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## WINTER MESSAGE OF THE SCIENTIFIC DIRECTOR

### Distinguished Readers and Friends,

The parable of blind men and elephant highlights the limits of perception and the importance of complete context. The parable below presents who difficult is to understand what India means. According to the legend “a group of blind men heard that a strange animal, called an elephant, had been brought to the town, but none of them were aware of its shape and form. Out of curiosity, they said: "We must inspect and know it by touch, of which we are capable". So, they sought it out, and when they found it they groped about it. In the case of the first person, whose hand landed on the trunk, said "This being is like a thick snake". For another one whose hand reached its ear, it seemed like a kind of fan. As for another person, whose hand was upon its leg, said, the elephant is a pillar like a tree-trunk. The blind man who placed his hand upon its side said, "elephant is a wall". Another who felt its tail, described it as a rope. The last felt its tusk, stating the elephant is that which is hard, smooth and like a spear.” India's 2018 population is estimated at 1.35 billion based on the most recent UN data. As a UNIDO field expert acting in Bombay – today it is Mumbai – after my arrival and wanted to right a book on India. After four months of my assignment and made only a paper and realized that writing a book you have to live here several years and you have to humbly start to write anything. A nation with 1.34 billion population, many thousand year of history, the peaceful existence of its multicultural nations and religion provides a shining example for the mankind.

A 60 million strong enterprise population, with close to 40 percent export contribution and 32 percent contribution to GDP coming from the sector and majority non-farm jobs, the sector is the backbone of the Indian economy.

In this issue of ERENET profile there are a few articles on the Indian MSME sector. I extremely thank *Perumal Koshy*, Director and Editor of the Global SME News for contacting highlevel experts and asking them to make paper for this special issue. These papers highlight various aspects of modernization and challenges that the sector faces. I also thank *Marianna Šimicáková*, Vice Dean of the Technical University of Kosice for bringing several papers elaborated within the CABGIN project which is co-funded by the Erasmus+ Programme of the European Union. These papers were presented during International Conference Professional Development of Instructors in Higher Education and Training Institutions under the aegis of CABGIN project on 12 - 13 December 2018. The central objective of the project is to strengthen the capacity and quality of teaching at partner higher education institutions in India by the establishment of Capacity Building Centers (CBC) at each Indian university.

For the time being we are facing stormy days. According to the Anthem of Székely

“Who knows where, where destiny takes us

On a bumpy road in the dark night”.

The unadvised and deficient UN Global Contract for Migration, the new passport regime for the migrants by the European Commission, the daily atrocities and violation by migrants the Europe are frightening the European population. We all fear for our children and grandchildren. What will be in Europe within the next 20-30 years?!

However, it is a celebration season. I wish Merry Christmas and Happy New Year to all our distinguished ERENET Readers.

Dr. Antal Szabó  
Scientific Director of ERENET

Photo © by Maria Visy  
at the St Stephen's Basilica in Budapest



## PREFACE

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## INDIAN MSMES IN TRANSITION

Ever since the launch of new economic reforms in 1991, the government of India took measures whose logical progression is towards a formal enterprise framework favorable for small enterprises. A business climate where SMEs do their operations fearlessly without a rent seeking inspector regime is the great dream towards which India's enterprise system is moving ahead today. When the government liberalized and deregulated the industrial licensing regime many of the industries have been exempted from obtaining an industrial license to start manufacturing, except those linked to public health, safety, and national security.

A vision of easing of regulatory burden and creating a single window approach to licenses, permits and various clearances caught up the imagination of the entrepreneurial classes. Entrepreneurs -- from artisans, craftsmen and agro-rural businesses to large scale manufacturing in the private sector—got a new lease of life. Developments thereafter, contributed in liberating the spirit and potential of millions of small entrepreneurs. Innovation, technology and creativity that could make a difference to the spinning *wheel* (*Charkha*) products and the *Charkha* spinners was recognized.<sup>1</sup>

However, doing away with the Indian version of socialistic pattern of economy and its remnants that could erode the culture of entrepreneurship is a long term goal and many more reforms have to take place before that dream is fully achieved.

In the recent past, India made marked improvements in the ease of doing business ranking. From SME registrations to getting power connection for a manufacturing unit are all much quicker and easier today than it was a couple of years ago. In 2014 India's rank in ease of doing business climate was 142 among 189 nations. The same report by the World Bank Group now put India in a much better position at 77 as per the Doing Business Report 2019. There is a dramatic improvement in a number of parameters, according to the World Bank as India has improved on six of the 10 parameters. The parameters include ease of starting a business, construction permits, getting electricity, getting credit, paying taxes, trade across borders, enforcing contracts and resolving insolvency. This is indeed a remarkable achievement. Political commitment to continue with the reforms of 1991 and further enhance entrepreneurial opportunities and promote entrepreneurship culture is indeed clearly established by Indian the political system.

SMEs will have a leading role in promoting inclusive and sustainable economic growth. Easing of regulatory climate and creating a facilitative regulatory environment is indeed significant for poverty alleviation, job creation, creating better standards enhanced wages and social protection and regional development. Operating in a formal enterprise space extends significant benefits for the businesses and offers growth and market reach out possibilities. Why then does vast majority of the SMEs operate in an informal business space, without required legal and regulatory approvals, while contributing to job creation, poverty alleviation, exports and regional and local economies? There could be many reasons, but cost of interacting with the regulators and government agencies is unaffordable for SMEs.

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<sup>1</sup> Charkha is a "spinning wheel", which is a device for spinning thread or yarn from natural or synthetic fibers. During the freedom struggle it symbolized the economic freedom and development of village India. The Charkha was at the center of a network of cotton growers, weavers, distributors, and users and above all the village economy and India's entrepreneurship culture. This wheel was used by Ghandi to promote his teaching.

Therefore the process of doing away with archaic rules has received a great push in the last couple of years. A digitally enabled SME registration system called Udhog Aadhar (UAM) has made it much simpler for entrepreneurs to register themselves and acquire an identity, which help them obtain registration in a few minutes through the dedicated portal for it, after making instant online verification of credentials of the entrepreneurs concerned. (MSME Ministry , 2017) UAM is much easier and can be filed online and upon submitting the form the system instantly generate Udhog Aadhar registration certificate, which could be used for various purposes of registrations and official matters with the central or State Government regulatory bodies, tax authorities, utilities and for purposes like water, power, etc. Also, the Central Government has notified that the banks and other financial institutions should accept UAM for all purposes. This is now facilitating many informal SMEs moving to the formal space. The newly introduced goods and services tax (GST) is also less cumbersome and digitally enabled.

Close to 81% of all employed persons in India make a living by working in the informal sector, with only 6.5% in the formal sector, according to ILO report *Women and Men in the informal economy: a statistical picture* (3rd Edition). Those informal SMEs operate in the informal space not by their choice. A transition to the formal enterprise space is critical for improving the status, potential, technology adoption capability, access to finance and the labour standards. Aspects like child labour, bonded labour, technologies that contribute more environmental hazards are still prevalent in some of the informal SMEs notwithstanding their contribution to employment generation. They turning formal can help the government address these issues such as labour standards, green technology and better management systems and practices.

Complicated enterprise regulatory system, designed and governed by the public bureaucracy, who has no particular commitment towards the mission of SME promotion, indeed contributes to the informalization in enterprise space. *With the high compliance burden and inefficiency associated with formal sector often acts as a disincentive for entrepreneurs to be part of a formal system. In this context*, businesses have no choice but to hide from the regulatory system, which imposes too high a burden. If SMEs decide to comply with all the regulation, their businesses can become unprofitable, with the high compliance cost, supplemented by rent seeking natured bureaucracy, which could make their product prices too high to be competitive.

In this issue of ERENET profile there are a few articles on the Indian MSME sector, which highlights various aspects of modernization and challenges that the sector faces. A 60 million strong enterprise population, with close to 40 percent export contribution and 32 percent contribution to GDP coming from the sector and majority non-farm jobs, the sector is the back bone of the Indian economy. But the large number of informal enterprise is indeed an aspect to be addressed and much needs to be done in that area. Public transport entrepreneurs, who offer last mile connectivity, are now adapting their informal businesses in tune with the transition trend and are introducing solar powered e-battery technologies for instance. Vignesh Jha discusses this aspect in his paper. Similarly TP Mishra talks about issues related to MSME finance. P. M Mathew and Dharmendra Kumar too talk about different issues that MSMEs are confronted with.

The sector is undergoing an important transition. It's a large scale modernization and challenging for everyone in the sector, indeed driven by some of the recent political actions. As the MSME response is indeed positive and they are adapting digital tools, digital technologies and indeed modernity. The Indian MSME sector needs a much closer look by policy analysts, researchers as well as those who are concerned.

The route to transition is triggered by developments such as demonetization, Good and Services Tax, and E-commerce revolution. However will these transitions sustain? Only time will tell.

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## PAPERS

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## **MSMES IN INDIA: THE LATEST CHALLENGES, OPPORTUNITIES, AND IMPERATIVES**

### **ABSTRACT**

MSMEs constitute the basic form of entrepreneurship. Entrepreneurship often sprouts at the grass root level, as a realization of the employment aspirations of the people. It is important to understand scientifically, such aspirations, and to nurture such grass root level impulses. India's industrialization perspective, since Independence, has been focused on a two-pronged approach: 1) providing employment opportunities; and 2) taking such opportunities, to the extent possible, to the villages, as a regional development tool. Governments will have to increasingly play a catalytic role in helping SMEs to tap the emerging benefits of the 'new economy'. Strengthening business development services, and creation of a social capital base can help to improve the situation. The breeding of entrepreneurship and shaping of entrepreneurship resources in the country is a local phenomenon. However, paradoxical enough, the local governments are either ignorant, or are reluctant to exercise their powers; or that these powers are usurped by the higher tiers of the government.

**Keywords:** Micro, Small and Medium Enterprises; Regional Development; Informal Enterprises; Innovation

**JEL Classification:** O14, N80, M20, L53, R10, R28

### **INTRODUCTION**

The founding fathers of the Republic of India visualized a comprehensive nation-building role for the country's small enterprises. Over time, this sector has grown into a highly diversified base of the country's manufacturing system. While the global economy changes rapidly, with the hegemonic role of disruptive technologies, the MSME role in India need a more broad based and realistic understanding. This is because, MSMEs constitute the basic form of entrepreneurship. Entrepreneurship often sprouts at the grass root level, as a realization of the employment aspirations of the people. It is important to understand scientifically, such aspirations, and to nurture such grass root level impulses. Therefore, a discussion on MSMEs need to be part and parcel of the agenda of economic growth in general, and of employment promotion in specific.

### **GLOBAL INVESTMENT AND ENTERPRISE SCENE TODAY**

Public policy, in any country, is influenced by global developments, so are public public programmes. An understanding of this emerging scene is critical for policy making in India today. A dynamic mix of re-shoring, intra- regional trade and Hubanomics, form the emerging global business model today. Large knowledge companies like Google, Apple, Facebook and Amazon have created a technology wave and competitive landscape, which forms the next evolution of the Industrial Revolution.

The experience as we have in 2017, is one where every business has a tendency of operation based on a hub, which produces the latest concept of 'Hubanomics'.

India's industrialization perspective, since Independence, has been focused on a two-pronged approach: 1) providing employment opportunities; and 2) taking such opportunities, to the extent possible, to the villages, as a regional development tool. This kind of an approach has significantly contributed to the growth of a large number of semi- urban centres that provides a significant space of MSMEs in the country. The urban space is inhabited by both the rich and the poor, having their specific approaches and perspectives on

income opportunities. The self employed has a potential of contributing to the local economy incrementally. Public policy should be capable of ensuring connectivity between the urban and rural areas.

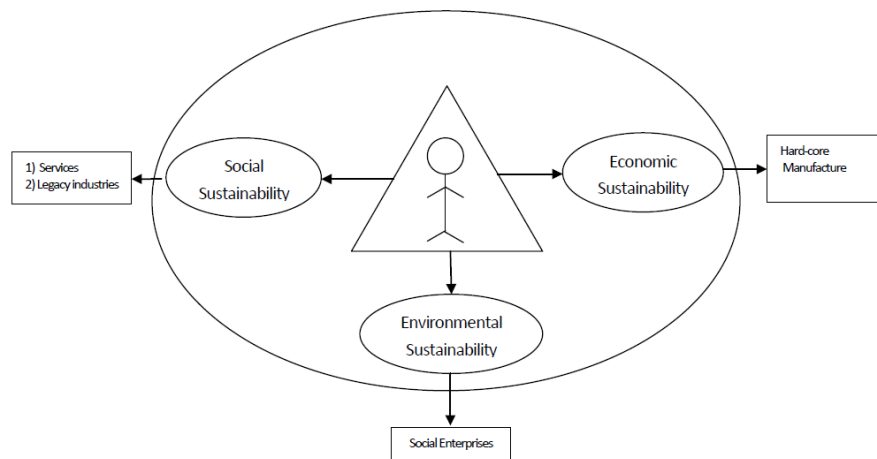
'Make in India' is a highly visible national campaign- mode initiative which needs to be translated into action at two levels: First, there is need for attracting large foreign and domestic investments. Secondly, these large enterprises also need MSMEs for subcontracting linkages and service delivery. It is important to have a prior knowledge of the MSMEs and their capabilities, in order to foster such linkages.

**CHALLENGES AND OPPORTUNITIES**

Since Independence, under the Planning era, several experiments were initiated to lay down the building blocks of a strategy as indicated above. However, under Planning, it was necessary to set up centralized institutional structures and policy instruments, even in areas where decisions affecting the local economy were to be taken. It is this rationale that forms the co-existence of Departments that cater to modern small-scale industries, on the one hand, and others catering to village enterprises (eg: consider the various Departments under Ministries of MSME and Textiles). There have been constant attempts to ensure a synergic co-existence of the two, but such attempts have often not yielded the desired results. This demands the need for a fresh look into the relevance of the various public programmes, relating to their impact on the local people and their livelihoods.

There are both vertical and horizontal problems. On the one hand, the aspirations of the people at the local level is a mix of co-operation and conflict. While some of the aspirations such as local infrastructure, are less prone to conflicts, in the case of most of the goods and services produced, there is a conflict of interests. Therefore, the term 'development' in the local context, cannot be a 'one-stitch-for all'. This demands a new approach to defining and practicing 'development'. The purpose of 'development' is to ensure and maximize human welfare. Even the concept of 'welfare' is not a uniform pack. Therefore, it is necessary to have concrete steps on the following lines: 1) Placing man at the centre stage of 'development'; and 2) Defining 'welfare' in relation to some bottom- line criteria.

Human welfare has three ingredients: a) economic; b) social; c) environmental. A Local Economic Development policy should translate the three into economic activities in a participative manner. It is important that any such policy that may be articulated, should ensure an economic bottom- line that satisfies the majority of the local population. It is also important to ensure that this bottom- line does not conflict with some of the accepted social parameters. Besides, there need to be a focus on environment, in such a way that the initiatives of local economic development are sustainable, and are acceptable to a future generation. However, development strategists and governments often take the short-cut of dividing the human ecosystem into arbitrary criteria and components, such as rural- urban ,women- men, young-old etc. While the national interests and goals are as above, globally, capital has vertical interests. Therefore, shaping a development agenda, at the regional level is a hard choice. Without a proper evidence-base, India cannot pull on with its present day programmes for MSME development.





## NEED FOR AN INTEGRATED DEVELOPMENT APPROACH

Considering the emerging complexities of the economy, there is need for an integrated development approach on MSMEs. The various opportunities and critical constraints need to be pin-pointed. New research and evidences should lead to a review and restatement of existing policies, with a thrust on the following:

***Political and Administrative Powers*** : Under the 56th Amendment of the Constitution, village and small scale industries is a subject of the Local Governments. In India's bottom-heavy industrial structure, a large number of small and tiny enterprises, often located in small towns and villages, contribute to the small enterprise output of the country. This also implies that the breeding of entrepreneurship and shaping of entrepreneurship resources in the country is a local phenomenon. However, paradoxical enough, the local governments are either ignorant, or are reluctant to exercise their powers; or that these powers are usurped by the higher tiers of the government. Even in some of the States, where particular panchayats are show-cased as "success stories", it would be instructive to analyze the success factors. "Success" is often explained in terms of implementation of popular and politically sensitive National and State level programs, such as sanitation, water supply, elementary health services, primary schooling etc. People's participation in programme design and implementation, is often negligible.

**Capabilities:** It is also important to understand, whether these lower tiers of government, and their administrative machinery are objectively, capable of exercising such powers. In the case of local economic development programs, and especially enterprise development programs, the current state of these capabilities need to be examined. The component that is often missing is advisory services at various stages of planning and execution of an entrepreneurial activity (which is today lacking both at the local and State level.). By the term 'capability', the priority should go to such services, rather than the array of administrative tiers from the district down to the panchayat level. In fact, it is necessary to have a coordinating and hand holding mechanism at the level of local governments. However, beyond the so called "administration", the focus need to be on specific functional areas as follows: a.) Identification of project ideas and business opportunities; b.) Provision of general information and guidance; c.) Onward support services; and d.) Documentation, net working and creating ground for synergies. These functions can best be performed by competent BDS providers.

Governments will have to increasingly play a catalytic role in helping SMEs to tap the emerging benefits of the 'new economy'. Strengthening business development services, and creation of a social capital base can help to improve the situation. On the side of threats, knowledge remains too difficult to be accessed by the SMEs. Technologies become increasingly disruptive so that, by the time a new technology is adapted it becomes obsolete.

**Resources:** Under the existing formula of resource sharing between the State governments and the Local governments, the necessary resources for coordinating several of the base level promotion activities relating to enterprise development are available with the local governments. While some of the promotional activities being performed by the District industries Centers today can be handed over to the Local governments, the corresponding funds also should flow along with that. This will also help to equip the local governments with the necessary financial resources.

**Development of Synergies:** Enterprise development is a subject area where synergies and networking are critical. Today, these synergies need to be ensured, primarily between the Center and the State, on the one hand, and the State and the District Administration, on the other. In fact, it is the Office of the District Collector that ensures such synergies through the mechanism of various Committees, of course, with the lead role of the line Department. This implies a limit to professionalism.

Making synergies for enterprise development, demands both vertical and horizontal strengthening of the constituency of 'enterprise' is vital. Horizontally, there is need for an understanding of enterprise as a specialised subject, across the various line departments. This necessitates an Enterprise Resource Policy. The existence of clarity and strengthening of the constituency, would imply that, every tier of government, from the Union, down to the Local government, are clear about their relative roles and functions, and are able to

function responsibly. In the absence of such a perspective, each tier of government will identify some program and scheme of their imagination, and will try to thrust them upon the lower tier of government. This leads to a wide gulf between schemes and people's needs and aspirations.

### **RECENT INITIATIVES BY THE UNION GOVERNMENT**

The Government of India, since 2014, has taken several steps to deal with the related aspects of skills, entrepreneurship development, and promotion of manufacturing. This integrated approach gets reflected in two major forms: 1) development of a policy framework; and 2) introduction of specially structured programmes that deal with these related aspects. For transforming India into manufacturing hub, 'Make in India' was announced as a flagship programme. As a corollary of this major programme, several other programmes were announced. Skill India was announced in order to mitigate the critical problem of skill gap. The question of skills was again defined in terms of both technical and managerial skills. It was visualized that, such an integrated approach to skills will, on the one hand, meet the needs of the corporate sector, and will arrest rural-urban migration on the other. Thus, skills were identified as the nutrient for entrepreneurship development.

