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POLICY CHANGES IN MODI GOVERNMENT FOR DEMONETIZATION IN INDIAN CURRENCY

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Abstract
The government of India has implemented a major economic decision of demonetizing high value currency notes on 08/11/2016 of Rs.500 and Rs.1000. Central government was a judicious, well-throughout and well-implemented step, and whether it would really eradicate all the existing black money. Here I have utilized the opinions of great expert on economics, financial economist and intellectual politicians. This study will help us to know about the positive and negative impact of note ban decision taken by Indian government. This study is purely based on secondary data, which is collected from newspaper, magazines, website from internet, some useful books related to the topic.

Keywords: Indian Government Policy Changes, Demonetization and Indian Currency

Introduction
India is a secularist country, where people have different identity, race, languages, gender, cultures and cultural behavior. It seems to be very difficult to the government to impose eatable tax for different income groups. Moreover it has a comp less tax system. Some of the citizens of India pay their tax regularly and systematically. Many of the people are not like to disclose their true income, in order to avoid tax. Due to the insufficiency of revenues to the government of India, in order to bring out the cash which remains idle for several years and for the welfare and development of the country, demonetization scheme was implemented on the 8th November 2016. The effect of demonetization is that Government withdraw the high value currency notes Rs.1,000 and Rs.500. People of Indian accepted all the effects and consequences only for the welfare and development of the country. Moreover people also welcome the government approach of make in India. As the responsibility of the Government of India to prevent duplicate currency notes and educates the people for correct identification of currency note for the purpose of dealing, exchanging and transfer of currency notes. Each and every city individually want the nation to be free from corruption, bribe and unfair practices.

Monetization
Monetization refers to the conversion of an object into money, which means that it is generally accepted as a medium of exchange. Metals are monetized as coins once they are standardized in weight and accepted as money. Government debt can also be monetized, which occurs when a government replaces its interest-bearing debt with money.

Demonetization
Demonetization is the act of stripping a currency unit of its status as legal tender. Demonetization is necessary whenever there is a change of national currency. The old unit of currency must be retired and replaced with a new currency unit. The opposite of demonetization is demonetization where a form of payment is restored as legal tender.
History of Demonetization

The Indian rupee (INR) is the official currency of the Republic of India. The rupee is subdivided into 100 paise (singular paisa), though as of 2011 only 50 paise coins are tender. The issuance of the currency is controlled by the India. The Reserve Bank manages currency in India and derives its role in currency management on the basis of the Reserve Bank of India Act, 1934. The rupee is named after the silver coin, rupiya, first issued by Sultan Sher Shah Suri in the 16th century and later continued by the Mughal Empire.

In a major step to check undeclared black money, the Government of India on the 8 November 2016 announced demonetization of Rs 500 and Rs1000 banknotes with effect from the same day's midnight, making these notes invalid. Apart from combating black money, the stated purpose is also to check fake currency (used to finance terrorism) and corruption.

A new redesigned series of Rs 500 banknote, in addition to a new denomination of Rs 2000 banknote is in circulation since 10 November 2016. The new redesigned series is also expected to be introduced to the banknote denominations of Rs1000, Rs100 and Rs50 in the coming months.

Effect’s of Indian Currency Demonetization

Economic Consequences of Demonetization

1. Effect on parallel economy

The removal of these 500 and 1000 notes and replacement of the same with new 500 and 2000 Rupee Notes is expected to

- remove black money from the economy as they will be blocked since the owners will not be in a position to deposit the same in the banks,
- Temporarily stall the circulation of large volume of counterfeit currency and - curb the funding for anti-social elements like smuggling, terrorism, espionage, etc.

2. Effect on Money Supply

With the older 500 and 1000 Rupees notes being scrapped, until the new 500 and 2000 Rupees notes get widely circulated in the market, money supply is expected to reduce in the short run. To the extent that black money (which is not counterfeit) does not re-enter the system, reserve money and hence money supply will decrease permanently.

3. Effect on Demand

The overall demand is expected to be affected to an extent. The demand in following areas is to be impacted particularly:

- Consumer goods
- Real Estate and Property
- Gold and luxury goods
- Automobiles (only to a certain limit)

All these mentioned sectors are expected to face certain moderation in demand from the consumer side, owing to the significant amount of cash transactions involved in these sectors.

