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**MANAGEMENT & ECONOMICS**

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## **Message From Executive Editor**

It is with immense pleasure and anticipation that we unveil the inaugural issue of the "**Shodh Samarth-Research Journal of Commerce, Management, and Economics.**" As the Executive Editor and Dean of Commerce & Management, I am thrilled to welcome you to this scholarly endeavour.

Our primary objective in launching this journal is to create a platform that fosters rigorous research, critical thinking, and innovative ideas in the realms of commerce, management, and economics. The fields of commerce and management are evolving rapidly, and the economic landscape is continually shaped by dynamic forces. In the pursuit of knowledge, it is crucial to have a dedicated space that not only captures these changes but also contributes to the advancement of our understanding.

The Shodh Samarth Research Journal aims to be that space—a conduit for intellectual exchange and the dissemination of cutting-edge research. Through the collective efforts of our esteemed contributors and the unwavering support of our editorial team, we aspire to make a meaningful impact on the discourse surrounding commerce, management, and economics.

As we embark on this exciting journey, we extend our heartfelt gratitude to the scholars, researchers, and mentors who have contributed to the establishment of this journal. Your expertise and commitment to advancing knowledge have laid the foundation for a scholarly platform that we hope will become a beacon of excellence.

To our readers, we invite you to explore the diverse and thought-provoking articles within these pages. We hope the research presented here will inspire, challenge, and contribute to your own intellectual pursuits.

Wishing everyone involved in this venture success and fulfilment in their scholarly endeavours. May the *Shodh Samarth-Research Journal of Commerce, Management, and Economics* become a catalyst for meaningful dialogue and transformative ideas.

**(Executive Editor)**

**Prof. Kanchan Lata Sinha**  
**Head & Dean**  
**Faculty of Commerce and Management**  
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## **Message From Editor-in-Chief**

**Shodh Samarth** – Research Journal of Commerce, Management & Economics, is an online journal published by Pt. L.M.S. Campus, Rishikesh, Sri Dev Suman Uttarakhand Vishwavidyalaya, Badshahithaul. It is a bi-lingual journal and will be published twice a year, viz January and July. The journal invites manuscripts, papers and articles from areas of Economics, Business Studies, Commerce, Labour studies, environmental issues, Human Resource Management, and many other aspects of importance for the scholars and academicians. The journal will enhance multi-disciplinary researches. The aim of the journal is to bring a common platform for researches from Academicians and research scholars from across India. The research manuscripts, papers and articles will be reviewed and edited as per the UGC norms and the authenticity and originality will be checked. The journal is under the process of getting ISSN and soon it will have indexing in Google Scholar, Academia.edu, Semantic Scholar, The Directory of Open Access Journal (DOAJ), etc. DOI will also be assigned to the published articles to improve the citation of the published manuscripts, papers and articles.

**(Editor-in-chief)**

**Prof. Dharmendra Kumar**  
**Professor, Faculty of Commerce and Management**  
**Pt. L.M.S. Campus, Rishikesh**  
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# Shodh Samarth- Research Journal of Commerce, Management & Economics

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# **A COMPARATIVE STUDY OF AWARENESS AND UNDERSTANDING OF CONSUMER RIGHTS AMIDST GENDERS CONCERNING CPA 2019**

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## **Abstract**

India is a male-dominated country, where the decision of the male of the family remains final in all matters. The job of males is to go out, face the world, and earn money. On the other hand, females mostly are not exposed to the market conditions and remain at home managing the resources. They lack knowledge and access to the resources and eventually make irrational and impulsive buying decisions. Though with the changing times, women are breaking the limits set by the stereotype society and getting market exposure, still, there is still a large segment of unprivileged women who are still outlying. Democratic rights and consumer rights are way beyond their understanding. The reason could be a lack of opportunity, ignorance, or a stagnant mindset. The paper aims to find the gap in consumer rights awareness between males and females and find suggestions to reduce such gaps. In the study, all the respondents were qualified individuals living in urban areas, despite only 76.63% of females and 75.61% of males being aware of consumer rights. Only 59% of females and 41% of males have a good understanding of consumer rights. This study reveals that even the allegedly educated urban population is unaware of their consumer rights.

**Keywords:** Impulsive buying, unprivileged women, Stagnant mindset, Consumer right awareness.

## **Introduction**

Every person who buys things from the market is a customer, and every person who consumes the goods and avails services is a consumer. It means that, from an infant in his mother's womb to an old age man who cannot walk to the shop, are consumers. Just an act of consumption is sufficient to join the club of consumers. Consumer constitutes the lion's share of the economic group in any country (Dr. G. Nedumaran and Mrs. D. Mehala, 2019). To become a customer, one needs to perform some tasks of buying. The study is a concerted effort to bring out the gender-wise awareness level and understanding of consumer rights. Consumer awareness is crucial to save oneself from the unethical and exploitative practices by manufacturers, traders, and service providers.

Consumers are the largest demographic group of any economy and play a pre-eminent role in strengthening the commercial environment of a country. The contemporary era signifies itself with the cutthroat competition that resulted in the customer being the king of the market (Sharma 2018).

Consumer group acts as a spinning wheel around which all the economic activities revolve. They hold a powerful position in the market but are unaware of it. They are illiterate, ignorant, unconscious, and unorganized and consequently face exploitation. Indians, due to low-income levels, find ways to feed their families on limited budgets, and most of them have to compromise with the quality of the products (Parameswaran, M. 2017). Consumer awareness enables customers to make accurate decisions and make the right choice (Dhavindra Rawal 2021).

The study aims to find out the relationship between gender and the level of consumer rights awareness. The proposed topic is worth studying since it will help ascertain the less aware gender class. Also, with the enactment of the Consumer Protection Act 2019, new doors for consumer redressal have opened (Suresh 2013). Consumer awareness and rights are eminent in the field of education. It makes them realize their civic responsibilities. It is a state or ability to observe, feel, or be conscious of events, objects, or sensory patterns (Indrani& Kumar 2016).

## **Literature Review**

**Mittal (2017)**, primary data from 600 respondents in fifteen districts of Haryana, both rural and urban were collected. This study set out to find out how aware Indian consumers were of the different laws that were passed with their best interests in mind. Following the survey, it was found that approximately 25% of consumers knew everything there was to know about the laws, 33% knew some but not all of them, and slightly over 33% had never heard of the acts and laws. The Sales of Goods Act of 1930 and the Consumer Protection Act of 1986 received the highest awareness ratings of all the laws.

**Gambhir (2002)**, a survey that determines consumers' awareness of quality marks and their purchasing behavior in response to them. 54% of the total respondents, according to the study, are aware of ISI Mark, while 46% are not. According to the study, only 30% of the 54% of respondents who were aware made sure that kitchen appliances, electronics, and other items had the ISI mark, and 70% of them didn't give it any consideration when making a purchase, even after learning about it.

Jamuna (2017), the degree of consumer awareness was investigated. The respondents were asked questions about their responsibilities as consumers. Getting a guarantee and warranty card ranked highest among the majority of respondents. It was discovered that 53.21% of respondents thought formalities were straightforward and 67.14% of respondents were aware of the consumer forum. Just 20% of respondents said they thought the Consumer Protection Act made people more aware of quality.

**Deepika and Ratan (2014)**, Students' level of awareness regarding various consumer protection laws. The majority of respondents knew about different acts. It was discovered that newspapers and

journals are how most students learn about current events. 53.3% of people are aware of the Consumer Protection Act.

**Nedumaran, Mehta (2019)**, Attempt to ascertain the awareness level of Alagappa University college-bound students in the Tamil Nadu state district of Karaikudi. An effort was made to determine the level of consumer rights awareness among a sample of 150 students. The study examined consumer rights, the role of consumers in economies, and India's current legal protection system. According to the study's findings, out of 150 students, 13% had a complete understanding of their rights as consumers, 22% had a general understanding, and 65% had no idea at all.

**Kumar (2016)**, the majority of respondents demonstrated a low degree of consumer rights awareness and utilization. respondents who are aware of their rights as consumers but have never reported instances of exploitation. 42% of respondents never requested a bill after making a purchase, 64% of respondents constantly checked the product's quality, 80% of respondents never double-checked the product's weight, and the majority of respondents, 65%, had low awareness.

**Motwani (2018)**, provides a summary of the responsibilities and rights of the consumer. The author lists seven obligations for consumers, including the need to keep warranty cards and invoices for significant purchases. It is one's responsibility to read the terms and conditions of a product or service before buying it, to verify the product's purity by looking for the "ISI" or "AGMARK" mark, to organize consumer awareness campaigns, to file complaints regarding generous grievances, obligation to know one's rights as a consumer and to always inquire before making a purchase.

**Indirani & Kumar (2016)**, analyze consumer awareness and decision-making processes when making purchases. The study of people's decisions to spend their money, time, and effort on consumption-related items was the main focus. It was proposed that a formal and informal student consumer education program would be beneficial in raising consumer awareness.

**Guo (2012)**, the consumer right to privacy, which is the ninth consumer right, was adopted. The protection of consumer privacy during transactions is a matter of the right to privacy. This is particularly crucial in e-commerce, as customers frequently give out a lot of personal data. This is especially important in the hotel business, where guests give out a lot of personal information, the majority of which can be done online. Debit and credit cards can also be used for online payment processing. Customers are entitled to the protection of such important data.

**Jayasubramanian and Vaideke (2012)**, discuss consumer awareness and attitudes regarding laws protecting consumers. research shows no correlation between gender and awareness meeting attendance. They also looked into the relationship between age and awareness of meeting attendance.

**K. B. Bello et al. (2016)**, assert that customers will be better equipped to evaluate a company and its goods or services if they are more aware of their rights. The level of knowledge and understanding that a particular consumer has about his or her rights in the marketplace is referred to as consumer rights awareness. The most important component of consumerism is awareness of consumer rights. It helps customers to make wise purchasing selections. Also, it gives customers the power to demand that businesses make high-quality goods. Furthermore, if the company truly cares about the rights of its customers, it will show a high level of satisfaction and keep doing business with it.

Garman et al. (1992), consumers can make better decisions about what to buy by being aware of their rights. In light of this, it enhances consumer welfare in the marketplace. When consumers are aware of their rights, they can take action whenever they are not satisfied. It is unlikely that customers who are unaware of their rights will be able to file a complaint anytime they are unhappy.

## **Objectives**

- Analyze the gender-wise awareness level of consumers towards Consumer Rights.
- Analyze the gender-wise understanding of consumers of Consumer Rights.

## **Research Methodology**

The paper uses both primary and secondary data. To fetch the Primary data, the Sample survey method was used, where consumers' awareness and understanding of consumer rights are determined based on gender. For this purpose, data is collected from 100 respondents of Rajasthan State by chain referral nonprobability method. E-journals, newspapers, the internet, and similar studies that have been done and published from time to time were fetched for the Secondary data. The data collected on different aspects was classified and tabulated, and for analyzing the data, percentage, mean, median, mode, chi-square test, and bivariate data analysis methods were used.

## **A Consumer and A Customer**

The word consumer and customer may sound similar, but a paramount difference exists between the two. In layman's terms, a consumer is the one who consumes, and a customer is the one who purchases the product or service. Consumer and customer may or may not be the same person. A consumer is a person or a group who intends to order, order, or use purchased goods, products, or

services primarily for personal, social, family, household, and similar needs not directly related to entrepreneurial or business activities (Wikipedia).

<b>CONSUMER</b>	<b>CUSTOMER</b>
A consumer consumes the product.	Customers may or may not consume the product.
For being a consumer no need to purchase anything.	For being a customer purchase is required.
The motive of a consumer behind the purchase is consumption.	The motive of a customer behind the purchase may be consumption or resale.
Consumers may or may not be involved in monetary transactions.	The customer is the one who does the monetary transactions.

**Source: Primary**

### **Consumer Rights**

Subsection 9 of the Consumer Protection Act explains in detail six basic rights of consumers.

**Right to be protected:** It is the right of every consumer to be protected against the sale of hazardous goods and services that are detrimental to life, health, and property. It is advised to consumers to use standard products having quality marks like ISI mark for electronics and industrial items, AGMARK for agricultural products, BIS mark for gold ornaments, and FPO mark for all processed food products, etc.

**Right to be informed:** It is the right of each consumer to get complete information about the product he wishes to buy or the service he wishes to avail. On the label or packet of each commodity, information like ingredients used, manufacturing date, expiry date, maximum retail price, directions of use, caution if any, quality, quantity, place of manufacture, website or Email ID if any, etc., should be mentioned so that consumers can be protected against unfair trade practices.

**Right to be assured:** Every consumer has the right to be assured that all the possible varieties of a product, goods, and services are available to him at competitive prices. Also, consumer has the right to choose the best one for him without any compulsion or use of restrictive trade practices by the sellers and service providers

**Right to be heard:** If a consumer feels cheated or dissatisfied with a good or service, he can contact the company or its representatives. If a company does not entertain the grievances of a consumer, then he can file a case against such a delinquent company in the Consumer Commission. The Commission will ensure that the consumer is being heard in consideration of his interest.

**Right to seek redressal:** In case of injury, harm, or inconvenience faced by the consumer due to the sale of substandard goods or services or use of RTP or UTP, the consumer has the right to seek

redressal at the appropriate commission and get relief such as exchange of goods, removal of defects and compensation in case of service, compensation, etc.

**Right to consumer awareness and education:** Every consumer has the right to obtain information and acquire knowledge and skills about the products and services he deals in. An informed consumer is aware of his rights and the reliefs available to him in the event of any unfair practice or manipulation.

### Male and female Awareness and Understanding of Consumer Rights

#### Consumer Right Awareness

Consumer awareness is a marketing term that means a demonstration of ensuring that the buyer or consumer of the product or service has proper knowledge of it. Consumer Awareness is low due to the apathy and lack of education. A study by Carole J. Makela 2004, shows that female students were more likely to identify consumer rights and responsibilities than males. One of the main reasons behind the lack of consumer rights awareness is the lack of education. If we open the pages of the history of India, we will come to know that its citizens were not so educated in the past few decades (Gouravjeet Singh Ghumaan 2009).

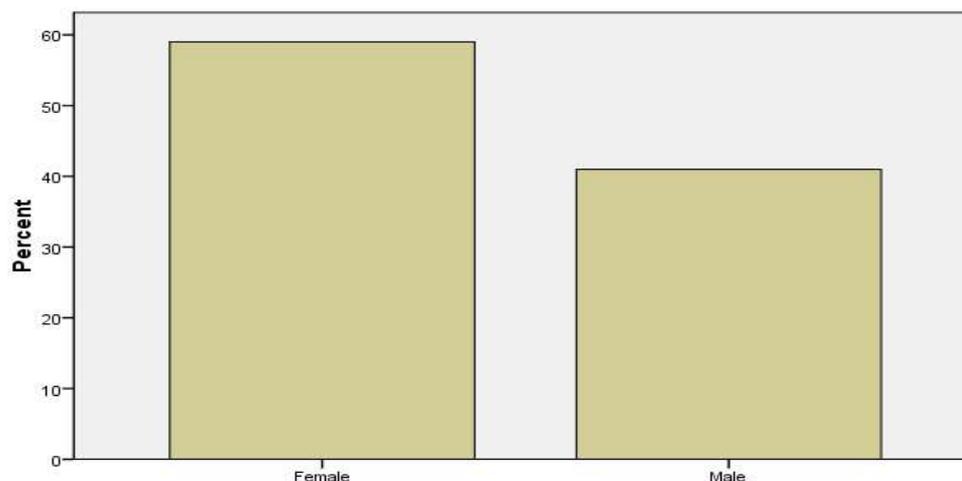
#### Data Analysis

#### FREQUENCY ANALYSIS AND GRAPHICAL REPRESENTATION

**TABLE 1.1 – GENDER WISE CLASSIFICATION OF THE RESPONDENTS**

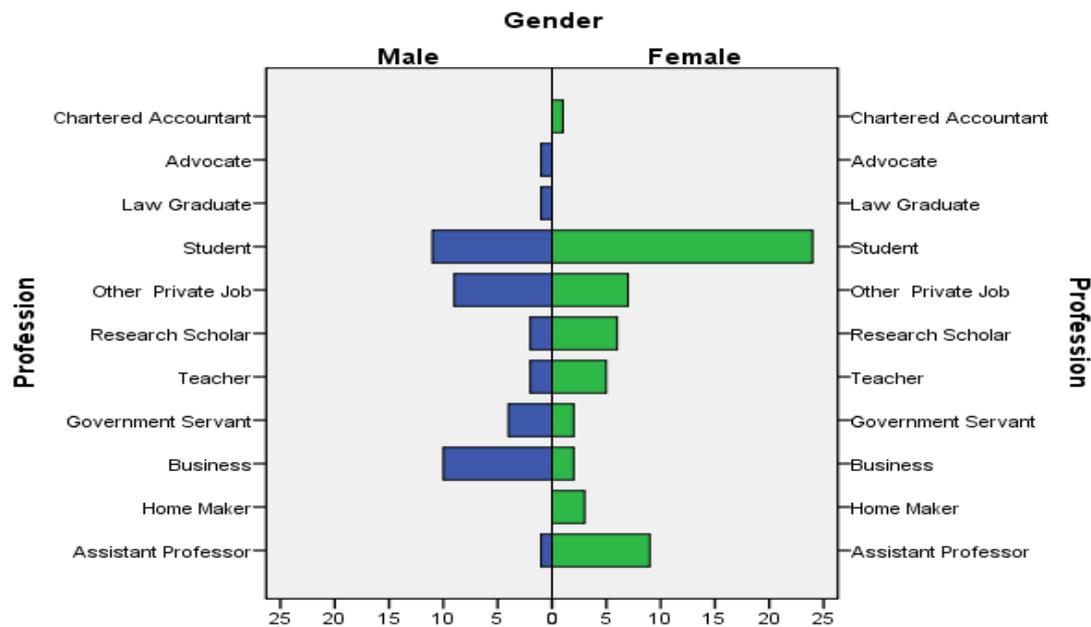
Gender	Frequency	Percentage
Female	59	59.0%
Male	41	41.0%
Total	100	100.0%

(Source: Primary data from questionnaire)



**CHART 1.1 - GENDER OF RESPONDENTS**

It can be seen from the above table that 59% of the respondents are Female and 41% of the respondents are Male. There the majority of respondents (59%) are Female.



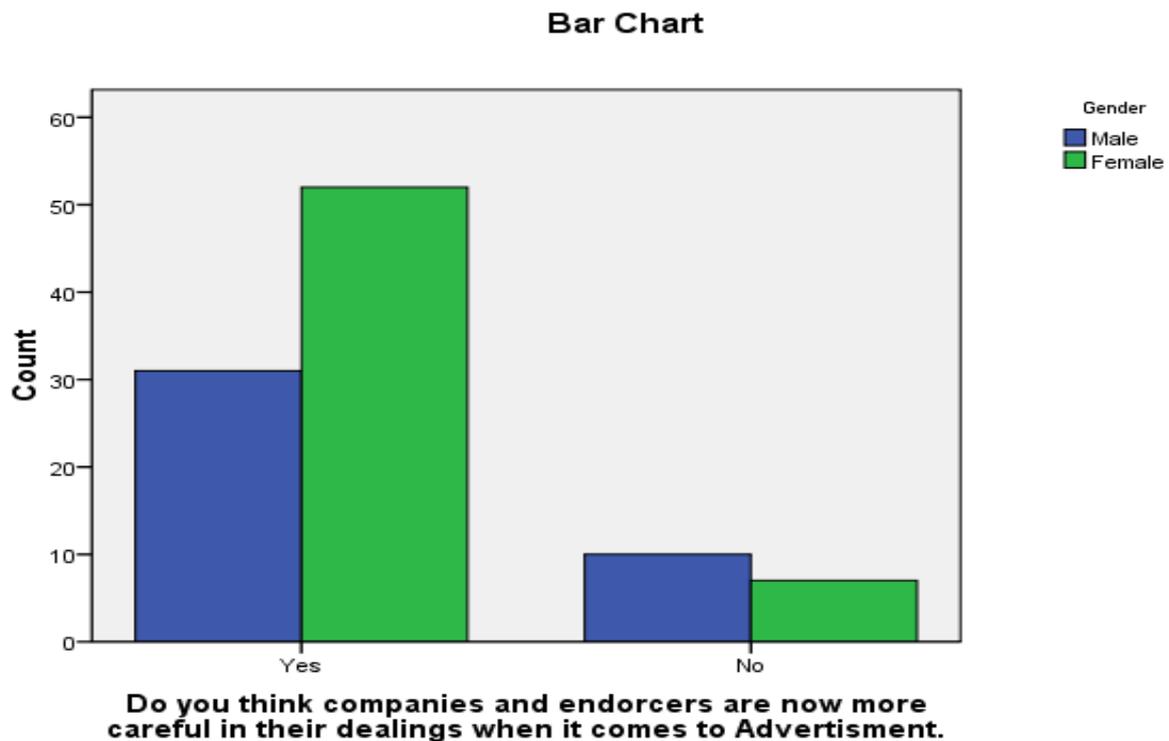
**CHART 1.2 - PROFESSION OF RESPONDENTS BIFURCATED BY GENDER**

It is clear from the above table and Bar Graph that from all the respondents 10 are Assistant Professors in Colleges and Universities, 3 are Home Makers, 12 are in the profession of Business and Self Employment, 6 are Government Servants, 7 are Teachers in schools, 8 are Research Scholars in different universities, 16 are in other Private Jobs, 35 are Students of various subjects, 1 is a Law Graduate, 1 is an Advocate and 1 is a Chartered Accountant. Therefore the majority of respondents (35%) fall under the Student category.

**TABLE 1.3 - Association of Gender and Observation Skills**

Observation Skills	Yes/No	Gender		Total
		Male	Female	
Do you think companies and endorsers are now more careful in their dealings when it comes to Advertisement?	Yes	31	52	83
		37.30%	62.70%	100.00%
	No	10	7	17
		58.80%	41.20%	100.00%
Total		41	59	100

(Source: Primary data from questionnaire)



### CHART 1.3 ASSOCIATION OF GENDER AND OBSERVATION SKILLS

The above Table and Chart depict those 83 respondents out of 100 are observing changes in the advertising patterns and finding it more logical and realistic than before. Out of these 83 respondents, 37.3% (31 in numbers) of males and 62.7% (52 in numbers) of females have keenly observed the current advertisements and find them more reliable than before.

## 2. BIVARIATE ANALYSIS: CROSS TABULATION AND LAYERED CROSS TABULATION

Bivariate Analysis is one of the simplest forms of quantitative analysis of data. Here, two variables are analyzed to determine the empirical relationship between them. It helps test simple hypotheses of association. Cross tables are used to tabulate the interaction between two variables. Layered cross-tabulation is used to tabulate the interaction between variables using layers.

### BIVARIATE ANALYSIS CROSS-TABULATION

#### TABLE 2.3 – CONSUMERS’ COGNIZANCE AND AWARENESS OF RIGHTS ACCORDING TO GENDER

Gender		Have you tried to inform the seller about his immoral practice					Total
		Always	Very often	Sometimes	Rarely	Never	
Male	(i) Right to Safety, (ii) Right to seek redressal, (iii) Right to information (iv) right to be heard, (v) Right to consumer education, (vi) Right to choose	N 18	5	5	3	0	31
		% 58.1%	16.1%	16.1%	9.7%	.0%	100
	(i) Right to equality, (ii) Right to freedom, (iii) Right against exploitation, (iv) Right to freedom of religion, (v) Cultural and educational rights, and (vi) Right to constitutional remedies.	N 0	5	1	3	1	10
		% .0%	50.0%	10.0%	30.0%	10.0%	100
TOTAL		N 18	10	6	6	1	41
		% 43.9%	24.4%	14.6%	14.6%	2.4%	100
Female	(i) Right to Safety, (ii) Right to seek redressal, (iii) Right to information (iv) right to be heard, (v) Right to consumer education, (vi) Right to choose	N 21	10	9	4	1	45
		% 46.7%	22.2%	20.0%	8.9%	2.2%	100
	(i) Right to equality, (ii) Right to freedom, (iii) Right against exploitation, (iv) Right to freedom of religion, (v) Cultural and educational rights, and (vi) Right to constitutional remedies.	N 3	2	3	3	3	14
		% 21.4%	14.3%	21.4%	21.4%	21.4%	100
TOTAL		N 24	12	12	7	4	59
		% 40.7%	20.3%	20.3%	11.9%	6.8%	100

(Source: SPSS)

The above table shows the Gender-wise consumer awareness and cognizance of the respondents. The table shows that 45 women respondents out of 59 correctly chose the 6 consumer rights and out of these 45 women, 21 women always try to inform the seller about his using unfair means. 14 women were unaware of the 6 consumer rights and 9 of them sometimes, rarely, or never informed the seller about his immoral practice.

Among 41 Male respondents, 31 correctly chose the 6 consumer rights, and out of these 31, 18 always tried to inform the seller about his immoral practices. 10 of the male respondents were unaware of the 6 consumer rights and none of them have the habit of always informing the seller about his immoral practices. It can be depicted that aware customer practices their rights more as compared to unaware customers. Aware customers are more likely to take cognizance of those sellers who use unfair and immoral practices while selling.

### 3 – NON-PARAMETRIC TEST: CHI SQUARE TEST

Non-parametric tests can be used with small sample sizes conveniently. It is also known as a distribution-free test because it does not assume anything about the underlying distribution. The chi-square test is used to find the association between the variance.

**TABLE 3.1 - Association of Consumers' right awareness and Gender of respondents**

Understanding of Consumer Rights			Gender		Total
			Male	Female	
If fewer items are offered by the seller, which consumer rights will be affected	Right to Choose	Count	16	23	39
		% Within If fewer items are offered by the seller, which consumer right will be affected	41.00%	59.00%	100.00%
	Other incorrect and invalid answers	Count	25	36	61
		% Within If fewer items are offered by the seller, which consumer right will be affected	41.00%	59.00%	100.00%
Total	Count		41	59	100
	% Within If fewer items are offered by the seller, which consumer right will be affected		41.00%	59.00%	100.00%

(Source: Primary data from questionnaire)

### Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.000 <sup>a</sup>	1	0.997		
Continuity Correction	0	1	1		
Likelihood Ratio	0	1	0.997		
Fisher's Exact Test				1	0.58
Linear-by-Linear Association	0	1	0.997		
N of Valid Cases <sup>b</sup>	100				
a. 0 cells (.0%) have an expected count of less than 5. The minimum expected count is 15.99.					
b. Computed only for a 2x2 table					

(Source: SPSS)

A chi-square test was conducted to ascertain the association between gender and the awareness of respondents of the Right to Choose. The test results show that  $\chi^2 = .000^a$ ,  $df = 1$ , and  $p\text{-value} = .997$ . Since the P – P-value of the above test .997 is greater than 0.05, it is Not Significant.

Null Hypothesis  $H_0$  is accepted.

It is concluded that there is no association between Gender and Awareness of respondents.

### Summary of the Analysis

**Pre-dominance of females-** 59% of the respondents are Female and 41% of the respondents are Male. Therefore, the majority of the respondents are female.

**Respondents are well-read-** The sample size consists of Teachers, Assistant Professors, Government Employees, Lawyer, Advocate and graduates.

**Keen observation skills-** 83% of the respondents have observed changes in the advertisement pattern, they feel that the new advertisements are more realistic and logical than before. Since False and misleading advertisements have been added to the legal regime of CPA 2019, now endorsers, advertisers, and advertising agencies will be more cautious in their dealings.

**Well-informed-** 76% of the respondents correctly chose the 6 consumer rights from the two sets of options. The first set of rights were the fundamental rights of citizens of India and 24% of respondents opted for that option, however majority of the respondents opted for the correct set of options having 6 consumer rights. This shows that they are well-informed about their rights.

Table 2.3 shows that from a total of 59 females, 45 recognized the 6 consumer rights correctly, that is 76.63% and the rest of the 14 females are confused between the democratic rights of citizens and the consumer rights. Out of the total 41 males, 31 (75.61%) recognized the 6 consumer rights correctly, and the rest 10 males (24.39%) could not recognize the 6 consumer rights correctly.

**The bivariate analysis:** layered cross-tabulation- it showed that 18 males who correctly chose the 6 consumers' rights "always" inform the seller of his immoral dealings, 5 males who correctly chose the 6 consumers' rights "very often" elucidate the shopkeeper and 5 males who selected the correct option "Sometimes" inform the seller. 21 females who chose the correct 6 consumer rights "always" inform the seller, 10 women who chose the correct 6 consumer rights "very often" elucidate the seller, and 9 women who selected the right option related to 6 consumer rights "sometimes" inform the seller about his immoral practices.

A non-parametric chi-square test for ascertaining the association between Gender and Awareness of the Right to Choose of the respondents. Since the p-value was .997 which was more than .05, the null hypothesis was accepted. There was no significant association between Gender and their awareness of the Right to Choose.

## Conclusion

It is clear that, if a woman is educated then it will educate the whole family. Women do have a multiplier effect through families, communities, societies, etc. If she is aware and cognizant, she can make her children bright and inventive and inevitably the future consumers and citizens will become aware. This is the easiest way to increase consumer rights awareness among citizens and reduce the gender gap. Although according to the results of the above study, about 75% of respondents are aware of their consumer rights and about 50% of the respondents have a good understanding of consumer rights, there is still a need to upsurge the level of consumer rights awareness in our country and make the citizens rational buyers.

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# **A STUDY ON INTENTION OF TECHNOLOGY ADOPTION AND USAGE BEHAVIOR AMONG THE UNORGANIZED RETAILERS IN ALIGARH DISTRICT, UTTAR PRADESH**

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## **Abstract**

Purpose of the study is to assess the usage behavior of technology by unorganized retailers in Aligarh District, Uttar Pradesh, and investigate the factors influencing their intention to adopt technology in their business operations. A quantitative research approach was employed to understand retailer perceptions of technology usage and adoption. Convenience sampling was employed to get data from a sample of fifty local retailers in the Aligarh District by means of a standardized questionnaire. The questionnaire covered various aspects of retailer perceptions towards unorganized retail, and data analysis was performed using descriptive statistics and visual aids. The study found that technology adoption in retail operations varies, with Mobile Payment Solutions and POS Systems being the most widely adopted. Challenges include lack of technical skills, resistance to change, high costs, and data security concerns. Limited internet connectivity is a minor issue. 70% of respondents plan to adopt new technology solutions in the future, while 30% may have specific reasons for not adopting new technology. In conclusion, this study provided valuable insights into the extent and challenges of technology adoption in the retail operations of unorganized retailers in Aligarh District. The findings highlighted both areas of strength and opportunities for growth in technology adoption.

**Keywords:** Point of Sale, Technology Adoption, Unorganised Retailer, Retailer Perceptions, E-commerce.

## **Introduction**

Unorganized retail is a significant part of the retail industry in India, accounting for over 90% of the country's retail industry. Unorganized retailers are small businesses that operate without a formal organizational structure and are primarily made up of small retail stores with little or no standardization, selling goods and services in fragmented quantities to local customers within a small geographical area or locality. Despite the emergence of a large-scale organized retail industry, the unorganized retail market remains the most important method of retailing in India for most people. The adoption of technology among unorganized retailers can help them to compete with organized retailers and improve their performance. Understanding the determinants of technology adoption

intention and usage behavior among unorganized retailers is crucial for the successful implementation of technology in the retail industry.

Technology has revolutionized the retail industry, from how consumers shop to how the retail industry operates. The application of innovations and digital technologies in retail and e-commerce processes is referred to as retail technology. The way retail technology is used has a direct impact on the consumer experience. Both online and physical retailers now make significant investments in various facets of retail technology. AI-driven technologies, such self-checkout kiosks and smart mirrors, are examples of in-store retail tech tools. Retail technology help e-commerce organizations manage their client bases, maintain a smooth retail experience across numerous platforms, and manage their inventories more efficiently with the aid of cloud software and CRM systems. The future of retail technology is exciting, with trends such as AI, machine learning, automation, augmented reality, RFID, and mobile technologies expected to take over in the coming years. The adoption of technology in the retail industry is crucial for retailers to stay competitive and meet customers' needs. By embracing digital technologies and strategies, retailers can thrive in the digital age and deliver value to customers in new and innovative ways.

- **Contactless stores:** With the shift to work from home models and travel restrictions on account of the pandemic, contactless stores have become popular. Customers can shop without touching anything, and the payment is made through mobile apps or other contactless payment methods.
- **Virtual try-on technology:** Virtual try-on technology is already being implemented by stores like Sephora, Target, Ikea, and more. This technology allows customers to try on clothes, makeup, and other products virtually before making a purchase.
- **Self-checkout:** Self-checkout technology allows customers to scan and pay for their items without the need for a cashier. This technology has been implemented in many retail stores, including Walmart, Target, and Home Depot.
- **Augmented reality:** Augmented reality technology allows customers to visualize products in their homes before making a purchase. This technology has been implemented by companies like IKEA and Wayfair.
- **Personalization:** Retailers are using customer data to personalize the shopping experience. This includes personalized recommendations, targeted advertising, and customized promotions.

- **Mobile payments:** Mobile payment technology allows customers to pay for their purchases using their mobile devices. This technology has been implemented by companies like Apple, Google, and Samsung.

Overall, these examples show how technology has transformed the retail industry, from contactless stores to virtual try-on technology. Retailers are using technology to improve the customer experience, streamline operations, and stay competitive in the digital age.

## Literature Review

**Baker et. al., (2010)**, Examine the technological adoption patterns of knowledge workers in Saudi Arabia who utilize desktop computers, considering the TAM2 framework and the distinctive influence of Saudi culture on IT adoption in a developing, non-Western nation. Adhering to the principles of the ethics-emic research tradition, which advocates for cross-cultural theory and framework examination, the study, discovers that the TAM2 model explains 40.3% of the variation in behavioral intentions among Saudi users. This contrasts with Venkatesh and Davis' 2000 study, which accounted for 34-52% of the variance in usage intentions among U.S. users.

**Thakur (2013)**, aims to explore the elements that influence customers' adoption of new innovations, particularly in the context of mobile payment services. Using a sample of urban residents from two Indian metropolises, the current study verifies a model based on the Technology Acceptance Model (TAM) in order to obtain significant, all-encompassing insights on consumers' perceptions and usage intentions of mobile payment systems.

**Thakur et al., (2014)**, studied two main goals are to examine the stability of suggested structural relationships across various customer groups and to test the functional relationship between adoption readiness (AR), perceived risk (PR), and usage intention for mobile payments in India. Design, procedure, and strategy to create AR, a thorough assessment of the literature on the key characteristics of technology acceptability was conducted. Examine the elements that influence consumers' acceptability of using e-books

**Jin (2014)**, studied compatibility, relative advantage, self-efficacy, and subjective norms are the external elements. PEU, PU, intention to use, and contentment with e-book usage are the internal elements. The primary factors influencing the use of e-books are external factors. The strength of e-book adoption can be attributed in large part to the integrated TAM. The study's conclusions have potentially important ramifications that can be applied to the creation of standards and a framework for evaluating the behavior of e-book consumers.

**Chauhan et al. (2016)**, aimed to investigate the influence of various demographic factors, including age, gender, marital status, monthly family income, educational attainment, and prior internet usage,

on the adoption of electronic banking in India. In order to quantify e-banking adoption behavior, included additional elements including social norms and perceived risk in addition to core constructs of the technology acceptance model (TAM) like perceived utility, perceived ease of use, intention to use, and attitude. A significant portion of it has been ascribed to the educated youth in India using computers, the Internet, and cell phones more frequently.

**Kumar et al. (2017)**, aims to investigate the fundamental elements that impact students' decision to use mobile banking.

**Dezdar (2017)**, seeks to investigate the variables that impact students' intentions to use green information technology (INT) and their subsequent impact on students' actual usage of green IT (ACT). Originality and worth - The majority of earlier research concentrated on organizational variables that affect the adoption and use of green IT, and there is a dearth of literature examining the attitudes and actions of IT users toward green IT.

