An Overview of the Economic Growth of India in the context of the Employment

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Abstract: The purpose of this research paper is to analyze the new nightmare policies and their outcomes in Indian economy. The study also relates the economic growth of India with the employment opportunities in India. The given paper covers briefly how some of the factors like Gandhian Approach, India’s Agricultural Potential, Funds for Rural Development: ‘Growth, Emoluments of the Bureaucracy and Luxurious living at the cost of masses’, Labour – Intensive Decentralized Industry: ‘More Production and More Employment through Cottage and Small Industries, Promotion of Democracy and Avoidance of Wide Income Disparities’, Trusteeship, The Middle Path of Self Employment, Concrete Measures for Employment: ‘Agriculture, Manufacturing Industry, Industrial Progress, Roads Transport and Construction, Service Sector’, affects the above mentioned problems directly or indirectly. The authors have touched the above factors briefly by analyzing the data till now as these factors have shown how modernization has resulted in a collapse of India’s rural economy after the end of foreigner’s rule, how we have diverted from huge real resources and basic minimum needs of the poor’s on this poorest land on earth.

Keywords: Gandhian approach, Labour Intensive Industry, Power Structure, Epilogue, Bureaucracy, Trusteeship, Service sector

INTRODUCTION

In India, the problems relating to the qualitative dimensions of employment, productivity, wages and earnings, conditions of work, social protection and workers’ rights — the essential elements of Decent Work — however, are more serious and are likely to take a long time even with concerted and large scale efforts to solve them. More needs to be done to ensure full recognition of the importance of the qualitative dimensions of employment and commitment and capacity to improve them.

Sound food policy should be a priority for India, on track for the world’s largest population by 2025. India has also achieved status as a major food exporter with rice, wheat and buffalo beef. Indian policies emphasize minimum support prices for farmers and subsidized crops for the poor, but these in turn spur food inflation, price volatility, overproduction of grains and overworked land. The government purchases about one third of all cereal output, government purchases about one third of all cereal output, yet pro-cereal policies hinder production of non-cereals like fruits, vegetables and dairy products, which benefits other export nations like Canada or Australia. Despite misgivings by economists, a food security bill guaranteeing low prices for more than two thirds of India’s population is winding its way through parliament. Small-scale industries have been playing a momentous role in overall economic development of a country where millions of people are unemployed or underemployed. Poverty and unemployment are two of the burning problems of the country today. This sector solves these two problems through providing immediate large-scale employment, with lower investments. According to Dr. Manmohan Singh, “the key to our success in employment lies in the success of manufacturing in the small scale sector”. The economic development of any country primarily depends upon the establishment of industries, which require sufficient amount of capital. In a country like India, where capital is scarce and unemployment is wide spread, growth of small-scale industries is vital in order to achieve balanced economic growth. India is first among the countries which adopted an official family planning programme, as early as 1950. However, fifty years later this has not prevented the population touching the one billion mark. It is obvious that despite good intentions and concerted efforts we have failed in controlling our population. Considering the seriousness of the situation it is appropriate to introspect and ascertain as to what went wrong.

RESEARCH OBJECTIVES

The primary objective of the study is to analyze the impact of economic growth on the employment generation. Besides this, the research paper also helps in analyzing the Agricultural potential of India and to find out the need for Labour Intensive Industry and decentralisation for employment opportunities.

RESEARCH METHODOLOGY

The study was explorative cum descriptive in nature. It is an empirical research based upon the secondary data. The secondary data was collected through study of various academic works in the relevant field.

IMPACT OF ECONOMIC GROWTH ON THE EMPLOYMENT GENERATION

1) Gandhian Approach on Economics:
Although the Mahatma (Great Soul), is acknowledged worldwide as one of the outstanding moral and political thinkers of our time, his approach to economics has been viewed largely in the somewhat limited context of his objections to machinery, advocacy of village industries and
boycott of foreign goods. However, closer inspection of his writings reveals not only that his ideas on economics are a part of his world-view and a work in progress subject to change, but also that there is much for present-day economists especially here in Indonesia, to learn from what Gandhi thought, wrote about and practiced. The Nobel economics laureate, Amartya Sen, argues that "the nature of modern economics has been substantially impoverished by the gap that has grown between economics and ethics".

