COSMOS

BI ANNUAL REFEREED JOURNAL Vol. VII Issue 2 July 2016 ISSN - 2249 - 6408

A Compilation of Research Papers on Contemporary Issues in Commerce Management and Economics

Published by
M.C.E. Society's Abeda Inamdar Senior College of Arts, Science & Commerce,
Azam Campus, Camp, Pune - 411001.

Dear Readers,

Cosmos, a biannual publication of the M.C.E Society's AbedaInamdar Senior College of Arts, Science and Commerce, is one of the premier refereed scholarly Interdisciplinary journal of Commerce, Management and Economics discipline. Since its beginning, Cosmos has played animportant role in the dissemination of knowledge grounded in scholarly research, as well as in shaping the content and boundaries of the discipline.

Cosmos has been started to provide an insight on the research in commerce, business management and economics, to discuss the forward thinking for the development of a more coherent approach to solve the global issues related to sustainability, climate change, green marketing etc. through commerce and business. Purpose of this journal is to contribute to the development and dissemination of multidisciplinary knowledge on management, commerce & economics to increase exchange of ideas among scholars, researchers and practitioners.

This issue of cosmos has varied research article ranging from skill development, make in India, start-up India, microfinance, financial crisis, role of educational institutions in skill development, ecommerce, innovative practices in human resource management etc.

Cosmos is truly a global source journal, which is reflected in the varied national and cultural origins of the contributors, as well as the topics covered. The main objective of this journal is to provide an intellectual platform for the National and International scholars. Cosmos aims to promote interdisciplinary research in Commerce, economicsand Management Studies andbecome a leading journal in inter disciplinary sciences in the world.

Managing Editor
Dr. Shaila Bootwala
Vice Principal and HOD Dept. of Commerce
Abeda Inamdar Senior College, Pune

NECESSITY, CHALLENGES AND WAYS FORWARD OF SKILL DEVELOPMENT IN INDIA

Dr. Manohar Kacharu Sanap
Associate Professor of Commerce
Ness Wadia College of Commerce
Pune (MAHARASHTRA)

Abstract

Globalization, knowledge and competition have intensified the need for highly skilled workforce in both the developing and developed nations as it enables them to accelerate their growth rate towards higher trajectory. For India, skill development is critical from both socio-economic and demographic point of view. Therefore, the present paper attempts to study the present skill capacity, challenges in front of skill development initiatives in India along with their solutions. The skill capacity has been assessed in the form of general education and vocational training level of the Indian workforce in the age group of 15-59 and which was found to extremely low i.e. around38%of the workforce are not even literate, 25% are having below primary or up-to primary level of education and remaining 36% has an education level of middle and higher level whereas only 10%of the workforce is vocationally trained (with 2%formal and 8%informal training). The study also found that both the Government and its partner agencies have undertaken various measures/initiatives for the effective implementation of the skill development system in the economy, but still faces a number of unresolved issues/challenges that need immediate attention of the policy makers. Hence, skill development initiatives of the government should focus on these obstacles and develop the programs accordingly to resolve these hurdles for the complete success of the skill development initiatives.

Keywords:
SkillsCapacity;Challenges; WaysForward;India

Introduction:

Globalization, knowledge and competition haveintensified the need for highly skilled workforce in boththe developing and developed nations as it enablesthem to accelerate the growth rate of theireconomy towards higher trajectory. Today alleconomies need skilled workforce so asto meet global standards of quality,toincrease their foreigntrade, tobring advanced technologiesto their domesticindustries andtoboost their industrial and economic development. Thus,skills and knowledge becomes themajor driving force of socio-economic growth and development for any country. Asithasbeen observedthat countries with highly skilled human capital tend to have higher GDP and per capitaincome levels and they adjust more effectively to the challenges and opportunities of the world ofwork.

For India, skill development is also critical from both socio-economic and demographic point of view.For the economy to growat 8% to 9%, with the targeted growth rate of 10% for secondary, 11% for tertiary and 4% for agriculture sectors, a multi-faceted and highly efficient skill development system is imperative. Further, India is destined to be a contributor to the global workforce pool on account of demographic bonus, with the growth rate of higher working age population as compared to its total populationandhome to the second largest population (with a headcount of around 1.4 billion by 2025) in the world with distinct advantage of having the youngest population with an average age of 29 years as against the average age of 37 years in China and the US and 45 years in Western Europe (FICCI, 2014).

The increasing globalization and digital presence provide India a unique position to increase its share further in global market from current share of around 37% in the global outsourcing market. Hence such a scenario necessitates skill development forthe workforce. But before going in for any sort of skill development program, it is important to determine the current skill capacity,themajor obstaclesin the way of the skill development programs along with their possible solutions. Thus,thebroadobjectives of the presentpaper aretostudythe presentskill capacity, the variouschallenges in the development of effective skill system along withtheir ways forward for the success of skill development initiatives in Indian context.In order to this, the study is divided into the following sections:

Section-II discuss the data and methodological issues; Section-III depicts the findings pertaining to present skill capacity, challenges and ways forward for the success of effective skill development programs inIndia and Section–IV conclude the study.

Objectives of the Study:

1. To study the present skill capacity of India.
2. To study the challenges faced by skill development system in India.
3. To suggest possible ways forward.

Methodology:

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant books, documents of various ministries/departments and organizations, articles, papers and web-sites are used in this study.

Findings:

India's transition to one of the largest and fastest growing global economies during the last decade has been a remarkable phenomenon. In order to sustain its growth trajectory, an efficient and continuous system of skill development for its workforce is critically imperative for India. Therefore, this section is devoted to portray the current skill capacity of India; the major challenges in the successful implementation of skill development initiatives along with their way outs or suggestions.

Present Scenario of Skill Capacity of India:

In order to capitalize the demographic dividend, India will need to empower its workers with the right type of skills. Thus this section depicts the present skill levels of the Indian workforce in the age group of 15-59 years in the form of their general educational levels and vocational training levels.

- The drop-out rates of educational institution was estimated to be 50% in the age group of 5-14 years and86% after 15 years of age and in contrast to this the participation rate of the workforce rises rapidly after 14 years of age and it results in a semi-literate workforce which finds it difficult to absorb higher form of skills.

- 38% of Indian workforce is illiterate, 25% has education below primary or up to primary level and remaining 36%has an education level of middle and higher level.
- 80% of Indian workforce does not possess any marketable skills.
- Only about 2% have received formal vocational training and 8% non-formal vocational training, thereby implying that very few new entrants to the work force have any marketable skills as compared to developed economies such as Korea (96%), Germany (75%), Japan (80%) and United Kingdom (68%).

In-nutshell, it can be said that despite making considerable progress in terms of literacy, high incidence of illiteracy cripples the Indian workforce even today. The above facts are a stark reminder that India's demographic dividend can rapidly convert into a demographic nightmare if skills are not provided to both new and existing workforce. Thus, there is a need for increasing capacity and capability of skill development programs.

In this direction, both the Government and its partner agencies have undertaken various measures/ initiatives for the effective implementation of the skill development system in the economy. But still India faces a number of unresolved issues and challenges that need immediate attention of the policy makers. Hence, the next section deals with some of these bottlenecks along with their way outs.

Challenges before Skill Development Initiatives in India & Ways Forward:
Despite various concentrated efforts, there is still a long way to bring the skill development mission to completion due to the presence of certain serious key challenges in the path of the mission. Some of these hindrances along with their possible solutions are outlined below:

Demand & Supply Mismatch: The demand made by the industries and supply of labour-force mismatch leads to aggravate all types of skill development initiatives of the Government and its partner agencies as:

- The number of people formally trained in a year is only 1,100,000 by Ministry of Labour and Employment and approximately 3,200,000 trained by 17 other central government ministries.
- According to the Manpower Group (USA), in Germany, USA, France, and Japan, the percentage of employers who find it difficult to fill jobs is 40%, 57%, 20% and 80% respectively as compared to Indian employers (67%).

Way forward: Thus an ideal scenario is one in which supply of labour can be transformed into skilled workforce which is easily absorbed by the industrial-sectors. However, in India a small portion of labour force is actually undergoing for formal training. It has been observed that there are more people than the available jobs at the low skills level, while there are more jobs at the high skills level than those available for such jobs. This demand and supply mismatch indicates that there is a serious mismatch between the education and skills that the youth attain and what the labor market demands.

Therefore, in order to create a people-centric approach for skill development, it is required that the skill development initiatives needs to be coordinated with demand and supply scenarios across geographies, industries and labour markets so that new skills required by industry or changes in supply of labour are speedily adjusted with adequate and efficient training programs.

Geographical Problem: It is another serious problem plaguing the labor market and has a more serious impact in larger economies like India as the geographical set-up or outreach of the people for skills in India are uneven and in dismal share:

- The states with much higher economic growth rates have more new jobs with lower rate of labour-force while on the other hand; the states with slower economic growth rates have higher population growth rates with fewer new jobs. Thus laggard states need to rely on migrant workers so as to cope with this challenge.
- Majority of formal institutions are located in urban areas as compared to rural areas and even private sector institutions are also reluctant to operate in rural areas. Hence, large proportions of rural population do not have any formal vocational training institutions.
- Districts notified as backward have serious paucity of formal skill training as majority of skill development institutions in these locations emphasized only on basic livelihood skills and that is generally provided by NGOs or provided by other agencies as a part of social development programs. Therefore, these types of skills are often not formally assessed and as a result are not recognized for employment by industrial sectors.
- There is lack of block level mapping of employment demand, local economy activities, youth population profile, social demographic profile etc. This leads to sub-optimal planning of skill development initiatives resulting in a gap between skill development and local employment demand.

Way forward: In order to combat the problem of large geographical and socio-economic conditions of the economy, the Government along with its partner agencies should set-up more standardized skill-based institutions or skill development centers across the country, particularly in laggard/backward states with a view to provide equal access to all segments and sections of the society, so that the whole society gets the benefits of the skill initiatives and strategies.

Low Educational Attainment: Though the country has made progress on educational attainment as reflected below:

- There are about 1.5 million schools in India with a total enrolment of 250 million students (from pre-primary to high/senior secondary levels) i.e. schools constitute the maximum number of enrolments.

- Higher education sector comprises around 20.7 million. The total number of students enrolling for open universities and other diploma courses constitute 24.3% of the total students.
- Vocational training in India is primarily imparted through the government and private industrial training institutes (ITIs). There are total 9,447 (in 2012), with a total seating capacity of 1.3 million. The total number of ITIs has increased at a CAGR (2007–2012) of 11.5%, while the total number of seats has increased at a CAGR (2007–2012) of 12.2%.
- Current annual training capacity of India is 4.3 million, which is 20% less than theindustrial requirement of 22 million skilled workers a year.

But the reality is that some regions are still lags behind as compared to other regions in terms of accessibility of education and skills in India are:

- Higher drop-out rates of educational institutions mostly after the age of 15 years and above and especially in female students.
- Accessibility for the disadvantaged and rural section of the society is difficult due to high costs and other social impediments like transportation problems especially for a girl student travelling away from home.
- Poor quality of educationwhich result in lack of literacy and numeracy skills on the part of students. These students find it extremely difficult to absorb even basic skills.
- Many skills taught in curriculum are obsolete and their end result is that workers are unable to find jobs according to their aspirations.
- Increase in educational institutions further lead to multiplicity of curriculums for the same skill resulting in uneven competency levels.
- There is lack of platforms where industrial and governmental agencies can meet regularly for systematic up-gradation of curriculum for new skills. Ultimately it results in lack of co-ordination between the job aspirants and employers.
- Inflexibility in curriculum framework of vocational training and education made it difficult for the individual to imbibe the proper skills as who enters the vocational training will find it extremely difficult to enter general education field due to lack of equality between the two.
- Hence, a low proportion of the workforce has higher education or any form of skills training. In-spite of massive effort to expand the capacity of providing high-quality formal education or skills training, the workforce is still unable to gain any kind of benefit from the high economic growth.

Way forward: The need of the hour is to provide quality educational curriculum at all levels with targeting skills development programs. Hence, the instructional material or syllabus must be prepared jointly by the industry and the educational planners. It should be regularly updated and must include more of practical learning than theoretical. So that students should imbibe the necessary job skills as demanded by the industrial sectors.

Vocational Training: India is progressively moving towards knowledge economy, where skills are widely recognized as the important lever of economic growth, but the perception about vocational education is still doubtful i.e. it is generally meant for those who fail to get admission in the formal system. Thus, it still need time to be considered as a viable alternative to formal education.

- As it was observed in India, around 90% of the jobs are skill-based i.e. they require some sort of vocational training whereas in reality only 2% of the population (in 15-25 years age group) enrolled for vocational training in India as compared to 80% inEurope and 60% in East Asian countries.
- The current capacity of vocational training is 31 lakh against an estimated annual capacity of 128 lakh workers whereas the overall national target of skilling is 50 corer of workers by 2022 i.e. India needs to impart vocational training to at least 300–350 million people by 2022 which is significantly lower than the government target of 500 million.
- Moreover, the private sector provide skill training as required by service sector mainly to educated youth (especially 12thpass) and largely in urban regions. Ultimately, hundreds of workers in unorganized sector do not get any kind of skill training which results in low productivity levels and employability gaps among majority of workforce.
- Due to lack of awareness about industrial requirements and the availability of matching vocational courses, most of the prospective students in the country do not go for vocational education.
- Despite of various efforts on the part of Government and its partner agencies, the credibility of vocational courses in India is still questionable. Moreover, the low reputation linked with vocational courses (or blue collar jobs) and also low compensation levels among people with such skills, prevents the students from taking vocational education as they are not aware on how vocational courses can improve their career prospects.

Way forward: Hence, a scalable, efficient and comprehensive vocational training system with proper awareness generation programs is the need of the hour. As these programs help in spreading information about existing skill development courses and market requirements which lead to increase the student enrolment as well as enhance the credibility of vocational institutes. As education and vocational training are the important contributors to overall skill capital pool of an economy. Education provides a base in the form of ability in literacy, numeracy and cognitive abilities and vocational training equips an individual with specific skills. Vocational training is practical/manual in nature in contrast to education which is purely theoretical in nature. Thus linkages of both serve simultaneously the hand and the mind, the practical and the abstract aspects.

Skill development for women: In India, women also form an integral and substantial part of the workforce; but the working percentage rate of women in total labor force is declining.

- The share of women workforce (between 25-54 years of age) is about 30% in 2010 as against 39% in 2000, which is quite below as compared to 82% in China and 72% in

Brazil. All it depict the under-representation of women in the workforce and results in the wastage of the demographic dividend to India.

- Moreover, women in India are mainly concentrated in the informal sector and are engaged in low paid jobs with no security benefits. This represents lack of employment opportunities and skills for women workforce.
- Currently, a majority of the female workforce in India is unskilled, i.e. a very low percentage of women have any kind of formal education. In India, around 65% of women in rural areas and over 30% of women in urban areas lacked basic primary school education.

Way forward: In order to unlock the full potential of women workforce in India, the need of the hour is to bring about an employment revolution along with a skill development revolution. The planners should focus on women specific policies for their effective participation in the employment market. As it would help India to meet its skilling target and reap benefits of having the largest workforce by 2025.

Private sector participation: The current situation in respect to the participation of the private sector is as follows:

- The private sector is not involved adequately in curriculum development and policy formulation related to educational and vocational training.
- Mostly private sector institutes are located in urban areas therefore rural population remains lags behind. Furthermore, due to high cost of these institutes the weaker or disadvantaged section also unable to get proper skill training.

Way forward: Hence, a strong policy measures and operational linkages are needed to bring together the public and private sector to improve the quality and relevance of training.

Placement-linked Challenge: A major problem of India's existing skill (or education) development system is lack of linkages between education and placement of that trained workforce.

- In India, the vocational training is offered nearly in 120 courses and mostly of long duration (i.e. of 1 to 2 years duration). Whereas in China, there exist approximately 4,000 short duration modular courses, which provide skills more closely aligned to employment requirements.
- In India, as compared to large firms, the micro, small and medium enterprises (MSME) find it difficult to invest in skill development institutions and this result in deployment of semi-skilled workforce in many MSME firms.
- Majority of ITI/ITC do not offer job placement services i.e. they struggle for appropriate employment except in areas with high economic activity. Lack of correlation between demands of local economy and provisioning of skills by local institutions create an employment gap and lead to job related migration. It also gives rise to social tensions due to the skilled unemployed phenomenon.

- Majority of the current government schemes of India like Swarnjayanti Gram SwarozgarYojana (SGSY), Roshini and Himayataimed at providing employment to around 75% people at above minimum wages; while in reality significant number of trainees are still not able to get jobs or some dropped due to inadequate wages or poor working conditions etc. For instance, in case of Himayat scheme which was launched as a training-cum-placement program for the unemployed youth of J & K in 2011, with a view to train 100,000 youth in 5 years and to provide jobs to at least75% of them results in the following:
  - Only 1,904 youths applied for various courses in the first year of the scheme.
  - Merely 37% participants have been placed within two years of the scheme.

Way forward: In this era of knowledge highly skilled workers who are flexible and analytical in nature are recognized as the driving force for innovation and growth. To achieve this India needs aflexible education system with multi-faceted and highly efficient skill development system. This system must provide linkages between each of its constituents and provide a seamless integration between skill development and employment.

Multiplicity of Institutional Framework: Over the past few decades, India has witnessed significant progress in the skill development landscape as various types of organizations have been set up both at national and at state level.

- Around 17 ministries,2 national-level agencies, several sector skill councils, 35 state skill development missions and several trade and industry bodies comes forward with a view to push the national skill development agenda.
- Given this mind-bogglingly complex institutional setup with overlapping and conflicting priorities and little co-ordination and standardization ultimately resulted in fragmented outcomes with limited impact.

Way forward: The diversity and lack of coordination among government, non-government and private providers lead to create obstacles in the effective integration of the system and focusing on national development objectives. Hence, it is necessary to introduced integrated reforms in the form of establishing some nodal authority or bodies ranging from advisory to executive in nature with a view to coordinate and governs various skills development and policy making initiatives.

Informal & Formal Sector Skill-Gap: As the Government of India has set a target to impart the necessary skills to 500 million people by 2022 in the Twelfth Five Year Plan, whereas in reality the country is facing a significant skilled manpower challenge over the next decade.

- In India, around 12 million people are expected to join the workforce every year whereas the current total training capacity of the country is around 4.3 million, thereby depriving around 64% entrants of the opportunity of formal skill development every year.
- Furthermore, out of approximately 0.4 million engineering students graduating every year in India, only 20% are readily employable.

- Around 93% of the Indian workforce is employed in the unorganized or informal sector, which lacks any kind of formal skill development training.
- Barely 2.5% of the unorganized workforce reportedly undergoes formal skill development in comparison to 11%of organized sector.
- In addition, only around 12.5%and 10.4% of the workforce in the unorganized and organized sectors, respectively, undergoes informal skill development. This indicates that around 85% of the work force in the unorganized sector does not imbibe any form of skill development —formal or informal.

Way forward: The dire need of the hour is to focus more on the labour force of the unorganized sector. Though the better and superior skills are essential requirements of the competitive market but practically the unorganized sector do not have the affordability to hire expensive labour of high quality. Thus this conflicting objective can be resolved with an integrated approach that gradually enhances labour quality while maintaining a purposeful balance with the demand and affordability of labour markets. Advancement in the skills over time in association with industrial support leads towards progressive improvement in the overall economic scenario. On one hand availability of workforce with higher skill levels would increase competitiveness of unorganized sector and on the other hand it would benefit the organized sector too as some of the workforce with higher competency may get absorbed there despite having low education levels.

Infrastructure Challenge: One of the important requirements for the proper implementation of the skill and training development programs is the availability of the basic infrastructure for the same. It has been noticed that many skill development institutions suffer from lack of proper infrastructure.

- Apart from a detailed evaluation while sanctioning approval for establishing a new institute, the assessment of the fitness evaluation of the institutes is not conducted regularly.
- The situation is more severe in case of institutions located in semi-urban and rural areas. These institutes need rapid expansion and up-gradation in order to provide efficient training capabilities to prospective aspirants.
- Hard infrastructure including equipment, machines and tools etc. are not available in majority of the institutions. As a result, workers get trained on outdated machines and find themselves deficient in skills when employed. Further, the lack of industry linkages which would otherwise provide some help in addressing several infrastructure-related challenges including trainers, machines etc. also woefully inadequate.

Way forward: Hence, the policy-makers must focus on providing the required infrastructure and equipment namely computers, software's, tools, machines etc. and qualified instructors so that they provide high-quality skills as required by industrial sectors and relevant practical exposure to the students. Secondly, appraisal of institutes against standard norms and guidelines need to be conducted regularly and ratings should be based on outcomes assigned to every institution.

Training of Trainers: Training of trainer is one of the important key of the skill development framework. And absence or inefficiency of the same would result in serious bottleneck in the implementation of skill development projects.

- In India, the gross requirement of trainers is approximately 79,000. Furthermore, the annual incremental requirement of trainers is approximately 20,000, whereas at present the current annual capacity of the trainers is only 2,000.
- It is estimated that various publicly funded organizations produce 3.5 million trained personnel per annum against the 12.8 million new entrants into the workforce each year.
- However, to address this issue, NCVT approved a proposal to upgrade Model Industrial Training Institutes (MITIs) for conducting instructors training and in addition to this the council also allow various types of organizations (like private/public limited companies registered under the Companies Act, societies and trusts registered as per the Act) to set up ITIs/ITCs, as well as undertake instructors training programs.

Way forward: Therefore, the Government and its participating agencies should focus on the provision of more effective training centers of the trainers, otherwise this mismatch between demand and supply of trainers could impede the success rate of the whole skill and training framework. Further, the educators/trainers must be chosen on the basis of academic qualification. Their level of competence should be measured in terms of their theoretical knowledge, technical and pedagogical skills as well as being abreast with new technologies in the workplace.

Lack of Labor market information system (LMIS): The absence of proper Labour Management Information System (LMIS) impedes the very objective of the skill initiative in India as it results in poor linkage between skill development and employment.

- At present, there is no proper system available in the job market where the industrial, job seekers and government come forward and share the relevant information among them and derive collective benefit from it. As a result, on one hand the Government lacks reliable data that would otherwise help it in making effective policy decisions and on the other hand, the inadequacy of such a system disappoints both employers and employees as it result in job mismatch and inferior quality output.
- However, in order to deal with this problem the NSDC, through its SSCs, has initiated the process of developing sector-specific labor market information systems (LMISs), which will pave the wayfor a shared platform that would provide quantitative and qualitative information to all the stakeholders, but the major challenge in this regard is that each such SSC-specific LMIS will work in isolation and will not be integrated with the master LMIS and end result is the wastage of efforts and resources.

Way forward: Hence, a well-integrated or consistent LMIS is required which will ensure timely provision of all types of relevant information to all the stakeholders which ultimately help in systemic planning for skill development initiatives which incorporates local employment demand and skill requirements. Thus, it is imperative for the success of skill development system that market institutions work efficiently and well connected with educational and vocational training institutions. As the main objective of education and vocational training is employment. Therefore educational and vocational system has to be linked to the job market in such a way that it must be competent to provide relevant information about the growing employment opportunities, types of skills required by different jobs, and where and how the skills can be acquired. And this will ultimately lead to enhance the socio-economic relevance of education and vocational training along with strengthening the performance of the market institutions in the economy.

Conclusion:

To make India internationally competitive and to boost its economic growth further, a skilled workforce is essential. As more and more India moves towards the Knowledge economy, it becomes increasingly important for it to focus on advancement of the skills and these skills have to be relevant to the emerging economic environment. For transforming its demographic dividend, an efficient skill development system is the need of the hour. Therefore to achieve its ambitious skilling target, it is imperative to have holistic solutions of the challenges instead of piecemeal interventions.

References:

1) Dahlman, C., &Anuja, U. (2005).*India and the Knowledge Economy: Leveraging Strengths and Opportunities.* Washington, D.C: World Bank.
2) Federation of Indian Chamber of Commerce & Industry. (2014). *Reaping India's promised demographic dividend —industry in driving seat.* New Delhi: Ernst & Young Pvt. Ltd.
3) Federation of Indian Chamber of Commerce & Industry.(2013). *Knowledge paper on skill development in India.* Global Skills Summit 2013. New Delhi: Ernst & Young Pvt. Ltd.
4) Government of India (2012).*Reports and Publications*. Ministry of Statistics and Programme Implementation. Government of India. New Delhi.
5) http://dget.nic.in/coe/main/100ITIs.htm
6) http://nsdcindia.org/knowledge-bank/
7) http://planningcommission.gov.in/data/datatable/data
8) http://www.oecd.org/document/20/
9) International Labour Organization. (2012). *Global employment trends- Preventing a Deeper Jobs Crisis.* Geneva: ILO.
10) National Sample Survey Organization.(2010). *Employment and Unemployment Situation in India (66th Rounds).*Ministry of Statistics and Plan Implementation, Government of India. New Delhi.
11) Reconstruction and Development, the World Bank. Washington DC.
12) UNESCO. (2010). *Reaching the marginalized: Education for All.* Global Monitoring Report. Paris: Oxford University Press.
13) World Bank.(2012). *More and Better Jobs in South Asia.* The International Bank for
14) www.ficciskillforum.org

A STUDY OF PRIVATE LABEL APPAREL BRAND PORTFOLIO OF PUNE CENTRAL HYPERMARKET LOCATED IN PUNE CITY

Dr. Shaila Bootwala, Principal
AbedaInamdar Senior College
Pune

Ms. Zakira Shaikh (Asst. Prof.)
Department of Marketing
Symbiosis College of Arts and Commerce, Pune
Mobile No. : 8390883387
E-mail Id: zakira.shaikh22@gmail.com

1. Introduction

Liberalization Privatization and Globalization have changed the face of Indian Economy. From the domestic boundary led businesses to globally building an identity of International business has led India to stand with other developed countries. LPG opened the doors for Multinational Corporation to enter India and do business. Domestic companies redefined their business strategies to achieve competitive edge over the giant multinationals. This revolution changed the way consumers buy products and brands. Consumers became more brand conscious than product conscious. The way shopping is done have changed a lot. From the hypermarket Kirana Store to giant multi format retail stores. From the physical retail outlets to online shopping have spread a different wave of shopping or buying experience. Today there are various formats of retail store. One of the formats is Hypermarkets store, which have achieved lot of popularity during the years. These hypermarkets just don't sell products of other manufacturer but also provide consumers with brands that are manufactured and marketed under their retail brand.

Today demand for private label brands in different product categories is increasing day by day.Private Label brands are slowly gaining prominence at big retail stores. Be it Tata's Westside, Kishore Biyani's Big Bazaar or RPG Group's Spencer's, everyone is betting big on private labels for they are fast becoming one of their major revenue spinners.

Private labels are slowly becoming the protagonist in the big Indian retail growth story. Taking cue from the West, Indian retailers are also churning out newer ways to increase their profit margins-one such initiative is the introduction of in-house brands.

Key Words: Private Label apparel ,brands,Pune Central Hypermarket,Brand Portfolio

2. Objective:

This research is focussed on the following objective:

- To study the various Private Label Apparel brands offered by Pune Central to its Customers.
- To evaluate various elements of Four P's used by Pune Central to provide value to its customers.

2.1Hypothesis:

- Private Label apparel brand portfolio provides value to its customers
- The Private label Apparel category offering quality and variety to its customers

2.2Research Methodology:

- Qualitative analysis of primary data and secondary data.

3.Reviewof Literature

- **Dunn et al (1986)[1],** from his research study conducted in FMCG Retail Sector inCoimbatore, Tamilnadu revealed an important fact that consumers perceive Private label brands as high risk products on performance measures compared to national brands. The research also concluded that Private label brands are least risky on financial measures.
- **Myers(1967)[2],** a study conducted by Myer revealed that one half of the respondents perceive Private label brands to be lower in quality and lower in price compared to national brands, whereas regular customers perceive private label brands at par in quality and price with national brands.
- **Coe(1971)[3],** From the study it was determined that consumers have different preferences based on lower income and middle income. Based on her findings she concluded that there are three major variables determining difference in consumer preferences towards national and private label brands. Education, brand awareness and acceptability of price and advertising constitute major determinants to decide whether to purchase national or private label brands. Consumers with lower income tend to prefer Private label brands as these product are priced low as compared to national brands.
- **Selvakumar&Varadharajan(2013)[4],** The Researchers Conducted The Study On The Growth Prospects OfPrivate Labels To That Of NationalBrands In The FMCG Retail Sector InCoimbatore, Tamilnadu. From the study it was inferred that quality, price and packaging of national brand products are perceived to be high when compared to private label brands of retailers. Consumers link less risk with national brands as compared to private label brands. Brand image of National brands is also perceived to be high as to private label brands.
- **Gupta (2015)**[5],conducted a research study to understand the consumer perspective towards Indian Private Label brands. From the study it was concluded that National and International Brands have an impact on the buying decision of the customers in retail outlets in India. Brand awareness is a major factor determining consumer buying decision. It was also suggested that Trial of Private Label brands help consumers in judging National brands with Private label brands. From the finding it was observed that retailers were highly satisfied with the Private Label brands and are increasing the number of Private Label brands as it increases the sales in terms of revenue and profit margin.

4. Introduction to Hypermarkets and Private Label brands

India is the third largest sector in retail business, from a hypermarketkirana store to supermarkets, from departmental stores to Hypermarkets and Hypermarket. Indian Economy is experiencing the growth of retailing and has achieved development over the years.The Indian retail sector accounts for ten percent to Indian Gross Domestic Product (GDP) and eight percent to employment. Over the decades there has been numerous changes and developments experienced by Indian retail sector. There are various reasons contributing for the growth and development of retail industry. The Changing consumer behaviour, increase in purchasing power of the consumers, the rising young urban affluent class, digitalization are various reasons causing change in the retail business in India.

Retail is derived from the French word retailer, which means to "cutting off, clip and divide" interms of tailoring (1365). It first was recordedas a noun with the meaning of a "sale in permarketquantities" in 1433 (French). Its literalmeaning for retail was to "cut off, shred,paring". Like the French, the word retail in both Dutch and German also refers to the sale of hypermarket quantities of items.

Retailing consists of the sale of goods or merchandise from a very fixed location, such as a department store, boutique or kiosk, or by mail, in hypermarket or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells hyper marketer
Quantities to the end-user. Retail establishments are often called shops or stores.[6]

4.1Retailing formats in India

1. Kirana store(Mom and Pop stores)
2. Hypermarkets
3. Specialty Stores
4. Discount Stores
5. Department Stores
6. Supermarket
7. Hyper marts/Hypermarket
8. Convenience stores

4.2.Meaning of Hypermarket and Private label:

Hypermarkets are basically developed in those countries where they have Competitive advantage over the local retailers.A "hypermarket" is a giant size superstore which combines a supermarket and a department store. It deals in large variety of merchandising ranging from food, apparel, consumer durables, non-durables etc. Hypermarkets are huge in size and occupy large space. The customer footfall is also huge due to wide space and variety of brands from different categories under one roof.Wal-Mart of U.S.A covers 150,000 square feet, while a typical Carrefour covers 210,000 square feet of space. These stores are typically single-level enterprises, most of which, except on major holidays, remain open for long hours.

Private label brands are referred to as store brand, retailer brand, own brand, own label, distributors brand that are owned by retailers rather than producers or manufacturers. Retailers are providing wide product category under private label. Food, apparel, consumer products, consumer durables, personal care products are available under Private Label. Now a days retailers are aligning Private Label brands with identified consumer trends, such as premium and indulgence, everyday value, health and wellness and organic and ethical. In some cases Private Label brands are purchased through a wholesale club, giving retailers shared rights to a particular brand.

4.3.About Future Group

Future Group, led by its founder and Group CEO, Mr. Kishore Biyani, is one of India's leading business houses with multiple businesses spanning across the consumption space. While retail forms the core business activity of Future Group, group subsidiaries are present in consumer finance, capital, insurance, leisure and entertainment, brand development, retail real estate development, retail media and logistics.

Led by its flagship enterprise, Pantaloon Retail, the group operates over 12 million square feet of retail space in 71 cities and towns and 65 rural locations across India. Headquartered in Mumbai (Bombay), Pantaloon Retail employs around 30,000 people and is listed on the Indian stock exchanges. The company follows a multi-format retail strategy that captures almost the entire consumption basket of Indian customers. In the lifestyle segment, the group operates Pantaloons, a fashion retail chain and Central, a chain of seamless hypermarkets. In the value segment, its marquee brand, Big Bazaar is a hypermarket format that combines the look, touch and feel of Indian bazaars with the choice and convenience of modern retail.

4.4.About Pune Central Hypermarket located at University road:

Pune, India, October 25, 2007 - Pune Central, the seamless hypermarket, opened its second Central hypermarket in Pune at University Road. This is the first time that Central has launched two hypermarkets in a city and is indicative of the resounding success that it has been, in the city of Pune. Pune Central's second hypermarket in the city is also in response to the tremendous demand from Puneties from north-western part of Pune, which has emerged as an IT Hub.

Pune Central on University Road offer 1,20,000 sq feet of world-class shopping experience, with access to over 500 national and international brands across apparels, cosmetics, fragrances, footwear, eyewear, time wear, handbags, music, accessories, jewelry & lots more for the entire family. It is one of the few destinations which offers international brands like Tommy, FCUK, Esprit, Gas, Calvin Klein, Nautica, Lacoste & many more all under one roof. There are dedicated floors for men, women, youth, kids & food. That's not all the ground floor is dedicated to international brands.

Mr. Vishnu Prasad, CEO, Central and Brand Factory says" Since opening our first Pune Central two & half years ago, we have been overwhelmed by customer response to our seamless hypermarket concept, where they can Shop, Eat and Celebrate, under one roof. We have witnessed over five million customer walk-ins in our first Pune Central since inception.

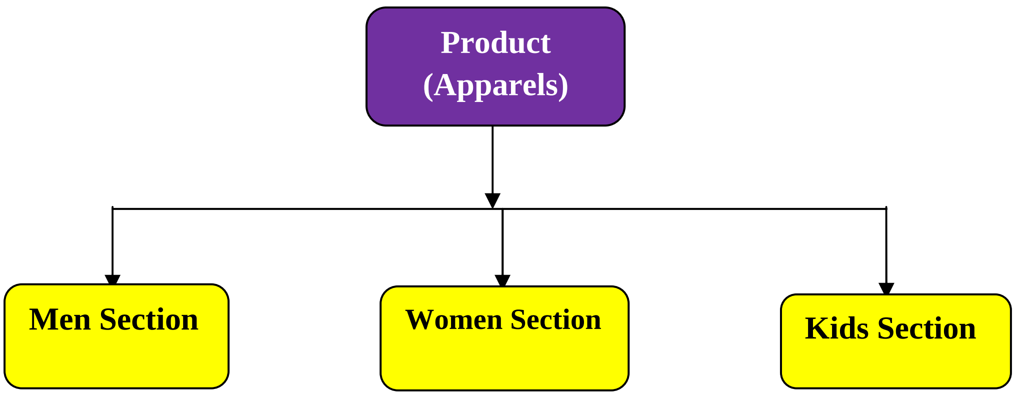
Pune city has a growing population of students in professional & post graduate courses, a growing BPO & IT segment & increasing career opportunities leading to an increase in scope for lifestyle hypermarkets. True to its positioning this 2nd Pune Central re-defines customer experience in a new international & futuristic format. This will further enhance the consumer experience. In short, Pune Central has something for everybody – from family to friends.

4.5.Pune Central offering Private Label Brand

As competition is rising day-by-day it is difficult for Hypermarkets to survive. Hypermarkets are searching various means that can give a jerk to earn handsome profit and survival through customer satisfaction.

One of the ways to sustain in this cut throat competition is to come up with Private Label brands. Many retailers are tuning toward In-house brands. Survival can become mort easier if companies manage their Private Label brands effectively and efficiently.

This is what being implemented by Pune Central. Pune Central has been successful in managing their Private Label brand. There are around 18 to 20 Private Label brands which are owned and managed by Pune Central under Future Groups. Pune Central has their Private Label brands specifically in Apparels.



(Apparels are available for men, women and kids)

The first floor of the hypermarket consist of a wide range of women apparels. There are around 9 to 10 In-house Women apparel brands.