**Hota et al. (2018)**, has two goals: first, to determine the extent to which customers have adopted multivendor ATM technology; and second, to create and evaluate a model that explains the usage of multivendor ATMs in India. Consequences for practice the study's conclusions may help banks and suppliers better understand how their customers are utilizing their ATM technology, which will enable them to launch initiatives that will accelerate the technology's acceptance and grow their clientele.

**Patil et al. (2020)**, seeks to determine the key factors influencing the adoption of mobile payments by consumers in India, the nation with the second-highest number of mobile subscribers worldwide. In contrast to the majority of previous studies that solely look at behavioral intentions, including examining usage behavior and reiterating the critical significance that attitudes play in consumer adoption studies. In order to investigate the impact of different constructs that influence technology adoption on consumers' intention to adopt (and use) solar power generators (SPG) at the household level and their subsequent switching behavior,

**Roy et al. (2021)**, plan to apply a variant of the unified theory of adoption and use of technology (i.e., UTAUT 2).

**Lorente-Martínez et al., (2021)** contributed to evaluate the extent to which brick-and-mortar shops are implementing in-store analytics. Online retailers have made extensive use of web analytics technology, and there is already equipment in place to collect comparable data in physical stores. While a lot of study has been done on how individuals are using mobile payments, there aren't many studies that look into how businesses, particularly unorganized ones in underdeveloped nations, are utilizing mobile technology.

**Mishra et al., (2021)**, Examine unorganised stores in urban India using an exploratory grounded theory technique in order to fill this research gap.

**Aithal et al., (2022)**, study is to comprehend how low-cost technologies are currently being used by small merchants and what circumstances led to their adoption

Research limitations/implications the present study augments the domain of alternative energy usage behavior by applying (UTAUT 2) to the adoption of alternative energy sources (namely, solar) and subsequent switching behavior from traditional sources at the household level. Overall, these studies suggest that the adoption of technology among unorganized retailers is influenced by various factors such as perceived usefulness, perceived ease of use, perceived compatibility, and perceived risk. Understanding these factors can help retailers to adopt technology more effectively and improve their performance. Additionally, the TOE factors play a significant role in the adoption of technology applications in organized retail outlets.

## Objective

- The objective of the study is to assess the actual usage behavior of technology by unorganized retailers in the district of Aligarh Uttar Pradesh. The study also investigates the factors influencing the intention of unorganized retailers in Aligarh District to adopt technology in their business operations.

## Methodology

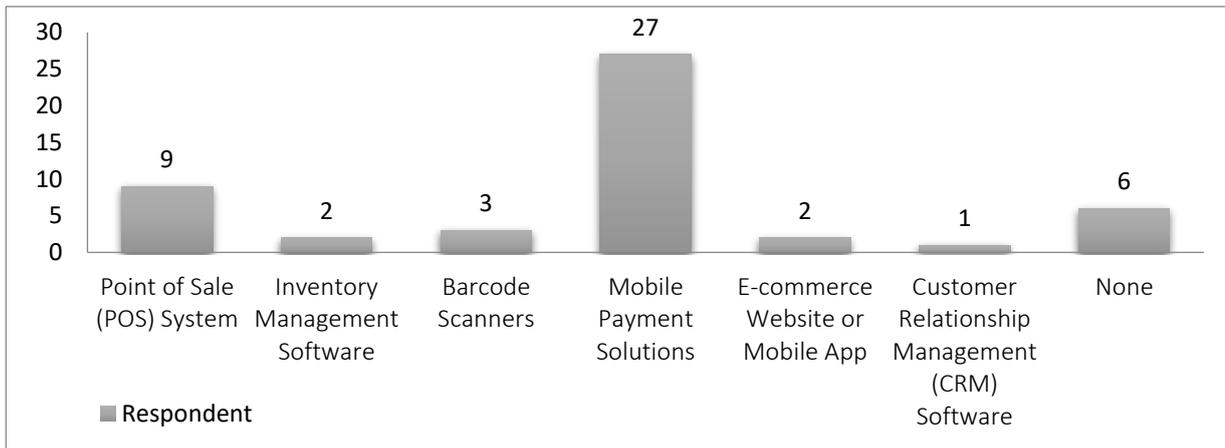
Qualitative research approach used to describe retailer perception towards technology usage and adoption by unorganized retailers in Aligarh, Uttar Pradesh. Primary data collected to chosen sample and gathered using a sample questionnaire. 50 samples selected by using Convenience sampling method to collect data from a nearby local retailer in Aligarh district. The questionnaire is specially designed to collect data on various aspects of a retailer's perception towards unorganized retail. The collected data was analyzed using descriptive statistics such as frequency distribution, mean, bar diagram, and pie chart by using MS-Excel. The study may be limited by factors such as sample size and sampling techniques.

## Data Analysis

**Table 1:- Do you currently use any technology solutions in your retail operations?**

Options	Respondent (No.)
Point of Sale (POS) System	9
Inventory Management Software	2
Barcode Scanners	3
Mobile Payment Solutions	27

E-commerce Website or Mobile App	2
Customer Relationship Management (CRM) Software	1
None	6
<b>Total</b>	<b>50</b>

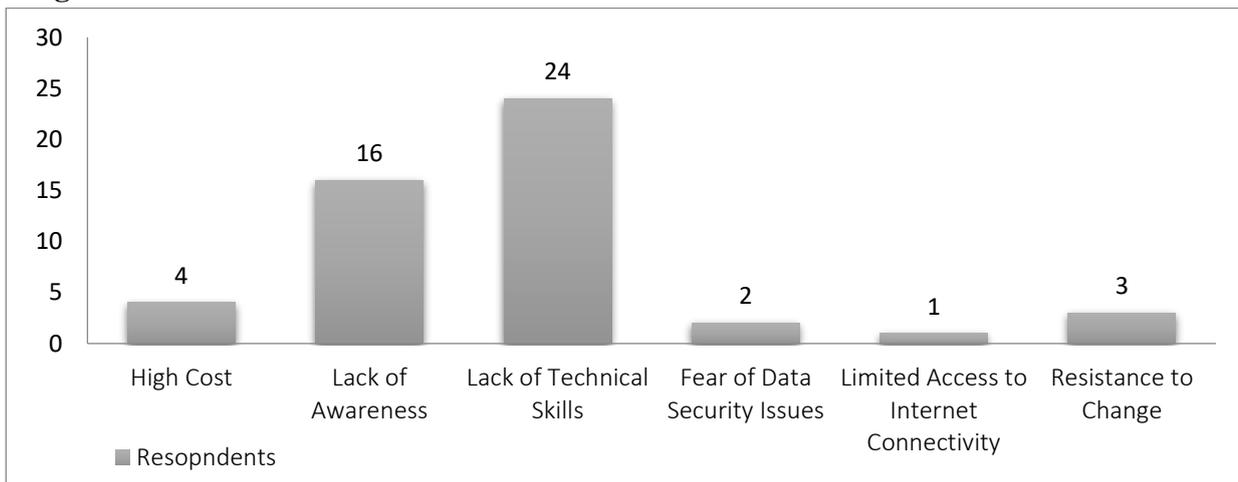
**Fig. 1**

The data illustrates the extent of technology adoption in the retail operations of the surveyed individuals. Among the respondents (totaling 50), the most widely adopted technology solution is Mobile Payment Solutions, with 27 retailers utilizing this technology. A notable number of retailers also employ Point of Sale (POS) Systems (9 respondents), while Barcode Scanners are used by 3 retailers. Inventory Management Software, E-commerce Websites and Mobile Apps are employed by just 2 retailers each, indicating a relatively low adoption rate. Customer Relationship Management (CRM) Software has the least adoption, with only 1 respondent. Significantly, 6 respondents indicated that they do not currently use any technology solutions in their retail operations. This data suggests a varied level of technology adoption among the surveyed retailers, with Mobile Payment Solutions and POS Systems being relatively more prevalent. But there's always potential for improvement, particularly when it comes to using more complete technological solutions like CRM and inventory management software, which may help shops improve customer interactions and optimize their operations.

**Table 2:- What are the primary reasons for not adopting technology in your retail operations?**

Options	Respondents
High Cost	4
Lack of Awareness	16

Lack of Technical Skills	24
Fear of Data Security Issues	2
Limited Access to Internet Connectivity	1
Resistance to Change	3
<b>Total</b>	<b>50</b>

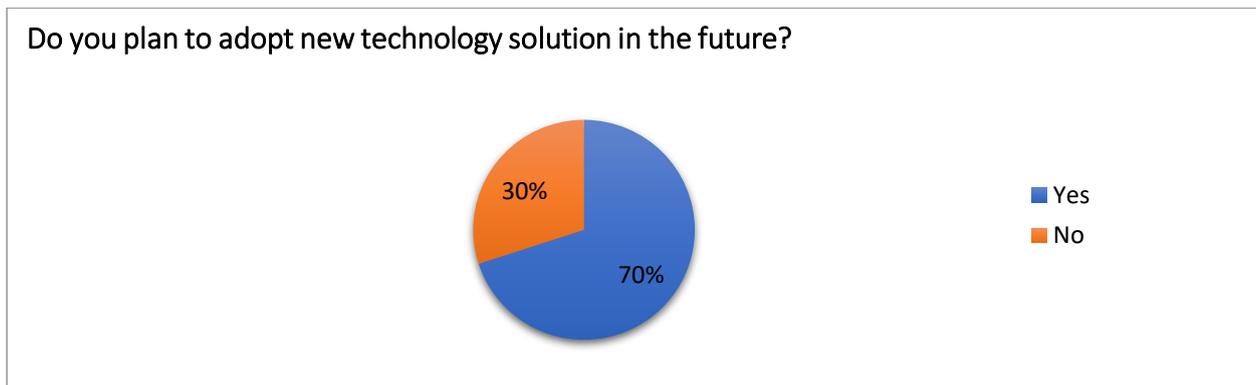
**Fig. 2**

The data provided reflects the primary reasons for not adopting technology in retail operations, as reported by 50 respondents. Among the respondents, a notable majority pointed to a lack of technical skills as the most prevalent obstacle, with 24 respondents identifying this as a barrier. Lack of awareness follows closely, with 16 respondents expressing that they are hindered by their limited knowledge about technology. Resistance to change was mentioned by 3 respondents, while high costs were cited by 4 respondents, and concerns about data security issues were mentioned by 2 respondents. Limited access to internet connectivity was identified as a challenge by just 1 respondent. In summary, the data highlights that a lack of technical skills and awareness are the most prominent obstacles hindering technology adoption in retail operations, underscoring the need for training and education in this field to enable more businesses to harness the benefits of technology.

**Table 3:- Do you plan to adopt new technology solutions in the future?**

Question	Respondent		
	Yes	No	Total
Do you plan to adopt new technology solutions in the future?	35	15	<b>50</b>

**Fig.3**



The data provided indicates responses to a question about whether respondents plan to adopt new technology solutions in the future. Of the 50 respondents, 70% have answered "Yes," expressing their intention to adopt new technology solutions, while 30% respondents have answered "No," indicating their lack of such plans. This data suggests that a majority of the respondents are open to embracing new technology solutions in the future. However, there is a notable minority that does not have such plans. It is essential to acknowledge that these intentions may be influenced by various factors, including the specific needs and circumstances of each respondent. Nevertheless, the data underscores the overall trend toward technology adoption in the future, indicating that many individuals or organizations recognize the importance of staying current with technological advancements.

## Findings

### Current Technology Adoption

- The data demonstrates that technology adoption in retail operations varies widely among the respondents.
- Mobile Payment Solutions and Point of Sale (POS) Systems stand out as the most widely adopted technologies, indicating their significance in modern retail settings.
- Barcode Scanners are used by a notable but relatively smaller number of retailers.
- Inventory Management Software, E-commerce Websites, and Customer Relationship Management (CRM) Software show lower adoption rates, suggesting potential areas for growth and improvement.

### Challenges to Technology Adoption

- The data identifies the primary obstacles faced by retailers in adopting technology solutions.

- A lack of technical skills and awareness are the most prominent barriers, as reported by a significant number of respondents. This emphasizes the need for education and training to bridge this knowledge gap.
- A smaller proportion of respondents cited resistance to change, high costs, and data security concerns as limiting factors.
- Limited access to internet connectivity appears to be a minor challenge.

### **Future Technology Adoption**

- The data highlights a positive trend, with a substantial majority of (70%) respondents expressing their intention to adopt new technology solutions in the future.
- This indicates that retailers understand how critical it is to keep up with technology developments in order to stay competitive and satisfy changing consumer expectations.
- The 30% of respondents not planning to adopt new technology solutions may have specific reasons for their decision, underscoring the importance of understanding individual business contexts.

### **Conclusion**

The study reveals several key insights regarding the extent and challenges of technology adoption in the retail operations of the surveyed individuals. The data underscores the varying landscape of technology adoption in retail, with some areas of strength and others with room for growth. Overcoming the challenges of technical skills and awareness is essential to maximize the benefits of technology adoption. The strong inclination among the majority of respondents to adopt new technology solutions in the future signifies a positive outlook for the continued integration of technology in the retail sector. It is crucial for retailers to adapt to these trends to remain competitive and address the evolving demands of the market.

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# **A STUDY ON OPPORTUNITIES AND CHALLENGES IN THE INDIAN BANKING SECTOR**

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## **Abstract**

India's banking system differs greatly from other Asian countries due to the nation's distinct geographic, social, and economic features. India is a country with a sizable population, a vast territory, a varied culture, and stark regional variations in income. The Indian banking sector stands at a pivotal juncture, undergoing dynamic transformations amidst a backdrop of technological advancements, regulatory reforms, and evolving consumer behaviours. This study explores the Indian banking sector's evolution, challenges, and opportunities. It uses an in-depth analysis of secondary data, including annual reports, literature, and internet resources. The study concludes that the banking sector has undergone significant transformations due to technological advancements, regulatory reforms, and consumer behaviour shifts. The Reserve Bank of India regulates operations, while digital technologies, strategic fintech collaborations, and customer-centric approaches are prevalent. Despite challenges like non-performing assets, technological disruptions, and competition, the sector presents growth opportunities and requires collaboration between regulatory bodies, financial institutions, and stakeholders for resilience and sustainability.

**Keywords:** Banking Sector, Challenges, Sustainable, Opportunities, Management

## **Introduction**

A bank is a type of financial institution that primarily deals with deposit collection and loan distribution. The nature of loans and deposits differs greatly. The RBI (Reserve Bank of India), the nation's central bank, oversees banks. With its combination of foreign, private, and public banks, India's banking sector reflects the country's diverse economy. Based on the Narasimham Committee's recommendations, the banking industry underwent concurrent reforms in 1991 in compliance with the liberalization policy. Like the industrial sector, banking was heavily regulated and protected by the RBI before 1991. Reforming the banking industry has become essential to advancing the liberalization agenda and facilitating the expansion of the private sector. Like the industrial sector, banking was heavily regulated and protected by the RBI before 1991. Reforming the banking industry became essential to advancing the liberalization agenda and facilitating the expansion of the private sector.

The Presidency Bank's Act of 1876 established the Bank of Calcutta, Bank of Bombay, and Bank of Madras, marking the beginning of modern banking in India. The Imperial Bank of India was established in 1921, and the Reserve Bank of India (RBI) was established in 1934. The Banking Regulations Act of 1949 gave the RBI broad authority to oversee and manage banks. In 1960, the RBI required mandatory mergers of weak banks with strong ones, leading to 85 banks in 1969. The Narsimham Committee report in 1992 recommended extensive changes for the banking industry, leading to a 4% growth rate until the 1990s. Indian banking is divided into three phases these are:

### **Phase 1: Pre-Independence Phase**

Before India's independence, nearly 600 banks existed, with the Bank of Hindustan being the first to be established in 1770. The Oudh Commercial Bank was the first commercial bank. 19th-century banks like Allahabad Bank and Punjab National Bank are still in operation today. The Bank of Bengal, Bank of Madras, and Bank of Bombay merged to form the Imperial Bank, which later evolved into the State Bank of India.

### **Phase 2: Post-Independence Phase**

Following its independence, India's banking system continued to develop essentially in the same way. The Indian government decided to nationalize the banks in 1969 in compliance with the 1949 Banking Regulation Act. Among the fourteen banks that were nationalized was the Reserve Bank of India (RBI). The Indian government admitted that many communities were experiencing financial exclusion in 1975. Between 1982 and 1990, it set up banking institutions with specialized functions to keep up with the growth of India's financial services industry. NABARD (1982): To assist with agricultural endeavors; The National Housing Board (1988) financed housing projects; SIDBI (1990) funded small-scale companies; and EXIM BANK (1982) promoted import and export.

### **Phase 3: LPG Era (1991-Date)**

There was a radical shift in the Indian economy starting in 1991. India opened its doors to private investment by the government. The RBI approved ten private banks. Thanks to this deregulation, several well-known brands have persisted to this day, including HDFC, Axis Bank, ICICI, DCB, and IndusInd Bank. Two more banks were granted licenses in the early to mid-2000s: Kotak Mahindra Bank (2001) and Yes Bank (2004). In 2013–14, licenses were also granted to IDFC and Bandhan banks.

## **Literature Review**

**S. Praveen Kumar and J. Pavithra (2017)**, according to their research on Recent Trends in the Indian Banking Sector, the banking industry supports both boom and recession by serving as the backbone of the country's economy. They also concluded that, following 1991, a few banking industry

trends and developments were credited, and a few reforms were implemented to enhance their offerings to better satisfy clients.

**Seema Malik (2014)** researched technological developments in the Indian banking sector. The study "Changed Face of Banking" discovered that the most valuable innovations are those in the banking and financial sectors, including retail banking, debit and credit cards, online and mobile banking, free advisory services, ECS, RTGS, EFT, NEFT, and ATMs, among many other value-added products and services.

**Karigoleshwar (2016)**, looks at current trends in commercial banking, including cashless transactions, e-checks, and mobile wallets.) A study titled "Recent Trends in the Banking Sector in India" discussed various banking product types, their significance to the growth of the economy, and current trends in the industry, including electronic checks, real-time gross settlement, electronic fund transfers, De-mat accounts, and points of sale his paper Emerging Trends in Banking Sector: Its Challenges and Opportunities.

**Goyal & Joshi (2012)**, the study identified key obstacles and opportunities in the Indian banking industry, including untapped rural markets, growing competition, global economic effects, market discipline, transparency, HRM initiatives, foreign competition, financial inclusion support, and environmental concerns.

**Goyal K. and Joshi V. (2012)**, the study highlights the main obstacles and possibilities facing the Indian banking industry. These include issues with risk management, employee retention, global banking, market discipline, rural markets, risk management, and social and ethical considerations.

**Ayachit M. (2012)**, the study discusses the use of ICT in improving customer-focused banking experiences, addressing challenges like automation, biometrics, voice revolution, security, and rural digital literacy. Solutions include effective communication, high-quality products, multifactor authentication, and other strategies.

**Snehal J. Bhatt, Krishna Gor. (2012)**, the paper discusses the history of India's banking industry, focusing on five major phases: pre- and post-independence, pre-nationalization, nationalization, and post-liberalization. It highlights the importance of marketing in the sector and proposes an abstract framework linking banks to all customer touchpoints.

**Nilesh L. and Baban S. (2014)** used secondary data based on bank market capitalization and net interest margin to report on the performance of the Indian banking sector in their research study.

**Manikyam (2014)**, the paper discusses the evolving banking landscape, reforms, opportunities, and problems faced by commercial and national banks, focusing on high transaction costs, asset quality issues, IT revolution, technological upgrades, competition, privacy, security, and global banking.

**Bhai Lakshmi's (2018)**, research paper discusses India's e-banking system's potential, challenges, and opportunities, highlighting its potential in rural markets, customer service, and internet usage, while also addressing privacy, technology, security, and internet penetration issues.

**R. Deepak Sounder & and K. Saranya (2020)**, in their study titled "A Study on Digital Banking in India" explained how the banking sector has evolved significantly in the modern era. The online banking industry faced several significant issues and difficulties because of digital banking. The banking industry has gradually transitioned from traditional to digital banking and is still working to provide its clients with longer-term, better services. Users can access financial data on desktop computers, mobile phones, and ATMs.

**Sujatha M. N.V. Haritha and P. Sai Sreeja (2017)**, the study titled "Recent Trends in the Banking Sector in India" discussed various banking product types, their significance to the growth of the economy, and current trends in the industry, including electronic checks, real-time gross settlement, electronic fund transfers, de-mat accounts, and sales points.

### **Objectives**

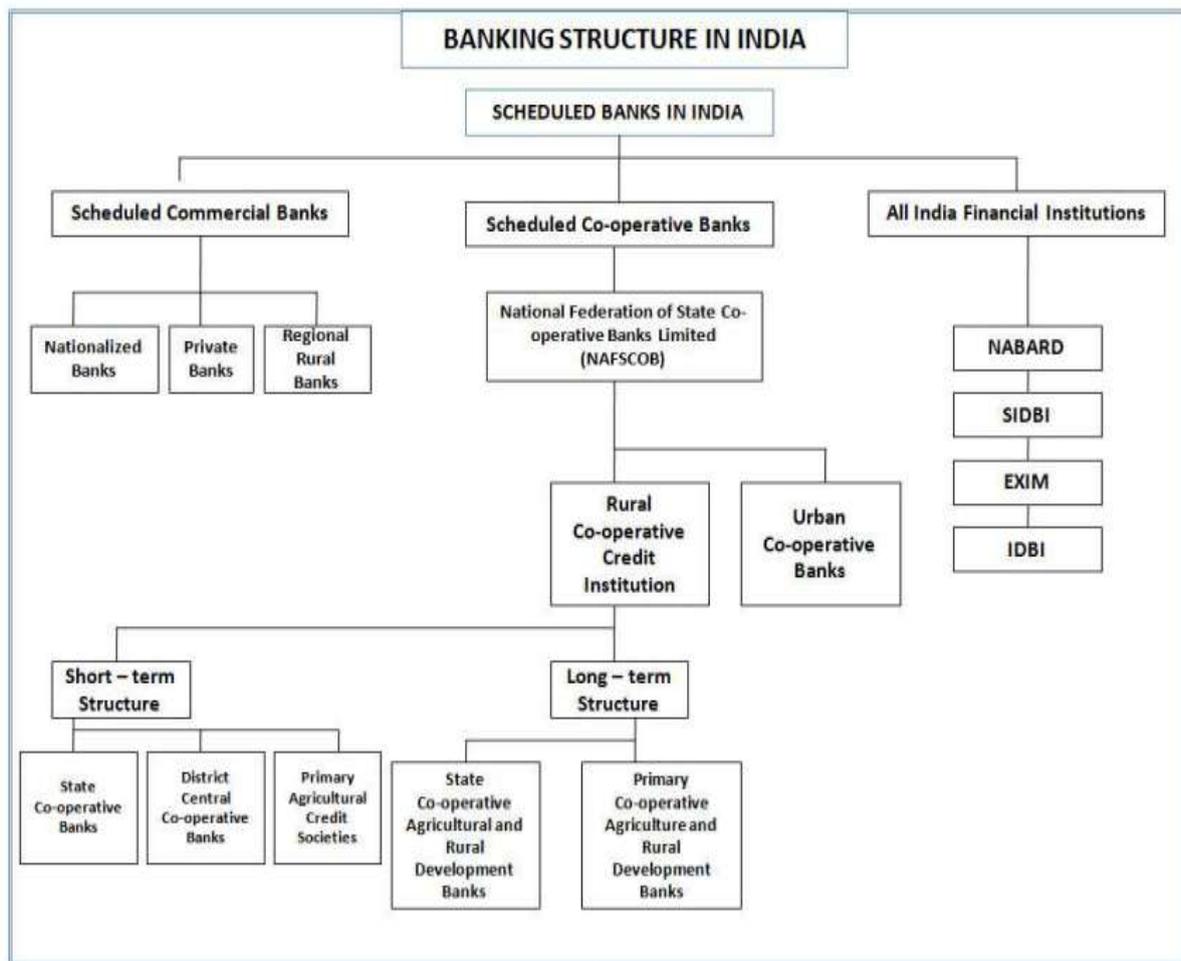
- To study the changing scenario of the banking sector in India.
- To identify the challenges for the Indian banking sector.
- To study opportunities for the Indian banking sector.

### **Methodology**

A compilation of secondary research on the Indian banking industry, with particular attention to the Indian environment, is this study. To finish this, several reports on this subject have been taken into consideration, annual reports, numerous books, journals, and periodicals have been reviewed, and online searches have also been conducted.

### **Structure of the Organised Banking Sector in India**

The Reserve Bank of India began operations on April 1, 1935. India's banks are divided into various categories. Every group has distinct benefits and advantages, as well as specific target markets and clientele, as well as operational constraints in India. The Reserve Bank of India, the country's regulatory central bank, keeps a close watch on the banking sector in India. Cooperative banks and commercial banks make up most of the banking sector.



The banking structure in India is organized into different categories of banks, each serving specific purposes and functions. The banking system in India is broadly classified into two main categories: scheduled banks and non-scheduled banks. Here's an overview of the banking structure in India:

## Scheduled Banks

### Commercial Banks:

- Public sector banks (PSBs) are government-owned banks with over 50% stakes, such as SBI and PNB. Private sector banks are owned by private individuals or corporations like HDFC and ICICI. Foreign banks are headquartered in foreign countries, with branches in major Indian cities. Regional Rural Banks (RRBs) are established to provide banking services in rural and semi-urban areas, focusing on agricultural and rural development, in collaboration with the Central Government, state governments, and sponsor banks.

### Cooperative Banks:

- Urban Cooperative Banks (UCBs): These banks operate in urban and semi-urban areas. They are usually small-sized banks catering to the financial needs of a specific community or locality.

- **State Cooperative Banks (SCBs) and District Central Cooperative Banks (DCCBs):** These banks operate at the state and district levels, respectively, and work in association with urban cooperative banks to support agricultural and rural credit.

**Non-Scheduled Banks:** These banks do not fulfill the criteria set by the Reserve Bank of India (RBI) for scheduled banks. They are smaller and operate in limited areas.

**Development Banks:** Institutions like the Industrial Development Bank of India (IDBI) and the National Bank for Agriculture and Rural Development (NABARD) are examples of development banks. They focus on providing financial assistance for industrial and agricultural development, respectively.

**Payment Banks and Small Finance Banks:** These are specialized banks introduced by the RBI to promote financial inclusion. Payment banks focus on providing basic banking services, while small finance banks cater to the financial needs of small and marginal customers, including small businesses.

**Central Bank:** The Reserve Bank of India (RBI) is the central bank of the country. It formulates and implements monetary policy, issues currency, regulates and supervises the banking system, and acts as a banker to the government.

The banking structure in India is continually evolving to meet the changing economic landscape and the diverse financial needs of the population. The RBI plays a crucial role in regulating and supervising the banking sector to ensure stability and growth in the economy.

## **Changing Scenario of the Banking Sector in India**

In response to the evolving financial landscape, Indian banks are actively undergoing digital transformation to enhance the customer experience and streamline operations through the adoption of mobile banking, internet banking, and digital payment systems. Fintech collaboration has gained prominence as traditional banks partner with fintech firms to incorporate innovative solutions in payments, lending, and risk management. Regulatory reforms by the Reserve Bank of India (RBI) aim to fortify the banking sector, addressing issues such as non-performing assets (NPAs), bolstering cybersecurity, and improving governance. Efforts to manage NPAs are complemented by guidelines to strengthen overall asset quality. Initiatives like the Unified Payments Interface (UPI) have revolutionized payments, promoting seamless and instant fund transfers. Financial inclusion remains a focal point, with payment banks and small finance banks contributing to efforts to bring unbanked populations into the formal banking system. The credit landscape emphasizes responsible lending, with a balance between credit growth and prudent risk management. A customer-centric approach is evident, utilizing data analytics for personalized services and improved customer engagement. Environmental, Social, and Governance (ESG) considerations are gaining significance, leading banks to adopt sustainable and responsible banking practices. Despite the challenges posed by economic

uncertainties and global events, resilience and adaptability are key attributes enabling banks to navigate changing conditions. The banking sector in India has been experiencing various changes and evolving due to technological advancements, regulatory reforms, and shifts in consumer behavior.

**Some general trends and changes or developments in the banking sector in India:**

Aspect	Previous Status	Current Status	Changes/Developments
Ownership Structure	Dominance of Public Sector Banks	Diversification with Private Banks	Emergence and growth of private banks
Technology Adoption	Limited Digitalization	Extensive use of technology and digital banking	Introduction to mobile banking, UPI, etc.
Financial Inclusion	Limited reach to rural areas	Increased focus on rural and unbanked areas	Implementation of PMJDY and Aadhar linkage
NPAs and Credit Quality	Rising NPAs, concerns about credit quality	Continued focus on asset quality management	Stringent measures, Insolvency and Bankruptcy Code (IBC)
Regulatory Framework	Evolving regulatory environment	Stricter regulatory norms and compliance	Continuous updates and reforms by the RBI
Fintech Integration	Fintech Integration	Growing partnerships with fintech companies	Adoption of fintech for various services
Payment Banks and Small Finance Banks	Introduction to the new banking category	Gradual expansion and integration of payments and small finance banks	Enhancing financial inclusion and services
Global Integration	Increasing collaboration with global banks	Increasing collaboration with global banks	Participation in international financial markets

Customer Services	Traditional Banking Services	Emphasis on customer-centric services	Enhanced customer experience and service
Risk Management	Evolving risk management practices	Advanced risk assessment and management practices	Integration of technology into risk management

## Challenges Faced by the Indian banking industry

The varied geographical locations of developing nations such as India still prevent many people from having access to financial services. However, consumers of financial services have higher expectations now due to increased competition and information technology advancements, which have raised service quality. The number of services provided has expanded with the entry of foreign banks into the Indian market, and banks are placing more emphasis on satisfying customer expectations. The current state of affairs has given Indian commercial banks both opportunities and challenges in terms of surviving in the market. Understanding the opportunities and challenges faced by India's banking sector is essential to comprehending the overall banking landscape. The Indian banking industry faces several challenges, reflecting both global economic trends and domestic factors. As per my last knowledge update in January 2022, here are some of the challenges faced by the Indian banking industry:

- **Non-Performing Assets (NPAs):** The issue of non-performing assets, or bad loans, has been a significant concern for Indian banks. NPAs can impact the financial health of banks, erode profitability, and limit their ability to lend. Efforts have been made to address this issue through various mechanisms, such as the Insolvency and Bankruptcy Code (IBC).
- **Technological Disruption and Cybersecurity:** The increasing reliance on technology and the digitization of banking services have exposed the industry to cybersecurity threats. As banks adopt new technologies, they need to invest heavily in cybersecurity measures to protect customer data and ensure the integrity of financial transactions.
- **Competition and Market Dynamics:** The banking sector in India is highly competitive, with the presence of public sector banks, private sector banks, foreign banks, and newer entities like payment banks and small finance banks. This competition puts pressure on banks to innovate, improve efficiency, and enhance customer service.
- **Capital Adequacy and Basel III Compliance:** Basel III norms require banks to maintain higher capital adequacy ratios to ensure financial stability and resilience. Achieving and

maintaining these ratios can be challenging, particularly for banks dealing with high NPAs and economic uncertainties.

- **Governance and Risk Management:** Ensuring effective governance and risk management practices is crucial for the stability of the banking sector. Issues related to corporate governance and risk management, if not addressed, can lead to financial instability and erode public trust.
- **Financial Inclusion:** Despite significant progress, there are still challenges in achieving comprehensive financial inclusion, especially in rural and remote areas. Banks need to develop sustainable models to reach the unbanked and underbanked populations.
- **Economic Slowdown and External Shocks:** The Indian economy is subject to both domestic and global economic fluctuations. Economic slowdowns and external shocks, such as the global financial crisis or the impact of the COVID-19 pandemic, can affect the banking industry's performance.
- **Regulatory Changes and Compliance:** The banking industry operates under a regulatory framework set by the Reserve Bank of India (RBI) and other regulatory bodies. Frequent regulatory changes can pose challenges for banks in terms of compliance, implementation, and adaptation to new guidelines.
- **Liquidity Management:** Maintaining optimal liquidity levels is crucial for the smooth functioning of banks. Balancing liquidity requirements with profitability goals and regulatory compliance is an ongoing challenge.
- **Global Economic Uncertainties:** Global economic uncertainties, trade tensions, and geopolitical issues can impact India's economy and, consequently, the banking industry. Banks need to be resilient and adaptable to navigate such uncertainties.

It's important to note that the challenges faced by the banking industry are dynamic, and the industry continually evolves to address these issues. Regulatory bodies and financial institutions work collaboratively to find solutions and ensure the stability and growth of the banking sector.

### **Opportunities Faced by the Indian Banking Industry**

The term "opportunity" in the context of the Indian banking industry refers to favourable circumstances, situations, or prospects that have the potential to contribute positively to the growth, development, and sustainability of banks and financial institutions in India. These opportunities arise from various sources, including, but not limited to:

- **Digital Transformation:** The ongoing digital revolution presents an opportunity for banks to adopt innovative technologies, enhance customer experiences, and streamline operations through digital channels.

- **Fintech Innovations:** Collaboration with or adoption of financial technology (fintech) solutions allows banks to offer new and improved services, often catering to evolving customer needs and preferences.
- **Financial Inclusion:** There is an opportunity for banks to expand their reach and impact by promoting financial inclusion, especially in rural and underserved areas. This involves providing banking services to a broader segment of the population.
- **Government Initiatives:** Various government schemes and initiatives aimed at economic development, such as Jan Dhan Yojana and Pradhan Mantri Mudra Yojana, create opportunities for banks to participate in financial inclusion and support entrepreneurship.
- **Globalisation:** Integration with global financial markets and cross-border transactions presents opportunities for Indian banks to diversify their services, attract foreign investment, and participate in international trade.
- **Sustainable Banking Practices:** With increased awareness of environmental, social, and governance (ESG) considerations, there is an opportunity for banks to adopt sustainable banking practices, contributing to long-term environmental and social goals.

## **Conclusion**

The banking sector in India has undergone significant transformations due to technological advancements, regulatory reforms, and consumer behavior shifts. The Reserve Bank of India is a key player in regulating and overseeing this dynamic and diversified economy. The industry is adopting digital technologies, fintech collaborations, and a customer-centric approach, with initiatives like the Unified Payments Interface (UPI) and responsible lending promoting efficiency and financial inclusion. However, the industry faces challenges such as non-performing assets, technological disruptions, competition, and regulatory changes. To address these challenges, banks must adopt a proactive approach, including robust risk management, compliance with regulations, and strategic adaptation to global economic uncertainties. On the positive side, the industry presents opportunities for growth, innovation, and increased participation in the global financial landscape. Collaboration between regulatory bodies, financial institutions, and other stakeholders is crucial to ensuring the sector's resilience, sustainability, and continued growth.

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# **AN EMPIRICAL STUDY OF THE COMMERCIALIZATION OF YOGA AND SKILL DEVELOPMENT OF YOUTH**

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## **Abstract**

Skill Development is the productive capabilities acquired through all levels of learning and training during the period of learning since a child goes to a learning center from kindergarten to adult learning institutions. Yoga is a practice of physical mental and spiritual connection of a person, which is an ancient system adopted to improve mental power, physical strength, and spiritual connection with God. It is an expensive process that has gained unprecedented appreciation and popularity among all ages around the world. Earlier when it started gaining popularity it was recognized as a form of exercise only but since it proved the scientific base behind its all asanas it also found that it helps in improving mental activities, decision-making ability, strength, stamina, and much more. Today youth around the age of 15-24 years are battling with several mental issues, fear of neglect, failure, unacceptance, anxiety, and advanced mental health issues as well as emotional disorders. It was found in studies depression is the fourth leading cause of disability among adolescents aged 15-19 years and affects their studies and careers adversely. It is also found that excessive use of gadgets among youth like TV, mobile, tablet, computers, laptops, and internet-based Instruments also hamper the development of skills among youth.