Gandhi's writings on economics over six decades ago can be seen as a lengthy effort to bridge that gap and very much in tune with today's worldwide concerns about sustainable development. A Gandhian approach to the linking of ethics and economics could be useful in a number of ways. Gandhi said villagers needed to be taught about the fundamentals that make for the quality of life - sanitation and nutrition. We observe similar concerns in Indonesia today, not only in villages but also in rapidly growing towns and cities. A recent walk around a beautiful village near Bogor was a delight until I looked over the parapet of a bridge and saw not a glistening river but a cascade of rubbish festering in the hot sun. People get into the habit of throwing their rubbish where it's most convenient, unaware of disease factors, the risks for young and old alike and the ensuing cost of medical aid. Until everybody realizes that no amount of technology can help unless lakes, rivers, canals and the sea are not used as dumping grounds for human excrement and various kinds of garbage, progress in improving health and defeating global warming will be slow. Economic theory on the use of public goods, including environmental facilities such as canals and lakes shows us that human beings have a tendency to take public facilities for granted and abuse them rather than use them respectfully. It is the time for us as individuals to consider public facilities in the same way that we view our own belongings and to treat such places with care and respect. As Gandhi noted, we have to teach our people how to economize in time, health and money. Gandhi also believed with regard to the development process in the rural economy that some degree of decentralized planning was possible and desirable. His main concern was the decentralization of production which was to be achieved through village industries. Though politicians of his day, including Nehru were opposed to Gandhi's focus on cottage industries because they saw that India needed to become an industrialized nation, one feels that the combination of industrialization and cottage industry enterprises was and still is worth pursuing. Gandhi's insights into the problems of choice of technology in labor-abundant economies are in line with statistics from Indonesia which show that small to middle-sized home industries (UMK) absorb large quantities of workers and because of this, such home industries usually intensively use local resources. This is especially the case since most of these industries are located in villages. Their growth has a positive impact on the increase of the labor force, decreasing poverty, creating more equality in income distribution and the development of village economies. Undoubtedly one of Gandhi's greatest concerns was self-respect, a concept that is missing from development economics - self-respect, which he considered the most important "primary good" is a common thread running through his plea for the limitation of wants, his reservations about charity as a virtue and his insistence on cleanliness as an important element in one's life style. Economic development is not just a matter of money. Goods and services are important but a sense of independence is vital too. Gandhi didn't live to see the enormous expansion in local, national and international bureaucracy in developing countries, supposedly in the pursuit of the "basic needs strategy", but since he regarded self-respect as the most basic need of all, he would probably have disapproved. On the other hand he would surely have approved of Muhammad Yunus' Grameen Bank. Trusted by the bank, borrowers of small loans have an excellent record of paying back, a huge gain in self-respect and the means to lift themselves above the poverty line. Gandhi saw poor sanitation, poverty and idleness as the three major evils to be fought in the quest for development and of these he considered poor sanitation the greatest evil which could be remedied by changing people's habits through education and effective legislation, particularly at municipal level. As one who devoted his life to minority causes, Gandhi was passionately concerned with the good of all as opposed to the good of the majority.

2) **India's Agricultural Potential:**

India ranks second worldwide in farm output. Agriculture and allied sectors like forestry, logging and fishing accounted for 17% of the GDP in 2012, employed 51% of the total workforce, and despite a steady decline of its share in the GDP, is still the largest economic sector and a significant piece of the overall socio-economic development of India. Crop yield per unit area of all crops have grown since 1950, due to the special emphasis placed on agriculture in the five-year plans and steady improvements in irrigation, technology, application of modern agricultural practices and provision of agricultural credit and subsidies since the Green Revolution in India. However, international comparisons reveal the average yield in India is generally 30% to 50% of the highest average yield in the world.