4.6. List of Apparel for Women, In-house brands at Pune Central with their specification:

1. **Annabell**e:Annabelle offers wide range of formal, casual and Party wear. Tops, Tubnik, shirts, trousers, winter and summer collection, west coat and blazers are displayed at the counter for sale. The price range is from Rs. 599/- to Rs. 3000/-.
2. **ALL**: **A Little Larger,** The plus size zone.All is basically into casual wear. Variety of casual wear is offered by ALL, like Fashion Tee, Engineered denim, check top, fashion kurta, couched yoke and black butta. The price range is from Rs. 899/- to Rs. 1649/-.
3. **Honey**:Honey provides exclusive range of casual wear like tops, dobby tops, printed tunics, layered top, pencil pants, printed skirts and printed top. The price range is from Rs. 699/- to Rs. 1199/-.This brand is very popular among customers maximum turnover.
4. **Rig:**Adventure brand for women. Rig apparel brand is segmented towards women who love adventure and accordingly decide their way of dressing. Rig offers tunic, top, cargo etc. The price range is from Rs. 999/- to Rs. 1599/-.
5. **Ajile**:Sports brand for women. This brand offers clothing to the sport lovers. Capri, regular shorts, cap sleeve top, track pants, half sleeve jacket are offered by Ajile. The price range is from Rs. 599/- to Rs. 1099/-.
6. **Bare**: Keeping it real :Bare offers mixture of formals, casual wear. Jeggings, denim, tunic, printed T-shirts, capri is offered by this brand. The price range is from Rs. 599/- to Rs. 1699/-.
7. **UMM**: Underground Music Movement:UMM offers casual wear to women segment. They offer full length denim, skirt, tunic and capri to women segment. The price range is from Rs. 899/- to Rs. 1699/-
8. **Akriti**:Ethnic wear for women.Akriti offers designer ethnic wear in colorful kurtas, leggings, and designer skirts. The price range is from Rs. 499/- to Rs. 1099/-.
9. **Rangmanch**:Rangmanch is popular in ethnic wear. This brand offers wide variety of fancy kurti, chudidar, duppatta, patyala and leggings. The price range is from Rs. 399/- to Rs. 1699/-.

4.7. List of Apparel for Men, In-house brands at Pune Central with their specification The second floor of the hypermarket is occupied by men and kids In–house brand apparels

1) **UMM:Underground Music Movement :**UMM is into men casual wear. It offers Jeans, T-shirts, Sweat shirts and shirts. Trendy clothing for men is offered by this brand. The price range is from Rs.499/- to Rs.1799/-.

2) **Bare: Keeping it real :**Bare is one of the popular and successful In-house brands of Pune Central. It offers Wide variety of T-shirts, roll-ups, jeans; sweat shirt. The counter is always crowded with customers. The price range is from Rs.549/- to Rs. 1599/-.

4.8.List of Apparel for Kids, In-house brands at Pune Central with their specification:

1) **Bare: Keeping it real:**When it comes to kid's people always want something funky, colorful and comfortable. Bare is a very famous In-house brand for men, women and kids. Bare offers wide variety of cargo, casual shirts, roll-ups, T-shirts, jeans, capries, and shorts to both boys and girls. The counter is painted with hot attractive colors to attract children. It offers clothing to age group from 7 to 16 years. The price range is from Rs. 699/- to Rs. 1499/-.
2) **Chalk:**Chalk is basically into casual and party wear. It offers wide variety of T-shirts, party frock, skirts, Capri, and jeans for both boys and girls. The target market is between the age group of 2 years to 7 years. The price range is from Rs. 349/- to Rs. 1299/-.
3) **Rig**:Rig brand is exclusively for boys from the age group of 7 to 16 years. T-shirts, shirts and sweat shirts are offered by this brand. The price range is from Rs. 199/- to Rs. 1199/-.

4.9.Pricing Strategy:

Psychological pricing or price ending is a marketing practice based on the theory that certain prices have a psychological impact. The retail prices are often expressed as "odd prices": a little less than a round number, e.g. Rs. 99/- and Rs. 199/-. The theory is this drives demand greater than would be expected if consumers were perfectly rational. Psychological pricing is one cause of price points.

Thus Pune Central has applied Psychological pricing strategy for their Private Label brands. Psychological pricing not only help in grabbing the attention of the people towards your product but also influence their purchasing behavior. Hence different prices are quoted to different product like Rs. 199/-, Rs. 349/-, Rs. 499/-, Rs. 549/-, Rs. 699/-, Rs. 1499/- etc.

After having a conversation with the Floor Manager, Ms Monica Anthony the researcher found out that In-house brands generate more profit margin as compared to other national and international brands. The high margin low turnover concept can be applied to these In-house brands. (Ronald Gist –Margin, Turnover Concept)

4.91.Promotional Strategy:

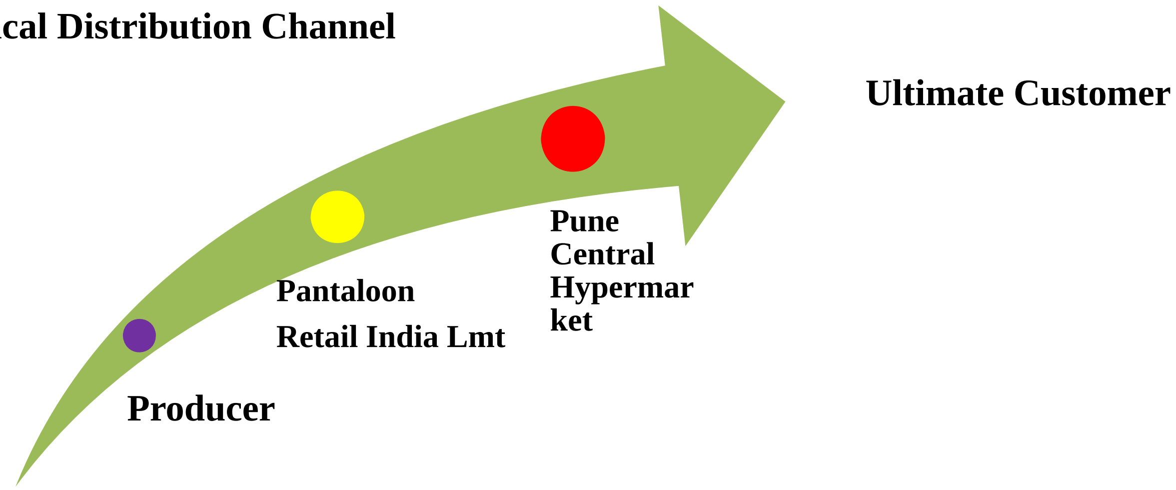
Promotion is one of an important element of marketing mix. Hence no company can ever take a chance to ignore this component. During the research the researcher found out that at present Pune Central has a single offer for its entire range of In-house brands i.e. Buy 1 garment and get 15% discount, Buy 2 and more and get 25 % discount.

4.92.Manufacturers and Distributors:

All the above In-house brands are marketed and distributed by Pantaloon Retail India Ltd. The various brands that are mentioned above are being manufactured and packed by different vendors situated all around India. Following is the list of various vendors involved in the production and packaging of this brand.

Krishna Collection, Anina Design, And andAnd, KGN Creation, Alka Fashion Company, Prateek Apparels Lmt, RushabImpex, ShagunImpex, Koolwal handicrafts, Shimmer and Shine, Mahavir Enterprises, Arnit Creation, Sidhara Export, Alif Clothing etc.

Physical Distribution Channel



5.Conclusion:

The researcher concludes that the share of private Label brands is increasing day by day. Hypermarkets are continuously trying to increase and improve the brand portfolio of Private Label brands under their umbrella. Pune Central has during the years improved their private label apparel portfolio and offering quality product with reasonable price to its customers.

From the above research it is clear that customer

References

1. Dunn, Mark G., Patrick E. Murphy, and Gerald U. Skelly (1986). "The Influence of perceived risk and brand preference for supermarket products." Journal of retailing, 62(2), pp.204-17.
2. Coe, B. (1971). Private versus national preference among lower and middle-income consumers. *Journal of Retailing*, *47*(3), 61-78.
3. Coe, B. (1971). Private versus national preference among lower and middle-income consumers. *Journal of Retailing*, *47*(3), 61-78.
4. Selvakumar, J., &Varadharajan, P. (2013). Study On The Growth Prospects of Private Labels to That of National Brands In The FMCG Retail Sector In Coimbatore. *International Journal of Economics, Business and Finance,1*(2), 26-34,.doi:March 2013.

5. Gupta, N. (2015). Indian Private Label: Modifying Retailing Perspective. *International Journal of Applied Sciences and Management,1*(1), 43-47. doi:2015.
6. Mahalingam, S. (nov-jan 2014). Customers' Profile Analysis for Hyper Market Launch InChennai City -An Empirical Study. *International Journal of Business and Administration Research Review,1*(2).

- Ramaswamyand Namakumari 4th Edition
- www.cci.in/pdf/surveys_reports/indias_retail_sector.pdf
- www.iitk.ac.in/ime/
- encyclopedia.farlex.com/In-housebrand

AN ANALYTICAL STUDY OF ROLE OF CAPITAL MARKET IN INDIAN FINANCIAL SYSTEM

Dr. M.G Mulla
Associate Professor
Abeda Inamdar Sr College,Pune

Abstract

Capital market is a market for long term funds. It refers to all facilities andinstitutional arrangements for borrowings and lending of medium term and long term fund. It deals not capital goods but concerned with rising of money capital for investment. In the capital market the supply of funds largely from individual savings, corporate savings, banks, insurance companies, specialized financing agencies and Government. The demand for long term capital comes mainly from private sector industries and Government. The researchers have presented Introduction and investment, Role of investment in economic development of the nation, Developments in the Indian capital markets, SEBI and the regulation of securities markets, Report of the committee under the chairmanship of Justice D.P. Wadhwa with an aim to know the role of capital market in India. This paper deals with and highlights the process of capital market reforms, Role of capital market, Importance and growth of capital market in India.

Key Words: Capital Market ,SEBI, Private industries and specialized financial institutions etc

1.INTRODUCTION

Capital market refers to the market for long-term funds for investment purposes. The capital market is the source of funds for corporates, governments and provides opportunities to savers to park their long-term savings. Broad term describing any market place where buyers and sellers participate in the trade of assets such as equities, bonds, currencies and derivatives. Financial Markets are typically defined by having transparent pricing, basic regulations on trading, costs and fees and market forces determining the prices of securities that trade. In economics, typically, the term market means the aggregate of possible buyers and sellers of a certain good or service and the transactions between them. The term "market" is sometimes used for what are more strictly exchanges, organizations that facilitate the trade in financial securities, e.g., a stock exchange or exchange in Finance, Financial Markets facilitate:

- The raising of capital (in the Capital Markets)
- The transfer of risk (in the Derivatives Markets)
- The transfer of liquidity (in the Money Markets)
- International trade (in the Currency Markets)

Capital market is the key driver of wealth creation and growth in many countries. The regulators financial institutions and most importantly the investors keep trade of the development in the global capital markets. It is estimated that the growth of global financial stock is estimated to $ 200 trillion by 2010. It is observed that the United States, Europe and Japan are the major contributors to the global financial stock. Due to the increasing depth in financial markets, both businessmen and investors are enthusiastic to enter capital markets and make profits. The U.S led the race with 37 percent share followed by the U.K, Japan andother developing countries. Capital market is a market for long term funds. It refers to all facilities and institutional arrangements for borrowings and lending of medium term and long term fund. It deals not capital goods but concerned with rising of money capital for investment. In the capital market the supply of funds largely from individual savings, corporate savings, banks, insurance companies, specialized financing agencies and Government. A financial market consists of investors or buyers, sellers, dealers and brokers and does not refer to physical location. The participants are linked with formal trading rules and communication networks for originating and trading of financial services. Financial investments can be used to raise resources in the capital market. High net worth individuals, investors and corporate entities are engaged in purchase and selling of financial instruments in the Capital Market

2. Objectives Of The Study

1. To study the role and importance of Capital market in India

2. To study factors responsible for growth and development of capital market

3. To study reforms process in the Indian capital market

3. Research Methodology

This study is based on secondary sources of information from Publications of various Institutes, Organisations, published newspapers, journals-online & printed, magazines, web sites, books. The information is collected from libraries and websites. The literature is cross checked and validated to gives the latest information.

4. Role And Importance Of Capital Market In India

Capital market has a crucial significance to capital formation. For a speedy economic development adequate capital formation is necessary. The significance of capital market in economic development is explained below:-

I. Mobilisation of Savings and Acceleration of Capital Formation

In developing countries like India the importance of capital market is self-evident. In this market, various types of securities helps to mobilise savings from various sectors of population. The twin features of reasonable return and liquidity in stock exchange aredefinite incentives to the people to invest in securities. This accelerates the capital formation in the country.

II. Ready and Continuous Market

The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities. Easy marketability makes investment in securities more liquid as compared to other assets.

III. Technical Assistance

An important shortage faced by entrepreneurs in developing countries is technical assistance. By offering advisory services relating to preparation of feasibility reports, identifying growth potential and training entrepreneurs in project management, the financial intermediaries in capital market play an important role.

IV. Raising Long - Term Capital

The existence of a stock exchange enables companies to raise permanent capital. The investors cannot commit their funds for a permanent period but companies require funds permanently. The stock exchange resolves this dash of interests by offering an opportunity to investors to buy or sell their securities, while permanent capital with the company remains unaffected.

V. Foreign Capital

Capital markets makes possible to generate foreign capital. Indian firms are able to generate capital funds from overseas markets by way of bonds and other securities. Government has liberalised Foreign Direct Investment (FDI) in the country. This not only brings in foreign capital but also foreign technology which is important for economic development of the country.

VI. Easy Liquidity

With the help of secondary market investors can sell off their holdings and convert them into liquid cash. Commercial banks also allow investors to withdraw their deposits, as and when they are in need of funds.

VII. Revival of Sick Units

The Commercial and Financial Institutions provide timely financial assistance to viable sick units to overcome their industrial sickness. To help the weak units to overcome their financial industrial sickness banks and FIs may write off a part of their loan.

VIII. Promotion of Industrial Growth

The stock exchange is a central market through which resources are transferred to the industrial sector of the economy. The existence of such an institution encourages people to invest in productive channels. Thus it stimulates industrial growth and economic development of the country by mobilising funds for investment in the corporate securities.

IX. Reliable Guide to Performance

The capital market serves as a reliable guide to the performance and financial position of corporates, and thereby promotes efficiency.

X. Proper Channelization of Funds

The prevailing market price of a security and relative yield are the guiding factors for the people to channelize their funds in a particular company. This ensures effective utilisation of funds in the public interest.

XI. Provision of Variety of Services

The financial institutions functioning in the capital market provide a variety of services such as grant of long term and medium term loans to entrepreneurs, provision of underwriting facilities, assistance in promotion of companies, participation in equity capital, giving expert advice etc.

XII. Development of Backward Areas

Capital Markets provide funds for projects in backward areas. This facilitates economic development of backward areas. Long term funds are also provided for development projects in backward and rural areas.

5. Factors responsible for growth and development of capitalMarket

Following are given important factors which are responsible for Growth & Development of Banks and Financial Institutions

For providing long term funds to industry, the government set up Industrial Finance Corporation in India (IFCI) in 1948. This was followed by a number of other development banks and institutions like the Industrial Credit and Investment Corporation of India (ICICI) in 1955, Industrial Development Bank of India (IDBI) in 1964, Industrial Reconstruction Corporation of India (IRCI) in 1971, Foreign Investment Promotion Board in 1991, Over the Counter Exchange of India (OTCEI) in 1992 etc. In 1969, 14 major commercial banks werenationalised. Another 6 banks were nationalised in 1980. These financial institutions and banks have contributed in widening and strengthening of capital market in India.

a. Setting up of SEBI

The Securities Exchange Board of India (SEBI) was set up in 1988 and was given statutory recognition in 1992.

b. Increase in Awareness

During the last few years there have been increasing awareness of investment opportunities among the public. Business newspapers and financial journals (The Economic Times, The Financial Express, Business India, Money etc.) have made the people aware of new long-term investment opportunities in the security market.

c. Boost in Public Confidence

A large number of big corporations have shown impressive growth. This has helped in building up the confidence of the public. The small investors who were not interested to buy securities from the market are now showing preference in favour of shares and debentures. As a result, public issues of most of the good companies are now over-subscribed many times.

d. Credit Rating Agencies

Credit rating agencies provide guidance to investors / creditors for determining the credit risk. The Credit Rating Information Services of India Limited (CRISIL) was set up in 1988 and Investment Information and Credit Rating Agency of India Ltd. (ICRA) was set up in 1991. These agencies are likely to help the development of capital market in future.

e. Growth of Mutual Funds

The mutual funds collects funds from public and other investors and channelize them into corporate investment in the primary and secondary markets. The first mutual fund to be set up in India was Unit Trust of India in 1964. In 2007-08 resources mobilised by mutual funds were Rs. 1,53,802 crores.

f. Development of Venture Capital Funds

Venture capital represents financial investment in highly risky projects with a hope of earning high returns After 1991, economic liberalisation has made possible to provide medium and long term funds to those firms, which find it difficult to raise funds from primary markets and by way of loans from FIs and banks.

g. Growth of Multinationals (MNCs)

The MNCs require medium and long term funds for setting up new projects or for expansion and modernisation. For this purpose, MNCs raise funds through loans from banks and FIs. Due to the presence of MNCs, the capital market gets a boost.

h. Growth of Underwriting Business

The growing underwriting business has contributed significantly to the development of capital market.

i. Growth of Merchant Banking

The credit for initiating merchant banking services in India goes to Grindlays Bank in 1967, followed by Citibank in 1970. Apart from capital issue management, merchant banking divisions provide a number of other services including provision of consultancy services relating to promotion of projects, corporate restructuring etc.

j. Growth of Entrepreneurs

Since 1980s, there has been a remarkable growth in the number of entrepreneurs. This created more demand for short term and long term funds. FIs, banks and stock markets enable the entrepreneurs to raise the required funds. This has led to the growth of capital market in India.

k. Legislative Measures

The government passed the companies Act in 1956. The Act gave powers to government to control and direct the development of the corporate enterprises in the country. The capital Issues (control) Act was passed in 1947 to regulate investment in different enterprises, prevent diversion of funds to non-essential activities and to protect the interest of investors. The Act was replaced in 1992.

6. Reforms In Capital Market Since 1991

The government has taken several measures to develop capital market in post-reform period, with which the capital market reached new heights. Some of the important measures are

- **Dematerialisation of Shares**

Dematerialisation of shares has been introduced in all the shares traded on the secondary stock markets as well as those issued to the public in the primary markets. Even bonds anddebentures are allowed in demat form. The advantage of demat trade is that it involves Paperless trading.

- **Screen Based Trading**

The Indian stock exchanges were modernised in 90s, with Computerised Screen Based Trading System (SBTS), It cuts down time, cost, risk of error and fraud and there by leads to improved operational efficiency. The trading system also provides complete online market information through various inquiry facilities.

- **Establishment of Securities and Exchange Board Of India (SEBI)**

SEBI became operational since 1992. It was set with necessary powers to regulate the activities connected with marketing of securities and investments in the stock exchanges, merchant banking, portfolio management, stock brokers and others in India. The objective of SEBI is to protect the interest of investors in primary and secondary stock markets in the country.

- **Establishment of National Stock Exchange (NSE)**

The setting up to NSE is a landmark in Indian capital markets. At present, NSE is the largest stock market in the country. Trading on NSE can be done throughout the country through the network of satellite terminals. NSE has introduced inter-regional clearing facilities.

- **Investor Protection**

The Central Government notified the establishment of Investor Education and Protection Fund (IEPF) with effect from 1st Oct. 2001: The IEPF shall be credited with amounts in unpaid dividend accounts of companies, application moneys received by companies for allotment of any securities and due for refund, matured deposits and debentures with companies and interest accrued there on, if they have remained unclaimed and unpaid for a period of seven years from the due date of payment. The IEPF will be utilised for promotion of awareness amongst investors and protection of their interests.

- **The National Securities Clearing Corporation Limited (NSCL)**

The NSCL was set up in 1996. It has started guaranteeing all trades in NSE since July 1996. The NSCL is responsible for post-trade activities of NSE. It has put in place a comprehensive risk management system, which is constantly monitored and upgraded to pre-expect market failures.

- **Trading In Central Government Securities**

In order to encourage wider participation of all classes of investors, Including retail investors, across the country, trading in government securities has been introduced from January 2003. Trading in government securities can be carried out through a nationwide, anonymous, order-driver, screen-based trading system of stock exchanges in the same way in which trading takes place in equities.

- **Credit Rating Agencies**

Various credit rating agencies such as Credit Rating Information services of India Ltd. (CRISIL– 1988), Investment Information and credit Rating Agency of India Ltd. (ICRA – 1991), etc. were set up to meet the emerging needs of capital market. They also help merchant bankers, brokers, regulatory authorities, etc. in discharging their functions related to debt issues.

- **Buy Back Of Shares**

Since 1999, companies are allowed to buy back of shares. Through buy back, promoters reduce the floating equity stock in market. Buy back of shares help companies to overcome the problem of hostile takeover by rival firms and others.

- **Derivatives Trading**

Derivatives trading in equities started in June 2000. At present, there are four equity derivative products in India Stock Futures, Stock Options, Index Futures, Index Options. Derivative trading is permitted on two stock exchanges in India i.e. NSE and BSE. At present in India, derivatives market turnover is more than cash market.

- **PAN becoming Mandatory**

In order to strengthen the “Know your client" norms and to have sound audit trail of transactions in securities market, PAN has been made mandatory with effect from January 1, 2007.

- **Accessing Global Funds Market**

Indian companies are allowed to access global finance market and benefit from the lower cost of funds. They have been permitted to raise resources through issue of American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) and External Commercial Borrowings (ECBs). Further Indianfinancial system is opened up for investments of foreign funds through Non-Resident Indians (NRIs), Foreign Institutional investors (FIls), and Overseas Corporate Bodies (OCBs).

- **Mutual Funds**

Mutual Funds are an important avenue through which households participate in the securities market. As an investment intermediary, mutual funds offer a variety of services / advantages to small investors. SEBI has the authority to lay down guidelines and supervise and regulate the working of mutual funds.

- **Internet Trading**

Trading on stock exchanges is allowed through internet, investors can place orders with registered stock brokers through internet. This enables the stock brokers to execute the orders at a greater pace.

- **Rolling Settlement**

Rolling settlement is an important measure to enhance the efficiency and integrity of the securities market. Under rolling settlement all trades executed on a trading day (T) are settled after certain days (N). This is called T + N rolling settlement. Since April 1, 2002 trades are settled' under T + 3 rolling settlement. In April 2003, the trading cycle has been reduced to T + 2 days. The shortening of trading cycle has reduced undue speculation on stock markets.

- **The Clearing Corporation Of India Limited (CCIL)**

The CCIL was registered in 2001, under the Companies Act, 1956 with the State Bank of India as the Chief Promoter. The CCIL clears all transactions in government securities and repos and also Rupee / US $ forex spot and forward deals All trades in government securities below Rs. 20 crores would be mandatorily settled through CCIL, white those above Rs. 20 crores would have the option for settlement through the RBI or CCIL.

7. CONCLUSION

Capital market is playing its important role in the development of Indian economy**.** Indiancapital market suffered bruises in the last part of the nineties owing to the manipulative trade practices of unscrupulous brokers and other participants, it has been witnessing fine times in the recent past, thanks to many favourable conditions contributing to it. With the kind and the quality of human skills possessed by India's financial Industry, it is quite imperative that there is need to provide sound capital foundation for the stock market. However, it is important to note that the stock trading is not a panacea for all that ails the Indian stock market if the recent experience of some of corporate and banks abroad is of any indication. It is to be noted with happiness that Government of India has successfully introduced the derivative trading in the stock exchanges. There are very many issues, which require immediate and urgent attention of the planners concerned.

REFERENCES

1. Majeeb Pasha and T.N Murty, " Financial Institutions and Services " Scitech Publications, Chennai, 2010, pp 13.1-13.17

2. Simha, S.L.N. The capital Market of India, voru& Co., Bombay 1960.

3. SEBI Report on reallocation of shares in the matter of IPO irregularities,2007, pp. 1-7

4. Machiraju, H R (1995): The Working of Stock- Exchanges in India, New Age International Publishers, New Delhi.

5. Bhole, L.M. Financial Insitutions and Markets, TATA McGraw Hill, New Delhi, 1999, pp.376-395.

6. Survey Report of NCAER-SEBI (2011) pp. 4-10

7. RBI; National Stock Exchange of India Limited

8. http://www.equitymaster.com

9. http://www.businessdictionary.com/definition/stock-exchange.html
10. www.gktoday.in

ROLE OF EDUCATIONAL INSTITUTIONS IN SKILL DEVELOPMENT MOVEMENT

Dr Sucheta Ratnakar Dalvi
Tikaram Jagannath College
Khadki Pune

Abstract

The skill development has been a hot topic in current times in our country. In India expansion of knowledge based economy, changing demographic profile, increased ratio of young and working population, lesser dependency ratio due to declining birth rates and improvement in life expectancy give boost to the skill development movement in India. In India, now a day there is a serious gap between demand and supply of skilled manpower. Better training and learning opportunities with the approach to holistic development can help India become a truly skilled nation but In India mindset of people is different; generally they do not accept skill development courses as a viable alternative to formal education. In inadequate infrastructure facilities and limited capacity in existing institutes is one of important obstacle in skill development movement. In India skill development initiatives continue to be largely dependent upon the government funds or public-private ventures. Skill development is not the responsibility of governments, corporate, and training institutes alone; formal educational institutions, students too are equally responsible and need to recognise the changing scenario of employment. Therefore formal educational institutes should take lead in skill development movement in India. In the present study researcher try to provide various ways and means to reduce challenges in skill development movement in India

Key words: skill development movement, challenges to skill development, role of educational institution in skill development

Introduction

The skill development has been a hot topic in current times in our country. In India expansion of knowledge based economy, changing demographic profile, increased ratio of young and working population, lesser dependency ratio due to declining birth rates and improvement in life expectancy give boost to the skill development movement in India. In India, now a day there is a serious gap between demand and supply of skilled manpower. There is a huge demand of skilled manpower but the skill development ecosystem in India is skewed towards a formal education system with limited vocational training. While the vocational training is in a dismal state both qualitatively and quantitatively, the higher education system itself is grappling with issues related to scale and quality. Moreover, there is a disconnection between the formal education system and work requirements, compounding the challenges related to the skill gap. A concerted action is thus required on the supply side to ensure sustained employability of the Indian youth. Extensive efforts to skill the workforce are required, both in quantity and quality.

Objectives of Study

- To understand the challenges to skill development movement in India
- To suggest the ways and means to formal educational institutions to reduce the challenges in skill development movement in India

Data and Methodology

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant articles, papers and web-sites are used in this study.

Skill development

Meaning-skill development refers to all the efforts to improve the effectiveness and contribution of labour to the overall productivity as well as production, which lead the economy to a higher trajectory.

Skill Development Challenges in India

India also faces a huge challenge of evolving a skill development system that can equip the workforce adequately to meet the requirements of the industry. The workforce needs to be trained across four levels, from the high end specialised skills for 'White Collar' jobs to the low-level skills of the 'Rust Collar' jobs. Moreover, these skills have to be adequately linked to the available job opportunities but there is a mismatch between education and skills that young people acquire and what corporate actually require them to possess. Most of our curriculum is obsolete and lacks scope. There's a dearth of engagement platforms where government organisations and industries can collaborate to make meaningful progress to curriculum and skill development. There are so many challenges to skill development movement in India. Some of them are as follows-

Inadequate infrastructure facilities, limited capacity

In inadequate infrastructure facilities and limited capacity in existing institutes is one of important obstacle in skill development movement in India. There is a need to create adequate infrastructure facilities even in small towns and villages also

Mindset and perception issues

In India mindset of people is different; generally they do not accept skill development courses as a viable alternative to formal education. Skilling is often viewed as the last resort meant for those who have not been able to progress in the formal academic system. Skill development means blue collar jobs with low salary/wages and low dignity is a perceived 'stigma' associated with skill development. Therefore no one wants to enrol their child in vocational education courses.

Cost concerns

In India skill development initiatives continue to be largely dependent upon the government funds or public-private ventures. Due to high capital requirements and low return on investments, skill development is often looked at as a non-scalable model and remains underinvested. At the same time a fee-based model also faces challenges as prospective students do not want to pay high fees for training. Many times they are unable to pay high fees due to poor financial condition.

Quality concerns

There is a serious mismatch between the industry's requirements and the skills imparted in educational and training institutes. It is necessary to upgrade the training infrastructure but it is very expensive. This restricts the pace of modernisation

Limited mobility

There is limited mobility between formal education and vocational training in India due to lack of equivalent recognition for the latter; a student enrolled in vocational training often cannot migrate to institutes of higher education due to eligibility restrictions.

Role of formal educational institutions in skill development movement

Skill development is not the responsibility of governments, corporate, and training institutes alone; formal educational institutions, students too are equally responsible and need to recognise the changing scenario of employment. They can take the initiatives by many ways to give boost to the skill development movement in India. Researcher suggested following ways and means to formal educational institutions especially colleges for playing their role in reducing challenges in skill development movement in India.

Creating awareness

A perception change with respect to skilling is required in society. Awareness on need for skilling should be taken up in mission mode and activated at the educational institutional level. Awareness is required for all stakeholders including students, parents, industry, teachers as well as trainers. At college level Parent Teacher Associations, Parents Meet, Alumina Meet, Staff Academy, and Students Councils can become a medium for creating awareness among all the stakeholders

Seminars and conferences

Educational institutions can organise seminars and conferences for creating awareness among all stakeholders including students, parents, industry, teachers as well as trainers regarding skill development. They can provide a platform to various stakeholders to discuss the relevant issues regarding skill development e.g. need and importance of skill development, present condition of skill development movement in India, challenges and opportunities to skill development movement in India, efforts taken by government, and all other relevant matters.

Tie-ups with industrial units for training

Skill development is not a sole responsibility of Government; educational institutions can play a vital role in developing skill but lack of infrastructure facilities both physical and human they are unable to do so. But in this regards educational institutions can take help of industrial units, they can make tie-ups with various industrial units for providing practical training to their students. Suppose, one educational institution make tie-ups with 10 industrial units, and if each industrial unit take responsibility of 10 students providing on the job training , every year educational institutions can provide training facility to minimum 100 students without spending one single rupee or without creating any infrastructural facilities.

Tie-ups for recruitment

To attract students towards skill development courses getting better job opportunities with better salary is a very basic condition, in this regards educational institutions can take efforts by way of campus interviews, by establishing own job portals , by making tie-ups with various industrial units forrecruitment

Tie-ups for trainers

Industry linkage is also important for faculty training to keep them abreast of latest changes. Educational institutions can make tie-ups with industrial units for trainers also. They can organise faculty training programs periodically to up-date them with latest technology by joining hands with industrial units.

Funds through CSR

For establishing as well as running skill development centre educational institutions need large amount of funds, to solve this problem educational institutions can take help of corporate houses. By making proper planning and after preparing the blue print of their skill development programme they can ask corporate houses to spend their social responsibility funds towards skill development programme which will be run by colleges as an extracurricular activity.

Placement cell

Every educational institution should have placement cell on permanent basis for providing employment opportunities within campus especially to those students who have completed skill based learning as well as well as own job portal where industrial units can upload their requirements regarding recruitment.

Use of information technology

Educational institution can make use of information technology to reduce infrastructural cost by way of e-education.

Conducive environment for skill development

Those students who enrolled themselves in skill courses should be encouraged by way of providing stipend, free lunch facility within training period, free lodging boarding facility for outstation students, separate girls hostel facility for needy girl students. Maintaining data of success stories of our students and to make them role model for our new enrolled students is also one of the way of encourage students and parents to opt for skill oriented learning

Changes in attitude

Educational institutions need to change their attitudes regarding skill oriented learning. They should understand that skill development is a need of time and to bridge the gap between industry and educational institution skill development is necessary

Conclusion

Better training and learning opportunities with the approach to holistic development can help India become a truly skilled nation but In India mindset of people is different; generally they do not accept skill development courses as a viable alternative to formal education. In inadequate infrastructure facilities and limited capacity in existing institutes is one of important obstacle in skill development movement. In India skill development initiatives continue to be largely dependent upon the government funds or public-private ventures. Skill development is not the responsibility of governments, corporate, and training institutes alone; formal educational institutions, students too are equally responsible and need to recognise the changing scenario of employment. Therefore formal educational institutes should take lead in skill development movement in India.

Suggestions

- Educational institutions should adopt positive attitude towards skill development courses
- Educational institutions should take help of various stakeholders in reducing challenges to skill development movement.

References

1. Vinay Dora (November 2015) What are the skill development challenges in India? An interview with Jetking's Siddarth Bharwani
2. Skill Development in India -2015 Challenges to Skill Development in India file:///C:/Users/nikhil/Desktop/skill%20development/Challenges%20to%20Skill%20Development%20in%20India%20-%20General%20Knowledge%20Today.html
3. Vandana saini Skill Development In India: Need, Challenges And Ways Forward Abhinav Publication Volume 4, Issue 4 (April, 2015) Online ISSN-2277-1182

WOMEN SMES AND MANAGERIAL SKILLS: A STUDY OF PUNE REGION

Dr. Jayashree Upadhye
Asso. Prof. and HOD Economics,
Abeda Inamdar Senior College of Arts, Science & Commerce, Pune
Email – jrupadhye@yahoo.com

ABSTRACT

It is entrepreneurship that paves the path of development for women in particular and the society in general. Small and medium scale women entrepreneurs though undergraduate or even less educated than that have shown immense potential managing their small business. This paper considers women from such strata of society turning into entrepreneurs in Pune rural region of Maharashtra, India. This paper attempts to portray a picture of managerial skills shown by rural women entrepreneurs who are blessed with confidence, common sense and indigenous knowledge, various skills, potential and resources to establish and manage enterprise. They have shown the various skills pertaining to the basic managerial functions, planning, organizing, staffing, controlling and directing. With the help of these managerial skills, they have enhanced their economic and social status to greater extent, not only for themselves but for their family also. The strategies they are using are not from the management theories but from their own experiences which are proved on the test of time. If those women are provided with some extra and special inputs regarding the managerial skills where they are lacking, it would prove to be of great help for them. The entire story is evident of the fact that rural women are also capable of doing successful business, only they lack in opportunity. Thus it is required to focus the efforts to enhance managerial potential of small and medium scale women entrepreneurs to transform India.

Key words— Women Empowerment, Rural Women, Managerial Skills, Entrepreneurship, Employment Generation

INTRODUCTION

Women Entrepreneurs have grown in large number in India over the last decade. Even in rural India the number of women entrepreneurs is growing. The entrepreneurial potentials of women have changed the rural economies in India. With the increasing number of rural women joining the entrepreneurial bandwagon their conventional role in the society has also been changing with the growing economic leverage. They are moved by a strong desire to do something economically gainful that will bring 'value addition' to both their family and social life. SHG movement in Indian rural area has helped those women to undertake various entrepreneurial activities. Rural women are doing wonders by their effectual and competent involvement in entrepreneurial activities. The rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise.

During the survey for Major Research Project entitled 'Entrepreneurship Development Among Rural Women in Pune Region: A Brighter Path Towards Poverty Eradication and Women Empowerment ' sponsored by UGC, it was observed that, women entrepreneurs can take managerial decisions very efficiently. It was surprising to know that those women were undergraduates even some were with only primary education. Also they have not taken any managerial education or training. The present paper is based on the same data and focuses on the rural women entrepreneurs who are undergraduates and have not taken any managerial education or training but have shown managerial skills in the entrepreneurial activity undertaken by them.

Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as 'an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women.'

Categories of Women Entrepreneurs in Practice in India[1]

FIRST CATEGORY	SECOND CATEGORY	THIRD CATEGORY
Established in big cities	Established in cities and towns	Established in small cities and towns
Having higher level of technical & professional qualification , Sound financial positions	Having sufficient education, Involvement in both traditional and non-traditional items	Illiterate women, Financially weak
Involvement in non-traditional item	Undertaking women services – kindergarten, crèches, beauty parlors, health clinics, etc.	Involved in family occupations – agriculture, animal husbandry, dairy farming, fisheries, agro-forestry,handloom, etc

The present paper considers third category of women entrepreneurs mentioned in above table.

1. OBJECTIVES AND METHODOLOGY

✓ **Objectives of the Study** –

1. To study the managerial skills among rural women entrepreneurs in Pune Region who have not taken any formal Education / Training for managing a business.
2. To study the impact of their skills on Economic and Social empowerment of these entrepreneurs.

✓ **Methodology –**

Being exploratory in nature, the study was carried out through field survey and interviews of the sampled women entrepreneurs from Pune region

Local of Study - The sample selected for the present paper is from the successful women entrepreneurs in rural area of Pune Region. i.e. Pune, Satara, Sangli, Kolhapur and Solapur districts of Maharashtra.

.

Sample Selection -

The criteria for selecting the sample were as follows-

- Women doing business minimum for last three years.
- Women entrepreneurs who have maintained accounts, sells records, records of awards or recognition from any institute or organization, correspondence, photographs etc.
- The business should not be evolved from family business or should not be sub unit of established family business.
- Must have generated at least employment minimum for three other women.
- Who have record of growth and development of the business

Based on the above mentioned criteria the sample selected for the present study was of 96 women from Pune region. The sample selected is categorized as follows-

TABLE 1

Sr.No.	Type	Business	Sample Size
1	Agro based	• Nursary / Saplings • Contract Farming	6 12
2	Crafts / Embroidery	• Bamboo Crafts • Rakhi making • Murals and Wall Decoration items	6 6 6
3	Stitching	• Rexene bags • Patchwork bags	12 12
4	Cookery	• Pickle making • Food items (Dried for Storage Purpose) • Food items (Fresh & met to order)	6 12 18
		Total	**96**

- **Data Collection -**

The tool / questionnaire was developed in Marathi for easy understanding of respondents. After finalizing the tool investigator personally contacted the respondents and collected the information.

The questionnaire was circulated to sought the information about-

✓ the managerial skills shown by the sample in their business.

