI (1992), banks' in India must adopt the international banking norms on Income Recognition, Asset Classification, Provisioning and Capital Adequacy (Basu, 2005).

Non-performing Assets (NPAs) - NPAs are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. An asset, including a leased asset becomes non-performing when it ceases to generate income for the bank for a specified period of time. The RBI guidelines regarding classification of assets and its provisioning with effect from March 31, 2005 are as follows.

Classification of Loan Assets

Standard Assets: Standard assets generate continuous income and repayments as and when they fall due. So a standard asset is a performing asset. Such assets carry a normal risk and are not NPAs in the real sense. Hence, no special provisions are required for Standard Assets.

Sub-Standard Assets: A sub-standard asset was one, which was considered as non-performing for a period of 12 months. **Doubtful Assets:** All those assets which are considered as non-performing for period of more than 12 months are called as Doubtful assets.

Loss Assets: A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

LITERATURE REVIEW

There are many studies conducted on the issue of Non-Performing Asset Management in Indian Banks, following is the review of few literatures about the NPA Practices and Management conducted for Banks in India.

Arora and Ostwal (2014) the present paper analyses the classification and comparison of loan assets of public and private sector banks. The study concluded that NPAs are still a danger for the banks and financial institutions and in comparison to private sector banks; public sector banks have higher level of NPAs.

Srinivas K T (2013) emphasis on identify the Non-performing assets at Commercial banks in India. This paper highlights the various general reasons which convert advances/ assets into NPA and also give suitable suggestion on findings to overcome the mentioned problem.

Singh (2013) in his paper entitled Recovery of NPAs in Indian commercial banks says that the origin of the problem of burgeoning NPA's lies in the system of credit risk management by the banks. Banks are required to have adequate preventive measures in fixing pre-sanctioning appraisal responsibility and an effective post-disbursement supervision.

Gupta (2012) in her study A Comparative Study of Non-Performing Assets of SBI & Associates & Other Public Sector Banks had concluded that each bank should have its own independence credit rating agency which should evaluate the financial capacity of the borrower before than credit facility

Khanna (2012) in her research paper entitled Managing NPA in commercial banks has said that the primary function of banks is to lend funds as loans to various sectors such as agriculture, industry, personal loans, housing loans etc., but in recent times the banks have become very cautious in extending loans.

Chatterjee, Mukherjee and Das (2012) in their study on Management of non-performing assets - a current scenario has concluded that banks should find out the original reasons/purposes of the loan required by the borrower. Proper identification of the guarantor should be checked by the bank including scrutiny of his/her wealth. Framing reasonably well documented loan policy and rules

Rai (2012) in her study on Study on performance of NPAs of Indian commercial banks said that till recent past, corporate borrowers even after defaulting continuously never had the fear of bank taking action to recover their dues. This is because there was no legal framework to safeguard the real interest of banks.

Chaudhary and Sharma (2011) in their research paper on Performance of Indian Public Sector Banks and Private Sector Banks: A Comparative Study stated that it is right time to take suitable and stringent measures to get rid of NPA problem. An efficient management information system should be developed. The bank staff involved in sanctioning the advances should be trained about the proper documentation and charge of securities and motivated to take measures in preventing advances turning into NPA. Public banks must pay attention on their functioning to compete private banks. Banks should be well versed in proper selection of borrower/project and in analyzing the financial statement.

Prasad and Veena (2011) in their study on NPAs Reduction Strategies for Commercial Banks in India stated that the NPAs do not generate interest income for banks but at the same time banks are required to provide provisions for NPAs from their current profits. The NPAs have destructive impact on the return on assets in the following ways.

Malyadri and Sirisha (2011) this study examine the NPA of Public Sector banks and Private sector banks of weaker sections for the period seven years in India. The secondary data compiled from Report on Trends and Progress of Banking in India, 2004-10 which has been analyzed by statistical tool such as percentages and compound Annual Growth rate.

Kaur and Saddy (2011) in the research paper entitled “A Comparative Study of Non-Performing Assets of Public and Private Sector Banks” an attempt is made to clarify the concept of NPA, the factors contributing to NPAs, the magnitude of NPAs, reasons for high NPAs and their impact on Indian banking operations.

Kaur and Singh (2011) studies the relationship between level of NPA and performance of banks and financial institutions. According to their study, the banks and financial institutions nowadays are valued on the basis of the level of NPAs, they are having in their balance sheets. It is therefore essential for them to reduce the level of NPA so that they can enjoy good reputation among investor’s community and other participants in the financial market.

OBJECTIVES OF THE STUDY :

1. To study the concept of NPAs in Banks
2. To study the factors for rise in NPAs
3. To study the impact of NPAs on profitability, liquidity and solvency.

Methodology

The article is based on secondary data. It is collected from RBI Bulletins, Magazines and Journals.

FACTORS FOR RISE IN NPAS

The banking sector has been facing the serious problems of the rising NPAs. But the problem of NPAs is more in public sector banks when compared to private sector banks and foreign banks. The NPAs in PSB are growing due to external as well as internal factors.

EXTERNAL FACTORS

Ineffective Recover

The Govt. has set of numbers of recovery tribunals, which works for recovery of loans and advances. Due to their negligence and ineffectiveness in their work the bank suffers the consequence of non-recover, thereby reducing their profitability and liquidity.

Willful Defaults

There are borrowers who are able to pay back loans but are intentionally withdrawing it. These groups of people should be identified and proper measures should be taken in order to get back the money extended to them as advances and loans.