Indian states Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Andhra Pradesh, Bihar, West Bengal, Gujarat and Maharashtra are key agricultural contributing states of India. India receives an average annual rainfall of 1,208 millimetres (47.6 in) and a total annual precipitation of 4000 billion cubic metres, with the total utilisable water resources, including surface and groundwater, amounting to 1123 billion cubic metres. 546,820 square kilometres (211,130 sq mi) of the land area, or about 39% of the total cultivated area, is irrigated. India's inland water resources including rivers, canals, ponds and lakes and marine resources comprising the east and west coasts of the Indian ocean and other gulfs and bays provide employment to nearly six million people in the fisheries sector. In 2008, India had the world's third largest fishing industry. India is the largest producer in the world of milk, jute and pulses, and also has the world's second largest cattle population with 175 million animals in 2008. It is the second largest producer of rice, wheat, sugarcane, cotton and groundnuts, as well as the second largest fruit and vegetable producer, accounting for 10.9% and 8.6% of the world fruit and vegetable production respectively. India is also the second largest producer and the largest consumer of silk in the world, producing 77,000 million tons in 2005. Agriculture in India has a significant history. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like
forestry and fisheries accounted for 16.6% of the GDP in 2009, about 50% of the total workforce. The economic contribution of agriculture to India's GDP is steadily declining with the country's broad-based economic growth. Still, agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India. As Per the 2010 FAO world agriculture statistics, India is the world's largest producer of many fresh fruits and vegetables, milk, major spices, select fresh meats, select fibrous crops such as jute, several staples such as millets and castor oil seed. India is the second largest producer of wheat and rice, the world's major food staples. India is also the world's second or third largest producer of several dry fruits, agriculture-based textile raw materials, roots and tuber crops, pulses, farmed fish, eggs, coconut, sugarcane and numerous vegetables. India ranked within the world's five largest producers of over 80% of agricultural produce items, including many cash crops such as coffee and cotton, in 2010. India is also one of the world's five largest producers of livestock and poultry meat, with one of the fastest growth rates, as of 2011. One report from 2008 claimed India's population is growing faster than its ability to produce rice and wheat. Other recent studies claim India can easily feed its growing population, plus produce wheat and rice for global exports, if it can reduce food staple spoilage, improve its infrastructure and raise its farm productivity to those achieved by other developing countries such as Brazil and China. In fiscal year ending June 2011, with a normal monsoon season, Indian agriculture accomplished an all-time record production of 85.9 million tonnes of wheat, a 6.4% increase from a year earlier. Rice output in India also hit a new record at 95.3 million tonnes, a 7% increase from the year earlier. Lentils and many other food staples production also increased year over year. Indian farmers thus produced about 71 kilograms of wheat and 80 kilograms of rice for every member of Indian population in 2011. The per capita supply of rice every year in India is now higher than the per capita consumption of rice every year in Japan. India exported around 2 million metric tonnes of wheat and 2.1 million metric tonnes of rice in 2011 to Africa, Nepal, Bangladesh and other regions around the world. Aquaculture and catch fishery is amongst the fastest growing industries in India. Between 1990 and 2010, Indian fish capture harvest doubled, while aquaculture harvest tripled. In 2008, India was the world's sixth largest producer of marine and freshwater capture fisheries, and the second largest aquaculture farmed fish producer. India exported 600,000 metric tonnes of fish products to nearly half of all the world's countries. India has shown a steady average nationwide annual increase in the kilograms produced per hectare for various agricultural items, over the last 60 years. These gains have come mainly from India's green revolution, improving road and power generation infrastructure, knowledge of gains and reforms. Despite these recent accomplishments, agriculture in India has the potential for major productivity and total output gains, because crop yields in India are still just 30% to 60% of the best sustainable crop yields achievable in the farms of developed as well as other developing countries. Additionally, losses after harvest due to poor infrastructure and unorganized retail cause India to experience some of the highest food losses in the world.

3) **Labour Intensive Decentralized Industries:**

There has been continuous decline in labor intensity across all the labor intensive industries. Labor-intensity ratio for the selected industries declined from 0.72 in 1990-91 to 0.30 in 2003-04; and the labor-intensity ratio declined not only for capital intensive industries but for labor intensive industries as well in the post-reforms period. The possible explanation for the observed decline in labor intensity (L/K ratio) across all the industries - specifically the labor intensive industries in organized manufacturing - could be that with import liberalization in the early 1990s, access to capital and new technologies became easier and cheaper for developing countries like India. And these new technologies, which have been adopted from developed countries, are by nature labor saving. With increasing competition both in domestic and international markets, Indian manufacturers have installed new sophisticated technologies in their production processes to compete in terms of prices as well as in scale. However, in the absence of a skilled workforce, increasing capital intensity has shown a decline in capital productivity. This can have serious implications for employment since capital is substituting only labor. This seems very plausible when we take into account the fact that manufacturers in a developing country like India always face resource constraints in terms of production cost allocations for different factor inputs.