- ✓ Growth and development of their respective business.

- The answers given by sample to the questions asked in questionnaire, were confirmed in the personal interviews of those entrepreneurs.
- The basic managerial functions, planning, organizing, staffing, controlling and directing were considered for the analysis purpose.
- To know in detail about planning function performed by sample respondents, it is discussed for production, marketing and finance separately. Following table gives the details for the skills shown by the respondents.

TABLE 2

S.N.	MANAGERIAL SKILLS	DECISION MAKING ISSUES				
1	PLANNING-					
	a. Production	Raw Material	Labour	Machine	Time	Quality
	b. Marketing	Mkt. Segment	Distribution System	Mkt. Strategy	Mkt. Trends	Advertisement
	c..Finance	Own Capital	Other Source	Cash flow	Repayment Schedule	Reinvestment
2	Organizing	Division of work	Flow of Information	Delegation of Authority	Coordination with Personnel	Other issues
3	Staffing	Recruitment	Training	Evaluating	Compensating	Outsourcing
4	Controlling	Decision Making	Corrective Approach	Measuring Performance	Reporting	Problem Solving
5	Directing	Motivational	Communicative	Discipline	Group Activities	Diversification

- ❖ Secondary Data – Secondary data was collected from reports, books, journals, periodicals as well as annual reports and various official documents shown by respondents and information from various websites etc.
- ❖ Quantitative techniques are used to analyze the data.

3. DATA ANALYSIS AND OBSERVATION

As per the data collected through questionnaire, following are the observations-

- **Age** – As per the sampled data, 15 entrepreneur was of age group below 20 years, 57 entrepreneurs were of age group below 21- 40 years and 24 entrepreneurs were of age group 40 + years.

- **Education** - 12 entrepreneur had primary level education, 75 entrepreneur had secondary level education, 6 entrepreneur had higher secondary level education 3 entrepreneur had education till graduation.
- **Computer Literacy** -15 entrepreneurs were computer literate and 81 entrepreneurs were with no computer literacy.
- **Family Type** – Except 9 entrepreneurs were living in joint family system.
- **Family Occupation**– 63entrepreneurs had agriculture as family occupation, 9entrepreneurs had some small business as family occupation, 24 entrepreneurs had earnings through some type of jobs in or outside village basically for agro based activities.

The questionnaire circulated among sample was validated in the personal interview. The questions were formed in such a way to know about the managerial skills used by respondents. Following table shows the response by respondents.

Table 3

Production Planning	**No of Respondents**	**%**
Raw Material Purchase, Storage , future requirements	96	100
Labour requirement, allocation	66	68.75
Machinery requirement, selection	54	56.25
Time Planning, Scheduling	96	100
Quality Determination, Modification Etc.	96	100

Source : Sampled Data

The Table -3 shows that, Raw material, time and quality related planning was done by all respondents. Only 54 respondents have done machinery planning.

Table 4

Financial Planning	**No of Respondents**	**%**
Own Capital	96	100
Other Source bank, credit society, SHG	84	87.5
Cash flow	48	50
Repayment Schedule regular installment, provision for the same	90	93.75
Reinvestment either in same business or diversification	54	56.25

Source : Sampled Data

The Table -4 shows that, All respondents have started their business with own capital. 90 respondents have done planning for repayment schedule. Cash flow was planned only by 48 srespondents.

Table 5

Marketing Planning	**No of Respondents**	**%**
Mkt. Segment Particular Area, Fixed Clients	96	100
Distribution System –Agents, Different Villages	78	81.25
Mkt. Strategy	72	75
Mkt. Trends – Changes In Product As Per Requirements Of Client	30	31.25
Advertisement	24	25

Source : Sampled Data

The Table -5 shows that, 96respondents thought about market segment for their respective products.78 respondents had distribution system. 72 respondents have followed marketing strategy.

Table 6

Organizing	**No of Respondents**	**%**
Division of work allocation of work as per skills of labour,	96	100
Flow of Information- internal and external	72	75
Delegation of Authority – to subordinates or family members	78	81.25
Coordination with Personnel	72	87.5
Other issues	78	81.25

Source : Sampled Data

The Table -6 shows that, 96 respondents had done division of work. Delegation of authority was done by 78 respondents.

Table 7

Controlling	**No of Respondents**	**%**
Decision Making- in difficulty, uncertainty, market, etc.	96	100
Corrective approach –corrective steps to solve problem	78	81.25
Measuring Performance of labour, machine or capital, etc.	30	31.25
Reporting –production, marketing etc.	24	25
Problem Solving	96	100

Source : Sampled Data

The Table -7 shows that, Decision making and problem solving was done by all 96 respondents for their respective business. Corrective approach was taken by 78 respondents.

Table 8

Staffing	**No of Respondents**	**%**
Recruitment of personnel	96	100
Training – indoor / outdoor, specialized institution etc.	60	62.5
Evaluating –performance of capital, personnel etc.	30	31.25
Compensating personnel	18	18.75
Outsourcing the work	24	25

Source : Sampled Data

The Table -8 shows that, Recruitment decision was taken by all 96 respondents. Training the staff was adopted by 30 respondents

Table 9

Directing	**No of Respondents**	**%**
Motivational – Incentives, rewards, bonus etc.	60	62.5
Communicative , problem solving etc.	84	87.5
Discipline	90	93.75
Group Activities -	96	100
Diversification of product etc.	18	18.75

Source : Sampled Data

The Table -9 shows that, Group activities were undertaken by all 96 respondents. Discipline was maintained by 90 respondents.

Table 10

Growth and Development of Business	**No of Respondents**	**%**
• Expansion	48	50
• Diversification	24	25
• Growth in the business		
1. Up to 10% / p.a.	54	56.25
2. 10% - 20% / p.a.	36	37.5
3. 20% - 30% / p.a.	6	06.25

Source : Sampled Data

Table 10 shows the growth and development of the business of respondents. The growth of the business was assessed based on the output sold per year in the market. The document of annual sales was taken as a base for the same. Two respondents could not show the documents for all five years. Table 10 shows .that, 48 respondents have taken decision for expansion of the business. 24respondents have taken decision for diversification of the business. The 54 respondents experienced up to 10% growth per year. 36 respondents experienced up to 10%- 20% growth per year, 6 respondents experienced up to20%- 30% growth per year. No respondent experienced above 20% growth per year.

Table 11

Social Status	No of Respondents	%
✓ Power over economic resources	60	62.5
✓ Elevated family status	66	68.75
✓ Elevated Social status	78	81.25
✓ Political Participation	12	12.5
✓ Awards	24	25
✓ Dir./ Member of Institution	06	6.25

Source : Sampled Data

Table 11 shows the elevation of family /social status of the respondents.60 respondents said that they got power over economic sources due to the enterprise they started.66 respondents said about their elevated family status compared to before starting enterprise. They were able to participate and reveal their opinion for family decisions. 24 respondents were awarded either at Zillah level or from some organization for being successful entrepreneur. 06 respondents were on the director board of sugar cooperative society.

Conclusion

Based on the limited data and literature, this paper has tried to examine the managerial skills shown by women entrepreneurs in Pune region. The data regarding the education level of sampled women entrepreneurs is evident of the fact that majority sample is undergraduate but are blessed with confidence, common sense and indigenous knowledge, skills, potential and resources to establish and manage enterprise. They have shown the various skills pertaining to the basic managerial functions, planning, organizing, staffing, controlling and directing. With the help of these managerial skills, they have achieved increase in their economic and social status to greater extent not only for themselves but for their family also. If those women are provided with some extra and special inputs regarding the managerial skills where they are lacking, it would prove to be of great help for them. These women are communicating in their own way for the business purpose, still the fact remains that they cannot communicate in better English and cannot express themselves to media in English. The strategies they are using are not from the management theories but from their own experiences which are proved on the test of time. The best part of the story is that, those women have generated direct and indirect employment for rural women. The whole story is evident of the fact that rural women are also capable of doing successful business, only they lack in opportunity. Thus it is required to focus the entrepreneurial potential of rural women to transform rural India.

References:

1. Sanjkta Mishra, Faculty, Global Institute of Management, Bhubaneswar, ‘Women Enterpreneurship Development in India’ 2007
2. Tandley Omprakash Sridevi, 2005, ‘Empowerment of Women: A Systematic Analysis’ by India Development Foundation, IDF Discussion Paper
3. 11^{th} Five Year Plan (2007-2012), 2008 Volume 1,Inclusive Growth, By Planning Commission, Government of India,
4. Compilation of information from various annual reports and other documents provided by Swayamsiddha, Kolhapur & by Udhyog vardhini, Solapur
5. Thacker, Krishna Uma Mahesh, 2007 ‘Feasibility Study for Micro Enterprises With Women SHG's in Kutch (Gujarat, India) Working Paper for Feasibility Study for Micro Enterprises With Women SHG's in Kutch (Gujarat, India).

FINANCIAL LITERACY AND SOCIO ECONOMIC DEVELOPMENT

Ashish S. Gade
Asst. Professor
M.Com, M.Phil.
(VCACS)

Abstract

Financial literacy refers to the ability to make informed judgments and to take effective decisions regarding the use and management of money.Financial literacy are regarded as an important requirement for functioning effectively in modern developed society; work patterns and demography suggest its importance can only increase in the years ahead. Raising financial literacy supports social inclusion and enhances the wellbeing of the community. To understand financial planning, a person should be financially literate to understand the importance of preparing household budgets, cash-flow management and asset allocation to meet financial goals. A country that uses only 2.4% of the world's land and yet is home to 17.5% of the world's population, India is the world's most populous democracy. India has a legacy of colonial stagnation and economic backwardness; however, in 1947 when India gained independence, the aim of the leaders was not only to do away with the vagaries of poverty, but also to turn India into a vibrant and self-reliant global economy. Since the beginning of the economic reforms in 1991, India has seen a systematic transition from being a closed-door economy to an open economy. These reforms have had a far-reaching impact and have helped India unleash its enormous growth potential. Today, the Indian economy is characterized by a liberalized foreign investment and trade policy.

Introduction

Now-a-days financial literacy is very helpful for every common man as well as rich man because recently our government declare demonetization. It has directly impact on our economy. Government declares the policy for the purpose to reduce corruption and black money. It is basic reason behind that, first our PM NarerndraModi given the statement for demonetization is help to decline terrorist attack and reduce the corruption, but now after three week government change the topic now government says reason for demonetization is digital economy or cashless economy. If we see the impact of cashless economy its very bad impact on villages, farming, real-estate, industry etc. because they are literate but they are illiterate in financially, if we taken example of India many of rural side people don't knowwhy we use acheque,banking transaction, credit card,debit card etc. many of thinker and economist are against demonetization because they are financially literate. But most of the people don't know demonetization good or bad. If they are financially literate they will understand tax system and other related activity. Now-a-days government declared various scheme for ex. MUDRA Bank, Digital India and Start up India etc.

Financial literacy plays a significant role in the efficient allocation of household savings and the ability of individuals to meet their financial goals. But lack of finance and banking knowledge is big problem of informal sector. Micro credit availability is crucial to the development of those in the informal sector economy. However banking facilities this cater to the small actor are often absent other thing is that lack of training basic math and accounting skill as well as business management skill are key to all successful businesses including those located in the informal sector economy

Objectives of the study:

1. To study the financial background and saving habits among the Common Man and small scale entrepreneurs in an informal sector.
2. To study various scheme of financial literacy implemented by the government especially for the informal sector and rural area.
3. To study the social economic impact of financial literacy on the financial condition of working in informal sector.

REVIEW OF LITERATURE

Financial literacy is the major challenge faced by all countries globally. Financial literacy is the mix of one's knowledge, skill and attitude towards financial matters. It helps to make informed decisions and well being of an individual. In today's world which has a market with complicated products, the need for financial literacy becomes inevitable. Country like India which has high young population, the government is in a position to increase the level of financial literacy. The government and other private institutions have taken steps through financial education programs. Now financial education is included in the school and university curriculum also.

Policy makers, service providers and academics in financial sector of developed countries in US and Europe proceed in recognizing personal finance education since 'the mid to late 1990s' (Choi, nd); thus, prior review studies, discussed hereunder, are mostly related to developing countries.

On Lusardi and Mitchell (2011) results from review of financial literacy studies from seven European countries that uniformly measured basics of personal finance: interest compounding, inflation, risk and return conclude that low financial literacy correlated with identical set of socio demographic factors. Specifically, they observed low of financial literacy among younger or older age group, women, less educated and unemployed. They also noted different level of financial literacy across ethnic groups and religions. Moreover, the authors pointed out a variation on actual financial literacy and individual's self-assessment, which would probably contribute to committing financial mistakes. Further, their review showed positive relationship between financial literacy and financial behaviors: financial planning, saving, retirement and wealth accumulation, borrowing atlower interest rate, choosing lower fee financial service including lower interest rate debt, and diversification ofinvestment portfolio, however, people across the board found to have unsatisfactory retirement planning.

As financial literacy is a recent phenomenon in developing countries only a few literature surveys available from India and South Africa that adopted a national financial literacy policies through their financial sector regulatory organs. On Kummar&Annes (2013) &Subha&Priya (2014) the importance of financial literacy in India and the government initiatives were suggested to strengthen for the fact existing studies concluded that low financial literacy has been challenging financial inclusion and financial market development in the country. Though few survey reviewed, Kummar&Annes (2013) pointed out that, "the financial literacy level majorly depends upon education and incomelevel of the individuals; the social factors such like family size, family background, age, regions, nature of employment also have a little impact on this". Subha&Priya (2014) also underscored the need to studies identifying the more at risk population group and furthering ongoing financial literacy program towards this groups.

Similar to the case in India, Fatoki& Oni (2014) indicated scant availability of financial literacy surveys and inconsistent measurement and research methods limit their policy and practical implication. Based on the review of available studies they showed same low financial literacy in South Africa. Apart from enhancing financial education in south Africa, they suggested further and comprehensive researches reduce measurement and methodological inconsistencies, on one hand, and providing comprehensive view of financial literacy across demographic and socio economic characteristics of the population for evidence based financial education policy and implementations.

As per SNA (1993), the informal sector consists of units engaged in the production of goods or services with the primary objective of generating employment and income to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees. The informal sector forms part of the household sector as household enterprises or, equivalently, unincorporated enterprises owned by households.

The First Indian National Commission on Labour (1966-69) defined „unorganised sector workforce as –"those workers who have not been able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments".

Research Methodology

Primary data

The primary sources are collected through specified questionnaire and interview from respondents.

Secondary data:

The secondary sources are books, magazines, periodicals and published source of information

Conclusion;

In present context of the talk financial literacy the case of informal sector for women employee and small scale women entrepreneur can help to understand how financial inclusion of women can help in their economicUpliftment and empowerment.Financial literacy Give more importance to know the economical problems faced by financial low income group, specifically working in informal sector. To know their family problem regarding daily expenditure education of children travelling up to their worth destination, study their satisfaction level of income, procedure of their work and more expectations from the employment and business.

So, conclusion can be made, that the financial literacy can help the people for all their daily transition and Socio Economic Development.

References:

1) Joshi Swati, Financial literacy in India Need and measures,success Publication ,Pune,India ISBN;978-5158-544-2.
2) AnnamariaLusardi& Olivia S. Mitchell, 2008. "Planning and Financial Literacy: How Do Women Fare?," American Economic Review, American Economic Association, vol. 98(2), pages 413-17, May.
3) Beal, D.J. and Delpachitra, S.B., 2003, “Financial literacy among Australian university students”,
4) Economic Papers, 22(1), 65-78, Chen, H. and Volpe, R.P, 1998, "An Analysis of Personal Financial Literacy among College Students," Financial Services Review, Vol. 7, No. 2, pp. 107-128

FINANCIAL CRISIS - CAUSES AND ITS IMPACT

Dr Aftab Alam
Asst. Professor & HoD, Dept. of Business Economics
Faculty of Commerce,
AISC, SP Pune University

Abstract

Financial crisis is happening frequently in the globalized world. There are several causes of financial crisis. But the crisis of 2008 originated from US and slowly impacting the whole world as the world has become a global village now. No country is isolated from the effect of crisis. The severity of impact on different countries and different sectors of the economy may be varied. The study tries to understand the causes of financial crisis 2008 and its impact on different countries and different sectors of the economy. There is no consensus on the factors which caused global financial crisis. Several studies and working papers have given different set of factors which caused the crisis. Low interest rates, speculation, Securitization, excessive deregulation of financial market because of globalization and financial innovation are some important common causes of crisis. The financial crisis affected all the countries and almost all sectors of the economy. However, the intensity of effect was varied depending upon the level of globalization and financial connect between the nations. The SMEs are the hardest hit in the crisis. This study is based on the minor research project on "Evaluation of Small and Medium Enterprises in Pune district after the financial crisis" sponsored by BCUD, Savitribai Phule Pune university.

Keywords: Financial Crisis, Causes, Impact, SME

Causes of financial crisis 2008- A Review

THE collapse of Lehman Brothers, a sprawling global bank, in September 2008 almost brought down the world's financial system. It took huge taxpayer-financed bail-outs to shore up the industry. Massive monetary and fiscal stimulus prevented a buddy-can-you-spare-a-dime depression, but the recovery remains feeble compared with previous post-war upturns. The effects of the crash are still rippling through the world economy: witness the wobbles in financial markets as America's Federal Reserve prepares to scale back its effort to pep up growth by buying bonds.

With half a decade's hindsight, it is clear the crisis had multiple causes. The most obvious is the financiers themselves. Central bankers and other regulators also bear blame, for it was they who tolerated this folly. The macroeconomic backdrop was important, too. A "savings glut" in Asia pushed down global interest rates. The years before the crisis saw a flood of irresponsible mortgage lending in America. Loans were doled out to "subprime" borrowers with poor credit histories who struggled to repay them. These risky mortgages were passed on to financial engineers at the big banks, who turned them into supposedly low-risk securities by putting large numbers of them together in pools. Pooling works when the risks of each loan are uncorrelated. The big banks argued that the property markets in different

American cities would rise and fall independently of one another. But this proved wrong. Starting in 2006, America suffered a nationwide house-price slump.

The pooled mortgages were used to back securities known as collateralised debt obligations (CDOs), which were sliced into tranches by degree of exposure to default. Investors bought the safer tranches because they trusted the triple-A credit ratings assigned by agencies such as Moody's and Standard & Poor's. This was another mistake. The agencies were paid by, and so beholden to, the banks that created the CDOs. They were far too generous in their assessments of them.

Investors sought out these securitised products because they appeared to be relatively safe while providing higher returns in a world of low interest rates. Some accuse the Fed of keeping short-term rates too low, pulling longer-term mortgage rates down with them. The Fed's defenders shift the blame to the savings glut—the surfeit of saving over investment in emerging economies, especially China. That capital flooded into safe American-government bonds, driving down interest rates.

Low interest rates created an incentive for banks, hedge funds and other investors to hunt for riskier assets that offered higher returns. They also made it profitable for such outfits to borrow and use the extra cash to amplify their investments, on the assumption that the returns would exceed the cost of borrowing. The low volatility of the Great Moderation increased the temptation to "leverage" in this way. If short-term interest rates are low but unstable, investors will hesitate before leveraging their bets. But if rates appear stable, investors will take the risk of borrowing in the money markets to buy longer-dated, higher-yielding securities. That is indeed what happened.

When America's housing market turned, a chain reaction exposed fragilities in the financial system. Pooling and other clever financial engineering did not provide investors with the promised protection. Mortgage-backed securities slumped in value, if they could be valued at all. Supposedly safe CDOs turned out to be worthless, despite the ratings agencies' seal of approval. It became difficult to sell suspect assets at almost any price, or to use them as collateral for the short-term funding that so many banks relied on. Fire-sale prices, in turn, instantly dented banks' capital thanks to "mark-to-market" accounting rules, which required them to revalue their assets at current prices and thus acknowledge losses on paper that might never actually be incurred.

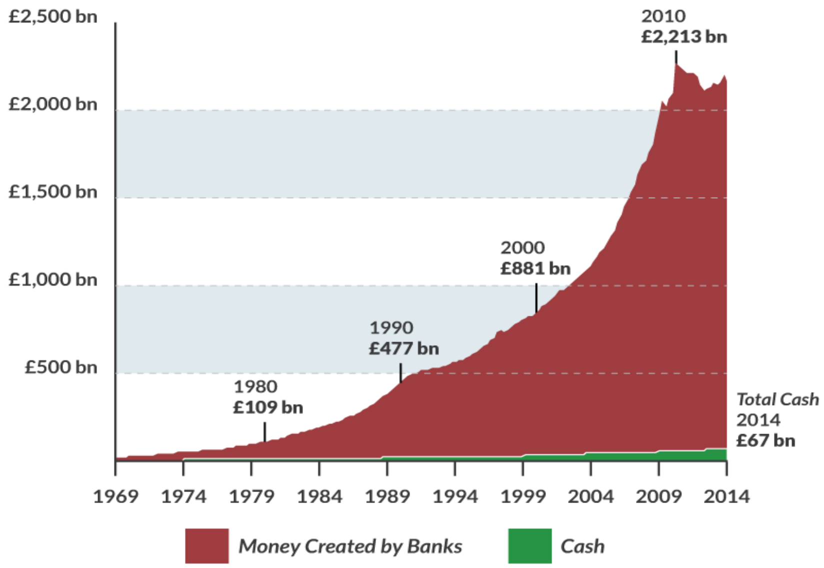
Failures in finance were at the heart of the crash. But bankers were not the only people to blame. Central bankers and other regulators bear responsibility too, for mishandling the crisis, for failing to keep economic imbalances in check and for failing to exercise proper oversight of financial institutions.

The regulators' most dramatic error was to let Lehman Brothers go bankrupt. This multiplied the panic in markets. Suddenly, nobody trusted anybody, so nobody would lend. Non-financial companies, unable to rely on being able to borrow to pay suppliers or workers, froze spending in order to hoard cash, causing a seizure in the real economy. Ironically, the decision to stand back and allow Lehman to go bankrupt resulted in more government intervention, not less. To stem the consequent panic, regulators had to rescue scores of other companies.

But the regulators made mistakes long before the Lehman bankruptcy, most notably by tolerating global current-account imbalances and the housing bubbles that they helped to inflate. Central bankers had long expressed concerns about America's big deficit and the offsetting capital inflows from Asia's excess savings. Ben Bernanke highlighted the savings glut in early 2005, a year before he took over as chairman of the Fed from Alan Greenspan. But the focus on net capital flows from Asia left a blind spot for the much bigger gross capital flows from European banks. They bought lots of dodgy American securities, financing their purchases in large part by borrowing from American money-market funds.

In other words, although Europeans claimed to be innocent victims of Anglo-Saxon excess, their banks were actually in the thick of things. The creation of the euro prompted an extraordinary expansion of the financial sector both within the euro area and in nearby banking hubs such as London and Switzerland. Recent research by Hyun Song Shin, an economist at Princeton University, has focused on the European role in fomenting the crisis. The glut that caused America's loose credit conditions before the crisis, he argues, was in global banking rather than in world savings.[1]

According to a study the UK banks created too much money in the system from 881 billion pound in 2000 to 2,213 billion pound in 2010.



And used this money to push up house prices and speculate on financial markets. Very little of the trillion pounds that banks created between 2000-2007 went to businesses outside of the financial sector:Around 31% went to residential property, which pushed up house prices faster than wages.A further 20% went into commercial real estate (office buildings and other business property)Around 32% went to the financial sector, and the same financial markets that eventually imploded during the financial crisis.But just 8% of all the money that banks created in this time went to businesses outside the financial sector.A further 8% went into credit cards and personal loans.

Eventually the debts became unpayable. Lending large sums of money into the property market pushes up the price of houses along with the level of personal debt. Interest has to be paid on all the loans that banks make, and with the debt rising quicker than incomes, eventually some people become unable to keep up with repayments. At this point, they stop repaying their loans, and banks find themselves in danger of going bankrupt.[2]

There were many causes of the financial crisis of 2008. It was securitization. Or greed. Or deregulation. Or any number of other things. According to another observation financial crisis of 2008 was caused by a number of factors they are ratings agencies- the financial crisis couldn't have happened if the three ratings agencies -- Standard & Poor's, Fitch, and Moody's -- hadn't classified subprime securities as investment grade, infighting among financial regulators, securitization of loans, credit default swaps-these are fancy financial instruments JPMorgan Chase developed in the 1990s that allowed banks and other institutional investors to insure against loan defaults, Fraud, off-balance-sheet risk, bad economic assumptions- as moronic as it seems in hindsight, it was generally assumed before the crisis that home prices would never decline simultaneously on a nationwide basis, high oil prices, Lehman Brothers' bankruptcy, The "Greenspan put." - For two decades following the stock market crash of 1987, the Federal Reserve, guided by then-Chairman Alan Greenspan, lowered interest rates after every major financial shock, a trend that became known as the Greenspan put.Monetary policy from 2004 to 2006. Just as low interest rates led to the housing bubble, the Fed's policy of raising rates from 2004 to 2006 eventually caused it to burst, Basel II bank capital rules.[3]

OuardaMerrouche and ErlendNier in their research paper investigatesempirically the drivers of financial imbalances ahead of the globalfinancial crisis. They have identified three factors those may have contributed to the build-up of financial imbalances: (i)rising global imbalances (capital flows), (ii) monetary policy that might have been too loose, (iii)inadequate supervision and regulation. Panel data regressions are performed for OECD countriesfrom 1999 to 2007, so as to shed light on the relative importance of these factors. Rising global imbalances are associated with a greater dispersion of current account positionsacross countries and larger net flows of capital between countries. At the level of an individualcountry, a current account deficit is matched by net capital inflows, as foreign investors build upclaims on the domestic economy.monetary policy might havecontributed to the build-up in financial imbalances. Most of these are thought to have workedthrough policy rates that were kept low for too long. Loose monetary policy (a low short-termrate) may have (i) reduced the cost of wholesale funding for intermediaries, leading thoseintermediaries to build-up leverage (Adrian and Shin, 2008); (ii) may more generally havecaused banks to take more risks, including credit and liquidity risks (Borio and Zhu, 2008); and(iii) may have increased the supply of and demand for credit (mortgages), causing asset (house)prices to rise (Taylor, 2007). Supervision and regulation of the financial system is a key means to prevent crises, bycontrolling moral hazard and discouraging excessive risk-taking on the part of financialinstitutions. Inadequate supervision and regulation are therefore prime candidates to have causedthe global financial crisis.

It is documented in the working paper that the period ahead the crisis coincided with low policy rates globally, making itreasonable to worry that low policy rates ahead of the crisis might have played a role instimulating the build-up of financial imbalances. However, we provide comprehensive evidencethat higher policy rates in some countries did not appear to slow the build-up of financialimbalances. While much of this evidence focuses on the build-up of financial imbalances on thebalance sheet of traditional intermediaries, the main findings are shown to carry through tobroader measures of financial imbalances, including a measure of the size of the shadow-bankingsystem, household sector indebtedness and house prices. This suggests that accommodativemonetary policy from 2001 was likely co-incidental to the build-up of financial imbalances,rather than its root cause. Results in the study suggest that monetary policy may need to be more aware of how it canaffect capital flows. For smaller advanced economies, a monetary policy stance that is tightrelative to global rates can contribute to capital inflows and may indirectly encourage the buildupof financial imbalances domestically. Conversely, a loose monetary policy stance—or anexchange rate policy that amounts to a loose stance—can contribute to current account surplusesand capital outflows that may fuel the build-up of financial imbalances elsewhere in the world. Further findings on prudential policy are in line with the hypothesis that the build-up of financialimbalances was fuelled by widespread moral hazard, and inadequate prudential policies thatfailed to address the systemic externalities associated with excessive use of wholesale funding.

Finally, OuardaMerrouche and ErlendNierconcludes in their IMF working paper that full liberalization of banking markets increases fragility. The relationshipbetween competition and stability in banking markets and the potential merits of entry barriers inreducing excessive competition and the resulting risk-taking incentives therefore deserve greaterdebate.[4]

Richard J Payne in his book Global issues (4th edition 2013) deals with six most discussed causes of financial crisis. Theyinclude (1) deregulation of financial markets; (2) sophisticated financial innovationslinked to rapid changes in computer technologies; (3) excessive executivecompensation; (4) low interest rates; (5) subprime loans, especially for mortgages;and (6) speculation in general, with an emphasis on speculation in housing. He explains these causes of financial crisis as follows.[5]

(1) Deregulation of Financial Markets

Further he emphasizes that Significant societal changes and developments in technology combined toserve as a catalyst to propel deregulation. Although large banks and financial institutionsinitiated efforts to eliminate or modify regulations that restrained them.The phenomenal proliferation of sophisticated computer technologies and analmost unquestioning faith in the wisdom of markets contributed to escalating demandsfor and acceptance of less regulation. In essence, Federal agencies designedto regulate banking became less effective. There was a general loss of control atall levels, which led to exponential risk taking at many companies, largely hiddenfrom public scrutiny.

(2) Financial Innovations

As the global financial crisis unfolded, it was obvious that many of those in thebanking and investment communities did not fully comprehend how the financialsystem they created functioned, or the scope and severity of the crisis.Ironically, financial innovations, designed by brilliant computer experts to managerisk and make capital less expensive and more available, ultimately led to theglobal financial crisis. Financial innovations, with instantaneous global impactsdue to technologies that made electronic transactions faster and less expensive,raced ahead of regulations. Complex financial products created in one financialcentre involved assets in another and were sold to investors in a third financialmarket.Among the numerous financialinnovations that led to the global financial crisis were securitization and hedgefunds.With securitization,risks inherent in granting loans were passed from the bank giving the loans toothers who had no direct interest in the customers' ability to repay the loans. Subprimemortgages, student loans, car loans, and credit card debts were securitized.Securitization is a sophisticated process of financial engineering that allows globalinvestment to be spread out and separated into multiple income streams to reduce risk.[6]

(3) Excessive Executive Compensation

Excessive executive compensation is widely perceived as playing a pivotal role increating the global financial crisis. Wall Street became a magnet for the brightestAmericans who wanted to make a large amount of money very quickly. Mostcompanies rewarded short-term performance without much regard for marketfundamentals and long-term earnings. Executives were given stock options, whichthey could manipulate to earn more money. The more an executive could driveup his or her company's stock price or its earnings per share, the more moneyhe or she would get.Frank Partnoy argues that a mercenary culture developedamong corporate executives. They merged with or acquired higher-growth companiesand, in many cases, committed accounting fraud.[7]

(4) Low Interest Rates

A fundamental cause of the global financial crisis was the easy availability of toomuch money globally. An oversupply of money created unprecedented levels ofliquidity and historically low interest rates. As we mentioned earlier, the terroristattacks on the United States on September 11, 2001, triggered a national embraceof increased government spending as well as consumer spending. To accomplishthis, the U.S. Federal Reserve, led by Alan Greenspan, lowered interest rates toaround 1 percent in late 2001. The European Central Bank and the Bank of Japanalso reduced interest rates to record lows. The U.S. government encouraged Americansto purchase homes and to refinance or borrow against the value of homes theyowned.

(5) Subprime Loans

Another major cause of the financial crisis was the availability of subprime loans,which were directly an outgrowth of easy credit. Subprime loans generally refer tocredit given to individuals who fail to meet rigorous standards usually expected bylending institutions. These individuals could not really afford their loans becauseof inadequate income and poor credit histories. In most cases, borrowers were notrequired to have a down payment. With excess liquidity globally, interest rates remainedlow.

(6) Speculation

A combination of low interest rates, unprecedented liquidity, and a belief that theInternet and various computer technologies virtually guaranteed unending andever-increasing prosperity facilitated the growth of speculative financial forces.Excessive risk taking replaced caution, which was often equated with a lack ofoptimism. Speculation, a deeply ingrained human characteristic, fosters the developmentof a herd mentality. As prices continued to rise, even the most cautious individualsget caught up in speculation. Ultimately, a speculative bubble is created.Speculative bubbles generally go through four stages:

1. A new technology or invention changes people's expectations and those whoare well informed try to profit from it.

2. Prices or profits continue to rise, which draws more people into the market.

3. The boom passes into euphoria and rational decision making is suspended.

4. The bust is almost inevitable. Prices and profits fall, companies and individualsgo bankrupt, and the economy plunges into a recession.[8]

Impact of Global Financial Crisis

The global financial crisis affected virtually all areas, including the process of globalization. Housing prices crashed; foreclosures became commonplace; unemployment reached 10 percent in the United States and higher levels in Europe and elsewhere; manufacturing declined sharply, especially in the automotive industry; students were faced with higher costs as colleges suffered financial losses; finding jobs after college became more challenging; and a global recession created widespread hardships. On the other hand, many developing countries that took a prudent approach to finance and saved money were not as badly damaged. In fact, countries that did not fully embrace financial liberalization were less affected than those that gave in to American pressure to fully engage in financial globalization. We also saw a global power shift, with the United States losing ground to China, India, Brazil, and other developing countries. While the United States has suffered severe setbacks, China has gained, thereby shifting global power. The financial crisis has significantly reduced global trade and caused unprecedented home foreclosures and high levels of unemployment.[9]

According to World Economic Outlook, World Economic and Financial Survey (April 2009) on crisis and recovery, Economies around the world have been seriously affected by the financial crisis and slumpin activity. In the year following the outbreak of theU.S. subprime crisis in August 2007, the globaleconomy activityslowed in the face of tightening credit conditions,with advanced economies falling intomild recessions by the middle quarters of 2008,but with emerging and developing economiescontinuing to grow at fairly robust rates by past standards. However, financial wounds continuedto fester, despite policymakers' efforts to sustainmarket liquidity and capitalization, as concernsabout losses from bad assets increasingly raisedquestions about the solvency and funding of core financial institutions.The situation deteriorated rapidly after the dramatic blowout of the financial crisis inSeptember 2008, following the default by alarge U.S. investment bank (Lehman Brothers),the rescue of the largest U.S. insurancecompany (American International Group, AIG),and intervention in a range of other systemicinstitutions in the United States and Europe.These events prompted a huge increase inperceived counterparty risk as banks faced largewrite-downs, the solvency of many of the mostestablished financial names came into question,the demand for liquidity jumped to newheights, and market volatility surged once more.The result was a flight to quality that depressedyields on the most liquid government securitiesand an evaporation of wholesale fundingthat prompted a disorderly deleveraging thatcascaded across the rest of the global financial system. Liquid assets were sold at fire-sale prices, and credit lines to hedge funds and other leveraged financial intermediariesin the so-called shadow banking system wereslashed. High-grade as well as high-yield corporatebond spreads widened sharply, the flow of trade finance and working capital was heavilydisrupted, banks tightened lending standardsfurther, and equity prices fell steeply.

Emerging markets—which earlier had been relatively sheltered from financial strains by theirlimited exposure to the U.S. subprime market—have been hit hard by these events. New securitiesissues came to a virtual stop, bank-related flows were curtailed, bond spreads soared,equity prices dropped, and exchange markets came under heavy pressure. Beyonda general rise in risk aversion, capital flows havebeen curtailed by a range of adverse factors,including the damage done to banks (especiallyin western Europe) and hedge funds, whichhad previously been major conduits; the desireto move funds under the "umbrella" offered bythe increasing provision of guarantees in maturemarkets; and rising concerns about national economicprospects, particularly in economies thatpreviously had relied extensively on externalfinancing. Adding to the strains, the turbulenceexposed internal vulnerabilities within manyemerging economies, bringing attention to currencymismatches on borrower balance sheets,weak risk management (for example, substantialcorporate losses on currency derivatives marketsin some countries), and excessively rapid bankcredit growth.

Overall, global GDP is estimated to have contractedby an alarming 6¼ percent (annualized)in the fourth quarter of 2008 (a swing from4 percent growth one year earlier) and to havefallen almost as fast in the first quarter of 2009.All economies around the world have beenseriously affected. The advanced economies experiencedan unprecedented 7½ percent declinein real GDP during the fourth quarter of 2008and output is estimated to have continued tofall almost as fast during the first quarter of2009. Although the U.S. economy may have suffered most from intensified financial strainsand the continued fall in the housing sector,western Europe and advanced Asia have beenhit hard by the collapse in global trade, as well as by rising financial problems of their own andhousing corrections in some national markets.Emerging economies too are suffering badlyand contracted 4 percent in the fourth quarterin the aggregate. The damage is being inflicted through both financial and trade channels, particularlyto east Asian countries that rely heavilyon manufacturing exports. the downturns in Chinaand India have been somewhat muted given thelower shares of their export sectors in domesticproduction and more resilient domesticdemand. Emerging Europe and the Commonwealthof Independent States (CIS) have beenhit very hard because of heavy dependence onexternal financing as well as on manufacturingexports and, for the CIS, commodity exports.Countries in Africa, Latin America, and theMiddle East have suffered from plummeting commodity prices as well as financial strainsand weak export demand.[10]

According to the IMF (2010, 2011), world output grew by 3 per cent in 2008, fell by -0.6 per centin 2009, and grew again by 5 per cent in 2010. It is projected to grow by 4.4 per cent in 2011 and4.5 per cent in 2012; a clear sign for global recovery. For the advanced economies, output grewby 0.5 per cent in 2008, fell by -3.4 per cent in 2009, and grew by 3 per cent in 2010. It isprojected to grow by 2.5 and 2.5 per cent for the years 2011 and 2012, respectively. Thedifference between world output and advanced country output figures is largely accounted for bythe Emerging and developing economies group of countries and Developing Asia (China, India,Asean-5 – Indonesia, Malaysia, the Philippines, Thailand and Viet Nam) inparticular. TheDeveloping Asia group of countries grew by 7.9 per cent in 2008, 7 per cent in 2009, and 9.3 percent in 2010. It is projected to grow by 8.4 per cent in 2011 and 8.4 per cent in 2012; hencemaking it the powerhouse of the global recovery.