In order to have a proper integration of the skilling agenda, with that of entrepreneurship promotion, a separate programme called 'Start-up India' was announced. This programme visualizes and tries to take advantage of India's opportunities relating to the 'new economy'. It is natural that, with a major focus on large programmes, the likely benefits are concentrated in a few beneficiaries. In order to address the problem of social exclusion and its reflections on the investment front, a specialized programme called 'Stand-up India' was announced. This programme has a dual approach of reducing exclusion, and to ensure the resources of the banking sector in an equitable manner.

The introduction of MUDRA as a specialised window, meant for targeting micro enterprises, can be described as a major intervention for broad basing finance. <sup>2</sup> MUDRA loans today can be considered as a significantly broad based financial structure, with a stronger "bottom of the pyramid".

Promotion of ancillarisation is a major initiative, is also a remarkable achievement. This is clear in the case of defense equipments sector. However, at the subsectoral level, lot more need to be done in order to use MSMEs as a powerful handmaid of manufacture in the country.

### **IMPLICATIONS OF RECENT POLICY INITIATIVES**

Against the background of the above discussion, there is need for a critical examination of the recent policy initiatives of the Government of India, in relation to their impact on MSMEs. The Government of India has, through the above various programmes, has given a direction and way forward for the MSME sector. Informalism is a major characteristic of the MSME sector of the country. In this context there is a critical policy question regarding the further course of action. Should the MSME sector of the country remain largely informal as in the past, or should we move forward with careful strategies towards formalization. The term formalization involves a variety of steps including infusion of better technology, better organization, better managerial practices and more advanced development programmes. The Government of India has chosen the path of accelerating innovation in the MSME sector.

Having chosen a path of innovation, it is necessary to consider the short term and long term implications of such a change. MSMEs have a dual character of significant vulnerability on the one hand, and the substantial inherent strength which can be used to reduce the pains of a radical change. The results of a group of major policy initiatives, including GST, demonetization etc. have been widely debated. In most countries of the world, such radical policy decisions have contributed to short term shocks in the economy. While we wish the long term benefits to offset the short term shocks, public policy cannot remain passive. There is need for

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<sup>2</sup> MUDRA is a special microcredit scheme offered through microcredit institution like the Micro Unit Development and Refinance Agency Ltd (see at <https://www.mudra.org.in>).



a Special Package for MSMEs in order to supplement the formalization attempts that are in progress. While the total effect of all the measures taken by the Government is enhanced formalization of the enterprise system, the next step should be a five pronged strategy for sustaining such results. There is need for a three pronged approaches:

- 1) Detailed **Subsectoral understanding of MSME** dominant sub sectors;
- 2) A re interpretation of the functioning of the economy on the basis of clear functional criteria, rather than on the basis of old criteria such as, rural-urban, male-female etc;
- 3) A rationalization of the role of institutions, on the basis of detailed studies;
- 4) A re interpretation of the role of finance, and a restructuring of the relationship between finance and the real sector;
- 5) Planning for Entrepreneurship as a critical resource.

### **CONCLUSION**

The importance of SMEs in local economic development, as also the need for local economic development, are indisputable today. However, the policy perception and the details of a strategic approach needs much more clarity. However, while shaping a new approach in this area, it can, by no means, be a partial approach. It is important to focus on the macroeconomic policy in general, as also an understanding of the context in which regional diversity of the country is treated as a potential setting for enterprise development.



**Mumbai – Gate of India and the Taj Mahal hotel from the sea side**

Photo © by Dr. Antal Szabó

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**MSES AND CHANGED MARKET CONDITIONS <sup>3</sup>****ABSTRACT**

The paper highlights the importance of the small and medium-sized enterprises in India as a significant contributor to the national economy. Several schemes support the establishment of MSEs. The Micro Units Development and Refinance Agency – MUDRA – is a special instrument to establish link between unemployment and small enterprises. Online shopping, the so-called E-commerce is growing day by day. Introduction of the Goods and Service Tax – GST – significantly improved the business environment.

**Keywords:** micro and small enterprises – MSEs -, Micro Units Development and Refinance Agency (MUDRA), Goods and Service Tax – GST, cultural change in trade, online shopping, E-commerce, “use and throw” culture

**JEL classification:** L26, G21, H25

The micro and small enterprises (MSEs) has been a significant contributor to strong fundamentals of the economy. The sector, however, is now faced with new challenges that have completely altered the complexion of the market, requiring a focused approach in its development efforts.

Undisputedly, a healthy MSE sector is critical for the Country’s growth. MSEs not only absorb millions of persons even in these days of automation and mechanisation but also significantly contribute to foreign exchange earnings, building a genre of entrepreneurs, meeting wide-ranging requirements in the market. It would be no exaggeration to say that a fairly large section of population is predominantly dependent on them for satiating its needs/requirements. The service sector, particularly of day-to-day needs, is practically in the hands of small enterprises.

The sector has channelized the youth’s energy in to income-generating activity. Several welfare schemes designed for underprivileged resulted in the establishment of MSEs. In fact, unemployment problem has been a major trigger for coming up of such a large number of service and trading enterprises. While quoting employment generation data, authorities, often, refer to assistance extended by the Micro Units Development and Refinance Agency (MUDRA), which establishes link between unemployment and small enterprises.

**Issues**

But, the recent past initiatives such as demonitisation of earlier high value currency notes, ushering in of cash-less economy, digitisation of payments/transactions, permitting foreign direct investment in retail trade, introduction of Goods and Services Tax (GST), etc. have greatly altered the business environment, posing some additional challenges to the small enterprise sector. The *traditional problems* such as lack of (i) access to institutional finance; (ii) markets and market information; and (iii) access to modern technology continue cause hiccups in their operations. MSEs once again are in transition stage, the second in little over 25 years (earlier one was during 1990s when the economy was opened up).

<sup>3</sup> Posted in the Correspondent in Analysis, issued on 15 August 2018 in Global SME News

### **Changed market configuration**

Today, a product market is no longer single one but consist of sub-markets within that. Every technical change, let alone innovation, results in fragmentation of a market. In case of consumer electronics, for example, TV or refrigerator market is composed of dozens of variants of the basic item. Long gone are the days of standard 19 inches TVs and 165 liters fridge. ACs too comes in different models. The ready-made garment industry too is broken into casuals, formals, party wear, week-end wears and so on. Such sub-components of market for a product are the order of the day

The division of a market in to sub-markets offers huge prospects for inter-firm linkages for discerning small enterprises. The shortened 'shelf-life' (owing to technological changes) of a product, however, limits the space for MSEs to maneuver; they generally lack wherewithal to re-orient their operations every now and then. Their technology becomes obsolete very fast.

Multi-national brands have become dominant players in the market for several products, notwithstanding the built-in safeguards to protect the interest of MSEs. Though these brands target a section of market, it means a loss of market to that extent for MSEs. The likely 'ripple effect' of this on other segments is a matter of concern.

### **Throwaway Culture**

The gradually gaining trend of upgrading consumer products – a facet of lifestyle changes – by a section of population is a new challenge for MSEs (manufacturing and servicing) to keep abreast of latest trends and designs of a product. The "use and throw" culture is fast becoming a norm in the domestic market. The life of product is becoming shorter day by day. What is new today will become obsolete tomorrow.

This kind of behaviour necessitates MSEs to change their target market frequently. Compounding their problems is the availability of relatively low-priced Chinese make in every product.

### **Informed Customer**

Owing to of customers' exposure to international trends and latest developments, the market has become quite demanding. The accessibility to world-class products has made customers to aspire more for them.

The turnaround time available to the present day operator to respond to frequent variations in market requirements has shortened. Small service enterprises, thus, need large investment to stock a variety of parts, tools, etc. Both – a manufacturer and service provider – need to continuously upgrading their respective technologies, skills and related-inventory to be relevant in the market.

### **Large Multi-brand Retailers**

The increasing "online" shopping (e-commerce), and changes within that segment (WalMart buying flipkart) of retail trade, growing 'consumerism' and the emergence of multi-product large retail stores – offering different kind of shopping experiences – have all altered market structure for MSEs. The diffusion of large stores, coupled with growth in ICT, in tier-2 and tier-3 cities and further to smaller towns (the rural market structure is also gradually changing), is only compounding 'marketing problems' for local MSEs.

Yet, large multi-product stores can provide an outlet for their products and services. What is needed is to have a well designed marketing strategy with firm commitments to maintain the quality supply line and carving out a niche market. There will always be products which a large retailer has to necessarily procure from local sources, wherein MSEs can pitch in. Culture-reflective products is one such example.

### **New Financial instruments**

Along with drastic changes in a product market, a small enterprise is burdened with the need to reorient its operations to the requirements of 'digital payment' system. This not only necessitates acquiring new skills but also entails additional cost. The new system not only rendered many of MSEs (mostly income generating trading enterprise) cash strapped, but also is posing a problem for 'small means' customers such as daily labour.

Though small enterprises enjoy some concessions under the GST, they still fear escalation in the compliance cost.

### Government Support

the restructuring operations of MSEs is a daunting task, notwithstanding the government support to them in the form of lower corporate tax, removing cap on priority sector lending by banks etc.,. The basic characteristic of the sector in the form of predominance of proprietary entities in the entire matrix is a major concern.

Drawing a new/fresh policy for MSEs assumes importance in the changed market conditions. The policy should address the specific concerns of different components (by size and nature) of the sector, instead of having a blanket provisions. For example income-generating enterprises need more of basic support, while relatively competitive ones have to be facilitated to adjust their operations, upgrade skills etc. as per market dictates and then graduate to next level in enterprise pyramid.

Wide range of parameters, starting from concept of MSEs (in view new equations like out-sourcing, appearance of international retail chains) to technical and financial support, forging linkages, meeting information needs and other business development services' requirements, have to be addressed.

A mechanism that is capable of providing a constant effective support – and not concessions – to MSEs has to be established. A strong and viable MSE sector is critical for making the country globally competitive.



Elephanta Island near Mumbai  
Photo © by Dr. Antal Szabó

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**MSMES, E-COMMERCE AND DATA CONTROL: CHALLENGES AND OPPORTUNITIES****ABSTRACT**

Future economy will be controlled by one who controls data. Its important for an economy to have data server and access to data. Top are trying to rewrite the rules of the digital economy. In the WTO these players are working to convert existing mandate to discuss e-commerce into a mandate to negotiate binding rules arguing that e-commerce will bring development and benefit micro, small and medium enterprises (MSMEs). E-commerce transnational companies (TNCs), if have their way, would not require a local presence, can store data wherever they wish and transfer them whenever they want. Such rules of trade would make it difficult for a state to regulate e-commerce companies. Liberalisation of e-commerce at WTO level subordinates security and privacy of data over profit without bringing new technology and increase in production base and could threaten employment in agriculture, MSME and retail sectors at large scale.

**Keywords:** WTO; Micro, Small and Medieme Enterprises; E-Commerce, ICT

**JEL Classification:** L81, L86, L88, L53

In today's world, we use electronic commerce (e-commerce) platforms for almost everything including banking, shopping, communication and transportation. In the process, human beings are generating immeasurable amount of data. It is believed that the future economy will be controlled by one who controls data. Its important for an economy to have data server and access to data. Data processing into intelligence is bound to shape the future economy and decide who controls the market in future.

Technology companies are fast replacing oil, auto, retail, banking companies in the list of world's biggest companies. Top five technology companies namely Google, Apple, Facebook, Amazon and Microsoft all belonging to USA and having their data server there are trying to rewrite the rules of the digital economy. In the World Trade Organization (WTO), these players are working to convert existing mandate to discuss e-commerce into a mandate to negotiate binding rules arguing that e-commerce will bring development and benefit micro, small and medium enterprises (MSMEs).

**CHALLENGE OF REGULATING TRANSNATIONAL E-COMMERCE COMPANIES**

Development path for a nation has always been around creating jobs, acquiring new technology and boosting local economy. E-commerce transnational companies (TNCs), if have their way, would not require a local presence, can store data wherever they wish and transfer them whenever they want. Such rules of trade would make it difficult for a state to regulate e-commerce companies. Loss of regulatory space would handicap a nation state to safeguard privacy, protect data and tax digital trade.

All three reasons for having TNCs will be of no meaning as e-commerce TNCs would be able to operate completely from across boarder without any obligation to transfer technology, creates local jobs and benefit local economy. No contribution to the national tax base and inability to hold them accountable in case of irregularity will challenge the very sovereignty of a nation state. Moratorium on imposing customs duties on e-commerce has been renewed by ministerial conference held since its imposition in 1998. There are strong demands for making the moratorium on taxing cross boarder e-commerce permanent.

## LIBERALIZATION OF E-COMMERCE

Liberalisation of e-commerce at WTO started at the second ministerial conference held in Geneva in 1998 where the WTO adopted the Declaration on Global Electronic Commerce. (WT/MIN(98)/DEC/2 , 1998) The ministers along with declaring that they would not impose custom duty on electronic transmissions, established a work program on e-commerce. Four WTO bodies were charged with the responsibility of carrying out the Work Programme: the Council for Trade in Services; the Council for Trade in Goods; the Council for TRIPS; and the Committee on Trade and Development. Since then, the WTO ministerial have considered the Work Programme on Electronic Commerce at their Ministerial Conferences in Geneva 1998; Doha 2001; Hong Kong 2005; Geneva in 2009; Geneva 2011; and Bali 2013. In these ministerial, the Ministers continued the moratorium on customs duties on electronic transmissions. (WTO, 2015)

Recently, many proposals on e-commerce have been submitted to the WTO including by Australia suggesting ICT trade principles, by the US on trade rules supporting innovative advances in computer application and platforms, by the EU focusing on an information and communication technology trade principle relating to authorizations and licenses and by Switzerland on E-commerce by small and medium enterprises.

### E-COMMERCE: INVENTORY MODEL VS MARKET PLACE MODEL

India, however, do not allow FDI in B2c e-commerce. India differentiates between the Inventory and third party exchange Market Place Models. The ‘third-party exchange marketplace model’ companies just create an online platform to help connect buyers and sellers. The sellers have full ownership over products and services and have freedom over pricing. (Vishwajeet, 2018)

Marketplace model players do not directly compete with MSMEs and therefore do not hurt entrepreneurship and employment. In the inventory model, the same entity has the ownership of goods and services. The ‘inventory model’, leads to the creation of monopolies as big global players offer to buy products from sellers (largely MSME players) at an attractive price initially, but squeeze their margins later when these small sellers are entirely reliant on them. The big e-tailers then offer huge discounts to customers through the online portal and pocket profits in the long term. (Arun, 2015)

**To conclude**, liberalisation of e-commerce at WTO level subordinates security and privacy of data over profit without bringing new technology and increase in production base and could threaten employment in agriculture, MSME and retail sectors at large scale. Countries would lose revenue limiting its capacity to fund social-developmental programs.

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## **ENDOWING INDIAN HIGHER EDUCATION IN COLLABORATION WITH FOREIGN UNIVERSITIES**

### **ABSTRACT**

Higher education plays a major part in imparting knowledge, values, and developing skills and largely contributed in increases the growth and productivity of the nation at large. This paper provides an overview of opportunities and a challenge faced by the Indian Higher Education and it signify how the collaboration between Indian and foreign university empower the Indian education sector. The information has been collected from various books, trade journals, government publications, newspapers, online article, agencies report etc. It has been identified that the collaboration between Indian and foreign educational institutions in higher and technical educations will contribute in improving the superiority of higher education. The partnership between Indian and foreign educational institution may lead to improvement in curriculum, content and its delivery, infrastructural availability, exposure to the Indian student and faculty. Therefore, the challenges and opportunities of collaboration are unlimited and it needs constant expansion and evolution of regulatory regime in an innovative manner but by always upholding the quality of education and interest of students and nation.

**Keywords:** Higher education, collaboration, Indian University, Foreign University

**JEL Classification:** I 2, I 24

### **1. INTRODUCTION:**

Indian education system is that the third largest within the world, next to the US and China. Since independence, India as a developing nation is contentiously progressing within the education field. Though there are heap of challenges to education system of India however equally have heap of opportunities to beat these challenges and to create education system far better. It needs superior transparency and accountability, the role of colleges and universities in the new millennium, and developing scientific research on how people learn is of utmost important. India need sound skilled and decidedly educated people who can drive economy forward.

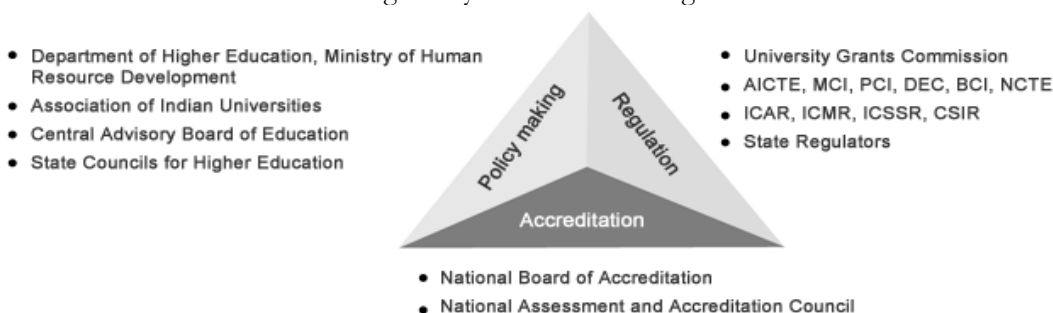
The education-sector-India report published by IBEF depicts that India has one of the largest higher education systems in the world, primarily dominated by private players who account for 60% of the total institutes and 64% of total enrolment of students. The higher education sector in India has a three tier structure comprising the university, college and course. This forms a vital link with the regulatory structure, and with accreditation agencies playing the key role in maintaining quality and standards in this sector. Universities awarding their own degrees are classified into five types based on their management which includes Central University, State University, Private University, Institutions –deemed to be a University and Institute of National Importance. Colleges award degrees in the name of the university to which they are affiliated. In addition, 15 professional councils (like MCI and AICTE) regulate the courses run by the colleges and universities. The University Grants Commission (UGC) acts as the overarching regulatory body.

In the context of a globally connected world, higher education in India is characterised by asymmetry in flows and unclear policies. Maximising the potential benefits from internationalisation of higher education would require a deliberate and sustained effort from all stakeholders. Like Singapore, Dubai, Malaysia and now China, India should position itself as a centre for quality higher education. India's strategy should be

based on internationalisation's potential to help tackle issues of access, equity and quality. The test of a good policy would be to build in safeguards and checks against misuse through strong regulatory and governance structures that are both relevant to the needs of the country and also foster innovation and creativity. This would facilitate an understanding of and aligning with international quality assurance systems to develop standards that are fit for purpose, context driven and globally acceptable. India must clearly define its higher education policy objectives to be both globally and locally relevant in order to benefit from increased global student mobility and growing internationalisation. India has potential, and a clear higher education policy could secure the country a formidable global standing in higher education.