As today's youth is battling with so many mental disorders and mental issues and the solution is only with performing yogic activities. Yoga is a life-changing practice that helps in boosting in mental stability, physical stamina, and spiritual connection with God. Performing various Asanas regularly will enhance the lung's capacity, and the reach of oxygen to the brain helps the nervous system to act in a better manner. Youth will find tremendous energy in performing routine activities as well as helpful in the development of skills like learning capacity, remembering, and decision-making activities as it enhances concentration and focus by just investing 20 minutes a day in performing yogic asanas. This research paper will highlight the importance of yoga in commercializing and developing skills among the youths with regular performing of yogic asanas.

**Keywords:** Skill-development, Yogic-asanas, physical strength, mental well-being, commercial, economic development.

## **Introduction**

Learning is the process of attaining new skills, behavior, values attitudes, and preferences. In this present scenario, the attainment of skills is necessary for the development of students whereas the ability to learn is the basic skill possessed by humans. Some of the learning patterns have been found in some animals and plants too.

There are many learning patterns available in established fields. i.e., educational, experimental, psychology, neuropsychology, etc. Learning can be habitual, heredity-based, or environmentally forced. Children are always excited about learning and new aspects of any learning patterns; few are developed with extraordinary skills to learn at a fast pace. Similarly in schools, skill development has attained a sharp high as is the present need of the hour for the economic development of the country with high earnings in less investment. That includes critical thinking, problem-solving, communication data analysis, rationalizing, etc. The required skills have differed with every different field of learning.

Uttarakhand is the state that is also known as the 'Abode of God' or the 'Land of God' and popularly known as the Yoga Capital of the world, Rishikesh is the Hub for Yoga, meditation, and Wellness. People from around the globe, visit here for yogic and wellness programs organized at Rishikesh every year. Many more destinations in India are highlighting their wellness and naturopathic value. In recent years the therapeutic value of Yoga and meditation has increased at a high rate.

One of the new dimensions was set by Yoga when it attained its popularity in the western countries whereas it was in the tradition and culture of the Indian soil. In a recent study, it was reported that around 192 countries celebrated Yoga Day, which shows the popularity and acceptance of Yoga as a global platform. Due to the present environment and timeless cutthroat competition, the students have to face many problems in learning and other daily learning activities and habits. Recent studies have found that Yoga is good for the mental and physical health of a person but this study will find out the importance of Yogic activities enhances the learning skills of a youth or a student and helpful in skill development as well.

## **Review of Literature**

**Robert G. Holly**, in his study, highlighted that regular hatha yoga practices can have wonderful benefits in health-related aspects of physical fitness. That can be attained with regular yoga practices. **A, Malathi, et.al**, highlighted in their studies that there is a beneficial effect of regular practice of Yoga on the well-being of a person that included 11 Subjective Well-Being Inventory.

**Sat Bir S. Khalsa**, also studied Yoga as a Therapeutic Invention and illustrated multiple practices, including exercise, breathing exercises, and meditation are the most comprehensive approaches in mind-body medicine and also help in stress management.

**Nandani Bhalla, et.al.**, their studies investigated the content analysis of lifestyle advertisements in Yoga journal magazines and highlighted that the women of female featuring advertisements were more prevailing in the promotions of Yoga.

There is a dearth of research studies that have investigated the commercialization of Yoga and skill development of Youth and how it is contributing to the economic development of the youth as well. Very few studies have been taken so far concerning the significance of yogic activities in the skill development of the youth in the present scenario and also it will be helpful for academicians, educators, policymakers, research scholars, and students of all ages.

### **Objectives of the study**

The object of the research study is enlisted as follows:

- To study the factors that positively contributed to the commercialization of yoga and the development of skills in the student.
- To enhance the learning skills of the students with yogic activities.
- To illustrate the changes in priorities of a student in the present scenario and adoption of Yoga Practices in their lifestyle.
- To investigate the yogic activities popular in younger generations and their impact on the monetary condition of the countr
- To highlight the positive impact of yogic activities in the skill development and economic development of society.

### **Research Methodology**

For this research study, the researcher collected and referred to secondary data on *yoga*. The researcher had a descriptive study about the factors/ motivators that accelerate a desire to meditate in a particular place. A sincere effort has been made to find a way to create consistency in the growth and transformation of the youth in learning and skills development. The researcher referred to specific reports published by various national and state agencies/bodies such as the *Ministry of Tourism, Ministry of Ayush, Ministry of Commerce GOI, etc.* The author also studied various books published by renowned authors, websites, and research papers published in peer-reviewed journals to find out the previous work done in this area so far, and also acknowledged newspaper editorial columns based on Yoga and skill development and related issues.

### **Commercialization of Yoga in learning and Skill development in India**

Yoga is an ancient and spiritual discipline based on scientific reasons and enlightens the body and mind. It is the art of living a sincere routine that follows from early rising to timely sleep. The word Yoga is derived from the Sanskrit word 'Yuj' which means join together or unite. It unites our body with our mind. It's a means to self-awareness and self-realization.

The various fossils that remain have been found in the Indus Valley civilization with figures performing yogic activities that show the existence of Yoga in ancient times. A few of the sources that confirm the existence of Yoga in ancient times were the Vedas, Upanishads, Puranas Epics, etc.

Traditional yoga became one of the commodities that are selling worldwide or being consumed at the global level. Then its importance is felt at all levels of management in different fields. In modern times special sessions take place at every institution in respect of stress management whether it's a School, college, professional institutes, training institutes, or other institutions of national importance requiring sessions in respect of stress management.

In the present scenario, today's youth is battling with many mental disorders and mental issues due to abnormal lifestyles, unhealthy food habits, excessive social media usage internet addiction pollution, etc. The solution is only being involved in physical activities. However, the physical activities involved less enthusiasm to perform due to being living in auto work time. Therefore, performing yogic activities not only enhances physical activities as well as helpful in the economic benefits of the younger generation. Yoga is a life-changing practice that helps boost mental stability, physical stamina, and spiritual connection with God, besides contributing to economic development. The main logic behind performing yogic activities or various Asanas regularly, it will enhance the lung's capacity, and the reach of oxygen to the brain helps the nervous system to act in a better manner and also enhances the capacity building of an individual.

### **Government Initiative in Commercialising Yoga**

On 27<sup>th</sup> September 2014, the nation India urged to International Community for the adoption of International Day of Yoga. That day, world realised that Yoga is not only a building stone or uniting model of Mind and Soul but a Changing lifestyle not only helps an individual, society, or nation but the whole globe will benefit from battling with climate change as well. Therefore, it was not only commercialized but the whole globe will be benefitted from the economic and environmental benefits.

Three types of Yoga typically exist Material Yoga, Spiritual Yoga, and Transcendental Yoga. Earlier the Guru Shishya Parampara prevailed in ancient India and there was an emergence of different schools with their practices, approaches, and Philosophy. These schools were known as Jnana Yoga, Bhakti Yoga, Karma Yoga, Patanjali Yoga, Hatha Yoga, Jain Yoga, Buddha Yoga, Laya Yoga, Kundalini Yoga, Mantra Yoga, etc. due it's their scientific base and approach the World Health Organisation collaborated with the Ministry of Ayush, Government of India for the medicine and wellness program.

Various capacity building Workshop or webinars on Yoga and related issues like Yoga benefits in Diabetes and hypertension, Yogic Management in Cancer, Bronchial Asthma and stroke, Yoga and Non-Communicable diseases, and several more initiatives have been conducted by the Government of India to aware people with facts of yoga in a particular scenario.

### Scientific Approach to Yoga Practices

A few of the misconceptions prevailed about Yoga. Therefore, some of the misconceptions and factual truths need to be brought to notice and are illustrated in the following Table 1.1 below.

**Table 1.1**

#### Misconceptions and Facts in respect of Yogic activities

S. No	Misconception	Facts/logic
1.	Yoga is a ritual-based magic	Yoga is a philosophy and science for leading a happy and satisfied life.
2.	Yoga is an organized religion.	Yoga is a practical science dealing with universal truths about existential realities. It does not talk about any religion in particular. The elements of Yoga are found in many religious practices.
3.	Asanas and Physical exercises are the same.	There are definite differences and distinctions between both concerning aims, objectives, and the outcome of their practice at the level of consciousness.
5.	Only healthy persons can practice Yoga.	Yoga can be practiced by healthy and unhealthy people equally.
6.	Yoga practices are meant to reduce weight.	Yoga is good for the management of weight and other health-related issues.
7.	Yoga practices can be practiced anywhere and anytime	There are certain rules to be properly followed in the beginning while practicing Yoga.

Source: Ministry of Ayush, Government of India

Table 1.1 shows the factual findings published by the *Ministry of Ayush, Government of India* concerning Yoga practices and prevailing concepts brought factual information about Yoga practices and its benefits that can be reaped by the individuals. It was observed in the past that after the COVID-19 outbreak, the majority of students of different ages have been impacted in learning skills and

concentration drastically, and their performance in learning and skill-based power had reduced several folds. Therefore, to recover from this situation many of them adopted Yoga practices in their family regularly and found positive results.

### **Yoga for the Skill Development in the Youth**

A large percentage of the population consists of people aged between 10-24 years who are popularly known as adolescents and young adults and adults and comprise nearly 25% of the population they have a distinct pattern of health issues that varies to their environment, family, society and personal aptitude level, and in the present scenario, they are living in such environment where competition is so high with less chance of success in their fields due to lifestyle changes, food habits, family upbringing, social attitudes and influences and so on.

According to the Adolescence report published by the Ministry of Ayush, Government of India, Yoga comprises eight aspects moral discipline, social discipline, extension and expansion of the life force, involution of the senses, concentration, meditation, and the state of bliss. Therefore, when these aspects of the adolescents are controlled in an efficient and controlled manner, then their skills and abilities can be developed with efficiency and perfection. Therefore, skills can be imparted with yogic actions when it was adopted into routine by the concerned individuals.

Their willpower and endurance can be enhanced with specific asanas and can improve tolerance as well which will be helpful in stress management while studying, preparing for competitions, and career-building aspects. Yoga asanas practices will enhance the analytical and intellectual capabilities of youth as well. Thus, fruits can be reaped with higher benefits soon with yoga practices. Therefore, the following skills development aspect can be generated with Yoga practices by the younger adults/adults.

- Courage and Confidence
- Humanity and Humility
- Attainment of Efficiency
- Attainment of Multi-tasking Abilities
- Enhances sensitivity and emotional stability
- Ability to troubleshoot and problem-solving
- Discrimination and clarity
- Analytical and intellectual capabilities
- Observation and concentration
- Willpower and endurance

According to the report published by the Ministry of Ayush in respect of mental health and mental well-being of a person yogic activities are very beneficial in the long run. A survey in the

year 2017 by The National Institute of Mental Health (NIMH) suggested that 10.6% of the population is suffering from only health problems. Therefore, the diagnosis is required to be separately identified so that the cause and remedies can be applied to solve the mental issues of every person suffering. Negligence of that impacted the adolescents/adults' behavior patterns in learning and skills development in the longer run.

### **Economic Aspects of Yoga Being Commercialised as a Commodity**

According to one of the chief investment officers of “MarketsMojo” once incorporate a few good practices like Yoga and meditation which can solve 90% of our daily problems. In recent years the growth and popularity of Yoga have gone up several folds. It has been considered a commodity since its commercialization. Being it has its religious aspects and roots still it manages its front to manage as own kind of business concerning learning and teaching skills, fitness and wellness, nature health, yoga and trekking, yoga and naturopathy, yoga exercise accessories market, Yoga outfits market, Yoga and dietary market and much more.

Yoga was not popular in India but it had flied to western countries as well. According to the report published in (Ipsos Public Affairs,2016), it was found that in 2014 the number of yoga practitioners was 20.4 million which registered an increase and reached 37 million in 2016 in the United States. This shows the increasing popularity of Yoga in Western countries. Western people have more consumerism concerning Yogic activities and the Yoga Business popularity. Because of its health benefits people are attracted to and adopting the lifestyle recommended in Yoga Activities an essential phenomenon and practice. Yoga has become an essential commodity for consumers worldwide, therefore has a good share of the market for Yoga activities selling products from Education to Neuropathic medicinal treatment with Ayurveda.

In the present and the future time Yoga will not only be an exercise for the physical and mental well-being of a person but also an essential luxury and Exotic commodity that secures some social prestige and elite figure of society. This suggests a great market for the future to look into Yoga and Yoga related practices which were discussed above have well defined and well-designed market as an exotic and luxurious Commodity. Being popular with adults and the younger generation will capture the market hold in higher percentage in the Indian market as well and due to skill-based it will also enhance the economic contribution in respect of national income and foreign exchange. The wellness market is estimated at INR 490 billion and 40% of the market comprises Yoga and fitness studios alone, there is an estimation of another 20% increase and significant growth in the market size of Yoga and Meditation in the next three years and will reach to INR 875 billion.

### **Key Findings and Suggestions**

- It is found that today's youth is battling with so many mental disorders and mental issues and the solution is beheld with engaging in physical activities, here the best suited is the Yoga activities.
- There is a lot of pressure on the present youth to excel in every field, to find solutions to their problems related to future career aspects, and compatible with the present competitive environment.
- After the COVID-19 outbreak, the majority of students of different ages have been impacted in learning skills and concentration, to recover from this situation one has to practice yoga regularly.
- Regular and routine practice of Yoga activities enhances the economic activities directly and indirectly.
- Yoga activities have an importance in mental well-being as well as the economic impact through skill development in various fields.
- 10.6% of the population is suffering from only health problems. Therefore, the diagnosis is required to be separately identified so that the cause and remedies can be applied to solve the mental issues of every person suffering.
- Yoga is good for the mental and physical health of a person but this study will find out the importance of Yogic activities in enhancing the learning skills of a youth or a student and helpful in skill development as well.
- Yoga, has become an essential commodity for consumers worldwide, therefore has a good share of the market concerning Yoga activities selling products from Education to Neuropathic medicinal treatment with Ayurveda.
- In 2014 yoga practitioners 20.4 million which registered an increase and reached 37 million in 2016 adults in the United States. This shows the increasing popularity of Yoga in Western countries as well as the attainment of newer markets in foreign lands.
- Being popular with adults and younger generations will capture the market hold in higher percentage in the Indian market as well and due to skill-based it will also enhance the economic contribution in respect of national income and foreign exchange.

## **Conclusion**

India has a great opportunity to excel in Yoga and related markets worldwide as Yoga has successfully registered itself as a different but essential commodity for the upliftment of health, wealth, and luxury in life. Therefore, Yoga is not only a business opportunity but a complete Business package that has related fields of Yogic activities at domestic as well as foreign land with a huge

amount of wealth creation in respect of domestic and foreign exchange and being at skill development it has ample opportunity to perform learning and teaching skills, fitness and wellness, nature health, Yoga and trekking, Yoga and naturopathy, Yoga exercise kit market, Yoga outfits market, Yoga and dietary market etc.

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# **AN OVERVIEW OF THE FDI POLICY FRAMEWORK OF INDIA**

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## **Abstract**

Foreign Direct Investment has a significant positive impact on the nation's Development (FDI). The quantity of capital that is occasionally easily accessible domestically is insufficient for the entire development of a country. Using foreign capital is one way to bridge the gaps between domestic savings and investment. In contrast to earlier times, India can today attract substantially more foreign investments. The focus of the current study is on India's FDI policies and its regulatory authority. The study discusses the procedure of FDI approval by different routes and sector-wise limits mentioned by the authority. The study also highlights the need for FDI, current trends in FDI, and available opportunities in the Indian environment. The Department of Industrial Promotion and Policy, the Ministry of Commerce and Industry, The World Investment Report, press releases and circulars from the Indian government, the Reserve Bank of India, and other sources provided the secondary data used in the study. According to the study's findings, 80% of respondents from around the world intended to make investments in India, making it a major global hub for FDI. It has become a more appealing market for foreign investment after cutting corporation taxes and simplifying labor regulations.

**Keywords:** FDI, FIPB, Liberalisation, Globalisation, Government route.

## **Introduction**

According to the Dictionary of Economics, foreign direct investment, or FDI, is an investment made in a foreign nation through the purchase of a local business or the launch of a new operation on a greenfield site. To put it simply, foreign direct investment (FDI) is the infusion of capital into a country to improve its economic output capability.

FDI is essential to both emerging and developed countries development in the age of globalization. India has made a substantial financial contribution to the expansion of the national economy. To take advantage of India's changing economic climate and reduced salaries, direct foreign investments are made in the country's quickly growing private enterprises. India started the process of liberalizing its economy after the 1991 financial crisis. Since then, foreign direct investment (FDI) has progressively increased in India, resulting in the creation of over one crore (10 million) employment. According to the Financial Times, India emerged as the leading destination for foreign direct investment in 2015,

surpassing both China and the United States. In the first half of 2015, India received \$31 billion in investment, while China and the US received \$28 billion and \$27 billion, respectively.

Since the start of its liberalization agenda in 1991, India has embraced a more investor-friendly stance. The administration carried out several structural economic reforms as required by the International Monetary Fund (IMF), including deregulation, the beginning of privatization, opening up trade and investment with other countries, tax reforms, and steps to manage inflation. Since then, whatever party has been in office has not changed the general course of liberalization; nevertheless, no party has yet attempted to take on strongholds like the trade unions and farmers, or divisive subjects like changing labour laws and lowering agricultural subsidies. FDI inflows increased during this time more quickly than practically all other global economic activity measures.

According to UNCTAD's 2012 World Investment Report, India is regarded as the third most popular country for big international corporations to invest in after China and the US. Long-term investment opportunities are also conceivable due to India's resilience during the global financial crisis. According to the research, foreign investments in India could rise by more than 20% between 2012 and 2013. The most remarkable change in the previous 20 years in the global economic environment has been the growth of FDI. Due to the remarkable expansion of Foreign Investment in 1990, both developed and developing countries have made FDI a key part of their development strategies and policies have been created to encourage inward flows. The host country and the home country both benefit from FDI. The countries that welcome foreign direct investment (FDI) hope to gain from the large markets that industrial expansion has created. Additionally, the host nations seek to expand their domestic financial resources and foreign exchange while gaining management and technological expertise. Additionally, this tremendous expansion of FDI around the world is made possible by the integration of global financial markets.

## **Literature Review**

According to **Anurag Jain (2023)**, who serves as the Secretary of the Department for Promotion of Industry and Internal Trade (DPIIT), India is considered a Favoured destination because of a range of initiatives, including the liberalization of Foreign Direct Investment (FDI) Policy.

**The Economic Times (2022)**, "PHDCCI urges govt to issue clarification on FDI policy in e-commerce sector", The chamber said in a letter to DPIIT secretary Anurag Jain that online merchants are taking advantage of policy gaps to conduct inventory E-commerce and multi-brand retail trade under the guise of operating marketplace platforms. The coal Minister in the current government **Pralhad Joshi (2022)**, announced that the government has reassessed the Foreign Direct Investment policy in coal and mining. The new permit 100 percent FDI through the automatic route for the sale of coal and coal mining activities, including associated processing infrastructure. This is contingent

upon adherence to the provision outlined in the Coal Mines (Special Provision) Act 2015, and the Mine and Minerals (Development and Regulation) Act 1957.

**Vyas (2015)**, studied the economic progression and expansion of India are substantially shaped by foreign direct investment. By generating employment opportunities and expanding the existing manufacturing sector, FDI in India has the potential to foster substantial economic growth and development. The research further indicates that FDI consistency contributes to job creation within the country, supports the growth of small-scale industries, and enables the nation to establish a global presence through liberalization and globalization.

**Kumari (2013)**, studied “The Impact of FDI on Equity Inflow on Trends and Patterns of FDI Inflow” by the results of the analysis show that the liberalization of FDI policy has been extremely beneficial to the Indian economy. Knowledge, infrastructure, and quality of life are just a few of the areas where development has benefited from the introduction of FDI.

**Renuka et al. (2013)** investigated that to maintain volatility and unpredictability during that time, India brought in FDI alongside considerable changes in economic policy that hailed the liberalization phase and brought structural breakdown in FDI inflows into the economy.

**Sharma and Khurana (2013)**, used data from 1991–1992 to 2011–2012 in their analysis on the sectorwise allocation of FDI inflow to determine which has concerned the lion's share (post-liberalization period).

**Kumar (2019)**, emphasized China's and India's policy facets in the context of reaching an agreement on bilateral commerce, which forms the basis of the two nations' diplomatic and political relations. To achieve this, a multivariate Autoregressive distributed lag (ARDL) model is employed, along with two extra explanatory variables: foreign direct investment (FDI) and gross capital formation (GCF).

**Kumari (2013)**, Examines how foreign policy and populism are related x to demonstrate how populism can be included in IR theory and how IR scholarship may contribute to discussions on populism. It uses a case study of India's foreign policy discourse under Hindu nationalist Narendra Modi, who has pledged to rid India of a corrupt elite and implement an "India first" strategy, to demonstrate its points.

**Ndzendze (2020)**, examines how security perceptions affect FDI (foreign direct investment) coming into the BRICS nations.

**Stock et al., (2020)**, want to address the following query: what impact do compelling and perplexing methods have on the development and execution of climate change adaptation policies in Bangladesh and India? Even if FDI regulations and screening procedures operate differently among nations, they all have one thing in common: when it comes to national security, most countries' FDI policies now prioritize ambiguity and obscurity.

**Lai (2021)**, contends that for politicians and other business and political actors to participate in the securitization of FDI to further their own political and economic goals, uncertainty is a crucial requirement.

### Objectives

- To understand the FDI policy framework of India.
- To comprehend India's need for FDI.
- To understand India's FDI flow trends.
- To analyze sector-wise inflow of FDI cap and entry route.

### Regulatory Body of FDI in India

In India, the regulation and facilitation of Foreign Direct Investment (FDI) are overseen by various authorities and regulatory bodies. Here is a list of key entities involved in regulating and promoting FDI in India:

Organization	Role
Department for Promotion of Industry and Internal Trade (DPIIT)	Formulates and implements the FDI policy of India.
Reserve Bank of India (RBI)	Regulates and monitors foreign exchange transactions, including FDI.
Securities and Exchange Board of India (SEBI)	Regulates the securities market and oversees FDI-related aspects in sectors under its purview.
Foreign Investment Promotion Board (FIPB) (Disbanded)	Historically responsible for processing and approving FDI proposals. Note: FIPB has been disbanded, and FDI approvals are now generally routed through the automatic route or government departments.
Ministry of Finance	Formulates fiscal policies related to FDI and collaborates with other ministries on FDI-related matters.
Ministry of Commerce and Industry	Works in coordination with DPIIT to formulate trade and investment policies.
Registrar of Companies (RoC)	Handles the registration of foreign companies and monitors compliance with the Companies Act.
The Competition Commission of India (CCI)	Ensures fair competition in the market and reviews competition-related aspects of FDI transactions.
National Investment and Infrastructure Fund (NIIF)	Facilitates infrastructure investment, including FDI, in the country.

State-Level Investment Promotion Agencies	Various states in India have investment promotion agencies that facilitate and promote FDI at the state level.
Customs Authorities	Responsible for regulating the import and export of goods, including those related to FDI.
Technology Development Board (TDB)	Supports technology-intensive and R&D-driven projects and may have relevance for FDI in certain sectors.

## Route of FDI in India

An Indian company may receive foreign direct investment under the two routes as given below:

- **Automatic Route:** Indian Businesses operating in a range of sectors are permitted to issue shares to foreign investors equal to 100 percent of their paid-up capital.
- **Government Route:** FDIs must first receive government approval for certain operations that are not covered by the automated route.

Through the automatic route or the government route, non-residents may invest in equity shares, fully, compulsorily, and mandatorily convertible debentures, or fully compulsorily, and mandatorily convertible preference shares of an Indian firm. A non-resident investor or an Indian corporation can invest using the automatic route without needing any permission from the Indian government. The Indian government's previous clearance is necessary to go via the government route. Under the government method, proposals for foreign investment are reviewed by the relevant administrative Ministry or department.

Current FDI policy in terms of sector-specific limits has been summarised in Table

Sector-Specific Limits of Foreign Investment in India		
Sector	FDI Cap/Equity	Entry Route
<b>A. Agriculture</b>		
1. Floriculture, Horticulture, etc.	100%	Automatic
2. Tea sector	100%	FIB
<b>B. Industry</b>		
1. Mining (diamonds, precious stones)	100%	Automatic
2. Coal and lignite mining	100%	Automatic
3. Mining of titanium-bearing minerals	100%	FIB
<b>C. Manufacturing</b>		
1. Alcohol- Distillation & Brewing	100%	Automatic
2. Coffee & Rubber processing	100%	Automatic

3. Defence Industry	100%	Automatic up to 74%, Government route beyond 74% (for access to modern technology or other reasons)
4. Hazardous chemicals and isocyanates	100%	Automatic
5. Industrial explosives -Manufacture	100%	Automatic
6. Drugs and Pharmaceuticals	100%	Automatic
<b>D. Services</b>		
1. Civil aviation	100%	Automatic
2. Asset Reconstruction companies	49%	FIPB
3. Banking (private) sector	74% (FDI+FII)	Automatic
4. NBFCs	100%	Automatic
5. Broadcasting		
FM Radio	20%	FIPB
b. Cable network; c. Direct to home; d. Hardware facilities; e. Up-linking a news and current affairs TV Channel	49% (FDI+FII) 100%	FIPB Automatic
6. Commodity Exchanges	49% (FDI+FII)	FIPB
7. Insurance	26%	Automatic
8. Petroleum and natural gas		
9. Print Media		
a. Publishing of newspapers and periodicals dealing with news and current affairs	26% 100%	FIPB Automatic
b. Publishing of scientific magazines/specialty journals/periodicals	100%	FIPB
10. Telecommunications	74% (including FDI, FII, NRI, FCCBs, ADRs/GDRs, convertible preference shares, etc.)	Automatic up to 49% and FIPB beyond 49%

*Source: Department for Promotion of Industry and Internal Trade Ministry of Commerce and Industry (Consolidated FDI Policy Circular of 2020)*

## Procedure for Government Approval



The process for foreign investment proposals involves submitting documents online through the Foreign Investment Facilitation Portal ([www.fifp.gov.in](http://www.fifp.gov.in)). The Department for Promotion of Industry and Internal Trade (DPIIT) will promptly identify the relevant Ministry/Department and circulate the proposal within 2 days. Simultaneously, the proposal will be shared online with the Reserve Bank of India (RBI) for comments related to FEMA within 2 days. Investments from Pakistan and Bangladesh necessitate clearance from the Ministry of Home Affairs.

DPIIT is required to provide its comments within 4 weeks of receiving the online application, and the Ministry of Home Affairs, if applicable, should offer comments within 6 weeks. Following this, additional information or clarifications may be requested from the applicant, to be provided within 1 week. Proposals involving Foreign Direct Investment (FDI) exceeding INR 50 billion (approximately \$775 million) will be presented to the Cabinet Committee of Economic Affairs. Upon completion of all requirements, the approval process is expected to take 8-10 weeks.

### **Need for FDI in India**

Foreign Direct Investment (FDI) can play a crucial role in the economic development of a country like India. Here are some reasons why FDI is considered important:

- **Capital Inflow:** -FDI brings in foreign capital, which can be used for various development projects, infrastructure improvement, and overall economic growth.
- **Technology Transfer:** -FDI often involves the transfer of technology, skills, and know-how from foreign investors to the domestic workforce. This helps in upgrading the technological capabilities of local industries.
- **Job Creation:** -Foreign investments can lead to the establishment and expansion of businesses, which in turn creates job opportunities for the local population. This is essential for addressing unemployment and poverty-related issues.
- **Balancing Trade Deficits:** -FDI can contribute to a more favorable balance of trade by boosting exports and reducing trade deficits. Foreign investors may establish production facilities that export goods and services, helping to improve the overall trade balance.
- **Infrastructure Development:** Road, ports, and telecommunication infrastructure are frequently developed with the help of foreign investors. This improves the host nation's general business climate in addition to helping the investing corporations.
- **Global Competitiveness:** -FDI can enhance the competitiveness of local industries by exposing them to global best practices, management techniques, and quality standards. This can result in increased efficiency and productivity.

- **Economic Diversification:** -Foreign investment can lead to the diversification of the economy by introducing new industries and sectors. As a result, the economy becomes less dependent on a small number of industries, increasing its resilience.
- **Stimulating Domestic Investment:** -The presence of foreign investors can stimulate domestic companies to improve their efficiency and competitiveness to attract investments themselves. This can create a positive cycle of economic development.
- **Government Revenue:** -FDI can contribute to government revenue through taxes and fees imposed on foreign companies. This revenue can be used for public services, welfare programs, and other essential expenditures.
- **Market Access:** -Foreign investors often bring with them established market networks, which can provide local businesses with improved access to international markets.

However, it's crucial for the host country to carefully manage and regulate FDI to ensure that it aligns with national interests and does not result in negative consequences such as exploitation, environmental degradation, or excessive dependence on foreign capital. Striking a balance between attracting foreign investments and safeguarding domestic interests is essential for maximizing the benefits of FDI.

### **India's Investment environment has significantly improved since the country's economy opened in 1991**

- FDI inflows to India totaled \$45.15 billion in 2014-15 and have been rising steadily ever since. Additionally, FDI equity climbed by 68.6% from \$185.03 billion in 2007-14 to \$312.05 billion in 2014-21, representing a 65.3 increase in overall FDI inflow from \$266.21 billion in 2007-14 to \$440.01 billion in 2014-2021.
- During the first four months of FY 2021–22, India received \$27.37 billion in foreign direct investment (FDI), a 62% increase over the same time in FY 2020–21 (\$16.92 billion).
- In FY 21–22, India saw the largest yearly inflows of foreign direct investment (FDI), surpassing \$2.87 billion from the previous year. Moreover, the FDI equity inflow was \$59,825 million in FY 2021–2022.
- The amount of FDI equity inflow into the manufacturing sectors increased by 76% in FY 2021–22 (\$ 21.34 billion) over FY 2020–21 (\$ 12.09 billion).
- Foreign direct investment (FDI) inflows into the nation over the last 22 years (April 2000 - March 2022) totaled \$847 billion, whereas FDI inflows over the last 8 years (April 2014 - March 2022) totaled \$523 billion, or almost 40% of the total FDI inflow over the previous 22 years.

- The amount of foreign direct investment (FDI) inflow into India was a meager \$ 45.15 billion in FY 2014–15. This figure rose to \$60.22 billion in FY 2016–17 and, in FY 2021–22, reached an all-time high of \$ 83.57 billion.
- The top 5 nations for foreign direct investment (FDI) equity inflows into India during FY 2021–22 are Singapore (27.01%), the United States (17.94%), Mauritius (15.98%), the Netherlands (7.86%), and Switzerland (7.31%).
- Computer software & Hardware (24.60%), Service Sector (Fin., Banking, Insurance, Non-Fin/Business, Outsourcing, R&D, Courier, tech. Testing and Analysis, Other) (12.13%), Automobile Industry (11.89%), Trading (7.72%), and construction Activities (5.52%) are the top sector receiving the highest FDI Equity Inflow during FY 2021-2022.

## **Conclusion**

Foreign Direct Investment (FDI) is vital for India's economic development due to its capital inflow, technology transfer, job creation, trade balance, infrastructure development, global competitiveness, economic diversification, domestic investment stimulation, government revenue, and market access. It boosts local industries' efficiency, reduces dependence on a limited range, stimulates domestic companies, and contributes to government revenue.

India's economy has proven to be one of the fastest-growing in the world thus far. Lately, India has become a major global destination for foreign direct investment. Almost 80% of the global respondents intended to make investments in India, one of the top three international FDI destinations. It is thought to be among the top ten most desirable places in the world for foreign investment. India recently simplified its labor laws and drastically reduced corporation taxes. To make it more inviting to investors, the legal framework for foreign investment has gradually been relaxed since 1991. The government has taken action to increase the sectoral cap on already-existing industries, ease other FDI policy criteria, and allow FDI into new industries. The study concluded that changes to the FDI policy are meant to facilitate business dealings and accelerate the inflow of foreign capital into the country. India is still a sought-after market for international capital.

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# ROLE OF MSMEs IN INDIAN ECONOMY

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## Abstract

For a considerable amount of time, MSMEs have been considered the foundation for the growth of the Indian economy. MSMEs are well known for requiring less technology and capital. After agriculture, this sector provides the second-highest number of job opportunities in the Indian economy. Furthermore, MSMEs encourage development in undeveloped and rural areas, reducing regional imbalances and guaranteeing an equitable distribution of income and wealth throughout the nation. Despite its significance and impact on the Indian economy, the MSME sector has long encountered several obstacles. In this business, which has been subject to liberalization and globalization in India since 1991, domestic organizations and multinational corporations (MNCs) are intense competitors because of the better technology accessible in the market. This study looks at the issues and future potential of MSMEs in India.

**Keywords:** MSMEs, Employment, Technology, Growth, Industrialisation, Economy, Globalisation.

## Introduction

The Micro, Small, and Medium-Sized Enterprises (MSME) sector of India's economy has grown significantly in the last 70 years. It is the second most productive industry after agriculture in terms of job creation at comparatively low capital costs and entrepreneurship encouragement, both of which have a significant beneficial influence on the economic and social growth of the country. MSMEs complement large corporations as auxiliary units, and this sector significantly contributes to the inclusive industrial growth of the country. In order to meet the demands of both domestic and international markets, MSMEs are growing into new economic sectors, providing a wide range of goods and services, and creating a diverse spectrum of products and services.

In collaboration with relevant Ministries/Departments, State Governments, and other Stakeholders, the Ministry of Micro, Small, and Medium Enterprises (M/o MSME) aims to create a progressive MSME sector by fostering the growth and development of the sector, which includes the Khadi, Village, and Coir Industries. This will be achieved by supporting current businesses, implementing cutting-edge technologies, and fostering the establishment of new businesses. A number of statutory and non-statutory bodies function under the supervision of the Ministry of MSME. In addition to the National Small Industries Corporation (NSIC), the National Institute for Micro, Small, and Medium Enterprises (NIMSME), and the Mahatma Gandhi Institute for Rural Industrialization (MGIRI), these also include the Khadi and Village Industries Commission (KVIC) and the Coir Board.

The MSMED Act, initiated in 2006, is designed to address a variety of concerns related to Small and Medium Enterprises (SMEs), such as industry scope and investment limits. Its primary goal is to support the growth of these enterprises and boost their competitive edge. Noteworthy provisions of the MSMED Act involve the establishment of a National Council for Micro, Small, and Medium Enterprises, under the leadership of the Minister of MSME. This council is responsible for scrutinizing factors impacting SME promotion and development, assessing state administration policies and programs, and offering recommendations for enhancing promotion, development, and competitiveness.- The legislation establishes a legal structure for acknowledging the concept of an "enterprise," encompassing both manufacturing and service units. It introduces a definition for medium-sized enterprises and seeks to establish a linkage among the three tiers of these enterprises: micro, small, and medium. Furthermore, it empowers the central government to execute programs and issue directives and guidelines to enhance the competitiveness of SMEs.

### **Objectives of the study**

- To analyze the current state and expansion of MSMEs in India.
- To understand how MSMEs affect the creation of jobs in India.
- To identify the challenges encountered by MSMEs in India.

### **Research Methodology**

The present study is based on secondary data sourced from various outlets such as journals, annual reports, the MSME department, and other published reports. The data is organized in a table, and the analysis is conducted with a focus on the study's objectives.