It was not until September 2008 that the impact of the financial crisis on international tradebecame evident (WTO, 2009). The rate of trade growth had already slowed from 6.4 per cent in2007 to 2.1 per cent in 2008, but the 12.2 per cent contraction in 2009 was without precedent inrecent history (WTO 2010). The full impact of the crisis was felt across all regions of the globaleconomy by the fourth quarter of 2008, with Europe experiencing a fall of 16 per cent in thefourth quarter and Asia recording a fall of 5 per cent in exports in the same period. In the firstquarter of 2009, there was a much steeper decline in merchandise trade, with falling commodityprices largely to blame (WTO, 2009). The IMF (2010, 2011) gives data for world trade volume(goods and services) for 2008, 2009 and 2010. World trade volume grew by 2.8 per cent in 2008,fell by -10.7 percent in 2009 and grew by 12 per cent again in 2010. It is projected to grow by 7.1per cent and 6.8 per cent for the years 2011 and 2012, respectively. For the Emerging andDeveloping Countries sub-group, imports fell by -8 per cent in 2009 and exports fell by -7.5 percent for the same year.

As far as the impact of the crisis on employment is concerned, the latest ILO (2010, 2011) dataindicate that the largest falls in employment were in the manufacturing sectors in all regions ofthe global economy, but were greater in the developed economies. In the latter group ofeconomies, the fall in employment is estimated to be 6 million jobs, as opposed to approximately2 million jobs lost in developing economies. There were also significant, but smaller, falls inemployment in the construction and wholesale and retail trade sectors in all economies.[11]

The global slowdown has its implications on the domestic economy. During the last three years Indian Economy grew at an average annual rate of 8.6 per cent. For the first time the economy has shown signs of deceleration and grew at 7.8 per cent in the first half year of 2008-09 (April-September). The service sector, which contributes more than 50% share in the GDP and is the prime growth engine, reported to be slowing down, mainly in the transport, communication, trade, and hotels & restaurants sub-sectors. The industrial growth has decelerated sharply during April-November, 2008 encompassing all the constituent sectors. In manufacturing sector, the growth has come down to 4.0 per cent in April-November, 2008 as compared to 9.8 percent in the corresponding period of last year. The slowdown occurred in the all the use-based categories, except consumer goods where it has accelerated.[12]

Nirupam Bajpai (2011) India could not insulate itself from the adverse developments in the international financial markets, despite having a banking and financial system that had little to do with investments in structured financial instruments carved out of subprime mortgages, whose failure had set off the chain of events culminating in a global crisis. Economic growth decelerated in 2008-09 to 6.7 percent. This represented a decline of 2.1 percent from the average growth rate of 8.8 percent in the previous five years (2003-04 to 2007-08). Per capita GDP growth grew by an estimated 4.6 percent in 2008-09. Though this represents a substantial slowdown from the average growth of 7.3 percent per annum during the previous five years, it is still significantly higher than the average 3.3 percent per annum income growth during 1998-99 to 2002-03.The effect of the crisis on the Indian economy was not significant in the beginning. The initial effect of the subprime crisis was, in fact, positive, as the country received accelerated Foreign Institutional Investment (FII) flows during September 2007 to January 2008.There was a general belief at this time that the emerging economies could remain largely insulated from the crisis and provide an alternative engine of growth to the world economy. The argument soon proved unfounded as the global crisis intensified and spread to the emerging economies through capital and current account of the balance of payments. The net portfolio flows to India soon turned negative as Foreign Institutional Investors rushed to sell equity stakes in a bid to replenish overseas cash balances. This had a knock-on effect on the stock market and the exchange rates through creating the supply demand imbalance in the foreign exchange market. The current account was affected mainly after September 2008 through slowdown in exports.

Further Niupam Bajpai explains that the current account deficit during 2008-09 shot up to 2.6 percent of GDP from 1.5 percent of GDP in 2007-08 (Table 1). And this is the highest level of current account deficit for India since 1990-91 (Chart 1). The capital account surplus dropped from a record high of 9.3 percent of GDP in 2007-08 to 0.9 percent of GDP. And this is lowest level of capital account surplus since 1981-82. The year ended with a decline in reserves of US$ 20.1 billion (inclusive of valuation changes) against a record rise in reserves of US$ 92.2 billion for 2007-08.[13]

Kumar and Vashisht explainsthe global crisis has affected India through three distinct channels. These channels are financial markets, trade flows, and exchange rates.The financial sector includes the banking sector, equity markets (which are directly affected by foreign institutional investment [FII] flows), external commercial borrowings (ECBs) that drive corporate investments, FDI, and remittances. The global crisis had a differentiated impact on these various sub-sectors of the financial sector. The Indian banking sector has remained unaffected by the global crisis because of prudent regulations. The imposition by the RBI of a higher provisioning requirement on commercial bank lending to the real estate sector helped to curb the growth of a real estate price bubble.This is one of the few global examples of a countercyclical capital provisioning requirement by any central bank. In general, Indian banks were not overly exposed to sub-prime lending. Only one of the larger private sector banks, ICICI Bank, was partly exposed but it managed to thwart a crisis because of its strong balance sheet and timely action by the government, which virtually guaranteed its deposits.

However, the indirect impacts of the crisis have affected Indian banks quite badly. The liquidity squeeze in global markets following the collapse of Lehman Brothers compelled Indian banks and corporations to shift their credit demand from external sources to the domestic banking sector. This move exerted a lot of pressure on liquidity in the domestic market and consequently short-term lending rates shot up abnormally.

After an impressive performance for nearly five years, foreign capital inflows lost their momentum in the second half of 2008. The most significant change was observed in the case of FIIs, which saw a strong reversal of flows. Against a net inflow of US$20.3 billion in FY2007–2008, there was a net outflow of US$15 billion from Indian markets during FY2008–2009 as foreign portfolio investors sought safety and mobilized resources to strengthen the balance sheet of their parent companies. This massive outflow of FII created panic in the stock markets. Consequently, equity markets lost more than 60% of their index value and about US$1.3 trillion of market capitalization from an index peak of about 21,000 in January 2008 to 8,867 by 20 March 2009. But given the presence of unutilized liquidity in the global market, and India being one of the few countries with positive growth, FIIs have once again started flowing back to India. The economic boom in India from FY2004–2005 to FY2007–2008 has also been accompanied by a substantial increase in the inflows of FDI and external commercial borrowings. The inflows of FDI increased from US$6 billion in FY2004–2005 to US$34.3 billion in FY2007–2008.

The second transmission of the global downturn to the Indian economy has been through the steep decline in demand for India's exports in its major markets. Gems and jewellery was the first sector to feel pressure at the very beginning of the global meltdown. In November 2008, it witnessed a sharp decline in export orders from the US andEurope, which resulted in a retrenchment of more than 300,000 workers. Since then, the negative impact has expanded to other export-oriented sectors such as garments and textiles, leather, handicrafts, marine products, and auto components. Merchandise exports have registered a negative average growth of 17% from October 2008 to May 2009. The decline in exports has been accelerating, falling by 29.2% in May 2009 as compared to the same month in 2008.

The third transmission channel is the exchange rate. With the outflow of portfolio investments and higher foreign exchange demand by Indian entrepreneurs who are seeking to replace external commercial borrowing by domestic financing, the Indian rupee has come under pressure. During last 12 months (from April 2008 to March 2009) the Indian rupee has tumbled by 27% vis-à-vis the US dollar. (Rajiv Kumar and Pankaj Vashisht 2009) [14]

According to a report by Asian development BankThe global economic crisis is affecting developing Asia'sfirms through a number of channels. For its most exportorientedeconomies, the contraction in international tradehas been the most important, driving a severe contractionof demand for Asian exports that began in the last quarterof 2008. This has led to a correspondingdecline in industrial production in many countries. It is certainly not only export-oriented manufacturersthat have been hurt. For example, in countries withlarge tourism sectors, the economic contraction in theindustrialized world can be expected to hurt enterprisesengaged in travel and tourism. Similarly,demand, or growth in demand of other services exportshas declined. For example, in India, annual growth rates ofsales of information technology (IT) services, outsourcing,and software exports for the year ending March 2009fell to almost half of the double-digit growth rates of thepreceding five years. The availability of finance is a second channelthrough which Asian enterprises have been affected by theglobal financial crisis.In addition, evidence suggests that lending toSMEs fell more sharply than lending to larger firms(IMF2009b). And there is growing evidence in the region thatbanks have constrained lending to riskier borrowers, whichtend to be smaller enterprises. Widening bond spreads insome countries, such as Malaysia, are another sign thatcredit may be scarcer, especially for smaller firms.[15]

According to a policy response paper by OECD (2009) on the impact of the global crisis on SMEs and entrepreneurs' access to finance and on government responses in this area conducted A survey among member and non-member countries was subsequently conducted in January and February 2009 to gather information on the situation and on the measures adopted or to be adopted by governments. The evidence suggests that these firms are being affected by the financial and economic crisis across economies. There is evidence that SMEs in most countries are confronted with a clear downturn in demand for goods and services if not a demand slump in the fourth quarter of 2008. Many expect a further worsening to come. For SMEs there are two related stress factors: a) increased payment delays on receivables which added - together with an increase in inventories- result in an endemic shortage of working capital and a decrease in liquidity and b) an increase in reported defaults, insolvencies and bankruptcies.Extended payment delays on receivables, especially in times of reduced sales, are leading rapidly to a depletion of working capital in many countries.[16]

Conclusion:

There is no consensus on the factors which caused global financial crisis originating from United States of America. Several studies and working papers have given different set of factors which caused the crisis. Low interest rates, speculation, Securitization, excessive deregulation of financial market because of globalization and financial innovation are Some important common causes of crisis. The financial crisis affected all the countries and almost all sectors of the economy. However, the intensity of effect was varied depending upon the level of globalization and financial connect between the nations. The SMEs are the hardest hit in the crisis. As such the sector is vulnerable and neglected by the financial sector and ignored selectively to support their financial needs.

References:

1. http://www.economist.com/news/schoolsbrief/21584534-effects-financial-crisis-are-still-being-felt-five-years-article
2. https://positivemoney.org/issues/recessions-crisis/

3. http://www.fool.com/investing/general/2015/02/28/25-major-factors-that-caused-or-contributed-to-the.aspx
4. https://www.imf.org/external/pubs/ft/wp/2010/wp10265.pdf
5. Richard J Payne (2013) The Global Financial Crisis in Global issues 4th edition Retrieved from http://www.pearsonhighered.com/assets/hip/us/hip_us_pearsonhighered/samplechapter/0205231527.pdf 17/02/2016
6. David M. Smick, The World Is Curved (New York: Portfolio, 2008), 44. As quoted in Richard J Payne (2013) The Global Financial Crisis in Global issues 4th edition
7. Partnoy, Infectious Greed, 157. As quoted in Richard J Payne (2013) The Global Financial Crisis in Global issues 4th edition
8. John Cassidy, dot.con: The Greatest Story Ever Sold (New York: HarperCollins, 2002), 5; and Charles P. Kindleberger and Robert Aliber, Manias, Panics, and Crashes: A History of Financial Crises (New York: Wiley, 2005), 29. As quoted in Richard J Payne (2013) The Global Financial Crisis in Global issues 4th edition
9. (Richard J Payne (2013) The Global Financial Crisis in Global issues 4th edition Retrieved from http://www.pearsonhighered.com/assets/hip/us/hip_us_pearsonhighered/samplechapter/0205231527.pdf 17/02/2016)
10. http://www.imf.org/external/pubs/ft/weo/2009/01/pdf/text.pdf accessed 17th Feb 2016
11. https://www.unido.org/fileadmin/media/documents/pdf/Publications/110905/WP062010_Ebook.pdfaccessed 15/11/2016
12. http://www.labourbureau.nic.in/Report_on_EOFEMP_Jan09.pdf15/11/2016
13. Nirupam Bajpai (2011) Global Financial Crisis, its Impact on India and the Policy Response Working Paper No. 5 July 2011 Retrieved from http://globalcenters.columbia.edu/mumbai/files/globalcenters_mumbai/Global_Financial_Crisis_its_Impact_on_India_and_the_Policy_Response_CGCSA_Working_Paper_5.pdf
14. https://think-asia.org/bitstream/handle/11540/3752/2009.11.12.wp164.global.economic.crisis.india.pdf?sequence=115/11/2016
15. http://www.adb.org/sites/default/files/publication/27727/ki2009-special-chapter.pdf02/07/2015
16. http://www.oecd.org/cfe/smes/43183090.pdf02/07/2015

A STUDY ON ICT IN EDUCATION

Mr. Hemant Sangappa Alange
Asst. Prof. Department of Commerce and Management Studies
Sangameshwar College Solapur

Abstract

The use of ICT has become more important in imparting quality education to students at all the levels of education. In recent times it has been seen that the institutes using ICT in education process are more competitive.

Keywords :
Information Communication and Technology (ICT), Education, Teaching & Learning

Introduction

The use of ICT has become must for every educational institute in imparting education to become competitive and to provide good and competitive human resource to the society. The use of ICT in education has opened the doors for the teachers and students to get information and knowledge worldwide. It has been seen that students are interested in the educational institutes which make more use of ICT in the teaching learning process.

Meaning of ICT

ICT stands for Information Communication and Technology.

Objectives of study

1. To know the concept of ICT in Education.
2. To know the advantages of ICT in education
3. To know the disadvantages of ICT in education

Research Methodology

Secondary data is collected from various websites on the internet.

ICT in education

ICT in education means the use of various electronic devices such as LCD projectors, overhead projectors, TV, radio, computer, tablets, mobile phones, telephones, satellite systems etc. it also involves the use of softwares such as Microsoft Office, Tally, Adobe, SPSS etc in the process of teaching and learning.

Advantages of ICT tools in Education

- The teaching learning process becomes more effective as images; videos relevant to study can be shown and explained in detail.
- Increase curiosity, involvement & attedance of students in the process of teaching learning.

- The teaching learning process becomes more interactive.
- Complex calculation and concepts can be easily explained with help of ICT
- More creative and innovative ideas are generated among the students.
- Increases positive competitiveness among the students
- Analytical skills of students can be developed.
- More use ICT increace the efficiency of students in handling computer hardware and software and students become techno savvy.
- Increase the Research ability among the students.
- Short term courses can be tought within a very short period of time through the use of ICT
- Students become more responsive.
- Various tables, graphs diagrams, pie charts can be shown easily.

Disadvantages of ICT tools

- ICT tools involve high costs of setting, operating and maintainance.
- Deep knowledge of operating ICT tools is required by teachers and students.
- Reduce the books reading habit of teacher and students as required information is easily available on a click of a button.
- There are chances of increase in malpractices and plagiarism.
- There are chances of division of students who have the knowledge of using ICT and the students who do not have or have less knowledge of using ICT.

Conclusion

The quality of teaching learning process and teachers and learners gets enhanced which leads to overall development of teachers and learners in particular and country in general.

References:

1. http://www.elmoglobal.com/en/html/ict/01.aspx
2. http://www.unesco.org/new/en/unesco/themes/icts/teacher-education/
3. http://bcjms.bhattercollege.ac.in/ict-in-higher-education-opportunities-and-challenges/
4. https://en.wikipedia.org/wiki/Information_and_communications_technology

ROLE OF “MAKE IN INDIA” FOR SOCIO-ECONOMIC GROWTH

Dr. H.M.Jare
HOD, Department of Commerce
H.R.Mahavidyalaya
Rajgurunagar-Dist-Pune

ABSTRACT

Make in India is an international marketing campaigning slogan coined by the Prime Minister of India, Narendra Modi to attract businesses from around the world to invest and manufacture in India. The campaign has been concentrated to fulfillthe purpose of Job Creation, Enforcement to Secondary and Tertiary sector, Boosting national economy, Converting the India to a self-reliant country and to give the Indian economy global recognition.

Make In India which is the recipe of PM Narendra Modi’s aims to make India the manufacturing hub of the world. The idea of utilizing cheap labor to produce for the world is not new. It’s been implemented rather successfully in East Asia and gave phenomenal results for three decades popularly called the East Asian growth miracle. Countries such as South Korea, Malaysia, Thailand, Indonesia saw a rapid fall in the poverty and unemployment numbers between late 1960’s and mid 1990’s.

The Indian government through this initiative aims to put to use its rapidly increasing workforce to productive use, realizing that service sector though contributing about 55-60% of the GDP cannot be the sole driver of the economy. In the present paper an attempt has been made to throw some light on the concept of `Make in India’. Further, an attempt has also beenmade to review the advantages of this concept and the areas which are going to gain benefit with this Modi’s concept of Make in India.

Keywords:- GDP, Campaign, MOU, Initiative, Socio-Economic, FDI, Make in India etc.

Objective:-

1. To Take review of socio-economic growth
2. To study the concept of Make in India.
3. To study the initiatives for success of Make in India.
4. To study the advantages of Make in India.

Methodology:-

The present research paper is depend on secondary sources of data. The data is collected from various books, journals, magazines, bulletins, news papers and websites etc.

Introduction:-

‘Make in India’ is the initiative taken by the present government and our Prime Minister Shri Narendra Modi had formally declared the policy pertaining to Make in India on September25th, 2016 and within a very short span large number of countries are supporting this concept and started investing in different areas. The results till now have been mixed. It takes time to set up factories and thus capabilities and only then the returns can be judged. To give a good example, Foxconn (Apple iPhone maker) has signed an MOU with Maharashtra government which will bring investment worth $5 billion to the country and create thousands direct and indirect jobs but this won't start before 2017. Ford has also decided to set up an automobile factory in Gujarat which is going to employ thousands again. Even Asus has decided to set up a handset manufacturing unit in India in Andhra Pradesh.

Considering the above stories, the direct benefits would be in terms of inflow of foreign exchange, job creation leading to lower unemployment and also technological up-gradation. India since 1990's has particularly seen a rapid growth in service sector. For a country with 1.25 billion individuals and thousands joining the labor force every month, service sector is definitely not the best bet to absorb the job seekers.

- **Concept of Make in India:-**

The **'Make in India'** program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production with the country.

Make in India is intended to make India a manufacturing hub of the world (at least Asia, for that matter). The idea was to increase the contribution of the manufacturing sector to India's GDP.

Make in India aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards and minimizing the impact on the environment.

Following are the major focused areas on which the Make in India is concentrating:-

- Automobiles
- Biotechnology
- Aviation
- Oil and Gases
- Tourism and Hospitality
- Chemicals
- Railways and many more

Government of India has allowed 100 % FDI (Foreign Direct Investment) in all sectors except Spare (74%), Defense 49%) and News Media 26%) and had launched four major policies under the `Make in India ' program.

Policy for New Initiatives : This initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency in Administration. Under this policy, the Government has already rolled out:

- Environment clearances can be sought online.
- All income tax returns can be filled online
- Validity of industrial licence is extended up to three years
- Paper registers are replaced by electronic register by businessmen.
- Approval of the head of the department is necessary to undertake an inspection.

Policy for Foreign Direct Investment

Government of India has allowed 100 % FDI (Foreign Direct Investment) in all sectors except Spare (74%), Defense 49%) and News Media 26%). FDI restrictions in tea plantation has been removed, while the FDI limit in defense sector has been raised from the earlier 26% to 49% currently.

Policy for Intellectual Property Facts

The Government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state of the art technology. The main aim of intellectual property rights is to establish a vibrant intellectual property regime in the country.

Policy for National Manufacturing

The vision of Make in India is to increase manufacturing sector growth to 12-14% p.a. over the medium term and to increase the share of manufacturing in the country's GDP from 16% to 25% by the year 2022. Further, the vision is to create appropriate skill sets among rural migrants and the urban poor for inclusive growth and to ensure the sustainability of growth, particularly with regard to environment.

Initiatives for the success of Make in India:

Make in India initiative is a good move and it will boost up the economy of our nation and help in sharing the burden of deficit financing. As India is very rich in resources both natural and human. The problem being faced in India is the direction and financial investment in different areas, because of which our economic growth is very slow and restrict us to compete with the developed nations. But, before getting the fruitful results of 'Make in India' we have take following initiatives :

• We can make use of all the resources to the best possible extent
• We can stop youngsters running abroad
• Their talents can be best utilized and can increase production in the country
• We can also increase exports
• Our foreign exchange reserves will increase
• We can have better position in international market
• All this is possible only when
• If Good number of talented youngsters come forward to take initiative in setting up enterprises
• For this the govt. Should identify their talents give them scholarships extend all financial support
• The govt. Can also fix some time bound targets
• Encourage healthy competition among the youngsters

Business Reaction to the Make in India Initiatives:-

As per the data available from the government, that it has so far received Rs.1.10 lakh crore worth of proposal from the various companies that are interested in manufacturing electronics in India. Recently Lenovo also announced that it has started manufacturing Motorola smart phones in plant near Chennai. In addition to this large number of multi-national companies are tying up with the concerned departments and ministries to start-up their projects and forwarding this proposals. In response the Government of India is also showing very liberal approach in welcoming their proposals.

➢ **Advantages of Make in India :**

The concept of Make in India is a good initiative taken by the NDA Government and it is definitely going to effect the socio- economic growth of our country, especially in providing employment opportunities and industrial growth. To accommodate the 300 million people who will join India's workforce between 2010 and 2040, each year 10 million jobs are needed. It is expected that the manufacturing sector will create about 100 million jobs by 2022. In addition to this the other advantages of Make in India are as under :

Manufacturing sector led growth of nominal and per capita GDP. While India ranks 7th in terms of nominal GDP, it ranks a dismal 131st in terms of per capita GDP.

Employment will increase manifold. This will augment the purchasing power of the common Indian, mitigate poverty and expand the consumer base for companies. Besides, it will help in reducing brain drain.

Export-oriented growth model will improve India's Balance of Payments and help in accumulating foreign exchange reserves (which is very important given the volatility in the global economy with multiple rounds of Quantitative Easing announced by major economies).

Foreign investment will bring technical expertise and creative skills along with foreign capital. The concomitant credit rating upgrade will further woo investors.

FIIs play a dominant role (relative to FDI) in the Indian markets. However, FIIs are highly volatile in nature and a sudden exodus of hot money from India can effect a nosedive in the bellwether indices. Make in India will give an unprecedented boost to FDI flows, bringing India back to the global investment radar.

The urge to attract investors will actuate substantial policies towards improving the Ease of Doing Business in India. The Government of the day will have to keep its house in order (by undertaking groundbreaking economic, political and social reforms) to market Brand India to the world at large.

- **Challenges in Implementation of 'Make in India' :**

No doubt the above discussed advantages of Make in India concept will boost up our economic growth and the initiatives taken by the present government is being welcome by every corner of the world. It is very clear that countries and private sector players are showing their keen interest in this concept and are willing to invest in manufacturing sector, but, following are certain grey area's which needs immediate attention of the government for smooth implementation and success of this concept.

India's labor laws are still ancient by most standards which makes hiring and firing and shutting down of inefficient units next to impossible.

India, in one sense has a federal structure which reduces the Central government's power in pulling off such schemes and ideas. Provision of utilities such as electricity, water, infrastructure development such as roads, law and order, land allotment, are all under state government's gambit. Thus, cooperation of state governments is an absolute necessity for "Make in India."

High level of corruption in India at all levels in the bureaucracy. China even though on the basis of data provided by transparency international is more corrupt than India, India's '70's hangover of permit and license raj (which leads to red-tapism and hence corruption) and weak redress system makes doing business a very difficult task. This is the main reason the country has fared poorly in ease of doing business indices. According to World Bank data, it's at a distant 130 compared to China which is 83 (2015 data).

India's investment in health and education leaves a lot to be desired. A skilled and healthy population is both: a good employee and a potentially good employer. India spends less than 3% of GDP for both health and education. China, on the other hand, spends more than 3% of a much larger GDP in favor of both.

Political instability, law and order problem, social unrest, increasing crime rate are another challenges which restricts the countries to invest in India.

Conclusion :

Make in India is an ambitious project, but it is one that India desperately needs to kick start and sustain its growth momentum. With relentless policies towards this end, it is possible to make India the powerhouse of manufacturing sector in the world. At this moment, our Prime Minister's Make in India campaign appears to be an imaginative marketing campaign. But there is much thought and even more work that is required to convert this to reality. Fortunately, we have many natural advantages including a big labor pool and a large domestic market. In addition, with China's competitive advantage in manufacturing eroding. India has the opportunity to take some share of global manufacturing away from China. All we have to do to improve the ease of doing business in India are these stop tax terrorism, improve our infrastructure, reform labor laws, investment in skills development, easy land acquire laws, transparency in administration, liberalized government policies, good governance, Restore broken trust between industry and government, Implementation of Goods and Services Tax (GST) and fast tract approval. At the end it can be concluded that the concept of Make in India will definitely going to boost up the Indian economy and will help in meeting the major challenges of poverty, unemployment, low per capita income and help in sharing the burden of government.

References :

1. Naman Vinod, Make in India: Pradhanmantri Narinder Modi Ka Naya Prayaas, Hind Pocket Books, 2015.
2. Sunil Kumar Gupta, Make in India :A Compendium of Business Opportunities & Laws in India, Parragon Publishers, 2015.
3. Chetan Bhagat, Making India Awesome: New Essays and Columns, Rupa Publications, 2015.
4. Dr. Arvind Chaudhari, Changing Paradox of Street Vendors and Vendor Zones in India. *International Journal of Management*, 5(12), 2014.
5. Vijay R. Kulkarni, A Study of Impact of Merchandise Variety and Assostmenton Shopping Experience of Customer SIN Convenience.
6. Can "Make in India" make jobs? The challenges of manufacturing growthand high–quality job creation in India by Russell A. Green Will Clayton, fellow,*International Economics*, James A. Baker, Institute for Public Policy RiceUniversity, (http://bakerinstitute.org. 2014).
7. www.imcal.ac.in.Make in India, Academic Perspective, Prof. Parthpriya Dutta.

START UP INDIA

Miss. Jyotsna Borate
Head, Dept. of Commerce,
Mudhoji College, Phaltan
E-mail- jyotsna.borate7@gmail.com

Introduction

At present many problems to start a new business in India, these problems are lack of money, improper guideline, cost of starting a business and difficult in law. Indian government has solve these problem are many way through, increase of money supply and decrease in interest rate, proper guideline issue at DIPPs website, without cost starting business through start-ups, and last is liberalisation of policy in industry. In our study we will discuss about the start up program launch by PM Narendra Modi in 26th January, 2015.

Indian economy has very fast growing economy in the world so start up India programme is very helpful to growing Indian economy. Indian government has solve these problem are through make in India, DBT and start-up India. A Start-up shall not be eligible for tax benefits only after it has obtained certification validating the innovative nature of the business form Inter-Ministerial Board, set up for such purpose by the Department of Industrial Policy and Promotion (DIPP). The validations will not absolve entities of liability in case of misrepresentation. The DIPP will also specify a format for recommendations by incubators on the innovative content of the business. After definition of a Start up, another expectation from the Action Plan was the ease of procedures for registering a new venture or closing it, together with a simplified compliance regime. The Action Plan has met this expectation and reduced the Start-ups regulatory burden, thereby allowing them to focus on their core business and keep conformity cost low. The Internet-led industry contributes $30 billion today, which is a fraction of the $250 billion by 2020.

- **Research Methodology**

The present study is based on the secondary data published by various agencies and organizations. The present study makes use of data and information provided by Ministry of Industry, Newspapers, Magazines, Books, Economic journals and Internet etc.

- **OBJECTIVES :**

To Study Challenges & Opportunities in Start up India

- **CHALLENGES :**

1. **Culture:**-Entrepreneurship and startups are only a recent phenomenon in the country. It is only in the last decade and half that people in the country have moved from being job seekers to job creators. More often than not an entrepreneur needs to be prepared to face failures and unprecedented hardship. However, culturally we are not groomed to fail and failure is frowned upon.
2. **Mentoring:-**Doing a startup is perilous and often a lonely journey. For a startup, it is very important to have mentors who have been through a similar process of starting or have business experience. A great mentor is often what separates success from failure by providing valuable inputs. However, there is no formal mechanism to mentor startups in

the country. In India, incubators, startup accelerators, and startup competitions are slowly making their way into the first tier cities, but there truly are not enough to go around. As a result of this shortage, many startups fail at the "idea" stage of their business. The ecosystem usually does not directly provide funding to start-ups; they just serve as platforms that link investors and entrepreneurs so that entrepreneurs can obtain necessary funding to test out their ideas. The lack of these facilities makes it more difficult for entrepreneurs to find investors.

3. **Funding:-**Unlike the West, India does not have an adequate number of angel investors who can fuel the growth of the country□s thriving start-up ecosystem, industry body Nasscom has said. "For a successful start-up ecosystem there is a need for enough angel investors who can support budding entrepreneurs from an early stage. But this is not happening in India and there is a serious lack of it," Nasscom Vice-President Rajat Tandon told PTI.
4. **Human Talent:-**India's skilling need is so huge that National Skill Development Corporation (NSDC) has been mandated to skill 150 million Indians by 2022. For a startup, it is particularly difficult to attract and hire talent and skilled workers. A startup often cannot match the salaries drawn at larger companies nor is a job at a startup seen as a steady one. This means startups face severe hiring challenges and at times have to settle for the next best option.

- **OPPORTUNITIES :**

1. **Self Certification**:-Recognising that regulatory formalities requiring compliance with various labour and environment laws are time consuming and difficult in nature, with new and small firms, often unaware of nuances of the issues, subjected to intrusive action by regulatory agencies, the Action Plan has made the compliance regime for Start-ups friendly and flexible. Accordingly, the process of conducting inspections is being kept simple and more meaningful. The Start-ups will be allowed to self-certify compliance (through the Start-up mobile app) with nine labour and environment laws. In case of the labour laws, no inspections will be conducted for a period of three years. Start-ups may be inspected on receipt of credible and verifiable complaint of violation, filed in writing and approved by at least one level senior to the inspecting officer. In case of environment laws, Start-ups which fall under the 'white category' as defined by the Central Pollution Control Board (CPCB)) would be able to self certify compliance and only random checks would be carried out in such cases.
2. **Start up India Hub**:-The Government of India has taken various measures to improve the ease of doing business and is also building an exciting and enabling environment for these Startups, with the launch of the "Startup India" movement. As part of "Make in India" initiative, Government proposes to hold one Fest at the national level annually to enable all the stakeholders of Start-up ecosystem to come together on one platform and one Fest at the international level annually in an international city known for its Start-up ecosystem.
3. **Large Population**:-For startups in the country, it is not essential to go overseas. India, with over a billion people, presents a very large home market for any goods or services. A rising disposable income and growing aspirations of a mushrooming middle class have meant there is a large appetite for brands. The large population has also led to a consumer

expenditure growth, which has in turn has propped up supply and production. Startups that look to service and cater to the large population in solving a pain point or providing a utility in one of the world's most important consumer markets, stand to do well.

4. **Mobile App & Portal:-**Startups often suffer from the uncertainty regarding the exact regulatory requirements to set up its operations. In order to ensure that such information is readily available, it is intended that a checklist of required licenses covering labour licensing, environmental clearances etc. be made available. Currently, the Startup ecosystem in India also lacks formal platform(s) for Startups to connect and collaborate with other ecosystem partners.
5. **Entrepreneurship:** The Action Plans also announced the launch of the Atal Innovation Mission (AIM) and Self-Employment and Talent Utilisation (SETU) Programme to serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas. The Atal Innovation Mission (AIM) shall have two core functions: Entrepreneurship promotion through SETU, wherein innovators would be supported and mentored to become successful entrepreneurs; and Innovation Promotion to provide a platform where innovative ideas are generated. The main components proposed to be undertaken as part of the mission include establishment of 500 Tinkering Labs.
6. **Patents & Intellectual Property Rights:-**Startups with limited resources and manpower, can sustain in this highly competitive world only through continuous growth and development oriented innovations; for this, it is equally crucial that they protect their IPRs. The scheme for Startup Intellectual Property Protection (SIPP) shall facilitate filing of Patents, Trademarks and Designs by innovative Startups.
7. **Incubators:**-An entrepreneur can have a brilliant idea that solves a real problem or has great utility, but commercializing it and making money from it is a different game altogether. Often young entrepreneurs struggle when it comes to executing their business plan and commercializing the idea as most do not have a business background. Starting up needs active guidance, mentoring and a considerable amount of hand holding, something that an incubator can provide. Experienced professionals and people who have been through the startup process often provide invaluable help and guidance.
8. **Public Procurement**:- In order to promote Startups, Government shall exempt Startups (in the manufacturing sector) from the criteria of "prior experience/ turnover" without any relaxation in quality standards or technical parameters.
9. **Faster Exit**:- Startups with simple debt structures or those meeting such criteria as may be specified may be wound up within a period of 90 days from making of an application for winding up on a fast track basis. In such instances, an insolvency professional shall be appointed for the Startup, who shall be in charge of the company for liquidating its assets and paying its creditors within six months of such appointment.
10. **Tax Exemption on Capital Gain**:-Due to their high risk nature, Start-ups are not able to attract investment in their initial stage. Exemption shall be given to persons who have capital gains during the year, if they have invested such capital gains in the Fund of Funds recognized by the Government.
11. **Exemption from Income Tax:-**To promote the growth of Startups and address working capital requirements, the Start-ups will have income tax exemption for three

years. The Action Plan says innovation is the essence of every Start-up. Young minds kindle new ideas every day to think beyond conventional strategies of the existing corporate world. This fiscal exemption will surely facilitate growth of business and meet the working capital requirements during the initial years of operations. The exemption shall be available subject to non-distribution of dividend by the Start-up.

12. **Research and Development:** There is plenty in the Action Plan to encourage scientific research. The Government will set up seven new Research Parks at six IITs and the Indian Institute of Science, Bangalore with an initial investment of Rs 100 crore each. The Research Parks shall be modeled based on the Research Park set up at IIT Madras. To promote research and innovation among young students, the Government shall implement several measures including an Innovation Core program to target school kids with an outreach to 10 lakh innovations from five lakh schools. The startup India campaign is a long awaited dream of a youthful nation to realize its potential of creativity and innovation. The initiative would boost entrepreneurship, creating more jobs and opportunities for the vibrant young population of the country.

- **Conclusion:-**

The success of Startup India campaign hinges on initiatives like faster and easier registration of Companies, self-certification for many legal requirements, zero inspection for three years, funding for patents, and speed of patent protection. It is important to add provisions which aid the closure of dead companies within 90 days. This plan is the necessity to lead India in right direction and way. The most important point about this campaign is that it involves youths of the country as start-ups as they have fresh mind, innovative ideas, required strength, energy, skill, and new thinking to lead business. Youths are the energetic and highly skilled section of the society so they are better targeted in India.

References :

1. (2016, april 14). Retrieved 2016, from http://www.indiacelebrating.com: http://www.indiacelebrating.com/essay/india/startup-india-standup-india/
2. Action Plan. (2016). *startupindia* , 12-20.
3. *Is the Startup India Action Plan really that startup-friendly?* (2015). Retrieved from yourstory.com: https://yourstory.com/2016/01/startup-india-action-plan-analysis/
4. *man ki baat*. (2015, dec 12). Retrieved sep 2, 2016, from indianexpress.com: http://indianexpress.com/article/india/india-news-india/action-plan-on-startup-india-to-be-unveiled-on-jan-16-pm-modi
5. Prasad, R. (15 Feb 2014). *Start-Up Sutra: What The Angels Won'T Tell You About Business And Life.* New Delhi: Hachette Book Publication India Pvt.Ltd.
6. Ries, E. (2015). *The Lean Startup: How Constant Innovation Creates Radically Successful Businesses.* New York,USA: Crown Publiction Groups.
7. *Startup India Standup India Explained.* (2015). Retrieved from http://www.techlega.com/: http://www.techlega.com/2016/01/startup-india-standup-india-explained.html
8. startupindia. (2015). *Action Plan for job* , 30.

9. wikipedia. (2016, feb 15). *start up India*. Retrieved sep 2, 2016, from https://en.wikipedia.org: https://en.wikipedia.org/wiki/Startup_India
10. *Will Startup India work smoothly towards success?* (2016, oct 15). Retrieved from
11. Prasad, R. (15 Feb 2014). *Start-Up Sutra: What The Angels Won'T Tell You About Business And Life.* New Delhi: Hachette Book Publication India Pvt.Ltd.

NEED OF FORENSIC ACCOUNTING IN INDIAN BANKING SECTOR

1. Disha Khilnani
Assistant Professor Arihant College of Arts,
Commerce & Science, Pune, Maharashtra
2. Jaya Nagrani
Assistant Professor Arihant College of Arts,
Commerce & Science, Pune, Maharashtra

Abstract

Forensic Accounting also known as investigative accounting is gaining recognition due to increasing incidence of frauds in financial sectors and banks. Over the years, frauds in the banking sector have become more sophisticated and due to this the method of accounting has come in the lime light.The use of forensic accounting technique is more popular among criminal investigators, but now a day's banks, insurance agents, corporate and government agents have also started using the services of such accountants.According to a survey cheating and forgery have led to public and private sector banks losing as much as Rs.42,600 crore cumulatively in the last four years. This paper shall serve in understanding the term Forensic Accounting, and determining its need and importance in India.