### 1.1 Regulatory bodies of Higher Education:

Exhibit 1: Regulatory Framework of Higher Education in India



Source: [www.ibef.org/industry/education-sector-india.aspx](http://www.ibef.org/industry/education-sector-india.aspx)

Regulatory bodies of Higher Education consist of All India Council for Technical Education (AICTE), Medical Council of India (MCI) and the Bar Council India (BCI), among others, regulate different professional courses. There are two accrediting institutions namely National Board of Accreditation (NBA) established by AICTE and National Assessment and Accreditation Council (NAAC) established by UGC. As per UGC Regulations, 2012 mandate that all higher educational institutions be accredited by an accreditation agency.

**Table1: Growth in Universities and Colleges in India (2008-2016)**

Institutions	2008	2016	Increase (#)	Increase (%)
Central Universities	25	47	22	88%
State Universities	228	345	117	51%
State Private Universities	14	235	221	1579%
Institutions Deemed to be Universities	103	123	20	19%
<b>Total</b>	<b>370</b>	<b>750</b>	<b>380</b>	<b>103%</b>
Colleges	23,206	41,435	18,229	79%

Source: UGC (Cited in Dr Education. Com)

The number of "State Private Universities" increased from just 14 in 2008 to 235 in 2016. These institutions are enacted by the State legislature but funded by private promoters (often business groups). In eight years, India added over 18,000 new colleges. These teaching colleges (public or private) are affiliated with universities which conduct tests and awards degrees.

**Table 2: Growth in Students Enrollment by level of Education (2008-2016)**

Level of Education	2008	2016	Increase (#)	Increase (%)
Bachelor's (Graduate)	11,908,151	24,593,321	12,685,170	107%
Master's (Post-graduate)	1,489,685	2,764,886	1,275,201	86%
Doctorate	95,872	180,957	85,085	89%
Others	148,100	945,582	797,482	538%
<b>Total</b>	<b>13,641,808</b>	<b>28,484,746</b>	<b>14,842,938</b>	<b>109%</b>

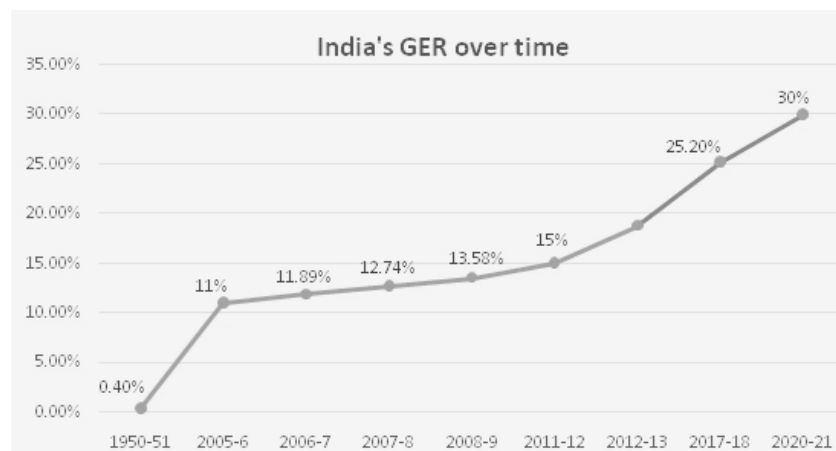
Field of Study	2008	2016	Increase (#)	Increase (%)
Arts	5,875,532	10,271,296	4,395,764	75%
Engineering/Technology	1,313,706	4,885,134	3,571,428	272%
Science	2,612,406	5,417,464	2,805,058	107%
Commerce/Management	2,486,901	4,637,317	2,150,416	86%
Education	286,478	1,085,876	799,398	279%
Medicine	446,087	1,118,178	672,091	151%
Others	620,698	1,069,481	448,783	72%
<b>Total</b>	<b>13,641,808</b>	<b>28,484,746</b>	<b>14,842,938</b>	<b>109%</b>

Source: UGC (Cited in Dr Education. Com)

If we consider the data of eight years, number of students in Indian universities and colleges doubled to reach 28.5 million students. The growth in master's and doctorate level is slower than the overall enrollment growth. The quality and supply of high quality faculty is suffering. It can be seen that the enrollment in Engineering/Technology programs increased by over 270% in eight years. With the slowdown in IT industry, concerns of H-1B visas and fears of layoffs, sustainability of many engineering colleges is in question.

The dichotomy is that Indian laws prohibit profit making from education, yet expect private enterprises to keep investing in education. Over the years, considerable progress has been made in higher education in the country. In the XI Plan, India moved from an "elite" system of higher education to a "mass" system when the Gross Enrolment Ratio (GER) crossed the threshold of 15%. However, our GER at 18.8% still remains below the world average of 29% (as in 2010). This increase in GER has, naturally been accompanied by increase in the number of higher education institutions serving the population.

Exhibit 2: Gross Enrolment Ratio



Source: Rashtriya Uchchatar Shiksha Abhiyaan-RUSA  
[National Higher Education Mission] (A Report by MHRD & TISS)

#### Methodology of the study:

The study is based on the exploration of the information about collaboration between Indian universities and foreign universities. The data is based on the secondary data collected from the government report, books, journals, websites etc.

## 2 PROBLEMS AND PARADOXES IN HIGHER EDUCATION

Higher education in India suffers from several systemic deficiencies. As a result, it continues to provide graduates that are unemployable despite emerging shortages of skilled manpower in an increasing number of sectors. The standards of academic research are low and declining. Some of the problems of the Indian higher education, such as the unwieldy affiliating system, inflexible academic structure, uneven capacity across various subjects, eroding autonomy of academic institutions, and the low level of public funding are well known. Many other concerns relating to the dysfunctional regulatory environment, the accreditation system that has low coverage and no consequences, absence of incentives for performing well, and the unjust public funding policies are not well recognized. Driven by populism and in the absence of good data, there is little informed public debate on higher education in India. Higher education in India has expanded rapidly over the past two decades. This growth has been mainly driven by private sector initiatives.

There are genuine concerns about many of them being substandard and exploitative. Due to the government's ambivalence on the role of private sector in higher education, the growth has been chaotic and unplanned. The regulatory system has abortive to maintain standards or check exploitation. Instead, it resulted in erecting formidable entry barriers that generate undesirable rents. Voluntary accreditation seems to have no takers from amongst private providers and apparently serves little purpose for any of its stakeholders. Despite, its impressive growth, higher education in India could maintain only a very small base of quality institutions at the top. Standards of the majority of the institutions are poor and declining.

## 3. HIGHER EDUCATION IN COLLABORATION WITH FOREIGN UNIVERSITIES

If we consider those unacceptable scenarios in Indian higher education the answer is inviting collaboration work between Indian & Foreign Universities. Therefore in this epoch of globalization and liberalization, collaboration between Indian and Foreign educational institutions is attaining the motion. Hence, increased aspiration of Indian institution to have collaboration with foreign educational institution it will help improve their brand value. Increased competition among foreign educational institutions to capture the vast Indian educational market has necessitated setting the framework of regulations for regulating such collaboration between Indian and Foreign educational institution. It can be say that Indian Education sector helps to upward social mobility. But there are many concerned problems like financing and management including access, equity and relevance, re-orientation of programmes by laying importance on health consciousness, values and ethics and quality of higher education together with the assessment of institutions and their accreditation. These issues are significant for the country, as it is now engaged in the use of higher education as a powerful tool to build a knowledge-based information society of the 21st Century.

In terms of number of collaborations forged by foreign Universities with Indian Educational Institutions, in 2011 alone, a total of 161 collaborations were reported. There is always a reason behind every new venture and when it comes to collaborations between the foreign universities and Indian institutions, there seems to be a lot of opportunities to venture in the Indian education market. Allowing foreign universities into India have become a bone of contention between those vociferously opposing it and others who are espousing its cause. Just like every other decision, this one has its fair share of advantages and disadvantages. On the whole, however, it seems more likely that allowing foreign universities into India will not harm the Indian educational system.

A recent survey found that a majority of those enrolled in distance education courses at Harvard University were Indians. There is already a considerable portion of the Indian population that opts for foreign degrees. They do not vie for education at leading institutions in India. For a vast percentage of these students, travelling to foreign destinations ensures that Indian money fills foreign coffers. If the Indian government wants to cut down on this flow of money, allowing foreign universities in India may be a major step in this direction. Moreover, these foreign universities also provide good opportunities for local academicians. There are many reputed lecturers and professors who are choosing to leave India to teach abroad because the

salaries here are not commensurate with international standards. We can also prevent brain drain by allowing foreign universities in India. So many of our talented IIT students opt for higher studies abroad and choose to remain there. It would also spur the education system in India to improve its functioning if foreign competition is allowed. So far, Indian educational institutions have become complacent.

It can be said that Indian educational institutions would advance from knowledge transfer, collaborations and partnerships with foreign universities. It would be easier to connect with them if they are located in India. There are many foreign universities can also provide top research programs in areas which are not available in India to a great extent. Courses such as sports psychology, sports medicine and sports management are rare in India. Those who want to specialize in key scientific disciplines in certain specialized fields also have no options in India. In such a scenario, offering a chance for foreign universities to establish base in India may not be a bad move. It may even encourage Indian universities to develop better courses.

#### **4. POINTER OF SUCCESSFUL FOREIGN UNIVERSITY COLLABORATION**

Fortunately, various forms of internationalization are seen as a means to increase access and quality, with foreign universities eager to help India fill in the void through research collaborations, twinning programs, joint degrees, and, possibly, branch campuses. These institutions can increase access, add new programs, provide needed faculty, add a global perspective, and fill in the gaps in areas such as vocational education and community colleges.

##### **4.1 Joint degree with Cornell**

India has embarked on partnerships with foreign universities in which students receive two degrees, one each from a foreign and an Indian university. The College of Agricultural and Life Sciences program at Cornell University in Ithaca, New York, has partnered with Tamil Nadu Agricultural University (TNAU) in Coimbatore to offer degrees in food science and plant breeding. Graduates receive an MPS (master of professional studies) degree from Cornell and a master's of technology degree from TNAU. It all began 10 years ago when Cornell took students from its International Agriculture and Rural Development course to India during the winter break to see agricultural development there. TNAU paid a return visit to Cornell and subsequently the Navajbai Ratan Tata Trust decided to sponsor the dual-degree program. Since 2009–2010, 25 students from India have enrolled. Students spend one year at Cornell and one year at TNAU. Indian and Cornell students take courses together, adding value to the experience for both. Several faculty members from Cornell supervise the students' program and, when they are in India, the Indian faculty guides the students.

##### **4.2 Joint Program with Germany**

Another example of a partnership program is Manipal University, a private university in western India, and Hochschule Bremen University of Applied Sciences (HB) in Germany. In 2009, with funding from the European Union, the Manipal Centre for European Studies, with Neeta Inamdar at its helm, was opened. Indian students study at Manipal for three semesters and one semester in Germany, where they take courses and do an internship. This relationship has been going on for a decade, with a focus on student and faculty exchange programs. Four HB journalism students spend a semester at Manipal and four students and a faculty member do the same in Bremen each year. More collaboration is planned in the areas of ecology and sustainability research.

##### **4.3 Twinning Programs**

Especially popular, twinning programs enable Indian students to spend half their time in India's colleges and the other half in a foreign country. These are embraced because it's easy to transfer credits, there's little risk for the foreign university, it provides a predictable revenue stream for both institutions, and students like getting two degrees. The University of Bath in the UK has such an arrangement with St. Xavier's College in Mumbai. Since 2009, Indian students have been enrolled in the masters of Science (MSc) program, which includes 14 weeks in St. Xavier's, 14 weeks in Bath, and a 20-week internship in a biotech company in India. Graduates receive the MSc degree from Bath and a diploma from St. Xavier's.

#### 4.5 Essence of collaboration to Higher Education

Internationalization is seen as an opportunity to enhance prestige and revenue for Indian universities. Working with foreign universities can alleviate some of India's access problems by opening doors to more students, while offering more specialized and flexible course options and research facilities. It can reap economic benefits because some of the students who go abroad for their education will remain in India, although some dispute that notion. Indian students can save money on travel, accommodations, and living expenses. India may also become a destination for students from other countries. Ultimately, it can help India retain and develop its own talent with more options within the country. India has a tradition of education abroad and student and faculty exchanges. Manipal University has 100 such relationships and the number is growing. Where does India's higher education system go from here? How might partnerships with foreign universities develop and grow? Everyone agrees that patience and persistence are two requirements to working in India's higher education system. Therefore collaboration among Indian and Foreign Universities can bring quality education to India and elevate the quality of education.

#### 5. CONCLUSION:

Higher education is critical to India's aspirations of emerging as a major player in the global knowledge economy. The global competitiveness of Indian industry and also its employment generation potential is clearly dependent on availability of required skills and trained personnel. While there has been remarkable growth in the number of institutions providing higher education in last two decades, the fact remains that none of the Indian universities or colleges finds any place in the list of top universities in the world. Despite remarkable progress in reforms covering a number of sectors and sub-sectors of the economy, there is little informed deliberation on reforms in higher education. International partnerships between Indian and Foreign universities are beneficial to all, from the staff and students to the world as a whole. Increasing access to higher education for Indian students is of vital importance in the coming years, especially given the ambitious government goal to triple the number of Indian students pursuing higher education by 2020.

The importance of collaborations between Indian and Foreign Universities of higher education is now widely recognised at both institutional and governmental levels. However, while there is a great deal of interest in forging institutional, several hurdles are encountered on both sides. Some of these difficulties relate to practical issues such as clarity over policy frameworks and governmental regulations; the availability of adequate levels of resources and institutional support. These revolve around the lack of a coherent rationale for collaborations within the context of a shifting global architecture of higher education, together with the absence of a satisfactory account of the conditions under which collaborations are best forged and the ways in which they are best assessed, extended and sustained. . Therefore collaboration among Indian and Foreign Universities can bring quality education to India and elevate the standard of higher education.

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The Kaliasha temple is the largest and most interesting rock-cut out of 32 cave temples known as the Ellora Caves in Maharashtra  
Photo © by Dr. Antal Szabó

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## **ANALYSING SYLLABUS OF COMMUNICATION SKILLS OFFERED TO STUDENTS OF INTERIOR DESIGN FROM THE PERSPECTIVE OF ENGLISH FOR VOCATIONAL PURPOSES**

### **ABSTRACT**

With globalization in competitive business world, different organizations emphasize on recruiting staff with required employability skills. One of the universally accepted employability skills is no other than English Communication Skills. With clear expectations of developing English language skills which help students to become employable candidates English Communication Skills subject is offered to students of Interior Design at different educational institutes. To enhance employability skills emphasis should be shifted from traditional teaching to training where students are involved in different classroom activities as a part of learning process. This paper takes a closer look at syllabus of Communication Skills offered to students of Interior Design in different Universities of Gujarat. One of the approaches of English Language Teaching (ELT) English for Vocational Purposes (EVP), branch of English for Specific Purposes (ESP), focuses on teaching English for developing job skills in students so that they can function confidently in their respective fields of specialization. This means EVP syllabus focuses more on developing functional language skills in a training mode where students get exposure to language drills, individual tasks, pair work, group work and other language learning opportunities. To design EVP syllabus certain criteria had to be fulfilled as outlined by Elizabeth Platt (1996) Dan Kim (2008), Helen Busturkmen (2010), Handoyo Puji Widodo (2015) and few other researchers. Research work and publications of these researchers are studied as a part of literature review to understand EVP as an approach of teaching English language. This study focuses on doing comparative analysis to find out strengths and weakness of Communication Skills syllabuses with respect to EVP. In this analysis, apart from topics included in syllabus, textbooks and reference books listed are also taken into consideration. Material for teaching has also been reviewed to come to a decision whether it would be suitable to fulfill the criteria of teaching EVP. For data collection internet browsing, email communication, telephonic communication and personal meetings have been considered as tools. This paper presents findings of comparative analysis that provide a direction to do further research in the area of syllabus design so that students get opportunities in classroom to learn, practice and enhance their communication skills with training mode.

**Keywords:** Books, Communication skills, EVP, Interior Design, Syllabus.

**JEL Classification:** A14,

### **INTRODUCTION**

Communication is a systematic attempt to share human experiences, thoughts, ideas, information and knowledge with one or more than one recipients. In short, communication is a set of skills used in creating and sustaining human relationships. Liberalization of economy has made geographical boundaries porous and today we see an entrepreneur / or a manager dealing with clients all over the globe. Such a change in

scenario warrants the need for effective communication skills in English as it is accepted international language today. Due to globalization and development of IT, communicating effectively in English has gained ascendancy. Globalization has opened the gates of Indian markets for the MNCs and the establishment of call centers. Both provide large number of job opportunities in India in which the primary skill needed is communication in the English Language. Khuman et al. (2009) have rightly stated that, “We communicate 75% of our working time; an organization communicates 90% of its working time”. Effective communication therefore, is a social need of an individual, as well as the lifeline of any organization.

Students studying any discipline require communication skills; students of interior design are no different. In the professional field a manager / technician working in an MNC or in any industry has to communicate all the time with his / her peers, superiors, subordinates and clients. Proficiency in communication skills in the Target Language i.e. English along with the knowledge of the subject is what the companies look for in students during campus interviews. They are of the view that students with good communication skills fare better at their workplace than students with poor communication skills having scored high percentage of marks.

Many professionals like Baker (2017), Doyle (2017), Mahoney (2017), Robert (2016), Wicker (2017) have accorded high priority to effective communication skills that interior designers need to possess for different purposes. Summing up their opinions majority of the essential communication skills are as following:

- Introducing self to the client
- Listening attentively to understand the needs of the clients
- Giving creative inputs and presenting different points of views
- Giving opinions
- Sharing experiences
- Describing work done in other projects
- Communicating with professionals at national and international trade shows, conferences and other events
- Presenting oneself in group discussion
- Discussing work with other professionals like architects, engineers, contractors, etc...
- Negotiation and persuasive skills

The study undertaken emphasizes that teaching of these skills in English should take place in the classroom. Learners need to be exposed to and given opportunities to use language in giving opinions, sharing experiences, describing projects undertaken, discussing work, etc... so that their communication skills in English could be developed. Training in Presentation skills will teach learner how to organize ideas logically maintaining audience interest at all times. Candidate's manner of presentation, vocal inflections, perfectly timed pauses, facial expressions and gestures make presentation effective and interesting for audience. Presentation skills help presenter in positioning himself and his ideas in a consistently positive and professional manner. This enables him to make a professional impression – the first time and every time. It gives professionals the tool and confidence to design and deliver clear, concise and persuasive arguments / ideas. This is one of the essential skills needed to enhance interior designer's leadership skills, create customer satisfaction and develop team synergy. Practice in group discussion is important because it develops the process of reasoning, it helps learners to support their arguments by providing evidence, and it helps them to be tolerant to others' opinions, thus indirectly learning interpersonal skills. The learner also develops the ability to take on leadership roles and the ability to lead, inspire and carry the team along to help achieve group's objectives. Therefore in this survey based research attempt is made to understand Teaching – Learning Scenario of Communication Skills in English Language in colleges offering Interior Design in Gujarat. For this closer look at syllabuses of Communication Skills offered in different universities of Gujarat has been studied with reference to the course of Interior Design.