### **Definition of Micro, Small and Medium enterprises:**

As per the stipulations outlined in the Micro, Small & Medium Enterprises Development (MSMED) Act of 2006, the categorization of Micro, Small, and Medium Enterprises (MSME) is as follows:

- Micro Enterprise: Investment in plant and machinery or equipment does not surpass one crore rupees, and turnover does not exceed five crore rupees.
- Small Enterprise: Investment in plant and machinery or equipment does not exceed ten crore rupees, and turnover does not exceed fifty crore rupees.
- Medium Enterprise: Investment in plant and machinery or equipment does not exceed fifty crore rupees, and turnover does not exceed two hundred and fifty crore rupees.

The updated MSME classification took effect on July 1, 2020. Previously, the criteria for MSME classification under the MSMED Act, 2006 were based on the investment in plant and machinery/equipment, with distinctions between production and service units and relatively low financial thresholds. However, significant changes in the economy prompted a revision of the MSME classification criteria, aligning with the Aatma Nirbhar Bharat package announced on May 13, 2020. These changes aim to establish a more realistic and objective classification system to facilitate transactions over time.

Consequently, a Combined Classification for both Production and Service Units was introduced on June 26, 2020, aiming to simplify matters for current and prospective entrepreneurs. This revision eliminated the distinction between the manufacturing and service sectors. Additionally, a new turnover criterion was incorporated alongside the previous classification based solely on investment in machinery and equipment. Anticipated to offer numerous advantages for SMEs' growth, these new criteria have been designed to be more inclusive. Furthermore, it was decided that the export turnover of any micro, small, or medium MSME unit would not be considered in the turnover limitation. This strategic move is geared towards facilitating businesses, attracting investments, and generating more job opportunities within the SME sector. The revised classification criteria for SMEs is poised to provide significant assistance, particularly benefiting exporters. The principal duty for fostering and advancing SMEs lies with state governments. Nevertheless, the Government of India supplements the endeavours of state governments through various initiatives. The objective of the Ministry of MSME and its affiliated organizations is to support nations in promoting entrepreneurship, generating employment and livelihood opportunities, and enhancing the competitiveness of SMEs in the evolving economic landscape.

## **Organisational structure**

The Ministry of MSME encompasses several departments, including the Department of Small and Medium Enterprises (SMEs), the Department of Agriculture and Rural Industries (ARI), the Department of Administrative and Financial Institutions (AFI), the Department of Integrated Finance (IFW), and the Department of Data Analysis and Technical Coordination (DATC). Additionally, there is a Wing for the Office of the Development Commissioner (DC, MSME) serving as a branch office, along with various subordinate organizations.

### **Skill Training Eco-system of Ministry of MSME**

The Ministry of Micro, Small and Medium Enterprises (MSME) has established a robust expertise ecosystem to propel the industry's growth in the country, primarily aimed at supporting Micro, Small, and Medium Enterprises (MSMEs). The focus is on addressing the demand for skilled manpower across various emerging and traditional sectors within diverse business segments. Numerous skill development programs/courses have been organized by the Ministry for both existing and potential entrepreneurs to enhance their capabilities. These training initiatives are tailored to industry needs, addressing the requirement for skilled personnel in the MSME sector, in line with the evolving dynamics and current challenges of the MSME ecosystem in India. Implementation of the skill training programs is carried out through a network of agencies under the Ministry, including Khadi and Village Industries Commission (KVIC), Coir Board, National Small Industries Corporation Ltd. (NSIC), National MSME Institutes (ni-msme), and MSME.- Technology Centres (TCs) provide a spectrum of degree programs catering to individuals ranging from school dropouts to those pursuing M.Tech. level courses. These institutions offer a variety of certifications, diplomas, undergraduate and postgraduate degrees at different levels. Specialized training is also imparted to enhance skills in traditional sectors such as Khadi and village industries, as well as in the coconut industry to fortify these domains. The Ministry has taken steps to align its training programs with the National Skills Qualification Framework (NSQF) and the Ministry of Skill Development and Entrepreneurship (MSDE). The skill training initiatives of the ministry are shared with the Ministry of Skill Development and Entrepreneurship (MSDE) as part of the Skill India Mission convergence program.

### **Progress of Skill Development Programmes**

Organizations operating within the Ministry conduct skills training for young individuals in the realms of employment and entrepreneurship. They also deliver professional skills training to enhance the performance of existing entrepreneurs and the workforce. These training initiatives fall under various schemes such as MSME-TCs, Assistance to Training Institutions (ATI), National

SC/ST Centre, Capacity building, Coir Vikas Yojna - Skill Upgrading, and Mahila Coir Yojna, among others. Furthermore, organizations under the ministry also arrange customized, industry-specific, demand-driven training, including mandatory courses. The progress of skill development programs conducted by the Ministry of MSME from 2016-2017 to 2022-2023 (Data till October 2022) is depicted in the chart below.



Source: Ministry of MSMEs Annual Report 2022-23

**Government e-Market Place:**

The MSME Ministry is actively promoting the participation of MSMEs on the GeM portal, even incorporating a dedicated button on the Udyam application form for MSMEs to express their interest in joining GeM. As per the GeM portal, MSEs that have registered until December 31, 2022, and the corresponding values of their orders are as follows:

Number of MSE sellers & Service Providers	Orders value (MSE %)
8,34,696	55.10

Source: Ministry of MSMEs Annual Report 2022-23

The Indian Trade Promotion Organization (ITPO) organized the MSME Pavilion at the 41st India International Trade Fair (IITF) held at Pragati Maidan on November 15, 2022. The Ministry of MSME established an MSME Pavilion under the theme "Voice for Local, Local to Global" and allocated 204 stalls to Micro and Small Enterprises (MSEs) from 24 States/UTs. Notably, this year marked the highest percentage of women-owned enterprises in the MSME Pavilion, accounting for 73%. Additionally, 7% of stalls were granted to Divyang entrepreneurs, 12% to SC entrepreneurs (male), and 6% to aspiring community representatives. The showcased products spanned 26 diverse

fields, including textiles, food, metallurgy, fragrance, toys, chemicals, leather, footwear, plastic, rubber, stone, gems, and jewelry, among others.

## **Udyami Bharat**

- On June 30, 2022, at Vigyan Bhawan, New Delhi, the Hon'ble Prime Minister of India, Shri Narendra Modi, inaugurated crucial initiatives for the MSME sector as part of the 'Udyami Bharat' program. The event was attended by the Hon'ble Minister of MSME, Shri Narayan Rane, and the Hon'ble Minister of State (MoS) for MSME, Shri BhanuPratap Singh Verma.
- Addressing the Udyami Bharat Programme in New Delhi, the Hon'ble Prime Minister emphasized that the Micro, Small, and Medium Enterprises (MSME) sector plays a pivotal role, constituting nearly one-third of India's economy. He underscored its crucial role in India's growth journey and conveyed the government's commitment to providing Maximum Support to Micro, Small, and Medium Enterprises. The Prime Minister announced the release of a self-reliant fund amounting to 50 thousand crore rupees for the sector. Additionally, he encouraged MSMEs to register on the GeM portal for supplying goods to the government.
- During the event, the Hon'ble Prime Minister presented the 'National MSME Awards, 2022' to recognize the contributions of MSMEs, States/UTs, Aspirational Districts, and Banks in the growth and development of the MSME sector.
- The Hon'ble Prime Minister launched several initiatives, including the 'Raising and Accelerating MSME Performance' (RAMP) scheme, 'Capacity Building of First-Time MSME Exporters' (CBFTE) scheme, and introduced new features in the 'Prime Minister's Employment Generation Programme' (PMEGP). Furthermore, he digitally facilitated assistance to beneficiaries of PMEGP for the fiscal year 2022-23. The Prime Minister also announced the winners of the 'MSME Idea Hackathon-22' and presented Digital Equity Certificates to 75 MSME beneficiaries of the Self-Reliant India (SRI) Fund.

## **Growth and Performance of MSMEs**

### **Contribution of MSMEs to the Indian Economy**

Micro, Small, and Medium Enterprises (MSMEs) have played a crucial role in fostering business growth through innovative practices. These enterprises, particularly small and medium-sized ones, have extended their influence across various economic sectors, generating a varied array of products

and services to cater to both domestic and international markets. Indian SMEs are instrumental in creating significant employment opportunities with comparatively lower capital investments compared to large-scale industries. Additionally, they contribute to industrializing rural and underdeveloped regions, thereby diminishing regional inequalities and promoting a more equitable distribution of national income and wealth.

### Estimated number of MSMEs in India

MSMEs in India play a pivotal role by offering extensive employment opportunities at a lower capital cost compared to larger industries. They also contribute to the industrialization of rural and underdeveloped areas, thereby addressing regional imbalances and promoting a more equitable distribution of national income and wealth. According to the National Sample Survey (NSS) 73rd round conducted by the National Sample Survey Office, Ministry of Statistics & Programme Implementation in the 2015-16 period, the country had 633.88 lakh unincorporated non-agriculture MSMEs engaged in various economic activities. These activities included 196.65 lakh in Manufacturing, 0.03 lakh in Non-captive Electricity Generation and Transmission, 230.35 lakh in Trade, and 206.85 lakh in Other Services. The count excludes MSMEs registered under Sections 2m(i) and 2m(ii) of the Factories Act, 1948, Companies Act, 1956, and construction activities falling under Section F of the National Industrial Classification (NIC) 2008.

### Estimated Number of MSMEs (Activity Wise)

Activity Category)	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
<b>Manufacturing</b>	114.14	82.50	196.65	31
<b>Electricity*</b>	0.03	0.01	0.03	0
<b>Trade</b>	108.71	121.64	230.35	36
<b>Other Services</b>	102.00	104.85	206.85	33
<b>All</b>	324.88	309.00	633.88	10

\*Non-captive electricity generation and transmission

Source: Ministry of MSMEs Annual Report 2022-23

### Enterprise Distribution by Category

The micro sector, comprising an estimated 630.52 lakh enterprises, represents over 99% of the total estimated number of MSMEs. In contrast, the small sector, with 3.31 lakh enterprises, accounts for 0.52%, and the medium sector, with 0.05 lakh enterprises, contributes 0.01% to the total estimated MSME count. Out of the total estimated 633.88 MSMEs, 324.88 lakh (51.25%) operate in rural areas, while 309 lakh (48.75%) are situated in urban areas

#### Enterprise Distribution in Rural and Urban Areas

Sector	Rural	Urban	All
Micro	324.09	306.43	630.52
Small	0.78	2.53	3.31
Medium	0.01	0.04	0.05
Total	324.88	309.00	633.88
Share (%)	51	49	100

Source: Ministry of MSMEs Annual Report 2022-23

#### Ownership Types of Enterprises

##### Ownership by Gender

Out of the total 633.88 MSMEs, 608.41 lakh (95.98%) were proprietary concerns. The ownership of proprietary MSMEs displayed a significant male dominance, with males owning 79.63% of enterprises, while females owned 20.37%. This pattern remained consistent in both urban and rural areas, although the dominance of male-owned enterprises was slightly more pronounced in urban areas (81.58%) compared to rural areas (77.76%).

Distribution Percentage of Enterprises in Urban and Rural Areas by Ownership Category (Male/Female)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Source: Ministry of MSMEs Annual Report 2022-23

**Percentage Breakdown of Enterprises by Gender of Entrepreneurs**

Category	Micro	Small	Medium	All
Male	79.56	94.74	97.33	79.63
Female	20.44	5.26	2.67	20.37
All	100	100	100	100

**Source:** Ministry of MSMEs Annual Report 2022-23

**Ownership of Enterprises by Social Category**

Sector	SC	ST	OBC	Others	Not known	All
Rural	15.37	6.70	51.59	25.62	0.72	100.00
Urban	9.45	1.43	47.80	40.46	0.86	100.00
All	12.45	4.10	49.72	32.95	0.79	100.00

**Source:** Ministry of MSMEs Annual Report 2022-23

**Workforce Employment**

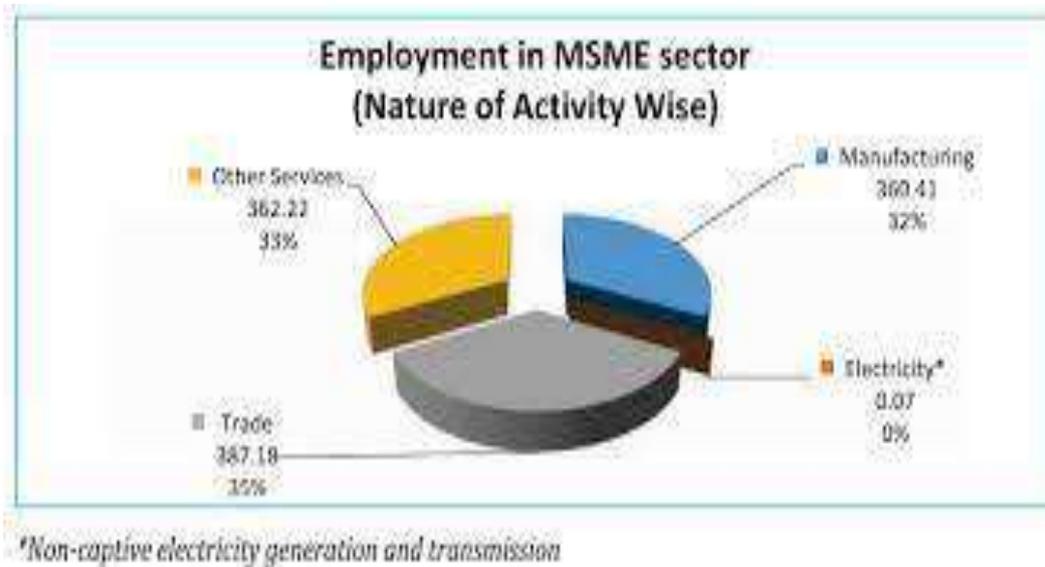
According to the National Sample Survey (NSS) 73rd round conducted in the 2015-16 period, the MSME sector contributed to the creation of 11.10 crore jobs, distributed across various sectors, with 360.41 lakh in Manufacturing, 0.07 lakh in Non-captive Electricity Generation and Transmission, 387.18 lakh in Trade, and 362.82 lakh in Other Services. These employment opportunities were generated in both rural and urban areas throughout the country. Statement No. 2.7 and Figure 2.5 illustrate the distribution of MSME activities.

**Projected Employment in the MSME Sector (Categorized by Activity)**

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Electricity*	0.06	0.02	0.07	0

<b>Trade</b>	160.64	226.54	387.18	35
<b>Other Services</b>	150.53	211.69	362.22	33
<b>All</b>	497.78	612.10	1109.89	100

\*Non-captive electricity generation and transmission



**Source:** Ministry of MSMEs Annual Report 2022-23

## Analysis

The contribution of MSME Gross Value Added (GVA) to India's Gross Domestic Product (GDP) has shown fluctuations in the last three years. In the fiscal year 2019-20, it accounted for 30.5%, witnessing a slight decrease to 27.2% in 2020-21 and then recovering to 29.2% in 2021-22. Similarly, the share of MSME manufacturing output in the overall Indian manufacturing output remained relatively constant, recording figures of 36.6%, 36.9%, and 36.2% during the fiscal years 2019-20, 2020-21, and 2021-22, respectively. The export of MSME specified products mirrored a comparable pattern. According to data from the Directorate General of Commercial Intelligence and Statistics, the share of MSME products in India's total exports declined over the past three years. In the fiscal year 2020-21, MSME products constituted 49.4% of India's exports, decreasing to 45.0% in 2021-22 and further to 43.6% in 2022-23. Additionally, the MSME sector has significantly contributed to employment in India. As of August 2, 2023, the Udyam Registration Portal reported a substantial 12,36,15,681 individuals employed in MSMEs registered between July 1, 2020, and August 1, 2023.

## Challenges Faced by MSMEs

Lack of Access to Raw Materials and Production Inputs – MSMEs encounter difficulties in acquiring essential raw materials, skilled labor, and other necessary inputs. The unavailability of these

crucial resources poses a significant challenge, making it challenging for MSMEs to manufacture products at competitive prices.

- **Inadequate Infrastructure** - Despite the rapid growth of MSMEs, their infrastructure remains deficient. The substandard infrastructure results in low production capacity and elevated production costs for these enterprises.
- **Competition from Multinational Corporations (MNCs)** - In the current era of globalization, MSMEs are grappling with fierce competition from multinational manufacturing companies that provide quality products at competitive prices.
- **Limited Access to Bank Credit** - MSMEs face challenges in obtaining adequate bank credit, with financial institutions typically extending approximately 50% of the total capital as fixed assets. Additionally, the cost of credit is high, with interest rates for MSME loans ranging between 7.75% and 15.25%.
- **Insufficient Technological Advancement** – MSME owners lack awareness of modern manufacturing techniques and advanced technologies.
- **Inadequate Training and Skill Development Programs** – Owners lack knowledge of innovative production methods, and the existing government-led capacity development programs are deemed insufficient.
- **Limited Adoption of Marketing Channels** – MSMEs often do not embrace innovative marketing channels. Ineffective advertising and a lack of diverse marketing channels result in subpar sales performance.

## **Recommendations**

- Enhancing the performance of urban SMEs is essential to augment employment opportunities for economic development.
- Promoting women's participation in the workforce and entrepreneurship, both in urban and rural settings, is crucial and can be facilitated through proper education initiatives.
- The Indian Government should implement measures to support the growth of medium-sized enterprises.
- Flexible bank loans and interest rates tailored to the needs of SMEs are imperative.
- Ensuring that SMEs in both urban and rural areas receive appropriate training in technology and innovations is essential.

## **Conclusion**

In India, the rapid expansion of the MSME sector is creating job opportunities for many individuals. Both the Manufacturing and Service segments of MSMEs significantly contribute to the

country's GDP. The Indian government is actively taking measures to expedite the growth of micro, small, and medium-sized enterprises nationwide. To ensure effective implementation of government policies for MSMEs and provide entrepreneurs with proper guidance during business initiation, the Indian government is engaging in partnerships and agreements with NGOs, government agencies, and universities. Despite these efforts, MSMEs encounter various challenges.

Efficient training and skill development programs can address the issue of technological unawareness. Access to low-cost loans is crucial for MSMEs, considering the decreasing involvement of foreign banks in approving loans for the industry. Currently, less than 50% of the fixed assets utilized by MSMEs are funded through bank credits, with owners relying on personal funds for working capital. Establishing an expert panel to assess the needs and conditions of MSMEs is essential. India's MSME sector holds a promising future, contributing to the country's economic expansion.

The government has recently taken significant steps to further support the MSME sector. Initiatives like the Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), Rs. 50,000 crore equity infusion through the MSME Self-Reliant India Fund, and the inclusion of Retail and Wholesale trades as MSMEs demonstrate this commitment. Additionally, measures such as the online portal "Champions," non-tax benefits for upward changes in MSME status, and the Raising and Accelerating MSME Performance (RAMP) program have been introduced to bolster the sector's growth.

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# **BLOCK CHAIN APPLICATION IN BANKING SYSTEM**

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## **Abstract**

Digital technology's new disruptive power is altering business models and becoming an increasingly important global driver. In India, blockchain technology is in high demand in numerous sectors. Leaders in the industry are continually adapting the technology to a wide variety of use cases as the scope of blockchain applications expands. The next step in the decentralized application development approach is being developed using blockchain technology. The purpose of this article is to describe blockchain technology's architecture and operation. The advantages of blockchain are also discussed, in addition to the various functions it performs. Additionally, assessments of the suitability of blockchain for various banking operations and use cases have been completed. The security aspects of blockchain will also be discussed in the concluding section.

**Keywords:** Blockchain technology, Bitcoin

## **Introduction**

One of the emerging technologies that is currently available on the market and is receiving a lot of attention from businesses, startups, and the media is blockchain, which is best known as the core technology behind Bitcoin. Blockchain has the potential to revolutionize a variety of industries and enhance democratic, secure, transparent, and effective processes. Every organization must effectively manage security threats and achieve significant cost savings as a large amount of data is generated every day through the digitization of records. With its promise of decentralized ownership, immutability, and cryptographic data security, the blockchain is attracting the attention of corporate executives in this area. Many cross-industry use cases are likewise investigated as everybody has begun to see the problematic capability of this innovation. Despite its infancy, financial traders are the first to adopt this technology. According to a World Economic Forum study, various blockchain prototypes will be tested by banks and regulators worldwide in 2017. Blockchain technology will soon become the norm in the financial services industry, with banks launching blockchain and distributed ledger technology (DLT) projects by 2017. Many organizations across different non-monetary administrations enterprises, for example, telecom network safety, store network the board, estimating, protection, confidential transportation, and ridesharing, distributed storage, crowdfunding, casting a ballot, administration, energy the executives, retail, land as a method for

recognizing potential use cases for blockchain, to emphatically disturb their customary plans of action or have proactively executed their utilization cases, here Block chain Pilot is used.

### **What is a chain?**

Blockchain is a distributed, digital, immutable ledger that records transactions chronologically and almost immediately. A continuous mechanism for data manipulation, error correction, and quality control is established when the appropriate consent of the network participants (also known as nodes) is required for each subsequent transaction to be added to the ledger. It makes a computerized record of exchanges, then, at that point, permits it to be shared across a circulated organization of PCs, and keeps a consistently developing rundown of records, regularly alluded to as "blocks", shielded from altering and updating. The implementation of a blockchain consists of two types of records: both transactions and blocks a safe hash algorithm establishes a connection to the previous block after each block has been time-stamped. The fact that it uses encryption to allow multiple users to modify transactions on a secure network while each accessing their own data node is its primary advantage. A new block is added to the chain if the majority of nodes agree that the executed transaction appears to be valid and identifies information that is consistent with the blockchain's history. The type and size of the network, as well as a company's use case, are the primary factors that distinguish blockchain configurations.

Public and private blockchains are the two types. Public account books exist if:

1. Without permission from another authority, anyone can log data.
2. The data can be read by anyone without the permission of another authority. For instance, Bitcoin is designed as an "anyone can write" blockchain, which means that participants can add data to a ledger without having to get approval. No one makes the final decision, so this makes it harder to attack. As a result, the implementation of this blockchain is more expensive and complicated.

In the private blockchain network, members are known and trusted, and there is a level of secrecy. For instance, many mechanisms in a conglomerate are either not needed at all or are replaced by legally binding contracts that require each contract signer to follow the rules. The technical decisions used to construct the solution are quickly altered as a result.

### **The blockchain requires:**

When there are so many other databases available, why use a blockchain? This is the primary concern. How significant it is in comparison to other products. Because of this, we comprehend the issue with existing systems.

The following is a summary of them:

- (I) It is challenging to screen and esteem the possession and move of resources inside a confided-in corporate organization.

(ii) Slow, expensive, and delicate: It is extremely difficult to function as a result of all of these factors, which impede progress.

### **Blockchain offers a solution:**

Blockchain, in contrast to conventional systems, is so dynamic that it has the potential to lead implementations in a market that is constantly changing. In the blockchain, the greatest advantage is that each party has a record that is kept in a record that every one of them can get to. It is a ledger that is frequently sent from one user to another, creating a shared database that is replicated for those users and accessible only with access rights. It works on consensus, lineage, immutability, and finality to make sure that all of these things work together in a good way.

### **Anatomy of the Blockchain**

Blockchain architecture is made up of several fundamental ideas like decentralization, digital signature, mining, and data integrity.

(i) Separation of powers: The blockchain distributes control to all peers in the transaction chain, as opposed to one central authority dominating others in the ecosystem.

(ii) Digital Signature: Through the mechanism of a unique digital sign, i.e. H., a decryption key that is known to everyone in the world, a network, and private keys that are only known to the owner, the blockchain makes it possible to exchange the value of a transaction using public keys.

iii) Mineralogy: Each user in a distributed system copies and mines data, which is then analyzed according to cryptographic rules and credited to the miners for confirming transactions.

(iv) Information Respectability: The integrity of the agreed-upon transaction data is guaranteed by user agreements and complex algorithms. The blockchain's data reduces the likelihood of fraud and serves as a single version of the truth for all parties.

### **How the Blockchain Works?**

A blockchain is nothing more than a publicly accessible, distributed, decentralized public ledger, as previously stated. It is thought to be a robust and unchangeable data structure. Data replication is at the heart of the most well-known application of the blockchain to date. The Bitcoin transaction list is the same for everyone on the network. In the blockchain, we determine whether the majority of network participants can verify the ledger. The majority of Bitcoin network participants are replaced by key members, or validators, in the networks. After that, these validation nodes block the data, verify payments, and transfer them. The Bitcoin system is typically decentralized, which means that it is not entrusted to a single authority for control to maintain the essence of the blockchain philosophy.

## **Benefits Of Blockchain**

As previously mentioned, the design and architecture of the blockchain provide the industry with several inherent advantages that it has long sought. The blockchain's distributed nature makes processing very transparent and eliminates the need for manual verification and authorization. The following are the main features of the blockchain:

**Almost immediately:** Blockchain empowers recorded exchanges to be comfortable and close to constant, dispensing with contact and lessening risk.

**No Third Parties:** Blockchain technology permits two parties to transact directly without the need for a trusted third party because it relies on cryptographic proof rather than trust.

**The Dispersed Ledger:** The history of public transactions is recorded by a distributed peer-to-peer network. The blockchain is widely accessible and distributed. The blockchain typically only stores proof of the transaction, not the identities of the parties or the transaction data.

**Immutability and Reversibility:** Every transaction that is carried out is recorded in a dependable and observable manner on the blockchain. This stops previous blocks from being changed, which in turn stops double spending, fraud, abuse, and transaction manipulation.

**Intelligent Contract:** stored procedures that run on a blockchain to process predefined business steps and finish a transaction that is legally and financially enforceable without the help of an intermediary.

## **Display of Blockchain Games**

Throughout the nation, banks have collaborated successfully with Fintech and/or consulting firms to develop proofs of concepts and investigate a variety of potential use cases. It demonstrates the seriousness with which banks view blockchain technology and their willingness to comprehend how blockchain can address a variety of current process issues.

**Major issues that Indian banks face today rising operating costs,** an increased risk of fraudulent attacks on centralized servers, and transparency issues are some of the issues that Indian banks face today. This is primarily because the majority of banking transactions, from opening customer accounts to global payments, necessitate extensive manual processing and documentation, involve costly intermediaries, and can be time-consuming due to the requirement that these transactions be approved by various participants at various times, resulting in delays. Resulting in a real-time solution that is almost non-fraud-proof.

### **What are the criteria banks use?**

To ensure the profitability of their operations, provide transparency to customers and regulators, and improve customer service, banks are constantly looking for new ways to process transactions more quickly.

Due to its inherent ability to eliminate middlemen, maintain an immutable ledger, and facilitate real-time transactions, blockchain may provide banks with a solution. The TAT for banking transactions could be cut down, costs associated with manual labor could be reduced, and customer service and satisfaction could rise as a result. For banks to realize the block blockchain's full value, selecting the appropriate "use case" is just as important as it is for any other sector.

### **Blockchain Match Scoreboard**

A blockchain assessment framework has been developed to determine whether a particular process or use case is suitable for a blockchain solution. This framework is based on the above discussion of current issues in the banking industry and the benefits of blockchain. The majority of the framework's questions must be answered in the affirmative for a process or use case to be considered blockchain-ready. As you can find in the system, every one of the assessment factors uncovers an issue in the present status of the cycle that can be settled by the highlights of the blockchain arrangement.

### **Use Cases or Processes where Blockchain can play a Key Role**

The following are some specific use cases in which we believe blockchain can be of significant assistance to Indian banks and financial institutions in achieving significant benefits.

**Underwriter businesses take on a lot of big projects**, like building roads, railway systems, airports, factories, and new shopping malls, which necessitate significant financial resources. To acquire such substantial funds, institutions must join a consortium and share the financial risks with its members. The bank will be able to limit its exposure to either party by participating in the loan. In turn, the head of the bank or partners might do work that has to do with checking and verifying securities.

To give the credit system more flexibility and make it easier for credit to flow smoothly, the Reserve Bank of India withdrew several regulatory recommendations regarding syndicate, multibank, and syndicate operations in October 1996. However, in light of the most recent syndicated/multiple bank scams, the Central Supervisory Commission of the Government of India has raised concerns regarding the functioning of the Lending and Multiple Banking Arrangements consortium in the banking system. The Commission primarily attributed the fraud to the ineffective exchange of information among the various banks regarding the creditworthiness of borrowers and account management.

**Payments** The Indian banking industry thrives on innovation and strives to improve the banking system by introducing and implementing electronic payments. While electronic payments are not far behind, paper transactions have always dominated Indian payment systems. The banking industry in India has experienced unprecedented expansion since the introduction of electronic payment methods.

It is challenging to keep track of cash flow due to the nature of the payment processing services offered today. Although new "True Ownership" rules in the United States may make this easier, it can be difficult to associate a name in a bank account with an identifiable person or entity even with the current "Know Your Customer" rules. S. Banks are prohibited from disclosing financial information about their customers to foreign regulators by data protection laws in some nations.

### **Next Questions Relating to Blockchain Implementation**

**The integration question** refers to solutions provided by blockchain applications that necessitate significant modifications or the complete replacement of existing systems. To achieve change, monetary establishments need to foster a progress system.

**Control, Security, and Privacy** Despite the existence of a private or permissioned blockchain and robust cryptography, there are still cybersecurity concerns that must be resolved before the general public places their data in the hands of a blockchain solution.

(i) **Security at the ledger level:** Only participants who have completed the necessary verification should be eligible to join the blockchain. In contrast to home users, who can opt-out, institutions with actual legal authority are typically members.

(ii) **Safety at the network level:** Beyond the blockchain software, blockchain systems typically consist of numerous subcomponents, some of which may include traditional shadow databases, messaging services, and other services. From a network perspective, it is recommended to secure communication between the components of the various nodes. Multiple attack vectors, both internal and external to the network, must be able to break down the network.

(iii) **Security at the Transaction Level:** Security at the transaction level is crucial for financial institutions. The transactions' accuracy and immutability are determined by the company's books and records. The PKI concept should be used to encrypt the relevant transaction details to prevent their disclosure to third parties.

(iv) **Safety of the Contract:** The terms of a contract are pre-programmed, self-executable, and self-executable files in smart contracts, which are also referred to as self-executable contracts, blockchain contracts, or digital contracts. Execution. Programming languages like C++, JavaScript, Java, Go, Python, and others are used to write smart contracts. It is possible for the developer of a contracted program to intentionally or otherwise create a flawed program that could introduce security flaws into contracted resources, just like it is the case with any other computer program.

**Regulatory status is uncertain** If the status of government regulatory status remains unregulated, blockchain will face the obstacle of widespread adoption by financial institutions.

**In the emerging/experimental phase** while the majority of banks have begun experimenting with blockchain or developing proofs of concepts, there has not been a significant breakthrough in blockchain applications in the truest sense of the term.

**Cultural Reception** The blockchain is a complete move toward a decentralized network that requires user and operator consent.

**Costs of acquisition** Although the blockchain offers significant cost and transaction time savings, banks are particularly concerned about the high initial cost of capital, which may act as a deterrent.

## **Conclusion**

Even though it is widely acknowledged that the potential of blockchain is comparable to that of the early commercial Internet, banks need to be aware of the technology's key features and how it can address today's business challenges. Blockchain, on the other hand, can exchange values, whereas data exchange over the internet is possible. Banks need to find opportunities, test the proof of concept, and determine its viability and impact.

However, specific discussions and participation in the deliberations of the relevant regulators are required to address regulatory issues. They concluded that regulators ought to get involved, get in early, and influence innovation. They can comprehend the technology, evaluate the risks, and tailor solutions to specific obstacles as a result of this.

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# **AN EMPIRICAL STUDY ON MILLENNIALS' PREFERENCES TOWARDS ONLINE SHOPPING**

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## **Abstract**

Electronic marketing is undergoing a massive upheaval in the era of globalization. Most corporate organizations have used this technology to sell their various products during past decade. Online shopping provides a vastly different buying experience for consumers in underdeveloped countries such as India. One of the primary motivations for purchasing online is convenience. Large discounts and offers made available by internet retailers also attract to a large number of shoppers. This study seeks to ascertain preferences of millennials for online shopping. The primary data was collected for the study from 210 respondents who belongs to Dehradun district and who purchase products online. Convenience sampling method has been used in the present study. The purpose of this study is to examine customer preferences and attitudes regarding online buying, as well as the perspectives of male and female customers.

**Keywords:** online shopping, millennials preferences, purchase intention, customer satisfaction, online shopping websites

## **Introduction**

Online shopping involves shopping done in online mode which enables customers to buy goods directly from internet using web browsers or through various mobile applications.

With the evolution of world wide web, it has become a trend that people started shopping online even the sellers have sought to sell their products to people who spend time online. Now a days, shoppers do not need to visit stores. They find it easy to shop from their places. It has been seen that a large number of people shop online due to the convenience as online shopping enables saving of time and travel money people spent to go to stores.

In the recent years, there has been a large rise in the number of online shoppers due to the technological advancement Michale Aldrich found out the concept of online shopping in the year 1979. Online shopping can also be called virtual store, web store, internet shopping. There are various online retailing companies in India which help customers finding the products they want to shop online including Flipkart. Myntra, Amazon, Snapdeal, Nykaa, etc. (Kavitha. R & Inbalakshmi,2018)

The main factors which lead customers to go for online shopping are perceived ease of use, perceived risk, perceived usefulness, economic factor, availability of products, customer satisfaction.

As per SBI Research, around 30 million products are available online for shoppers across over 70 categories including daily use goods, electronics, life style products on Flipkart. According to a Report by Bain & Co. (2023), The e-retail market is estimated to grow from \$150 billion to \$170 billion over the next five years, with an annual growth rate of 25-30%. This doubles the market penetration rate to 9-10%. The report added that India's strong fundamentals, broad online consumer base and retail market are driving this growth, supporting the continued boom in e-retailing. Additionally, there is significant room for growth in terms of smartphone penetration (36 percent in India, 63 percent in China, and 76 percent in the US) and wealth (about \$12,000 per capita compared to about \$2,000 in India and China while \$ 69,000 in U.S.A) is expected to further stimulate growth. It says the category mix of online shopping will also continue to evolve, with fashion, general merchandise (including personal care) and grocery categories having the most room for penetration and driving growth, cumulatively leading to e-retail's third largest share. The aim is to expand the market by 2027. Historically, these have been categories such as mobile phones, electronics, and consumer electronics.

There has been an increase in the product range over the years. Like-wise more than 15 million unique products are offered by Snapdeal (Pandey et al. 2019). It is to be noted that online shopping is very advantageous as it enables customers to purchase products 24\*7; it also helps them comparing the products they want to shop before actual buying take places and also easy returns are available to them which is also an important factor.

### **Advantages of Online Shopping**

During the lockdown, people were asked to stay indoors. During this period, consumers can quickly get their essentials thanks to e-commerce websites. So, let's take a look at why so many people prefer online shopping and what's behind its popularity. The advantages of online shopping are:

- **Convenience** This is the biggest advantage of online shopping. Customers can shop from home or work, depending on their comfort. It's easy to cancel a transaction while shopping online. Shopping online is easy because there are no lines and shoppers can shop in minutes as online shopping is available 24/7.
- **Save Time and Effort** Online shopping saves time and effort. Shop online enables consumers get more information about products, get discounts and lower prices. Online shopping allows to shop from office or home, thereby savings travel time. Shoppers will also be able to easily search for products by entering keywords or using a search engine.