Keywords: Forensic Accounting, Banking Fraud, Financial Crime, Forensic accountant, Auditing

➢ OBJECTIVE :

1. To study the concept of Forensic Accounting
2. To know how Forensic Accounting is different from Auditing.
3. To identify the need for forensic accounting in the banking sector of India.
4. To study the scope of Forensic accounting in Banks.

➢ LITERATURE REVIEW :

- Joshi (2003) described that the origin of forensic accounting came from Kautilya, the first economist who recognized the need for the forensic accountantand also mentioned 40 ways of embezzlement centuries ago.
- Coenen (2005) mentioned that forensic accounting involves the application of accounting concepts and techniques that is suitable for solving legal problems. It provides an accounting analysis that is suitable to the court, which provides for discussion and dispute resolution (Zysman, 2001).
- Maurice E. Peloubet developed the term forensic accounting in his1946 essay "Forensic Accounting: Its Place in Today's Economy." But ,formalized procedures were not put in place until the 1980s when major academic studies in the field were published (Rasey 2009).

➢ RESEARCH METHODOLOGY :

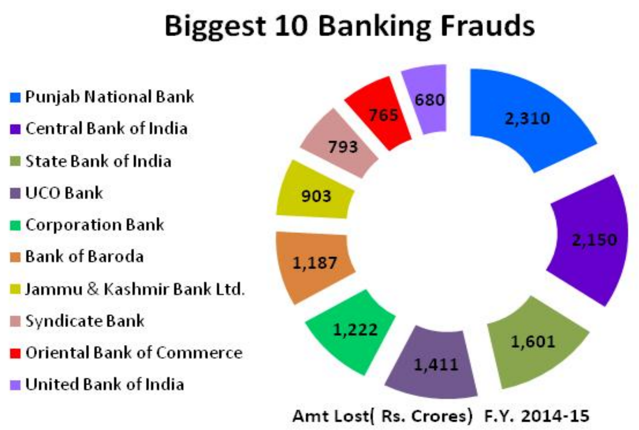
The study is basically exploratory in nature and depends exclusively on secondary data. Secondary data are collected from various website, journals and articles from news papers.

➢ Introduction :

Forensic accounting is the application of an expert knowledge and specific skills to spot transactions which are not authentic and gather the evidence regarding the same. Forensic accounting is multidisciplinary; it is a combination of disciplines such as Accounting, Auditing and Investigation. It aims at obtaining and providing information that can help in resolving and settlement of financial claims. One of its objectives is to provide for evidence that can be admissible in the court of law. A renowned forensic accountant and Chief Editor of "Journal of Forensic Accounting" D. Larry Crumbley, stated that Forensic accounting covers two broad areas: investigative accounting and litigation support.

➢ How is Forensic Accounting Different from Auditing :

Auditing is with a view to provide an opinion on whether the financial statements provide a true and fair view of the state of affairs. Auditors may also be challenged in the area of evidence handling and may end up tampering with the legal admissibility of the evidence.Forensic Accountants are engaged in white collar crime investigations and are called upon to provide for legal evidence by the companies or private individuals to assist in investigating the financial crime or scam by employees engaged in fraudulent activities. A Forensic Accountant also deals with loss of property due to different risks, substantial loss policy and loyalty insurance etc.



Need of Forensic Accounting in Banking Sector :

The Indian banking sector is in deep turmoil. As per Reserve Bank of India's (RBI) record, banks have lost as much as Rs. 42, 600 crores cumulatively from F.Y 2011-12 to F.Y 2014-15. Money involved in bank frauds almost doubled—from 10,000 crore to `19,000 crores in the fiscal years 2014 and 2015. Two public sector banks Punjab National Bank and Central Bank of India in Year 2015-16 have seen the maximum rise in fraud cases. While Punjab National Bank has lost Rs.2,310 crore, Central Bank of India's loss has been marginally lower at Rs.2,150 crore.

Types of Frauds in Indian Banking Sector

1. **Cyber Crime**
   We are right now World's 3 biggest countries which is the source of 'malicious activity' on the Internet. Compared to 2013, India witnessed an **increase of 69%** in cybercrime in 2014 with 9622 cases reported. This has further increased by 20 % in 2015.

2. **Identity Theft**
   Fraud Report 2016 launched by Experian India said of the various financial products, auto loans, mortgage loans and credit cards witnessed the largest number of fraud cases from identity theft representing 77 percent of the fraud cases in the first quarter of 2015.

3. **Mobile/Internet Banking**
   According to a survey done by Assocham India in June 2015,Around 65% of the total fraud cases reported by banks were technology-related frauds. For example Hacking, Card information is stolen at time of online transaction, ATM Fraud.

4. **Counterfeit cheques**
   Use of Counterfeit /fake cheques is increasing in foreign lottery scams, cheque overpayment scams.

5. **Fraudulent documentation**
   It involves changing or modifying a document to deceive another person. For example a person wrongfully obtains personal information of another person & uses it to take loan in his name.

➢ **Scope of Forensic Accounting In Banks :**

- There are only about 400 forensic accountants in India.
- In the year 2009, Reserve Bank of India (RBI) passed a resolution to appoint a forensic accountants to control frauds in the banking sector. Everyday new frauds are coming into existence and therefore, the demand for forensic accounting will be increasing.
- Certified forensic accounting is a professional course in the subject of forensic accounting.
- Big four Audit Firms are planning to scale up hiring by 25%

➢ **SUGGESTION :**

With the increase in Bank Frauds banks should appoint full time Forensic Accountants to control & prevent the scams. Currently it is used as an investigating tool rather than preventive tool.

➢ CONCLUSION :

Despite of efforts taken, banks have not been very successful in conviction of individuals responsible for financial crimes. One of the root causes of this problem is identified as lack of knowledge in the field forensic accounting as well as a good legal understanding of frauds.Forensic accounting is still in a nascent stage and requires technological reinforcement on a continuous basis. It will develop as a specialized profession of accountancy and its importance to law enforcing agencies and also regulators will increase day by day..

➢ REFERENCES :

1) Assocham India, June 2015,"Current fraud trends in financial Sector" pp. 12-16 available at https://www.pwc.in/assets/pdfs/publications/2015/current-fraud-trends-in-the-financial-sector.pdf
2) Chethan Kumar , March 2016, PSU banks lose at least Rs 30K-Cr to frauds in 4 years, Bengaluru,pp.1-4
3) Preeti Singh, 2012, "Forensic Accounting Concept in India", International Journal of Trade and Commerce-IIARTC, Vol. I, NO. I, pp. 100-105.
4) Lalit Wadhwa & Dr. Virender Pal, 2012, "Forensic Accounting And Fraud Examination In India",International Journal of Applied Engineering Research, ISSN 0973-4562 Vol.7 No.11
5) Das Santanu Kumar, 2012, "Forensic Accounting: A tool of Detecting White CollarCrimes in corporate world", Indian Journal of Research, Vol.1, Issue 2, pp. 1-3
6) Sana Moid, 2016, "Application of Forensic Accounting to Investigate Scams in India", MIJBR - MITS International Journal of Business Research, Pune, pp.25-27
7) Bhasin Madan, 2007, "Forensic Accounting: A New Paradigm for Niche Consulting", Journal of Chartered Accountant. PP 1000-1010.
8) Mehta & Mathur, 2007 "Preventing Financial fraud through Forensic Accounting", Journal of Chartered Accountant. PP-1575-1580.

MAKE IN INDIA: CHALLENGES AND OPPORTUNITIES FOR MANUFACTURING SECTOR

Mr. Amol Haridas Bobade
Assistant Professor,
D.A.V. Velankar College of Commerce, Solapur

Abstract

India is on the threshold of major reforms and is poised to become the third-largest economy of the world by 2020. In the words of our Hon'ble Prime Minister, India offers the 3 'Ds' for business to thrive: democracy, demography and demand. India is a destination that German investors cannot overlook. India's manufacturing sector has evolved through several phases - from the initial industrialization and the license raj to liberalization and the current phase of global competitiveness. Today, Indian manufacturing companies in several sectors are targeting global markets and are becoming formidable global competitors. Many are already amongst the most competitive in their sectors. Hence Make is India mission can create opportunities for manufacturing sector of Indi.

Key words: Make in India, Manufacturing, industry, government, FDI

INTRODUCTION:

Make in India is an initiative launched by the Government of India to motivate and encourage national and international companies to manufacture their products in India It was launched by Prime Minister Narendra Modi on 25 September 2014with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. The country is expected to rank amongst the world's top three growth economies and amongst the top three manufacturing destinations by 2020.

Sectors in focus: For the Make in India campaign, the government of India has identified 25 priority sectors that shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India. On the campaign launch, the Prime Minister Mr. Modi said that the development of these sectors would ensure that the world shall readily come to Asia, particularly to India where the availability of both democratic conditions and manufacturing superiority made it the best destinations, especially when combined with the effective governance intended by his administration.

Make in India focuses on the following twenty-five sectors of the economy:

• Automobiles	• Pharmaceuticals
• Automobile Components	• Ports and Shipping
• Aviation	• Railways
• Biotechnology	• Renewable Energy
• Chemicals	• Roads and Highways

• Construction	• Space and astronomy
• Defence manufacturing	• Textiles and Garments
• Electrical Machinery	• Thermal Power
• Electronic systems	• Tourism and Hospitality
• Food Processing	• Wellness
• IT and Business Process Management	• Pharmaceuticals
• Leather	• Ports and Shipping
• Media and Entertainment	

OBJECTIVES OF THE STUDY:

1. To study the concept of make in India.
2. To study the incentives offered by Government for manufacturing sector
3. To understand Initiatives & Budget Announcements for Promoting Manufacturing.

RESEARCH METHODOLOGY

The present research paper is based on secondary data. The secondary data has been collected through books, journals, research papers, articles, and websites.

INFRASTRUCTURE:

- Industrial Parks: Every state in India has developed industrial parks for setting up of industries.
- National Investment & Manufacturing Zones: NIMZ is a combination of production units, public utilities, logistics, residential areas and administrative services. It would have a processing area, where manufacturing facilities, along with associated logistics and other services and required infrastructure will be located, and a non-processing area, to include residential, commercial and other social and institutional infrastructure.
- Special Economic Zones: India has also developed SEZs that are specifically delineated enclaves treated as foreign territory for the purpose of industrial, service and trade operations, with relaxation in customs duties and a more liberal regime in respect of other levies, foreign investment.
- Sector specific clusters: like electronic manufacturing clusters, mega food parks etc: The government of India has been promoting the development of sector specific parks.
- Country specific zones: The country also has few dedicated zones for industrial units from countries for example Neemrana Japanese Zone etc.
- Industrial corridors: The Government of India is developing the Delhi-Mumbai Industrial Corridor (DMIC) as a global manufacturing and investment destination utilizing the 1,483 km-long, high-capacity western Dedicated Railway Freight Corridor (DFC) as the backbone. The objective is to increase the share of manufacturing in the GDP of the country and to create smart sustainable cities where manufacturing will be the key economic driver.
- Other four corridors: planned include Bengaluru Mumbai Economic Corridor (BMEC); Amritsar - Kolkata Industrial Development Corridor (AKIC); Chennai Bengaluru

Industrial Corridor (CBIC), East Coast Economic Corridor (ECEC) with Chennai Vizag Industrial Corridor as the first phase of the project (CVIC).

INCENTIVES OFFERED FOR MANUFACTURING:

- Sector specific initiatives: The government of India provides sector specific subsidies for promoting manufacturing for example in order to boost manufacturing of electronics, the Govt. of India provides capital subsidy of up to 25% for 10 years.
- Area based incentives: Incentives are provided for units in SEZ/NIMZ as specified in respective acts or setting up project in special areas like North East Region, Jammu & Kashmir, and Himachal Pradesh & Uttarakhand.
- Incentives under income tax act:
- Investment Allowance: The Government of India in its Union Budget 2014-15, has provided investment allowance at the rate of 15 per cent to a manufacturing company that invests more than US$ 4.17 million in any year in new plant and machinery.
- Deductions: Several additional deductions are provided for instance deduction equal to 30% of additional wages paid to new regular workmen employed by the assess over and above 50 workmen.
- R&D Incentives: Higher weighted deductions of 200% provided for expenditure related to R&D subject to fulfillment of conditions.
- Export Incentives: Under the foreign trade policy exports have been provided with several incentives like duty drawback, duty remission schemes etc.
- State Incentives: Apart from above each state in India offers additional incentives for industrial projects. Some of the states also have separate policies for textile sector. Incentives are in areas like rebated land cost; relaxation in stamp duty exemption on sale/lease of land; power tariff incentives; concessional rate of interest on loans; investment subsidies / tax incentives; backward areas subsidies; special incentive packages for mega projects.

RECENT INITIATIVES & BUDGET ANNOUNCEMENTS FOR PROMOTING MANUFACTURING:

- The corporate tax rate for companies registered in India to go down from 30% to 25% of net profits in a phased manner over the next four years starting from FY 16-17.
- An expert committee to examine the possibility and prepare draft legislation where the need for multiple prior permission can be replaced by a pre-existing regulatory mechanism.
- Goods and Services Tax proposed to be implemented from April 01, 2016.
- The process of applying for Industrial License (IL) and Industrial Entrepreneur Memorandum (IEM) has been made online.
- Initial validity period of Industrial License has been increased to three years from two years, also, two extensions of two years each in the initial validity of three years of the

Industrial License shall now be allowed up to seven years. This will give enough time to licensees to procure land and obtain the necessary clearances/approvals from authorities.

- Operationalizing the e-BIZ portal: Through eBiz portal, a business user can fill the e-Forms online/offline, upload the attachments, make payment online and submit the forms for processing of the department.
- A dedicated Shram Suvidha Portal: The portal would allot Labour Identification Number (LIN) to nearly 6 lakhs units and allow them to file online compliance for 16 out of 44 labour laws
- An all-new Random Inspection Scheme: Utilizing technology to eliminate human discretion in selection of units for Inspection, and uploading of Inspection Reports within 72 hours of inspection mandatory
- Universal Account Number: Enables 4.17 crore employees to have their Provident Fund account portable, hassle-free and universally accessible
- Apprentice Protsahan Yojana: Will support manufacturing units mainly and other establishments by reimbursing 50% of the stipend paid to apprentices during first two years of their training
- Department of Industrial Policy and Promotion has identified various areas and action points on ease of doing business index/indicators have been prepared for assessing the overall business performance of the country as well as States/Union Territories.

SECTOR OPPORTUNITIES:

- Defence: India is expected to spend US$ 40 billion on defence purchases over the next 4-5 years. The opening of the strategic defence sector for private sector participation will help foreign original equipment manufacturers to enter into strategic partnerships with Indian companies and leverage the domestic markets and also aim at global business.
- Automotive: India is expected to become a major automobile manufacturing hub and the third largest market for automobiles by 2020, according to a report published by Deloitte. India is currently the seventh-largest automobiles producer in the world with an average annual production of 17.5 million vehicles, and is on way to become the fourth largest automotive market by volume, by 2015.
- Engineering: The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors of the economy, is of strategic importance to India’s economy. Growth in the sector is driven by various sub-sectors such as infrastructure, power, steel, automotives, oil & gas, consumer durables etc.
- Textiles: The Indian textiles industry, currently estimated at around US $108 billion, is expected to reach US $ 141 billion by 2021. The Indian textile industry has the potential to grow five-fold over the next ten years to touch US$ 500 billion mark on the back of growing demand for polyester fabric, according to a study by Wazir Advisors and PCI Xylenes and Polyester. The US$ 500 billion market figure consists of domestic sales of US$ 315 billion and exports of US$ 185 billion.

- Chemicals: The Indian chemical industry stands as the third largest producer in Asia and 12th in world, in terms of volume. This industry could grow at 14 per cent per annum to reach a size of US$ 350 billion by 2021. India accounts for approximately 7 per cent of the world production of dyestuff and dye intermediates and is currently the world's third largest consumer of polymers and fourth largest producer of agrochemicals.
- Food Processing: The Indian food industry stood around (US$ 39.03 billion) in 2013 and is expected to grow at a rate of 11 per cent to touch (US$ 64.31 billion) by 2018.
- Leather: India's leather industry has witnessed robust growth, transforming from a mere raw material supplier to a value-added product exporter. In fact, today, almost 50 per cent of India's leather business comes from international trade.
- Pharmaceuticals: The Indian pharmaceutical industry is estimated to grow at 20 per cent compound annual growth rate (CAGR) over the next five years, as per India Ratings, a Fitch Group company. Indian pharmaceutical manufacturing facilities registered with US Food and Drug Administration (FDA) as on March 2014 was the highest at 523 for any country outside the US. We expect the domestic pharma market to grow at 10-12 per cent in FY15 as compared to 9 per cent in FY14, as per a recent report from Centrum Broking. The domestic pharma growth rate was 11.9 per cent in October 2014, highlighted the report.
- Electronics: The electronics market is one of the largest in the world and is anticipated to reach US$ 400 billion in 2022 from US$ 69.6 billion in 2012. The market is projected to grow at a compound annual growth rate (CAGR) of 24.4 per cent during 2012-2020.

CONCLUSION:

The main objective of make in India is to attract FDI, foster innovation, enhance skill development and strengthen national economy. In manufacturing sector target of this program is increase the GDP contribution from16 percent to 25 percent. The manufacturing sector has potential to touch 1trillion US$. Government of India has aim to manufacture as many as 181 products locally. We have arguments both in favour and against the setting up of new industries. With the corruption level in our country at present, the task of turning ourselves into the ‘Manufacturing Hub’ is undoubtedly a heavy and difficult. But there is a very nice proverb that we have learnt since childhood - "Where There is Will, There is Way". If we can join hands to give ourselves this new outlook, then we can not only check the corruption, but also make the PM’s vision come true. Making India a manufacturing Hub could be the vision of Mr. Modi, but it will be a pride for every Indian.

REFERENCES:

1. "Boost for 'Make in India': Foxconn to invest $5 billion in Maharashtra", The Times of India
2. Pubby, Manu, "Make in India: Russia ties up with Reliance Defence to manufacture Kamov 226T choppers", The Economic Times (28 August 2015)
3. "Make-in-Maharashtra mission to generate 20 lakh jobs", The Times of India.
4. www.ibef.org
5. www.Startupwala.com
6. www.startupindia .gov. in
7. www.makeinindia.com/about
8. https://en.wikipedia.org/wiki/Make_in_India

"MAKE IN INDIA"
AN APPROACH TO SUSTAINABLE GROWTH

Prof. S. R. Shinde
Associate Professor
Dr. Prof. B. B. Kamble
Associate Professor
Mahatma Phule Mahavidyalaya,
Pimpri, Pune

Abstract

MISSION STATEMENT
"Promoting foreign investment in India in a focused, comprehensive and structural manner while acting as a first reference point to provide Quality Input and Support Services to the Prospective Foreign Investors."

IN THE EYES OF GLOBAL LEADERS
"In the cloudy global horizon India is a bright spot"
Christine Langarde. M. D. I.M.F.
"There is a great deal of hope in the inspirational leadership and we are all optimistic that the country will move forward. There is a positive sentiment of the people a belief in New India"
Ratan Tata
Chairman Emirates, Tata Sons

II) INTRODUCTION :-

- ❖ On 25th Sept. 2014 the Govt. of India has launched the concept of "Make in India" for the economic growth of the country. This is the dream concept of the present govt. in general and the Hon. Narendra Modi - Prime Minister of India in particular.
- ❖ This scheme was launched by the P.M. in the workshop organized by the Dept. of Industrial Policy & Promotion. This workshop was attended by his cabinet colleagues, chief secretaries of states and various leaders from industrial sector.

III) KEY WORD :-

- ❖ R & D, GDP, PPP, ECG, Purchasing Power, Education.

IV) MAKE IN INDIA - EXPECTATIONS:-

- ❖ Focus on Job Creation and Skill enhancement in various sectors of economy. Specially chemicals, IT, Pharmaceuticals, renewable energy, weaving, biotechnology and electronics.
- ❖ These initiatives in various sectors aim at increasing the GDP Growth and Tax revenue of the country.
- ❖ The said initiatives help to attract capital and the technological investment in India.
- ❖ The scheme is to encourage multinational as well as domestic companies to manufacture in India.
- ❖ It is expected to increase the growth in infrastructure sector. In order to promote the

establishment of industrial sector in India.

- ❖ This is in fact to remove excessive pressure on the agricultural land. Presently the agro sector is overburdened. It is said that to be a developed economy the 30% of the population or even less than that be engaged on Agriculture but in India today about 60% or more are working on agriculture sector.
- ❖ India has the potentiality to promote the health, tourism. This will attract the foreign currency in India.
- ❖ The scheme like Make in India will help optimum utilization of resources within the country.
- ❖ Make in India is aimed at increasing the job opportunities which in India - sometimes on the basis of outsourcing.

V) RESPONSES

- ❖ Jan.2015 Spice Group to start mobile phone unit in U.P. (invt.Rs.500 crores)
- ❖ Jan. 2015: Samsung South Asia to start unit of Samsung ZI at Noida.
- ❖ Hitatchi to set up auto component plant in India.
- ❖ Huwaei to Invest in R & D plant also to set up Telecom manufacturing plant in Chennai.
- ❖ L H Aviation France to set up advanced technology unit - to manufacture drones.
- ❖ Xiaomi - in talks with A. P. Govt. to commence manufacturing unit of Smart phones.
- ❖ 1st Aug. 15:Lenovo to commence manufacturing Motorola smart phones at Sriperumbudar Chennai.

VI) HINDRANCES

1) Critical procedure to commence the unit.
2) Differences in political thinking of the various political parties. Opposition for the sake of opposition.
3) Mind set of the Indian society - Availability of Land and the utilization for the industrial & service sector units.
4) Investments in the infrastructure is to be expanded to attract the investors.
5) Lack of basics such as electricity, water.
6) Essentiality of qualitative education and the gap between education institutions and industrial requirements.
7) Need to increase the various sectors by P.P.P. to promote private investments in India.
8) Concentration on Agro business to prevent migration from Rural to Urban India.

VII) MAKE IN INDIA & SUSTAINABLE GROWTH

1) India's GDP has grown at around 7.9% between 2003-2012. This is likely to be continued for next 5 years with an average growth rate of 7.7% p.a. till 2017. This requires support from all types of business activities which can be taken up under Make in India programme.

2. In spite of global financial crisis the Govt. has set up a target of 8% growth rate during the current five year plan 2012-2017.

3. There is a shift of population of working age group from working on farm to working in service or industrial sector. This is stated as India's demographic dividend. At the same time there is increase in disposable income which need availability of services and industrial products. By make in India this can be made possible.

4. The foreign investors cannot ignore the large size of Indian market and at the same time the appropriate industrial environment created by the new government.

5. Some industrialists have started the manufacturing of consumer need based products in India. E.g. Nano car by Tata Motors, in expensive hand held electro cardiogram (ECG) by GE Health Care and Water purifiers by Tata Chemicals. Such other productions are to be launched by foreign investors in India.

6. The increased income of the consumer should be properly tapped for the development of consumable market which will result in sustainable growth.

7. Research and Innovation in industrial and services sector will help to increase the quality and reduce the prices. This will create the consumer friendly atmosphere in the market. Present govt. has purposefully set aside 3% of the total revenue on Research & Innovative activities.

8. In agricultural sector because of Make in India programme there is a concentration of atmost utilization of cultivable land. This is also possible because of efficient water and power facilities. In the new Govt.'s planned programme special attention is given to this aspect.

9. Because of Make in India programme there will be removal of excess work force on agriculture and deploying that workforce for developmental activities in service and industrial sector.

VIII) SUGGESTIONS:-

- ❖ In the area of health and tourism sector and the food processing industries the Govt. can attract FDI.
- ❖ In the education sector, there is scope for increasing number of foreign students to earn foreign exchange.
- ❖ The promotion in the Road construction, Rail development.
- ❖ Recognize the strength of Indian Economy and concentrate in the areas where we are strong (Agri. IT & Service sector.
- ❖ Removing the drawbacks of the industrial policies.
- ❖ Setting up of new industrial units and industrial areas in Indian Rural sector.
- ❖ Need base education.

IV) ADVANTAGE INDIA

- ❖ India has emerged as the 3rd largest economy in Asia after China and Japan and 9th in the world, (Ref. IMF 2015 report)
- ❖ Industrial revolution made demarcation as Rich and Poor countries.
- ❖ Demographic factors are in favour of India. The young and vibrant population in India is driving the economic growth of the country and the world.

- ❖ No one can ignore the second largest workforce ir the world at the same time they cannot ignore IIIrd largest market size.
- ❖ A growing India offers opportunities across sectors notably infrastructure, Pharma, Automobiles education and many more - in an investmen' friendly environment.
- ❖ By 2040 nine out of every 10 Indians will belong to the global middle class group with increasing purchasing power.

CONCLUSION

- ❖ Make in India initiative of the Govt. is to change the growth dynamics of the economy.
- ❖ Nearly 2 decades of economic liberalization, coupled with huge domestic demand, a growing middle class, a you population and high Return on Investment make India a incredible Investment destination.

SKILLS DEVELOPMENT YOUTH: CHALLENGES AND OPPORTUNITIES

Prof. S.A. Veer
Commerce Department
H.R.MahavidyalaRajgurunagar-Pune

Abstract

This paper reviews the current state of education, skills development, and employment for Indian youth, and considers the challenges facing India's skills development system. Drawing from the experience of Karnataka, one of India's most industrially developed states; the paper discusses recent initiatives to facilitate young people's transition to the world of work. In India, young people who will soon be entering the labor market constitute the largest segment of the demographic structure. The majority of young people have limited access to education and training, and most find work in the informal sector. In recent years India has rapidly expanded the capacity of educational institutions and enrollments, but dropout rates remain high, and educational attainment remains low. While India has a well-institutionalized system of vocational training, it has not sufficiently prepared its youth with the skills that today's industries require. Thus, to speed its economic growth and take advantage of its "demographic dividend," the country has recently embarked on drastic policy reforms to accelerate skills development. These reforms have led to important changes, both in the national institutional framework and at the institutional level.

Keywords – Challenges Facing Skills Development Efforts, Industrial Structure, Recent Development, Training Institutes

Objective of the Study –

1. To study of Challenges Facing Skills Development Efforts
2. To study of Innovative Reforms at Training Institutes
3. To study State-level Initiatives.

Methodology -The present study depends upon secondary source of data. The data is collected from various books, journals, magazines, newspapers & different websites.

Introduction

This paper reviews the current state of education, skills development, andemployment for Indian youth, and considers the challenges facing India's skillsdevelopment system. Drawing from the experiences of Karnataka, one of India's mostindustrially developed states; it discusses several recent initiatives to facilitate youngpeople's transition to work.Today, youth across the world face serious challenges regarding skills and jobs,challenges fundamentally different from those their parents faced. In the globalizedeconomy, competition has become intensified among firms and industries in developingand developed countries alike, requiring their workers to have higher levels of skillsto enable them to engage in innovation, improve the quality of products/services, andincrease efficiency in their production processes or even to the point of improving thewhole value chain process. Rapid technological change demands a greater intensity ofknowledge and skills in producing, applying and diffusing technologies. In turn, all thesehave changed the nature, contents, and types of skills that industry demands.

Most countries recently moved to reform their education systems, to upgrade the skills oftheir workforces.The challenges are greater for developing countries like India, which have longsuffered from a shortage of skilled labor. But today, developing-country firms andproducers have become increasingly involved in the global value chains, requiring themto meet global standards of quality and efficiency. This, in turn, requires higher levels ofskills in the workforce. Moreover, many countries today need more skilled workers tocompete in attracting foreign direct investment (FDI), as it is a viable strategy for bringingadvanced technologies to their domestic industries, expanding their foreign trade, andthereby boosting industrial and economic development; the availability of, and eventhe stock of, skilled workforce in a country is a key determinant for multinational firmsconsidering investments.Over the last two decades, however, developing countries have primarily focusedon basic education, particularly primary education, since the 1990 World Conferenceon Education for All (WCEFA) held in Jomtien, Thailand, and its follow up at the 2000World Education Forum in Dakar, Senegal. But today they are well aware that expandingbasic education is hardly sufficient in this globalized era if their firms and industriesare to compete in the global economy, and if they are to promote sustainable economicgrowth, unless they work harder to upgrade their workers' skills. Moreover, though basiceducation has expanded considerably in recent decades, graduates of basic educationwho are entering the labor market have increasingly found themselves inadequatelyequipped with the skills that industry demands.

Thus, developing countries, and all majorinternational organizations concerned with education, have recently shifted their focus,away from basic education and back to technical and vocational education and training(TVET) and higher education (Asian Development Bank 2008; World Bank 2012a;UNESCO 2012).In considering skills development for youth, India is particularly interestingfor several reasons. First, it is expected to have the world's largest population in thenext several years, as it outgrows China. Unlike China's population, which is aging,India enjoys a large "demographic dividend": the majority of its population is young.Secondly, India's labor market has traditionally been characterized as highly hierarchicaland segmented, with 86% of total employment in the informal sector, including self-employment(World Bank 2012b). Third, India has recently experienced rapid economicgrowth, largely led by the service sector. Yet, despite its rapid economic growth since theintroduction of economic reforms in 1991, employment has grown slowly, particularlyin the private sector, making the 1990s and 2000s a period of "jobless growth." This hashad serious implications for youth, as most new entrants in the labor markets, includingthe majority of youth, have ended up working in the informal sector, often for low wageswithout social security benefits and long-term job security. Fourth, though educationopportunities in primary and lower secondary education have expanded rapidly, themajority of Indian youth, particularly in rural areas, still have very limited education andSkills Development for Youth in India: Challenges and Opportunitiestraining opportunities. Finally, the Indian government has recently made drastic changesin its policy and institutional setups for promoting skills development. It is of interestto understand how India’s system of skills development has changed, with differentdynamics among the government, the private sector, and training institutions.This paper is organized as follows. The following section discusses key issuesconcerning training and work for youth. Next is a snapshot of India’s current demographicand employment trends followed by an analysis of the education and training opportunitiesavailable to Indian youth. Drawing on recent experience in Karnataka, the followingsection discusses new approaches to skills development for youth at both national andstate levels. The last section concludes with suggestions for policy.

Challenges Facing Skills Development Efforts

Today, youth in developing countries who are seeking work face great difficulty.First, in the globalized era, competition has intensified among firms and industries,requiring them to improve the efficiency and quality of their products and services.This forces them to hire fewer, but more skilled, workers. Thus, the entry requirementsfor youth seeking work have become higher and tougher. Second, the global economiccrises and other trends have led firms and industries to engage in massive restructuring,resulting in fewer new job openings and growing unemployment, particularly amongyouth. Globally, some 200 million people are unemployed, including 75 million underage 25 (World Bank 2012a). Third, technological change, particularly the development ofinformation and communication technology (ICT), is occurring at unprecedented speed,requiring workers to have more, and more complex, cognitive skills than ever.

Moreover,the global economy is increasingly becoming “knowledge-based” (OECD 1997), demanding a higher intensity of knowledge and skills to do one’s job. Fourth, globallabor markets are becoming increasingly casualized and flexible (Standing 1999). Firmsare adopting more flexible employment practices. An increased proportion of workers,especially new to the labor market, must now work as casual labor, without job securityand stable career prospects. Finally, because more people are migrating across nationalborders seeking work, youth from developing countries are increasingly exposed to globallabor markets, competing even with workers outside their own countries who offer moreknowledge, skills, qualifications, or competencies, or for lower wages.At the same time, the skills development systems in most developing countries arepoorly equipped to meet these challenges and prepare youth with the work skills theyneed. Skills development is the most difficult sub-sector to organize and manage in theeducation sector, because it cuts across organizational boundaries, caters to diverse clientsand involves multiple delivery mechanisms, and its market characteristics keep changing(Asian Development Bank 2008, p.x). Moreover, efforts at skills development must oftenmeet multiple objectives: help reduce poverty, provide a second chance for dropouts, andserve as a reservoir to keep youth with little academic interest out of the streets and awayfrom social problems. These multiple objectives make it difficult for governments toshape coherent and focused strategies and actions.Thus, with the exception of East Asian countries, notably South Korea andSingapore (Ashton & Green 1996; Kuruvilla et al. 2002), many developing countrieshave experienced poor performance in TVET as they lack the mechanisms and fundingto implement the programs needed to reflect industry's changing demands back into thetypes and contents of training. Moreover, TVET is delivered through various channelsfor diverse groups of people with diverse socioeconomic backgrounds, aspirations, ages,and academic abilities, across various vocational trades. It often suffers from a lack ofcoordination among the various ministries, public agencies, and educational institutionsinvolved, resulting in duplicated efforts and gaps without effective outcomes. Indeed,TVET has often been characterized as inefficient, irrelevant, and slow to respond to thechanging skills demands of the labor markets, and costly because of its higher unit costs.Therefore, the relevance of publicly provided TVET has been debated for more than twodecades. Since the 1990s donors have turned away from TVET toward basic education(Middleton, Ziderman& Adams 1993; Asian Development Bank 2008).Still, skills development is an urgent and important challenge for developingcountries, in particular for countries with large youth populations such as India.

Trends in Demographics, Industrial Structure, and Labor Markets in India

This section presents a snapshot of India's demographic and labor market trends toprovidebackground for the discussions that follow.

Large Youth Population

Within the next several years, India's population is expected to exceed that of China.UnlikeChina, however, India's population structure is still relatively young overall, andthe population keeps growing rapidly, with 28 million youth being added every year! OfIndia's total population of 1.21 billion according to the 2011 Census (Government ofIndia (GOI) 2011b), more than 672 million people are of working age (15 to 59). Of these,253 million are youth aged 15 to 24, accounting for 21 % of the total population in 20111.With a continued decline in the dependency ratio estimated over the next 30 years, Indiais expected to enjoy a large "demographic dividend" for the coming decades.With 12.8 million young people newly entering the labor market every year (GOI2011a), the government recognizes that the country faces a serious skills shortage, asthe majority of these new labor market entrants are likely to remain unskilled. It has also1 Calculated from the data on total population from the provisional 2011 Census Data and the 2001Census Data available from the Office of the Registrar General and Census Commissioner, Ministryof Home Affairs, Government of India (http://censusindia.gov.in/Census_And_You/age_structure_and_marital_status, (accessed December 16, 2012)

Segmented Labor Market Structure

India's labor market is highly stratified and segmented. As Table 2 shows, only 6.9%of the total workforce is in the organized sector, defined as private-sector firms employing10 or more workers and all public sector enterprises. This figure has declined in recentyears. Within the organized sector, the private sector is fairly small, accounting for only2.2% of total employment. The remaining 93% of employees work in the unorganizedsector: private enterprises with under 10 employees, the self-employed, and casual andfamily workers.With respect to employment types, nearly one third of total employees are casuallaborers and 43% are low-end self-employed (World Bank 2012b: Figure 1.2). Only 17%of total employees receive regular wages or salaries. As Figure 1 show, casual workersand the self-employed together account for more than 90% of rural workers and about50% of urban workers. Moreover, the share of casual labor in rural areas increased to 38%in 2009/10 (World Bank 2012b, p. 64). It generally quite difficult for youth, particularlyin rural areas and especially if they are poorly educated, to find decent jobs with longtermstability and security.

Skills Development Opportunities outside the Formal Education System

Outside of the formal education system is a well-established vocational trainingsystem, the Craftsman Training Scheme (CTS), established in 1951. The public IndustrialTraining Institutes (ITI) and private Industrial Training Centers (ITCs), under theDirectorate General of Employment and Training (DGE&T) of the Ministry of Labor andEmployment, provide pre-employment vocational training as key post lower secondaryinstitutions to train the technical workforce. Under CTS, nation-wide, 8,306 ITIs/ITCs(2140 public ITIs and 6166 private ITCs) in 114 trades in 44 engineering and 24 nonengineeringcourses offer six months to three years of vocational training for those whohave completed 8 to 10 years of schooling. Each state government is responsible foroverseeing its ITIs. In total, over 740,000 trainees are enrolled in training courses at it is and ITCs.

At ITIs, tuition was free until 2006. Trainees also received fixed monthly stipendsbased on government norms. Currently, however, students pay Rs.1, 200 (approximatelyUS$21) per month; SC/ST pay Rs. 150 per month, and Other Backward Castes (OBC)pay Rs.50. The majority of trainees are rural males aged 16 to 24, from economicallydisadvantaged families. Thus, traditionally, CTS has served more of a social policyfunction, providing skills training opportunities that are alternatives to schooling primarilyfor economically and/or socially disadvantaged, rather than strengthening the industrialskill base. Among the most popular trades at ITIs are welders, fitters, machinists, automechanics, and electricians, because these skills can be used widely across many sectors, and promise high employability.Despite this orientation, the demand for vocational training has generally beenlow even among the socially disadvantaged. Both parents and youths prefer generaleducation, partly because it is considered to better prepare students for examinations forthe government jobs. Moreover, because of India's traditional hierarchical social structurebased on the centuries-old caste system, society has not generally highly appreciatedor valued craft and trade skills. Students prefer white-collar jobs in their search forupward mobility. Vocational training has largely been seen as a second-choice option foreconomically disadvantaged and/or academically less capable. Table 7 shows the choicesmade by students who completed grade 10 in Karnataka, passing the exams for eitherthe Secondary School Leaving Certificate (SSLC) or the Central Board of Secondary4 Interviews with 15 ITIs in Karnataka, October and November 2012.