## LITERATURE REVIEW

One of the approaches of English Language Teaching; English for Vocational Purposes (EVP), branch of English for Specific Purposes (ESP), focuses on teaching English for developing job skills in students so that they can function confidently in their respective fields of specialization. As the study emphasizes on developing above mentioned skills in students in a classroom, looking at EVP has been taken into consideration. After going through research work and publications of different researchers as a part of literature survey to understand EVP as an approach following criteria have been identified to be fulfilled in practice of EVP.

- Qattous (1995) specified cultural dimension of such syllabus which helps learner to socialize and increase his / her adaptation to different job situations.
- Platt (1996) emphasized on different factors like pair work, group work, learning through variety of authentic materials, interaction among students and teacher to discuss and review process and procedures as a part of normal pedagogical activity. Platt also stated that overall effect of these factors would result in rich language learning potential and develops high motivation in learners.
- Considering English for Occupational Purposes (EOP) as another name for EVP from Dan Kim's (2008) study it can be presented that it is based on non other than content knowledge of certain field and field specific practical English such as phone conversation, presentation, email. It focuses on classroom preparation for possible situations at workplace, correlating international work culture with the culture of learners, practicing expressions and dialogues with partners and also making learners learn conflict resolution and problem solving skills for workplace.
- Similar opinion has been given by Busturkmen (2010) who used termed EVP as 'narrow angled' course because it is designed for learners with homogeneous needs with reference to type fo target academic work and target work environment.
- According to Widodo (2015) integration of English lessons with vocational area actually strengthens learner's motivation for and interest in English learning. It not only works as subject but also as a tool to gain vocational knowledge for participating in particular vocational discourse.
- Altmisdort (2016) stated that Teacher should guide learners in learning process by offering opportunities to interact. For this interaction real life oriented and authentic material is to be used. In this type of goal oriented teaching emphasis has also been given to continuous evaluation before, during and after learning.

This means EVP syllabus focuses more on developing functional language skills in a training mode where students get exposure to language drills, individual tasks, pair work, group work and other language learning opportunities related to workplace English. Thus it makes EVP syllabus different from other traditional or common Communication Skills syllabus.

## METHODOLOGY: SAMPLE AND DATA COLLECTION

To understand what has been offered in syllabus of Communication skills (CS) subject in different universities of Gujarat and which textbooks and reference books are recommended to teach English to develop vocational language skills comparative analysis of syllabus of Communication Skills subject has been done.

Syllabus of CS taught in nine universities of Gujarat has been taken as sample for comparative analysis. They are

1. Institute of Design, Ganpat University, Mehsana

2. Shri Govind Guru University, Godhra
3. Gujarat Technological University, Chandkheda
4. Parul Institute of Design, Parul University, Limda
5. School of Design, RK University, Rajkot
6. Shantaben Manubhai Patel School of Studies & Research in Architecture and Interior Design, Sardar Patel University, New Vallabh Vidyanagar
7. D C Patel School of Architecture, Sardar Patel University, Vallabh Vidyanagar
8. Godavariba School of Interior Design, Uka Tarsadia University, Tarsadi
9. Department of Interior Design, Veer Narmad South Gujarat University, Surat

For data collection of syllabus and reviewing books internet browsing, email communication, telephonic communication and personal meetings have been considered as tools.

**DATA ANALYSIS**

The contents of syllabuses collected from nine colleges have been divided into five sections for ease of comparison namely communication skills theory, vocabulary and grammar, listening and speaking skills, reading skills and last, writing skills.

The number of colleges having a topic/task in their syllabuses is shown in form of bar graphs for ease of analysis and interpretation of data. The topics/tasks included in only one syllabus have not been mentioned in this data analysis.

Units of Syllabus

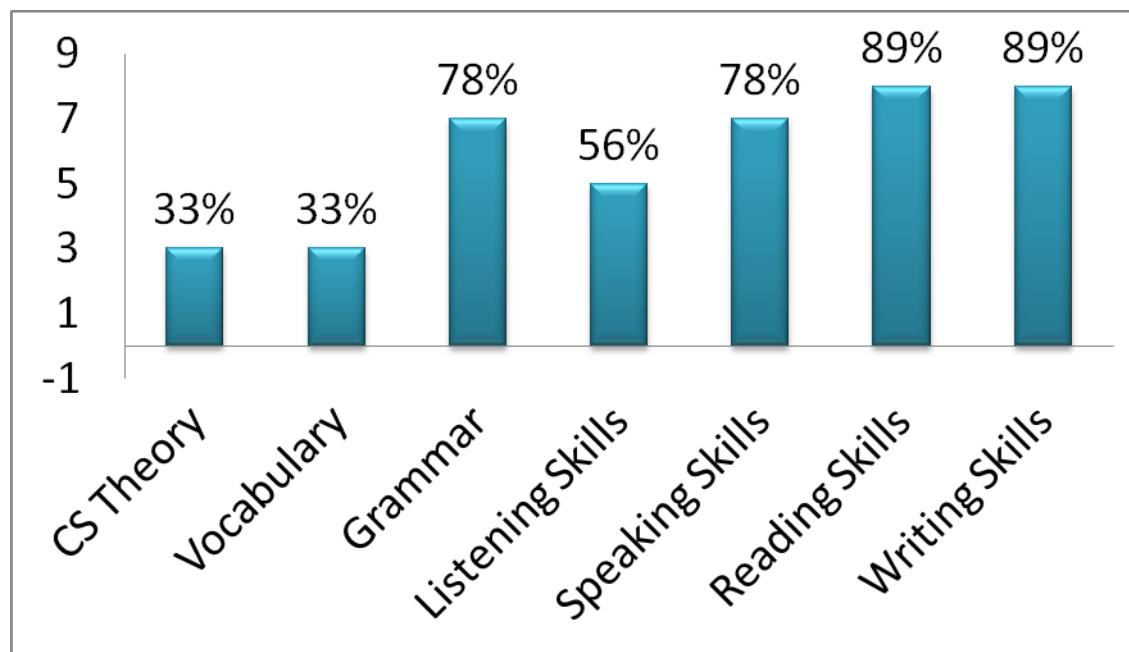


Chart 1: Units of Syllabus

This graph shows a comparison of the major units of the syllabus. Reading and writing skills have been included in maximum number of syllabuses, followed by speaking skills and grammar. Listening skills has been included in almost half number of syllabuses whereas Communication skills theory and vocabulary have been included in only 33% syllabus.

**Communication Skills Theory**

Communication Skills theory has been included in 33% syllabus. Its topics namely introduction, types of communication, importance and benefits of communication and components/process of communication have been detailed in only 22% syllabus. In 11% syllabus, the topics of the unit have not been mentioned in detail.

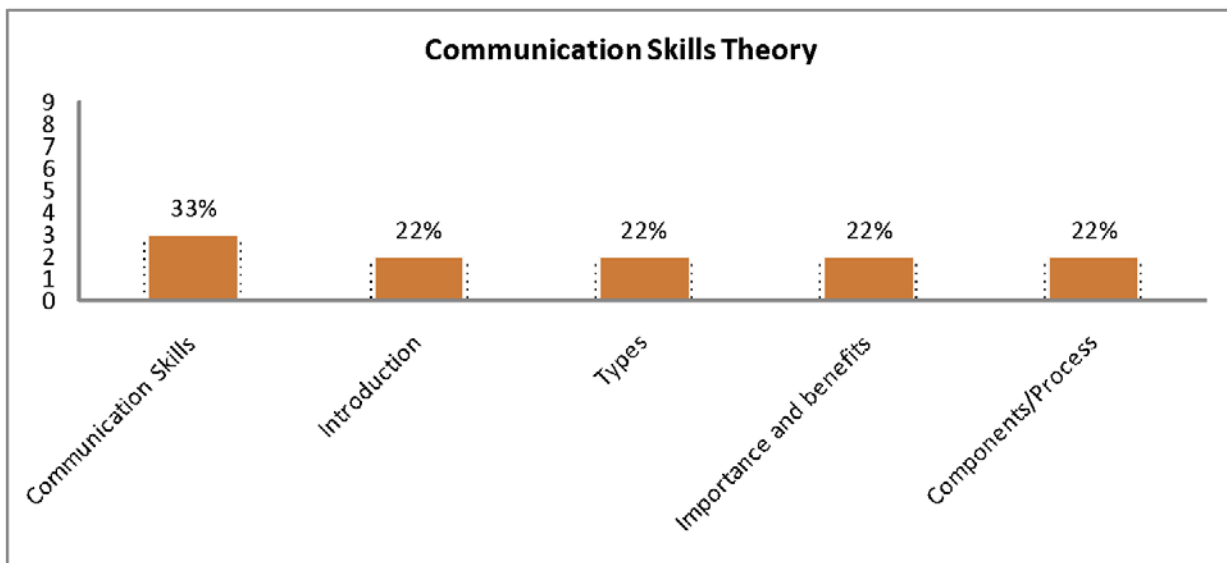


Chart 2: Communication Skills Theory

**Vocabulary and Grammar**

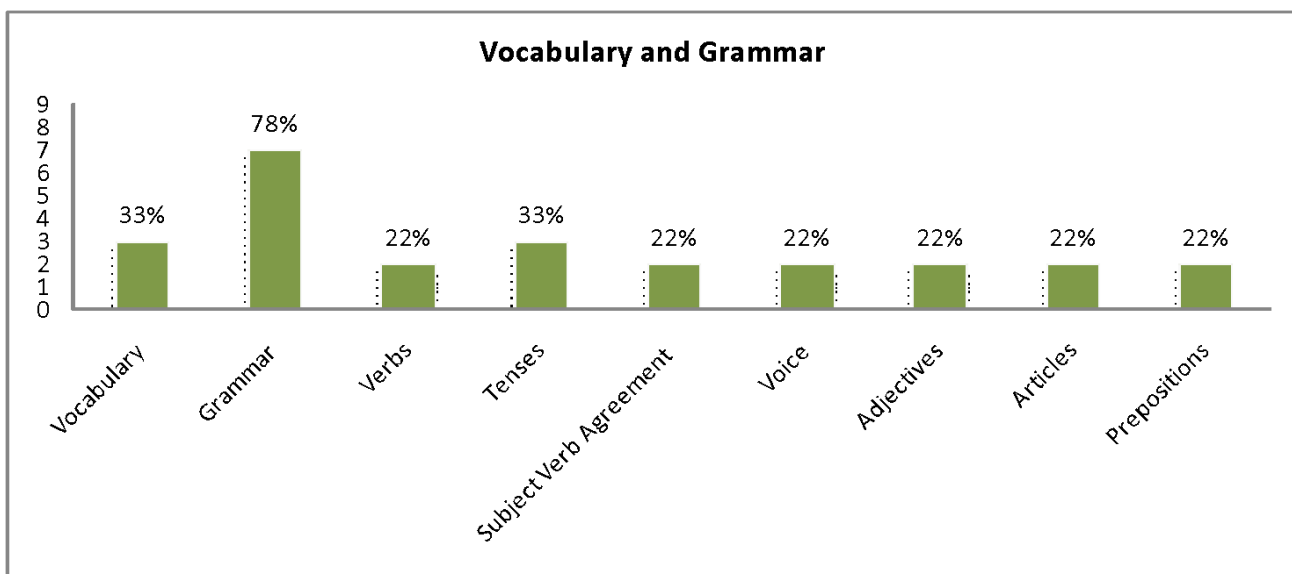


Chart 3: Vocabulary and Grammar



Vocabulary is included as a unit in 33% syllabus whereas grammar in 78% syllabus. In 33% syllabus, topics of grammar have not been detailed. Tenses have been included in 33% syllabus while other topics namely verbs, subject-verb agreement, voice, adjectives, articles and prepositions have been included in only 22% of syllabus.

**Listening and Speaking Skills**

Listening skills have been included in 55% syllabus from which only 22% have mentioned task of listening to audios/videos.

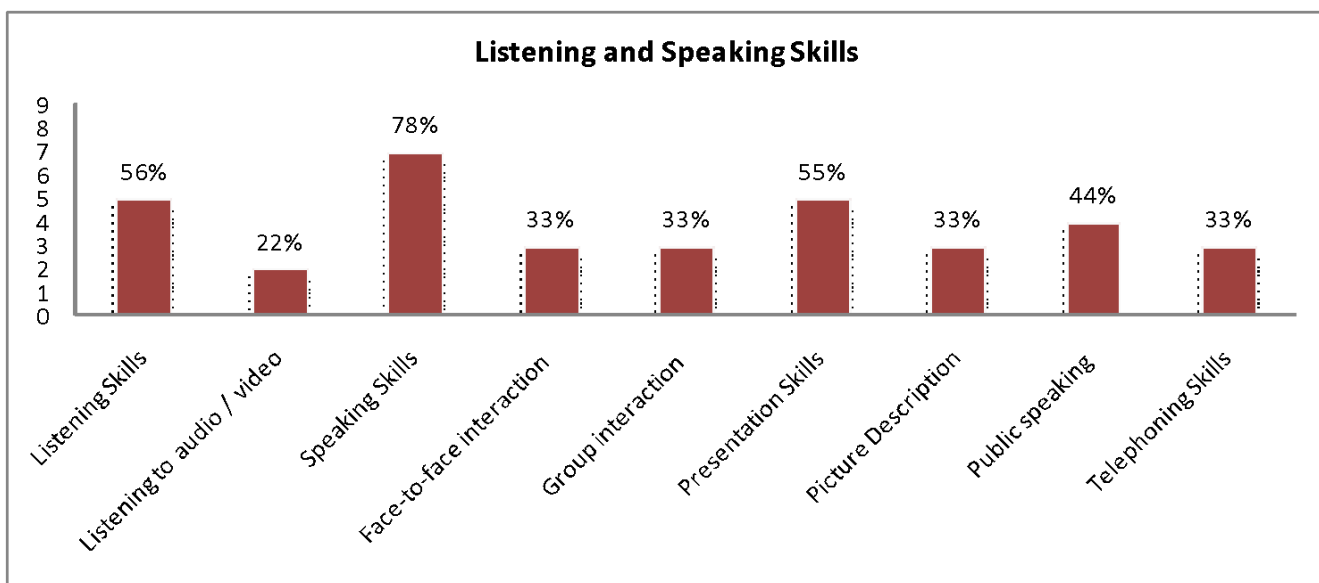


Chart 4: Listening and Speaking Skills

Speaking skills have been included in 78% syllabus, out of which 11% syllabus have not mentioned topics/tasks. Among speaking skills, presentation skills has been included in highest number of syllabus(55%), second highest is public speaking skills (44%) followed by face-to-face-interaction, group interaction, picture description and telephoning skills each included in 33% syllabus.

**Reading Skills**

Reading skills have been included in 89% syllabus, out of which 22% syllabus have not

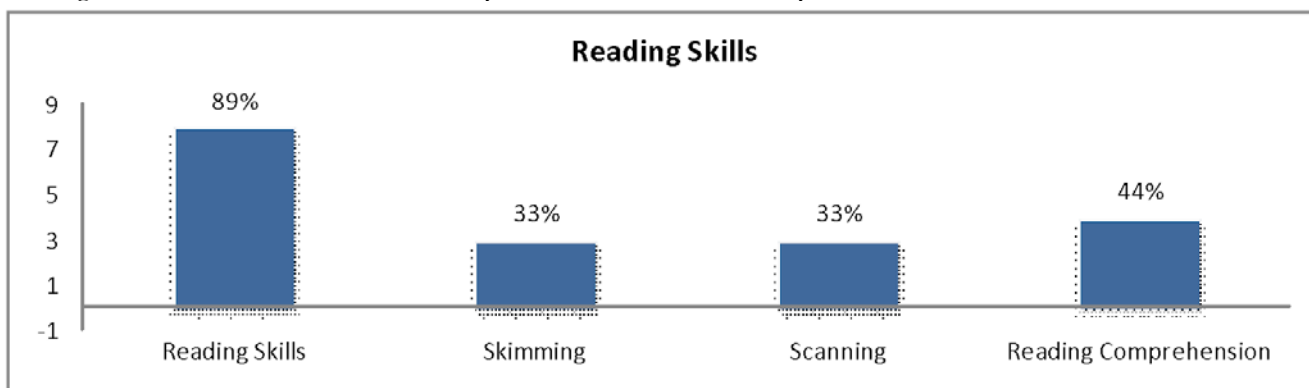


Chart 5: Reading Skills

mentioned topics/tasks. Reading comprehension has been given maximum inclusion (44%) followed by skimming and scanning skills (33% each).

### Writing Skills

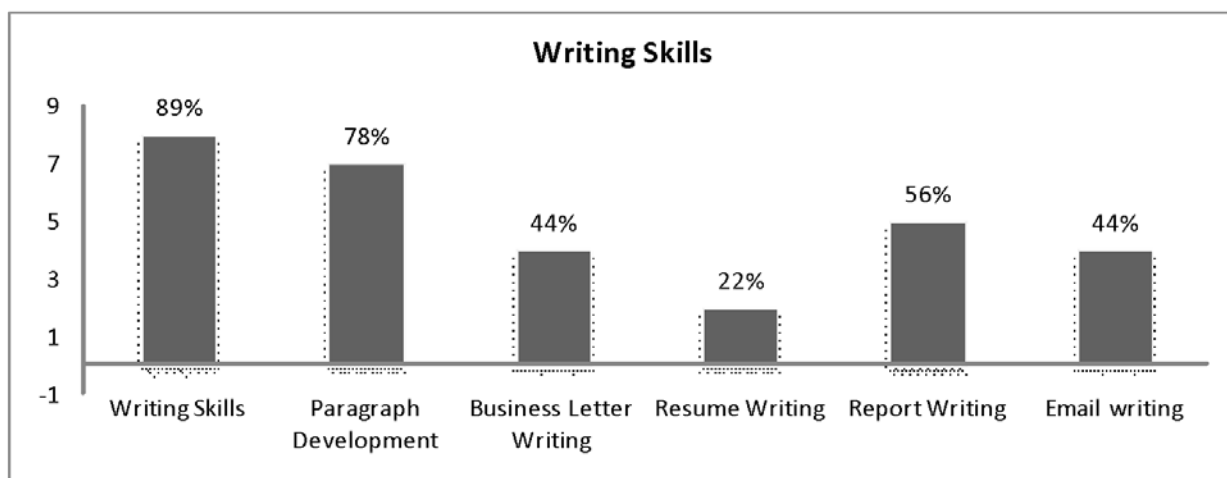


Chart 6: Writing Skills

Writing skills have been included in 89% of syllabus, out of which 11% syllabus have not mentioned topics/tasks. Paragraph development has been included in highest number of syllabus (78%), second highest is report writing (56%), followed by business letter writing and report writing as third highest. (44%). Resume writing has been included in only 22% syllabus.

The data analysis shows that reading and writing skills have been given most importance in syllabus of Communication skills for students of interior design. Speaking skills and grammar are also very important. Among topics, paragraph development is given maximum importance, followed by report writing and presentation skills. Public speaking skills and reading comprehension skills have also been given considerable inclusion.