Natural Calamities

This is the measure factor, which is creating alarming rise in NPAs of the PSBs. every now and then India is hit by major natural calamities thus making the borrowers unable to pay back there loans. Thus the bank has to make large amount of provisions in order to compensate those loans, hence end up the fiscal with a reduced profit.

Industrial Sickness

Improper project handling , ineffective management , lack of adequate resources, lack of advance technology , day to day changing govt. Policies give birth to industrial sickness. Hence the banks that finance those industries ultimately end up with a low recovery of their loans reducing their profit and liquidity.

Lack of Demand

Entrepreneurs in India could not foresee their product demand and starts production which ultimately piles up their product thus making them unable to pay back the money they borrow to operate these activities. The banks recover the amount by selling of their assets, which covers a minimum label. Thus the banks record the non-recovered part as NPAs and has to make provision for it.

Change on Govt. Policies

With every new govt. banking sector gets new policies for its operation. Thus it has to cope with the changing principles and policies for the regulation of the rising of NPAs.

INTERNAL FACTORS

Defective Lending Process

There are three cardinal principles of bank lending that have been followed by the commercial banks since long.

- i. Principle of safety
- ii. Principle of liquidity
- iii. Principle of profitability

Inappropriate Technology

Due to inappropriate technology and management information system, market driven decisions on real time basis cannot be taken. Proper MIS and financial accounting system is not implemented in the banks, which leads to poor credit collection, thus NPAs. All the branches of the bank should be computerized.

Poor Credit Appraisal System

Poor credit appraisal is another factor for the rise in NPAs. Due to poor credit appraisal the bank gives advances to those who are not able to repay it back. They should use good credit appraisal to decrease the NPAs.

Managerial Deficiencies

The banker should always select the borrower very carefully and should take tangible assets as security to safe guard its interests. When accepting securities banks should consider the:

- 1) Marketability
- 2) Acceptability
- 3) Safety
- 4) Transferability.

IMPACT OF NPA

1) Profitability: NPA means booking of money in terms of bad asset, which occurred due to wrong choice of client because of the money getting blocked the prodigality of bank decreases not only by the amount of NPA but NPA lead to opportunity cost also as that much of profit invested in some return earning project/asset. So NPA doesn't affect current profit but also future stream of profit, which may lead to loss of some long-term beneficial opportunity. Another impact of reduction in profitability is low ROI (Return on Investment), which adversely affect current earnings of bank.

2) Liquidity: Money is getting blocked, decreased profit lead to lack of enough cash at hand which lead to borrowing money for shortest period of time which lead to additional cost to the company. Difficulty in operating the functions of bank is another cause of NPA due to lack of money, routine payments and dues.

3) Involvement of Management: Time and efforts of management is another indirect cost which bank has to bear due to NPA. Time and efforts of management in handling and managing NPA would have diverted to some fruitful activities, which would have given good returns. Now days banks have special employees to deal and handle NPAs, which is additional cost to the bank.

4) Credit Loss: Bank is facing problem of NPA then it adversely affect the value of bank in terms of market credit. It will lose its goodwill and brand image and credit which have negative impact to the people who are putting their money in the banks.

PREVENTIVE MEASUREMENT FOR NPA

1) Early Recognition of the Problem: Invariably, by the time banks start their efforts to get involved in a revival process, it too late to retrieve the situation- both in terms of rehabilitation of the project and recovery of bank's dues.

2) Identifying Borrowers with genuine intent: Identifying borrowers with genuine intent from those who are non-serious with no commitment or stake in revival is a challenge confronting bankers. Here the role of frontline officials at the branch level is paramount as they are the ones who have intelligent inputs with regard to promoters sincerity, and capability to achieve turnaround. Based on this objective assessment, banks should decide as quickly as possible whether it would be worthwhile to commit additional finance. "Special Investigation"

3) Timeliness & Adequacy of response: Longer the delay in response, grater the injury to the account and the asset. Time is a crucial element in any restructuring or rehabilitation activity. The response decided on the basis of techno-economic study and promoter's commitment, has to be adequate in terms of extend of additional funding and relaxations etc. Under the restructuring exercise, the package of assistance may be flexible and bank may look at the exit option.

4) Focus on Cash flows: While financing, at the time of restructuring the banks may not be guided by the conventional fund flow analysis only, which could yield a potentially misleading picture. Appraisal for fresh credit requirements may be done by analyzing funds flow in conjunction with the Cash Flow rather than only on the basis of Funds Flow.

5) Management Effectiveness: The general perception among borrower is that it is lack of finance that leads to sickness and NPAs. But this may not be the case all the time. Management effectiveness in tackling adverse business conditions is a very important aspect that affects a borrowing unit's fortunes. A bank may commit additional finance to angling unit only after basic viability of the enterprise also in the context of quality of management is examined and confirmed. Where the default is due to deeper malady, viability study or investigative audit should be done – it will be useful to have consultant appointed as early as possible to examine this aspect. A proper techno-economic viability study must thus become the basis on which any future action can be considered.

6) Multiple Financing: During the exercise for assessment of viability and restructuring, a Pragmatic and unified approach by all the lending banks / FIs as also sharing of all relevant information on the borrower would go a long way toward overall success of rehabilitation exercise, given the probability of success/failure.

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A Study on Issues and Challenges of Women Empowerment in India

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Abstract

Today the empowerment of women has become one of the most important concerns of 21st century. But practically women empowerment is still an illusion of reality. We observe in our day to day life how women become victimized by various social evils. Women Empowerment is the vital instrument to expand women's ability to have resources and to make strategic life choices. Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally underprivileged ones, in the society. It is the process of guarding them against all forms of violence. The study is based on purely from secondary sources. The study reveals that women of India are relatively disempowered and they enjoy somewhat lower status than that of men in spite of many efforts undertaken by Government. It is found that acceptance of unequal gender norms by women are still prevailing in the society.