.

Enterprise-Based Training

While evidence is limited, little formal in-firm training occurs in India, partlybecause most firms are small and operate in the informal sector. However, some privateleading firms, such as Tata Motors and Bosch, have their own training institutes, withstate-of-the-art training facilities and excellent training programs for their employees.Some multinational firms that have entered India more recently, such as Toyota, alsoset up their own training institutes, which offer excellent training, mainly for those whowork for the firm after they complete training. Not only do these enterprise-based traininginstitutes provide higher quality training that is closely related to the job, they also provideopportunities for trainees to be hired as employees afterwards. However, generally, thereis very little enterprise-based training in the formal sector of the economy. Only 17% ofmanufacturing firms in India provide any training for employees (Asian DevelopmentBank 2008)

Recent Development in Skills Development for the Youth

Drawing on data collected in several rounds of fieldwork conducted in India, thissection discusses recent changes in the policy, institutional frameworks, and practices atnational, regional, and institutional levels.

Reframing the National System of Skills Development

Recently, India has finally become serious about skills development, introducing aseries of education and training reforms. Its 11th 5-year Development Plan (2007—2012)focused on skills development as a priority issue for the first time (GOI 2008b). Theprime minister's Independence Day speech of 2006 emphasized the need for a vocationaleducation mission. In his Independence Day speech of 2007 he announced that 1,600 newITIs and polytechnics, 10,000 new vocational schools and 50,000 new skill developmentcenters would be established to provide access to vocational training for over 10 millionstudents (GOI 2011a). In addition, in his budget speech of 2007, the finance ministerdescribed the emerging shortages of skilled workforce in many sectors (GOI 2011a).These political commitments from the top leadership of the central government haveraised awareness among the line ministries that they must expand TVET programs "totake advantage of the demographic dividend of the country and to fulfill the aspirationsand right of the youth to gainful employment and contribute to national productivity" (GOI2011a, p.1). These speeches have generated a momentum for skills development, and astrong sense of urgency among government officials, industry, and educationalists.In 2009, India's government announced its first skills development policy and set upa new institutional framework involving close coordination among government, industry,and training institutions to facilitate skills development efforts at the central level. First, itset up the Prime Minister's National Skills Development Council (NSDC) to coordinatevarious schemes provided by various ministries. The Office of the Advisor to PrimeMinister for Skills Development serves as an apex coordinating body and as a secretariatSkills Development for Youth in India: Challenges and

Opportunitiesfor the NSDC. Second, the National Skills Development Board (NSDB) was set up underthe Planning Commission to coordinate 17 relevant ministries. Third, the National SkillDevelopment Corporation (NSDC) was created, operating as a public-private partnership(PPP) involving industry associations and industry representatives to upgrade traininginstitutions and deliver vocational training. Fourth, Sector Skills Councils have been setup for about two dozen sub-sectors involving various interested industrial associationsto identify skills gaps and enhance skills training in each sub-sector. These organizationsare responsible for developing policies, setting priorities and strategies, and overseeingand coordinating the various stakeholder initiatives and efforts.These Councils alsotry to involve employers more in establishing skills standards and assessing trainingperformance. The creation of the NCSD in charge of skills development directly underthe Prime Minister's Office helped show that the government was seriously committedto promoting skills development and raising awareness about skills development amongpolicymakers, industry leaders, training institutions, and the general public. Also, it hasmade it easier to coordinate among various line ministries and concerned agencies. Thisnew national-level institutional framework has changed the way TVET is governed inIndia.Moreover, in 2010, the first national manufacturing policy was issued, withemphasis on skills development as a strategy to strengthen India's manufacturing. Indeed,it emphasized skills development for minimally-educated workers in the unorganizedsector, and proposed a Modular Employable Skills (MES) scheme under DGE&T. UnlikeATS, under the MES scheme, ITIs and anyone with relevant experience can offer shorttermcourses (often two weeks) primarily for workers in the unorganized sector withfive years of schooling, to minimize the opportunity cost of being away from work. Therelevant industry designs the courses to include the necessary skills. After completingtheir training, the Regional Director of Apprenticeship Training awards the MES traineesa certificate for the skills they have learned. This ensures that their skills are portable andwill be recognized by the appropriate industry in India or even abroad6. However, MESis currently offered on a limited scale. It will take a more formalized and institutionalizedformat to implement courses to enhance public awareness and recognition of the skillscertified under the scheme and to improve access to the MES among workers in the Unorganized sector.

And recently, the government, in consultation with education ministers from 12states, introduced a National Vocational Education Qualifications Framework (NVEQF)providing guidelines for a nationally-recognized qualification system, to standardizetraining contents, set national standards, and recognize the skills learned at schools,vocational training institutes, and higher education institutions. The development ofNVEQF has led to a closer partnership and collaboration of government with industry to6 For example, courses in plumbing are popular among people wishing to work in the Middle Eastand Australia develop courses, curriculum, assessment, certification, and placement. Also, to improvethe quality of training, the government introduced the concepts of competency-basedtraining and training modules. These have changed the basis for certifying vocationaltraining from duration to competence. Now individuals can have their skills recognizedregardless of their educational and employment paths.India is experiencing an acute sense of urgency, given its serious shortage of skilledlabor in the face of the potential "demographic dividend," the need to sustain rapideconomic growth, and an interest in making its young skilled workforce “exportable”to global labor markets. Some advanced countries, especially Australia and WesternEuropean countries, are keenly interested in India’s potential skilled labor, and havestarted offering attractive incentives and generous support to India’s TVET and highereducation sectors. Such external support and pressure has helped the Indian governmentmake institutional reforms.Moreover, the private sector, particularly key industrial associations such as theConfederation of Indian Industries (CII), and the Federation of Indian Chambers ofCommerce and Industry (FICCI), have played key roles in increasing public awarenessabout skills development--organizing workshops and seminars and lobbying thegovernment to promote institutional reforms. These associations are now represented andactively participate in various committees of tertiary and training institutions as well asnational boards. Industry has also felt an urgent need to promote skills development giventheir frequent problems in finding workers with adequate skills. Thus, they have alsodemanded a well-designed skills development system with greater involvement on thepart of the private sector.Under the current 12th Five-year Plan (2012—2017), the government emphasizesskills development even more ambitiously as a priority agenda item. Projecting that by2022, India’s working-age population will reach 700 million, of whom, 500 million willneed to be skilled, the government set a national target of skilling 500 million peopleby then, allocating increased budgets for skills development. Thus, it ambitiously plansto increase the capacity of training institutions to 15 million (currently 2.5 million), bysetting up more ITIs, encouraging the private sector to engage in vocational training, andexpanding tertiary education (GOI, 2009).

State-level Initiatives

Reflecting the central government’s growing interest in and commitment to skillsdevelopment, the various state governments have also recently accelerated their efforts inthat direction. The experience of Karnataka, one of the most industrially and educationallyadvanced states, is of interest.To expand access to skills development for less advantaged social groups, theKarnataka government formulated a well-defined affirmative action program. This schemetries to improve access to skills development at ITIs for women, disadvantaged groups

Skills Development for Youth in India: Challenges and Opportunities(SC, ST, and OBCs), minorities, the disabled, and economically challenged people. InKarnataka, 50% of students may be selected on the basis of general merit, and the other50% are reserved (15% for SC; 3% for ST; and 32% for OBCs). One third of the totalseats must be reserved for women, and 3% for the physically disabled. Moreover, thoughgeneral-merit trainees now pay tuition of Rs.1,200 per year, SC/ST trainees are fullyreimbursed. These arrangements have improved their access to training at ITIs. In fact,many ITIs in Karnataka accept more students from these groups than their quotas require.Still, the shortage of instructors is seriously affecting the quality of training. Givenbudget constraints, ITIs are always short of regular qualified instructors. A widespreadpractice is to hire temporary instructors on a short-term basis, rather than permanentlyfilling vacant positions. These instructors are less qualified, as the ITIs often cannot attractqualified people given the poor pay they can offer. This practice also leads to a lack ofcontinuity in teaching, and low quality. Moreover, infrastructure, facilities, and equipmentare often outdated and inadequate, seriously affecting the quality of teaching, despitesome efforts to modernize and upgrade.In 2012, the Government of Karnataka, one of India's largest IT hubs, introduceda system of on-line admission throughout the state. As the system allows applicantsto choose courses offered at ITIs in any location, this system has improved matchingbetween demands for and supply of training courses in specialized trades.

Innovative Reforms at Training Institutes

Reflecting the changing policy environment for skills development, traininginstitutions have recently introduced several new initiatives. Supported by the WorldBank, the government selected 500 ITIs as Centers of Excellence (COE) to offer "advancedmodule" training, and upgrade their facilities, equipment, and machinery to the samestandard used in industry. Under the COE scheme, each ITI must establish an institutemanagement committee (IMC) of 8 to 10 members. The IMC chair is selected from theprivate sector, often from a leading local private firm, and has power to approve majordecisions about the ITI's management. Operating as a public-private partnership, theIMC is expected to forge partnerships between ITIs and the private sector to: share labormarket information, especially on the types of skills in demand; develop curriculum; andseek donations of equipment and tools from the private sector to upgrade ITI facilities andequipment. Also, the creation of IMCs has increased industry participation in decisionmakingaround the ITIs, to greater autonomy for ITIs, more channels to send trainees forinternships, and improved facilities through more donations from industry. These closerlinkages with employers and increased autonomy may help ITIs meet industry demands.In fact, COE courses achieved close to 100% job placements of their trainees at manyITIs.Recognizing the importance of involving industry, some ITIs recently createdpartnerships with leading firms such as Toyota, Tata Motors, and Suzuki to offer trainingcourses to cater to the firm. For example, four ITIs in Karnataka offer a Motor MechanicTool and Maintenance (MMTM) course jointly with Toyota located in Bangalore. Thecurriculum follows NCVT norms, but Toyota decides on the topics to cover in thesyllabus so it can teach firm-specific skills. Toyota takes all the students in their secondyear as apprentices and places them at its dealers. The courses enjoy 100% placementrates as all the trainees who pass all the requirements are placed as regular employees atToyota dealerships on the completion of training. This tailor-made arrangement in closecollaboration with particular firms has helped make training more relevant, better ableto respond to industry needs, and has significantly improved placement rates. Many it is are keen to work with leading firms to create such firm-specific courses and to increaseopportunities for both apprenticeships and instructors' training with these firms.

Conclusion

This paper has examined the opportunities for Indian young people to develop theirskills, and the constraints that challenge them. Today, India faces complex and enormouschallenges in fostering skills development for youths, for several reasons: the size of theyouth population, and the hierarchical and segmented nature of both the labor market andsociety as a whole. Indeed, Indian young people fall into two main groups. A tiny fractionfrom economically well-off middle classes get good education and training and well-paidjobs in the organized sector. Meanwhile, the great majority of youth from economicallyand socially disadvantaged groups get very limited education and little access tovocational training. They work in the unorganized sector. The majority of Indian youthenter the labor market without adequate vocational skills, leading to unstable, informal,low-wage employment, such as casual labor and various forms of self-employment.In India, the bulk of employment is in rural areas and in the unorganized sector, andalmost all manufacturing firms are in the informal sector. Given the highly-stratified andsegmented nature of the labor market, Indian youths must acquire education, training,and skills if they are to find decent jobs and experience any social mobility. Thus, withrapid economic growth, demand for education is likely to grow further at all levels incoming years. However, access to education, training, and employment opportunities isstill largely determined by youth's socioeconomic backgrounds, gender, and geographiclocations.Despite its projected "demographic dividend" and its recent expansion of formaleducation at all levels, India suffers from a serious shortage of skilled workers: limitedaccess to education and skills training, high rates of school dropout, and large mismatchesin the labor market. Indeed, despite the well-known success story of the Indian softwareengineers, educational attainment among Indian young people remains very low onaverage, only 7.1 years. Though enrollment rates have increased, dropout rates remainvery high in primary and secondary education. Obviously, this lack of skills createsserious constraints on the production and innovation capabilities of Indian industries, andSkills Development for Youth in India: Challenges and Opportunitiestheir competitiveness in the global economy. With most firms in the informal sector, and aminimally-educated workforce, how can the country develop its manufacturing industriesto meet global standards and then move them to high value-added sectors and make themmore innovative?This paper has identified an enormous skills gap in India between what industriesdemand based on recent rapid economic growth and the skills that young people acquirethrough vocational training. For more than a half century, well-institutionalized publicvocational education and training systems have been in place both within and outside theformal education system. But they are not large enough to accommodate many schoolgraduates, and they have not been able to provide young people with the vocational skillsthat industries need. Thus, youths' access to vocational training continues to be limited.

However, the Indian government has recently embarked on a drastic reform of itstraining policy, intensifying its efforts to increase the number of skilled workers. It hasformulated National Skills Development Policy and National Manufacturing Policy; setup a new institutional framework to accelerate and coordinate skills development efforts,and developed the National Vocational Education Qualification Framework (NCEQF).Training institutes now have more autonomy and private-sector involvement, and haveimproved their governance and curriculum. These changes are too recent to examine theeffects on training outcomes. But it will be interesting to see how these reforms improveaccess to and demand for vocational training among youths as well as the outcomes oftraining.Based on the discussion above, some suggestions for policy may be offered here.First, for India to promote industrial development and achieve sustainable growth, it mustincrease its investment in education and training for youth. In particular, to move furtherinto a knowledge-based economy and move up the value chain, it is indispensable forIndia to improve the quality of education at every level. Second, the focus of India's skillsdevelopment system does not correspond to either the level of skills demanded by industryor the overall levels of education of most young people. Thus, the government must ensurethat most young people at least finish lower secondary school (i.e., 10th grade). Third,to open training opportunities for youths who have not completed secondary education,it would be helpful to create more courses at ITIs with lower levels of educationalrequirements. Fourth, training for the informal sector needs to be strengthened. Generally,it is difficult to reorient formal training institutions toward the informal sector (Johansson& Adams 2004). Given the vast size of the informal sector, however, it is criticallyimportant to institutionalize some training for work in the informal sector. Rather than thecurrent somewhat ad-hoc delivery of training such as the MES, more institutionalized andstructured settings may help offer more effective and streamlined training for the informalsector.

References

1. 1] Desai, S.B., Dubai, A., Joshi, B.L., Sen., M.Sharif, A. & Vann man, R. (2010). *HumanDevelopment in India: Challenges for a Society in Transition*. New Delhi: OxfordUniversity Press.
2. Government of India (GOI). (2011a). *Overview*.[http://mhrd.gov.in/voc_edu] (accessed on December 14, 2012).(2011b). *Census of India 2011: Provisional Population Totals, Paper 2, Volume 1of 2011. Rural-Urban Distribution*. Delhi: Office of the Registrar General &CensusCommissioner, Ministry of Home Affairs, GOI.(2011c). *Statistics of School Education 2009- 2010*. Delhi: Ministry of Human Resource Development, GOI. (2011d). *NationalManufacturing Policy*.
3. Ashton, D. & Green, F. (1996). *Education, Training and the Global Economy*. Cheltenham:Edward Elgar.
4. Asian Development Bank (ADB). (2008). *Education and skills: Strategies for AcceleratedDevelopment in Asia and the Pacific*. Manila: Asian Development Bank.
5. http://commerce.nic.in/whatsnew/National_Manufacturing_Policy2011.pdf] (accessed onNovember 20, 2012).
6. Okada, A. (2006). "Skills Formation for Economic Development in India: Fostering Institutional Linkages between Vocational Education and Industry," *Manpower Journal*.(Special Issue on Vocational and Professional Education edited by Jandhyala B G Tilak),XXXXI (4), pp. 71-95.
7. (2008a). *Educational Statistics at a Glance 2005/06*. Delhi: Ministry of HumanResource Development, Department of Higher Education, GOI.
8. _____ (2008b). *Eleventh Five Year Plan 2007-2012*, Volume II Social Sector.Delhi: PlanningCommission, GOI.
9. Johansson, R. & van Adams, A. (2004). *Skills Development in Sub-Saharan Africa*. WorldBank Regional and Sect oral Studies. Washington, D.C.: World Bank.
10. Kuruvilla, S., Erickson, C.L. & Hwang, A. (2002). "An Assessment of the Singapore SkillsDevelopment System: Does it Constitute a Viable Model for Other Developing Countries?"*World Development*, 30 (8). pp. 1461-1476.

11. Middleton, J., Ziderman, A. & Van Adams, A. (1993). *Skills for Productivity: VocationalEducation and Training in Developing Countries*. New York: Oxford University Press.National Council of Educational Research and Training (NCERT). (2009). *India Yearbook2009*. Delhi: NCERT.
12. OECD. (1997). *Industrial Competitiveness in the Knowledge-based Economy: The New Roleof Governments*. OECD Proceedings. Paris: OECD.
13. _____ (2005). "Bangalore's Software Cluster," in AkifumiKuchiki and MasatsuguTsuji(eds.), *Industrial Clusters in Asia: Analyses of their Competitiveness and Cooperation*. NewYork: Palgrave-Macmillan, pp. 244-277.Skills Development for Youth in India: Challenges and Opportunities
14. _____ (2004). "Skills Development and Interfirm Learning Linkages under Globalization:Lessons from the Indian Automobile Industry," *World Development*, 32 (7). pp. 1265-1288.
15. Paul, B. (2011). "Demographic Dividend or Deficit: Insights from Data on Indian Labor"Paper presented at the 3rd Annual Conference of the Academic Network for Developmentin Asia (ANDA), Nagoya, March 3-6, 2011. Pratham. (2010). *Annual Status of Education Report: Rural 2010*. New Delhi.
16. Standing, G. (1993). *Global Labour Flexibility: Seeking Distributive Justice*. Basingstoke:MacMillan.UNESCO. (2012). *EFA Global Monitoring Report 2012: Youth and Skills: Putting Educationto Work*. Paris: UNESCO.
17. World Bank. (2012a). *World Development Report 2013: Jobs*. Washington, D.C.: World Bank.
18. _____ (2012b). South Asia Development Matters: More and Better Jobs in South Asia.Washington, D.C.: World Bank.
19. _____ (2007). *Skills Development in India: The Vocational Education and Training System*.Washington, D.C.: World Bank.
20. _____ (Various Years). *World Development Indicators*.Washington, D.C.: World Bank.

THE ROLE OF DISTRICT INDUSTRIES CENTRE IN THE DEVELOPMENT OF SOLAPUR CITY

Prof. A.V. Sakhare
Assistant Professor
Department of Commerce and Management
Sangameshwar College, Solapur
annasahebsakhare@gmail.com

Introduction:-

In India industrial sector are classified as the micro, small, medium and large scale industries on their investment level of plant and machinery. Small scale industry plays a multidimensional role for speed up its process of industrial and economic development.

The industrial policy of 1977 suggested the establishment of district industrial centre in the headquarter of each district throughout the country. The DIC programme was started by the central government in 1978 with the object of providing a focal point for promoting a small, tiny, cottage and village industries in a particular area and to make available to them all necessary services and facilities at one place. The finances for setting up DIC in a state are contributed equally by the particular state government and the central government to facilitate the process of small enterprises development DICs has been entrusted with most of the administrative and financial power for purpose of abutment of land, work sheds raw materials etc. DICs functions under the directorate of industries. Each DIC hededby a General Manager, who is assisted by four functional manager and three project managers to look after the following actives.

Activities of District Industrial Centre

1. Economic Investigation
2. Plant and Machinery
3. Research, education and Training
4. Raw Materials
5. Credit Facilities
6. Market Assistance Cottage Industries

Importance of the study:-

This Study deals with the assessment of the progress of District Industrial Centre in solapur city and the role of DIC in solapur city and its problems and measures has been suggested which can help for the development of entrepreneurship in solapur city.

Statement of the problem:-

The study is entitled asThe Role of District Industrial Centre in the Development of Solapur Cityis directed towards the solutions of the following problems.

1. What are the various schemes of DIC for entrepreneurs.

2. What is the role of DIC in the socio economic development in solapur city

Objectives of the present study:-

1. To study the origin and development of DIC.

2. To study the overall performance of DIC in solapur district.

3. To comparative study of various schemes of DIC

Hypothesis:-

1. DIC provides valuable and useful advice and guidance to new entrepreneurs.

2. DIC has helped in attaining balanced regional growth of Solapur City.

Research Methodology:-

There are two way to collect the data for the present research work that is primary data and secondary data.

Primary Data:-

Primary data means the data which is freshly gathered or firsthand information collected for specific purpose or for the specific research project. Therefore for this study we collect primary data by using various methods, techniques such as survey, personal interview and questionnaire. While collecting the primary data many difficulties can occur. Primary data is purely authentic. When the primary data is inaccurate, incomplete or unreliable then the project and conclusion of the research project may go wrong. The source of the primary data in this research project is The Role of District Industrial Centre in the Development of Solapur Cityfor the collection of primary data survey method is followed for it. In this study survey method is used, because it is best suited for descriptive research.

This study is based on the primary data that was collected by the researcher through the following tools.

Tools of Primary Data:-

1. Personal Interview of Small scale Entrepreneurs

2. Drafting Questionnaire

Secondary Data:- The secondary data is based on second hand information. The data that has been already collected and presented earlier by any agency for the purposes of investigation is called as secondary data. The researcher has collected information from many sources including newspapers, internet, brochure and journals of DIC Solpaur and also DIC website to get the history.The secondary data was gathered from using following tools:

Tools of Secondary data

1. Brochures and records of DIC Solapur

2. Reference books and reputed journals

3. Websites

4. Newspapers

Data collection Method:-Survey Method is used for collecting the Primary Data.

Sampling Plan:-

1. Population- All Entrepreneurs those who are taking seed money through the DIC, Solapur.

2. Sampling Unit- Small Scale Entrepreneurs.

3. Sampling Size- The sample size of the survey is 100 Entrepreneurs.

4. Sampling Element- A Entrepreneurs who are taking seed money through the DIC, Solapur.

Limitations of the study:-

1) The present study is limited to DIC solapur district only

2) The present study is limited to last five years only.

District Industries Centre:-

The concept of District Industries Centre is a landmark in the history of industrial development because it helps to fulfill all requirements and needs of the entrepreneur at one place and promotes employment in rural and semi urban areas through small-scale, village and cottage industries. The development of small-scale industries has received special attention of the government due to its various peculiarities that is it provides large sizable employment opportunities, labour intensive, require low capital and assist in the removal of poverty by an equitable distribution of incomes and for the regional balance they can be set up in rural and backward areas also.

Concept of a District Industries Centre:-

A district industries centre is an institution at the district level, which provides all sort of services and facilities to entrepreneurs at one roof, so that they can set up small, village and cottage industries. These services and facilities include the identification of a suitable scheme, the preparation of a feasibility report, arrangements for the supply of machinery and equipment, provision of raw materials, credit facilities and input for marketing and extension services, quality control, research and entrepreneurial training. It also ensuresthat small industries continue to be viable. For these entirepurposes District Industries Centre establish at the district and sub-district levels.

Before it an entrepreneur was faced by many problems. In order to get above facilities he/she had to go to several agencies, many of them were far away from his district. But now due to District Industries Centre entrepreneur may get all facilities they are needed.

District Industrial Centre, Solapur:-

District Industries Centre, Solapur established on 15^{th} March, 1979 at Hodagi road, near kinara hotel, solapur. Being a centrally sponsored scheme, it has also some main objectives-

1. To provide all sort of services and facilities to entrepreneurs in solpaur city.

2. To create employment opportunities especially in drought and backward area of solapur city.

3. To make solapur city as an industrially advanced city.

4. To make special effects to develop small, cottage and rural industries in solapur city.

Role/Functions of DIC:-

Following are the Functions of District Industrial Center

1. DIC conducts motivation campaigns throughout the solapur city for identifying and motivating the potential entrepreneurs.

2. DIC conducts industries surveys, techno-economic studies cost estimates, product and raw material studies, skills analysis, infrastructure assessment studies, demand surveys etc. within the solapur city and on this basis provides investment advice to entrepreneur.

3. DIC prepares action plans for industrial development of the solapur city.

4. DIC provides provisional and permanent registration to new entrepreneurs.

5. DIC recommends the loan proposals of entrepreneurs to banks and financial institutions and keeps a liaison with them to monitor the flow of credit to industries in the district.

6. DIC provides valuable and useful advice and guidance to new entrepreneurs to select suitable equipments and machinery for their unit, to ascertain the source of raw material, to import the machinery etc.

7. DIC helps new entrepreneurs to get power connection and recommends their application for power tariff concession and subsidies.

8. DIC collects market information, suggests suitable marketing strategies and assesses the possibilities of export.

9. DIC keeps liaison with government procurement agencies and organizes marketing outlets.

10. It conducts training programmes for artisans and prepares project reports for trainees. It also organizes the entrepreneurship development programmes with organizations like SISI and TCOs to develop the entrepreneurial skills.

11. DIC provides free space for SSI units in trade fairs and exhibitions and thus encourages their participation.

Different Schemes of District Industries Centre, Solapur:-

DIC, solapur provides economical and other assistance to a entrepreneur they are as under

1. Self Employment to Educated Unemployed Youths
2.Seed Capital Assistance to Educated Unemployed is also known as EPP.
3. Margin Money Assistance to Tiny Sector Unit.
4. National Equity Fund
5. Prime Minister's Rojgar yojana.

Findings:-

1. It is observed that DIC playing very important role in industrial development of sloapur city.

2. It is observed that most of the entrepreneurs are graduate and having professional and technical knowledge.

3.There will be a separate section in District Industries Centre to satisfy the needs of small scale and cottage industries.

4. It is observed that number of female entrepreneurs is very low in solapur city.

5. It is observed that the loans from DIC under various schemes are not sufficient for entrepreneurs.

Suggestions:-

1. It is suggested that DIC should concentrate more for the development of women entrepreneurship.

2. DIC organizes workshops and training programmes for giving professional and technical knowledge to the new entrepreneurs.

3. DIC should co-operate to the entrepreneurs for selling and marketing their products to government agencies.

4. It is suggested that DIC should provide all information regarding the different schemes of DIC and their procedure to the entrepreneurs.

5. DIC should take some concrete steps for increasing the sales turnover of small-scale industries.

Conclusion:-

District Industries Centre plays a very important and contributory role in the development of small-scale and cottage industries in the tiny sector. District Industries Centre help in the industrial development of backward regions of the solaur city. It provides all types of services and facilities to entrepreneurs at one place. The performance and progress depend upon political policies, financial aid from commercial banks, response of the people and administrative officer of the District Industries Centre.

Reference Books:-

1) Fundamental of Entrepreneurship-Dr. A.K. Gavai
2) Entrepreneurship Development – Dr. S.S. Khanka
3) Small Scale Industries and Entrepreneurship – Vasant Desai
4) Industrial Management – M.E. ThukaramRao
5) WWW.DIC.Com
6) Annual Reports of DIC solapur
7) Entrepreneurship and small business – K.K. Sharma and G.R. Basotia
8) Developing Entrepreneurship for Economic Growth – P.N. Singh.

MAKE IN INDIA

Prof. Leena Anand Shende
Assistant Professor
P. Jog College of Science and Commerce

Prime Minister Narendra Modi, prior to the commencement of his maiden US visit, last month launched ‘Make in India’, a major national initiative which focuses on making India a global manufacturing hub. Key thrust of the programme would be on cutting down in delays in manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in India. The 25 key sectors identified under the programme include automobiles, auto components, bio-technology, chemicals, defence manufacturing, electronic systems, food processing, leather, mining, oil & gas, ports, railways, ports and textile.

The national progamme aims at time-bound project clearances through a single online portal which will be further supported by the eight-member team dedicated to answering investor queries within 48 hours and addressing key issues including labor laws, skill development and infrastructure. The objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country’s Gross Domestic Products is increased to 25% in next few years.

Speaking to more than 500 top global CEOs along with captains of Indian industry at the event in Vigyan Bhawan, New Delhi on September 25th, Prime Minister termed 'Make in India' initiative a lion step to usher in increased manufacturing in the country, which will ultimately generate more employment opportunities for the poor and give greater purchasing power in their hands. The mega even was watched live in several cities in India and abroad through video conferencing. He urged the domestic as well as global investors not to look at India merely as a market, but instead see it as an opportunity. “When we talk of Make in India, we are not just offering a competitive situation and we give you an opportunity to create a huge market for your product. After all, handsome buyer is equally important as cost effective manufacturing.,” Modi told a packed audience.

Cutting down on procedural delay:

However, for making India an investment hub, the first and foremost importance step would be to create a efficient administrative machinery which would cut down on delays in project clearances. Economists say that India has been very stringent when it comes to giving procedural and regulatory clearances. Besides a time bound clearance from all regulatory authority would create a conducive environment for business.

The Prime Minister acknowledged that India being ranked low on the ‘ease of doing business’ ranking by World Bank and added that he has started to sensitize the Government officials in this regard. On his recent meeting with World Bank President Jim Yong Kim, Modi said, “World Bank President was also expressing this worry. Probably we were 135th in the world at that time. If we have to come to 50 from 135 then Government alone can do this. If Government brings transparency in its decisions and rules, pushes works with simplicity we can occupy number 50 from 135 in ease of doing business,”.

Delay in getting regulatory clearances lead to rise in cost of production. A leading multinational automobile major said "costs of production in India increase because of various government policies, procedures, regulations and the way some of the laws are implemented.” The quicker the government addresses these challenges its better for the industry to set up facilities in the country. For providing better infrastructure for the industry, there has been a big constraint in term of land acquisition. Often land acquisition for the industrial purpose run into trouble at the local level.

Tax sops & focus on innovation

Economists have noted that with the globalization becoming a reality, Indian manufacturers will have to compete with the best and cheapest the rest of the world has to offer even in the domestic market.

They urged for providing tax concessions to any industry which would set up manufacturing facility in the country. Besides a critical aspect is the country’s huge small and medium-sized industries which could play a big role in making the country take the next big leap in manufacturing.

“India should be more focused towards novelty and innovation for the sectors indentified and integration with the country’s premier institute for carrying out research and development would be critical to the success of the make in India programme.” a leading industrialist said.

Skill development & thrust on education

Stressing that his government has given top priority to skill development, Prime Minister had said the government is currently doing mapping for assessing skill manpower demand for specific sectors. He noted that there has to be synchronization between the objectives of the government, academic world, industry and job seekers for ensuring that industry specific skills are imparted.

Experts argue that the country needs to focus on quality education not just skill development. “In the emerging economy, people will need to continuously learn new skills to meet the economy’s changing requirements,” an official with an industry association observed.

Prime Minister also promised that specific sectors would be asked to access Industrial Training Institutes (ITIs) located across the country to train manpower locally as per their needs. “You will get a good worker for your industry and our ITI will start running. Our youngsters will get employment, his family will be strengthened and better purchasing power will help the economy. ,” Modi told top industrialists.

In the last couple of years, National Skill Development Agency (NSDA) initiated work on creating a labour market information system which would help industry sourcing their manpower requirement.

After getting information on labour market, the government would provide accredition to manpower agencies so that the industry can access information on the manpower requirement.

Reforms in the labour laws

Besides the skill development, labour law flexibility is a key element for the success of this campaign for increasing manufacturing in the country. Economists say that “labour law flexibility does not imply ‘hire and fire’ policy, it’s about providing a sound social safety net to workers.”

Experts say that the country has some of the most comprehensive labour laws at the same time a large parts of working population do not have access to social security net.

Prime Minister had stressed the faster the bulk of Indian middle class increases, the faster people move from poverty to middle class, the faster will be their conversion into a favourable market for the world. He said his government's focus will be on physical infrastructure creation as well as creating a digital network for making India a hub for global manufacturing of goods ranging from cars to softwares, satellites to submarines and paper to power.

A leading Economist said the big challenge for ‘Make in India’ campaign would face constant comparison with China's 'Made in China' campaign. The China launched the campaign at the same day as India seeking to retain its manufacturing prowess. “India should constantly keep up its strength so as to outpace China's supremacy in the manufacturing sector,” he noted.

Categorically stating that there is a need for some fundamental changes in Indian economy so that the country emerges as global manufacturing base, Modi explained “on the one hand, manufacturing growth is to be promoted, at the same time we need to ensure that direct benefit goes to the youngsters of India. He should get employment so that there is improvement in the economic situation of even the poorest family. These poor should move towards middle class and there purchasing power should improve. This will lead to manufacturing growth and growth of the market.”

Demographic dividend

Notwithstanding the challenges faced in making India a manufacturing hub, the country is poised to reap rich dividend for being one of the youngest nations in the world.

According to reports by 2020, India is set to become the world’s youngest country with 64% of its population in the working age group.

With the Western countries, Japan and even China aging, this demographic potential offers India and its growing economy an edge that economists believe could add a significant 2% to the GDP growth rate annually.

Prime Minister also had said that India is the only country in the world which offers the unique combination of democracy, demography, and demand from a rising middle class.

Besides, the campaign would ensure closer centre and states relations for promoting India as a global manufacturing hub. “If investment comes in the States, it comes in India also. States and Centre should work collectively, shoulder to shoulder as a team. they should find solution together and things move forward,”. Modi urged.

Although a sound beginning has been made for the Make in India campaign, now the ball is in the government’s court to ensure its success.

EMPOWER RURAL WOMEN WITH SOLAR-POWERED

Uzma Ayub Sarkhot
Assist. Professor
Abeda Inamdar Senior College

ABSTRACT

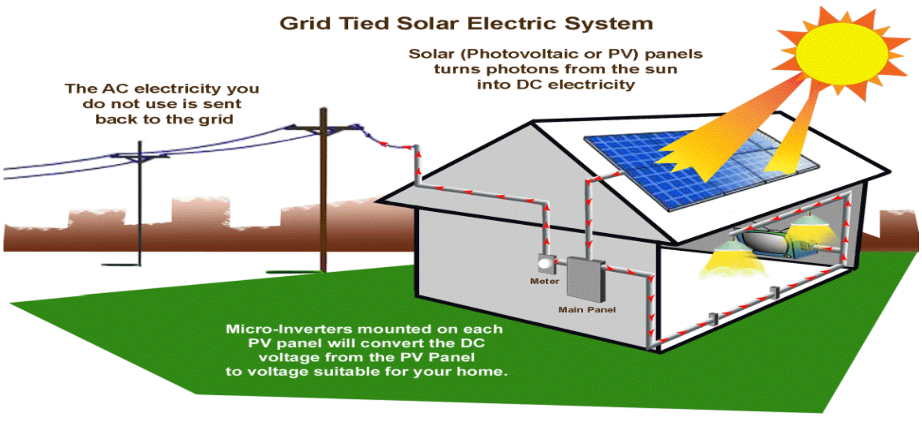
In every 6 seconds a child under five dies. Most of these deaths are entirely preventable. Diarrhea alone kills 2195 children every day – More than AIDS, Malaria and Measles combines. Most of these lives could be easily saved by educating mothers about very simple things like adequate sanitation, personal hygiene and rehydration. However, many women happen to live in remote rural areas in developing countries. They do not have access to electricity, let alone TV or radio. And worst of all most of them cannot read or write.

"So how do you provide them with basic, but vital information about health child care, family planning & other essential topics and POWER?

Introduction:-

POWER is all about both workforce diversity and inclusion. Every year more women get into the solar field and walk in on their first day of work only to feel that they are the minority. Year over year, the solar industry has dramatically grown in numbers for full time, living wage jobs and the percentage of women in the industry has grown exponentially faster. Today, hyper active sales manager are based on solar power. Power is a retention measure as much as it is a push for expansion of gender diversity.

POWER is all about "Workforce development, community building, and dual – approach empowerment.



Core Elements:-

1) **Workforce development :-**
   Solar summer camps for young girls between age group of 8 to 16 years about solar through partnerships with both girl build. Power hosted on roof solar installation skills, how solar cells and electric circuits work, and had them power toys etc.

2) **Community building :-**
   Women from all over can come in conversations, networking events, remote members video, discussions on women in solar that include both men and women in conversations.
3) **Empowerment:-**
   From the inside out and from the outside in. there are few different ways to assess the "empowerment" of women in various industries and groups chosen to focus on POWER. Helping women become more confident, to speak up, to advocate for better pay and more responsibility, to help women negotiate better. The point is that to focus on improving the skill set of the women.

Objective:-

1) Women of village work together with their menfolk towards sustainable development.
2) Training women to set up solar electrified systems that can provide light and power to entire villages.
3) Solar energy giving women light across the world.
4) Provide vocational training to semi-literate and illiterate men & women through process of learning by doing.
5) Technologies & decentralize their uses to improve their quality of living.
6) Empower rural women socially, economically and politically.

Research Methodology:-

The data is collected through secondary information. This study was analyzed to understand, "empower rural women with solar powered".