Though there are different topics of Communication skills covered in the syllabus, it does not specify whether it follows EVP authentic material or not. To find out that Text books mentioned below these syllabus were looked after. It was surprising to know that GTU, UKU, Ganpat University and SPU have mentioned different reference books like Technical Communication: Principles and Practice by Sangeeta Sharma and Meenakshi Raman, Developing Communication Skills by Krishna Mohan and Meera Banerji, Communication for Engineers by Sunita Mishra and Murl Krishna which have content specific to Engineering. R K University has not mentioned any books but it has 'field specific vocabulary' as a topic in syllabus which is inclined towards EVP. As VNSGU has clubbed the subject and named it Communication and Visual Skills it has mentioned three books for Visual Skills but no books for Communication Skills. This indirectly conveys that the subject might not be given the sincere attempt which it requires to develop such vocational English language skills. In this situation finding two EVP books in reference book section of the syllabus of Parul University was bit relieving. When referred both books English for Art, Design and Multimedia by Hana Atcheson, Helena Janasova and Tereza Skorepova and English for Design Students by Kasatkina TY were found with field specific content with possibilities of developing interactive skills.

## FINDINGS

By doing this survey it has been found that in majority of the universities offering Communication Skills subject in undergraduate courses of Interior Design have common syllabus which might be offered to students of other courses also. Study of books and reference books brought it to notice that R K University

and VNSGU have some field specific topics but in absence of reference books it is yet to be explored to consider it for EVP. Only Parul University has mentioned EVP books as reference books and has mentioned design specific topics in Reading Comprehension Unit. If designed syllabus is taught from the books mentioned then it stands strong to be considered as EVP syllabus. Still adding subtopics to the topics of units and keeping a book by Indian author, to bring in cultural aspects, instead of foreign author would make it more clear compared to the existing one.

### SCOPE OF FURTHER RESEARCH

This leads to scope of further research. It signals that further research can be done in the area of content development i.e. authentic material development and designing pedagogical tasks for effective execution of EVP so that it can be offered in other universities where CS is offered in undergraduate course of Interior Design. In future it might become a helpful tool to redesign syllabus as per criteria of EVP so that end product students shall be benefitted at the most.

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**E-LEARNING IN INDIAN EDUCATION SYSTEM****ABSTRACT**

There is an emerging broad consensus around the world about the benefits that can be brought to education system through the appropriate use of evolving information and communication technologies. The range of possible benefits pervaded practically all areas of activity in which knowledge and communication play a vital role. It is involved from improved teaching and learning processes to better student outcome, increased student engagement and seamless communication with teachers and parents. Today there is a significant gap between knowledge and skills students learn in school and the knowledge and skills that workers need in workplaces and communities. Employers report that they need students who are professional, having good moral and work ethics, can collaboratively work in team, have critical thinking and problem solving ability, can lead a group of people and are skilled in verbal and written communication.

**Keywords:** Education Technology, e-Learning, Education Technology in India

**JEL Classification:** A2, I23, J24

**1. INTRODUCTION**

Digital education implies digital learning. It is a kind of learning that is endorsed by digital technology or by advising system that makes impressive use of digital technology. Digital learning happens around all learning field and territory. Digital education offers win – win options for all, at one side school, colleges and other foundations gives the fast pick up in admission and additional earnings due to digital education, and on other hand individual sees this as a flexible and optional points granting them to research as per their appropriate time and quality. Teaching and learning get continuous knowledge as it contains game, educational and business animation and all round audiovisual affects learning material.

Over the last few decades digital education in developing country is progressing by leaps and bounds. It is transforming the method of students learning various ideas, theory and content in school and colleges. The established legacy method such as chalk and talk in school and colleges has been gradually upgrading with more common teaching – learning method such as digital teaching learning adopted by school, colleges and many institution. Digital learning takes a guarantee that more collaboration from candidate as the recent era of students are well- learned with digital equipment such as laptops, I-pads, and smart phones. There are various secured users in the area of digital educations like educomp, Tata class edge, teach next, who are evenly occupied and producing various unique and stable software to promote teachers in classroom teaching.<sup>[1]</sup>

**Features of Digital Education: - Initial**

Digital Education has 3 features.

- The content
- The digital technology base
- The distribution frame work.

To grasp and evaluate in excellent approach let us take an example of “ Hello English”, one of chief foundation dedicating digital education for school work, college approach and other institution for various exams & admission process. They assure they will make teaching fun experience for your kid. They are dedicating good context, theory, examples, pictures, explanation, animation etc. for every field accumulating all the academic details. All the allotment are trained in digital tablet by well known Technology equip. They are having excellent distribution schemes, once you have secured the purchase as

your demand, the output or product will be allotted and handed over at your place and therefore they will give online live example to function the same.

## **2. ADVANTAGES OF DIGITAL EDUCATION**

### **2.1. Advantages to educational Institution.**

Educational institutions can calmly contrive their actions with the help of digital technology. Few crucial advantages are:-

- Period / era and wealth of the foundation will be defended and conserved.
- They can calmly schedule to approach online test or evaluation and disburse the evaluated output rapidly.
- It arranges acquaintance to conveyance straight. Forward and identically from tutor to every individual with the support of impressive and well developed technology rely on teaching equipment.
- It supports in building interest in group of learners which will help them in educating or learning many contests from very common audio – visual teaching concept or theory.
- Benefits over other institutions and foundations which deny contriving such unified component covered learning and management framework.
- Straight forward practice among school, colleges and parents for students concerned educational strategies. <sup>[2]</sup>

### **2.2. Advantages to Students:**

As the entire theory concept will be discussed in the conference through digital slides, it builds cordial relationship with students. Learning will be fun for many students. <sup>[4]</sup> They are able to remember much content, theory from very common audio-visual teaching theory. A few other advantages are:-

- They can straightly access their routine schedule, class home work, any incident, reports scheduled in school, institution etc. from residence.
- They are shrewd to produce design and advertisement online.
- They can gain online evaluation approach and display their result.
- They can straight forward accumulate teaching theory of opted class online.
- They can access library books and material online.

### **2.3. Advantage to parents:**

In current world, it is hard for parents to go to institution or school, colleges due to their heavy workload any busy lifestyle. Digital technology supports the parents to display all the data of their child from the comfort of their residence or workplace few other advantages are:

- The web convenience of digital education supports the parents to view their child's attendance, up gradation, progress in syllabus, schedule etc.
- They can calmly inquire or upgrade the subject explained in colleges, school or institution, homework allotted to their child, any prospective responsibility and projects and guide the child consequently to complete and system protocol approach.
- Appropriately display intrinsic and half yearly amount and other additional activity rates.
- They can get data on different school programs, headlines, peak days, vacant areas and can weigh-out the attendance of child in the institution and other area of the class.

### **2.4. Advantage to Teachers:**

Digital in education also build approach in association with teachers. It supports them to make teaching interactive or correlate in association with students very impressively. Few other advantages are:-

- It supports the teacher to contrive their class schedule and tutoring context impressively.

- They can very smartly utilize the institution as well as department concerned data through internet.
- They can upgrade and update routine schedule, homework, classwork, lesson planner history as well current, functions, program events and free day list, self as well as student registers etc.
- It will support in describing the tough, hard context very smartly and impressively.

### 2.5. Advantage to principals / Head of Department some of the crucial advantage to principal are:-

- Straight forward to contrive all the department / school branch functions & routine schedule
- In case if the he is on furlough, he will be able to access all the school data online and manage the school very smartly.
- He / She can outline teacher's teaching advancement and students' achievement.
- It will support in allotment of institution class and subject to a tutor according to his / her way of approach and knowledge.
- He can determine assignment to other group employee / representative and review their construction or way of working.

## 3. TECHNOLOGIES THAT WILL SHAPE FUTURE CLASSROOMS

What does the future of learning hold? What will classrooms of the future be like? Emerging technologies such as cloud computing, augmented reality (AR) and 3D printing are paving the way for the future of education in ways we may have yet to see. At the very least though, we can extrapolate from what these promising technologies and predict how schools will adopt them in time to come. However, just as the original intentions for new technology often give way to innovative and unpredictable usage, we can never be sure if a twist is waiting for these rising stars.<sup>[8]</sup>

### Augmented Reality (AR)

We're still waiting for Augmented Reality to take the world by storm by way of Google Glass and Holo-Lens, gaming and awesome apps for astronomy. It's expected to wow audiences with its AR capabilities, which allow users to see additional information over-layered on what they see through the lens. Currently, however, access to AR technology for educational purposes is mostly limited to smartphone apps. Apps like Sky Map lets you scout the night sky for constellations, but they are not fully integrated as a component of education as they have yet to reach the stage of seamlessness. The AR experience must be immersive enough to blend information readily with the reality. With Google Glass and Holo-Lens and the other AR-enabled wearable devices that will soon follow, students explore the world without having to hold up a device which could distract from the experience. Created by Will Powell, an AR developer for Oxford, a simpler version of the Google Glass showcases how effortless this can be. Check out his video to enter a world with seamlessly integrated augmented reality.<sup>[10]</sup>

### 3D Printing

The 3D printer produces **working mini-models to test out engineering design principles**, so students can perfect their design before making an actual prototype. Together with CAD (computer-aided design) modeling software, 3D printing allows these students to experiment freely with their designs without expending considerable costs and time.<sup>[11]</sup>

### Cloud Computing

In the future classroom, students may just need **an electronic device to access all their homework** and all other learning resources in the Cloud. This means no more lugging heavy textbooks to school, and having constant access to your reading materials as long as you have an Internet connection.

Such convenience will provide students the freedom to work on their projects or homework anytime and anywhere. <sup>[12]</sup>

### Game-Based Learning

Growing up at a time when the world is connected by the internet, kids today seems to have very **short attention spans**. This is unsurprising, since their childhood revolves around YouTube, Facebook and smartphones that provide them with on-the-go 24-hours updates and the answers to all their queries through Google and Wikipedia.

To cater to such a fast-paced generation, schools will eventually abandon traditional teaching methods of rote learning to align themselves with the times. One great way to achieve that is to use what had always been considered as a major distraction to learning – video games.

### Education beyond the Classroom

In the future, education will no longer be restricted to formalized institutes like schools and classes. Using AR, cloud computing, online social networking and adaptive learning systems utilizing eye tracking technology, **learning can take place outside the traditional classroom**. Experimentations and mistakes will also be encouraged as simulations are made possible through 3D printing and game-based learning without actually incurring real-world consequences or costs. Chief among all, students will soon be imparted with the wisdom of **seeing learning as not a chore, but as a critical and gratifying part of their life** which requires their proactive involvement.

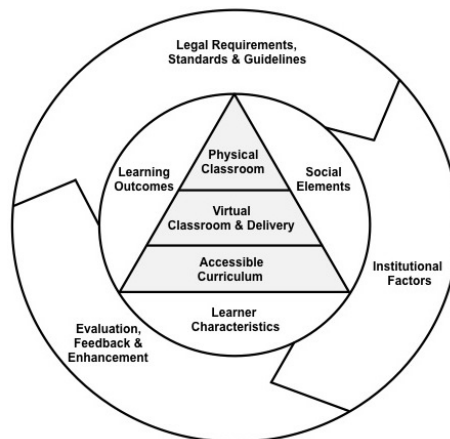


Figure : The VI using Virtual IT Discovery (VIVID) model (Permvattana, 2012)<sup>[7]</sup>

## 4. OUTLOOK OF DIGITAL EDUCATION IN DEVELOPING COUNTRY

Universally India captures a crucial condition and location in the sector of education. There are more than 2.5 million educational institution all over the nation containing over 237 million learners registered all over various sectors and more than 47,000 higher education departments. India has become the second highest market for digital technology education after the US, moreover, there is an opportunity for expert advancement in the area of technology and digital education. There are few primary capital workout and investment and advancement that have been occupied to encourage the technology and digital education in developing country like India. Few of them are as follow:-

- NIIT, which is forerunner in practicing and ingenuity advancement, is out looking for strategies to bear online study from well known educational institution or international universities to about 7 lakh candidate over the proceeding four years with US based edx.
- SEED, Ignis careers: based of technology and digital education start – ups as initial task conducting to manage average – cost institution with the support of digital technology.
- Tata trusts which is the sub-organization of the Tata group and various educational Academy are initiating internet support learning software to conduct free digital education in developing country like India.
- A digital education initial gets to, language portals such as epic has made up us \$ 70 million from the chain series action growth upgrade by social media developers for advancement of digital education in India.
- Intel corporation, a US supported multinational technology institute is working to gain dreamer approaching solutions and enlarge estimated technologies to learners and education sectors all around the world.

## 5. CHALLENGES TO DIGITAL EDUCATION: A FEW OF THE MAIN CHALLENGES TO DIGITAL EDUCATION IN INDIA ARE:



One of the important challenges to digital learning in India is poor internet connection in remote area and few parts of non-remote area. Many of the population around India are yet to have an approach to web technology and a huge population in non – urban sector is yet uneducated in the area of technology and internet etc. Huge creativity is necessary to upgrade the technology education more common and accessible.

### **Lack of Expert Tutors**

A primary hurdle in the utilization of technology education in non – urban region is the dearth of acquaintance and aspects. There is a lack of tutors, correctly prepared on digital subjects. In few of the educational sectors in non-urban areas, tutors, school in charge and college professors are not curious in utilizing digital & technology classes. They perceive that a huge data is convinced to the learners at one go part the digital & calculating substrate and they choose established interacting & learning method such as chalk and talk. In remote area, primary teachers and middle school teachers are hesitant to get prepared and adopt digital ideas for the technology base learning in school, college & other academic institute due to their approach and function that these excellent technologies are out to develop them forever.

### **Accent and Avid concern Challenges**

Accent and language is one of the important hedge for the advancement of digital education in India, there are various language and accent in varying according to state wise, as in language used in different state across the country, shoving language many a time gets hard and uneasy for the different educational organization.

### **Destitute Subsistence and Improvement of digital apparatus**

In non urban area subsistence and improvement of technology based education and its require apparatus is one of the primary concern and currently discussed. This is broadly because of financial force from various sources and by government. The digital technology education projects in non urban schools are not personally tenable. At inceptive stage different projects have been started by government for the advancement of digital technology education, but next part, they have not been conducted because of proper subsistence of technology apparatus which is intensely secured in the digital education advancement in non remote area.

### **Spare Finance**

Digital technology education include impressive and implementable utilization of proper and upgraded hardware and software technology execution into education systems is a tricky function as it needed massive finance and framework. Through digital technology developing country showed the government has pledged attainability of finances for technology execution but inadequacy or imperfection of economic draw to unnecessary and outdated pre-requisite and apparatus's non-remote schools.<sup>[4]</sup>

## **6. OBJECTIVE**

The digital technology education projects in non urban schools are not personally tenable. At inceptive stage different projects have been started by government for the advancement of digital technology education, but next part, they have not been conducted because of proper subsistence of technology apparatus which is intensely secured in the digital education advancement in non remote area.

- The aims of the research study are:-
- Features of digital technology education.
- Advantage of digital technology to various collaborators.
- Hiatus of digital technology education in developing country like India.
- Dispute of digital Technology Education.

## **7. REVIEW OF RELATED LITERATURE:**

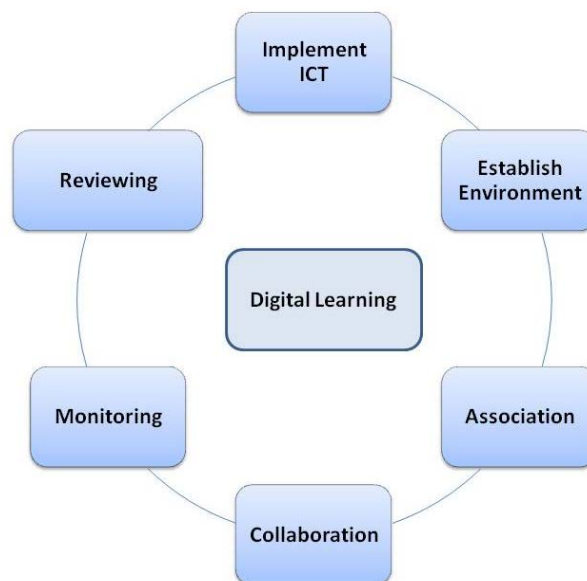
The study includes review of various literatures. Few of them are as follows:

Shikha dua et al., (2015) have finalized various points, dispute and aspects of digital technology education in India. They submitted positive approach in authorizing creative classroom exemplar for learning. The

prospective aspects of digital technology education involve calculating classroom, video based teaching, and game supported by learning and so forth. They have acuminated out various objections of digital technology education and submitted dimensions to prevail such objections and issues.

Jinal Jani and Girish Tere (2015) suggest that Inclusion of digital technology by government of India is crucial for the advancement of digital education in the nation. Digital India campaign is a firm and development proposed by Government of India for Structure of digitate authorize society around the nation. It will support in preparing the scoping of data technology around government departments and support in transferring the various government programs and services. Digital India will support in building job, furnishing high speed internet and digital safe boards system and so forth. Digital technology India has three crucial features namely digital framework structure, digital transferring work or functioning and resources and digital technology education.

Jayesh M Patel (2017) suggest that there are major internet supported apparatus which can be utilized in the classroom for digital technology education like twitter, Glogster, Prezi, diigo, Dropbox & Moodle. Teachers and learners are eager in internet supported digital technology learning but due to inadequacy of acquaintance they are not introducing the identical. Internet supported apparatus will make the learning entertaining and learners will get instigate which Usual classroom cannot do. Recently the tutor centrally arrive at preparing learning unexcited even for graceful affiliate, use of digital technology prepare even uneventful anxious graceful and cheerful.<sup>[8]</sup>



## 8. RESEARCH METHODOLOGY

The research is mainly adjunct upon the major data. The study for current paper was lead through literature review, without any practical work being drawn. A huge means of on paper theory was utilized, which contained books magazine blogs, educational Journals, as well as the sites.

**ICT in Digital Learning:** Information Communication Technology (ICT) and other aspects of digital culture plays a vital role to bring effectiveness in education system especially suburb area where expert faculty can't penetrate.

**Infrastructure:** Interactive Smart Boards, Tablets, Laptops, E-readers, Flipped Classroom etc. are among foundation tools to establish digital learning environment.

## CONCLUSION

Education department in India has seen a chain events in last couple of years which supported to convert the country into a knowledge heaven. The research apparently speck that advancement of education framework is necessary for the advancement of digital technology education around the nation. This will foster remarkable growth in the framework & structural financial stability in the education field.

Representative governance, English speaking tech-educated genius and an excellent statutory and intellectual property conservation network are necessary for the advancement of digital technology education in Indian community. Government of India has also taken primary actions for the advancement of digital technology education in India like covering of IIT's and IIM's in updated place as well as assigning educational grants for research students in majority of government organizations. As per the union finance sheet 2016-17, 15 public and 15 private academic organizations to be made world class, Digital repository for all educational leaving certificates and diplomas. Rs. 2,800 crore assigned for 2600 multi – skill advancement centers 73 new Jawahar Navodaya Vidyalayas to contrive merit digital technology education. Digital education deep lay to be started for updating eight crore exceptional non-urban house requirement products. The Government of India has declared strategy to load educational data such as degrees, diplomas, mark cards, transfer certificates, achievement certificate etc, from optional to actual – level organizations into a digital National Academic Depository. The research promoted the discrete question, query of digital technology education in India. Government of India required taking the necessary calculation to address such challenges for the advancement of digital technology education in India.