Key Words: Women Empowerment, Education, Health, Socio-Economic Status. Crimes against women, Policy implications.

Introduction

Women empowerment refers to increasing the spiritual, political, social, educational, gender or economic strength of individuals and communities of women. Women's empowerment in India is heavily dependent on many different variables that include geographical location (urban / rural) educational status social status (caste and class) and age. Policies on Women's empowerment exist at the national, state and local (Panchayat) levels in many sectors, including health, education, economic opportunities, gender based violence and political participation. However there are significant gap between policy advancements and actual practice at the community level. Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally underprivileged ones, in the society. It is the process of guarding them against all forms of violence. Women empowerment involves the building up of a society, a political environment, wherein women can breathe without the fear of oppression, exploitation, apprehension, discrimination and the general feeling of persecution which goes with being a woman in a traditionally male dominated structure. Women constitute almost 50% of the world's population but India has shown disproportionate sex ratio whereby female's population has been comparatively lower than males. As far as their social status is concerned, they are not treated as equal to men in all the places. In the Western societies, the women have got equal right and status with men in all walks of life. But gender disabilities and discriminations are found in India even today. The paradoxical situation has such that she was sometimes concerned as Goddess and at other times merely as slave.

Review of Literature

H. Subrahmanyam (2011) compares women education in India at present and Past. Author highlighted that there has a good progress in overall enrolment of girl students in schools. The term empower means to give lawful power or authority to act. It is the process of acquiring some activities of women.

M. Bhavani Sankara Rao (2011) has highlighted that health of women members of SHG have certainly taken a turn to better. It clearly shows that health of women members discuss among themselves about health related problems of other members and their children and make them aware of various Government provisions specially meant for them.

Doepke M. Tertilt M. (2011) Does Female Empowerment Promote Economic Development? This study is an empirical analysis suggesting that money in the hands of mothers benefits children. This study developed a series of non cooperative family bargaining models to understand what kind of frictions can give rise to the observed empirical relationship.

Duflo E. (2011) Women’s Empowerment and Economic Development, National Bureau of Economic Research Cambridge The study argues that the inter relationships of the Empowerment and Development are probably too weak to be self sustaining and that continuous policy commitment to equality for its own sake may be needed to bring about equality between men and women.

Sethuraman K. (2008) The Role of Women’s Empowerment and Domestic Violence in child Growth and Under nutrition in a Tribal and Rural Community in South India. This research paper explores the relationship between Women’s Empowerment and Domestic Violence, maternal nutritional status and the nutritional status and growth over six months in children aged 6 to 24 months in a rural and tribal community. This longitudinal observational study undertaken in rural Karnataka. India included tribal and rural subjects.

Venkata Ravi and Venkatraman (2005) focused on the effects of SHG on women participation and exercising control over decision making both in family matters and in group activities.

Present Situation of Women New Delhi

Being equal to their male counterparts is still a far cry for Indian women. Not only are they marginal as public figures an average Indian women can hardly call the shots at home or outside. In 2012, women occupied only 8 out of 74 ministerial positions in the union council of ministers. There were only 2 women judges out of 26 judges in the Supreme Court and there were only 54 women judges out of 634 judges in various high courts. According to 2013,UNDP report on Human Development Indicators, all south Asian Countries except Afghanistan, were ranked better for women than India It predicts: an Indian girl child aged 1-5 years is 75% more likely to die than the boy child. A women is raped once in every 20 min and 10% of all crimes are reported. Women form 48% of India’s Population, only 29% of the National workforce, only 26% women have access to formal credit.

The main Problems that were faced by women in past days and still today up to some extent:

1. Gender discrimination	Absence of ambition for the achievement
2. Lack of Education	Social status
3. Female Infanticide	Dowry
4. Financial Constraints	Marriage in same caste and child marriage (still existing)
5. Family Responsibility	Atrocities on Women (Raped, Kicked, Killed, Subdued, humiliated almost daily.)
6. Low Mobility	
7. Low ability to bear Risk	
8. Low need for achievement	

Women are deprived of

Decision Making	Access to Employment
Power Freedom of Movement	Exposure to Media
Access to Education	Domestic Violence

Government Schemes For Women Empowerment

The Government programmes for women development began as early as 1954 in India but the actual participation began only in 1974. At present, the Government of India has over 34 schemes for women operated by different department and ministries. Some of these are as follows;

1. Rastria Mahila Kosh (RMK) 1992-1993
2. Mahila Samridhi Yojana (MSY) October,1993.
3. Indira Mahila Yojana (IMY) 1995.
4. Women Entrepreneur Development programme given top priority in 1997-98.
5. Mahila Samakhya being implemented in about 9000 villages.
6. Swayasjdha.
7. Swa Shakti Group.
8. Support to Training and Employment Programme for Women(STEP).
9. Swalamban.
10. Crèches/ Day care centre for the children of working and ailing mother.
10. Hostels for working women.
11. Swadhar.
12. National Mission for Empowerment of Women.
13. Integrated Child Development Services (ICDS) (1975),
14. Rajiv Gandhi Scheme for Empowerment of Adolescence Girls (RGSEAG) (2010).
15. The Rajiv Gandhi National Crèche Scheme for Children of Working Mothers.
16. Integrated Child Protection scheme (ICPS) (2009-2010).
17. Dhanalakahmi (2008).
18. Short Stay Homes.
19. Ujjawala (2007).
20. Scheme for Gender Budgeting (XI Plan).
21. Integrated Rural Development Programme (IRDP).
22. Training of Rural Youth for Self Employment (TRYSEM).
23. Prime Minister's Rojgar Yojana (PMRY).
24. Women's Development Corporation Scheme (WDCS).
25. Working Women's Forum.
26. Indira Mahila Kendra.
27. Mahila Samiti Yojana.
28. Khadi and Village Industries Commission.
29. Indira Priyadarahini Yojana.
30. SBI's Sree Shaki Scheme.
31. SIDBI's Mahila Udyam Nidhi Mahila Vikas Nidhi.
32. NGO's Credit Schemes.
33. National Banks for Agriculture and Rural Development's Schemes

The efforts of government and its different agencies are ably supplemented by nongovernmental organizations that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding.