Examples:-

1) Varsha Power of Osmanabad district in Maharashtra was like any other housewife till she started selling solar cook stoves and lamps in her neighbourhood.
2) Gird in village of Jalsu.
3) India's Barefoot college lights up the Al Jazeera English.

Conclusion:-

Solar Powered can empower women economically as well as socially. Solar in accelerating women economic empowerment as they not only reduce women vulnerabilities, but also provide opportunities to enhance their employment status and control over income, own productive assets, increase social networks and become more aware of their rights, interventions to achieve women economic empowerment goals.

References:-

1) anewindia.org
2) iimpact.org
3) The problem – The story of URIDU
4) bic.org
5) www.unpei.org

A STUDY ON MICROFINANCE
POWERFUL LINKAGE TOWARDS WOMEN EMPOWERMENT

Shaikh Parveen Chandpasha
Abeda Inamdar Senior College
Email id-a9890713@gmail.com

ABSTRACT

As women are integral part of society, her status and participation in decision making as well as economic activities is very low. Microfinance plays very important role in improving women decision making by contributing in economic activities. Over the years various efforts have been made by many Government and Non-Government organizations to promote women empowerment especially in rural areas. One such effort is the microfinance intervention. Microfinance institution aims to provide credit to the poor who have no access to commercial Banks. In general, this institution receives financial support from western donors, NGO's or commercial Bank, who lend to microfinance institutions often against below market interest rates. Many leading public and private sector banks are offering schemes exclusively designed for women to set up their own ventures. Even the unorganized sector has been heading into microfinance *movement. The present paper is an attempt to study the role of microfinance promoting women empowerment in rural Indi &,impact of microfinance on women's empowermentTo check the various schemes under which the micro finance tool is apply in order to make" Make in India" a reality.*

Keywords: Microfinance, empowerment, women empowerment, micro credit.

INTRODUCTION

Empowerment is about change, choice, and power. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives. The structures of power—who has it, what its sources are, and how it is exercised—directly affect the choices that women are able to make in their lives.22 Microfinance programs can have tremendous impact on the empowerment process if their products and services take these structures into account

Micro finance as a tool of poverty reduction and women's economic empowerment is gaining an extensive recognition. In India because of the gender inequality there is a considerable reason to target women for their economic empowerment. The World Bank has remarked that the societies that categories on the basis of gender have slower economic growth, greater poverty, weaker control and a lower standard of living. Micro Finance in India is playing an important role in introducing several innovative financial services to the poor. The role of microcredit directed by the SHG's movement in empowerment of women is gaining recognition. Microfinance is helping women in strengthening economic roles by empowering them. MFIs are considering women as a preferred client because their income benefits their families in terms of health, education and wellbeing. It is also an observed fact that women have higher repayment rates in comparison to male.

OBJECTIVES

1. To analyze the relationship between Microfinance and Women Empowerment.
2. To study various Microfinance initiatives started in India.
3. To analyze the challenges in empowering women.
4. To provide suggestions to meet those challenges

RESEARCH METHODOLOGY

Research methodology is descriptive. For this study data and information has been collected with the help of Books, Magazines, Newspapers, Research Articles, Research Journals, E-Journals, etc

IMPACT OF MICROFINANCE ON WOMEN'S EMPOWERMENT

A study conducted on the impact of microfinance on women empowerment in **Punjab** revealed that women's involvement in microfinance programs has not only considerably increased income, but has also developed regular saving habits among women. Apart from enhancing their social and psychological empowerment it has also enabled women to participate in household decision making through economic empowerment.

a. **Impact on Self-Confidence**

Self-confidence is one of the most crucial areas of change for empowerment, yet it is also one of the most difficult to measure or assess. Self-confidence is a complex concept relating to both women's perception of their capabilities and their actual level of skills and capabilities. It is related to Kabeer's concept of agency that allows women to define and achieve goals as well as the sense of power women have within themselves. URWEGO in Rwanda found that the greatest impact of its program on empowerment had been on self-esteem, with 69 percent of clients reporting increased self-esteem. Self-esteem and self-confidence are closely linked with knowledge as well.

b. **Impact on Women's Status and Gender Relations in the Home**

Access to credit and participation in income-generating activities is assumed to strengthen women's bargaining position within the household, thereby allowing her to influence a greater number of strategic decisions. Particularly in poor communities, men's domination of women is strongest within the household. As Naila Kabeer points out, ―Many feminists recognize that poor men are almost as powerless as poor women in access to material resources in the public domain, but remain privileged within the patriarchal structure of the family

c. **Impact on Family Relationships and Domestic Violence**

Although there have been a few studies that have asserted that women's participation in microfinance leads to an increase in domestic violence, most practitioners have reported the opposite experience. Microfinance programs can strengthen women's economic autonomy and give them the means to pursue non-traditional activities.

d. **Impact on Women's Involvement and Status in the Community**

Several microfinance and microenterprise support programs have observed improvements in women's status in their communities. Contributing financial resources to the family or community confers greater legitimacy and value to women's views and gives them more entitlements than they would otherwise have. Studies of microfinance clients from various institutions around the world show that the women themselves very often perceive that they receive more respect from their families and their communities—particularly from the male members—than they did before joining a microfinance program.

e. **Impact on Political Empowerment of Women and Women's Rights**

Widespread political empowerment is a fairly rare outcome of most microfinance programs. Although microfinance programs offer services and products that can enhance individual women's abilities to participate effectively in politics, few microfinance organizations explicitly seek political mobilization or structure their programs in such a way as to deliberately nurture collective action. Nevertheless, many examples testify that women's participation in lending centre and groups increases their knowledge of political parties, processes, and channels of influence. The Government measures have attempted to help the poor by implementing different poverty alleviation program but with little success. Since most of them are target based involving lengthy procedures for loan disbursement, high transaction costs, and lack of supervision and monitoring. Since the credit requirements of the rural poor cannot be adopted on project lending app roach as it is in the case of organized sector, there emerged the need for an informal credit supply through SHGs. The rural poor with the assistance from NGOs have demonstrated their potential for self help to secure economic and financial strength.

➢ MICROFINANCE INITIATIVES IN INDIA

One of the best ways to encourage economic growth in poor areas is to provide affordable small loans to farmers and small-business owners called microcredit or microloans, these programs can inject capital into communities that lack the collateral required by conventional banks. There are several organisations which have played a creditable role in uplifting and empowering women.

a. SKS Microfinance:

Hyderabad based SKS Microfinance is playing a pivotal role in empowering poor rural women and their families. In southern India, women are running businesses and contributing to family income. Hundreds of thousands of women are opening up grocery shops, making paapad or pickle, involving in poultry and livestock, pottery, vegetable vending, bangle shops, and beauty parlours. SKS, in Gollapally Village Andhra Pradesh has already disbursed over Rs 8,500 crore in loans to 47 lakh women; last year it lent Rs 3,600 core. It has recruited and trained 1,000 new loan officers or field assistants every month and over the last three years it has been growing at an annual compounded rate of 128%.

b. Bandhan:

Bandhan was formed 13 years ago in a small village 60 kilometers from Kolkata with its goal to ―address the dual objective of poverty alleviation and women's empowerment. In a study conducted by IIM in West Bengal reveals that women empowerment lead to the women member's influence over children-related decisions like educational expenses, family planning, girl education, daughter's marriage, among other things. The study reported that the average annual household net income increased at the rate of 13.81% from all sources. On an average ownership of non-farm business assets increased by Rs 15,588 of the households

c. Sampark:

Women's empowerment programme was implemented by Sampark in 1998 in 38 villages in Koppal by organizing poor women into small group. Revolving Loan Fund (RLF) organized by Sampark from various sources provided bridge loans to the cooperatives to meet their groups' credit needs. Other initiatives of Sampark includes the formation of Eshwara cluster in 2006 which helped in meeting the unmet demands and the formation of various committees including the health committee focusing on the well-being of women and children

➢ CHALLENGES FACED IN EMPOWERING WOMEN :

While the empowering potential of microfinance programs remains strong, the evidence of challenges, ineffectiveness and limitations of the potential is equally compelling. Although microfinance has the ability to empower women, the connection is not straightforward or easy to make. Impressive literature exist that records the challenges and gaps between the goals and the empowerment potential of microfinance programs that target women. Surveys have shown that many elements contribute to make it more Difficult for women empowerment through micro businesses. These elements are

❖ Lack of knowledge of the market and potential profitability, thus making the choice of business difficult.

- ❖ Inadequate book-keeping.
- ❖ Employment of too many relatives which increases social pressure to share benefits.
- ❖ Setting prices arbitrarily.
- ❖ Lack of capital.
- ❖ High interest rates.
- ❖ Inventory and inflation accounting is never undertaken.
- ❖ Lack of awareness of the benefits and workings of Microfinance organisations.
- ❖ Increase in women's workloads and stress.
- ❖ Issue of loans pass-through hand over the loan sanctioned to their husband or another male in the household

➢ SUGGESTIONS TO MEET THE CHALLENGES

- ❖ Conduct and support action research on best practices in empowering women. Participate in women's basic education and literacy programs.
- ❖ Recognizing women's activities, talents and priorities.
- ❖ Providing training related to the business.
- ❖ Culture interaction with microfinance promises.
- ❖ Promote women in leadership in the MFIs they support.
- ❖ Directing women towards work life balance and quality of work life.
- ❖ Motivate women to develop leadership quality and sense of ownership.
- ❖ Enhancing the abilities of women to use specific technologies for which finance required , formation of groups, and teaching.
- ❖ Provide marketing information to have awareness of the market.

CONCLUSION:

Microfinance has the potential to have a powerful impact on women's empowerment. Although microfinance is not always empowering for all women, most women do experience some degree of empowerment as a result. Empowerment is a complex process of change that is experienced by all individuals somewhat differently. Women need, want, and profit from credit and other financial services. Strengthening women's financial base and economic contribution to their families and communities plays a role in empowering them. Women's empowerment requires an ultimate change in the development scheme not only at the micro level but also at the macro level to challenge gender subordination at the micro-level. Microfinance should focus on the combination of both the aims that is the combination of women's empowerment with sustainability. This can be achieved only with the extensive discussion with women, examination of their needs, strategies and limitations, and a process of negotiation between women and development agencies.

References:

1. Kabeer N (2001). Conflicts Over Credit: Re-evaluation the Empowerment Potential of Loans to Women in Rural Bangladesh. *World Development*, 29(1)
2. Harper, Malcolm. (2002). Promotion of Self Help Groups under the SHG Bank Linkage Program in India. Paper presented at the Seminar on SHG-bank Linkage Programme at New Delhi, November 25-26, 2002.\
3. Canadian International Development Agency (CIDA). ―CIDA's Policy on Gender Equality.‖ Hull, Canada: CIDA, 1999
4. Vani S. Kulkarni, Women's empowerment and microfinance, An Asian perspective study, occasional papers, Knowledge for development effectiveness,2011
5. Wrigley-Asante, C. (2011). Out of the dark but not out of the cage: women's empowerment and gender relations in the Dangme West district of Ghana. Gender, Place & Culture, 1–20.
6. Kanungo Madhusmita. (2012). Rural Development through Microfinance, MGNREGA and Women Empowerment. *Odisha Review*. September 2012.
7. http://www.ruralpovertyportal.org
8. http://www.ifad.org
9. http://www.nabard.org

BUSINESS PRACTICES OF FOREIGN BANKSFORTRANSFORMING INDIA THROUGH FUTURISTIC TRENDS AND STRATEGIES BY ALLOCATION OF SECTORAL CREDIT AND TECHNOLOGICAL DEVELOPMENTS

Mr.AshokVasantEdurkar

Dr.AtikAsgarShaikh

Abstract

It is significant to study the role of foreign banks with application of specific business practices, for allocation of credit to various sectors including priority sector and technological developments in comparison to Indian banks. This is mainly because of importance of sectoral credit allocation and technological developments in scheduled commercial banks play a decisive role in transformation of a country. Today,the Indian Government is making a big push via demonetization, for online and card-based transactions in the country to achieve its target of becoming a largely cashless economy. The introduction of electronic banking, online transactions and mobile banking in India has already paved way for a new era of development wherein the foreign banks are also playing a key role with the application of specific business practices and the use or demand for physical cash is gradually declining. In the future development of financial services, industry, and especially banking, the new information technology is becoming an important factor leading to cashless economy.The results of this study point out that along with Indian banks, foreign banks have rendered successfully, services related to sectoral credit allocation with technological developments. E-banking serves several advantages to Indian banking sector, involving technological developments in scheduled commercial banks covering development through transformation by appropriatesectoral credit allocation supported with growth in automated teller machines (ATMs),population group-wise distribution of ATMs, geographical distribution of ATMs, off-site ATMs, White label ATMs, Debit cards and credit cards, prepaid payment instruments.

Introduction:

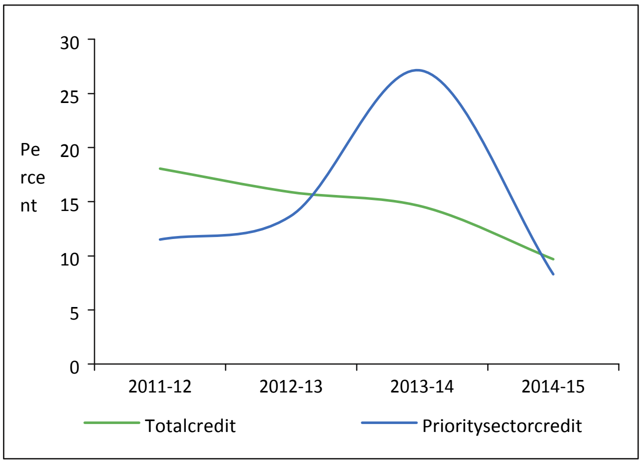
Foreign banks operating in India follow specific business practices for sectoral credit allocation with the application of technological developments using e-banking & ATMs. Business practices indicate a method, procedure, process, or rule employed or followed by a business entity in the pursuit of its objectives. Business practice may also refer to these collectively. With application of specific business practices foreign banks are developing their Indian business along with increasing their client base and implementing potential opportunities for massive entry into the market. Most of the foreign banks have the greatest experience in working with private depositors, and also lending actively to the real and various business sectors with application of specific business practices. Foreign banks desire to enter the Indian market is understandable. Bilateral trade with various countries has been growing rapidly as economies are recovering from the global financial crisis. The general consensus is that the benefits of foreign banks greatly outweigh costs in many dimensions. Particularly, it is generally considered that foreign banks add to domestic competition, increase access to financial services, enhance financial and economic performance of their borrowers, and bring greater financial stability. Generally, lower costs of financial intermediation (measured by margins, spreads, overheads) and lower profitability are documented with greater foreign banks' presence.Foreign banks' (FBs) participation has increased steadily across various developing sectors in India since the mid-1990s. Opportunities for profit making in a specific local market, no block heads for participation, and the presence of effective system to overcome various informational issues have been the main factors driving foreign banks' entry across various business sectors in India. The weight of the evidence suggests that foreign banks' presence does not endanger, but rather enhances banking sector stability. Along with the basic target of profitability, foreign banks' presence in India has helped the host and home country to increase business and service sector volume by availing the necessary financial services. Foreign banks are to develop commercially viable relationships with a target set of specific business oriented companies in India and their host countries by offering them comprehensive range of products and services, aimed at enhancing their internationalization efforts with the application of specific business practices. Foreign banks' principal focus is on promoting bilateral trade by offering finance at various stages of business cycle like product development, production, and marketing, import-export credit at pre-shipment and post-shipment stages, investment abroad and import of technology. Foreign banks operate a wide range of lending programs. Financial packages offered by the Foreign banks are competitive and multi-currency. 2005 RBI's Road Map for FBs allowed fair competition and geographical expansion and FBs became aware of new strategic possibilities. Now, FBs were free to enter new markets either by acquiring existing competitor bank franchises or by opening one of their own set up Wholly-Owned Subsidiary (WOS) model proposed by RBI. Furthermore, FBs holding companies were finally able to create a system of branch offices by consolidating previously independent affiliates. Waves of acquisitions and takeovers followed radically, which changed the structure of FBs. Newly grown FBs learned to exploit their size and, as a result, decrease marginal costs, having the ability to reduce service prices offered them a substantial competitive advantage. Additionally, to expansion in scale, FBs holding companies heavily invested in non-traditional financial services. Insurance and merchant financing company and acquisitions were another logical step towards expanding the scope of FBs' business. FBs holding institutions combined experience and knowledge gained in manufacturing, domestic trade financing and foreign trade financing and by using it quickly adapted to insurance and merchant financing businesses. For FBs risk assessments became more accurate and available for affiliates, decreasing service costs in newly acquired lines of financing business.

Foreign banks in India continue to attract new clients, especially among foreign companies newly registered in India. The host and home country currency-denominated operations could become an important area for foreign banks in India in the near future. The first step on the way to expanding the use of the national currency as an international payment medium has already been made, many foreign banks are now allowed to work with home country currency and make payments from India in favor of companies from the home country. Their competitive advantages are the high quality of customer service and quick decision making with the application of financial analysis of specific business. Thus, it is significant to study the role of foreign banks with application of specific business practices, for allocation of credit to various sectors including priority sector and technological developments in comparison to Indian banks because sectoral credit allocated and technological developments in scheduled commercial banks play a decisive role in transformation of a country.

1Priority sector credit

Following the overall trend, credit growth to priority sector also declined during 2014-15 (Chart1.1) and this decline was spread over all the subsectors with growth in credit to agriculture declining to 12.6 per cent from 30.2 per cent in the previous year. Credit to priority sectors by PSBs, PVBs and FBs was 38.2 per cent, 43.2 per cent and 32.2 per cent (of adjusted net bank credit (ANBC)/credit equivalent of off-balance sheet exposure, whichevershortfall from the overall target of 40 per cent. Within priority sector credit, both PSBs (16.5 per cent) and PVBs (14.8 per cent) had a shortfall in advances to agricultural sector against the target of 18 per cent.

Chart1.1:Trend in growth in priority sector and total credit

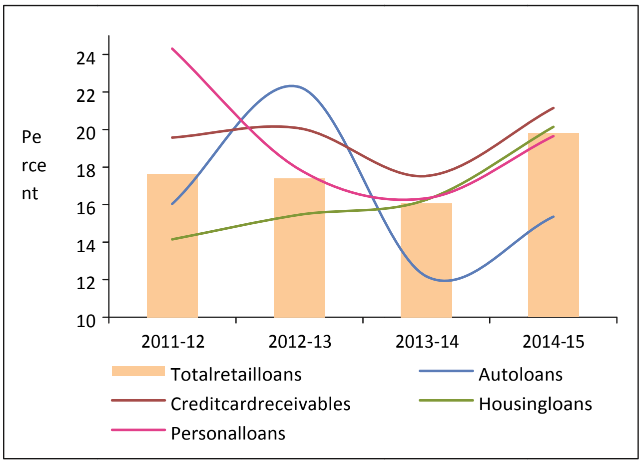


Source: RBI Supervisory Returns and RBI staff calculations.

2 Retail credit

Retail loan portfolio of the banks continued to grow at around 20 per cent during 2014-15 even though there was deceleration in the total credit growth of banks. Housing loans (constituted around half of the total outstanding retail loans) and credit card receivables grew by more than 20 per cent. Auto-loans also recorded a recovery (Chart: 2.1).

Chart2.1: Growth in retail loans

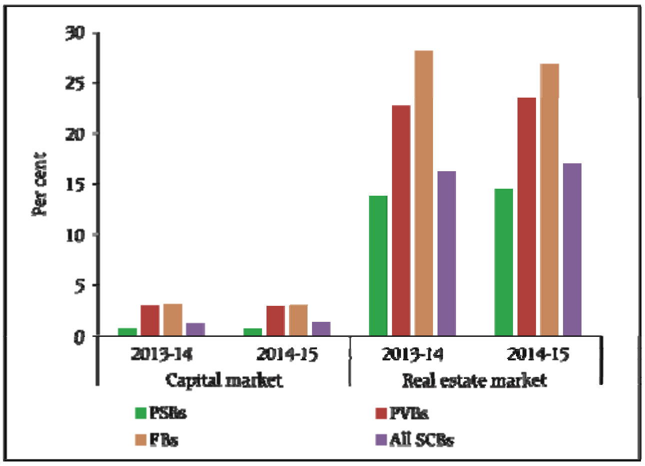


Source: RBI Supervisory Returns.

3 Credit to sensitive sectors

Capital market, real estate market and commodities market have been classified as sensitive sectors as fluctuations in prices of underlying assets in these sectors could adversely affect the asset quality of banks. In 2014-15, sensitive sectors accounted for 18.5 per cent of the total loans and advances of banks. Within these sensitive sectors, more than 90 per cent comprised lending to real estate market. However, in line with overall trend, credit growth to sensitive sectors also witnessed a decline on account of lower growth in lending to real estate market. Nevertheless,during 2014-15. At the bank group level, in both the sectors, FBs' exposure was highest followed by PVBs (Chart3.1).

Chart3.1: Share of lending to sensitive sectors



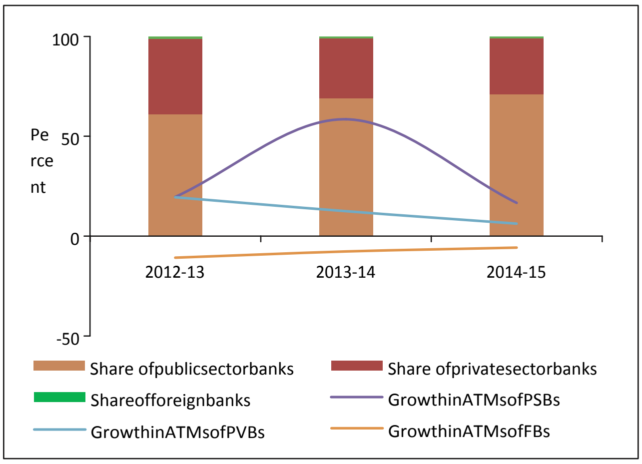
Source: Annual accounts of banks and RBI staff calculations.

Technological Developments in Scheduled Commercial Banks

4 Growth in automated teller machines (ATMs)

The banks increased their penetration further with the total number of ATMs reaching 0.18 million in 2015. However, there was a decline in growth of ATMs of both PSBs as well as PVBs. PSBs recorded a growth of 16.7 per cent during 2014-15 maintaining a share of around 70 per cent in total number of ATMs. FBs continued to record a negative growth in number of ATMs (Chart4.1).

Chart4.1: Growth and composition of ATMs

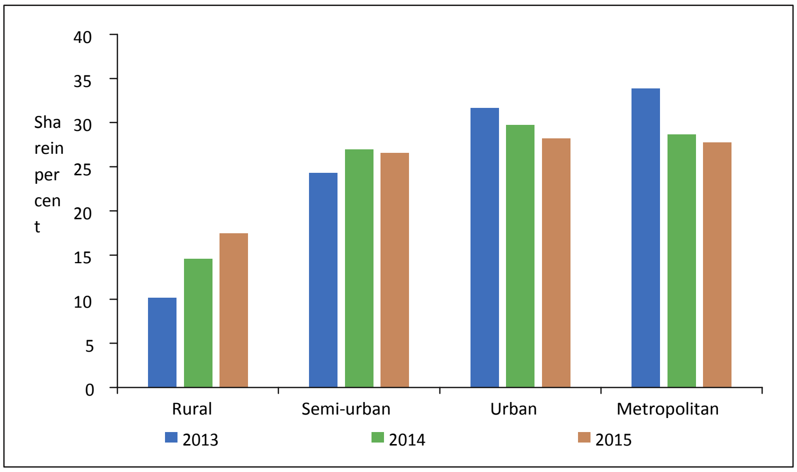


Source: RBI.

4.2 Population group-wise distribution of ATMs

In recent years, the shares of ATMs in rural and semi-urban area have been rising, though urban and metropolitan centers still dominate. In 2015, about 44 per cent of the ATMs were located in rural and semi-urban centers (Chart4.2).

Chart : Geographical distribution of ATMs**Source:** RBI.



4.3 Off-site ATMs

The share of off-site ATMs in total ATMs increased to 50.9 per cent as at end-March 2015 from 47.9 per cent in the previous year. The increase in share of off-site ATMs of public sector banks played a major role, which increased to 45.7 per cent in 2015 from 40.3 per cent in 2014. The share of private sector and foreign banks was already more than 60 per cent (Chart4.3).

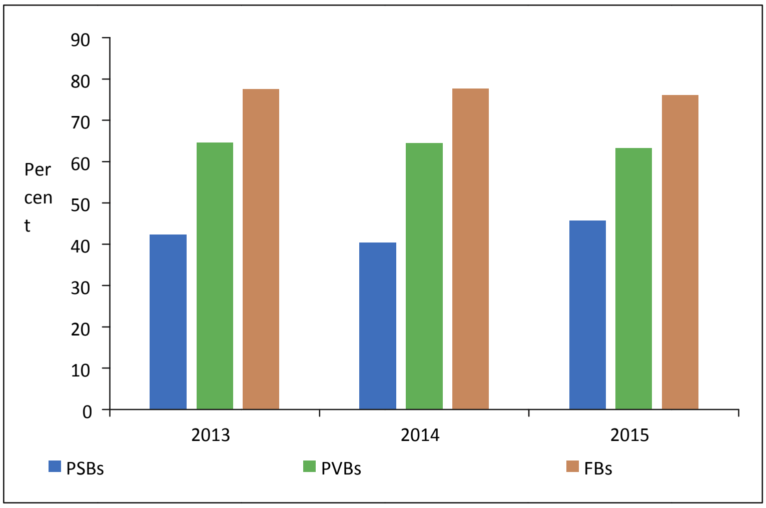


Chart 4.3: Share of off-site ATMs

Source:RBI.

4.4 White label ATMs

Looking at the efficiency and cost-effectiveness of off-site ATMs, non-bank entities were allowed to own and operate ATMs called 'White Label ATMs (WLA)' by the Reserve Bank in 2012. As on October 31, 2015, 10,983 WLAs were installed.

4.5 Debit cards and credit cards

Issuance of debit cards is much higher as compared to credit cards and they remain a preferred mode of transactions. In 2012, there were 6.3 credit cards for every 100 debit cards, which declined to 3.8 in 2015 (Chart4.5). PSBs maintaineda lead over PVBs and FBs in issuing debit cards. As on March 31, 2015 approximately 83 per cent of the debit cards were issued by PSBs, while around 80 per cent of the credit cards were issued by the PVBs (57.2 per cent) and FBs (22.4 per cent).

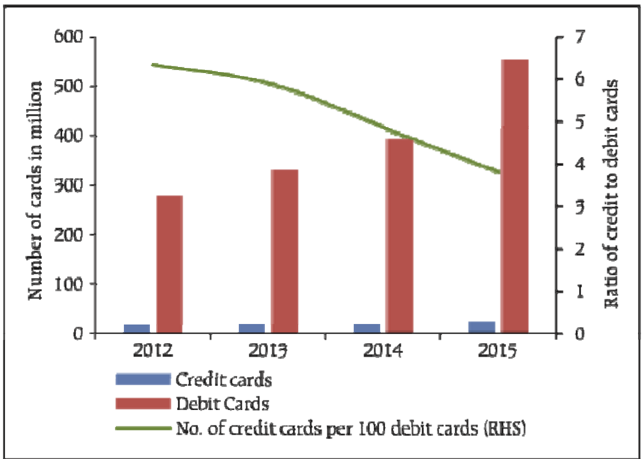


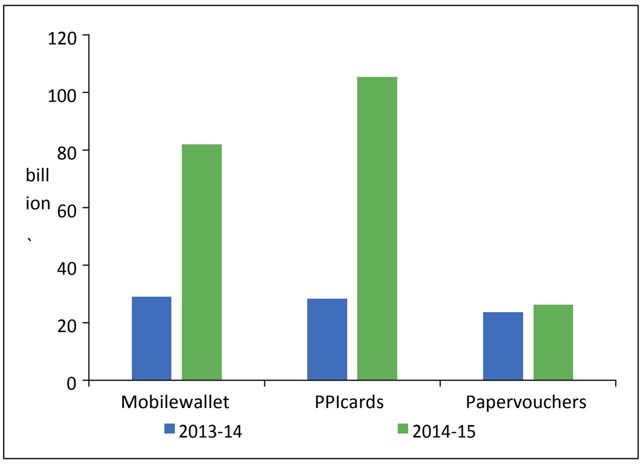
Chart4.5: Issuance of debit and credit cards

Source: RBI

4.6 Prepaid payment instruments

Pre-paid payment instruments (PPIs) are payment instruments that facilitate purchase of goods and services, including funds transfer, against the value stored on such instruments. The value stored on such instruments represents the value paid for by the holders by cash, by debit to a bank account, or by credit card. In the past few years, PPIs have emergedas an easy alternative to cash for performing day to day small value payment transactions. Value of PPIs has increased from `79.2 billion in 2012-13 to `213.4 billion in 2014-15. Among the PPI instruments, PPI card has been the most popular one (Chart 2.20), with non-bank PPIs having fuelled most of this growth.

Chart 4.6: Progress of pre-paid instruments (value)



Source: RBI.

Conclusion: -The graphs supported with statistical data presented above, indicate that every year there is a substantial growth in sectoral credit allocation by foreign banks with the application of specific business practices in line with other Indian banks.

Also there is substantial growth in automated teller machines (ATMs), the shares of ATMs in rural and semi-urban area have been rising, the share of off-site ATMs in total ATMs increasing, the share of ATMs run by non-bank entities is increasing and issuance of debit cards is much higher as compared to credit cards and they remain a preferred mode of transactions.

References: -

1. RBI Annual Publications- www.rbi.org.in
2. Wade Shefard (2016) www.forbes.com/sites/wadeshepard/2016/12/14/inside-indias-cashless-revolution/A Cashless Future Is the Real Goal of India's Demonetization Move.
3. Kanishka Singh (2016) the Indian Express November 26, 2016 Demonetization: Government Pushes for Cashless Economy.
4. Mihir Sharma (2016) Bloomberg View columnist. Nov 8, 2016 India Goes Cashless
5. Yogesh K Dwivedi (2016) The Conversation, December 20, 2016, India taking a step on the road to cashless economy
6. SakshamKhosla (2016) Hindustan Times, Nov 30, 2016, India is far away from being a cashless economy

A STUDY ON THE REQUIREMENT OF SKILLS DEVELOPMENT FOR THE SUCCESS OF "MAKE IN INDIA" PROJECT

RuksarFaizal Sharif
Assistant Professor in Commerce,
AbedaInamdar Senior College
rukku.munshi@gmail.com

Abstract:

On25th September 2014, Prime Minister NarendraModi launched "Make in India" project, with an aim to make manufacturing a key engine for India's economic growth. But to make this project successful, it is important to focus on the development of the skills of Indian labours to enable them in getting and doing the right job. Planning Commission report suggests only10% of the Indian workforce get formal training and against the actual industrial training requirement of 22 million workers, only 4.3 million workers are getting trained. To overcome this, Government of India has launched various skill development initiatives, but faced various challenges while implementing the same. However, few other nations like, China, Germany, South Korea, United Kingdom and Singapore have successfully implemented their respective skill development programs. So, in order to make "Make in India" project successful, various corrective measures should be taken to bridge the gap between existing and required skills and also to improve the implementation of skill development initiatives. For India, skill development is critical from both socio-economic and demographic point of view. Therefore, the present paper attempts to study the present skill capacity, challenges in front of skill development initiatives in India along with their solutions. Hence, skill development initiatives of the government should focus on these obstacles and develop the programs accordingly to resolve these hurdles for the complete success of the skill development initiatives.

Key words: *Make in India, Skill Development, Indian labours, Challenges, Oppurtunities.*

INTRODUCTION

Make in India - A national program designed to transform India into a global manufacturing hub. The focus is on attracting investment by physical infrastructure creation, foster innovation; protect intellectual property and enhancing skill development. According to Prime Minister NarendraModi, it is important to increase the purchasing power of common man, as this would further boost demand, and result in development, in addition to benefiting the investors. The faster people are pulled out of poverty and brought into the middle class, the more opportunity will there be for global business. Therefore, investors from abroad should create jobs. More employment will help in increasing the purchasing power. But this requires equipping the workforce with the appropriate skills acceptable across the globe and Indian market. Therefore, it is essential to focus on skill development for the success of "Make in India".

INTRODUCTION OF SKILL DEVELOPMENT

Skill development acts as an instrument to improve the overall effectiveness and empowers an individual to work more efficiently. The economy becomes more productive, innovative and competitive through the existence of more skilled human potential. Increasing pace of globalization and technological changes provide both challenges and growing opportunities for economic expansion and job creation. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of globalization.

OBJECTIVES OF THE STUDY

- To know about the existing level of Skill Development in India.
- To study the variousskill development Initiatives taken by the Government.
- To analyze the requirement of Skill Development.
- To study the various skill development initiatives taken by the other countries.
- To find out the suitable ways to fulfill the requirement of Skill Development.

SIGNIFICANCE OF THE STUDY

This paper helps to understand the requirement of skill development in India, to make our manpower employable for the international investors who start their business under "Make in India" project. It is an attempt to know the gap between existing and required level skill development in India.

RESEARCH METHODOLOGY

Research Design selected for this research is descriptive design. In order to collect desired data, Secondary data method of data collection is adopted in this study. The data were collected from journals, magazines, publications, articles, research papers and websites.

LIMITATION

The research was limited to the secondary data available in journals, magazines, publications, articles, research papers and websites only

FINDINGS/IMPLICATIONS

CHART 1

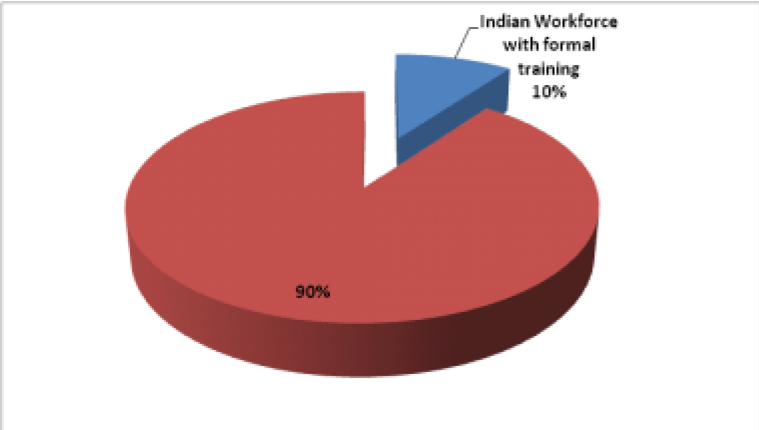


Chart 1 (Source: Planning Commission India - 11th five year plan)

As shown in the above chart, only 10% of the Indian workforce has formal training in the form of higher education, technical education or vocational training.

CHART 2

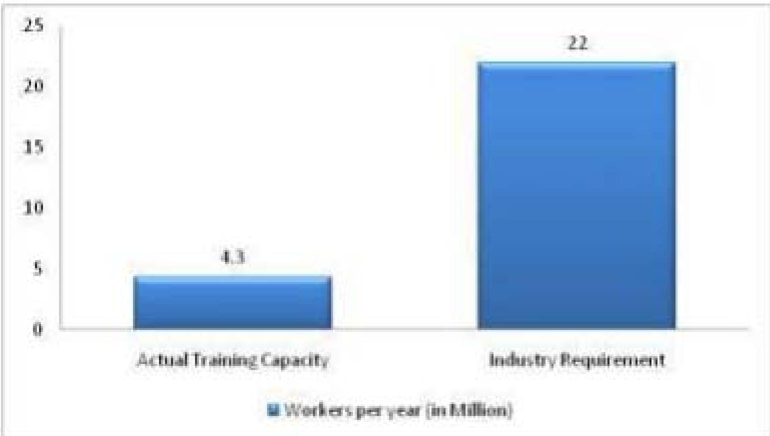


Chart 2 (Source: Planning Commission India - 11th five year plan)

As shown in the above chart, India currently has an annual training capacity of 4.3 million, which is less than 20% of the industry requirement of 22 million skilled workers a year.

KEY SKILL DEVELOPMENT INITIATIVES OF THE GOVERNMENT:

- DeenDayalUpadhyay Gram KaushalYojana (DDU-GKY)
- DeendayalAntyodayaYojana – National Urban Livelihoods Mission – DAY-NULM
- Director General of Training – Modular Employable Skills – DGT-MES
- Ministry of Labor and Employment – MoLE
- Mahatma Gandhi National Rural Employment Guarantee Act – NREGA
- Ministry Of Skill Development and Entrepreneurship – MSDE
- National Skill Development Corporation – NSDC
- National Skill Development Agency – NSDA
- National Rural Livelihood Mission – Ajeevika skills
- Aajeevika- National Rural Livelihood Mission (NRLM)
- PradhanMantriKaushalVikasYojana (PMKVY)
- Establishment of 1,500 new ITIs through the DGET
- Establishment of 50,000 Skill Development Centers through the DGET
- Setting up of PM National Council on Skill Development (operational)
- Setting up of National Skill Development Coordination Board (operational)

Apart from these, several ministries of the Government of India are also engaged in skill development, which are as follows:

- Ministry of Textiles
- Ministry of Rural Development
- Ministry of Human Resource Development (for Higher and Technical Education) including the setting up and up gradation of polytechnics
- Ministry of Urban Development and Poverty Alleviation
- Ministry of MSME Ministry of Food Processing Industries

CHALLENGES OF EXISTING STRUCTURE OF SKILL DEVELOPMENT:

- The existing institutional structure for skill development includes various agencies with overlapping and conflicting priorities. The government's own estimates reveal that currently, skill development efforts are spread across approximately 20 separate ministries, and 35 state governments and union territories. Given this complex institutional setup, the National Skill Development Agency was created last year to consolidate efforts in this domain. But it mainly has a coordination role, lacks any effective powers and remains significantly under resourced.
- The training infrastructure for imparting technical and vocational skills is inadequate. In terms of current capacity, it is estimated that various publicly funded organizations produce 3.5 million trained personnel per annum against the 12.8 million new entrants into the workforce each year.
- The infrastructure in the skill development sector today is largely government-owned then also; private sector investment hasn't been incentivized.
- The focus of vocational training offered in India is not matching with the needs of casual workers who constitute 90% of the labour force, resulting in a shortage of skilled workers at the national level. Casual workers, such as construction workers, from rural areas with little or no education and need support and training.