- **No crowds** Seeing Crowds at shopping spots are common during festivals, weekends, and holidays. Purchasing products in such an environment can be a huge headache and hectic. But in online shopping, consumers don't have to deal with crowds or fight insane parking battles.
- **No Pressure** Sometimes shopkeepers put pressure on shoppers and use their skills to convince them to buy things they even don't need. As a result, shoppers end up buying things they don't actually need. But with online shopping, there is no such pressure.
- **Product Reviews** Most consumers read online reviews of a product to get basic information from customers who have already used the product. Online reviews help in getting inside information about products that interest consumers. For example, while buying fabric, consumers look at reviews for that product. Some customers also add photos of themselves wearing this product. This is how consumers shop wisely.
- **Multiple Varieties** This is one of the biggest benefits of online shopping. Online shopping allows a buyer to choose from multiple options and multiple brands in one place. There is a large amount of inventory available online. Find all items and brands online and stay up to date with the latest international trends without spending a fortune on a plane.

**Disadvantages of Online Shopping** Now let us discuss about the limitations of online shopping.

- **Risk of Fraud** Online shopping involves the risk of fraud, including hacking, identity theft, credit card fraud, phishing, and other scams. Fraud cases have also increased during the pandemic. Several offshoots of e-commerce websites have emerged. So, one should be careful while doing online transactions as various scam websites offer flashy discounts and offers. Fraud can also occur through phone calls using the name of a reputable company to obtain the buyer's card or bank account details.
- **Reduced contact with the community** Online shopping significantly reduces contact with the community. In shopping online, people don't have to leave the house to shop outside. That might be fine for a while, but sometimes one should go out and shop, talk to real people, get some fresh air, getting involved in the community, or do some other outdoor activity. It is a fact that computers cannot establish true connections with humans.
- **Delivery Delays** In some cases, Buyers should expect unexpected delays in the delivery of reserved items. It takes him less than 5 minutes to reserve an order, but delivery can take him 5-10 days. On the other hand, while purchasing offline from a store, it involves getting the product instantly.

- ***Do not touch the products*** When shopping online, the products cannot be touched and the quality of the products cannot be accurately gauged. This is only possible if the goods have been reserved and delivered to us.
- Furthermore, if products are not properly tested, there is a risk of discrimination regarding product quality or appearance, especially in the case of clothing.
- ***Lack of Shopping Experience*** Online shopping does not include market visits, so there is a lack of physical shopping experience, including market visits, showrooms, and products.

## Review of the Literature

**Mohammed T. Nouseir et al. (2013)**, stated that the lack of high-quality electronic advertising limits consumers' decision-making to purchase via the Internet.

**Nur ozer canarслан (2013)**, stated that when shopping online, there are large differences in participants' answers, and issues such as privacy, security, page loading speed and speed are not very effective in solving problems.

**Sharma, R. et al. (2014)**, explained the online purchasing behavior of Indian consumers. They said the huge Indian market with e-retail stores is replacing retail stores and there is huge potential in the e-commerce market.

**A. Mehalai Banu et al. (2014)**, found that the majority of respondents prefer to purchase electronic products online. 90% of respondents thought delivery time was important, 81% of the respondent thought security was very important, and 53% agreed that online prices were lower than physical prices.

**Amaravasi et. al (2015)**, discussed the advances in e-shopping and customer preferences towards e-shopping. He concluded that online shopping saves time and is convenient for many consumers, especially the elderly and those with disabilities.

**Anusha. D (2014)**, stated that the majority of respondents choose online shopping due to time savings, price, online shipping, security, doorstep delivery, warranty programs, and discounts. It was concluded that respondents were only dissatisfied with customer service.

**Jamal. M et.al (2015)**, found that 56% of the respondents were under 25 years of age, 21% of the respondents were in formal employment, 27% of the respondents had a monthly income of more than

Rs 30,000, and 76% of the respondents were purchasing for personal use when shopping online. He noted that there has been an overall positive response to online shopping.

**Upsana Kanchan et al. (2015)**, state that online shopping is gaining popularity among the younger generation, higher income earners, and educated people who are hesitant to shop online solely for security reasons.

**Alka Kumawat and Tandon (2014)**, conducted a study using a survey of 200 customers as a sample. The study found that customers are highly satisfied with online shopping because the delivery system works effectively and they shop again and again.

**Dahiya Monika (2015)**, According to this study, the online shopping trend is particularly popular among young people not only in big cities but also in small towns. In this study, discussion was made about the current scenario and position of India in the same context.

### **Objectives of the Study**

The present Study seeks to find the following objectives:

- To identify the most preferred online shopping website among selected and reasons for the same
- To analyze factors influencing millennials towards online shopping.

### **Research Methodology**

The Following methodology has been used in the present research study:

**Research Design:** The research is descriptive in nature. It is called a descriptive research study as it depicts facts and findings as it exists in present. The researcher used the method of convenient sampling technique. This research identifies the customer's preferences and customers opinion in online shopping.

**Data Source:** The research uses both Primary and Secondary data.

**Primary Data:** Primary data was collected by means of systematically prepared questionnaire from the respondents who are online purchasers.

**Secondary Data:** Secondary data has been collected from already published work in various Journals and websites related to customers preferences towards online shopping.

**Sample Size:** The sample sizes comprised of 210 respondents who are millennials and who purchase products online. The respondents are from various locations spread across Dehradun district.

**Sampling Technique:** It is important to identify the technique used to select the sample size. In this research study, Convenience sampling technique has been used. The respondents are from various locations spread across the district.

The data was analyzed through MS Excel and SPSS software.

**Scope of the Study:**

The study focuses on the preferences of customers especially millennials towards various online shopping websites.

All the 210 respondents of the study belong to the Dehradun district.

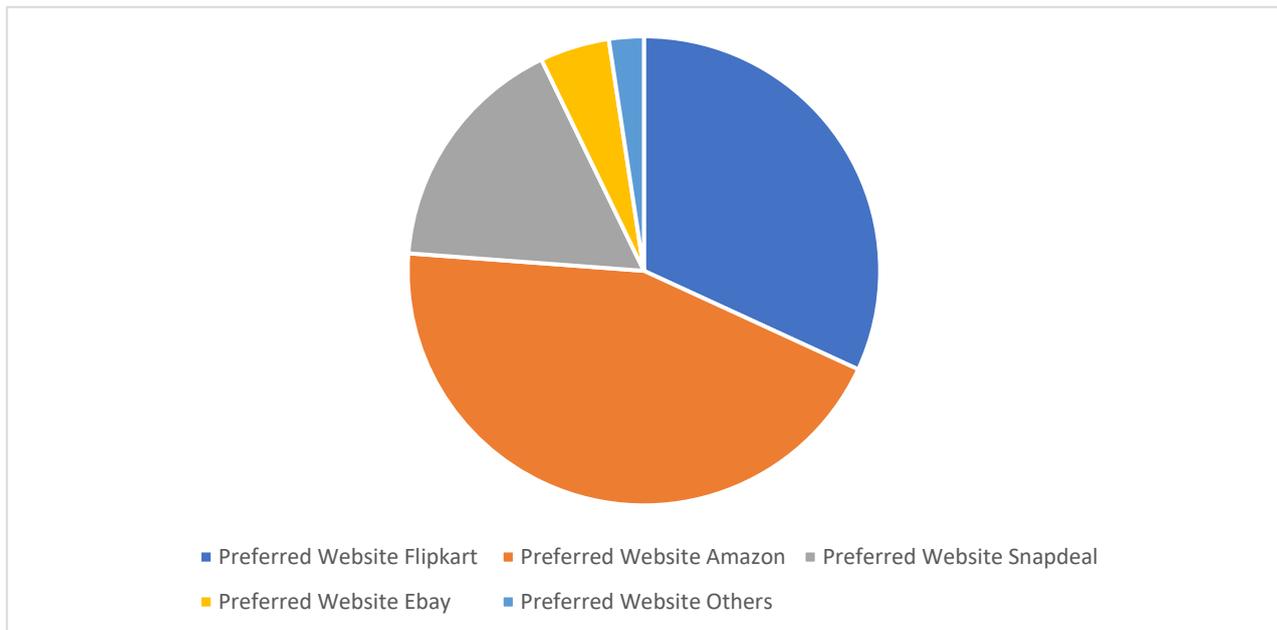
**Data Analysis & Interpretation**

The Data was analysed and interpretation was done. Following are the table showing analysis of data:

**Table 1**

**Respondents Preferences for online Shopping Websites**

		Responses		
		N	Percentage	Rank
Preferred Website	Flipkart	67	31.90%	2
	Amazon	93	44.29%	1
	Snapdeal	35	16.67%	3
	Ebay	10	4.76%	4
	Others	5	2.38%	5
	Total	210	100%	
Source: Primary Data				



**Figure 1.** Respondents Preferences for online Shopping Websites

**Interpretation:** From the Table1, it can be seen that out of 210 respondents, 44.29% preferred Amazon as most preferred website followed by customers' preferences for Flipkart 31.90%, Snapdeal was preferred by 16.67%, E-bay was preferred by 4.76% people and rest 2.38% people preferred other websites for shopping online. This is clearly visible from Figure 1 also that most preferred website is Amazon among all the selected websites

**Table 2**

**Demographic Profile of Respondents**

Demographic Profile	Categories	Frequency	Percentage
Gender	Male	93	44.29%
	Female	117	55.71%
Age	Up to 25 years	32	15.23%
	26-30 years	47	22.38%
	31-35 years	63	30.00%
	36-40 years	40	19.05%
Education	Under Graduation	70	33.33%
	Post Graduation	86	40.95%
	Others	54	25.71%

Income(per month)	up to 25000	113	53.81%
	25001-50000	45	21.43%
	50001-75000	30	14.29%
	75001and above	22	10.47%
Occupation	Student	56	26.67%
	Professional	47	22.38%
	Self- Employed	74	35.23%
	Others	33	15.71%
Source: Primary Data			

**Interpretation:** In Table 2 , demographic profile of the respondents is depicted which shows that out of 210 respondents, 44.29% were male, 55.71% were females. It shows that female preferred Online shopping more than males. As this Study is based on Millennials perception, it can be concluded from above table 2, that 15.23% respondents were up to the age of 25 years, 22.38% respondents belong to 26-30 years of age; around 30% respondents belonged to 31-35 years. While only 19.05% respondents belonged to the age of 36-40 years. Around 40.95% respondents were post graduate. Most of the respondents 53.81% , were belong to the group earning income up to 25000. In the table ,it has also been depicted that a majority of respondents that is 35.23% were Self Employed.

**Table 3 Frequency of monthly usage of online shopping websites**

Particulars	Responses	Percentage
Once	30	14.28%
Twice	62	29.53%
More than twice	118	56.19%
Total	210	100%

**Interpretation:** From the above table 3, frequency of monthly usage of online shopping websites by the respondents has been shown. Accordingly, we come to know that 56.19% respondents use

online shopping websites more than twice a month. While only 29.53 % respondents use online shopping websites twice in a month. It can also be seen that only 14.28% respondents use online shopping websites once in a month.

**Table 4 Factors Influencing Customer Preferences for online shopping websites**

Particulars	24*7 Availability	Timely Delivery of Products	Ease of use of Websites	Convenience	Easy Returns	Discounts and offers
Strongly Agree	59%	63%	60%	62%	68%	56%
Agree	36%	25%	35%	26%	22%	35%
Neutral	5%	12%	5%	12%	10%	9%
Disagree	0%	0%	0%	0%	0%	0%
Strongly Disagree	0%	0%	0%	0%	0%	0%

**Interpretation:** As per the above table 4, the responses of respondents regarding the factors influencing customer preferences for online shopping websites has been depicted. It can be seen that 59% respondents strongly agree about the 24\*7 availability of online shopping websites which makes it an inhibitor. Around 63% respondents are of the strong opinion that online shopping websites ensure timely delivery of products. 60% respondents strongly agree about the Ease of use of Websites. While 62% respondents strongly agree that these websites are convenient to use and 68% strongly agree about the easy returns available on these websites. In the same way 56% respondents strongly agreed about the availability of discounts and offers on these shopping websites. Which shows that majority of the respondents are of the opinion that 24\*7 availability, Timely delivery of products, Ease of use of websites, convenience, easy availability of returns and availability of discounts and offers are the factors that influence customer preferences towards online shopping.

### Limitations of the Study

- The study area covers only Dehradun district.
- The findings of the study belong to present time only may not hold true for future.

- The study was only for online shoppers who are millennials.

## **Conclusion & Suggestions**

This study identifies the most preferred online shopping website. According to the data analyzed, out of the selected ones, Amazon is the most preferred online shopping website. The determinants of consumers' choice of online shopping portals when purchasing products are also investigated through this research study. Online shopping is becoming more popular day by day with the increasing use of the World Wide Web, also known as www. Understanding customer needs for online sales is a challenge for marketers. Furthermore, the results of the empirical study were followed by research and the development of important innovations for online shopping portals. Empirical results show that consumers choose online purchasing portals if they believe that the determinants such as product preferences for the respective shopping portal, the choices available on the portal, and the convenience of online shopping correspond to their preferences indicates what they want to purchase. This study shows that online shopping has a bright future in India. India is becoming more aware of online shopping. The Internet allows consumers to shop anytime, anywhere with easy and secure payment options. Consumers can compare and purchase products and online stores. Specifically understanding consumers' attitudes toward online shopping, improving the factors that motivate consumers to shop online, and addressing the factors that motivate consumers to shop online will help marketers improve other marketing strategies.

Below are suggestions for online shopping websites regarding customer preferences:

- Product quality is more important to online shoppers.
- Product images must be clear and give an accurate image of the product, including color and material design.
- Sometimes, Cash on delivery option is not available for some products, but this option is required for all products.
- EMI option is provided only by certain banks but required by all banks.
- Website should be clear about product content, such as reviews and feedback.
- There is need to reduce shipping costs for all products.
- Online shopping requires adding a location to the website because some products are not available in all regions.
- Online shopping sites must increase the security of online payments.
- Customer requires return option method for all his purchased products which should be immediate.

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# **ANALYSIS OF WORKING CAPITAL MANAGEMENT: CASE STUDY OF TEHRI HYDRO DEVELOPMENT CORPORATION OF INDIA LTD.**

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## **Abstract**

Working capital is sometimes referred to as a company's "lifblood." This research investigates the efficacy of the management of working capital at Tehri Hydro Development Corporation India Limited. The main aim of working capital management is to ensure that a company has sufficient funds to operate smoothly and can pay off its short-term debt obligations as they come due and anticipated operating needs. The primary components of the working capital of THDC India Ltd., including cash management and inventories have been analyzed from the accounts for the five years from 2018-19 to 2022-2023. The tool utilized in the study's analysis is ratio analysis.

**Keywords:** working capital management, liabilities, current assets, management of cash, inventory, current ratio, acid test ratio

## **Introduction**

Working Capital must play a vital part in a company's operations daily. It denotes the finances needed to meet costs that occurred daily for a limited duration. It is that amount that is available to buy merchandise, payments made to personnel, and cover other expenses of short-term. As a result, managing working capital is a significant business skill. It is essential for starting a firm. This is that part of the capital of the firm, which is needed for financing short-term or current assets including cash, marketable securities, borrowers, and inventories, shall be called working capital. Working capital management ensures the relationship between short-term Assets and liabilities of a company. Its goal is to guarantee that the company can continue to operate while meeting both its current short-term debt and future operational expenditures. Working capital management includes inventory, receivables, accounts payable, and cash management. This implies that working capital is the difference between resources in cash or readily converted into cash (current assets) and current liabilities for which cash will soon be required.

According to R.D. Kenedy and S.Y. Mc Mullen, "A working capital deficit exists if current liabilities exceed current assets." (Smith, K.V. Management of Working Capital, West Publishing Company, 1947, p-7). Working capital is required to address the issue caused by the inability to accumulate cash against items sold immediately. In technical terms, this is known as the 'operational cycle' or 'cash

cycle'. Adequate working capital acts as a safeguard for bad days, allowing a company to deal with a period of depression with relative ease.

The following are the primary methodologies of working capital analysis:

**Arithmetic approach:** This is a relatively straightforward approach that shows the change in current assets and liabilities over two years and its impact on the enterprise's working capital situation. This is the basic approach to working capital analysis in which changes in balances may be quantified quantitatively.

**Accounting Techniques:** Although there are several accounting procedures, the most essential are as follows:

The following text has been corrected and simplified for clarity:

- **Ratio Analysis:** This is a technique used by management to examine the efficiency of working capital in an organization. It involves using various ratios of working capital to gain insights into the company's financial health.
- **Funds Flow Statement:** This statement is a valuable management tool for studying how funds are procured and used in a business. It helps to track the inflow and outflow of funds and provides valuable insights into cash flow management.

## **Purpose of Management of Working Capital**

Proper management of working capital ensures that a firm always has enough cash to cover its short-term operating expenses and liabilities. It also helps your company run smoothly and helps increase revenue and profitability. Additionally, working capital management efforts may have multiple objectives, such as:

***Smooth Working Capital Operational Cycle:*** The process of acquiring raw materials and converting them into cash should be smooth and easy.

***Maintaining Optimal Working Capital:*** Companies must maintain a balance for effective management of working capital. A rise in working capital broadly leads to increased efficiency and is used as an indicator of growth.

***Meeting Debt Obligations:*** Working capital management requires that a company always have sufficient liquidity to pay its short-term obligations. This may be achieved by collecting payments from customers more quickly or by extending supplier payment terms.

***Driving Business Growth:*** When a company's assets are strained by poor inventory management or accounts payable practices. It is often difficult to enhance. Effective working capital management focuses on maximizing returns on current investments while minimizing the cost of issued capital. This eventually drives the growth of business and allows companies to function more proficiently in the long run.

**Improving Capital Performance:** Another objective of working capital management is to uplift the utilization of capital inputs by decreasing the cost of capital or expanding the return on capital. The former can be achieved by freeing up cash on the balance sheet and reducing the need for debt.

### **Profile of T.H.D.C.**

T.H.D.C. is a joint venture corporation between the Government of India and the Government of Uttar Pradesh. It was incorporated in July 1988 under the Companies Act, of 1956 (currently the Companies Amendment Act, 2013) to develop, operate, and maintain the Tehri Hydro Power Complex and other hydro projects. The work was assigned to T.H.D.C. in June 1989. The government has a stake in the capital of the system, with the Government of India and Uttar Pradesh holding 75% of the shares. The company has a sanctioned share capital of Rs. 4000 million. In November 1986, it was decided to implement the Tehri project as a joint venture between the government and the Soviet Union. The Tehri project includes a 2400M.W. Tehri Hydroelectric Complex, comprising a 1000M.W. Tehri Dam and Hydroelectric Power Station, a 400M.W. Koteshwari Dam and Hydro Power Plant, and a 1000M.W. Tehri Pumping Station. The agreement also included a loan of 1,000 million Rubles from the Soviet Union.

### **Literature Review**

Several studies have found out the dimensions of working capital management both in India and abroad. These studies can be presented in different ways based on the study's needs.

**Padachi (2006)**, studied the importance of WCM is expected to increase as the difficulty and cost of raising short-term capital increases. Hence, it can be argued that the working capital requirement may be larger for smaller enterprises, as they are more likely to experience difficulties in obtaining external funding.

**Owolabi et.al. (2010)**, through their study indicated that there is a negative relationship between the current ratio and profitability, with a low current ratio indicating poor management of working capital.

**Muhammad and Syed (2011)**, studied the role of working capital management in the corporate performance of non-financial companies listed on the Karachi Stock Exchange index. Canonical correlation analysis was employed to determine the impact of working capital management on a firm's performance.

**Niresh, J.A. (2012)**, analyzed the financial performance of manufacturing companies in Sri Lanka and the management of their working capital. Moreover, the research indicates that Sri Lankan industrial companies are giving more importance to managing working capital.

**Wilson et al. (2012)**, in their research have broadened the knowledge of this field by providing more insight into capital management practices, as measured by the cash flow cycle, and the impact of each component on the profitability of cash-driven international brewing businesses.

**Aravindan & Ramanathan (2013)**, studied the management of working capital helps to solve short-term financial issues. For example, companies choose the amount of credit they send to their customers and the amount of credit they expect from their customers. These types of short-term financial decisions are important to the company and its long-term survival because they affect its revenue and profitability.

**REL (2013)**, investigated that the importance of working capital increases with the interest rates. When interest rates are low, the cost of excess capital being tied up is lower.

**Baños-Caballero (2014)**, examined whether the level of working capital is sensitive to other financial constraint measures. These findings suggest that this optimal level is lower for organizations that are more financially challenged.

**Pushpakumar and Yadhav (2014)**, studied working capital management in public sector companies and it was revealed that unnecessary inefficiencies and excess working stock lead to reduced productivity.

**Hingurala et al. (2017)**, investigated the efficacy of working capital management, analyzing a sample of 44 companies listed on the Colombo Stock Exchange (CSE) between 2011 and 2015. They found that the Cash Conversion Cycle (CCC) and Tobin Q exhibited a distinct relationship. It was concluded that managers can generate value for shareholders by managing their investments in working capital.

**Tiwari, S.C. et al (2023)**, studied the significance of working capital in managing cash and accounts receivables along with liquid assets and liabilities. Large organizations have been reported to experience liquidity issues, particularly following the 2008 global financial crisis.

## **Objectives of the Study**

The following are the objectives of this recent study:

- To study the efficacy of the method of working capital management.
- To access the financial situation of the different operations of the company.
- Determine the sufficiency of working capital for the benefit of the business.

## **Research Methodology**

The purpose of research is to seek knowledge. It is a scientific study. "The systematic process of obtaining new information is called research."

- **Research Design-** This study adopts a descriptive and analytical research design as it aims to describe and analyze the policy of T.H.D.C. India Ltd regarding the management of working capital.

- **Data type-** Secondary data has been used in this study.
- **Data source-** Information source is the secondary data collected through five years' yearly reports of the company. Information is additionally collected from books, magazines, journals, and some related websites like www.thdc.co.in. The information collection strategy was pointed at the study of the working capital management of the company. From time-to-time visits to the company concerning discussion around the information have been done.
- **Period of the study-** In this study, data from the company's Annual Reports has been taken from the financial years 2018-19 to 2022-23.

## Data Analysis and Interpretation

**Management of Cash-** Cash management is an important part of working capital management. Because money is the most liquid and without money management all business activities are ineffective. Financial management analysis can be done using the following ratios: All amounts shown in the table here are in lakhs.

- **Current ratio-** It is a ratio that measures the ability of the company's current assets to pay the current liabilities that will be paid in the short term, that is, within a year.

Table 1: Current ratio and quick ratio

Current ratio = Current Assets / Current liabilities

Amount in Lakhs

Year	Current Assets	Current liabilities	Current Ratio	Quick assets	Quick ratio
2018-19	1,97,328	2,25,674	0.87	1,91,297	0.84
2019-20	2,81,365	2,23,088	1.26	2,74,116	1.22
2020-21	2,66,352	2,21,084	1.20	2,58,614	1.16
2021-22	1,82,372	2,43,749	0.75	1,75,166	0.72
2022-23	1,55,529	2,66,749	0.58	1,43,492	0.54

Source: Annual Reports of T.H.D.C 2018-19 to 2022-23

**Interpretation-** The current ratio refers to the ratio which denotes the amount of money available for paying short-term liabilities in terms of existing assets. A higher ratio indicates that the organization has sufficient liquid assets that can be converted into cash without depreciation. The ideal current ratio is 2: 1. Here, it can be denoted that there is a fluctuation in the current ratio that changes over five years. The average current ratio is 0.932: 1, which is lower than the ideal ratio. It's because, in

recent years, the company's current asset value is relatively low and needs to increase for it to be considered acceptable.

**The quick ratio** states a relationship between liquid assets and current liabilities. The main purpose of calculating this ratio is to identify a company's ability to meet its short-term obligations when they become due without liquidating inventory.

Quick ratio = Quick Assets / Current liabilities

Quick Assets = Current Assets – (Inventories + Prepaid expenses)

**Interpretation-** The Quick ratio is a measure of the amount of quick assets available for each rupee of current liability. The ideal quick ratio is 1:1. However, the quick ratio has been fluctuating lately. Over the past five years, the average quick ratio has been about 0.896:1. This is less than the ideal level, but it can be observed that it has been showing a fluctuating trend over the years. In 2019-20 and 2020-21, the quick ratio was satisfactory. This means that the company needs to maintain more quick assets to reach the ideal level so that it doesn't have to rely upon inventories (Gupta V.K. et al.).

**Cash Ratio-** Cash ratio = (Cash + Cash equivalents)/ Current liabilities

Table 2: Cash Ratio

Amount in Lakhs

Year	Cash+cash equivalents	Current liabilities	Ratio
2018-19	5253	2,25,674	0.0232
2019-20	2578	2,23,088	0.1133
2020-21	22,508	2,21,084	0.1018
2021-22	8,777	2,43,749	0.0360
2022-23	9,365	2,66,749	0.0351

Source: Annual Reports of T.H.D.C 2018-19 to 2022-23

**Interpretation-** Upon analysis of the table above, it can be observed that the cash ratio has been fluctuating throughout the period under study, from 2018-19 to 2022-23. In the Starting years, it was low, but it showed a slight increase in 2019-20 & 2020-21. Again, reducing to a lower ratio. Overall, the company's cash ratio is low, indicating that there is no idle cash, but profitability is satisfactory.

**Management of Inventory** -Proper inventory management is crucial for efficient working capital management. A business that fails to manage inventory effectively can put its long-term profitability at risk.

The Following ratios have been calculated for this:

Percentage of Inventory to Total Assets and Percentage of Inventory to Current assets depicted in Table 3:

Amount in Lakhs					
Year	Total Assets	Current Assets	Inventory	% of Inventory to Total Assets	% of Inventory to Current Assets
2018-19	15,57,783	1,97,328	3,060	0.196	1.551
2019-20	17,54,862	2,81,365	3,242	0.186	1.152
2020-21	18,71,692	2,66,352	3,494	0.187	1.312
2021-22	21,09,790	1,82,372	4,094	0.194	2.245
2022-23	25,26,252	1,55,529	7,880	0.312	5.066

Source: Annual Reports of T.H.D.C 2018-19 to 2022-23

**Interpretation:** The table above indicates that the percentage of the company's inventory to its total assets has been fluctuating over the period being analyzed. The data shows that there is not a significant amount of funds tied up in this component in current assets, except for in the last two years.

- **Inventory Turnover Ratio-**

Inventory Turnover Ratio= Cost of Goods Sold / Average stock

Table 4:

Amount in Lakhs			
Year	Cost of Goods Sold	Average Stock	Times
2018-19	1,41,368	3,060	46.198
2019-20	1,41,607	3,242	43.678
2020-21	1,11,862	3,494	32.015
2021-22	1,07,793	4,094	26.329
2022-23	1,22,021	7,880	15.484

Source: Annual Reports of T.H.D.C 2018-19 to 2022-23

**Interpretation-** As per Table No. 4, the inventory turnover ratio has been depicted. It is showing a declining trend. It has been noticed that the inventory turnover ratio for the year 2018-2019 indicates higher sales achieved through adequate investment in inventory as compared to other years. A growing trend can be observed during the period under study. While higher inventory turnover is generally considered desirable, it may not necessarily be an indication of a profitable position according to the rule.

**Management of Receivables-** In the present time, it has become very difficult to continue sales on a cash basis because the market is becoming competitive day by day, so there arises the need to sell on a credit basis. The basic aim of management of receivables is to enhance the return on investment in these assets.

Table 5: % of Receivables to Total Assets and Current Assets

Year	% of Receivables to Total assets	% of Receivables to Current Assets
2018-19	10.92%	86.215%
2019-20	10.65%	66.42%
2020-21	5.63%	39.63%
2021-22	3.43%	39.69%
2022-23	2.75%	44.74%

Source: Annual Reports of T.H.D.C 2018-19 to 2022-23

**Interpretation-** The table shown above depicts the % of receivables to total assets has decreased from 2019-19 to 2022. It can be said that it is quite satisfactory, a decreasing trend must be maintained as any increase in the proportion of receivables to total assets is always against the interests of the company as it causes the funds to be blocked in the accounts receivable. Further, the percentage of receivables to current assets is showing a fluctuating trend.

**Analysis of Working Capital:** When analyzing working capital, the direction of change over time plays an important role. Working capital management is one of the important aspects of financial management. consequently, analysts need to study the trends and direction of working capital over some time. Such an analysis allows you to examine the increasing and decreasing trends in current assets and current liabilities and their impact on the working capital situation.

Table 6: Working Capital Ratio ( WC as % of net sales, current assets, and total assets)

Amount in Lakhs

Year	Net Sales	Working Capital	Current Assets	Total Assets	%of W.C. to net sales	%of W.C. to current assets	% of W.C. to total assets
2018-19	2,85,029	(28,346)	1,97,328	15,57,783	(9.94)	(14.36)	(1.82)
2019-20	2,40,536	58,277	2,81,365	17,54,862	24.22	20.71	3.32
2020-21	2,50,193	45,268	2,66,352	18,71,692	18.09	16.99	2.41
2021-22	2,22,734	(61,377)	1,82,372	21,09,790	(27.55)	(33.65)	(2.91)
2022-23	2,00,365	(1,11,220)	1,55,529	25,26,252	(55.50)	(71.51)	(4.40)

Source: Annual Reports of T.H.D.C 2018-19 to 2022-23

**Interpretation:** The table shown above states that the working capital to sales ratio is having a fluctuating trend again. The table shows that the percentage of working capital to total assets also fluctuated in 2019-20 & 2020-21 increasing, afterward again decreasing but slowly (Gupta V.K et al.). As per the analysts, the % of working capital to the total assets must be 20 percent but in this case is much less than that, which shows that There is a need to implement strict policies to better manage working capital.

### Limitations of the Study

- The report relies on secondary data, and therefore its reliability is dependent on the authenticity of the sources used.
- Additionally, since the present study is based solely on the balance sheet of the company, it may not accurately reflect the typical situation as it only captures a picture of the report of a company's financial status as it is. As such, short-term fluctuations in assets that occur within the period covered by two dates in the balance sheet may not be reflected.
- It is worth noting that the survey used to gather data for this report was limited in duration, which acted as a time constraint on the study.

### Conclusion and Suggestions

Effective working capital management is a crucial aspect for all business firms. However, it is difficult to determine the exact gross or net working capital of a company. The analysis of a company's information and problems is necessary to determine its working capital because there is no specific rule on how to finance current assets. In practice, it is not recommended to finance shares only from

short-term sources. Considering the company's limitations, it is wise to invest in both short-term and long-term financing. Current assets involve financial costs, so they should be used productively. Adequate working capital is necessary to ensure full capacity utilization. The primary goal of working capital management is to ensure the smooth and continued operations of the company, covering both short-term and future expenses incurred for day-to-day operations. There is a need to adopt restrictive policies regarding the management of working capital to ensure the smooth functioning of a firm's operations.

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# **SOCIO-ECONOMIC IMPACTS OF CORBETT NATIONAL PARK IN TOURISM INDUSTRY**

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## **Abstract**

The purpose of the study is to examine the role of Corbett National Park in social and economic impacts in the tourism industry. This study elaborates on the various employment areas and their prospects in Corbett National Park. It will examine the number of employed persons working in Corbett National Park and their socio-economic status. Structured questionnaires and interview methods will be used for the collection of primary data. Secondary data will be collected from Corbett National Park and various journals and reports. The percentage method will be used to analyze the data. Results and findings will be presented through explanatory form, tables, and graphical presentation.

**Keywords:** Employment Generation, Tourism, Socio-economic status.

## **Introduction**

Tourism is one of the sun-rising sectors with tremendous opportunities to create jobs in India. It contributes a larger share in employment generation. It also creates income and plays a vital role in the acceleration of the economic growth of the country. Rich cultural and natural heritage, as historical and religious places, attract international tourist arrivals (ITAs) to India. However, the Tourism sector in India is underutilized. India's tourism sector is growing rapidly over the time period. India's tourism economy is 4th largest in the world and it ranked at 40th position in The World Travel & Tourism Council WT& TC) report 2017. The WT & TC has calculated that tourism generated INR 14, 018.5 bn, recorded 9.6% of GDP in 2016. It generated 40,343,000 thousand jobs and contributed 9.3% of total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. Uttarakhand state also has tremendous potential for tourist activities, especially in cultural tourism, religious tourism, leisure tourism, and wildlife tourism. Holy confluences, scenic surroundings, and an aura of spiritual serenity make an ideal abode for the Gods and are a refreshing reward for the pilgrims and tourists who visit Uttarakhand. Tourism is the fastest-

growing industry in Uttarakhand and affects the state economy in various ways. In wildlife tourism, Uttarakhand is one of the leading states in the country. It has many national parks which have a significant place to conserve wildlife all over the world. Jim Corbett National Park is one of them. It is the oldest national park in India and was established in 1936 as Hailey National Park to protect the endangered Bengal tiger. It is located in Nainital district and Pauri Garhwal district of Uttarakhand and was named after Jim Corbett, a well-known hunter and naturalist. The park was the first to come under the Project Tiger initiative. The park has sub-Himalayan belt geographical and ecological characteristics. An ecotourism destination, it contains 488 different species of plants and a diverse variety of fauna. The increase in tourist activities, among other problems, continues to present a serious challenge to the park's ecological balance. Corbett has been a haunt for tourists and wildlife lovers for a long time. Tourism activity is only allowed in selected areas of Corbett Tiger Reserve so that people get an opportunity to see its landscape and wildlife. In recent years the number of people coming here has increased dramatically. Presently, every season more than 70,000 visitors come to the park. It employs in various areas in which numerous personnel work for the Corbett National Park. The present study analyses the different employment areas in Corbett National Park and number of employees working in these areas and their socio-economic status.

### **Objectives of the Study**

- To study and analyze the various tourism areas of employment in Corbett National Park
- To study and analyze the number of personnel working in Corbett National Park.
- To study and analyze the socio-economic status of the people working in Corbett National Park.

### **Research Methodology**

#### **(i) Sample:**

The present study is based on primary and secondary data. Primary data has been collected from the taxi drivers, guides, and forest guards working in Corbett National Park, and the secondary data collected from the head office of Corbett National Park, Ramnagar (Uttarakhand).

#### **(ii) Data Collection Tool:**

Primary data has been collected by structured Questionnaire containing objective-type questions. Secondary data were collected from the head office of Corbett National Park.

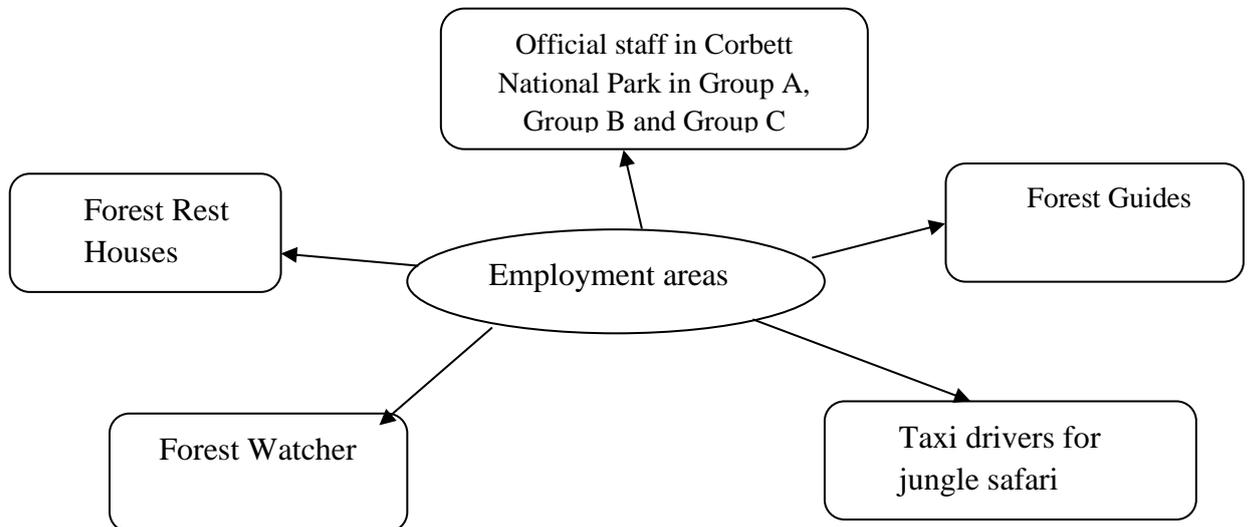
#### **(iii) Statistical Tool:**

Graphical presentation and tables were used to show the findings and results.