Reasons For The Empowerment of Women

Today we have noticed different Acts and Schemes of the central Government as well as state Government to empower the women of India. But in India women are discriminated and marginalized at every level of the society whether it is social participation, political participation, economic participation, access to education, and also reproductive healthcare. Women are found to be economically very poor all over the India. A few women are engaged in services and other activities. So, they need economic power to stand on their own legs on par with men. Other hand, it has been observed that women are found to be less literate than

men. According to 2001 census, rate of literacy among men in India is found to be 76% whereas it is only 54% among women. Thus, increasing education among women is of very important in empowering them. It has also noticed that some of women are too weak to work. They consume less food but work more. Therefore, from the health point of view, women folk who are to be weaker are to be made stronger. Another problem is that workplace harassment of women. There are so many cases of rape, kidnapping of girl, dowry harassment, and so on. For these reasons, they require empowerment of all kinds in order to protect themselves and to secure their purity and dignity. To sum up, women empowerment can not be possible unless women come with and help to self-empower themselves. There is a need to formulate reducing feminized poverty, promoting education of women, and prevention and elimination of violence against women.

Challenges

There are several constraints that check the process of women empowerment in India. Social norms and family structure in developing countries like India, manifests and perpetuate the subordinate status of women. One of the norms is the continuing preference for a son over the birth of a girl child which in present in almost all societies and communities. The society is more biased in favor of male child in respect of education, nutrition and other opportunities. The root cause of this type of attitude lies in the belief that male child inherits the clan in India with an exception of Meghalaya. Women often internalize the traditional concept of their role as natural thus inflicting an injustice upon them. Poverty is the reality of life for the vast majority women in India. It is the another factor that poses challenge in realizing women's empowerment.

There are several challenges that are plaguing the issues of women's right in India. Targeting these issues will directly benefit the empowerment of women in India.

Education: While the country has grown from leaps and bounds since independence where education is concerned. the gap between women and men is severe. While 82.14% of adult men are educated, only 65.46% of adult women are known to be literate in India. The gender bias is in higher education, specialized professional trainings which hit women very hard in employment and attaining top leadership in any field.

Poverty: Poverty is considered the greatest threat to peace in the world, and eradication of poverty should be a national goal as important as the eradication of illiteracy. Due to this, women are exploited as domestic helps.

Health and Safety: The health and safety concerns of women are paramount for the wellbeing of a country and is an important factor in gauging the empowerment of women in a country. However there are alarming concerns where maternal healthcare is concerned.

Professional Inequality: This inequality is practiced in employment and promotions. Women face countless handicaps in male customized and dominated environs in Government Offices and Private enterprises.

Morality and Inequality: Due to gender bias in health and nutrition there is unusually high morality rate in women reducing their population further especially in Asia, Africa and china.

Household Inequality: Household relations show gender bias in infinitesimally small but significant manners all across the globe, more so, in India e.g. sharing burden of housework, childcare and menial works by so called division of work.

Constitutional Provisions For Empowering Women In India

- Equality before law for all persons (Article-14).
- Prohibition of discrimination on grounds of religion, race, caste, sex or place of birth (Article 15(I)).
- However, special provisions may be made by the state in favors of women and children Article 15(3).
- Equality of opportunity for all citizens relating to employment or appointment to any office under the state (Article 16).
- State policy to be directed to securing for men and women equally the right to an adequate means of livelihood (Article 39(a); (v) equal pay for equal work for both men and women (Article 39(d)).
- Provisions to be made by the state for securing just and humane conditions of work and maternity relief (Article 42).

- Promotion of harmony by every citizen of India and renouncement of such practices which are derogatory to the dignity of women Article 51A(e).
- Reservation of not less than one-third of total seats for women in direct election to local bodies, viz; Panchayats and Municipalities (Articles 343(d) and 343 (T)).

Suggestions

1. The first and foremost priority should be given to the education of women, which is the grassroots problem. Hence, education for women has to be paid special attention.
2. Awareness programmes need to be organized for creating awareness among women especially belonging to weaker sections about their rights.
3. Women should be allowed to work and should be provided enough safety and support to work. They should be provided with proper wages and work at par with men so that their status can be elevated in the society.
4. Strict implementation of Programmes and Acts should be there to curb the mal-practices prevalent in the society.

Conclusion

Thus, the attainment in the field of income / employment and in educational front, the scenario of women empowerment seems to be comparatively poor. The need of the hour is to identify those loopholes or limitations which are observing the realization of empowerment of women and this initiative must be started from the women folk itself as well as more importantly policy initiative taken by the state and society. Let us take the oath that we want an egalitarian society where everybody whether men or women get the equal opportunity to express and uplift one's well being and well being of the society as whole.