HOW OTHER COUNTRIES ARE IMPLEMENTING SKILL DEVELOPMENT:

- **Germany**

Germany's dual system of vocational education integrates work-based and school-based learning to prepare apprentices for a successful transition to full-time employment. This training would ideally last two to three and a half years, depending on one's occupation. Each week, trainees spend one or two days in a vocational school and three or four days in their company. Progress is evaluated through final examinations in which trainees must show that they have acquired the necessary skills, and practical and theoretical knowledge from their companies and that they have mastered the course material. The aim of training in the dual system is to provide a broad-based basic to advanced vocational training and impart the skills and knowledge necessary to practice a skilled occupation within a structured course of training. The key success factor for the German system is the added focus on apprenticeship.

- **South Korea**

South Korea also provides a neat illustration of a developing economy reaping the benefits of a concerted strategy. South Korea underwent reforms in the 1990s in order to ensure a mass supply of skilled workers to the industry and protect vulnerable groups of the population from unemployment. South Korea's job skill development program, under the framework of the employment insurance system, expanded the existing levy-grant system, where employers received a rebate for training existing employees. This led to an increase of over 27% in training participation by employees and the number of employees trained by employers increased by almost 13 times.

- **China**

China's VET (Vocational Education & Training) includes pre-employment training, apprenticeship training, on-the-job training and re-training for laid-off workers. It is conducted through government employment training centers, enterprise-sponsored training centers, and non-governmental vocational training organizations. Chinese government has also launched specific initiatives at the local government-level to train unskilled and uneducated migrant labour for sectors like construction.

- **United Kingdom**

The National Vocational Qualifications (NVQs) were created in response for the felt need for qualifications to be made flexible but rigorous and nationally recognized. NVQs are also part of 'Modern Apprenticeships' which are funded through work-based learning.At the industry level, Sector Skills Councils (SSCs) have been licensed and social partners are also engaged. SSCs are tasked with drawing up occupational standards for their sector that will feed into the national reform of qualifications. The Government expects each SSC to draw up a Sector Skills Agreement, in which employers and unions identify skills and productivity needs in their sector and the necessary actions to meet those needs.

- **Singapore**

The National Skills Recognition System (NSRS) is Singapore's national framework for establishing work performance standards, identifying job competencies and certifying skills acquisition. It is implemented by the Standards, Productivity and Innovation Board with the support of the Ministry of Manpower and the Ministry of Trade and Industry. This has helped the industry train skills-standards consultants and assessors, as well as to develop On Job Training (OJT) blueprints for the skills-standards established. To assess the workers, assessment centers were set up. Workers can be certified at centralized assessment centers, workplace or a combination of both. NSRS is promoted at four levels, i.e., national, industry, company and workforce, in collaboration with employer groups, industry associations, economic agencies and unions.

SUGGESTIONS

- Sector-specific skill councils should be established by the State Governments for such industry sectors which have major share in State Gross Domestic Product or have high potential for growth. It should have participation from the regulatory body, industry leaders/ associations, external professional consultants.
- There should be a regularly evaluation of the course content and pedagogy and if needed, should do modifications in design/delivery to meet industry's requirements.VET (Vocational Education & Training) should be made compulsory and should start in every secondary school.
- There should be certain amount of stipend to be paid for vocational students, which will encourage the student opt for vocational training.
- To encourage participation from local industries, the local governments should help local enterprises by incentives such as allotment of land at subsidized prices, or preferential treatment in case of award of government projects. Such measures can prove to be influential in encouraging industry to actively participate in vocational education and training

CONCLUSION

To make India internationally competitive and to boost its economic growth further, a skilled workforce is essential. As more and more India moves towards the Knowledge economy, it becomes increasingly important for it to focus on advancement of the skills and these skills have to be relevant to the emerging economic environment. For transforming its demographic dividend, an efficient skill development system is the need of the hour. Therefore to achieve its ambitious skilling target, it is imperative to have holistic solutions of the challenges instead of piecemeal interventions.

The existing skill development policy in India needs an urgent treatment. The institutional structure needs simplification with greater investment in training infrastructure and an emphasis on supporting a casual labour force that needs to be accompanied with incentives for private sector participation too. Put simply, for the success of "Make in India" project it is important to equip India's youthful millions with the right skills to compete in a global race for jobs.

REFERENCES

1.www.makeinindia.com

2.planningcommission.gov.in

3.www.ndtv.com

4.Economic Times (e-paper)

5.Dahlman, C., &Anuja, U. (2005).India and the Knowledge Economy: Leveraging Strengths and Opportunities. Washington, D.C: World Bank.

6. Federation of Indian Chamber of Commerce & Industry.(2013). Knowledge paper on skill development in India. Global Skills Summit 2013. New Delhi: Ernst & Young Pvt. Ltd.

7. Federation of Indian Chamber of Commerce & Industry. (2014). Reaping India's promised demographic dividend —industry in driving seat. New Delhi: Ernst & Young Pvt. Ltd.

8. National Sample Survey Organization.(2012). Employment and Unemployment Situation in India (66^{th}Rounds).Ministry of Statistics and Plan Implementation, Government of India. New Delhi.

2016 WORLD'S TOP 10 COMPANIES & THEIR INNOVATIVE PRACTICES IN HUMAN RESOURCE MANAGEMENT

Prof. Shaikh. Shahjahan
M.Com,M.Phil
Abeda Inamdar senior college

Abstract

The study intends to focus on the 2016 World's Top 10 Companies & their innovative practices in Human Resourse Management. Human resource management is very important for the decision making power employee communication and team work ultimately its impact on the job satisfaction. (Likert, 1961) state that through providing the opportunities to the worker in decision making and participate, it increases job satisfaction and employees will retain. This research is based on descriptive research methodology in order to make the efficiency both qualitative, quantitative methods and secondary data has been used for this study.The secondary sources of data include a variety of secondary information resources which are helpful to justify the purpose of study and support the observation with help of evidence. All the published material clarifying the concept of 2016 World's Top 10 Companies & their innovative practices in Human Resource Management, reference books and internet. Conclusion and recommendation is made on the basis of result and analysis. Employees are key assets for any organization and management should ensure the appropriate use of human resource management practices and policies because it is very supportive tool for organizations in order to achieve the goals and objectives.

Keywords: - Human Resource Management,Four Critical Dimensions Of Best Practices, Innovative Practices In Hr Areas, 2016 World's Top 10 Companies.

Introduction:- Human Resource Management:

Human Resource Management:
The process of managing human talent to achieve an organization's objectives.
HRM Objectives:
Is to ensure the availability of a competent and willing work force to an organization.
Societal objectives:
To be ethically and socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.
Organizational objectives:
To recognize the role of HRM in bringing about organizational effectiveness.
Functional objectives:
To maintain the department's contribution at a level appropriate to the organization's needs.
Personal objectives:
To assist employees in achieving their personal goals, at least insofar as these goals enhance the individual's contribution to the organization.

Human Capital Management [HCM]:
HCM refers to the task of measuring the cause and effect relationship of various HR programs and policies on the bottom line of the organization.

HR Specialist:
These jobs are usually the entry-level positions. Included would be such roles as interviewer, compensation analyst, benefits coordinator, job analyst, and trainer in large firms there may be promotional opportunities within the specialized function.

HR Manager:
The HR manager is a generalist who administers and coordinates programmes cutting across functional areas. He is usually a top-ranking person, expected to know all the areas of HRM, because he has to oversee the implementation of the HR policies at the facility and advise line managers on HR issues.
HR Executive:
He is usually the vice-president of an organization, has the responsibility of linking the firm's corporate policy and strategy with HRM.
Employee Empowerment:
Granting employees' power to initiate change, thereby encouraging them to take charge of what they do.
Human Resource Development [HRD]:
A planned way of developing individual employees, groups and the total organization to achieve organizational goals, in an atmosphere of mutual trust and cooperation.
HR Policy:
Policies are the guidelines for action. They offer the general standards or parameters based on which decisions are reached. They serve as a road map for managers of a number of issues such as recruitment, selection, promotion and compensation.
Employee counseling:
The process through which employees are given advice in solving work related as well as personnel problems.
Collaborative work:
Technological change has resulted in hierarchical distinctions being blurred and more collaborative teamwork where managers, technicians and analysts work together on projects.
Telecommuting:
It is where employees work at home, usually with computers and use phones and the internet to transmit letters, data and completed work to the home office.
Employee Diversity:
The situation that arises when employees differ from each other in terms of age, gender, ethnicity, education. Etc.,
Knowledge workers:
Workers whose responsibilities extend beyond the physical execution of work to include planning, decision making, and problem solving.
Human Resource Planning [HRP]:
The process of anticipating and providing for the movement of people into within, and out of

an organization.
Culture audit:
Audits of the culture and quality of work life in an organization.

OBJECTIVES:-

1. To study the world's top ten companies & their innovative practices in human resource management.
2. To study the duties and responsibilities of HR.
3. To understandwhat kind of innovative practices they are following to recruit and retain their employees and made them feel best place to work and enjoying working and made the companies in the great height in their own field of business.

Literature review

This paper try to extract the facts to find out how the companies in facing HR problems and what kind of innovative practices they are following to recruit and retain their employees and made them feel best place to work and enjoying working and made the companies in the great height in their own field of business.

Four Critical Dimensions of Best Practices

1.Attract and Access:
Attracting and retaining talent is becoming a big problem for every organization, they are following every trick and strategy to recruit and retain the employees.
2. Develop and Grow:
Nowadays organizations try to recognize the aspirations of employees and focus on their growth and development. India provides job rotation opportunities to high – performing employees from operations division. This gives them broader understanding of the business.
3. Engage and Align:
Employee engagement has retained the focus of organizational leadership and many companies keep launching new practices to woo employees. They are using innovative practices like "Loyalty Interview"- to find out what is it that makes its employees stay on, the feedback from loyal employees often reflects on the leadership style and is seen to work as a great motivation.
4. Transition:
Movement of talent within the organization and outside of the organization sends strong signals to the employees about the organization's care and concern. Right from the induction, which is often the first impression the employees carries, to the exit interview, the sensitivity displayed by the organization has a lasting impact on all employees.
INNOVATIVE PRACTICES IN HR AREAS:

Recruitment and selection
Learning and development
Rewards and recognition

Career planning
Compensation and benefits
Performance management
Leadership and development
Organization structure

1.RECRUITMENT AND SELECTION

1. Google:
(i) Diversity among employees: Ex – army man to former school teacher in the workforce.
(ii) For recruitment they expect the person has to be comfortable with technology and be optimistic about the future. “Like someone who you would find interesting on a long train journey”. The company’s recruitment process ensures that it gets the people edge it needs. There is a battery of wiring tests, interviews are rigorous, not in the sense of being a stress interview, but interviewers try and go deep into what makes the candidate tick. Then the detailed feedback on the candidate is given to an independent team in charge of hiring. The company’s credo is to hire someone who is better than you.
2. Employee referrals by employees which comprises 50% of all hiring at SAP Labs India, Bangalore.
3. Non – standard pool of talent: housewives with a gap in career
4. “Bar Raisers”:The HR department has organized an elite group of 34 employees – who have veto power in an recruitment decision, if a Bar member feels a potential recruit does not match up to the company’s standards.
5. Short stories: The Company compiled 52 short stories, one for each week, the company used to introduce new recruits. The stories talk about its history and evolution, technology and people who made a difference.
6. The company goes beyond its employees and connects with their support group: the family, when an employee joins, his parents or spouse get a welcome letter.

2.LEARNING AND DEVELOPMENT

SME’s(Subject Matter Experts):
HR team identifies the internal subject matter experts to give training to the employees
Sending employees for higher studies
EWelcome:When employees join the company, they have to interact with functionaries in other regions who assume that the new person in knows the internal systems. Often the new employee is unfamiliar with the systems and is at sea. The EWelcome gateway lists certain universal systems of the company and helps them get familiar with such things. A stand – out feature is that if this checklist remains incomplete it sends an automatic notice to the manager responsible for the employee.
3. REWARDS AND RECOGNITION

1. MAD (Mutual Admiration):
Is an event where every employee is given green cardboard leaves on which they scribble

messages of appreciation and pin them onto the MAD tree in the cafeteria. The leaves are a way of reaching out to colleagues and teams who have mattered. And at the end of the week, the foliage gets thick. Surely, the employees like being around each other.

2. Smart Work and Smart Reward:

It directed towards improving employees productivity. It rewards those who complete tasks in fewer working hours than stipulated." The reward process is well defined and transparent. It has helped in ensuring better work – life balance.

3. Promotion within

4. CAREER PLANNING

1. Career Success Centre:

An online portal and a one – stop shop for all career related resources. The portal helps employees plan and develop their careers according to business needs.

5. COMPENSATION AND BENEFITS

1. Paternity leave
2. Extra three months maternity leave at half the salary leave
3. No attendance monitoring
4. Unlimited sick leave
5. Equal privileges for employees across levels: employees at all levels travel in the same class, stay in similar hotels, work out of standard cubicles, log in their own leave.

6. PERFORMANCE MANAGEMENT

1. 360 degree feedback system
2. "Performance Task Force": A cross functional team constitutes 20 members and this force keeps track of what needs to be plugged, and what seems to be working. It goes back to HR every six months to deliver feedback.

7. LEADERSHIP AND DEVELOPMENT

1. Food for thought:

Inviting employees in groups to chat with Managing director over lunch in an informal environment on various issues and topics.

2. Succession planning
3. Employee empowerment
4. Reach out:

An initiative to keep a direct link of communication to its employees, the president of the company meets the employees.

8. ORGANIZATION STRUCTURE

1. Flexi and Part – time
2. The companies allow the employees to shift jobs if they wish to, across its different functions.
3. Skits: The companies are asking the employees to devise skits to dramatize its values,

design screen savers and even create mascots themed on the values, they would much rather hunker down and design some more.
4. The company created new position called “Employee Engagement Manager”: the major task of the manager is to energize the workplace with fun – filled events and effective communication.
5. “People Champions”: Every project team has one facilitator from the HR department. The people champion takes care of any administrative need a project might have, leaving the project members free to concentrate on their work.
6. Orientation along with parents: The Company invites the parents of new recruits for orientation, its good for the parents to know the kind of organization their children work for, this insight came from campus recruitment, where parents would stay with their children right till results were parents would stay with their children right till results were announced.
7. “People Movement Management Review Committee”: it ensures talented employees were retained by reassigning them to other groups. The company also hired consultants to assist those who were asked to leave to find jobs in other organizations.

2016 World’s Top 10 Companies

Airbnb:-

Airbnb is a peer-to-peer online marketplace and homestay network enabling people to list or rent short-term lodging in residential properties, with the cost of such accommodation set by the property owner. The company receives percentage service fees from both guests and hosts in conjunction with every booking. It has over 2,000,000 listings in 34,000 cities and 191 countries. Airbnb was founded in August 2008, is headquartered in San Francisco, California, and is privately owned and operated.
Airbnb is one of the few large global organisations without an HR department or even a CHRO. The decision to do away with HR coincided with the creation of a new function within the company called ‘employee experience’. So what is this and how does it differ from HR?Traditionally, HR at Airbnb was broken up into three groups – talent, recruitment and ground control (which dealt with workplace culture) – Mark Levy, the company’s global head of employee experience told *Forbes*.“They all reported up into different places,” he said.Levy spoke of a discussion with Brian Chesky, CEO of Airbnb, where the pair tried to work out how to bring all the different departments together.
“I said, ’You have a customer experience group. Why don’t we create an employee experience group?’”

The resulting function joins the three initial groups and adds specializations such as compensation & benefits, learning & organizational development, facilities, safety & security, and the food program.“Essentially we are everything, starting with the roof over the employees’ heads,” he said. “[We’re] their whole journey from the time they get contacted or they contact us through their entire employee experience.”
Levy said that the customer experience function at Airbnb is a broader role than HR since HR doesn’t traditionally encompass facilities, food, etc.
Newbie Airbnb smoked the competition with its "amazing people, vibrant workplace and

unbeatable culture." The San Francisco-based room rental service also earned top marks for its "great leadership," "diverse workforce" and "friendly coworkers."

And then there are the perks, which include meals made in-house, "gorgeous" office space, frequent happy hours and, according to one reviewer, "handmade, healthy energy bars and kombucha.

Bain & Company:-

Bain & Company Overview

Bain & Company is one of the world's leading consulting firms with offices in 51 global cities. We work with top executives - across all industries and geographies - to analyze, create and deliver sustainable solutions that help shape the other business organizations.

Website www.bain.com, Headquarters Boston, MA (US) ,Size 5001 to 10000 employees ‘Founded 1973 ,Type Company - Private ,Industry Business Services

Revenue ₹ 100 to ₹ 500 billion (INR) per year

Competitors McKinsey & Company, Boston Consulting Group, Booz & Company

#1 "Best Places to Work 2017," Glassdoor

Bain ranks #1 on the Glassdoor Employees' Choice Award, honoring the 50 Best Places to Work in 2017. Bain is the only company to earn three number one rankings from Glassdoor and has ranked in the top four for each of the last nine years.

Maintaining its second place spot on the list, Bain & Company is praised by employees for its "incredibly supportive culture," "competitive pay "and" unparalleled colleague pool." As if that wasn't enough, the Boston-based management consulting firm also boasts "rewarding" work and "high impact clients."

3. GUIDEWIRE:-

Guidewire Software is a provider of core system software to the global general (Property/Casualty) insurance industry. Designed to be flexible and scalable, Guidewire solutions give insurers the capability to deliver excellent service, increase market share and lower operating costs. Guidewire Insurance Suite™, consisting of Guidewire Policy Center®, Guidewire Claim Center® and Guidewire Billing Center® spans the key functional areas in insurance – underwriting and policy administration, claims management, and billing. Guidewire is headquartered in Foster City, California, with offices in Beijing, Dublin, Hong Kong, London, Munich, Paris, Sydney, Tokyo, Toronto and Warsaw. Guidewire delivers the software that Property/Casualty (P/C) insurers need to adapt and succeed in a time of rapid industry change. We combine three elements – core operations, data and analytics, and digital engagement – into a technology platform that enhances insurers’ ability to engage and empower their customers and employees. 260 P/C insurers around the world have selected Guidewire..

Software publisher Guidewire offers its employees "continuous opportunities to grow," "good compensation" and a "diverse environment."

The Foster City, Calif.-based company also "hits the sweet spot between ‘startup culture’ and ‘big corporate culture,'" according to one reviewer. "There is the small company vibe, wherein you can talk to everyone and get things done. And there is enough room for flexibility in processes for individuals and teams to choose what works best for them, while having the support of the larger organization.”

Guidewire Named a 2016 ‘Best Place to Work in the Bay Area’ by San Francisco Business Times and Silicon Valley Business Journal

Recognition marks the seventh consecutive year Guidewire Software has been included on the Best Places to Work list

Guidewire Software Inc. (NYSE: GWRE), a provider of software products to Property/Casualty insurers, today announced that it has been named one of the Best Places to Work in the Bay Area 2016 by the *San Francisco Business Times* and *Silicon Valley Business Journal*. According to the publications, the companies included on this year’s list have been deemed as “exceptional workplaces and value the contributions of their employees.”We are honored to be named a Best Place to Work,” said Priscilla Hung, chief administrative officer, Guidewire Software. “Our dedicated employees around the globe work to provide software products that help our customers adapt and succeed in a rapidly-changing insurance marketplace. They embody Guidewire’s core values of collegiality, integrity and rationality in all they do, which contributes to making Guidewire an amazing work environment.”

Employees participated in an independent, third-party survey that ranks companies based on their employees’ rating of work environment, corporate culture, benefits, and compensation.

4. Hubspot :-

According to one reviewer, the leadership at software company Hubspot "places a heavy emphasis on employee growth across all divisions, from tuition reimbursement to offering opportunities to take on challenges outside your core responsibilities." Employees also singled out the Boston-based company out for its "lovely culture," "stocked kitchen" and "smart and motivated coworkers."

5. Facebook :-

In addition to "amazing" perks that include chef-prepared meals and a generous parental leave policy, employees praise the Menlo Park, Calif.-based social network's "fast paced environment, "caring managers" and "friendly company culture

6. LinkedIn:-

The Mountain View, Calif.-based networking company was praised by employees for "great perks," "inspiring leadership, "competitive compensation," and "incredible work-life balance."

Or, as one reviewer succinctly put it, LinkedIn is the "best company in the world!"

7. Boston Consulting Group v:-

Employees at the Boston-based management consulting firm are impressed by the quality of their co-workers. "Smart colleagues, great teams, excellent culture," wrote a reviewer. The co-worker bond frequently extends beyond the office. According to one employee, "we really do work hard and play hard.

8. Google:-

By now, you're probably aware of Google’s company perks--the free haircuts, on-site doctors, shuttle buses, etc. But apparently, these perks aren't lavish wastes of money. They are calculated processes that not only make employees happy, but also benefit the company as a whole.

- Slate.com recently took an in-depth look at the company's meticulous and scientific approach to creating and maintaining these happy employees. While your company may lack Google's bountiful resources (few companies, after all, can offer Google's death benefits), key company practices can still be applied to your business.
- Act like a scientist. Google has reportedly hired social scientists to run a bevy of tests on employees. A free way to do this yourself? Collect data on employees by having them fill out surveys. This is the first step to developing a better culture.
- Give *smart* perks. For every perk, there should be a reason. A few years ago, Google changed its maternity leave plan from the standard 12 weeks to five months. This wasn't a random burst of generosity, according to Slate. New mothers were reportedly leaving the company at twice the average departure rate and Laszio Bock, head of Google's HR department, wanted this number to go down. The added maternity benefits worked; Bock told Slate that if you factor in recruitment costs, the new maternity policy doesn't cost the company anything.
- Don't neglect the little things that can have big impact. .
- Model your human resources department on a science lab. Whenever possible, Google tries to answer HR questions scientifically. "What we try to do is bring the same level of rigor to people decisions that we do to engineering decisions," Prasad Setty, who heads Google's "people's analytics" group, told Slate Magazine.
- Use data to understand what your employees *really* think. Larry Page and Sergey Brin founded Google with the idealistic belief that bosses were unnecessary. Feedback from company surveys indicated the opposite, and now Google understands the value of middle managers. Use the data you collect; if it challenges current company policy, by all means, investigate and find a better solution.

Vision & Mission:-Laszlo Bock Vice President, People Operations Larry Page Co-Founder & President, Products
Making Google Better Small Teams enhancing speed and creativity Every Googlers idea is considered for betterment of company. Provides resources to turn great ideas into reality.Flexible working environment with perks (car wash, onsite doctors, dry-cleaning, massages)80-20 work-fun time at office.
Top 10 Reasons to Work at Google Lend a helping hand. Life is beautiful. Appreciation is the best motivation Work and play are not mutually exclusive Love employees, and want them to know it. Innovation is the bloodline Good company everywhere you look. (from neurosurgeons, CEOs, and U.S. puzzle champions to alligator wrestlers and Marines) Uniting the world, one user at a time Boldly go where no one has gone before. There is such a thing as a free lunch after all.
The Google Culture Employee Resource Groups. Free of harassment, intimidation, bias and unlawful discrimination. Hiring: - favours ability over experience. Workspace includes piano, lava lamps assorted video games, Foosball, baby grand piano, ping pong. Google Café
By this point, you've probably heard about Google's perks – which, according to one employee, are "truly unbelievable (food, massage, gyms, discounts etc.)" – but the Mountain

View, Calif.-based technology giant also earns top marks from employees for its "amazing" talent pool and "fun" work environment.

9. Nestlé Purina Pet Care:-

Nestlé Purina Pet care is a St. Louis, Missouri-based subsidiary of Nestlé. It produces and markets pet food treats and litter. Some of its pet food brands include Purina Pro Plan, Purina Dog Chow, Friskies, Baneful and Purina ONE. The company was formed in 2001 by combining Ralston Purina, which was acquired by Nestlé for $10.3 billion, with Nestlé's Friskies Pet care Company. As consumers became willing to spend more money on their pets, the company grew. As of 2012, it is the second-largest pet food company globally and the largest in the United States.

The long-term success of the Company depends on its capacity to attract, retain and develop employees able to ensure its growth on a continuing basis. This is a primary responsibility for all managers. The Nestlé policy is to hire staff with personal attitudes and professional skills enabling them to develop a long-term relationship with the Company.

Therefore the potential for professional development is an essential standard for recruitment.

Each new member joining Nestlé is to become a participant in developing a sustainable quality culture which implies a commitment to the organization and a sense for continuous improvement leaving no room for complacency. Therefore, and in view of the importance of these Nestlé values, special attention will be paid to the matching between a candidate's values and the Company culture.

At Nestlé, we recognize that our employees are the key to our success and nothing can be achieved without their engagement. This document encompasses the guidelines which constitute a solid basis for effective Human Resources Management throughout the Nestlé Group around the world. It explains to all Nestlé employees the vision and mission of the Human Resources function and illustrates every aspect of the Nestlé employee lifecycle. The Nestlé Management and Leadership Principles inspire all the Nestlé employees in their actions and in their dealings with others. The Corporate Business Principles refer to all the basic principles which Nestlé endorses and subscribes to on a worldwide basis. Both these documents are the pillars on which the present policy has been built. The implementation of this policy will be inspired by sound judgment, compliance with local market laws and common sense, taking into accounts the specific context. Its spirit should be respected under all circumstances and could be summarized in one sentence: At Nestlé we put people at the centre of everything we do.

Nestle have the prime focus on major areas human resource management such as , a shared responsibility, Joining Nestlé, Employment and working conditions, Total rewards, Training and learning, Talent, development and performance management ,Employee relations, A flexible and dynamic organization.

The St.Louis-based pet food maker is a "people oriented company" that values work-life balance and open communication, according to one reviewer. Employees also describe an excellent company culture, enhanced by the pet-friendly office. In the words of one employee: "dogs at work make everyone happy."

10. Zillow:-

Zillow is the leading real estate and rental marketplace dedicated to empowering consumers with data, inspiration and knowledge around the place they call home, and connecting them with the best local professionals who can help.

Zillow serves the full lifecycle of owning and living in a home: buying, selling, renting, financing, remodeling and more. It starts with Zillow's living database of more than 110 million U.S. homes - including homes for sale, homes for rent and homes not currently on the market, as well as Estimate home values, Rent Estimates and other home-related information. Zillow operates the most popular suite of mobile real estate apps, with more than two dozen apps across all major platforms.

Zillow launched in 2006 and is headquartered in Seattle.

Zillow Group has understood what the definition of ‘work-life balance’ really means. The paternity leave that was rolled out in 2016 is also amazing. Employees had the opportunity to spend the first two months with newborn at home, without being stressed about their income while away.

Zillow have a phenomenal and encouraging meritocratic culture, and have the best benefits an employee could ask for. The management cares intently about employee’s work-life balance and families.

Employees at Zillow, a real estate and rental marketplace, extol the Seattle-based company's cushy benefits, extensive range of free foods, snacks and "amazing" views. Even bigger draws? The "great people" and "standout" company culture and a transparent executive team.

CONCLUSION:-

In the present competitive world, the companies are facing lot of skill shortage, talent crunch and attrition those reached historically height ever, that made the companies feel the internal customer also more important equally with external customers, so every company try to devise innovative HR practices to attract best talent , giving them nice environment to work with, that enables the company to retain talents, proper working condition with all required resources strong career planning and development for employee’s to make them satisfied and motivated at work and all the above said practices are conceived and implemented and found successful by the leading companies in world. It is found that convergence of practices of different companies in different HR areas, if any company wants to apply those practices that will benefit for the company to become more competitive in the global market.

Reference:-

1. Human resource management by Authors: John Jackson, Robert L Mathis
2. Fundamentals of Human Resource Management Book by Raymond A. Noe
3. Fundamentals of human resource management by DeCenzo, David A.; Robbins, Stephen
4. www.airbnb.co.in
5. www.bain.com
6. www.Guidewire.com
7. www.hubspot.com

8. www.facebook.com
9. Www.LinkedIn.com
10. www.bcg.com
11. https://www.glassdoor.com
12. www.Purina.com
13. www.google.com
14. www.zillow.com
15. Indian journal of commerce and management studies
16. . "about us - airbnb". Airbnb. Retrieved 6 october 2016
17. .carr, austin (1 sep 2012). "the world's 50 most innovative companies". Fast company. Retrieved 13 December 2012
18. http://www.google.com/corporate
19. http://www.greatplacetowork.in/best
20. http://www.cybergrain.com/
21. http://en.wikipedia.org

E-COMMERCE: CHALLENGES AND OPPORTUNITIES

Mehak Kishore Bhatia
Assistant Professor
Abeda Inamdar Senior College
AzamCampus

Abstract

E-commerce is anything that involves an online transaction. This paper examines different opportunities of e-commerce viz., E-business, E-learning, E-commerce education integration, E-insurance, E-commerce for the WTO and developing countries and future media of e-commerce. It raises key challenges that are being faced by consumers relating to e-commerce viz., Ethical issues, Perceptions of risk in e-service. Finally many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce; critical challenges remain to be overcome before e-commerce would become an asset for common people.

Key Words : E-Commerce- Business, E- Insurance, E- Learning

Introduction

The explosion in the use of electronic commerce (e-commerce) by the business sector has been tremendous since its inception only a few years ago. From governments to multinational companies to one-person start-ups, e-commerce is increasingly viewed as a key business modality of the future. Ease of transaction, widening markets, and decreased overheads are factors that make e-commerce solutions more and more attractive, as evident with the growth of online sales.

E-commerce is definitely one of the business options that one will have to explore in the future. Ecommerce is said to bring about paradigm shift in the world for trading.The buying & selling of products & services by businesses & customers through on electronic medium, without using any paper documents. E-commerce is widely considered the buying & selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce.

OBJECTIVES:

- To study the fundamental changes in e commerce that took place in the recent years in India.
- The new innovative opportunities of e-commerce.

.

- Key challenges that are being faced by consumers relating to e-commerce.

RESEARCH METHODOLOGY: The study is collected based on the secondary sources of data collected through journals, articles & annual report

Challenges Of E-Commerce

1. High Return Rates: Though the trend is changing still ecommerce players are experiencing heavy product return rates, which are incurring losses for them, as reverse logistics presents unique challenges..

2. Consumer prefer COD (Cash on delivery): Due to trust deficiency; still lots of people don't prefer to use a credit / debit card or internet banking methods for transaction, rather they opt for "Cash on Delivery" which is risky and leads less business margin.

3. Payment gateways Inefficiency: Consumers usually experience a high failure rate of payment gateways. Usually once a customer does not reattempt after a transaction failure. It leads to loss of businesses.

4. Quality Internet penetration: India has less internet penetration. However, that is not the concern for ecommerce players it is prospecting, the major challenge is about quality of connectivity. The speed and frequent drops cause frustration and restrict user from using ecommerce for their major source of buying.

5. Feature phones still rule the roost: Majority of the population resides in villages and rural areas where the majority of residents use feature phones, not smart phones. However, this shift is being changed and with a steady rate it is growing up.

6. Reliable Logistic and Supply Chain: India is a large country which has thousands of cities and areas which are not easily accessible. Though the Metropolitan cities and other major urban centers have not issue with supply chain, but the attraction lies in market size due to its large population. Through ecommerce consumer want to buy a product in not just efficient manner but also expect to get it delivered at their place in least possible time.

7. Postal addresses are not standardized.

If you place an online order in India, you will quite likely get a call from the logistics company to ask you about your exact location. Clearly your address is not enough. This is because there is little standardization in the way postal addresses are written. Last mile issues add to ecommerce logistics problems.

8. Tax norms and compliances: Yet a lot of initiatives have to be taken by government to simplify complex tax norms which have different rates at different states.

9. Overfunded competitors are driving up cost of customer acquisition: The vibrancy in the Indian startup ecosystem over the past couple of years has channeled a lot of investment into the ecommerce sector. The long-term prospects for E – Commerce companies & players are so exciting that some investors are willing to spend irrationally high amounts of money to acquire market share today. Naturally the Indian consumer is spoiled for choice.

10. Too many Players, startups have to struggle: Due to physical/infrastructure/technology and customer acquisition has challenged a startup doesn't just need to raise huge amounts of capital rather they have to cultivate new ideas to gain popularity and win trust. Also, there are big chances that some big players who are currently brick and mortar business and have huge support of infrastructure, people, warehouses can use their money to evangelize the market.

Opportunities of E-Commerce

1) E-business:

E-business affects the whole business and the value chains in which it operates. It enables a much more integrated level of collaboration between the different components of a value chain than ever before. Adopting e-Business also allows companies to reduce costs and improve customer response time. Organizations that transform their business practices stand to benefit immensely from innumerable new possibilities brought about by technology E-commerce as anything that involves an online transaction. This can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. One area where there are some positive indications of e-commerce is financial services. Online stock trading saw sustained growth throughout the period of broadband diffusion. E-shopping is available to all these who use a computer. Over the past year Amazon.Com, eBay India, India times have seen a rapid growth in categories such as mobile handsets, jewellery, fashion apparel, books, gift items and other items.

Naukri.com – India's premier recruitment site has captured around 50% of the recruitment market.

ICICIDIRECT.com - Stock trading simplified, Icicidirect.com is one of the trading portal.

2) E-commerce integration:

An e-commerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to e-commerce education and topics covered in a variety of business courses in different disciplines e.g. accounting, economics, finance, marketing, management, management information systems. To help assure that all related business courses in all disciplines such as e.g., accounting, finance, economics, marketing, management, information systems pay proper attention to the critical aspects of e-commerce, certain e-commerce topics should be integrated into existing business courses.

3) Open and distance learning:

Education and continuous learning have become so vital in all societies that the demand for distance and open learning will increase. As the availability of the Internet expands, as computing devices become more affordable, and as energy requirements and form factors shrink, e-learning will become more popular. In addition to the importance of lifelong learning, distance education and e-learning will grow in popularity because convenience and flexibility are more important decision criteria than ever before. E learning will become widely accepted because exposure to the Internet and e-learning often begins in the primary grades, thus making more students familiar and comfortable with online learning. In fact, for many countries, distance education has been the most viable solution for providing education to hundreds of thousands of students.

4) E-commerce and E-insurance:

Internet infrastructure and introduction of economic reforms in the insurance sector have opened up the monopolistic Indian insurance market to competition from foreign alliances. Although the focus of e-commerce has been mainly on business to consumer (B2C) applications, the emphasis is now shifting towards business to business (B2B) applications. The insurance industry provides an appropriate model that combines both B2C and B2B applications.

Traditional insurance requires a certificate for every policy issued by the insurance company. However, paper certificates encumber problems including loss, duplication and forging of the certificate. The conventional certificate is now replaced with an electronic certificate that can be digitally signed by both the insurer and the insurance company and verified by a certifying authority.

Online policy purchase is faster, more user-friendly and definitely more secure than the   traditional processes. Therefore it is more attractive to the insurer. At the same time it incurs less cost and requires fewer resources than traditional insurance and is therefore more profitable for the insurance company.

E-insurance also makes the insurance procedure more secure since the policy details are stored digitally and all transactions are made over secure channels. These channels provide additional market penetration that is absent in traditional channels and help in earning more revenue than traditional insurance processes.

Conclusion

E-commerce is changing the way of buying & selling of product & services in India. E-commerce is future of shopping. Due to E-commerce the gap has been reduced between manufacturer & consumer. According to Indian population their vast scope for e-commerce because currently in India only 19% people using internet for selling & buying goods & services so remaining percentage we can considered that we having scope in Indian Market. There is weak Cyber security Law in India that is why Indian People are facing challenges toward e-commerce. The future of e-commerce e in India would be bright in the upcoming years if all essential factors would be implemented, by establishing cyber & have their benefits as per people wish. The role of government is to provide a legal framework for e-commerce so that while domestic & international trade are allowed to expand their horizons, basic right such as privacy, intellectual property, prevention of fraud, consumer protection etc. are all taken care of. While many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce, critical challenges remain to be overcome before e-commerce would become an asset for common people.

Reference

[1] Articles from Economic Times
[2] www.kpmg.co.in
[3] www.businessinsider.in
[4] Report from Ernst and Young.
[5] www.wikipedia.in
[6] www.ficci.com
[7] www.wto.org
[8] www.google.co.in