### ACKNOWLEDGEMENT

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## **FINANCING MSME: INITIATIVES, SCOPE, OPPORTUNITIES AND CHALLENGES IN PRESENT SCENARIO**

**ABSTRACT**

The Micro, Small and Medium Enterprises (MSMEs) play a vital role in the economic and social development of India. It plays a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. It is expected that Indian economy will grow by over 8% per annum until 2020. Presently, the Indian MSMEs are facing different types of problems. . If the Government, Bank and Financial Institutions will take proper initiatives in the sector of MSME and they will take pride while servicing the MSMEs, these challenges can be solved and the economic growth rate of India will be 8-10% for the next decades. The loan providing process of the banks is very long and formalistic. Banks take undue time in sanctioning the loan applications of the SME entrepreneur specially first generation entrepreneur. Banks generally considers the loan amount much below the requirement of the entrepreneur which forces the entrepreneur to depend on outside loans or cut down the project below the viable level. Under financing or anxiety to secure the bank funds by the lenders is a cause of concern in growth of this sector. This not only becomes a cause of failure of the unit but also considered as in fructuous investment. The capital base of the SME units is weak and they are placed in such a situation that they cannot garner funds. In present industrial contraction and slowness of economy the sector has emerged as an alternative to the banks to deploy its lendable resources more profitably than ever. Looking to the scope availability and its importance the sector is embraced by the bank as corporate strategy. However, various challenges are ahead of its successful implementations.

**Keywords:** micro, small and medium enterprises; Finance; SME Finance; Banking; Monetary economics; lending strategy; credit policy

**JEL Classifications:** G20, G21, G28, B26, Z31

**BACKGROUND**

The Micro, Small and Medium Enterprises (MSMEs) play a vital role in the economic and social development of India. It plays a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. It is expected that Indian economy will grow by over 8% per annum until 2020. MSMEs contribute about 45% of India's manufacturing output. The importance of MSMEs and its various socio-economic contribution like employment generation, fostering new entrepreneurship, providing volume to the industry base and contribution to national output and exports of our country was identified. They contribute in GDP and GNP of India. It acts as a breeding ground for entrepreneurs to grow as large from small entrepreneur. MSME Sector is increasing enormously in India. Presently, the Indian MSMEs are facing different types of problems. . If the Government, Bank and Financial Institutions will take proper initiatives in the sector of MSME and they will take pride while servicing the MSMEs, these challenges can be solved and the economic growth rate of India will be 8-10% for the next decades.

By large this sector has been considered as a vibrant and dynamic sector in the industrial scenario of India and the sector acts as an engine for the economic growth of the country by means of its contribution towards employment generation, export earnings, production and assisting in satisfying the requirement of medium and large scale industries. Countries like India that are thickly populated and industrially progressive are highly depending on this sector for promotion of employment opportunities for the citizens of the country and attaining the balanced economic and regional growth. The growth of this sector also contributes significantly in the development of entrepreneurial skills among the people, decentralization of ownership, elimination of monopoly power in the market, avoidance of concentration of wealth and power and to ensure the balanced economic and social development of the country.

## DEFINING MICRO, SMALL SCALE INDUSTRY AND MEDIUM ENTERPRISE

### Small Scale and Ancillary Industries:

Small Scale Industrial units are those engaged in manufacture, processing or preservation of goods or is servicing and repair workshop undertaking repairs of machinery used for production, mining or quarrying or custom service units except service units) having investment in plant and machinery(original cost) not exceeding Rs100 lakhs to be classified under Small Scale Industry.

The investment limit of Rs100lakhs for classification as SSI has been enhanced to Rs500 lacs in certain specified items under hosiery, hand tools, drugs & Pharmaceuticals, and stationery goods by Govt. of India

**Note:** Subject to the condition that the unit is not owned, controlled or subsidiary of any other industrial undertaking.

1. Owned /owner is specified in clause 1 of section 3 of the companies act 1956
2. Subsidiary is specified in clause 47 , section 2 of the companies act1956
3. Controlled by any other industrial undertaking means:
  - a. Where two or more industrial undertakings are set up same proprietor
  - b. Where two or more industrial undertakings are set up as partnership firms and one or more partners are common partner/s.
  - c. Where industrial undertakings are set up by companies under companies act 1956 and considered as controlled one ,if equity holding by other industrial undertaking is in it exceeds 24% of its total equity. The unit also called as controlled one if the management control of an undertaking is passed on to the other industrial undertaking by way of the managing director of the first mentioned undertaking being also the Managing Director or Director in the other industrial undertaking or the majority of the directors on the board of the first industrial undertaking being the equity holders in the other industrial undertaking.
4. While calculating the original cost of plant and machinery the cost of equipments such as tools, jigs, dies, moulds and spare parts for maintenance and cost of consumable stores shall be excluded.
5. The cost of installation of P&M, cost of research, development equipment, pollution control equipment, cost of generator set, transformer, bank charges, service charges, cost cables,wiring,bus bars, electric control panels(not those mounted in individual machines), cost of gas producer plants, transportation charges(excluding excise and sales tax charge), charges for technical knowhow, valuation charges, legal charges, cost of storage tanks, cost of fire fighting equipments shall not be included in cost of plant and machinery.
6. In case of imported machinery, the cost of import duty, shipping charges, custom clearance charges, sales tax, demurrage paid at the port shall be excluded.

### Ancillary industrial Undertaking:

An industrial undertaking which is engaged or proposed to be engaged in the manufacture or production of parts, components, sub-assemblies tooling or intermediates or the rendering of services and the undertaking supplies or renders or propose to supply or renders not less than 50 percent of its production or services as the case may be to one or more other industrial undertakings and whose investment in fixed assets in plant and machinery whether held on ownership terms or on lease or hire purchase, does not exceed 100 lakhs. .An ancillary unit should not be a subsidiary of or owned or controlled by the parent unit.

An industrial undertaking which is engaged or is proposed to be engaged in the manufacture or production of parts, components, sub assemblies , tooling or intermediaries or rendering services and the undertaking supplies or renders or proposes to supply or render not less than 50 percent of its productions or services as the case may be to one or more other industrial undertakings and whose investment in plant and machinery whether held on ownership terms or on lease or on hire purchase does not exceed Rs100lakhs.

### Tiny Enterprise

Investment limit in plant and machinery in respect of tiny enterprises is Rs25 lakhs irrespective of location of the unit.

### **Women Entrepreneurs**

A small scale unit/industry related service or business enterprise, managed by one or more women entrepreneurs in proprietary concern in which she/they individually or jointly have a share capital of not less than 51% as partners/share holders/directors of Pvt. Ltd. Company or members of Cooperative society.

### **Small Scale Service & Business(Industry related) Enterprises(SSSBs)**

SSSBs industry related service/business enterprises with investment up to Rs5lacs in fixed assets excluding land and building are called SSSBs. The limit has been enhanced to Rs10 lacs wef Sept.2000.

### **Artisans, Village and Cottage Industries**

Artisans(irrespective of their locations) or small industrial activities(viz. manufacturing, processing, preservation and servicing) in villages and small towns with population not exceeding 50,000 involving utilization of locally available natural resources and or human skills.

### **Medium Enterprises**

At present, a small scale industrial (SSI) unit is an undertaking in which investment in plant and machinery, does not exceed Rs.1 Crore, except in respect of certain specified items under hosiery, hand tools, drugs and pharmaceuticals, stationery items and sports goods, where this investment limit has been enhanced to Rs.5 Crore. A comprehensive legislation which would enable the paradigm shift from small-scale industry to small and medium enterprises is under consideration of the Parliament. Pending enactment of the legislation, current SSI/Tiny Industries definition may continue. Units with investment in plant and machinery in excess of SSI limit and up to Rs.10 Crore may be treated as medium enterprises (ME).

### **Various Initiatives**

Various initiatives taken from the government to enable the MSME to enhance their competitive strength address the challenges of competition and avail the benefits of global Market, which are as under:

1. Enactment of the Micro, Small and Medium Enterprises (MSMEs) Development Act 2006, operative from October 2006.
2. It provides the first-ever legal framework for recognition of the concept of enterprise (comprising both manufacturing and services).
3. Under the Act, enterprises have been categorized broadly into those engaged in (i) Manufacturing, and (ii) providing services. Both the categories have been further classified into Micro, Small and Medium enterprises, based on gross investment in plant and machinery for manufacturing enterprises, and in equipment in case of enterprises providing or rendering services. The original value of Plant and Machinery/equipment is considered in determining the status of the enterprise as the value is uniform across the country rather than the value of Land and Building or any other assets.
4. A national level credit linked subsidy scheme, namely, \_Prime Minister's Employment Generation Programme (PMEGP)'was introduced in August 2008 by merging erstwhile PMRY and REGP schemes of this Ministry.
5. The Khadi and Village Industries Commission Act, 1956 has been comprehensively amended in 2006, introducing several new features to facilitate professionalism.
6. A Public Procurement Policy for MSEs was notified in March 2012.
7. The 4th All India Census of MSMEs (2006-07), which was launched in May 2008, was released during 2011-12. The results reveal that there are 36.2 crore MSMEs in 2006-07, providing employment to over 80 crore persons.
8. A Credit Guarantee Fund to provide relief to those micro and small entrepreneurs who are unable to pledge collateral security in order to obtain loans for the development of their enterprises. The guarantee cover provided is upto 75% of the credit facility upto Rs. 50 lakh(85% for loans up to Rs. 5 lakh provided to micro enterprises, 80% for MSEs

- owned/operated by Women and all loans to NER) with a uniform guarantee at 50% of the credit exposure above Rs. 50 lakh and up to Rs. 100 lakh.
9. In the 2005-06 Budget, the Government announced formulation of a National Competitiveness Programme, particularly to support the Small and Medium Enterprises (SMEs) in their endeavor to become competitive.
  10. The Micro and Small Enterprises – Cluster Development Programme (MSECDP) is being implemented for holistic and integrated development of micro and small enterprises in clusters through Soft Interventions (such as capacity building, marketing development, export promotion, skill development, technology upgradation, organizing workshops, seminars, training, study visits, exposure visits, etc.), Hard Interventions (setting up of Common Facility Centers) and Infrastructure Development (create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of MSEs).
  11. Ministry of Micro, Small and Medium Enterprises, Government of India have established 18 Technology Centres (TCs) earlier known as Tool Rooms (10 Nos) and Technology Development Centres (8 Nos) spread across the country.
  12. Credit Linked Subsidy Scheme (CLCSS), the Scheme aims at facilitating technology upgradation of Micro and Small Enterprises by providing 15% Capital Subsidy (limited to maximum Rs. 15.00 lakh) for purchase of plant and machinery. Maximum limit of eligible loan for calculation of subsidy under Scheme is Rs. 100.00 lakh.
  13. Government in April 2005 launched the Performance and Credit Rating Scheme. The implementation of the scheme is through National Small Industries Corporation (NSIC). Reputed Rating Agencies have been empanelled by NSIC from which the MSEs can select the one to be engaged by it for obtaining the rating. The Ministry of MSME subsidizes the cost of rating by sharing the fee charged by the Rating Agency.
  14. NSIC has been working to fulfill its mission of promoting, aiding and fostering the growth of small industries and industry related Micro, Small and Medium Enterprises in the country.
  15. Market Development Assistance (MDA) scheme has been introduced w.e.f. 01.04.2010 and envisages financial assistance @ 20% on value of production of khadi and polyvastra which will be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45.
  16. The Government has set up for the first time, a statutory National Board for Micro, Small and Medium Enterprises so as to bring together the representatives of different sub-sectors of MSMEs, along with policy-makers, bankers, trade unions and others — in order to move towards cohesive development of the sector.
  17. An Initiative of Ministry of Micro, Small and Medium Enterprises, virtual Clusters conceived as supplementing Physical Clusters, is a dedicated Web-portal which will enable the small businesses located anywhere in the country as well as the other stakeholders;
  18. Udaan training programme for unemployed youth 64 of J&K, Pradhan Mantri Kaushal Vikas Yojana, National Skill Certification & Monetary Reward 64 (STAR scheme) and various other initiatives taken by Ministry of skill development and Ministry of Labor.
  19. Pradhan Mantri Mudra Yojana, various SIDBI schemes, NABARD Schemes, FOOD PROCESSING INDUSTRIES SCHEMES, MGNREGA Programme, Indira Aawas Yojna, Swarnjayanti Gram Swarozgar Yojana/NRLM, NRUM schemes, Biotechnology Schemes, Start-up schemes, TUFs, Adhar Udyog for online registration, and various other initiatives have been introduced by Government of India and RBI.

### Scope

As per report of ICRA the credit to micro, small and medium enterprises (MSMEs) is expected to grow at 12-14 per cent over the next five years, helped by higher lending by non banking finance companies (NBFC) to the segment, says a report. As on March 2017, credit to MSMEs stood at Rs 16 trillion.

### OPPORTUNITIES IN MSME Sector:

1. Less capital intensive.
2. Most important employment generating sector. It provides 50% of private sector employment.
3. Effective tool for promotion of balanced regional development.



4. It is extensively promoted and supported by the Government.
5. Finance and subsidies are provided by the government.
6. Produced goods are purchased by the Government.
7. 40% exports in India are through MSME channel.
8. Procurement of machinery and raw material.
9. Globalization has offered new opportunities for the MSMEs.
10. Trade fares and exhibitions played a vital role in the economic growth of the countries

#### **ISSUES RELATING TO FAILURE OF SME UNITS:**

Despite of several inherent advantage in this sector, it does not prosper due to below mentioned reasons causing its failure which are as under:

1. The loan providing process of the banks is very long and formalistic. Banks take undue time in sanctioning the loan applications of the SME entrepreneur specially first generation entrepreneur which has innumerable disadvantage in continuing the facility in standard category. Inordinate delay causes in fluctuation of invoice price of the machineries and equipments, fluctuation in exchange rates in the event of import of machineries and many others including non utilization of land and other resources.
2. Banks generally considers the loan amount much below the requirement of the entrepreneur which forces the entrepreneur to depend on outside loans or cut down the project below the viable level. Under financing or anxiety to secure the bank funds by the lenders is a cause of concern in growth of this sector. This not only becomes a cause of failure of the unit but also considered as in fructuous investment.
3. Big units deliberately promote ancillaries which is a stumbling block in the growth of the SME units.
4. In present era of globalization, the MSME'S are facing the great from the international manufacturing companies who are proving quality goods at cheapest price. Therefore, it is very difficult to compete with the multinational companies.
5. Due to paucity of funds they cannot order for EOQ (economic order quantity) and hence place order in large numbers of small quantities causing the high cost of raw materials and which affects cost of production.
6. Gets payment on the whims & fancies of big units. At times if at all they wish to take the shelter of the recent provisions contained in the MSMED act2006 but they are unable to do so under the impression that such act of their shall create impediments in marketing of their products.
7. The SME units are placed in the market condition in such a situation that they are not able to raise their equity or funds from the market.
8. The MSMEs are not adopting the innovative channels of marketing. Their advertisement and sales promotion are comparatively weaker than the multinational companies. The ineffective advertisement and poor marketing channels leads to a very poor selling.
9. The units are situated at remote and less prominent areas and hence possess poor infrastructures such as electricity, road, transport and many other things.
10. The SME units still relies on old and out dated technology on account of poor capital base and denial of finance for technology up gradation. The produces are less acceptable on world market and are not competitive on account of high cost of productions.
11. Due to globalization the marketing of the products is difficult. They are less competitive and poorly placed in market situation.
12. The entrepreneur possesses poor qualification and expertise. The entrepreneur himself /herself has to undertake the job of production, marketing, accounting and all other job without having specialized knowledge.

13. The capital base of the SME units is weak and they are placed in such a situation that they cannot garner funds from the market.
14. Due to poor realization of debt or delayed realization, most of the working funds are held up. Entrepreneurs always in search of additional finance in form of excess over the limit or ad-hoc to meet their pressing demand to pay to the supplier of the raw materials, statutory obligations and hence always have a resource crunch.
15. Due to poor work knowledge more often entrepreneurs deploy short term funds for long term uses.
16. Problems of storage, designing, packing and product display is not up to the satisfaction.
17. The skill developmental schemes conducted by the government are not sufficient.
18. Pre operative expenses, contingency loan and moratorium or gestation period is not properly assessed while considering the project of the SME entrepreneurs.

### CHALLENGES AHEAD FOR FINANCING SME

SME across the world are gaining priority for planners, policy makers as well as the regulators, who looks the sector as key to solving the challenges of improving competitiveness, raising incomes, inclusive growth, and generating employment. In present industrial contraction and slowness of economy the sector has emerged as an alternative to the banks to deploy its lendable resources more profitably than ever. Looking to the scope availability and its importance the sector is embraced by the bank as corporate strategy. However, various challenges are ahead of its successful implementations, which are as under:

1. The entrepreneur be communicated and conveyed the sanction within stipulated time limit prescribed by the RBI. All application up to a limit of Rs5lacs are to be disposed off within a period of 2Weeks and applications from Rs2lacs to Rs25lacs are to be disposed off within a period of 4Weeks and applications above Rs25lacs are to be disposed off within 8Weeks.
2. The entrepreneur be sanctioned a need based credit. The project is evaluated properly and ensures adequate finance for undertaking the project. Under financing or over financing is detrimental.
3. Simplified and prescribed application forms be used by the entrepreneurs. The application forms are made available in the banks web site and also available in all the bank branches.
4. No application of the SME entrepreneur is rejected without concurrence of the higher authority.
5. Not to insist any collaterals for loan requirement up to Rs10 lakhs. However, loans covered by CGTSME cover no collateral be insisted upon loan up to Rs100lacs. The land on which the Plant and Machineries are commissioned are only be taken as primary security.
6. The entrepreneur be sanctioned its WC requirement as well as its Term Loan requirement preferably from single bank for proper monitoring.
7. All the loans limit up to Rs200 lakhs prescribed credit rating model be stipulated which is very facile and easily arrived at.
8. Since SME is a component of priority sector, banks to endeavor to achieve the target of 40% of ANBC under priority sector by deploying credit to this sector. As per revised guidelines banks also to achieve target of 7.5 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, under Micro Enterprises. This has to be achieved in a phased manner i.e. 7 percent by March 2016 and 7.5 percent by March 2017.
9. No entrepreneurs be insisted upon to buy the insurance and other third party products by the banks.
10. The loans given by the banks are to be classified properly under the sector so as to enable the banks to charge proper rate of interest.
11. Every branch to display a customer charter stating the very USPs of the products and various norms advised by RBI.
12. Unlike other category a higher Debt equity ratio for the SME entrepreneurs be accepted, Since they being the first hand entrepreneurs are unable to contribute more towards equity and also margin for WC from long term resources.
13. In all eligible cases depending on viability restructuring be done based on cash flow statements for survivability of the project.
14. In genuine cases where it is observed that realization of debt is delayed, bank may consider allowing credit beyond 90 days receivables.