Women's empowerment is not a Northern concept women all over the world, including countries in South, have been challenging and changing gender inequalities since the beginning of the history. These struggles have also been supported by many men who have been outraged at injustice against women. Women represent half the world's population and gender inequality exists in every nation on the planet. Until women are given the same opportunities that men are, entire societies will be destined to perform below their true potentials. The greatest need of the hour is change of social attitude to women. "When women move forward the family moves, the village moves and the nation moves". It is essential as their thought and their value systems lead the development of a good family, good society and ultimately a good nation. The best way of empowerment is perhaps through inducting women in the mainstream of development. Women empowerment will be real and effective only when they are endowed income and property so that they may stand on their feet and build up their identity in the society. The Empowerment of Women has become one of the most important concerns of 21st century not only at national level but also at the international level. Government initiatives alone would not be sufficient to achieve this goal. Society must take initiative to create a climate in which there is no gender discrimination and women have full opportunities of self decision making and participating in social, political and economic life of the country with a sense of equality.

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Inventory Management Challenges

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Abstract

This research was conducted on B2C e-commerce companies or online retailers to study the challenges involved such as demand variations, reverse logistics, seasonal fluctuations, and stockless policy in inventory management and the risks such as lost sales, lost customers, low customer satisfaction associated with the same. This study also includes various strategies to mitigate the risk associated with inventory management of online retailers.

Keywords : Inventory management, Online Shopping, B2C E-commerce, Customer Satisfaction.

Introduction :

The emergence of the internet has been the greatest technological advancement after the industrial age. From the recent studies on internet penetration and usage in India it has been concluded that many Indians are using the internet to pay bills, purchase products online apart from regular surfing, checking e-mail and socialising on

multiple social networks. The number is expected to grow from time as the internet becomes more pervasive and secure. The rise of the internet has created opportunities for entrepreneurs, and has changed the business landscape of e-commerce.

Globalization has accelerated commerce, and the internet is the driving force for an inter-connected supply chain. Ecommerce is a complex process that involves extreme synchronization between various entities. Consumers expects for an error-free supply chain, which increases the pressure of managing demand and supply incorporating lower inventory processes and lowers total costs for retailers. Organizations that can achieve seamless, real-time supply chain integration will gain a competitive advantage over their competitors. To achieve real-time efficiency, e-commerce applications have to be multi-layered and full of rapid decision-making. Moreover, flexible systems that are high in service levels will achieve the full connectivity to the global supply chain.

Managing inventory to create higher inventory turnover and just in time delivery practices is one of the most important processes for online retailers. Flexible systems that respond to customer demand and inventory uncertainties are most important in e-commerce. The scope of this thesis includes understanding the current inventory management practices for the B2C (Business to consumer) e-commerce retailers of Pune in India, outlining the challenges such as demand variations, reverse logistics, seasonal fluctuations, stockless policy and the risks such as lost sales, lost customers, low customer satisfaction associated with it. The scope also includes studying and suggesting various strategies to mitigate the risk associated with inventory management by analysis of the data gathered from primary and secondary research.

AIM: To study the challenges such as demand variations, reverse logistics, seasonal fluctuations, and stockless policy involved in inventory management of a B2C e-commerce business and how to mitigate the same to enhance the level of customer satisfaction by efficient inventory management.

Review Of Related Literature

As per the study on “E-commerce and Inventory Management” by Rell Snyder of National University at Costa Mesa and Basel Hamdan of Argosy University in 2009, online retailers have to account for stock outs and act accordingly to not to lose sales or customers. Large retailers with an online and physical presence have the flexibility to serve customers better than smaller retailers.

As per the study carried out by Daewon Sun on Inventory Management in e-business he talks about an EOQ approach with compensation policy to manage the inventory for e-commerce business to find can the stockless policy be an optimal inventory policy for an online retailer.

As per the study conducted by Susan L. Golicic, Donna F. Davis, Teresa M. McCarthy and John T. Mentzer of The University of Tennessee, Knoxville, Tennessee, USA in 2001 to understand “The impact of e-commerce on supply chain relationships” - The e-commerce environment was perceived as highly uncertain, stemming from increased information visibility and dynamic market structures. A stronger emphasis on relationship management as part of business strategy enables managers to manage uncertainty better.

INVENTORY MANAGEMENT CHALLENGES

DEMAND FLUCTUATION

Most of the online retailers have to account for the demand fluctuations which are caused due to the seasonality and product popularity. For example, during the time when most of the schools reopen in India after the summer vacation, the online stationery retailers face a mammoth challenge to supply all the necessary items which a school going kid needs because this is the time when the demand will fluctuate more due to seasonality. Similarly for online apparel stores a particular product in fashion will cause the demand to fluctuate. Online retailers should equip themselves and be capable of handling all such situations by having a good foresight.

REVERSE LOGISTICS - Reverse logistics is one of the greatest challenges that online retailers have to manage to enhance the customer satisfaction and generate more business. Because of the challenge of high product returns, the management of reverse logistics is crucial for survival. Returned products have to be organized into distinct categories to see if they can be reused or distributed into smaller pieces to see if their components can be reused in different products.(Dr. Rell Snyder, 2009)

STOCKOUTS – Sometimes the online retailers carry lesser inventory to reduce cost and the benefits of carrying lower inventory are widely acknowledged also, but such a policy increases the risk of stockouts. Stockouts can negatively affect online retailers in many ways. Retailers who experience stockouts face declining sales and declining customer satisfaction, customers might switch to competitors and there would be more back end costs.(Dr. Rell Snyder, 2009)

MANAGING SKU – This challenge is mostly faced by the online apparel retailers where they have the problem of managing inventory information for various SKUs for each product shown on the website. This is mainly because each product can have several sizes and colours.