### **Results And Findings**

The main purpose of the present study was to investigate the major employment areas in Corbett National Park and the number of personnel working for it. To analyze the socio-economic status of employees, the primary data have been taken through a questionnaire. On this basis, the Major findings are given below:

### 1. Various Employment areas in Corbett National Park:



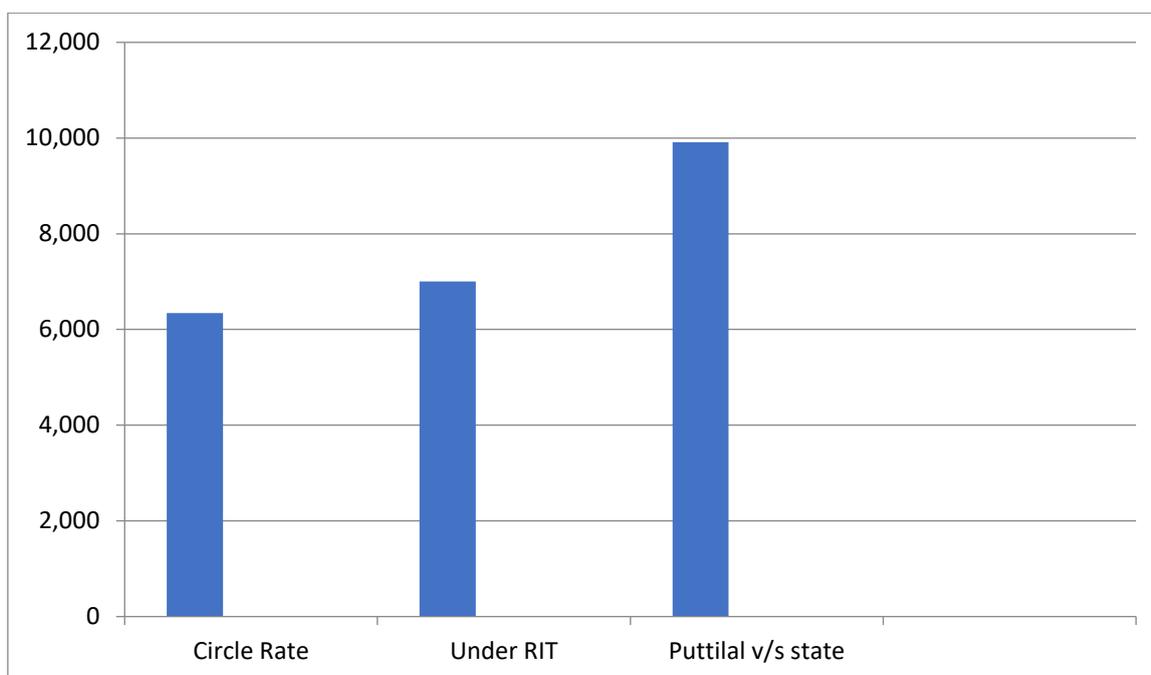
### 2. Number of personnel working in Corbett National Park in various areas:

S.No.	Areas	Number of workers
1.	No. of Taxies registered	259
2.	Forests Guides	94
3.	Official Staff	
	Group A	3
	Group B	15
	Group C	231
	Group D	47
	Total	296
4.	Forests Watcher temporarily	420

### 3. Socio-economic Status of the workers:

For Forests Watcher:

- (a) Circle Rate approved by Corbett National Park Rs. 6,344.00 per month
- (b) Under RIT Rs. 7,000 per month
- (c) Putilal v/s State Rs. 9,913 per month

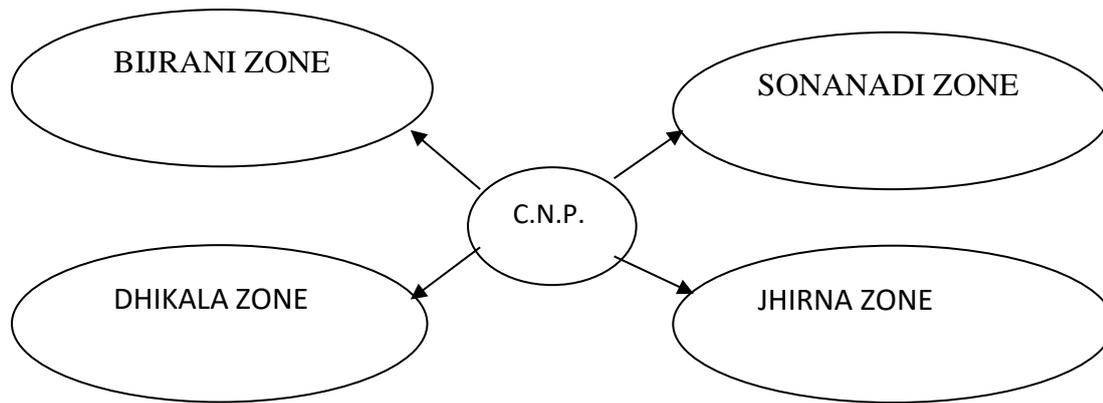


#### 4. Tariff for Jungle Safari approved by Corbett Tiger Reserve:

S.No.	For day visit (4 hours)	₹		
	Bijrani	2,000		
	Jhirna	2,200		
	Dhela	2,200		
	Durgadevi	2,200		
	For night stay	1 Night	2 Nights	3 Nights
		₹	₹	₹
	Dhikala	4,800	7,000	9,000
	Gairal	5,200	7,500	9,500
	Sultan	5,200	7,500	9,500
	Sarpduli	5,200	7,500	9,500
	Bijrani	3,800	5,500	7,500
	Jhirna	4,000	6,000	7,500
	Malani	4,500	6,500	8,000
	Sonanadi	5,000	9,000	12,000

#### 5. Night Stay in Corbett National Park (Forest Rest House)

Corbett National Park is divided into four Eco-Tourism Zone for night stay:



BIJRANI ZONE		
	No. of Rooms	Type of Room
Bijrani (FRH)	4	Double Bed
	2	Single Bed
	4	Dormitory
Malani (FRH)	2	Double Bed

SONANADI ECO-TOURISM ZONE		
	No. of Rooms	Type of Room
Halparao (FRH)	2	Double Bed
Rathuwadhab (FRH)	2	Double Bed
Mudiapani (FRH)	2	Double Bed

DHIKALA ECO-TOURISM ZONE		
	No. of Rooms	Type of Room
Dhikala (FRH)	6	Hutment (Double Bed)
	3	Cabin (Double Bed)
	4	New FRH (Double Bed)
	5	Old FRH (Double Bed)
	7	Annexi (Double Bed)
	12	Dormitory
Gairal (FRH)	4	New FRH (Double Bed)
	8	Dormitory
Sarpduli	2	FRH (Double Bed)
	3	Dormitory
Sultan	2	FRH (Double Bed)

JHIRNA ECO-TOURISM ZONE		
	No. of Rooms	Type of Room
Jhirna(FRH)	2	Double Bed
	1	Double Bed

## Conclusion

This study revealed that:

- Corbett National Park provides various employment areas to the people and many people earn the money for their survival.
- The socio-economic status of the watcher is satisfactory but the tariff for jungle safari is good for the drivers.
- Forest Tiger Reserve also offers various types of rest houses for night stays.
- It has been also observed that the attraction of tourists towards the Corbett National Park and wildlife tourism from the last few years has increased in comparison to other tourist areas.

## Suggestions

After the study, It is to be suggested that:

- The working position of the watcher should be permanent. Irregularity leads to job dissatisfaction among them.
- The circle rate for the fire watcher is very low. Corbett National Park should provide an adequate amount of remuneration to them with which their socio-economic status can be improved.
- The 165 posts out of the 461 in Corbett National Park in groups A, B, C, and D are vacant. These posts should not be vacant. On the one hand, It shows weak administrative control and on another hand, people are left deprived of employment opportunities.

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Jim Corbett's India, Stories selected by R E Hawkins

# **COOPERATIVE BANKS AND THEIR ROLE IN THE SOCIO-ECONOMIC DEVELOPMENT OF RURAL WOMEN IN THE PITHORAGARH DISTRICT OF UTTRAKHAND**

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## **Abstract**

Women have always been the deprived section of the society. Many changes in policies and programs have been made to change their position in society and one of them is cooperative banks. Cooperative banks have always helped nations especially women to uplift their status in life whether economically, socially, culturally, or politically. This paper is based on the study of change in women member's socio-economic status after joining the cooperative society. It shows their status before and after joining cooperative societies. Data was collected from 50 members from 4 cooperative societies of Pithoragarh district in Uttarakhand and the study concluded that rural women's participation in cooperative societies has a positive contribution to their socio-economic status, therefore, rural women should be encouraged to join cooperative societies to get the benefits of cooperative society's incentives

**Keywords:** Empowerment, Cooperative, Benefits

## **Introduction**

Cooperatives are playing a great role in the development of rural areas in every aspect and it follows the idea of mutual work and self-help. People with the same needs whether it is social, financial, or cultural come together and help each other in their development.

Cooperative banks have always played a significant part in providing an inflow of credit solutions to rural populations for their different needs like agriculture, farming, animal husbandry, horticulture, entrepreneurship, individual credit, and many more.

It also helps members to fulfill their socio-cultural and economic needs. It also caters to each customer's different wants and needs with their different product and services.

India is seeing many positive changes in rural areas with the help of cooperative banks. Throughout the country cooperative societies are working with around 230 million members. Now

cooperative banks are providing more flow of credit to the agricultural sector than commercial banks. It has become the easiest credit system in the world. Cooperatives have 35% command over the production and distribution of fertilizer market 60 % in cotton and 58% share in sugar production. In the hand weaving sector also, it has around 55% share. (source: Indian Cooperative Movement: A Statistical Profile– 2016, National Cooperative Union of India)

In India, 70% or two-thirds of its population is located in rural areas and earns its livelihood through agricultural activities which is the reason why it is also considered an agricultural country. As per World Bank in 2022 rural population was 64.13% of India's total population.

In Indian GDP the rural population contribution is 25-30% and 46% in Indian income. Despite the growth in urbanization still half of the population in India resides in rural areas.

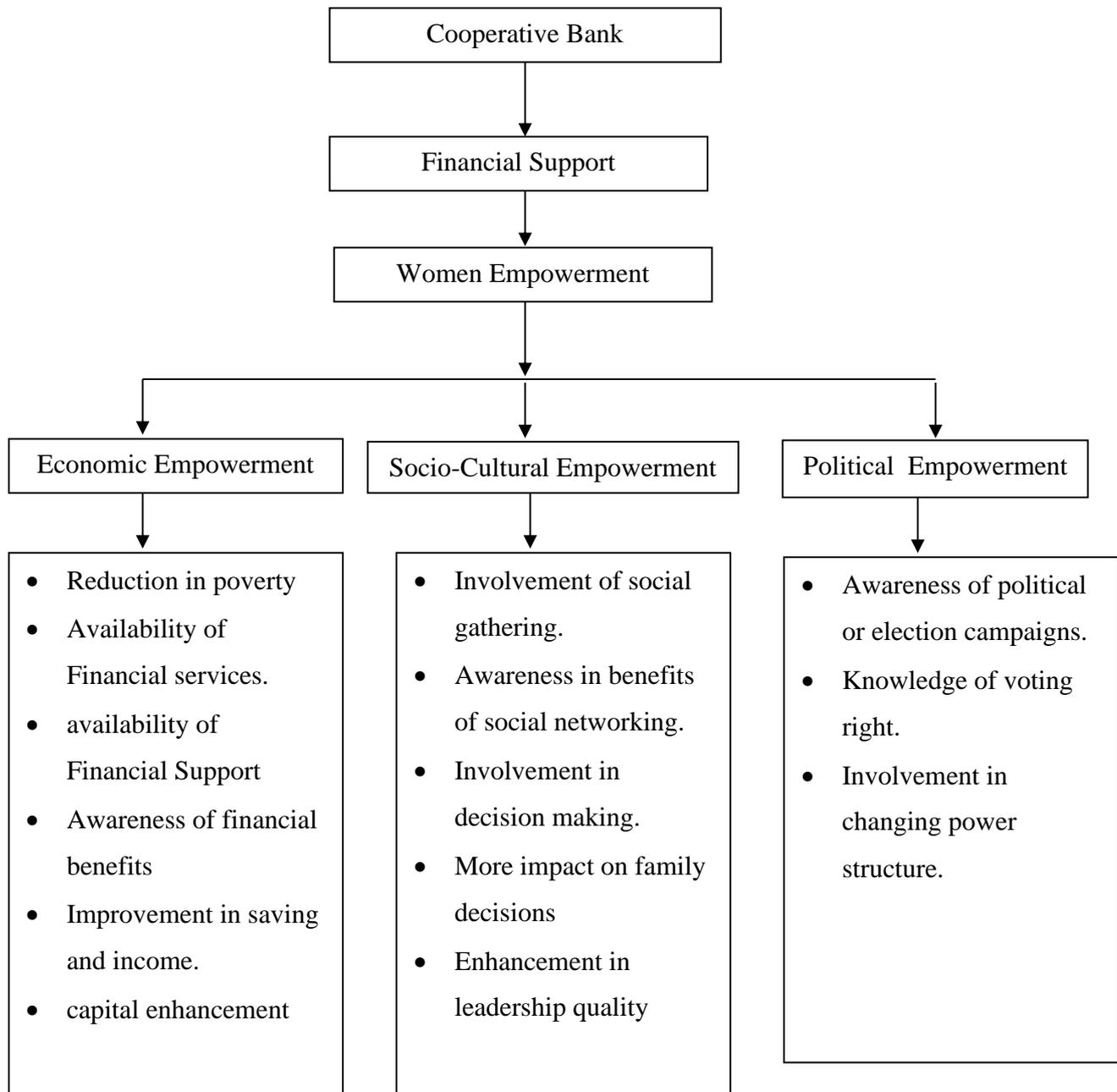
### **In Uttarakhand Cooperative banks are working in the following ways:-**

1. Granting of easy credit facilities to members as per their needs and requirements.
2. Agricultural loans to farmers at low rates of interest.
3. Providing marketing and distributing facilities to farmers.
4. Providing reasonable rates to farmers for their products.
5. Market and purchase their goods through Cooperatives.
6. Grant them nonagricultural loans also.
7. For remote and rural areas, the availability of consumer goods to be accessible.
8. To set up District cooperative banks in all of the districts.
9. Making the members self-reliant by providing them equal opportunities.

**Women and Cooperatives:** Cooperatives are the source of power and a sustainable chain for women's development. Cooperatives help women recognize their potential and empower them to build their self-confidence back in terms of income generation and living a dignified life on their own. Cooperatives are an effective tool where both women and cooperatives work together to achieve their collective goal and benefit in terms of both socially and economically.

Empowerment refers to providing women power and control over their life and their own decisions. It is very important to empower men and women equally for not only their well-being but for the nation as a whole. It gives them growth, development, and the confidence to make great decisions in life.

**Women empowerment through cooperatives:**



## Review of literature

**Kakati and Kakoty**, conducted a study on Gumla Grameen Poultry self-supporting cooperative society ltd based at Gumla Jharkhand to study the progress of women after joining a cooperative society and how a women-led cooperative society helps members to not only grow as an individual but also as a group. It was also concluded that a cooperative society impacted women at all levels whether it was societal or household as empowerment is multidimensional and comes from various factors.

**Chandrashekara**, Rural women's existence is almost invisible as socially or economically in a society. To make them visible in a societal framework it is important to make them socially and economically develop. For this cooperative organizations are playing a vital role, especially for women living in rural areas. They are making women more self-reliant and confident enough to achieve their social and economic goals in life.

**Sarker and Datta**, There are three most important factors for a woman to join a cooperative society employment opportunity at home, a rise in her income, and growth in her social status. These are the driving forces for women and also help them in their empowerment. It is also concluded that as income increases, the social and economic empowerment of women in society also increases. They become more confident in life to take chances and risks.

**Prasad and Maheshwari**, If equal status is provided to women especially those who are residing in rural areas not only they uplift as individuals but also the society and with this the whole nation uplifts. By providing them with employment opportunities cooperatives are playing a major role because they are making them aware of the social surroundings and making positive changes in their lives. It also establishes a healthy relationship between their status and awareness level.

## General Objective of the Study

- The main aim of the study is to examine the Social Change and Economic Development of Rural Women attained through Cooperatives in Pithoragarh district of Uttarakhand.

## Total Cooperative Societies in Uttarakhand

Particulars	2018-19	2019-20	2020-21
Total number of Cooperative Societies in the State:	3169	3054	2930
Total Number of memberships in the State	160991	203213	194451
Top Cooperative Sectors in the State:			
1. Multipurpose Primer Agri. Co. Societies Ltd	759	670	644
2. District Cooperative Bank	10	10	10
3. Total DCB's Bank Branches	286	286	286
4. Mahila Coop. Bank Branches	09	09	09

5. Marketing Cooperative Societies	34	34	29
6. District Coop. Development Federation	05	05	05
7. Block Unions	83	83	38
8. Apex Coop. Institutes	10	12	15

### Total Category of Cooperative Societies in Uttarakhand

S.No.	Category of Societies	Number of Societies
1	State Level Cooperative Organizations (representing Marketing, Dairy Handloom Weavers, Fishermen, Sericulture, Oilseed, Sheep & Goat, Credit and Banking)	12
2	District Central Co-operative Banks	10
3	Primary Credit Cooperative Societies	670
4	Dairy Cooperatives (Distt. Level Fed.)	13
5	Dairy Primary Societies	2677
6	Marketing Cooperatives	34
7	Cooperative Sugar Mills	4
8	Textile Cooperative (Resham)	93
9	Service Sector Cooperative (Transportation)	34
10	Other type of societies	2432
	<b>TOTAL</b>	<b>5979</b>

### Primary Agriculture Credit Society (PACs) Total -672

District Name	No. of society
Almora	78
Bageshwar	18
Chamoli	48
Champawat	23
Dehradun	39
Haridwar	43
Nainital	52
PauriGarhwal	114
Pithoragarh	74
Rudraprayag	34

TehriGarhwal	78
Udam Singh Nagar	35
Uttarkashi	36

### Basic statistics/information of Pithoragarh district:-

S.No.	Description	
1	Establishment	24 January 1960
2	Tehsil	12
3	VikasKhand	8
4	Population	462289
	Male	227615
	Female	234674
	Rural	402456
	Urban	59833
	Scheduled Caste	106449
	Scheduled Tribe	19279
	Farmer	74361
	Agricultural Laborer	615
	Other	49086
5	Total land reporting area	410642(hectare)
6	Villages	1579
7	Village Councils	644
8	NyayPanchayat	64
9	PACs	74
10	Branches(as per 31 march 2021)	19

**List of Co-operative Banks branches in Pithoragarh**

<b>S.No.</b>	<b>Branch Name</b>	<b>Location</b>
1	<u>Co-operative Banks KurmanchalNsb Limited</u>	Mehra Market, Siltham, Pithoragarh - 262501 Uttarakhand
2	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	G. N. Pant Road, Near L. I. C., Pithoragarh, Uttarakhand - 262501 Uttarakhand
3	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	G. N. Pant Road, Pithoragarh Uttarakhand
4	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Didihat, Pithoragarh Uttarakhand
5	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Gangolihat, Pithoragarh GanaiGangolihat, Uttarakhand
6	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Dharchula, Pithoragarh Uttarakhand
7	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Munsyari, Pithoragarh Munsiari, Uttarakhand
8	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Berinag, Pithoragarh Uttarakhand
9	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Kanalichhina, Pithoragarh Uttarakhand
10	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Wadda, Pithoragarh Uttarakhand
11	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Naya Bazar Pithoragarh Uttarakhand
12	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Thal, Pithoragarh Uttarakhand
13	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Bungachhina, Pithoragarh Uttarakhand
14	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Madkote, Pithoragarh Uttarakhand
15	<u>Co-operative Banks PithoragarhZilaSahkari Bank</u>	Main Market Genai, Pithoragarh GanaiGangolihat, Uttarakhand

16	<u>Co-operative</u> <u>PithoragarhZilaSahkari Bank</u>	<u>Banks</u>	Main Market Khetikhan, Pithoragarh Uttarakhand
17	<u>Co-operative</u> <u>PithoragarhZilaSahkari Bank</u>	<u>Banks</u>	Main Market Askote, Pithoragarh Uttarakhand
18	<u>Co-operative</u> <u>PithoragarhZilaSahkari Bank</u>	<u>Banks</u>	Main Market Nachani, Pithoragarh Nachni, Uttarakhand
19	<u>Co-operative</u> <u>PithoragarhZilaSahkari Bank</u>	<u>Banks</u>	Main Market Kotmanya, Pithoragarh Uttarakhand
20	<u>Co-operative</u> <u>PithoragarhZilaSahkari Bank</u>	<u>Banks</u>	Main Market Jorashi Didihat, Uttarakhand

**Main occupation of Pithoragarh District:** Agriculture is the main occupation in Pithoragarh district as 41% of its population indulges in this. Agriculture is just a livelihood for the people and it also did not help to boost the economy. As Pithoragarh is situated in the hills and due to its geographical condition, it is difficult to establish any major industry here. Pithoragarh has a limited area dedicated to industry related to ironwork and aatachakki. Pithoragarh is blessed with natural beauty and is famous for its religious places due to which tourism is growing but it also needs to be supported for further growth. The rate of poverty is around 13%. Women are engaged in farming.

**The average monthly income of a rural family is shown below: -**

Average Monthly income of a rural family (%)			
Pithoragarh	Less than 5000	Rs. 5000-10000	More than 10000
	62.83	19.78	17.39

**Pithoragarh Cooperative Bank's progress from the year 2017-2022**

**(amount in lakhs)**

S. No	Description	2017-18	2018-19	2019-20	2020-21	2021-22
1	Share Capital	688.38	773.02	839.78	905.19	1071.54
2	Funds	6724.77	7683.19	8090.64	8904.54	9334.39
3	Private Capital	7413.15	8456.22	8930.42	9809.73	10405.93
4	Deposit	63344.36	70171.31	77975.01	82476.65	89082.55
5	External Debt	10523.01	11722.45	17836.16	14674.53	16938.32

	(from top banks and other banks)					
6	Working Capital	84200.19	92321.80	107238.03	111815.56	120999.74
7	Allocation	46619.40	52284.25	62248.52	56205.42	57405.81
8	Loans and advances	26708.73	32021.07	36545.76	46287.34	55465.72
9	Net Profit	166.78	297.95	312.88	453.03	536.88
10	% of managerial expenses (to working capital)	1.74	1.70	1.66	1.72	1.98
11	% of administrative expenses (to gross income)	24.81	25.07	24.47	22.17	26.75
12	Total Earnings	5903.80	6265.24	7271.47	8666.85	8947.05
13	Total Expenditure	5492.19	5967.29	6958.59	6803.82	7313.18
14	Recovery in %	71.93	40.09	82.50	59.30	61.01

## Methodology

This study was conducted on 50 women members from four blocks of Pithoragarh District which are Dhanora, Kumaud, Pandegaon, and Kedarlinthuda respectively to examine the impact of Cooperatives on rural women's socio-economic empowerment and the change in their living status before and after joining Cooperative societies. For this study, a questionnaire was prepared, and a personal interview of 50 members was taken and the following result was found.

### Income status of women members before joining cooperative society

Income	No. Of members	Percentage
<3000	14	28
3000-5000	20	40
5000-10000	14	28
More than 10000	2	4
Total	50	100

Source: field survey

### Income status of women members after joining cooperative society

Income	No. Of members	Percentage
<10000	14	28

10000-15000	20	40
15000-30000	14	28
More than 30000	2	4
Total	50	100

### **Employment status of women members before joining cooperative society**

<b>Employment Status</b>	<b>No. Of members</b>	<b>Percentage</b>
Employed	19	38
Unemployed	23	46
Unemployed Labour	6	12
Other	2	4
Total	50	100

Source: field survey

### **Employment status of women members after joining cooperative society**

<b>Employment Status</b>	<b>No. Of members</b>	<b>Percentage</b>
Employed	18	36
Self-employed	12	24
Professional	2	4
Employed labour	18	36
Total	50	100

Source: field survey

### **Housing status of women members before joining cooperative society**

<b>House Status</b>	<b>No. Of members</b>	<b>Percentage</b>
Own house	11	22
Rented	35	70
Other	4	8
Total	50	100

### **Housing status of women members after joining Cooperative society**

<b>House Status</b>	<b>No. Of members</b>	<b>Percentage</b>
Own house	29	58
Rented	16	32
Other	5	10
Total	50	100

### Electricity status of women members before joining cooperative society

Electricity Status	No. Of members	Percentage
Yes	39	78
No	11	22
Total	50	100

Source: field survey

### Electricity status of women members after joining cooperative society

Electricity Status	No. Of members	Percentage
Yes	42	84
No	8	16
Total	50	100

As can be seen after joining cooperative societies the income, employment, housing, and electricity status of rural women have changed and it also has given them empowerment in their status on the whole.

### Conclusion

From the above study, it can be concluded that cooperatives are bringing a positive change in women members' lives. They have contributed significantly to the socioeconomic empowerment of women members. The Cooperative societies have made them more financially independent, socially empowered, aware, and able to take responsibility on their own. Now they can not only take care of themselves but their whole family. However, there are still many constraints in their path but there are many hopes that policymakers will give more value to the contribution of these women members and will take proactive measures to help them get better health, education, employment, training, and easy credit facilities for their development.

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# INDIA'S NUTRITIONAL STATUS UNDER POSHAN ABHIYAAN

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## Abstract

Malnutrition is a significant health concern that affects both undernourished and obese individuals. It is an important indicator of a country's overall health. People who are malnourished may underperform in various areas of life and miss out on opportunities to become active and productive members of society. As a country strives to achieve its economic and social development goals, addressing malnutrition is crucial. India is making strides in economic, educational, and technological growth. However, malnutrition remains a significant challenge, hindering the country's socio-economic progress. The government is implementing several schemes and programs under the Integrated Child Development Services Scheme to tackle the issue of malnutrition. The ICDS Scheme has initiated Poshan Abhiyaan to enhance the nutrition of children aged 0-6 years, pregnant and lactating mothers, and adolescent girls. The objective of the study is to assess the level of malnutrition in India examine the Poshan Abhiyan Scheme as a nutritional program in India and evaluate its progress and accomplishments. The study is based on secondary data sources, specifically gathered from government reports and websites, to examine malnutrition and the Poshan Abhiyan Scheme.

**Keywords:** Poshan Abhiyaan, Malnutrition, ICDS, Covid-19, National Family Health Survey

## Introduction

Malnutrition has been a persistent challenge for India for a long time, affecting people of all ages. It refers to a deficiency, excess, or imbalance in the nutritional intake of individuals. The problem is significant enough for the Indian government to consider it a national priority. To tackle this issue, the government is implementing several schemes and programs under the Integrated Child Development Services Schemes. In 2018, India launched a major initiative called POSHAN Abhiyaan, which is the Prime Minister's Overarching Scheme for Holistic Nourishment, aimed at tackling various forms of malnutrition. Despite the high levels of malnutrition in India that have remained unchanged over the past decade, this National Nutrition Mission is designed to address the critical components required to fight malnutrition, including leadership and a supportive environment,

implementing high-impact interventions, scaling up behaviour change communication, multisectoral collaboration to address underlying factors, adequate funding, tracking progress through monitoring, and utilizing technology effectively. The objectives of Poshan Abhiyaan are to prevent and reduce stunting in children aged 0-6 years, prevent and reduce under-nutrition (underweight prevalence) in children aged 0-6 years, reduce the prevalence of anemia among children aged 6-59 months, reduce the prevalence of anemia among women and adolescent girls in the age group of 15-49 years, and reduce low birth weight.

## Review Literature

**Sadhna Mishra *et.al* (2021)**, The study was based on risk factors of malnutrition in Uttar Pradesh. For this purpose, the NFHS-4 (2015-16) data was used, and stunting, wasting, and underweight as dependent variables, and age, literacy, schooling, religion, caste, etc as independent variables. The study found that there is a significant association between child age and the mother's education with stunting and underweight on the other hand wasting had only a significant association with the age of children.

**Anjana Verma *et.al* (2021)**, A study was conducted among 200 children under the age of 5 living in rural Udaipur, Rajasthan. The study discovered that 58% of the children were stunted, 45% of them were wasted, 54% were underweight, and 5% were overweight. Malnutrition was found to be high among female children with lower socioeconomic status, children of less-educated mothers, and those who were not exclusively breastfed.

**Ms. Deepika *et.al* (2021)**, A study was conducted between 1st January 2020 and 28th February 2020 to determine the prevalence of malnutrition among children aged one to five years living in selected slum areas of Petlad Town. The study included a total of 380 samples. The results showed that 35.30% of children were underweight, 8.90% were severely underweight, 15% were stunted, and 21.90% were severely stunted.

**Sujata Murarkar *et.al* (2020)**, A study was conducted in two districts of Maharashtra state to assess the prevalence of undernutrition among under-five children. The study covered a total of 2929 mothers and their 3671 children. The study found that 45.9% of the children were stunted, 17% were wasted, and 35.4% were underweight. The prevalence of wasting, stunting, and underweight was higher in urban slums than in rural areas. The sex of the child, exclusive breastfeeding, type of family, income of the family, birth order of the child, diarrhea, and maternal education were identified as determinants for undernutrition among under-five children.

## Objectives of the study

- To assess the level of malnutrition in India.

- To examine the Poshan Abhiyan Scheme as a nutritional program in India and evaluate its progress and accomplishments.

## Research Methodology

The study is based on secondary sources data. The various data and information on malnutrition and the Poshan Abhiyan Scheme are collected from the Niti Aayog Report, other government reports, and websites.

## Malnutrition in India

India's rank in the Global Hunger Index 2023 has dropped from 107 to 111 out of 125 countries. The country has the highest rate of wasting at 18.7% globally. India's hunger level is rated as serious with a score of 28.7%. The rate of undernourishment is 16.6% of the population, while the prevalence of anemia in women aged between 15 and 24 is 58.1%.

According to the Global Nutrition Report 2022, there has been no progress in reducing anemia among women of reproductive age. Currently, 53% of women aged 15 to 49 are affected. India is making progress towards meeting the target for reducing stunting in children below 5 years of age. However, the current stunting rate of 34.7% is still higher than the Asia region's average of 21.8%. On the other hand, India has not achieved any progress in reducing wasting, as the current rate of 17.3% is higher than the Asia region's average of 8.9% and one of the highest in the world. The prevalence of overweight children below 5 years of age is low at 1.6%, and India is taking steps to prevent it from increasing.

**Table 1: National Family Health Survey of India 2015-16 and 2019-21**

	NFHS-4 (2015-16)	NFHS-5 (2019-21)
Children under 5 years who are Underweight	35.8%	32.1%
Children under 5 years who are stunted	38.4%	35.5%
Children under 5 years who are wasted	21%	19.3%
Pregnant women aged 15-49 who are anaemic	50.4%	52.2%
Children aged 6-59 months who are anaemic	58.6%	67.1%

Source- National Family Health Survey Report 2015-16 and 2019-21

According to the National Family Health Survey (NFHS) conducted in 2015-16 and 2019-20, the prevalence of underweight children has decreased from 35.8% to 32.1%, stunting has decreased from

38.4% to 35.5%, and wasting has decreased from 21.0% to 19.3%. However, the survey also revealed that the percentage of pregnant women suffering from anemia has increased from 50.4% to 52.2% and the percentage of children suffering from anemia has increased from 58.6% to 67.1%. Therefore, it is evident from the NFHS report that the prevalence of anemia among children and women has increased over the years.

**Main Findings of 4<sup>th</sup> Poshan Abhiyan Report (July 2021)** Poshan Abhiyan was designed to cover all states/UTs and districts in three phases: 315 districts in 2017-18, 235 districts in 2018-19, and the remaining districts in 2019-20. The budget allocated for the program was Rs. 9,046 crores. According to the 4th progress report on Preserving Progress on Nutrition in India: Poshan Abhiyan in Pandemic Times, which was published by Niti Aayog in July 2021, the total utilization of funds by the states/UTs was less than 50%. The report highlights that Nagaland (87%), Meghalaya (78%), Sikkim (71%), Mizoram (67%), and Lakshadweep have utilized the maximum amount of funds. On the other hand, Punjab (22%), Puducherry (22%), Tripura (16%), Arunachal Pradesh (9%), and Odisha (8%) have the lowest utilization of funds. Additionally, the report shows a decrease in the total utilization of funds from FY 2017-18 to 2019-20 in states like Telangana, Mizoram, Daman & Diu, Dadra & Nagar Haveli, and Puducherry.

In certain large states such as Gujarat, Jharkhand, Kerala, Maharashtra, Odisha, and Rajasthan, the distribution of Take-Home Ration (THR) was 100% provided to pregnant women who were registered in AWCs. On the other hand, in the states of Jharkhand, Kerala, Maharashtra, Odisha, Tamil Nadu, and Uttar Pradesh, the distribution of Take-Home Ration was reported to be 100% among lactating women in six Indian states - Jharkhand, Kerala, Maharashtra, Odisha, Tamil Nadu, and Uttar Pradesh - Take-Home Ration is distributed to 100% of children aged between 6-36 months. However, in Bihar, the coverage of the delivery of Take-Home Rations is lower with only 65% coverage for pregnant women, 62% for lactating women, and 52% for children.

Among the small states, Meghalaya, Mizoram, and Tripura have achieved 100% delivery of Take-Home Rations to pregnant women and children aged 3-36 months. In Goa, Meghalaya, and Tripura, Take-Home Rations have been distributed to 100% of lactating women, whereas Sikkim has the lowest coverage of Take-Home Rations. Among Union Territories, the lowest Take-Home Rations coverage was observed in Jammu & Kashmir, with only 49% of pregnant women, 51% of lactating women, and 54% of children receiving the benefit. Anaemia is a public health problem that affects children and women of childbearing age. It not only increases maternal mortality but also inhibits physical and mental development. Only Himachal Pradesh, Sikkim, and Puducherry covered more than 75% of children who were given doses of IFA (Iron and Folic Acid) syrup and other states/UTs had less than 25% coverage. It has been observed that most states and union territories

have successfully provided more than 75% of pregnant women with 180 IFA tablets, except for Punjab and Tripura where the coverage is less than 25%. Additionally, the coverage for lactating women who were given 180 IFA tablets is also low across the board. Moreover, the percentage of pregnant women who were given Albendazole tablets after the first trimester is also low.

According to the report, the nationwide lockdown imposed to control the spread of the COVID-19 pandemic discontinued the delivery of many health and nutrition services that are part of Poshan Abhiyan. During the pandemic, Anganwadi centers were not operational, so various services were provided to the beneficiaries at their doorstep. The Village Health Sanitation and Nutrition Day (VHSNH) was organized in a graded manner and in non-containment areas to expand the access of ICDS services to the beneficiaries. Even though many health centers were struggling to cope with the pandemic, maternal and child health services were provided on-demand by home visits.