Indian labour laws are highly protective of labour, and labour markets are relatively inflexible. These laws apply only to the organised sector. Consequently, these laws have restricted labour mobility, have led to capital-intensive methods in the organised sector and adversely affected the sector’s long-run demand for labour. Labour being a subject in the concurrent list, State-level labour regulations are also an important determinant of industrial performance. Evidence suggests that States, which have enacted more pro-worker regulations, have lost out on industrial production in general. Downsizing and closure of firms are a fact of life in a market economy, But deliberate non-enforcement of labour laws without instituting adequate social protection mechanisms or retraining facilities is hardly the way to deal with the problem. A pattern of trade liberalization that deflects the costs of adjustment from the powerful to the powerless has made things worse. And although there are several theoretical (even common-sense) arguments in favour of greater labour flexibility, there are also some in favour of restrictions on flexibility (on grounds of economic efficiency, not just concern for workers).

4) **More Production and More Employment through Cottage and Small Scale Industries**

Small-scale industries have been playing a momentous role in overall economic development of a country where millions of people are unemployed or underemployed. Poverty and unemployment are two of the burning problems of the country today. This sector solves these two problems through providing immediate large-scale employment, with lower investments. According to Dr. Manmohan Singh, “the key to our success in employment lies in the success of manufacturing in the small scale sector”. The economic development of any country primarily depends upon the establishment of industries, which require sufficient amount of capital. In a country like India, where capital is scarce and
unemployment is widespread, growth of small-scale industries is vital in order to achieve balanced economic growth. The strength of small-scale enterprises lies in their widespread dispersal in rural, semi-urban and urban areas, fostering entrepreneurial base, shorter gestation period, and equitable distribution of income and wealth. Having recognized the significance of SSI sector, the Govt. of India has set up various agencies and institutions at different levels—central, state and local, have been pursuing the policy of protection and promotion of this sector since independence and also offered several incentives and concessions for their promotion and development. The government of India encourages the small-scale industries by providing financial support through scheduled commercial banks both public and the private.

The government tries to achieve more investment, more productivity and export promotion through the development of SSIs. Banks play a major role in extending support for SSIs. But there is the problem of NPA and recovery due to various internal and external factors. It is obvious that the funds locked up over a period of time in the NPAs are not available for productive use. When banks write them off, it becomes a charge on their profit; it will lead to higher rate of interest on productive loans. Therefore an effective system of debt recovery is necessary for initiating insolvency proceedings when justified, and not initiating such proceedings if not warranted. Insolvency does not desire or encourage the writing off of debt. The approach of lessening judicial intervention is however no substitute for this. Should NPA recovery be done successfully, then borrowers shall have a higher incentive to repay, which means a lesser default risk, lower interest rates, and ultimately higher entrepreneurial activity, and economic growth. A solution to the problem of increasing NPAs is observable in the form of the right credit assessment and growth. The strength of small-scale enterprises lies in their widespread dispersal in rural, semi-urban and urban areas, fostering entrepreneurial base, shorter gestation period, and equitable distribution of income and wealth. By contrast, Gandhi’s concept of Trusteeship is based on the premise that you are never really the ‘owner’ of wealth but rather its temporary holder or caretaker. Gandhi was acutely aware that wealth-creation requires special skills and instinct. Historically, the dominant strains of capitalism have made this a justification for limitless wealth accumulation by individuals. On the contrary, Gandhi argued, while these special abilities need to be honored they ought not to be used to concentrate money-power in the hands of a few. Interestingly, the man who has most sharply articulated this view in our times is an iconic hedge fund manager. George Soros has repeatedly argued that since all wealth is generated in a social and cultural context, it is never really private. At the same time the concept of social and environmental ‘returns’ on investment has gathered momentum. The launching of the United Nations Principles for Responsible Investing at the New York Stock Exchange, in 2006, was a significant watershed event. This phenomenon is driven largely by expediency. Widening income disparity is the top-most concern in the World Economic Forum’s 2013 Global Risks Report. Ecological imbalance is now widely accepted as a key risk – threatening to undermine both economic and social stability across the world. Consequently there is a scramble to create new metrics of ‘valuation’ that will make markets respond to these burgeoning crises. While many of these emerging responses tend to offer piece-meal managerial solutions, there are other stirrings that hold some promise. Ideas like ‘conscious capitalism’ and ‘caring capitalism,’ while still marginal, are making their presence felt on the global stage. That’s why management guru Michael Porter is making waves with the concept of ‘shared value. It is possible that Gandhi’s exploration of Trusteeship was futuristic because it looked beyond the two dominant trends of the 20th century – feral capitalism and stifling communism. Like much of his politics, Gandhi’s advocacy of Trusteeship was based on the conviction that individuals and society at large can, and do, evolve to higher states of being. Gandhian Trusteeship draws attention to a creative challenge which may redefine notions of wealth and ownership. Like much else about the philosophical Gandhi, the idea of Trusteeship is global. And yet how Indians grapple with contemporary forms of accumulation and ownership, giving and sharing, could be a crucial component of how these issues are tackled across the world.