MULTI CHANNEL SHOPPERS - Inventory control is more challenging than ever because of the evolution of

customers into multichannel shoppers. Consumers now browse, research, purchase and return products through

multiple mediums. For example:

_ Buy online and ship to home

_ Buy online and pick up or return in store

(White Paper from Exel: North American company in SCM)

MANAGING THE RISKS

Following are some of the risk mitigating strategies for Inventory management by online retailers:(Damien Tampling, Deloitte, 2011) . Pre-purchase stock - If the retailer has efficient inventory management, customers are happy because the products they want to purchase are known to be available and in turn delivered quickly. On the other hand, the retailer takes on all the inventory risk. Take stock after customers buy it - This limits inventory risk, but can lead to slightly longer delivery times. This model does however mean closer working ties with suppliers in that the online retailer need to work with them on an almost daily basis to ensure supply can meet likely demand. Two additional models online retailers use are: . Drop-shipping - The retailer doesn't hold inventory and acts as a shopfront for other suppliers and retailers who are responsible for fulfilling orders. Many e-commerce companies in the dot com era tried to take advantage of holding no inventory by outsourcing their inventory management process to focus on front-end activities.

Hybrid –In this particular strategy the online retailer only holds stock of regularly ordered items, ensuring these are delivered quickly, while reducing the inventory risk on infrequently sold items. The ideal situation for retailers is to always use the hybrid strategy because of the risk reduction that occurs by having a safety stock at some other location.

Conclusion And Recommendation

In the light of the objective it can be concluded that managing inventory for an online e-commerce B2C business is as important or crucial as maintaining a glamorous and beautiful user friendly website.

A B2C E-commerce company faces many inventory management challenges such as demand fluctuations which can be caused due to seasonality or product popularity, reverse logistics, stockouts and many more. Due to these challenges an online retailer faces greater risk of loss of sales and loss of customers. Hence it is very important for an online retailer to be aware of these challenges and risks and mitigate the same with the help of proper strategies such as drop ship or hybrid. This will protect the online retailer from various risks and at the same time will also enhance the levels of customer satisfaction.

Some of the recommendations for better inventory management for online retailers are:

- Being Organized: This is about knowing what we have and where to find it. One of the basic concepts of inventory management is being organized
- Avoid being out of stock: If something is displayed on the website and is shown as in stock then online retailer should make sure that the particular item is available. It's a big disappointment for customers when they see out of stock notices.
- Select a particular system or strategy as discussed above to manage inventory

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विनोबा भावे का “भूदान–यज्ञ” भूमि सुधार का गैर सरकारी भागीरथ प्रयास का निरीक्षण

डॉ० संतोष कुमार

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भूमिका

“भूदान–यज्ञ” आचार्य विनोबा भावे का एक एच्छिक कार्यक्रम है। भूदान का अर्थ है “स्वेच्छा से भूमि का दान करना”। “भूदान–यज्ञ आन्दोलन” की शुरुआत पाँचवें दशक के राष्ट्रीय भूमि सुधार कार्यक्रम के परिपेक्ष्य में स्वतः हुई थी और इसने एक राष्ट्रव्यापी समग्र होता है तो, उसके परिणामस्वरूप जो नया समाज बनता है, उसमें शांतिपूर्ण विकास की सम्भावनाएँ अधिक प्रकट होती हैं और वे मूल्य भी स्थिर रहते हैं, जिनकी स्थापना के लिए परिवर्तन हुआ होता है। इसी संदर्भ में भूमि सुधार हेतु समाज परिवर्तन का एक नया मार्ग संत विनोबा ने दिखाया, जिसे “भूदान–यथ” का मार्ग कहा गया। अभी तक इतिहास में बन्दूक से समाज में परिवर्तन लाने की अनेक कोशिशें हुईं। कुछ समाजवादी देशों में राज्यसत्ता के सैनिक शक्ति से या कानून से समाज बदलने के प्रयास भी अवश्य हुए। इन तरीकों से व्यवस्था जरूर बदली, लेकिन समाज नहीं बदला, मनुष्य का विचार तो बिल्कुल ही नहीं बदला। परन्तु गाँधीवाद के आचार्य विनोबा भावे के नेतृत्व में “भूदान–यज्ञ आन्दोलन” आगे बढ़ा और देशव्यापी आन्दोलन बन कर इसने अमीर भूमिपतियों के हृदय को परिवर्तित कर भूमिदान करने की प्रेरणा जगायी।

खनोबाजी ने भूमिदान के आधार पर जिस क्रांतिकारी आन्दोलन का प्रवर्तन किया, उसके द्वारा “यज्ञ” के इन तीनों उद्देश्यों की पूर्ति होती है। इसीलिए इस आन्दोलन को “भूदान–यज्ञ” नाम दिया गया। इस यज्ञ के अनुष्ठान से श्रय पूर्ति, शुद्धिकरण और संगठन—इस तीनों ही उद्देश्यों की पूर्ति होती है।

1. **क्षय पूर्ति** : असमान भू-व्यवस्था और कुटीर-उद्योगों का विनाश होने के कारण गरीबी, बेकारी, अशिक्षा आदि उत्पन्न होने से ग्रामीण समाज की जा क्षति होती है, उसकी पूर्ति भूदान–यज्ञ में भूमि के समतापूर्ण वितरण, ग्रामीकरण, कुटीर उद्योगों की प्रतिष्ठा और बुनियादी शिक्षा आदि की पुनर्व्यवस्था द्वारा की गई है। इसके अलावे केवल भूमि कुछ लोगों के हाथ में रहने के कारण भूमि का सदुपयोग न होने तथा भूमि के खराब और अव्यवहृत स्थिति में पड़े रहने के कारण पृथ्वी एवं पर्यावरण की जो क्षति होती है वह भी भूदान–यज्ञ के द्वारा पूरी हो जाती है।
2. **शुद्धिकरण** : भूदान–यज्ञ दाताओं हृदय में त्याग और प्रेम–भाव का आविर्भाव जागृत कर उनकी चित्त–शुद्धि करता है। गरीब भूमिहीन लोग परावलम्बिता से मुक्त होकर स्वावलम्बी होते हैं। जिससे समाज के सम्पूर्ण मानवों को समान शुद्धिकरण का अवसर प्राप्त होता है।