15. This is a continuous phenomenon that the receivables are locked. Hence the entrepreneurs continuously in search of working funds from diversified sources. It lands the enterprise to pose a high DER and low Current Ratio due to erosion of margin. In order to evade such situation the excess borrowings be carved out in form of WCDL based on the cash flow statements.
16. Sufficient moratorium period be allowed in case of unfinished project. As change in DCCO is not construed as re-structuring, such changes are to be made in the project finance based on the customer request and as per guidelines.
17. Since the entrepreneurs are unaware of various facilities available in the sector, it is therefore necessary for banks to educate them about the correct levying of interest, subsidies available under TUFs, CRLCSS etc.
18. Proposals be sanctioned expeditiously under CGFTSME scheme since the credit risk is mitigated by the trust as well as allocation of zero risk weight to SME loans guaranteed by CGTSME for Capital Adequacy requirement.
19. Prescribed provisioning requirement for standard advances under MSE is 0.25% as against 1.00% in commercial Real Estate and 0.40% in other cases, which is a reward for the bank to make low provisioning.
20. Banks should establish dedicated processing cells with pool of specialized and skilled man power to address the credit demands of the entrepreneur. Despite of such provisions all branches are required to exercise their lending powers for credit and ad-hoc requirement of the entrepreneurs.
21. Buyer wise policy or WTPSG be obtained from ECGC for export credit.
22. ECGC/CIBIL/MIRA/D&B report be obtained and examined.
23. SME chambers, associations, NSIC, SISI should associate with banks training institutes, management institutes and other relevant training institutes in organizing workshops, seminars to educate the entrepreneurs for easy access to bank finance, basic accounting concepts, Information Technology, Cash Flow, and various financial products and their USPs available under SME.
24. Governments procuring policy regarding buying the products of SME should be adhered in later and spirit rather than mere restricting to guidelines. Audit report must ensure penal provisions for not achieving target by the govt. offices, PSUs and other organizations of Public interest for promoting the sector.
25. Educating entrepreneurs should be considered as a part of Corporate Social Responsibility (CSR) in banking and other organizations.
26. In order to streamline the uniform process of processing of loan demand of the entrepreneur, each bank to upload in their website the application forms, check list, and various documents required.
27. Staff accountability norms framed decades before while banks were working under the seller's market and more of in an insulated atmosphere. It now requires revision in the light of present working environment.

Banking sector has huge viable business opportunities from SME because this sector stand as strong pillar of inclusive growth in Indian economy. Banks now have innumerable challenges and opportunities to customize their products to meet the various needs of the SME entrepreneurs. It is also observed all the times that the growth rate in this sector is higher than the credit growth in banks. Hence banks to believe that **SMALL IS MIGHTY, PROFITABLE, LESS CHANCES OF BECOMING NPA AND SUSTAINABLE.**

## **CONCLUSION**

The Micro, Small and Medium Enterprise (MSMEs) are an important sector and plays a critical role in the Indian economy. MSMEs will continue to play a very important and vital role in our economy where the twin problems of unemployment and poverty constitute a major development challenge. There are several challenges in the sector of MSMEs. If the Government, Bank and Financial Institutions will take proper initiatives in the sector of MSME and they will take pride while servicing the MSMEs, these challenges can be solved and the economic growth rate of India will be 8-10% for the next decades.

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Taj Mahal in Agra (India)  
Photo © by Dr. Antal Szabó

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**STRUCTURED SUSTAINABLE LAST MILE PUBLIC CONNECTIVITY  
MECHANISM: SCOPE, POTENTIAL AND CHALLENGES FOR  
ENTREPRENEURS AND MSMES**

**ABSTRACT**

To travel from residence of workplace to nearby paces or commuting points, natives use 'Last Mile Public Connectivity', i.e. – Auto Rickshaws, Cabs, Rickshaws, Electric Rickshaws etc. Here, we are discussing about 'Last Mile Connectivity' the later part of transportation, which we entail every day for our movement from residence to a range of nearby places, which often includes our work places. The conversion of 'Rickshaw Heavers' in to 'E-Rickshaw Drivers' are taking shape swiftly in cities and metropolises of India. The number of electric rickshaws on Indian roads is about to reach three to four million in India, which includes a large number of unemployed youth in addition to rickshaw heavers, because, there is a noticeable change in their average income, which earlier was approximately "Rupee 200 to 350", while they were pulling pedal rickshaws and after shifting to electric rickshaws went up to "Rupee 600 to 900". In addition to this, the sector has opened up avenue for small and medium scale entrepreneurs, who desires to set-up "Battery Charging Points, Electric Rickshaw Parking Stations with Charging & Servicing Facility". Creation of separate 'Service Centre' will also be an opportunity for aspiring entrepreneurs. Public Transportation has capacity of generating opportunity of self-employment for a large number of youth not only in cities, but also in outskirts but making natives of any country travel using public transport requires lot of exercises on social, administrative and technological components. This sector is capable of generating employment for ten to fifteen million people in addition to the opportunity of 100,000 – 200,000 small and medium enterprises across the country.

**Keywords:** Public Transport, Technology, Entrepreneurs, SMEs, Sustainable Development, Last mile connectivity

**JEL Classification:** R40, R41, O17, O18

David Brower stated that we don't inherit this earth from our fathers; we borrow it from our children.<sup>ii</sup> Humankind has no capacity to put our mother earth in a washing machine and wash, nor can we produce a similar earth in a factory to shift residents or coming generations of our earth to a cleaner planet. We also have no choice than leaving uncontaminated environment for our children. Keeping this fact in account, 'Millennium Development Goal; has been set up by United Nations and 'Structured Sustainable Last Mile Public Connectivity Mechanism' can be a great tool for keeping our eco-system cleaner without compromising with the comfort of commuters. (United Nations, 2008) SDG number 11 specifically mentions four aspects pertaining to sustainable transportation which are necessary for making cities inclusive, safe, sustainable and resilient. These are: safety, accessibility, sound public transportation and universal access. A sustainable transportation system is an important requirement of a safe and sustainable city. Such systems provide access to goods and services which enable equitable development. (Gupte, 2014)The legendary quote of Gustavo Petro, Former Mayor of Bogota, is quite relevant that "A developed Country is not a place, where the poor have cars. It's where the rich use public transportation".

Traditionally public transport is considered to be the State's responsibility. Due to resource constraints government-provided public transport is often inadequate. Especially when it comes to last mile connectivity, it is the cycle rickshaws, E-Rickshaws, auto –rickshaws or shared taxis that support the

<sup>4</sup> The Federation of Rickshaw Pullers Association is the largest organization representing cycle rickshaw and e-rickshaw entrepreneurs in India, with presence across all the States of India. This paper is based upon authors own work in the sector among cycle rickshaw and e-rickshaw entrepreneurs.

transportation needs of a large segment of people, which are either poor, lower middle classes and middle classes. This sector, however, is not sufficiently acknowledged for the important contribution that it makes toward mobility supply, in terms of both policymaking and city planning exercises. In addition, government authorities typically perceive these modes as unsafe, highly-polluting and a cause of traffic congestion as there is a complete absence of research and knowledge on these modes. (Megha Kumar, 2016)

### **Entrepreneurship and Self Employment in public transport: last mile public connectivity**

Transport drives development, links people, connects local communities to the world, builds markets and facilitates trade. Sustainable transport drives sustainable development, fundamental to meeting the needs of people in their personal and economic lives, while respecting the ability of future generations to meet their needs. (Mobilizing Sustainable Transport for Development, 2016)

Public Transportation has capacity of generating opportunity of self-employment for a large number of youth not only in cities, but also in outskirts but making natives of any country travel using public transport requires lot of exercises on social, administrative and technological components, which will be discussed in the following sections.

Public transportation can be provided in to two parts:

#### **1. Principal Public Connectivity**

Usually commuters need source of ‘Principal Public Connectivity’ to travel anywhere outside city, but in outsized metropolises, they require to use source of ‘Principal Public Connectivity’, i.e. – Train, Buses, Airplanes, Cruise etcetera

#### **2. Last Mile Public Connectivity**

To travel from residence of workplace to nearby paces or commuting points, natives use ‘Last Mile Public Connectivity’, i.e. – Auto Rickshaws, Cabs, Rickshaws, Electric Rickshaws/ Pedi Cabs etcetera

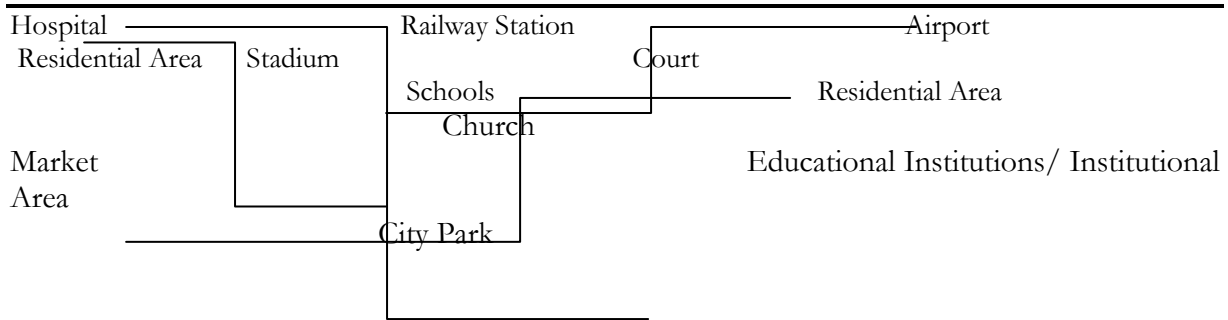
### **Entrepreneurs in ‘last mile connection’ segment**

Here, we are discussing about ‘Last Mile Connectivity’ the later part of transportation, which we entail every day for our movement from residence to a range of nearby places, which often includes our work places. Typically, natives prefer to use own vehicle to travel to nearby places, such as – Bicycle, Motor Bike, Car etcetera, but this habit of natives are beneficial only to vehicle manufacturers and fossil fuel suppliers, because managing traffic and pollution level is becoming tougher day by day for administrators in addition to the scarce of parking space all around the globe.

Natives acquire as many ‘Motor Bikes and Cars’ as they desire and put additional encumber on city traffic, parking space and eco-system. This is a prime source of raise in atmospheric temperature or ‘Global Warming’. To combat ‘Global Warming’, we need to change our commuting habits and begin to commute using public transport rather than acquiring more luxury vehicles. <sup>iii</sup>I want to make it clear than acquiring a luxury or utility car for emergency situations or outing in weekends is not a bad idea, but avoiding using personal vehicles and using public commuting system for regular commuting is certainly a very good idea, specially, while means of commuting is based on renewable energy.

### **Creating a ‘Structured Sustainable Last Mile Public Connectivity Mechanism’ in a city**

As mentioned earlier, creation of ‘Structured Sustainable Last Mile Public Connectivity Mechanism’ requires mutual cooperation and combined effort of administration, society and experts of technology. They jointly they can create a map of important places of the city to be linked-up using Pedi Cab or renewable energy based similar source of commuting as shown in illustration – I.



**Illustration – I**

This is how a city divides itself into the parts and ‘Last Mile Public Connectivity Service’ could be started by recognizing various parts of the city as routes. Planners will also have to strengthen service by creating “Battery Charging cum Parking Stations” in central points.

### **Key Elements:**

Following ‘Key-Elements’ are required to be mounted up prior to set in motion ‘Last Mile Public Connectivity Service’-

1. Unified and Listed Platform of Pedi Cab / Electric Rickshaw Drivers, i.e. – Cooperative of Pedi Cab/ Electric – Rickshaw Workers
2. Identification and Formal Banking linkage of Pedi Cab / Electric Rickshaw workers.
3. App Based Tool for Connecting Pedi Cab / Electric Rickshaw Workers with Voyagers
4. GPRS devices to get connected with their Pedi Cabs / Electric Rickshaws
5. Battery Charging cum Parking Stations
6. Pedi Cab / Electric Rickshaw stands outside main points

Roles of Various Parts of Social & Administrative Structure for setting up ‘Structured Sustainable Last Mile Public Connectivity Mechanism’:

**Administration:** Mainly three departments of administration are directly linked up with local commuting:

1. Department of Transport
2. Traffic Department
3. Municipal Bodies

While getting ‘Driving License’ shall be mandatory for all workers, they should abide by the rules of Local Municipal Bodies as well. Municipal Bodies need to play key role right from allotment of space for ‘Battery Charging cum Parking Stations’ and ‘Pedi Cab/ Electric Rickshaw Stands’ to creating guidelines for use of above mentioned structures. Traffic Department can fix-up timing of rides, if required.

### **Society:**

Despite increasing pollution and serious threat of ‘Global Warming’, society remains unresponsive to the need of sustainable transportation mostly. Secondly, the self employment prospect is not getting noticed.

We need to sensitize society in every part of the globe, which will not only help us to combat Global Warming, but also generate opportunity to produce medium and small entrepreneurs on a large number by creating a new avenue in the walk, i.e. - ‘Structured Sustainable Last Mile Public Connectivity Mechanism’.

### **Technology:**

A new service industry is budding in ‘Structured Sustainable Last Mile Public Connectivity’, which aspires to take care of every day need of a large number of natives; this will not flourish unless we use technology to structure this industry city wise.



Other than formulating base of ‘Structured Sustainable Last Mile Public Connectivity Mechanism’, technology is also required to keeping account of a large number of related activities i.e. – ads on rickshaw, safety of commuters, safety and fare management for ‘Pedi Cab/ Electric Rickshaw Workers’.

### **Benefits:**

WHO report, published in December, 2015 finds that air pollution is one of the top 10 killers in the world and is the fifth leading cause of death in India. This sum is quite higher than the deaths occurs due to terrorists attack, accident deaths or death by any viral diseases etcetera. Only some calamity can kill more people than pollution or dearth of treatment facility. But unfortunately, despite considering ourselves civilized, we are not only ignorant about the being of coming generation, but also running away from our responsibility of assuring healthy life to our children.

How can we be so casual about health, in reality lives of our children? Whole society need to think, what is more important for us luxury or prolonged existence of coming generation? Despite teaching our children about utilizing non – polluting or less polluting means of transport, which the main source of urban pollution, we have witnessed parents and even school-friends conferring about the cars and class in India.

Various researches of Government agencies and ‘Centre for Science & Environment’ in India reveal that average 2 ton CO<sub>2</sub> omission get saved by a manual rickshaw annually. Daily average ride of ‘Electric Rickshaws’ are at least double, hence, we expect reduction of annual 4 ton CO<sub>2</sub> omission through one E-Rickshaw. “Non – Polluting Last Mile Connectivity” can help our city to fight global warming and pollution borne diseases/demises.

### **Last mile connectivity: role and relevance of entrepreneurs and operators**

The conversion of ‘Rickshaw Heavers’ in to ‘E-Rickshaw Drivers’ are taking shape swiftly in cities and metropolises of India. The number of electric rickshaws on Indian roads is about to reach three to four million in India, which includes a large number of unemployed youth in addition to rickshaw heavers, because, there is a noticeable change in their average income, which earlier was approximately “Rupee 200 to 350”, while they were pulling pedal rickshaws and after shifting to electric rickshaws went up to “Rupee 600 to 900”. In addition to this, the sector has opened up avenue for small and medium scale entrepreneurs, who desires to set-up “Battery Charging Points, Electric Rickshaw Parking Stations with Charging & Servicing Facility”. Creation of separate “Service Centre” will also be an opportunity for aspiring entrepreneurs. (FORPA Reports, 2016-17)

This sector is capable of generating employment for ten to fifteen million people in addition to the opportunity of 100,000 – 200,000 small and medium enterprises across the country. Institutions like ‘Federation of Rickshaw Puller’s Association’ ( FoRPA) and ‘Samman Foundation’ are working to strengthen this sector in India and business houses have already recognized potential of this sector in developing countries like India and entered in to manufacturing of Electric Rickshaws, Spare Parts & Brawny Batteries. Similar practices are getting witnessed in some other countries as well.

About the Federation FoRPA is an association of Cycle Rickshaw Pullers’ Association, NGOs, and their unions which work for the welfare, rights and protection. Aspects such as fiscal safeguard, which includes linking them with banking institutions, life and health security coverage, micro pension schemes, and many other social welfare programmes to this informal sector. Also, there are schemes that organizes micro capital, in association with micro-credit organization, for purchase rickshaws. In addition to that there are a number of other programmes like awareness programmes and traffic trainings are an integral part of FoRPA’s interventions. It is also in the forefront of campaigns like “Save Rickshaw Save Environment.

### **Conclusion**

To meet ‘Millennium Development Goal’ by 2030’ ‘Structured Sustainable Last Mile Public Connectivity Mechanism’ is need of the day. We need to make effort to introduce this concept to rest of the parts of our earth and replicate in cities of other developing countries as well. Innovative ideas to make positive changes for comfort of commuters, reducing carbon omission and creating employment opportunity across the globe should be our priority.

**Remarks:**

1. David R. Brower is considered by many to be the father of the modern environmental movement. David Brower founded Friends of the Earth, a worldwide environmental network now active in 52 countries, and co-founded the League of Conservation Voters and in 1982, Brower founded Earth Island Institute, an incubator organization that fosters and supports activist projects around the world.

2. Adequate, efficient, affordable, safe, low-carbon and climate resilient transport services and infrastructures are important enabling conditions to achieve the goals for sustainable development and climate change under a number of global agreements, including the 2030 Agenda for Sustainable Development, the Paris Agreement on climate change, the New Urban Agenda, the Addis Ababa Action Agenda on Financing for Development, the UN Decade of Action for Road Safety 2011-2020, the Sendai Framework for Disaster Risk Reduction 2015- 2030, and the UNCTAD Nairobi Mandate.

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Intarsia and polishing work in Agra (India)  
Photo © by Dr. Antal Szabó



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## MATHEMATICAL ANALYSIS OF MONEY-FLOW IN FYP'S IN INDIA USING GADGIL AND MARKOV

**ABSTRACT**

The base of ICT in management defined by its trading and capital (In source and Outsource), the intermediate process and knowledge flow and the use of objects (which are directly or indirectly useful for getting information and communication). Important parameter in ICT is point to point communication which is milestone for rural area in Indian region. The analysis and use of data in every state in India since 2000, the result is product reuse and communication of developed states like Gujarat, Karnataka, Maharashtra having more and sharper than some of the other states. They developed rapidly because they have an economic advantage, region utilization, their knowledge of multiple activities. And this will reduce rural halt.

Physical location and delivery between instructor and learner having equal importance while communication. Technology like telephonic and teleconferencing make possibility for smooth processed instructions. Internet and World Wide Web will in help for learning material and variety of methods to billions of peoples. Common uses in ITC for rural area are finding job location and distance with flexibility. In addition ICT is helpful in quality and versatile process of education system in teacher training. For utilize above parameters Markov Mathematics and Gadgil Formula is helpful and effective.

**Keywords:** Five Years Plans-India, Investment. Trading, Internet, Gadgil Mathematics, Mentality of Acceptance and Markov.

JEL Classification:

**1. INTRODUCTION**

Research and growth plays effectively on future development of any region in the world. Any government tries political momentum for analyzing current scenario and will make their approximated expansion in concrete actions in real world. As an effect Future assets will have huge and healthier for certain period of time in research. And as like horse competition technology and research are the master weapons for retreat. In Indian region current problem in rural areas, they don't have enough acceptances for technology, product values and services. [1]

As a part of development of rural region India was applying **Five Years Plan** concept. India introduces Five Years Plan (FYP) in 1947 and applied in 1951-1956 (1<sup>st</sup> FYP). As defined earlier, simple concept FYPs are nothing but commission put their ideas which will real at the end of FY. Commission analyzes the situation of any state, and based on its development commission planned budget for cover state's requirements. [2]

**2 PARAMETERS*****Invisibility Parameters***

## a. Social Services

Services provided by government, private sectors and nonprofit organizations to public

## b. Rehabilitation of Landless Farmers

Recover of entity to its original or near original form with its parameters after the incidence of a immobilize event

## c. Science and Technology: Research

Innovative products which will helpful for future INDIA, 1<sup>st</sup> introduction as a place is IIT-KGP signed by Dr. Vikram Sarabhai in 1951 [11]

## d. Higher Education

Higher education needed for adopting, understanding and utilize for government rules and overall up gradation (Chandigarh is in top with 24.65% Graduates) [12]

## e. Natural Calamity

Natural Calamity means huge disruption from natural process on the Earth. [13]

**Visibility Parameters**

## a. Irrigation and Energy

Irrigations means controlled amount of supply for effective growing environment without harm. Older Methods are Surface, Micro, Drip, Sprinkler, Center Pivot, Rolling and many more.