6) Concrete Measures for Employment:
Labour force and work participation rates have fluctuated between 40 to 44 per cent during the last three and half decades. The share of youth outside labour force increased. The size of the youth population has increased three folds in the last four decades of the 20th Century. The projected population in 2011 is around 240 million youth population in the country. The literacy rate for youth population rose from 56.4% in 1983 to 80.3% in 2007-08. The percentage of youth attending educational institutions increased from 17.4% to 32.8% during the same period. Regarding employability, only 4.9% of young workers had post-secondary level of education in 2007-08. The self employed form the majority of youth workers (50%). Casual labourers form the next highest category among youth workers (35%). The share of youth regular salaried/wage employment increased over time. However, the share of agriculture in youth employment declined faster than adults. It was 54.4% for youth and 57% for adults in 2007-08. It is interesting to note the share of industrial sector increased faster for youth as compared to services. Unlike for adults, the share of
industry for youth is higher than services in the year 2004-05. India has 459 million workers in 2004-05. Out of this, 423 million (92%) are unorganized workers. Most of the youth are also in the unorganized sector. The number of youth unemployed in India increased from 6.5 million in 1993-94 to 9.5 million in 2004-05. Out of this, 61% are in rural areas while 70% of them are males. The youth unemployed make up almost half (49%) of the total unemployed despite the fact that, the youth share of the total adult workers was only 21%. The share of youth unemployed to adult unemployed declined from 52.2% in 1993-94 to 49.0% in 2004-05. Unemployment among youth is three times to that of adults for usual status. It is two times to that of adults for weekly status. Joblessness (27%) is much higher than unemployment rate. In absolute number, of the total 203.6 million youth Literacy and educational levels are increasing for Indian youth. However, we still have many illiterates and only few workers had education above secondary and graduation. About 89 per cent of the youth have not taken any kind of vocational training and among the rest about half of them have received through hereditary practices. It indicates a negligible level of formal vocational training from the youth. Wage levels of Youth Employed are lower than those of adults. 26% of youth employed suffer from poverty (around 22 million). Around 40% of youth population is vulnerable. They include 11% of working poor, 4% of unemployed and 25% of not actively seeking jobs. Unemployment of youth is only one of the problems of youth labour market. Since many of them are in the informal/unorganized sector, the income and productivity of workers, conditions of work and social security have to be improved. The recommendations are to develop appropriate macro policies are important for generating employment. In other words, one has to examine whether macro policies in India are pro-employment and pro-poor in the post reform period. Investments are important for higher growth which can improve employment if invested in labour intensive sectors. One of the reasons for the low growth in employment in the post reform period could be low growth in public investment. Fiscal reforms are supposed to reduce fiscal deficit, improve social sector expenditures and capital expenditures. These are expected to improve employment prospects. Recent improvements in tax/GDP ratio have increased investments and expenditures in social sectors. Trade liberalization is expected to improve exports which can generate employment. However, it depends on whether the benefits percolate to unskilled workers or skilled workers. If only IT sector benefits, overall employment prospects are not bright. The evidence seems to suggest that the employment in organized sector manufacturing has not improved much. Financial sector liberalisation led to decline in credit to agriculture sector, small and marginal farmers and weaker sections in the post-reform period. The micro credit movement is not a substitute for the agricultural credit by the banks. Given the Inflation rates, that countries can be more flexible in their policy stance with regard to the adoption of more growth oriented as opposed to stabilization policies. India has not been able to take advantage of demographic dividend because of low education and skills. “It is important to realize however that we can only reap this demographic dividend if we invest on human resource development and skill formation in a massive way and create productive employment for our relatively young working” (Approach to 11th Five Year Plan). Problems in education are: (i) access to basic education for the unreached and social groups; (ii) qualitative improvement to raise learning achievements; (iii) tackling high drop-out and low retention. Universalization of elementary education alone will not suffice in the knowledge economy. Modern industry needs higher education. One good sign is that the 11th Plan increases allocation from 8% to 19% of gross budgetary support in education. Measures to improve employability have to be improved. Even educated find it hard to get jobs as skills are not appropriate for the jobs. Improvements in skills and vocational training are needed. Universalization of elementary education alone will not suffice in the knowledge economy. A person with a mere 8 years of schooling will be as disadvantaged in a knowledge economy dominated by ICT as an illiterate person in modern industry and services. Secondary education is vital because it is in this age group that the child, particularly the girl child is extremely vulnerable and is pushed into child labour, early marriage or trafficking. The 11th Plan must therefore aim to progressively raise the minimum level of education to high school or Class X level. A major initiative for expanding secondary education up to class X must be initiated in the 11th Plan and should include access to organized sports and games. However, the pace at which this expansion takes place will also depend on how quickly we can reduce the drop-out rates at the elementary stage. There are emerging signs that rapid growth can result in shortage of high quality skills needed in knowledge intensive industries. One area of concern is that India is losing edge on the tracking of pure sciences. To continue competitive advantage and ensure a continuous supply of quality manpower, we need large investments in public sector institutions of higher learning. This should be accompanied by fundamental reform of the curriculum as well as service conditions to attract a dedicated and qualified faculty. Skill improvement is one of the important things needed in active labour market policies. Expanding capacity through private sector initiatives in higher learning needs to be explored while maintaining quality. Conditions of work and promotion of livelihoods are important for raising the incomes of youth workers. Since majority is in the informal sector, protective measures are also required. Minimum Level of Social Security like life insurance, health insurance has to be given to unorganized workers. Self help groups and micro finance institutes should be encouraged for livelihood promotion. Cluster development should be undertaken for improvement in productivity of self employed. Existing self employment programmes (e.g. Prime Ministers Rozgar Yojana and wage employment programmes (National Rural employment Guarantee Scheme) should be strengthened. Employability of youth has to be increased through skill development and vocational training. The Government of India has realized the importance of skills. The demographic dividend argument ignores the fact that available workers are not automatically absorbed to deliver high growth. Savings and investments may increase because of reduction in dependency ratio. However, deficit in education and employability of the workforce in India may hamper the advantages of this dividend. Related to this are problems of working poor, unemployment and joblessness among youth. This needs to be remedied in order to take advantage of the
opportunity of growth that the demographic dividend is supposed to give to India.