3. **संगठन** : भूदान–यज्ञ अपने चरमोत्कर्ष पर पहुँच कर साम्य–योगी समाज का निर्माण करता है, जो कि एक महानतम संगठन है। विनोबाजी का भूदान–यज्ञ भारतीय संस्कृति के लिए एक अनमोल उपलब्धि है। अपने देश में प्राचीन ऋषि मुनियों से –“यज्ञ”, “दान” और “तप” जैसे प्रेरक शब्द, जिसकी महिमा का बखान गीता में भी की गई है, हमें सांस्कृतिक विरासत के रूप में मिली है। उन शब्दों का सुंदर समन्वय विनोबाजी के भूदान–यज्ञ में देखने को मिलता है। भूदान–यज्ञ में विनोबाजी या और दान का आह्वान सर्वसाधारण से करते हैं, जबकि “तप” के संबंध में विनोबाजी अपनी अनुयायियों एवं कार्यकर्ताओं से कहते हैं कि— “ऋषियों और श्रीमद्भगवद् गीता ने “यज्ञ, दान और तप” ये तीन बातें रखी हैं। मैं सोचता था कि इनमें से यज्ञ और दान शब्द तो मैंने चलाया, पर तप शब्द पर जोर दिये बगैर ये दोनों सिद्ध नहीं हो सकेंगे। तीनों मिलकर ही पूर्ण होंगे। तप हम

कार्यकर्ताओं को ही करना होगा। यज्ञ और दान जनता से अपेक्षित है, लेकिन तपस्या तो हम लोगों को ही करनी चाहिए।

भूदान-यज्ञ आन्दोलन से अपेक्षाएँ: (1) भूदान-यज्ञ लोगों को यह सोचने को प्रेरित करता है कि वे अपने से पहले अपने पड़ोसियों के बारे में सोचें। यदि वे भूमिहीन हैं तो उन्हें भूमि दान में दी जाय। (2) भूदान-यज्ञ का लक्ष्य केवल भूमि का पुनर्वितरण करना ही नहीं है, वरन् सम्पूर्ण राष्ट्र का नैतिक उत्थान करना भी है। साथ ही साथ इससे लोगों की आर्थिक कठिनाईयाँ भी हल हो सकेंगी। (3) भूदान-यज्ञ का लक्ष्य ग्रामीण उद्योगों को पुनर्जीवित करना है, जिससे ग्रामीणों के बेकारी की समस्या को हल किया जा सकेगा। भूमि के समान वितरण के बिना ग्रामीण उद्योगों को सुचारु रूप से संचालन करना सम्भव नहीं है। (4) भूदान-यज्ञ के अन्तर्गत एक कार्यक्रम यह भी है कि शिक्षितों और अशिक्षितों को, साथ-साथ काम करने का अवसर प्रदान किया जाय, जिससे उनके बीच पायी जाने वाली शैक्षणिक खाई दूर की जा सके। भूदान-यज्ञ शिक्षितों में शारीरिक श्रम के प्रति प्रेम या लगाव पैदा करना चाहता है। इसलिए श्रमदान, भूदान-यज्ञ का ही एक आवश्यक अंग है। इससे लोगों के जीवन में सकारात्मक परिवर्तन आयेगा। भूदान-यज्ञ में प्राप्त भूमि को श्रमदान एवं छात्रों के सहयोग से कृषि योग्य बनाने का लक्ष्य रखा गया। (5) भूमिदान के साथ-साथ विनोबाजी सम्पत्ति दान भी चाहते थे। देश की अधिकांश सम्पत्ति सोने-चाँदी के रूप में बंद पड़ी हुई है। राष्ट्र को इसका लाभ मिलना चाहिए। जिन लोगों के पास इस प्रकार की सम्पत्ति है तो, वे इसका एक अंश दान के रूप में दे दें। (6) सम्पत्ति दान से भी भूमि सुधार की समस्या बिना किसी प्रकार की हिंसा के हल हो सकेगी। (7) भूमिहीनों की आर्थिक दशा में सुधार होगा। (8) परती भूमि पर खेती करने से उत्पादन बढ़ने लगेगा। (9) दान से प्राप्त भूमि के लिए मुआवजा नहीं देना पड़ेगा, अतः राज्य पर खर्च का अतिरिक्त भार नहीं बढ़ेगा (10) इससे सहकारी कृषि को बढ़ावा मिलेगा। (11) धनिकों व निर्धनों के बीच अन्तर समाप्त या कम होगा तथा वर्गहीन व शोषणहीन समाज की स्थापना हो सकेगी। (12) भूमि सुधार कार्यक्रम के संदर्भ में संत विनोबा भावे का भूदान-यज्ञ आंदोलन भूमिहीन ग्रामीणों के आर्थिक पुनर्गठन का मार्ग प्रशस्त करेगा।

सारणी संख्या 1.1

राजस्व विभाग के आधार पर राज्यवार भूदान-यज्ञ में प्राप्त भूमि एवं उसका वितरण: वर्ष-सितम्बर, 2006 तक (क्षेत्रफल लाख एकड़ में)