Modern Method: Field Water Efficiency (%) = (Consumed by Crop/Water Applied for Field)\*100 [9]

Energy define any classical mechanics like chemistry, Biology and Earth Science with their transformations [10]

## b. Agriculture and Community

Agriculture in rural area will recover hunger in world. [14]

## c. Transport and Communication

Information or Object carries from source to destination. [15]

## d. Industry

They produce good and related service within economy for peoples. [16]

**Gadgil Formula**

Gadgil formula was applying in INDIA at 4<sup>th</sup> FYP. This formula is depending on the schematic pattern of the State (In terms of Geographical Area), General demands and special problems. Money flow distributes for respective state based on above three parameters. This formula involved in 1969 and two times revise at year of 1980 and 1991 respectively.

Gadgil Mukherjee Formula (based on 1991) has main features are:

1. From total money flow set some funds for externally aided schemes.
2. Provide some amount for special area programs (Like: Hill, Tribal, Border, N.E.C. and Other Areas)
3. Special Category States like Jammu and Kashmir, Seven Sisters and Adolescent States secure 30% more for balancing system.
4. Consider Remaining amount as a 100% and divide with this percentage:
  - a. Population-60%
  - b. Per Capital Income-25% [Deviation per capital SDP, below national Average-20% and Distance Method-5%]
  - c. Performance-7.5% [Tax-2.5%, Fiscal Management-2% Progress-3%]
  - d. Special Problems-7.5% [Depend on Natural Calamity]

**A Special Category States**

No Specific criteria in money flow for those states. Major objectives are wealth provided in previous year, utilization in development, frequency of special problems and other needs.

**B Non Special Category States**

## 1) Population Criteria

Money Flow depends on the population because population decides earning source and wealth of that state.

## 2) Income Criteria

## a. Deviation Criteria

It means wealth of state compare with national average, if it is below national average then put 20% and if it is above national average then transfer above side to states which are under national condition where parent state secure 1% if needed.

## b. Distance Method

It means earning affluence by selling products to nearest state. State maximum send 5% of money flow to other states remaining for parent state use for securing product quantity.

## 3) Performance

## a. Tax Effort

Tax decide State Domestic Product (SDP) ratio.

SDP Ratio = (Annual Average Tax / Last 3 consecutive year SDP)

## b. Population Control

Control term defines as a difference between assumption and actual relation to BR and IMR (BR=Birth Rate and IMR=Infant Mortality Rate). If this rate is nearly constant for two same periods then growth of that state is linearly stable.

## c. Fiscal Management

Means difference between inlays-outlays of own resources to other resources

## d. Elimination of Illiteracy

Illiteracy includes, because it indirectly decides poverty line and at the end the wealth of respective state. It also includes migration.

## e. On Time Completion of Externally Aided Projects

Term EAP (Externally Aided Projects) used for Research and Technology.

## f. Land Reforms

Earning sources w.r.t. lands. [3]

**4. Markov Implimentation on ICT****A Definition**

A Markov process  $\{X_s\}$  is a stochastic process with the property that, given the value of  $X_t$  the values of  $X_s$ , for  $s > t$  are *not influenced* by the values of  $X_u$  for  $u < t$ . [8]

Where,

$X_t$ =Set of Events accrued in time

$X_s$ =Set of Events accrued before time

$X_u$ = Set of Events accrued after time

Based on that, if Gadgil formula consumed by Markov that will give all FYPs in India has independent influence over next FYP where each FYP has all the parameters of Gadgil formula and parameters of ICT.

Now, Fusion of Gadgil and Markov:

$$\Pr \{GF_{n+1}=j|GF_0=i_0 \dots GF_{n-1}=i_{n-1}|GF_n=i_n\} \dots \text{ (Author 1)}$$

$$= \Pr \{GF_{n+1}=j|GF_n=i_n\}$$

Analysis of Equation 1 is, if exact outcome of the difference between probability of last to last FYP (or GF) vs last FYP (or GF) that clear more what is the probability for next FYP (Or GF) development. If only focus on last FYP or GF to next FYP or GF that decide one step transition probability.

$$GF_{i,j}^{n,n+1} = Pr(GF(n+1) = j | GF_n = i) \dots (2)$$

Range of individual Gadgil Formula over two consecutive FYPs with all parameters will give Transition Probability Matrix of final GF<sub>i,j</sub>.

$$GF = \begin{pmatrix} GF_{00} & GF_{01} & GF_{02} & GF_{0j} \\ GF_{10} & GF_{11} & GF_{12} & GF_{1j} \\ GF_{20} & GF_{21} & GF_{22} & GF_{2j} \\ GF_{\dots} & GF_{\dots} & GF_{\dots} & GF_{\dots} \\ GF_{i0} & GF_{i1} & GF_{i2} & GF_{ij} \end{pmatrix} \dots (3)$$

Where the entire individual (State to State) and overall (Average National Economy for larger range: Over more than 100 Years) GF is successive always.

$$\sum_{j=0}^{infinite} GF_{i,j} = 1 \dots (4)$$

Individual GF is always greater than Zero.

Each GF has its own independent growth (As per Gadgil Formula)

$$GF_{00} = \begin{pmatrix} 1 & 0 & 0 & 0 \\ \alpha_0 & \beta_0 & \gamma_0 & \delta_0 \\ \alpha_1 & \beta_1 & \gamma_1 & \delta_1 \\ \alpha_n & \beta_n & \gamma_n & \delta_n \\ 0 & 0 & 0 & 1 \end{pmatrix} \dots (5)$$

Where  $\alpha$ ,  $\beta$ ,  $\gamma$  and  $\delta$  are individual events like Successive Population Criteria, Successive Income Criteria, and performance parameters.

And First and last raw represents highly developed and focused events.

$\alpha \geq 0, \beta \geq 0, \gamma \geq 0$  and  $\delta \geq 0$  always as per markov chain [8]

and  $\alpha_i + \beta_i + \gamma_i + \delta_i = 1$  [8]

That means State Equation is represented by:

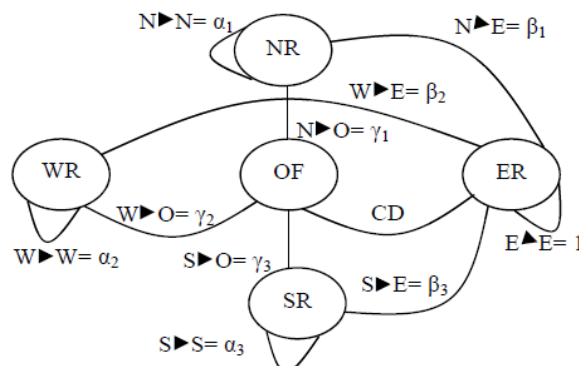
$$Pr \{GF_{n+1}=n+1 | GF_n=i\} = \alpha_i$$

$$Pr \{GF_{n-1}=n-1 | GF_n=i\} = \beta_i$$

3)  $Pr \{GF_{n+1}=i | GF_n=i\} = \gamma_i$

4)  $\delta_i$  comes when event is total focused and confirm successively then remaining parameters are zero

**Result**



**Fig1:** Markov State Diagram of Money Flow: Rural Development, ICT

CD= Conditional Transfer, OF=Other/Critical Funding

ER=Eastern Rural Region, WR=Western Rural Region

NR= Northern Rural Region, SR=Southern Rural Region

W to W, E to E, N to N and S to S= Non Transferable Loops with “ $\alpha \beta \gamma$ ” probability.

$$\alpha_i + \beta_i + \gamma_i = 1, i = 1, 2, 3 \text{ Respectively}$$

Means whatever economy respective region has, they approximately use  $\alpha$  probability amount for development of their region only.

$\alpha$  probability amount covered Gadgil formula (Earning economy for particular state  $\alpha = 100\% = 60\%$  Population,  $7.5\% =$  Tax Effort,  $25\%$  on Capital State Income and  $7.5\%$  for Special Problems [3]) OF fund use for critical conditions.

$P=1$  for Eastern Region (Total Absorption Condition) because this region is more sensitive than other regions

$\beta$  probability define Regional Transfer loop where destination is Eastern Region. CD=Conditional Transfer means if Eastern Rural Region has sufficient amount for development then OF to ER is Zero otherwise it has probability.

**Table 1:** Development of Rural Region

Probability Loop(s)	Rural Regions			
	E	N	W	S
Inner	1	$\alpha_1$	$\alpha_2$	$\alpha_3$
Eastern Transfer	0	$\beta_1$	$\beta_2$	$\beta_3$
OF	CD	$\gamma_1$	$\gamma_2$	$\gamma_3$

## CONCLUSION

Combination of ICT with FYP and result merge with Markov Chain will give almost accurate prediction of initial stage to next FYP. Gadgil formula occupied with Markov Chains for finding accuracy and future assumptions. Markov chain also defines intermediate process (Wit no of Parameters) in between two FYPs i.e. if process having fluctuations it can be recovered by different Markov Techniques. This fusion will helpful for long and short term economic growth in rural sub regions.

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Small-scale entrepreneurs and farmers  
Photo © by Mária Visy and Dr. Antal Szabó



## INSTITUTIONAL PROFILE

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Welcome to the India SME Forum, India's largest Small & Medium Business Movement. Formed in May 2011, with the objective to propel a Small and Medium Business Movement across the country, our aim was to provide a voice to small and medium entrepreneurs, wilting under the non entrepreneur friendly policies of the government, and to support and recognise innovative, globally competitive, SMEs in India.

Starting out with 400 members in 2011, today we have over 76,000+ MSMEs as members, 270+ Sectoral & Regional Associations as Supporters and 35 major banks, corporations & organizations as partners.

It has been at the forefront of demanding a radical change in the way our country is led. We are committed to a paradigm shift in the mindset of the people of our country, towards its entrepreneurs.

You can feel a huge excitement in the next generation of entrepreneurs, and the MSME sector, India's second largest Employment provider, which was feeling neglected and ignored, has renewed their faith in the possibilities and opportunities, opening up.

As part of our mission, the India SME Forum, shares best practices, information and knowledge as well as seeks and recognises MSMEs who have exhibited great success in leading their enterprises, creating much needed employment, enabling a sustainable ecosystem and catapulting their enterprise to the next stage, while navigating the inherent risks imminent with business.

Join, network and share best practices & knowledge with over 0.6 million Entrepreneurs who have registered as Members, Contributors & Volunteers from all over India and contribute to creating the best Entrepreneurial ecosystem, India has ever seen.



Street vender selling jackfruit at the entrance of the Sri Chennakeshawaswami Temple in Belur

Photo © by Dr. Antal Szabó



## NEW EVENTS



Ministry of Micro,  
Small & Medium Enterprises  
Government of India



**THE INTERNATIONAL SME CONVENTION 2019** is a platform for intensive business discussion, progressive interaction and trade association between progressive entrepreneurs from all over the world and offers a special focus on business and trade opportunities in India for International Entrepreneurs. The International SME Convention will be held in April 2019 in New Delhi in India.

The platform facilitates exchange of relevant business partnerships and trade opportunities for India's Best Small and Medium Enterprises. The theme “Business Beyond Borders”, The Convention is set to be attended by smart entrepreneurs from the India TOP 10,000 SMEs program of INDIA SME FORUM.

The Convention is programmed over two and a half days, with a Welcome Dinner on the first evening, 2 full days of seminars, B2B meetings, the focus expo and followed by a DISCONNECT: day picnic to the Taj Mahal in Agra.

### WHY ATTEND OR EXHIBIT IN INDIA

- India is the fastest growing economy in the world.
- The largest market for your products and services with over 350 million urban consumers.
- The largest pool of working age young skilled workers.
- The largest pool of sustainable and fast growing SMEs in the world.

Find the ideal Joint venture partners, collaborators, technology licensees, distributors and representatives at INTERNATIONAL SME CONVENTION 2019 being held in INDIA

**FOCUS SECTORS**

Agrobased	Electronic system	Machinery and General Mfg
Automotive	Exploration and Mining	Media and Entertainment
Aviation	Facion and Retail	Oil and Gas
Biotechnology	Food Processing	Pharmaceuticals
Chemicals	Gems & Jewellery	Ports
Cold Chain	Health & Wellness	Power & Renewable Energy
Construction	Home Furnishings	Railways
Consumer Electronics	Infrastructure	Roads and Highways
Defence Manufacturing	IOT & IT	Shipping
Education & Training	ITES & BPO/M	Telecom
Electrical Eqpt. & Machinery	Leather & Footwear	Textiles & Garments
	Logistics	Tourism & Hospitality

**REGISTER AS AN INTERNATIONAL DELEGATE****Apply for an ALL ACCESS PASS which includes:**

Attend Convention - all Sessions

Trade Connect Services

All Lunch & Dinner banquets

Access to Biz Square

Access to SPOTLITE

Access to Exhibition

Listing in Trade Guide

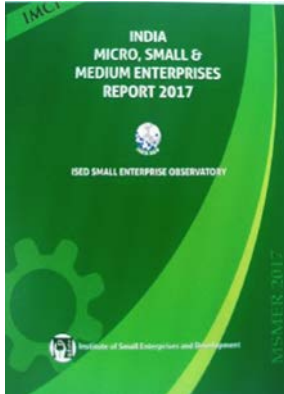
WEDO Network membership

Delegate registration costs do not include Accommodation, Visas, Air Travel or Local Travel.

**REGISTRATION FEE - US\$ 100**

**Further information see at <http://internationalsmeconvention.com/index.html>**

## BOOKS



### INDIA MICRO, SMALL AND MEDIUM ENTERPRISES REPORT 2017

Published by: Institute of Small Enterprises and Development (ISED), Cochin, Kerala, India

Year of publication: 2018

India MSME Report 2017 brought out by the Institute of Small Enterprises and Development has emphasised the need for focussed attention on the MSME sector. The basic purpose of the ‘India MSME Report’ series, started in 1997, is to bring to the limelight a scholarly view of the latest scene of MSMEs in the country, besides presenting a pointer to the emerging scene. This reporting exercise, over the last twenty years, has done a significant job relating to this primary task, besides initiating a role of bringing together the relevant stake holders in a single platform. India MSME Report 2017 is part of this ongoing reporting exercise. It has, undoubtedly, helped to trigger a debate on the key issues of MSME development in India.

The 2017 report has come out in the context on going recession as well as in the midst of a process of transition in the MSME sector. Economists consider “business confidence” as the centre point of sustainable economic growth. Considering its huge size and coverage, the MSME confidence matters a lot for the Indian economy to overcome its growth slowdown.

The India MSME Report 2017 observes that the last two years were marked by significant rigidities in the MSME market, as also in entrepreneurial confidence, especially because of fiscal and financial constraints. Such rigidities were offset by some positive impacts like enhanced formalisation, and a simplified tax structure through GST. The report also proposes a six-point reform package, with the concept of “Enterprise Security”, as its focal point. Getting a conducive environment for starting and sustaining a business need to be not only an opportunity but right of every citizen, it said. Such rights need to be comprehensive, in relation to various facets of starting and running a business, the report argues.

The book can be ordered through online

<http://www.isedonline.org/publication.php>

Institute of Small Enterprises and Development,

ISED House, ISED Enclave, ISED Road, Cochin-682028



Nandafalva. Hindu temple in Nandafalva (Csongrad county, Hungary)

Photo © by Dr. Antal Szabó

## DEFYING THE ODDS: THE RISE OF DALIT ENTREPRENEURS

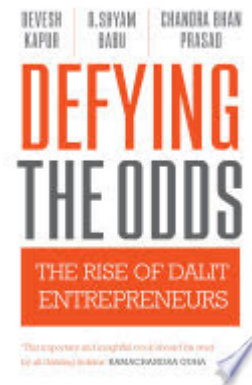
by

Devesh Kapur, D. Shyam Babu and Chandra Bhan Prasad

Published by Random House India, 2014

ISBN 818400639X, 9788184006391

Defying the Odds profiles the phenomenal rise of twenty Dalit entrepreneurs, the few who through a combination of grit, ambition, drive and hustle—and some luck—have managed to break through social, economic and practical barriers. It illustrates instances where adversity compensated for disadvantage, where working their way up from the bottom instilled in Dalit entrepreneurs a much greater resilience as well as a willingness to seize opportunities in sectors and locations eschewed by more privileged business groups. Traditional Dalit narratives are marked by struggle for identity, rights, equality and for inclusion. These inspiring stories capture both the difficulty of their circumstances as well as their extraordinary steadfastness, while bringing light to the possibilities of entrepreneurship as a tool of social empowerment.



## INDIA'S NEW CAPITALISTS: CASTE, BUSINESS AND INDUSTRY IN A MODERN NATION

by

Harish Damodaran

Originally published in 2008

by Palgrave Macmillan (first published 2008)

ISBN 0230205070 (ISBN13: 9780230205079)

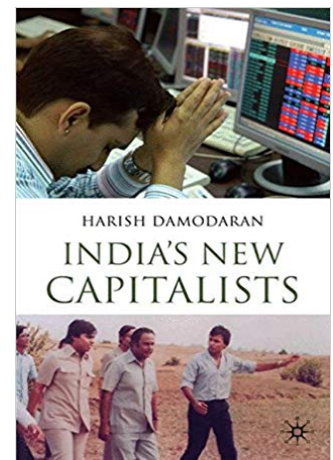
368 pages

India's New Capitalists traces the modern-day evolution of business communities in India and captures the rise of new entrepreneurial groups with no established pedigree of trading of banking. The book also contains 15 individual case studies that embellish the general findings.

Business in India was traditionally the preserve of certain 'business communities called "Bania" communities clubbed under the Vaishya order of the classical Hindu four-order social hierarchy. The term 'Bania' even acquired a generic connotation referring to any village moneylender, grocer, wholesaler or large factory owner. But more recently, the picture has changed with the entry of businessmen from castes with predominantly scribal/administrative background (Brahmins, Khatri, Kayasthas) or with roots in farming and allied activities (Kammas, Patidars, Gounders, Nadars, etc).

This book captures this transformation. The book explore in detail the history of Indian entrepreneurship, from the times of the British rule to the days of mixed economy and further linking it up to the liberalization and global integration of the economy. In this meticulously researched book - acclaimed for being the first social history to document and understand India's new entrepreneurial groups - Harish Damodaran looks to answer who the new 'wealth creators' are, as he traces the transitional entry of India's middle and lower peasant castes into the business world.

India's New Capitalists is an essential read for anyone seeking to understand the culture and evolution of business in contemporary South Asia. It's a must read for students and scholars working on small businesses and entrepreneurship and above all business economics.



Revised and updated edition 2018

ISBN 9789351952794

Pages: 464



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