## **Conclusion**

Although the Poshan Abhiyan Schemes have shown improvement in system readiness and service delivery coverage in states and UTs according to the 4th progress report, the prevalence of malnutrition, stunted growth, and underweight among children remains high, as per the NFHS 15-16 and 19-21. Furthermore, the incidence of anemia among children and pregnant women has increased from NFHS 2015-16 to NFHS 2019-21. Over the past five years, there has been no significant reduction in any form of malnutrition. Although the Poshan Abhiyan program aimed to reduce stunting, wasting, and underweight in children, only three out of the five indicators have seen a small decrease. Unfortunately, the prevalence of anemia among women and children has increased over the years. The ongoing pandemic has severely impacted food and health systems, making people in developing countries more vulnerable to food and nutrition insecurity. In India, reducing malnutrition in all its forms remains a significant challenge, and the country is lagging behind the global standards to achieve the Sustainable Development Goals (SDGs) targets. Despite the efforts of Poshan Abhiyan Schemes, they failed to utilize the available funds of 9046 crore. Mission Poshan has been relaunched as Mission Poshan 2.0, to prevent further decline in nutrition indicators. Launched by Finance Minister Nirmala Sitharaman in February 2021, this initiative brings together various schemes like Integrated Child Development Services-Anganwadi Services, Supplementary Nutrition Program, Poshan Abhiyan, Adolescent Girls Schemes, and National Creche Scheme. The objective is to implement a comprehensive and integrated strategy that strengthens nutrition content, delivery, access, and outcomes. There is a renewed focus on developing practices to promote national health, well-being, immunity to disease, and combat malnutrition. The ultimate goal is to implement these programs to prevent declining health and nutrition indicators.

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## **STATUS OF MICROFINANCE IN INDIA: A REVIEW OF GROWTH AND CURRENT PERSPECTIVE OF SHG-BANK LINKAGE PROGRAM IN INDIA**

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### **Abstract**

Over the past few years, there has been a remarkable evolution in the Indian microfinance sector. The Microfinance Institution (MFI)-Bank Linkage Model and the SHG-Bank Linkage Model (SHG-BLM) are the two main models used in India to deliver microfinance. The most effective widely utilized microfinance model in India is the SHG-BLP, which was created by NABARD. The SHG-BLP was first introduced by the National Bank for Agriculture and Rural Development (NABARD) in February 1992. Under this program, banks were linked to Self Help Groups (SHGs) to distribute credit as well as savings. Since 1992, the program has expanded greatly and gradually covers the all regions for the country. Due to its scale and the number of people it serves, the SHG Bank Linkage Programme (SHG-BLP) is currently the largest microfinance initiative globally. In this background, the paper attempts to study the current status and progress made under the SHG-Bank Linkage Model in India.

**Keywords:** Microfinance, MFIs, SHG, SHG-BLP, Financial inclusion.

### **Introduction**

In a developing nation such as India, it is imperative to assist low-income families and raise their level of living by assisting them financially in a more effective manner and there comes the idea of "microfinance," a type of financial business that regularly and lawfully offers modest loans and other financial services to low-income and impoverished people, emerged. It's a tool for the economy intended to encourage financial inclusion, which lifts low-income and impoverished households out of poverty and raises their standard of living overall. It can help make national policies that aim to enhance living standards, empower women, support vulnerable populations, and make poverty more successful.

Globally, microfinance is widely acknowledged as a means of reducing poverty. It is a useful and efficient instrument when utilized correctly. A sizeable section of the populace in India continues to live in poverty. Thus, microfinance is an ideal solution to this issue. In essence, microfinance provides funds to the underprivileged so they can participate in a range of revenue-generating endeavors and elevate their social and economic standing. In India, microfinance is not a novel idea. With the introduction of commercial large-scale microfinance by Muhammad Yunus in Bangladesh,

NABARD implemented microfinance using the Self-Help Group (SHG) model in 1992. Many parts of the programmes have been successfully incorporated once extensive SHG model operations began in India.

### **Concept of Microfinance**

At first, the word "microfinance" was limited to services that had just one component: giving microloans to people who couldn't access traditional financial institutions like banks. In a brief amount of time, microfinance expanded to become much more than a source of loans. Many recipients of microfinance see it as a means of improving their general growth, social standing, and economic standing. Particularly, microfinance aided the impoverished in rural areas in their quest for independence. Microfinance providers use a variety of methods to primarily target rural women, with encouraging outcomes. Thus, microfinance is now a catch-all word for a variety of financial services provided to consumers as well as for financial inclusion in general.

### **Microfinance evolution in India**

Microfinance has a lengthy history in India. Since its initial introduction in Gujarat in 1974 by the SEWA Bank, a branch of the Self-Employed Women's Association (SEWA), it has been instrumental in supplying financial services to countless individuals who have been excluded from the mainstream of society's economy. In 1985, Mysore Resettlement and Area Development (MYRADA) started several initiatives. MYRADA began conducting structured training for 300 self-help groups (SHGS) in 1986–1987; this effectively launched microfinance via SHGS. Ten to twenty local men or women make up one group of SHGS. The development of SHGs was fostered throughout time by government organizations including IFAD (International Fund for Agricultural Development), RBI, NGOs, and NABARD (National Bank for Agriculture and Rural Development). Therefore, the development of SHGs and microfinance can be divided into two stages. In the first phase from 1987 to 1992, NABARD along with MYRADA nurtured SHGs till the Reserve Bank of India accepted the SHG model as one of the credit options that shaped the first phase. In 1992 onwards marks the 2nd phase and in this phase, SHGs got help from all the agencies such as RBI, IFAD, etc. NABARD started SHG-BLP (Self-help Group Bank Linkage Program) in 1992.

### **Microfinance Models in India**

Many models have been established globally throughout the years; however, there are two main models for microfinance services in the Indian microfinance market.

1. **SHG- Bank linkage program-** NABARD launched SHG-BLP in India in 1992. Typically, a Self-Help Group (SHG) has 10 to 25 individuals who share a common socioeconomic background. In India, women make up the majority of SHG members. As a result, it is now an instrument for women's empowerment. In India, SHG-BLP is the most popular microfinance scheme. The Reserve Bank of

India (RBI) has allowed SHGs to create savings linking accounts with any commercial bank, district central cooperative banks (DCCBs), regional rural banks, and similar establishments. The SHG members distribute internal credits they have accrued as low-interest loans to one another.

2. **Microfinance Institution Model (MFI):** MFIs are essentially non-governmental organizations (NGOs) that are established under the Companies Act of 1956, the Trusts Act of 1882, or the Societies Registration Act of 1860. Other MFIs are not registered but operate for the benefit of the underprivileged by laws and regulations. MFIs are businesses that offer a range of services to private citizens, SHGs, and Joint Liability Groups (JLGs). They offer underprivileged instruction in both skill development and financial literacy. Thus, they serve as a middleman between borrowers and financial institutions.

In India, microfinance institutions (MFIs) have been instrumental in providing small loans, particularly to underprivileged groups who lack collateral. They are making a significant impact on the nation's effort to promote financial inclusion. The microfinance industry is incredibly varied, with a wide range of players of different kinds and legal structures. It includes Banks, SFBs, NBFCs, NBFC-MFIs, and Non-Profit MFIs.

## Literature Review

**Khan, Ahmed, and Shireen (2021)**, conducted a study to look at the variations in the ownership makeup of MFIs in India about effectiveness. According to their analysis, microfinance institutions in India met the efficiency requirements from 2005–2006 to 2017–2018, regardless of changes in regulations. Regression analysis was done in this work, and it was discovered that NBFC and MFI outperformed their counterparts. According to this study, increasing efficiency might be achieved by adopting cutting-edge technologies through outsourcing from financial technology.

**Hyder (2020)**, found that microcredit had reduced income poverty by 1.5% as a consequence of their qualitative and quantitative research approach based on secondary data from Bangladesh. Thus, by providing low-cost loans and generating income, microcredit may be able to assist individuals in escaping poverty, as the research shows. However, as the microfinance industry has expanded, several scholars have researched outreach failure and mission drift.

**Wondirad (2020)**, investigated the relationship between the financial and social performance of MFIs. Data from 183 MFIs were gathered between 2005 and 2014 and used in this paper. Aside from the connection between social and financial factors, the main query was whether competition was causing any kind of performance distortion. The study concluded that there is not only a favorable correlation between MFIs' social and financial success but also that the participation of MFIs boosted the poor's sustainability and profitability.

**Sharif (2018)**, found in this study that improving the lives of rural impoverished people requires microfinance. His study looked at several factors to determine how well Indian microfinance organizations were performing. The information was gathered from multiple secondary sources, encompassing data spanning from 2012–2013 to 2016–2017. During the study period, it was discovered that deposits, clients, savings, etc. are growing annually.

**Kumar et. al. (2015)**, the study concluded that MFIs and SHGs are essential to the provision of microfinance services, which promotes the development of India's low-income and impoverished population. However, several study findings from across the nation have also been reported regarding slow progress in SHG member graduation, subpar group functioning, member dropout, etc. These findings must be taken into consideration when creating the roadmap for the SHG program's next phase.

**Kumar (2015)**, focused on the problems and difficulties facing MFIs. It also addressed the current environment and the necessity of microfinance for sustainable development. The report offers MFIs several recommendations for resolving the issues. These precautions include transparency in interest rates, appropriate regulation, field oversight, and alternative funding sources. These actions may lead to the rural economy's expansion, diversification, and development.

**Nikita's (2014)**, study concludes that the number of SHGs with bank-linked savings declined for the first time in 2012–2013, following the introduction of the SHGs BLP. The report also reveals that there was an increase in SHG loan outstanding, which contributed to the rise in non-performing assets. Eventually, it is discovered that commercial banks hold the majority of the shares when the agency-wise loan to MFI is given. He recommended that actions be taken to enhance the results of programs periodically introduced under microfinance.

**Sibghatulla (2013)**, focused on the problems and difficulties facing Indian microfinance. The paper covers the significant influence that MFIs have had in reducing poverty and raising the living standards of the impoverished. It also says that MFIs should give regulatory concerns, geographical imbalances, appropriate management, and language difficulties top emphasis. If these problems are resolved, thousands of impoverished people's living conditions will rise to a new level.

**Ghosh (2012)**, examined the effect of SHG-BLP on India's socio-economic development and efforts to reduce poverty. The research was conducted in six states of India. Multi-stage simple random sampling was employed in the study to gather data. According to the study's findings, the southern part of India has the largest potential for SHG-BLP expansion, and the majority of borrowers used their loans for small businesses and economic

**Quayes (2010)**, MFIs may give up on helping the underprivileged to increase their earnings. The results of this study, which looks at a sample of 1591 MFIs over sixteen years, show that outreach to women has not decreased and has generally increased.

In India, there are two main models used to provide microfinance services: the MFI model and the SHG-bank linkage program (SBLP). India's microfinance sector is dominated by the SBLP model.

**Agarwal & Sinha (2010)**, study, which employed cross-sectional data, revealed that 13 out of 22 MFI with the highest performance levels were utilizing distinct business models. The top performers from the mixed market database were the only ones considered in this analysis. The study covered the MFIs' revenue, costs, productivity, efficiency, and risk management in addition to their overall performance. Furthermore, they determined that variations in the study's parameters might be acceptable because of the MFIs' disparate working areas.

**Ramakrishna (2006)**, a survey of 192 Regional Rural Banks (RRBs), 114 Cooperative banks in Tamil Nadu, West Bengal, Karnataka, Chhattisgarh, and Maharashtra, as well as 27 public sector banks, was used to examine the effects of the SHG-Bank linkage model. According to the study's findings, commercial banks made up the majority of the banks involved in bank linkages, credit extension, and outstanding loans. At just 9% of the market, cooperative banks had the lowest market share for credit extension.

**Gurumoorthy (2000)**, explained that self-help groups as a viable option for achieving the rural development objectives, and to involve the community in all alternative rural development programs. Self-help groups were created to provide microloans to rural women based on the saving power of the group without insisting on any guarantee to encourage them to get into business and become women entrepreneurs.

### **Objectives of the study**

- To understand the concept of microfinance and its evaluation and models in India.
- To examine the current status and growth of microfinance in India.

### **Research Methodology**

This is descriptive research based on secondary data. The Data have been collected through books, newspapers, recent research papers, research articles, research journals, and reports of NABARD, etc.

### **Analysis of data**

#### **SHG-Bank linkage program**

In terms of clientele and outreach, the Self-Help Group Bank Linkage Programme (SHG-BLP) is the biggest microfinance initiative globally. Even though the project has reached saturation points in some places, deeper program penetration is still needed in some locations.

**Table: 1 Status and progress of SHG-Bank Linkage Program in 2020-21 to 2022-23.**

(Number in lakh/₹ in crore)

Particular		2020-21		2021-22		2022-23	
		No. of SHG	amount	No. of SHG	amount	No. of SHG	amount
SHG saving with Bank	Total SHG no.	112.23	37477.61	118.93	47240.48	134.03	58892.68
	All women SHG	97.25	32686.08	104.05	42104.77	112.92	52455.48
Loan disbursed to SHGs	Total SHG	28.87	58070.68	33.98	99729.22	42.96	145200.23
	All women SHG	25.9	54423.13	31.5	93817.21	41.42	139315.69
Loan outstanding against SHGs	Total SHG	57.8	103289.71	67.4	151051.30	69.57	188078.80
	All women SHG	53.11	96596.6	62.65	142288.61	65.15	179468.42

Source- NABARD

Overall, compared to 2021–2022, there is a 13% increase in the number of SHGs linked to savings accounts and a 25% increase in the total amount of savings in 2022–2023. Over the past three years, there has been a favorable trend in both the quantity and number of SHG savings accounts with banks. The quantity and number of Self-Help Groups (SHGs) that have bank loans outstanding during the past two years exhibit a similar upward trend. Over the past two years, loans to Self-Help Groups (SHGs) have climbed steadily, both in terms of quantity and quality, as they have recovered from a decline in FY 2021 brought on by the epidemic.

Regions	2020-21		2021-22		2022-23	
		Saving	No.	of Savings	No.	of Savings

		Amount	SHGs	Amount	SHGs	Amount
Northern Region	6,09,808	1,74,345	6,80,143	1,99,582	7,87,807	1,22,485
North Eastern Region	6,33,714	83,126	6,80,845	1,06,441	7,93,320	1,27,153
Eastern Region	31,22,424	7,74,912	32,43,980	13,58,595	39,30,551	17,42,499
Central Region	13,45,575	2,11,870	13,55,564	3,25,696	18,32,040	4,58,675
Western Region	15,50,176	3,74,023	16,88,451	3,27,691	19,27,560	5,41,611
Southern Region	39,61,703	21,29,485	42,44,070	24,06,043	41,31,805	28,96,845
<b>Total</b>	<b>1,12,23,400</b>	<b>37,47,761</b>	<b>1,18,93,053</b>	<b>47,24,048</b>	<b>1,34,03,083</b>	<b>58,89,268</b>

**Table: 2 Region-wise progress of Savings Linked SHGs with Banks during 2020-21 to 2022-23)**

**Source: NABARD**

According to Table no. 2 the region-by-region comparison analysis, an increase in savings-linked SHGs was observed in all regions in 2022–2023, except the Southern region, which experienced a slight decline as a result of program saturation. Between 2022 and 2023, the savings-linked SHGs grew at a region-specific rate of 35% in the Central area and 14% in the Western region

**Table: 3 Region-wise Status of Bank Loan Disbursed to SHGs during 2020-21 to 2022-23.**

(₹ Lakh)

Region	2020-21		2021-22		2022-23	
	No. of SHGs	Total Loans Disbursed	No. of SHGs	Total Loans Disbursed	No. of SHGs	Total Loans Disbursed
Northern	67,658	94,045	79,532	1,17,102	1,02,931	2,06,437
North Eastern	68,116	1,03,651	94,871	1,84,636	1,23,602	3,13,764
Eastern	11,24,578	14,87,551	13,01,505	25,68,978	16,34,604	33,38,333
Central	1,28,617	1,05,428	1,84,322	2,16,983	2,78,359	4,63,673
Western	1,61,159	2,30,331	2,39,086	3,81,363	2,73,253	6,75,144

Southern	13,37,266	37,86,063	14,98,951	65,03,860	18,82,772	95,22,672
<b>Total</b>	<b>28,87,394</b>	<b>58,07,068</b>	<b>33,98,267</b>	<b>99,72,923</b>	<b>42,95,521</b>	<b>1,45,20,023</b>

**Source: NABARD**

Table 3 provides a comparative analysis of bank loans issued to SHGs over the last three fiscal years (2020–21 to 2022–23). Banks disbursed credit totaling ₹ 1,45,200 crore to 43 lakh SHGs in 2022–2023 as opposed to ₹ 99,729 crore to 34 lakh SHGs in 2021–2022; this represents a growth of 46% and 26%, respectively, in the amount of credit disbursed and the number of SHGs credit linked over the year.

All regions had a rise in the amount of credit disbursed to SHGs in 2022–2023 compared to 2021–2022, with the Central region experiencing the largest growth (114%). In terms of the total distribution, the Southern region received the largest amount ₹ 95,226.72 crores to 19 lakh SHGs, while the Northern region received the least amount ₹ 20, 64.37 crores to 1 lakh SHGs. With 7.44 lakh SHGs credit linked throughout the year, Karnataka led all other states, followed by West Bengal (6.76 lakh), Bihar (6.40 lakh), and Andhra Pradesh (5.27 lakh).

**Table: 4 Agency-wise status of SHG-Bank Linkage Program in 2022-23.**

(₹ Lakh)

Category of Agency	Total Savings of SHGs with Banks as of 31 March 2023		Loans disbursed to SHGs by Banks during 2022-23		Total Outstanding Bank Loans against SHGs as of 31 March 2023		NPAs as on 31.03.2023	
	No. of SHGs	Savings Amount	No. of SHGs	Loans disbursed	No. of SHGs	Loan Outstanding	Amount of Gross NPA	NPA (%)
Commercial Banks	7753137	3468997.61	2471417	9308819.17	4202133	12924408.8	340220.81	2.63
% Share	57.85	58.90	57.53	64.11	60.40	68.72	64.81	
Regional Rural Banks	4047836	1820277.34	1570469	4429041.17	2193119	4821593.92	119371.64	2.48
% Share	30.20	30.91	36.56	30.50	31.52	25.64	22.74	
Cooperative	1602110	599992.61	253635	782162.99	561799	1061877.	65341.36	6.15

Banks						04		
% Share	11.95	10.19	5.90	5.39	8.08	5.65	12.45	
<b>Total</b>	<b>13403083</b>	<b>5889267.56</b>	<b>4295521</b>	<b>14520023.33</b>	<b>6957051</b>	<b>18807879.8</b>	<b>524933.81</b>	<b>2.79</b>

Source: NABARD

Table 4 provides the agency-wise status of SHG-BLP. As of March 31, 2023, the provision of savings and credit services by Commercial Banks, RRBs, and Cooperative Banks is crucial in fortifying the SHG-BLP. With over 77 lakh SHGs having savings accounts with them, Commercial Banks have done incredibly well through their extensive network of banking operations. Thus, commercial banks have the largest percentage of SHG savings associated with banks (58%), followed by RRBs 30%, or 40 lakh SHGs, and cooperative banks 12%, or 16 lakh SHGs. With 12.49 lakh, or 19.4% of all the saving-linked SHGs of Public Sector Commercial Banks, the State Bank of India is the bank with the most number of these.

Table 5 indicates the average savings of SHGs with banks have increased for all agencies. The average savings climbed from ₹ 39,721 in 2021–2022 to ₹ 43,940 in 2022–2023; average loans given to Self-Help Groups (SHGs) saw a 15% increase from the previous year, with a 4% fall in RRB loans and an increase in loans from Commercial Banks and RCBs.

**Table: 5 Agency-wise Average Savings, Loan Disbursement, and Loan Outstanding per SHG in 2021-22 to 2022-23**

(₹ Lakh)

Category of Agency	Average Savings of SHGs with Banks			Average Loans disbursed to SHGs by Banks			Average Outstanding Bank Loans against SHGs		
	2022-23	2021-22	Change (%)	2022-23	2021-22	Change (%)	2022-23	2021-22	Change (%)
Commercial Banks	44,743	44,612	0.29	3,76,659	2,94,460	27.92	3,07,568	2,45,495	25.28
Regional Rural Banks	44,969	38,488	16.84	2,82,020	2,94,896	-4.37	2,19,851	1,94,620	12.96
Cooperative Banks	37,450	19,143	95.63	3,08,381	2,76,485	11.54	1,89,014	1,68,247	12.34
<b>Total</b>	<b>43,940</b>	<b>39,721</b>	<b>10.62</b>	<b>3,38,027</b>	<b>2,93,471</b>	<b>15.18</b>	<b>2,70,343</b>	<b>2,24,113</b>	<b>20.63</b>

Source: NABARD

## Conclusion

In India, microfinance institutions (MFIs) have been instrumental in providing small loans, particularly to underprivileged groups who lack collateral. They are making a significant impact on

the nation's effort to promote financial inclusion. In terms of clientele and outreach, the Self-Help Group Bank Linkage Programme (SHG-BLP) is the biggest microfinance initiative globally. Even though the project has reached saturation points in some places, deeper program penetration is still needed in some locations. According to the aforementioned study, SHG-help is essential to the provision of microfinance, which propels the development of India's low-income and impoverished population. As of March 31, 2023, there are a total of 18 SGs connected to banking, up 13% from the year before. Savings have increased by 25% from the year before, but loans on SGs have increased to 59 lakhs, up 3.22% is due.

The current study discovered that, as a result of NABARD's initiative, there has been a notable increase in the amounts of SHG savings with banks and a rise in the formation of new SHGs, mostly through SHG BLP. As a result, the SHG-Bank Linkage Programme has grown tremendously in India to become the largest microfinance sector globally and the country's premier microfinance initiative. The increase in funds awarded to Self-Help Groups (SHGs) during the past three years is praiseworthy, given that COVID-19 has caused economic difficulties. The joint efforts of agency partners including commercial banks, RRBs, cooperative banks, NGOs, the government, and SHG women who supported the goal of reducing poverty through microfinance have made the SHGBLP successful. The study found that there is positive growth in microfinance in India through the SHG-bank linkage program.

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# OBSTACLES FACED BY SMALL-SCALE INDUSTRIES IN INDIA: AN INCLUSIVE LITERATURE

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## Abstract

The worldwide economy has been witnessing dramatic and significant changes over the years even after implementing reforms in relevant sectors. The term reforms indicates structural changes in patterns of existing methods. Since 1991, Industrial reforms have given generous opportunities to trade, technology, foreign investment, financial capacity building, and development of SSIs. After industrial reforms, India has achieved growth in terms of economy however some factors are persistent in creating hindrances. Therefore, the present study focuses on obstacles/problems faced by small-scale industries in India. Based on a review of the available literature, summary is generated.

**Keywords:** MSMEs, Efficiency, Skills, Challenges, Development

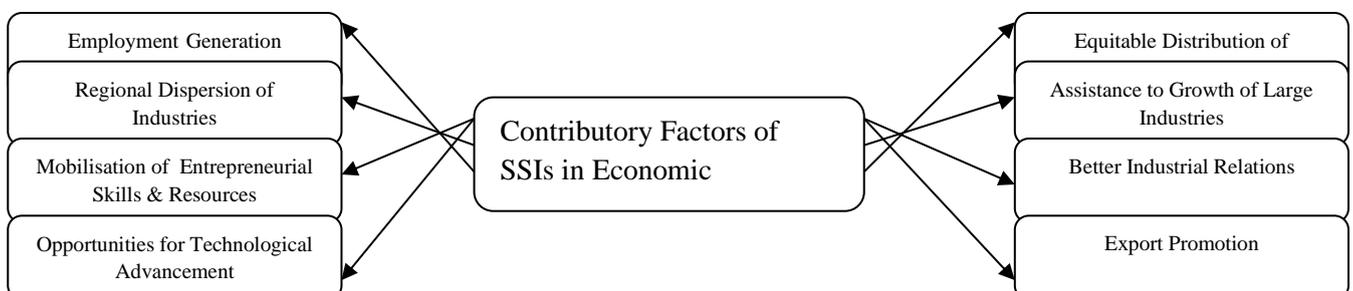
## Introduction

India, being a developing country has various unutilized or underutilized resources. A major section of the population is unemployed and not enough satisfied for their primary needs. According to the *Planning Commission of India*, the small-scale sector has its divisions mainly into three types, *Traditional, Modern, and Other*. The distinctive criteria between traditional and modern types of small-scale sector are the use of manual power and human skills mainly and not using the technical or mechanical skills. As per the Small-scale Industry Policy, of 1991, unique policy regimes are required at different subsectors of industries (Dasgupta, 2002). To elevate people's involvement in some productive doings, exploring new employable prospects, and offering equivalent opportunities to both women and men in economic activities necessitated improved economic development. For sustained and organized growth of SSIs, the establishment of the Small Industries Development Organisation (SIDO), as a top body took place in the year, 1954. Further, the *Keynesian Model* was introduced for the promotion of the SSIs sector during the *third and fourth five-year plans* i.e. 1961-1966 & 1969-1974, respectively, featuring identification and analysis interferences to total production and income with the principles of Keynesian economics. *Keynesian Model* is constructed on total expenditure by the four macro-economic sectors, which are; business, households, govt. foreign and

net exports to analyze many themes and concerns including business cycles, fiscal & monetary policy, and multipliers. In India, small-scale industries signify enormous scope in terms of employment generation and expansion of production. Various measures have been taken to get rid the problems of about financing, input availability, marketing and distribution, etc. at the central and state level in India but no satisfactory effect has been found. Since Independence, the promotion of small-scale sectors in India has been an imperative push of *Industrial Policy*.

In India, the definition of a small-scale sector has been changing since the 1950s. Undeniably, the legislative creation of the Ministry of Micro, Small, and Medium Enterprises and the classification of enterprises under the ministry has defended small businesses in India. In the development of the country, the contribution and presence of the MSMEs sector, especially of the service sector, has been notable and found growing (Gupta & Chowdhry 2010). Indian MSMEs brag about ancient heritage, as traditionally the micro businesses are known as village and cottage industries (Baral & Sahoo, 2013). Changing definitions of small-scale industries have laid down and removed different criteria in terms of investment limit, labour force, and employment. To facilitate this sector, initiatives taken by GOI such as “Make in India” which creates a network for foreign investors in India, “Digital India” scheme which provides a base for ICT capabilities, “Startup India” scheme which provides market and training support, are integral scope for MSMEs. Recent GOI offers schemes giving benefits of capital subsidies, corpus funds to adopt new technologies, and funding support (collateral-free) to adopt quality management standards and technology tools (Mukherjee & Chanda, 2019). To achieve inclusive growth and sustainable development, a well-developed policy framework is always required because in most parts of India, declining returns to scales have been witnessed over the capacity level of the SSIs (Lokhande, 2011). Small and Medium enterprises would be a big provider towards the escalation of the Indian Economy if sustained by budding sectors like service and technology sectors (Bargal et al., 2009).

### Role of SSIs in Economic Development of India



Source: Lakshmi (2013)

### Methodology

The prime purpose of this paper is to provide a glimpse of an inclusive review of the literature on problems/ obstacles faced by SSIs of various sectors in India. This paper observes available literature

from 2012 to 2023. On the grounds of the available literature presented in this paper, a collective summary is generated and certain possible future aspects are also mentioned to overcome limitations existing in such previous research which will help research aspirants to cover the remaining part or gap in their future research interests.

### Scholarly Review of Research Literature

S.No.	Author	Year	Description	Tool	Findings
1.	Coad, & Tamvada	2012	Firm growth and barriers to growth among small firms in India.	Regression Analysis	<ul style="list-style-type: none"> <li>• Women-owned &amp; proprietary firms have lower growth rates.</li> <li>• Age &amp; size of enterprise hurt firm growth.</li> <li>• Exporting has a positive impact on firm growth.</li> </ul>
2.	Kalyani & Sindhuja	2017	A study on problems of small scale industry in Coimbatore district.	Descriptive Statistics	<ul style="list-style-type: none"> <li>• A greater part of entrepreneurs were first-generation entrepreneurs, lacked educational qualifications, and sole traders.</li> <li>• Greater no. of entrepreneurs were facing the issue of power supply.</li> <li>• Issues relevant to govt. support was less prevailing.</li> </ul>
3.	Bandopadhyaya & Khan	2020	Factors of export promotion of MSMEs in India with special reference to raw material availability.	Linear Regression Model	<ul style="list-style-type: none"> <li>• Adverse effect of poor growth in accessibility of raw material on export performance.</li> <li>• Positive effect of fixed investment, govt. support &amp; foreign exchange rate on performance.</li> </ul>
4.	Shah, & Vyas	2019	Development of a questionnaire for Ergonomic Evaluation, its cultural adaptation,	Correlation Coefficient, Cronbach's Alpha	<ul style="list-style-type: none"> <li>• To prevent risk factors in handicraft industries, ergonomic training can be given.</li> </ul>

			and its validation for traditional SSIs.		<ul style="list-style-type: none"> <li>• Unawareness of W.R.M.S.D. (work-related musculoskeletal disorders) in traditional SSIs.</li> </ul>
5.	Prakash, & Verma	2019	Barriers faced by entrepreneurs of Micro, Small & Medium Enterprises in Bihar	t-test, ANOVA	<ul style="list-style-type: none"> <li>• Problems related to packaging, finance, and marketing are major obstacles in the development and progress of the MSMEs</li> <li>• Problems related to labour are the least common while setting up the enterprise.</li> </ul>
6.	Prabhakaran	2020	Financial competitiveness: A role of SSIs in the Indian economy.	Descriptive Statistics, t-test (two-paired), Correlation Analysis	<ul style="list-style-type: none"> <li>• Financial capability and flexibility have positive and financial strategy, knowledge and innovation have a negative impact on the financial competitiveness of SSIs.</li> </ul>
7.	Dash & Mishra	2021	Indian coir industry: an overview on performance, problems & prospectus.	SWOT and Trend Analysis	<ul style="list-style-type: none"> <li>• No significant role of capital in the development and productivity of the coir industry.</li> <li>• Coir industry generates revenue from export only.</li> </ul>
8.	Kumar	2020	Social business model and its efficacy: A case study on Agroforestry in the Indian context	Case study, Document Analysis	<ul style="list-style-type: none"> <li>• Social innovation has led SSA to progress, profitability, and prosperity.</li> <li>• Impact measurement strategies provided a positive impact on</li> </ul>

					farmers' learning and SVC.
9.	Prakash <i>et al.</i>	2021	Barriers, potential solutions for MSMEs in developing economies: Evidence from India.	Descriptive Statistics, <i>t-test</i> , ANOVA	<ul style="list-style-type: none"> <li>• Gender inequality &amp; labor migration are major obstacles faced by small-scale entrepreneurs in Bihar.</li> <li>• Other obstacles faced by small-scale entrepreneurs in Bihar are; poor power supply, marketing strategy, poor road connectivity, poor public transport, high electricity charges, high transportation cost, poor quality of drainage system, delay in payments from creditors, lack of finance for raw materials lack of working capital, market recession/lack of demand, and absenteeism of labour.</li> </ul>
10.	Yadav <i>et al.</i>	2023	Digital and innovative entrepreneurship in the Indian handicraft sector after the COVID-19 pandemic: Challenges and opportunities.	Content Analysis	<ul style="list-style-type: none"> <li>• The Indian handicraft industry frequently lacked adequate finance, and organizational and technological reserves, making them more defenseless to curb the pandemic.</li> <li>• Despite nominal government support for small-scale industries, the handicraft sector discovered a way of digital innovation to</li> </ul>

					prosperity in the industry with increased online demand & supply of items.
11.	Khare <i>et al.</i>	2023	Identifying the factors of public relations activities & its impact on the growth of SSIs in India	Descriptive Analysis, Factor Analysis, Multiple Regression	<ul style="list-style-type: none"> <li>• Factors of public relations practices influence SSIs economic growth in central India.</li> <li>• Proficient dimensions are required to assess the influence of PR doings on the SSI development factors.</li> </ul>
12.	Agarwal <i>et al.</i>	2023	Building resilience for the sustainability of MSMEs post COVID-19 outbreak: An Indian handicraft industry outlook.	Exploratory Factor Analysis	<ul style="list-style-type: none"> <li>• Causes of lack in organizations are shortage of competitiveness in man-made products, competitor's price policy, unsatisfactory representation in foreign markets, unavailability of skilled labor, and lesser financial assistance.</li> <li>• Other major challenges were ineffective responses to internationalization &amp; unproductive managerial concerns.</li> </ul>
13.	Jayachitra & Dhandapani	2022	Status of women employee and job satisfaction in safety match industries of Vellore district.	Descriptive Statistics, Chi-square test	<ul style="list-style-type: none"> <li>• The main reason for job satisfaction is considered wages paid to male &amp; female workers, which varies from unit to unit.</li> <li>• Workers were found dissatisfied with working hours.</li> </ul>

					<ul style="list-style-type: none"> <li>Workers were satisfied with Social benefits.</li> </ul>
14.	Indira	2022	An analytical study on the performance of small-scale sick industrial units in Kanniyakumari district.	Descriptive Statistics, Chi-square test	<ul style="list-style-type: none"> <li>Labour problems and lack of competitiveness were major causes of small-scale industrial sickness.</li> <li>Lack of infrastructure, lesser education, and inability to invest were also found few other reasons responsible for sickness in SSIs.</li> </ul>
15.	Jena & Rashmi	2023	GST adaptation among Small Scale Industries (SSIs) of Ambattur Industrial Estate, Chennai.	Descriptive Statistics, ANOVA, Correlation Analysis (sig. 2-tailed)	<ul style="list-style-type: none"> <li>SSIs have outsourced GST-related activities without adapting to change and have no infrastructure.</li> <li>Attitude and psychological factors of employees were responsible or prosperous adaptation of change in SSIs which was more desired than other physical factors.</li> </ul>

Source: Author

### Summary & Suggestions

Small-scale industries (SSIs) are crucial platforms to build a nation's interests and economy. This study attempts to comprehend how SSIs establish themselves within a social business model context and what challenges they face. There are some noteworthy points as regards the connotation for future improvements. Based on the abovementioned review of literature, summarisation is subsequent below:

- SSIs face problems in availing govt. support through various programs and policies so there should be the establishment of an easy & accessible single-window system where entrepreneurs can easily avail themselves of facilities such as training, finance, guarantee-free loans, marketing,

infrastructure, research development, and technological advancement provided by the government.

- Uncomplicated access to electricity to SSIs must be provided by the government
- SSIs face financial competitiveness in terms of financial capability and flexibility internally and externally. To curb such kinds of competitiveness there must be a proper channel to train SSIs with advancement in all aspects, especially in availing financial resources and planning.
- SSIs belong to artisans in the coir industry who face inadequacy in paying wages due to lesser demand for coir products domestically but this industry has international level demand for such products. Hence, to attract more employees and enhance national demand, units need to offer more reasonable remuneration to their employees, and the government should come forward and restructure the market.
- In the case of SSIs of agriculture or farming, an evident requirement arises to recognize and seek solutions to the numerous challenges faced by different contributors including farmers within the framework of social endeavor in terms of making the social business form sustainable in the long run. So, advancement of the operations and marketing strategies of social media need to be explored. Also, a need for financial accessibility and surety arises for poor farmers.
- Small scale Paper industry faces no constraints of demand of paper related products but to curb issues like gender inequality and labour migration, the removal of barriers of labor laws, and financial subsidies will facilitate them to come out from the hurdles to run the enterprises smoothly.
- Further, other obstacles faced by small scale paper industry, were poor road connectivity, poor power supply, poor public transport, high electricity charges, delays in payments from creditors, high transportation costs, and poor quality of drainage systems can be resolved only after consideration by the state government to deal with all such issues and curb with absolute changes.
- In case of lacking such management and financial accounting skills, which significantly impacted the performance of small-scale handicraft industries all through the pandemic, can be sharpened up, and the union govt. must come forward and pertain some helping hand to perk up technological advancement, digital innovation, and entrepreneurship, sale acquaintance to overcome irregularities and unproductiveness after the COVID-19 pandemic that provide more specific, proficient, and practical financial data & reports.
- Few studies offer important insights into the use of PR activities as management tools for SSIs in India, regardless of its limitations. Creating competent PR tactics and proper policymaking can promote the expansion of SSIs

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# **ISSUES AND CHALLENGES OF WOMEN ENTREPRENEURSHIP**

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## **Abstract**

The purpose of this article is to explore the motivations and key challenges faced by women entrepreneurs. The article has attempted to discuss the nature of the barriers of sectors in which women entrepreneurs operate, the difficulty in accessing capital for expansion, and the need to reconcile business with domestic activities. The Government of India has actively taken several steps to nurture and promote entrepreneurship in India. The central and state governments have developed and launched many strategies and initiatives to support entrepreneurs and enterprises. The findings of the study have some important implications for both on female entrepreneurship as well as for policy making.