7) Service Sector:
India’s services sector contributes to about 60 per cent of the country’s gross domestic product (GDP), 35 per cent of employment, a quarter of the total trade, and over half of the foreign investment inflows. The services industry is one of the largest and fastest-growing sectors in the global market. Its contribution to the Indian economy is particularly significant, with regard to employment potential and impact on national income. This sector covers a wide range of activities, such as transportation, communication, trading, finances, real estate and health, among others. The services industry provides massive business prospects to investors. Without the sector’s capacity to generate revenue, it would be difficult for the Indian economy to acquire the healthy place it currently enjoys on the global platform. The services sector received foreign direct investment (FDI) equity inflows worth Rs 179,150.49 crore (US$ 28.78 billion) in the period April 2000–August 2013, according to Department of Industrial Policy and Promotion (DIPP). About 80 per cent of India’s total exports are dominated by high-skilled services, such as software business services, financial services and communication services.

The expenditure of Indian banking and securities companies on IT products and services is expected to be around US$ 422 billion in 2013, a 13 per cent increase from 2012. For the fourth consecutive year, Wipro has been ranked as the number one organization in the global R&D service provider survey conducted by leading management and advisory firm, Zinnov Management Consulting. The survey was based on companies belonging to the following seven industries: telecommunications, semiconductors, computing peripherals and storage, consumer electronics, automotive, enterprise software, and consumer software. Mr Mukesh Ambani-controlled Reliance Industries Ltd (RIL) is looking to open an exclusive chicken restaurant chain in India in collaboration with 2 Sisters Food Group (2SFG), a UK-based company. RIL sees potential in the quick service restaurant (QSR) industry, which is projected to grow at 30 per cent annually. The chain, which will be known as Chicken Came First (CCF), will directly compete in India with the world’s most popular chicken restaurant chain, Kentucky Fried Chicken (KFC). Hardcastle Restaurants Pvt Ltd (HRPL), the master franchisee of the operations of McDonald’s restaurants in west and south India, is bringing its coffee retail format McCafé to the country. McCafé will be launched within the existing McDonald’s restaurants, with the first opening slated to be at So Bo Central outlet in Mumbai. Over 150 McCafés are expected to be set up over the next five years. Investment of Rs 3.5 million (US$ 56,234) is allocated for each McCafé format. Tech Mahindra Ltd has bagged an outsourcing deal from Australian financial services firm, Perpetual, to deliver registry services. As part of the deal, the Indian company will give technology support for various superannuation and pension products of Perpetual. “We are looking to see a complete refresh of registry IT infrastructure and applications which will allow us to focus on our core strengths,” said Paul Statham, acting Group Executive of Perpetual Investments. The arrangement is believed to be a multi-million dollar deal. Alvarez & Marsal (A&M), a global professional services organisation focusing on performance improvement and turnaround management, is seeking to expand its business in the country with the inception of a dedicated transaction advisory practice.