क्रम संख्या	राज्य	दान में प्राप्त भूमि	वितरित भूमि	शेष भूमि
1.	आन्ध्रप्रदेश	2.52	1.10	1.42
2.	टसम	0.01	0.01	शून्य
3.	थ्रवार	3.57	2.01	1.56
4.	गुजरात	0.34	0.27	0.07
5.	हरियाणा	0.02	0.02	शून्य
6.	हिमाचल प्रदेश	नगण्य	नगण्य	नगण्य
7.	जम्मू और कश्मीर	नगण्य	नगण्य	नगण्य
8.	कर्नाटक	0.11	0.05	0.06
9.	केरल	0.01	0.01	नगण्य
10.	मध्य प्रदेश	1.72	1.41	0.31
11.	महाराष्ट्र	1.04	0.27	0.77
12.	उड़ीसा	6.39	5.80	0.59
13.	पंजाब	0.05	0.01	0.04

14.	राजस्थान	1.16	1.15	0.01
15.	तमिलनाडू	0.27	0.21	0.03
16.	उत्तर प्रदेश	4.37	4.21	0.16
17.	पश्चिम बंगाल	नगण्य	नगण्य	नगण्य
18.	छत्तीसगढ़	0.04	0.64	नगण्य
	कुल	21.59	16.57	5.02

स्रोत : वार्षिक रिपोर्ट, 2006-07, ग्रामीण विकास मंत्रालय, भारत सरकार

आचार्य विनोबा भावे ने कुल 5 करोड़ एकड़ भूमि का लक्ष्य रखा था, परन्तु राजस्व विभाग के अनुसार सितम्बर 2006 तक 21.59 लाख एकड़ भूमि ही भूदान-यज्ञ में प्राप्त की जा सकी है। इसके अतिरिक्त ग्रामान्दोलन के अन्तर्गत अब-तक लगभग 37.800 समूचे गाँव ग्रामदान के रूप में मिल चुके हैं। भूदान-यज्ञ में प्राप्त भूमि में से 16.57 लाख एकड़ भूमि ही वितरित की जा सकी है। आचार्य विनोबा भावे की मृत्यु के उपरान्त अब भूदान-या आंदोलन रुक सा गया है।

विनोबा भावे ने समय-समय पर अपने भाषनों में भूदान-यज्ञ आंदोलन के उद्देश्यों पर प्रकाश डाला है। उनकी धारणा थी कि भूदान से असाधारण आर्थिक विषमता के कारण उत्पन्न होने वाली हिंसक-क्रांति से बचने का उपाय निकल आएगा। इस हिंसा एवं विनाश से बचने का एक मात्र उपाय है प्रेम से हृदय परिवर्तन जो भूदान-यज्ञ से ही संभव हो सकेगा। इसके अतिरिक्त देश में बेरोजगारी एवं भूखमरी का जो साम्राज्य व्याप्त है उसमें भी कमी आएगी।

महाराष्ट्र सर्वोदयी मंडल के वरिष्ठ सर्वोदयी नेता सोमैया ने बताया कि विनोबाजी का मानना था कि हो सकता है कि आने वाली पीढ़ियाँ उनके विचारों को भूला दें, लेकिन सार कुछ ऐसा है कि उनके भूदान, सम्पत्तिदान एवं ग्रामदान के अनुकरणीय विचारों को हमेशा याद रखा जायेगा। सामैया ने कहा- अच्छी बात यह है कि युवाओं को उनके विचारों से अवगत कराने का काम जारी है। "गाँधी और भावे" के विचारों को उनके विचारों पर केन्द्रित वर्ष-2009 में एक लिखित परीक्षा में महाराष्ट्र से करीब 60,000 विद्यार्थियों ने भाग लिया था। इससे स्पष्ट होता है कि इक्कीसवीं सदी में भी विनोबा भावे के विचारों की प्रासंगिकता में कोई कमी नहीं आयी है, बल्कि आज के युवाओं में उनके चिंतनों के प्रति आकर्षण बढ़ ही रहा है।

उदारीकरण के युग में आदर्श लोकतांत्रिक समाज में भूमि सुधार कार्यक्रम का आंदोलन का व्यापक महत्व है। स्वतंत्रता पश्चात विगत वर्षों में संयुक्त परिवार के विघटन से कृषि-भूमि अनेक टुकड़ों में बँट चुकी है, फिर भी भूमि सुधार कार्यक्रम के अन्तर्गत भूमिहीन ग्रामीणों को आर्थिक रूप से आत्मनिर्भर, सबल, स्वतंत्र एवं आधुनिक बनाने में "भूदान-यज्ञ आंदोलन" का विशेष योगदान है।

निष्कर्ष

भूदान-यज्ञ, भू-समस्या का स्थायी निराकरण वर्ग-संघर्ष से नहीं, बल्कि वर्ग-समन्वय के द्वारा करता है। जिसमें आत्मवादी के परिष्कृत विचार का प्रत्यक्ष-दर्शन होता है। "भूदान-यज्ञ" की पूर्णता में साधनदान, कूपदान, बुद्धिमान, जीवनदान, संपत्तिदान और ग्रामदान निहित हैं, जो आत्म-परिवर्तन, विचार-परिवर्तन एवं परिस्थिति-परिवर्तन से एक नये समाज के सृजन की रूपरेखा प्रस्तुत करता है। समाज में भूमिदान के सन्दर्भ में विनोबाजी की वाणी में किसी भी प्रकार का कोई दवाब नहीं था, यदि था तो केवल एक मात्र प्रेमपूर्वक आग्रह।

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