**Keywords:** Women Entrepreneurs, Challenges, Empowerment

## **Introduction**

Women's participation in the economy is critical for sustainable economic development, poverty reduction, and gender equality. The need to empower women and support their role in economic development is not seen solely as a matter of gender equality or social justice. Since women have great potential for the country, they should be used as a tool to develop the economy. Female entrepreneurship seems like an encouraging way to take advantage of women's current skills gap. Women's entrepreneurship not only provides economic benefits to women but can also provide social benefits.

In a developing country like India, women's lives are difficult due to insecurity, ignorance, and social restrictions. Therefore, the transition from a housewife to a businesswoman is not easy. However, this situation is slowly changing. Today, women in India are showing interest in financial independence and are participating in entrepreneurial activity, especially small-scale enterprises. Despite this changing scenario, the role of women entrepreneurs in the economy lags behind the advanced economies (Mammen and Paxson, 2000; World Bank, 2011).

The World Bank reports that India could expand Gross domestic product development by 1.5 rate focuses by including 50% of the women in the workforce. However, India's female labor force participation rate (FLFPR) declined from 32% in 2005 to 19% in 2021, 27 percentage points less

than the global average. Research has attributed the decline in FLFPR to several factors, including girls' enrollment in higher education after 2005, reductions in child labor, and changes in agriculture. The workforce is down, there is an overpayment for unpaid care and unemployment. Indian women's economic contribution accounts for 17% of GDP; which is less than half the world average. COVID-19 exacerbated the situation when women lost work and employment, income from the business diminished, and the burden of unpaid care expended.

Women entrepreneurs face limited access to credit, limited capital formation in limited businesses, lack of knowledge, lack of connections, and low business contacts. Challenges and negative social norms affect their entrepreneurial ambitions and hopes. The Indian government has taken various measures to encourage women entrepreneurs at various levels. NITI's WEP platform is a crucial central initiative to stem the stagnation of female entrepreneurship in India.

“You can tell the condition of a nation by looking at the status of its women”

- Jawaharlal Nehru

## **The Concepts of Entrepreneurship and Entrepreneur**

The definition and meaning of entrepreneurship have greatly evolved since the 1930s with two schools of thought dominating, namely, the innovation- and the resource-based schools of thought (Ahmad and Seymour, 2008). The innovation school of thought views entrepreneurship as an individual's ability to be innovative, to come up with a business idea and convert it into a business while the resource-based school of thought views entrepreneurship as an economic activity that relates to the strategic orientation, commitment to opportunity and resource deployment and control (Ahmad and Seymour, 2008; Casson, 2005). Chinomona et al. (2014) define entrepreneurship as the process of initiating, creating, building, expanding, and sustaining a business venture by exploiting market opportunities. The word entrepreneurship however has its roots in the French word *entreprendre* which means to undertake (Anwar and Rashid, 2012) and as a result, has had a bearing on our understanding of the word entrepreneur. Entrepreneurship education therefore is a form of education that enables women entrepreneurs to undertake their business ventures successfully by capacitating them with knowledge and technical skills required in business.

Entrepreneurship philosophy refers to the personality and work ethic that entrepreneurs must have to be successful when starting a business. These qualities include imagination, intelligence, and knowledge. Entrepreneurship is not an idea, it is the sum of good habits that make a business successful. Entrepreneurs can learn and adopt these habits through education and training or by independently developing products based on best practices.

Entrepreneurs create and invest in jobs, and manage companies and the uncertainties that come with them. But they will also be the main financial beneficiaries of the business. Starting a business is often called a business.

## **Women Entrepreneurship in India**

The growth of women entrepreneurs has led to a large economy and economic growth in the country. Women entrepreneurs play an important role in society by creating jobs in the country, changing the population, and empowering the next generation of women founders.

The vision is to promote the sustainable growth of women entrepreneurs and achieve sustainable growth in India. Start-up India is committed to projects, planning, building support networks and communities, and building connections between different stakeholders in the start-up ecosystem. Empower women entrepreneurs in India.

## **About Women Entrepreneurship Platform (WEP)**

WEP is a government-backed initiative launched by NITI Aayog in 2017 to promote a viable career path for women entrepreneurs in India. WEP aims to achieve this goal by providing a comprehensive collection of information and services. It will strengthen business connections and increase awareness of our existing systems. Specifically, it provides access to the following programs: a) Incubation and Acceleration, b) Entrepreneurial Skills and Mentoring, c) Marketing Assistance, d) Financing and Financial Assistance, e) Compliance Assistance and Taxes, and f) Community Service and Consulting. Since WEP was launched in 2018, more than 26,500 women have registered and benefited from the platform.

## **Review of the Literature**

**Halkias, D., Nwajiuba, C., Harkiolakis, N., & Caracatsanis, S. M. (2011)**, examined the business and social profiles of 67 women entrepreneurs in three regions of Nigeria to identify patterns of entrepreneurship and social and economic challenges facing women business owners in Nigeria. A finding of the study few significant differences exist between male and female business owners or managers once they have already started an enterprise, there is a strong indication that Africa has sizeable hidden growth potential in its women.

**Shastri, S., Shastri, S., & Pareek, A. (2019)**, explore the motivations and key challenges of women entrepreneurs in small businesses in Jaipur, Rajasthan. Research shows that factors such as creativity, innovation, individuality and independence, and service to society are the main motivators for women entrepreneurs to start their businesses. From an organizational perspective, the challenges faced by women entrepreneurs mostly arise from informal organizations. The biggest challenge is that their business potential is not recognized and acknowledged by society. In addition, cultural norms that emerge in working life based on gender also lead to work-life problems.

**Rani, P., & Bansal (2023)**, studied the barriers and opportunities for women entrepreneurship in Pauri Garhwal, District of Uttarakhand. There is a need for an analytical study of the entrepreneurial

problems of women in a changing entrepreneurial environment and new economic policies such as (LPG) liberalization, privatization, and globalization.

**Chauhan, A. S., Agarwal, P., Tiwari, R., Das, M. K., Nautiyal, S., & Joshi, D. (2022)**, examined the status of women entrepreneurs, identified problems associated with women in setting up and running their enterprises in Uttarakhand and provide suggestions for the existing problems and conclude ways of overcoming challenges faced by women entrepreneurs in Uttarakhand.

Magd, H., & Thirumalaisamy, R. (2021) explore both constraints and the potential of self-employed women in Oman. Additionally, considering the entrepreneurial challenges businesswomen face, the study attempts to provide suggestions and recommendations that will contribute to women's entrepreneurship in Oman. The study assumes that the women entrepreneurs in Oman have a positive inclination towards their self-help, family-based business enterprises. Gender restriction is not a significant factor affecting the growth of women entrepreneurs. University graduates are found to be highly motivated to become entrepreneurs.

**Dhekale, V. S. (2016)**, examined the impact on women's empowerment through micro-entrepreneurship development and SHGs. Women's entrepreneurship has been recognized as an important source of economic growth as they create new jobs for themselves and others and also provide society with different solutions to management, organization, and business. Women's entrepreneurship contributes to the economic well-being of the family and communities and also reduces poverty. This study is carried out with the specific objective of knowing the socio-economic background of the women SHGs, their knowledge, skills, and earning capacity.

**Swami, B., & Mphole, G.T.J. (2016)**, examined the reason for the lack of growth of small entrepreneurs to insufficient support by the Government through support programs as well as to their internal weaknesses in terms of applying the right business strategies. Most of the problems preventing the growth of small entrepreneurs were lack of funds and difficulty in accessing Government support programs. These recommendations, if applied properly will create small entrepreneurs' growth not only in sub-urban areas of Botswana but also elsewhere.

**Kumbhar, V. M. (2013)**, discusses the issues regarding women entrepreneurship in rural India. Studies reveal that the absence of definite agenda in life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of property, the paradox of entrepreneurial skill & finance in economically rich and poor women, no awareness about capacities, low ability to bear risk, problems of work with male workers, negligence by financial institutions, lack of self-confidence, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs are major problems of women entrepreneurship development in India.

**Koneru, K. (2017)**, endeavors to study the concept of women entrepreneurs, the reasons women

become entrepreneurs, reasons for the slow progress of women entrepreneurs in India, suggestions for the growth of women entrepreneurs, and schemes for the promotion & development of women entrepreneurship in India. It was a case study of a women entrepreneur in Ludhiana.

**Khan, M. A. I., & Khan, S. S. (2015)**, study explored a perspective on the barriers and challenges faced by Women in embracing Entrepreneurship in Oman. This paper highlights the barriers faced by women entrepreneurs, which need to be addressed immediately by making adequate efforts in the proper direction. The study is based on primary data collected through a structured questionnaire from 100 respondents (women entrepreneurs) from the Sultanate of Oman. There is a long way to go for women's entrepreneurship in Oman. And there are plenty of opportunities to be explored and grabbed by women entrepreneurship. The Omani government should immediately start encouraging women to embrace entrepreneurship.

**Jakhar & Krishna, C. (2020)**, examined opportunities and challenges related to entrepreneurship that the women of our country. Women entrepreneurship in India faces many challenges and requires a radical change in attitudes and mindsets of society. It is important to promote entrepreneurship among women to improve the economic situation of women. The actions & steps that have been taken by the government-sponsored development activities have benefited only small strata of society and more needs to be done in this area.

### **Objective and Methodology of the Study**

- To study the Issues and Challenges faced by women entrepreneurs.

This framework is based on a secondary data.

### **Problems Faced by Women Entrepreneurs**

There are problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise.

**Lack of Knowledge and Risk-taking ability:** Due to less social networks, women lack knowledge about government schemes and other incentives. "It's difficult to understand the financial terminology" Women say we don't get knowledge about government policies, nobody tells us, if we are aware, we can better utilize those resources" Priyanka, P., & Preeti, S. (2022). Education is very important and raises awareness of women's business management ability and their hidden strengths. However, most women do not participate in the work because they do not have the necessary skills and risk-making ability.

**Work-Life Balance:** Work-life balance is a bigger challenge for those who do not have any help at home e.g. maid. Interviewee EE who runs her coaching institute feels that she has to be constantly on her toes to manage both work and home. After the hectic schedule of her coaching classes, she has to prepare dinner for the family and make her children study. Shastri, S., Shastri,

S., &Pareek, A. (2019). Women have a dual responsibility, and running businesses is no excuse for them not to fulfill family responsibilities. So, maintaining a work-life balance is a daunting task for them. As per one study, businesswomen are mostly under stress because of low work-life balance. Priyanka, P., &Preeti, S. (2022).

**Economic and Financial-institution-related challenges:** It is also believed that the economic environment, including the related institutions, also presents some challenges. Disruptions due to unexpected changes such as the complexity of tax structure, lack of government awareness in supporting women entrepreneurs, and demonetization, to name a few, have also hindered the growth of the economy Shastri, S., Shastri, S., &Pareek, A. (2019). The analysis shows that women entrepreneurs face so much discrimination in accessing finance due to stereotyping prevalent in society that banks deliberately ignore them in providing financing. Although there are many important projects to empower women, this type of discrimination still exists in society. Another important difficulty is that, due to the patriarchal society, most women do not have property or money in their name as collateral to get loans from banks. Even banks think women have less creditworthiness. Priyanka, P., &Preeti, S. (2022)

Being women is their biggest problem in a male-dominated society where men are more important than women, especially in business life. Financial institutions are more critical for women entrepreneurs and their ability to manage their businesses, making it harder for women to get business financing. Women also do not have good protection because important assets, such as homes, are rarely in their names. Goyal, M. (2021)

Banks and financial institutions help finance small and medium-sized firm operators to get financial assistance. However, these banks and financial institutions don't readily provide credit to women entrepreneurs because they doubt the creditworthiness of women entrepreneurs. The irony is that according to a report by the United Nations Industrial Development Organization (UNIDO), women's loan repayment rates are higher than men's but still financial institutes doubt their loan repayment abilities.

**Lack of Focus on Career and Cut-Throat Competition:** Indian women do not focus on their careers as much as they do on their families and personal lives. Although their entrepreneurial abilities are excellent, they do not focus on their career goals. Their lack of focus on their career creates a problem in promoting women's entrepreneurship. Female entrepreneurs face fierce competition not only from the industry but also from their male counterparts. It is not an easy task for women entrepreneurs to survive in an intensely competitive environment and achieve the goal of producing quality products at competitive prices.

**Cultural Barriers:** in India, people think that entrepreneurship is a rough battlefield made for only men. Women have no place to there because they have to take care of their homes,

children, and kitchen. Women, like other male entrepreneurs, have less freedom than their families to take risks. However, as women are now getting bolder and having more exposure, they are trying their hand in fields like education, health and fitness assistance, entertainment, and recreation fields.

**Less support from family:** Indian families are evolving in terms of women working out and making alternative income sources for the families, but many families still don't back such ventures.

## **Findings, Conclusion, and Policy Implications**

The findings of this study have some important implications for women's entrepreneurship literature and policymaking. In the context of the literature, the findings reinforce the significance of contextualization and institutional framework for analyzing women's entrepreneurship. The findings highlight the limited role of informal organizations in women's entrepreneurship. There are also some connections between incentives and informal organizations. Further research could be conducted to examine the effectiveness of legal institutions in encouraging or supporting women entrepreneurs.

The government may also take the initiative of organizing programs, where successful women business owners speak about their experiences to young girls and under training business owners. It may also initiate awards/recognition programs that showcase successful women in business.

The findings further reveal that female entrepreneurs lack networks. Given this, initiatives must be taken by the government to form formal women's business organizations and networks through which the women would not only be better represented as entrepreneurs; but They can learn from each other's mistakes and share resources and knowledge. This network can create a partnership by helping women adjust their goals and buy from each other. Networks may also facilitate an introduction to mentors and investors.

The government should promote women's representation at international and local trade fairs. This would help in women entrepreneurs' improved visibility, fostering networks and identification of potential buyers.

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# THE ISSUE OF OUT-MIGRATION IN UTTARAKHAND

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## **Abstract**

In Uttarakhand, with over 80% of its rural population residing in the hill districts, the predominant issues hindering development are the challenging mountainous terrain and scattered populace. Post its formation, out-migration was a prominent trend, resulting in population declines in districts and sluggish growth in other hilly areas. This issue is emphasized by the fact that from 2001 to 2011, the rural population decreased by 7%, while the urban population increased by nearly 35%, twice the state's average growth rate. Out-migration carries substantial economic, social, and political implications, necessitating government intervention. This study, utilizing secondary data from government and private sources, pursues two primary objectives. Firstly, it explores the extent of human migration from Uttarakhand's hilly regions. Secondly, it delves into the causes of out-migration. The research reveals that the lack of livelihood opportunities in their places of origin drives most migrants. From a policy standpoint, boosting the economic base, focusing on niche activities, and improving educational and healthcare infrastructure can help mitigate out-migration from Uttarakhand. Notably, employment, education, and healthcare emerged as the pivotal factors shaping migration decisions.

**Keywords:** out-migration, Uttarakhand

## **Introduction**

The historical context of out-migration in Uttarakhand can be traced back to the colonial era when the British Army recruited local youth. Following India's independence, a significant shift occurred as people began to relocate to the plains in search of improved opportunities. This paper delves deeper into the intricate dynamics of out-migration in Uttarakhand, a prevailing trend in mountainous regions that is deeply entwined with socioeconomic and cultural factors.

Uttarakhand is administratively divided into two regions, comprising 13 districts, 102 tehsils, 95 development blocks, 670 nyaay panchayats, and 7,950-gram panchayats. Among the 13 districts in the state, 4 districts (Dehradun, Udham Singh Nagar, Haridwar, and Nainital) are classified as plain areas, while the remaining districts are characterized as hilly regions. Geographically, it shares its borders with China and Nepal while being adjacent to Himachal Pradesh, Uttar Pradesh, Punjab, and

Haryana. The establishment of Uttarakhand as a distinct state is a testament to the persistent demand for statehood in the region.

In Uttarakhand, abandoning the hills has long been a common practice among those looking for better access to healthcare and education, as well as a wider range of employment opportunities. The 2011 Census revealed that Uttarakhand's overall population growth rate was 1.7%, with significant variations across the state's plains and mountainous regions. There has been an evident inclination of migration out from the state's mountainous parts as the hilly regions saw a population increase of 0.70%, significantly lower than the 2.82% growth observed in the plain districts, indicating a notable migration trend away from the hilly areas of the state.

Regrettably, the development landscape in Uttarakhand has failed to curtail the out-migration from its hilly districts, showing a recent acceleration in the trend. Most mountainous districts have experienced sluggish population growth, exemplified by a stark decline of 17,868 individuals in Almora and Pauri Garhwal between 2001 and 2011, underscoring the extent of out-migration. In parallel, rural areas in the plains, including Haridwar, Dehradun, and Udham Singh Nagar, have witnessed substantial development, leaving the hill districts comparatively underdeveloped.

It is estimated that only 10% of the land in hilly regions is irrigated due to small and dispersed land holdings making a significant portion of rural people dependent on subsistence farming or migration in search of better opportunities. The lack of development of infrastructure in the hill areas, particularly in roads, irrigation, and power, exacerbates the differences in income and standard of living between the plains and the hills.

### **Objective of the study**

- The study aims to examine the trend of human migration from Uttarakhand's hilly districts.
- This study examines the major reasons behind migration.

### **Methodology**

The Present study based on secondary data on migration. An interim report on the migration of revenue villages in Uttarakhand issued in 2018 by the 'Rural Development and Migration Commission, Pauri Garhwal, Uttarakhand is the major source of data. The data included migratory trends from 2011 to 2018, and it was analyzed using percentiles, indices, and other levels, which were also visually represented through graphics.

### **Literature Review**

**Sati (2020)**, shows in his research paper about the out-migration in Uttarakhand Himalaya. It is also mentioned that in 3 districts – Pauri, Tehri, and Almora, more than 10% of the population migrated after 2011 and major migration was internal from mountain districts to urban areas within their districts. Unemployment is the major problem in rural areas of Uttarakhand and 50% of migration is

done only for employment. This study suggested that employment opportunities can be increased by the emergence of institutions, developing infrastructure, a good education system and also providing higher education to the people, and developing and providing new technologies in the agricultural sector which will ultimately minimize the out-migration of rural areas. This study shows the two types of migration that are semi-permanent and permanent, more people are seen migrating semi-permanent, and fewer people are seen migrating. Destinations of migrants are mostly seen in another district of the state which is 35.69% of people, 28.72% of people migrate out of the state, 19.46% of people migrate to nearby towns, 15.18% of people migrate to district headquarters and the remaining 0.96% of people migrate out of the country.

**Jain (2010)**, shows in his study about the labor migration and remittances in Uttarakhand. Six villages, two from each of the three districts are taken. Musoli and Dhapola Sera from Bageshwar, Kothi and Sawad from Chamoli, and Kangsali and Takoli from Tehri Garhwal. In this study, the maximum migration is shown by females in the age group of 20-29 and the reason for migration is marriage. Females have to migrate to another place after their marriage as per their culture and some of the females' husbands took them to other states or countries to live with them. Push factors in these regions are low agricultural productivity, lack of employment opportunities, lack of infrastructure, educational status, and low living standards.

Pull factors are better employment opportunities, better education, good health facilities, and relatives. According to migrants' groups, 66% of Rajputs migrated, 28% of Brahmins migrated, 4% are from SC and other are 2%. The study also focuses on the percentage of migrants who send remittances to their families, the volume and intervals of remittances, the mode of sending remittances, and the actual use of remittances.

**Pokhariya & Jindal (2022)**, shows in their research paper about the effect of migration on the people who have migrated from Uttarakhand. The main reason for migration is the lack of necessities in rural areas of Uttarakhand and the lack of employment opportunities. Both the Garhwal and Kumaon region of Uttarakhand are studied and the conclusion is drawn that the highest migration is seen in the Garhwal region and male members of the family are highly migrated to other places. It is also mentioned that people migrate without family, married people are seen as highly migrated, and the high migration is seen in the age of 21-30 years old. Migration has a positive impact on the lives of migrants who have migrated from their places due to a better quality of life, better banking services, better financial situation, saving increases, and a positive impact on self-employment and business of the people.

**Keshri et.al. (2020)**, shows in his study about inter-migration in India, and the data was based on the census and change overpopulation year by year. An increase in the urban population and a decrease in the population of the rural area indicates migration by people. The data was identified or

analyzed based on 1991 – 2001. This study was also based on alternative sources like NSS (National Sample Survey) which shows that seasonal and temporary migration is seen only because of employment which is 7 times larger than permanent migration.

## **Discussion and Analysis**

### **Demographic change-**

The demographic change indicates that emigration has become a prevalent phenomenon in the Hill Region of the State, particularly during the 2001-2011 decade. This trend is so significant and widespread that approximately 375 villages, constituting 2.75% of the total villages in the Hill Region, have been nearly abandoned due to out-migration. These villages have essentially transformed into "ghost villages." Notably, in Pauri Garhwal district, the highest number of such villages is 122, making up around 4% of the district's total villages, and they had only a single-digit population in 2011.

### **The Trend of Migration-**

The trend of migration had significant momentum after the year 2000 when Uttarakhand became a separate state. It considered two types of migration: semi-permanent and permanent migration. Semi-permanent migration encompasses monthly, seasonal, and annual movements, where migrants maintain their homes in the villages where their family members engage in subsistence farming. These migrants send remittances back to their families, contributing to their income and overall livelihood. On the other hand, permanent migration involves individuals leaving their villages and relocating permanently to different regions within the state or country. In this case, they abandon their original settlements and agricultural lands. According to the 2011 census, there are 16,793 census villages, out of which 15,745 are inhabited, and 1,048 are uninhabited. Over the last 10 years, a total of 3,83,726 people in 6,338-gram panchayats have migrated on a semi-permanent basis. Additionally, there are 1,18,981 permanent migrants from 3,946-gram panchayats in the same time frame. The data indicates that there are more semi-permanent migrants than permanent migrants in all districts of the state. Migration can be attributed to various reasons, with the specific triggers being influenced by the circumstances within a household or region. These motivating factors are typically divided into two main categories, often referred to as "push" and "pull" factors. It's important to note that these factors primarily pertain to migration associated with the labor market. In the hill region of Uttarakhand, the primary driving forces behind migration are the "push factors." According to the 2001 census, approximately 13% of the population relocated in search of improved employment prospects.

A considerable number of educated young individuals leave in pursuit of jobs. While women and older men continued farming in the villages, the majority of those migrating were young men. The

population growth rate in hilly areas decreased from 18.04% in the 1981-1991 period to 12.28% in the 1991-2001 period and further dropped to 5.36% in the 2001-2011 period. In contrast, during the 1981-1991 period, the urban-plain region witnessed a population growth of 34.40%, which declined to 27.92% after the formation of the new state due to migration to Uttar Pradesh. However, it subsequently increased significantly to 30.38% in the 2001-2011 period. The overall population growth rate for the state during 2001-2011 was 18.8%. Several factors have driven this migration from Uttarakhand, including challenging rural living conditions, the impact of climate change, a high unemployment rate, the mountainous terrain, low agricultural productivity, and educational prospects. Improved infrastructure along river valleys, the establishment of institutions, and the growth of service centers have facilitated internal migration. Many migrants never returned to their communities, leading to concerns about depopulation, land abandonment, and food insecurity in rural regions.

### **Objective of migration-**

The extensive migration, both within and out of Uttarakhand, has been occurring over several decades. However, in the earlier periods, out-migration primarily involved males embarking on long-term journeys with strong ties to their places of origin. Nevertheless, the nature of this outflow has evolved over the years, with migrations increasingly involving family members, which has notable implications for the places of origin and has resulted in the emergence of what can be termed as "ghost villages," as documented by the Uttarakhand Migration Commission in 2019.

The primary reason behind the high rate of out-migration from the hill districts is attributed to the lack of income opportunities and the limited access to quality education and healthcare facilities. Farming, which was historically the main occupation of the hill people, has become unsustainable and economically unviable due to the absence of irrigation facilities and unpredictable weather patterns. The phenomenon of out-migration in Uttarakhand has gained prominence, particularly after the year 2000, when the state was established. On a statewide level, it was observed that approximately 50.16% of the population migrated primarily for employment, with education (15.21%) being the second most significant reason. Migration for health reasons accounted for 8.83% of the out-migration. Various other factors, such as seeking improved facilities (3.74%), have also contributed to the out-migration trend in Uttarakhand. An additional 8.48% of out-migration can be attributed to unspecified factors.

At the district level, employment emerges as the dominant factor driving out-migration. It represents the highest proportion in the USN district (65.63%) and the lowest proportion in the Bageshwar district (41.39%). Education is the second major driver of out-migration at the district level, particularly in the Chamoli district (19.73%), Pithoragarh district (19.52%), Tehri district (18.24%), Uttarkashi district (17.44%), Pauri district (15.78%), and Rudrapur district (15.67%). In three

districts, more than 10% of the population has migrated for health improvement, and this factor has primarily driven out-migration in Almora, Nainital, and Pauri districts, although other districts have also been affected by it. In contrast, Haridwar, Dehradun, and USN districts have experienced a relatively lower impact from this factor.

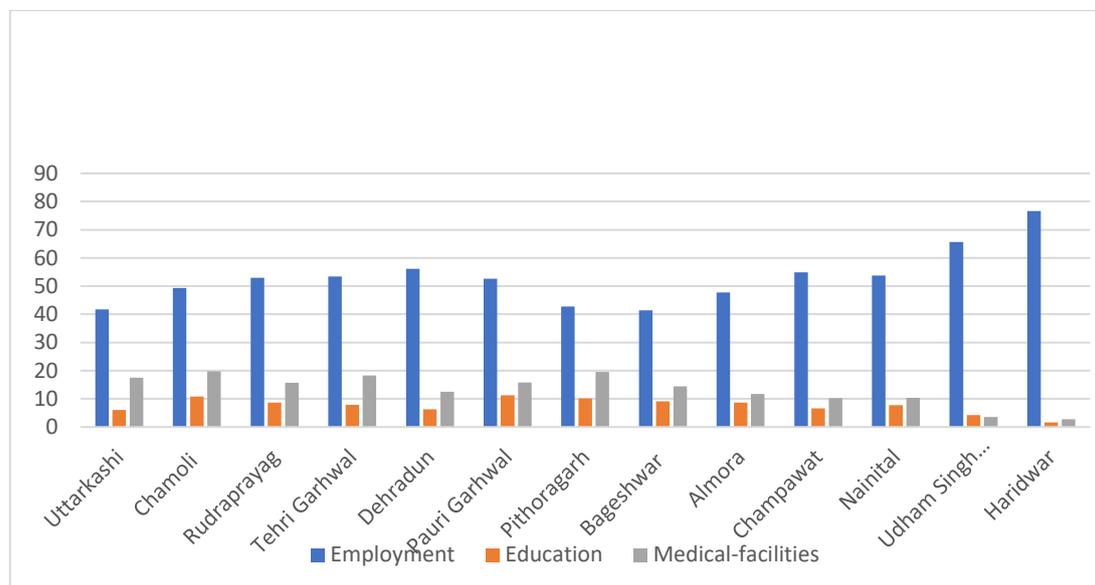


Table 1: The status of migration (%) in Uttarakhand from 2011 to 2018.

## Factors Affecting Migration

### Employment opportunity-

The primary driving force behind migration from hilly regions, particularly Uttarakhand, is deeply rooted in the pursuit of employment and livelihood opportunities. In these areas, households from varying economic backgrounds, including the economically disadvantaged and those relatively better-off, are compelled to engage in multiple sources of income generation to bolster their financial well-being. The prevalence of diverse economic activities is a reflection of the challenges associated with the underdeveloped economy in these regions. As a result, out-migration has emerged as a pivotal strategy for the residents of the hill districts to secure their livelihoods.

Employment and livelihood stand as the most dominant factors continuing the migration flows from the hill regions. This multifaceted phenomenon can be understood as the confluence of two distinct processes. First, it serves as a deliberate household strategy aimed at bolstering income, and second, it often arises as an involuntary response to crises. In economically disadvantaged areas, people depend on various sources of employment primarily due to the absence of a singular employment option for their sustenance. In hilly Uttarakhand, nearly 70% of the population relies on agriculture and its allied activities as their primary source of livelihood. Other employment prospects are notably scarce in the hilly terrain, with tourism and government services representing the sole available

alternative sectors for employment. This dearth of employment opportunities is particularly pronounced for individuals with higher education, who often find it challenging to secure white-collar positions commensurate with their qualifications in these hilly areas. Consequently, this situation further exacerbates the inclination for migration, particularly among males. Moreover, the generation of employment in small-scale shops and enterprises is not occurring at the desired rate in hilly regions. Data from economic censuses reveals a stark contrast, with only a 5% increase in the number of small-scale shops in hilly areas between the second and third economic censuses, while in plain regions, this increase was significantly higher at 53%. Furthermore, available data indicates that a substantial proportion of migration occurs within the age group of 20-39, accounting for 56.78% of all migrants. This statistic underscores that a majority of people are compelled to migrate during the prime of their employable years.

The phenomenon of migration in Uttarakhand is inherently tied to the pursuit of employment and livelihood opportunities, which are often scarce in hilly areas due to economic underdevelopment. Households, both economically disadvantaged and relatively better-off, employ diverse income-generation strategies to enhance their financial well-being, with migration being a crucial lifeline for securing livelihoods, particularly among the working-age population.

Reason for migration	Job transfer	Income/employment opportunity	Lack of employment opportunity	Education and training	Others	total
Number	68	73	184	45	21	391
percentage	17.39	18.67	45.06	11.51	5.37	100

Table 2: Reasons for migration in Uttarakhand, 2018

### Educational facilities-

The reason consistently cited by respondents in surveys for migration pertains to the inadequacy of educational facilities in rural Uttarakhand. Within Uttarakhand, there are 1689 schools where a single teacher is responsible for instructing more than 70 students. Notably, rural districts such as Bageshwar, Almora, Pithoragarh, and Rudraprayag exhibit the highest prevalence of this situation. Furthermore, it's worth highlighting that only 5% of public schools are accessible in rural Uttarakhand. Despite having a literacy rate exceeding 78.8%, Uttarakhand outpaces the national average. The literacy levels of the population residing in the hill areas are considerably higher than those in the plain areas of the state. However, these differences have substantially diminished over the past decade, with a more rapid improvement in literacy levels observed in plain districts of the

state. In terms of gender, literacy levels among females are lower in both hill and plain areas of the state.

Migrant workers, tend to have comparatively better educational attainments in comparison to their non-migrant counterparts. Nearly half of them have achieved high school or higher secondary level education, and another 36.4% hold graduate or higher degrees. This suggests that one of the motivations for migration is to improve the educational levels of their members, primarily males so that they can secure more lucrative employment opportunities outside the household. Consequently, nearly one-tenth of migrant workers migrated initially to enhance their educational qualifications, while approximately 19% of them migrated with the expectation of finding better economic prospects in urban areas.

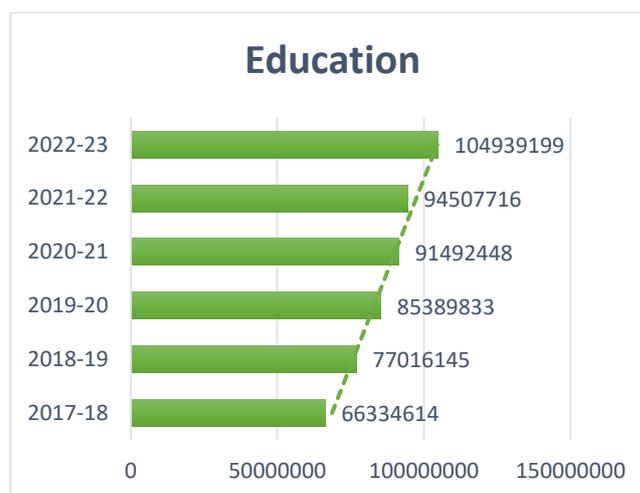


Table 3: budget allocation for education facilities according to Uttarakhand survey 2022-23

### Health Amenities-

The dire state of healthcare facilities has prompted people to migrate in pursuit of better health services. The inadequacy of healthcare infrastructure in Uttarakhand is glaring, as evidenced by the insufficient number of hospitals. One critical issue worsening the healthcare crisis is the reluctance of government doctors to work in the hilly areas of Uttarakhand. A report by the Planning Commission reveals that between 2002-03 and 2007-08, the Uttarakhand government appointed 912 doctors based on the recommendations of the Public Service Commission. However, only 573 doctors joined the Department of Health. More than 60% of the sanctioned doctor positions remain vacant in the hill districts, despite the existence of a legal obligation that requires doctors and other professionals to serve in these regions.

The dire state of healthcare in the Uttarakhand hills is further underscored by the fact that due to the unavailability of doctors at the block-level community health centers, approximately 132 women had to deliver babies in ambulances in the past one and a half years in Pithoragarh District while in route

to district hospitals. Government data confirms that there are only 59 doctors available, compared to a sanctioned strength of 173, and only 445 paramedical staff members are available, while the sanctioned strength is 752 for the districts.

In light of these circumstances, it is evident that the poor state of healthcare facilities and the shortage of medical professionals in the hill districts of Uttarakhand have played a significant role in driving migration as people seek better healthcare options elsewhere.

Indicators	Present Status
Maternal Mortality Rate (MMR)	101(2017-19)
Infant Mortality Rate (IMR)	39.1(2019-21)
Under- 5(IMR)	45.6(2019-21)

Table 3: Health indicators of Uttarakhand according to the survey of Uttarakhand 2022-23

## Conclusion

The overall growth path of Uttarakhand has been impressive since its formation. However, this growth has created huge regional inequalities within the State. The growth process could hardly create productive employment and income opportunities in the Hill region of Uttarakhand. There is hardly any visible progress made toward developing remunerative agriculture in most of the villages in the Hill Region. Outside agriculture, employment opportunities in construction grew significantly, but local people were mostly unwilling to undertake manual work. Their access to skilled jobs in the construction sector was severely affected due to the lack of such skill training. The employment opportunities in other sectors such as trade, transport, and government services improved in the Hill Region but remained limited to a few people. Thus, a lack of remunerative livelihoods coupled with an obsession for salaried jobs has forced a large number of youths to migrate to cities in search of salaried jobs that are of relatively longer duration irrespective of earnings. The situation has become quite grim in some areas as there are hardly any people left in the villages. Such destitution needs to be reversed. A large number of people, mainly youth, have out-migrated semi-permanently and permanently. In several areas, only the old-aged people and women were left living with minimum basic amenities. Migration has led to depopulation and land abandonment in rural areas, which has severe repercussions on the farming systems. The rate of out-migration has increased mainly since 2000 and has aggravated in recent times. Unemployment is one of the major impediments to out-migration. Since the rural areas are devoid of infrastructural and institutional facilities, augmentation of employment is not possible. Further, the output from traditionally practiced subsistence cereal cultivation is not enough to carry livelihood sustainably. These factors have manifested a large out-migration of youth from the region, and if it continues, the out-migration will have severe adverse

implications on the rural areas and their economy. Several steps should be taken to minimize out-migration and attract the migrants to come back to their respective villages.

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