CONCLUSIONS AND RECOMMENDATIONS

According to Mahatama Gandhi, India could be better and more expeditiously served by agriculture which provides food and clothing and domestic or small scale technology which requires an increase and not a reduction in manual labour, uses the simplest device or equipment and is based on purely local materials and local talent. But instead of agriculture and labour intensive and short gestation period schemes.

An increase in agricultural production can be brought if any of the three factors of production i.e. land, labour and capital can be increased. Agricultural land, rivers, mines and forests are forms of national wealth, ownership of which must vest absolutely in the people of India collectively. The cooperative principle should be applied to the exploitation of land by developing collective and cooperative farms. Agricultural exports have generally preceded or accompanied the economic development of many countries in the world. India ranked within the world’s five largest producers of over 80% of agricultural produce items, including many cash crops such as coffee and cotton, in 2010. In the developed countries the general decline in the share of Agricultural sector in the national product was accompanied by an equal increase in per capita product. But in India although per capita product failed to rise significantly, the share of agricultural sector in national product declined quite markedly.

At the macro and political economy level, the pattern of industrialization exacerbated the negative implications for poverty, unemployment, inequalities and national self-reliance, despite impressive growth of heavy industries and creation of indigenous industrial capabilities. This kind of industrialization made India a victim of external debt trap and increased the clout of the large industrial conglomerates and their foreign counterparts for attaining and sustaining a high rate of growth of this kind of industrialization. Owing to the still persistent need to import technology and intermediate inputs this pattern of industrial growth became a factor worsening our terms of trade vis a vis our major trading partners mostly the rich western countries. With very limited employment contribution and given the displacement competition imposed on the surviving traditional industries, this pattern of industrialization made no positive impact on the overall employment situation in the country. Increasing disparities in income and emergence of monopolies on the one hand and increasing unemployment on the other are largely the result of increasing mechanization and automation of manufacturing industries, construction and services- emphasis on capital intensive projects and industries on the one hand and neglect of cottage industries and other labour intensive enterprises on the other.

India would seem to be an ideal partner for Western countries in the promotion of democratic governance. However, a closer analysis reveals various structural

obstacles preventing Indian foreign policy from adopting this approach. The norms of non-interference and independence, which have been watchwords of traditional Indian foreign policy, are still regarded as guiding principles in the protection of national interests.

Trusteeship provides a means of transforming the present capitalist order of society into an egalitarian one. It gives no quarter to capitalism, but gives the present owning class a chance of reforming itself. It is based on the faith that human nature is never beyond redemption.

The relationship between caste and hereditary occupations has become less significant now, and there are fewer restrictions on social interaction among castes, especially in urban areas. The present Indian society is moving from its closed systems towards a state of change and progression marked by the assertion of the human spirit irrespective of castes and creeds. Numerous movements challenging the injustices associated with the caste system have encouraged individuals in India to be more civil towards other caste members. Looked at critically, it is the centralization of industrial production that has led to concentration of economic power and unemployment and it is unemployment that has led to poverty. That is why Mahatama Gandhi talked of decentralization by which he meant dispersal of manufacturing industry. Production and distribution should be a simultaneous process which could only be done by adopting the principle of decentralization in production.

India’s population growth is a cause of worry, but the problem is not one without solutions. But regulations will not help solve the problem. The sense of responsibility should come from within every individual. While the educated male should change his attitude towards his female counterpart, granting her the dignity which is of use to her, there is also an urgent need to change the status of the millions of underprivileged, illiterate women who are discriminated. Unless they are involved in the decision-making process, there is little hope for the future.

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