4. Effect on Prices

Price level is expected to be lowered due to moderation from demand side. This demand driven fall in prices could be understood as follows:
• Consumer goods: Prices are expected to fall only marginally due to moderation in demand as use of cards and cheques would compensate for some purchases.
• Real Estate and Property: Prices in this sector are largely expected to fall, especially for sales of properties where major part of the transaction is cash based, rather than based on banks transfer or cheque transactions.

5. Effect on Various Economic Entities
With cash transaction lowering in the short run, until the new notes are spread widely into circulation, certain sections of the society could face short term disruptions in facilitation of their transactions. These sections are:
• Agriculture and related sector
• Small traders
• SME
• Services Sector
• Households
• Political Parties
• Professionals like doctor, carpenter, utility service providers, etc.
• Retail outlets

6. Effects on GDP
The GDP formation could be impacted by this measure, with reduction in the consumption demand. However with the recent rise in festival demand is expected to offset this fall in overall impact. Moreover, this expected impact on GDP may not be significant as some of this demand will only be deferred and re-enter the stream once the cash situation becomes normal.

7. Effects on Banks
As directed by the Government, the 500 and 1000 Rupee notes which now cease to be legal tender are to be deposited or exchanged in banks (subject to certain limits). This will automatically lead to more amounts being deposited in Savings and Current Account of commercial banks.

8. Effect on Online Transactions and Alternative Modes of Payment
With cash transactions facing a reduction, alternative forms of payment will see a surge in demand. Digital transaction systems, E wallets and apps, online transactions using E banking, usage of Plastic money (Debit and Credit Cards), etc. will definitely see substantial increase in demand. This should eventually lead to strengthening of such systems and the infrastructure required.

The Impact of Demonetization in India
On 8 November 2016, India’s Prime Minister Narendra Modi announced the Government of India’s decision to cancel the legal tender character of 500 and 1,000 banknotes with effect from 9 November 2016. He also announced the issuance of new 500 and 2,000 banknotes in exchange for the old banknotes. While the announcement essentially rendered the 500 and 1,000 banknotes invalid from 9 November 2016, the Ministry of Finance has been monitoring the implementation of these measures in a number of ways:
• Exchange of old currency notes for new 500 and 2,000 currency notes has been permitted until 31 December 2016 (i.e. 50 days from the date of the announcement)
Such currency exchanges have been limited to certain specified amounts announced from time to time and excess amounts are required to be deposited with banks subject to applicable KYC requirements.

Impact of Demonetization on Indian Economy

Corruption

Corruption in India is not merely an evil of the society, but an accepted part of every person’s life in the country. Removing that part with banning and changing currency seems impossible. But the concept of ‘cashless economy’ has come up an idea of ‘ corruption and black money free India’ and has managed to reduce the instances of corruption to a remarkable extent by bringing transparency in the transactions. As most of the cash in India is exploited to execute illegal and immoral tasks, cashless economy will undermine those tasks. Transparent and detailed transactions will ensure no chances of escaping taxes and easiness in tracking the crimes if required. According to Transparency International’s Corruption Index, even though India is still the most corrupt country in Asia, corruption related reports have reduced by 10% since 2015.

Counterfeiting

In 2016, it was estimated by the Indian Statistical Institute that fake currency amounting to Rs 400 crore was in circulation in the Indian economy which accounted for 0.22% of the total cash flow in the market. Only Rs 4 lakh crore were captured in fake currency which does not even amount to 15% of the total currency in circulation. Measures such as identifying, investigating and punishing counterfeiters or exchanging old series of banknotes with new ones are taken against counterfeiting in most of the countries. Demonetization is generally avoided as it incurs huge cost and people can play tricks with new currency as well.

Unaccounted Wealth

In the book “Understanding the Black Money and Black Money in India” authored by Arun Kumar, JNU professor and an economist has written, “Only a small amount of the black money would be affected by demonetisation... it is unlikely that black marketeers and other generators of black money will suffer because the biggest fish were able to quickly convert whatever black cash they had into white.” India Ratings and Research has concluded that only 12% of the ill-gotten money could be extracted with the idea of demonetization while 88% of the black money is still in circulation in Indian markets. It is evident that the decision of demonetization has not been able to hit ill-gotten money hoarders, hard instead some of them have used it to legitimize their black money.

Terrorism, Hawala and Crime

As per reports by various investigation agencies, most crimes take shapes through fake currency and ill-gotten wealth. People generally require a lot of cash to carry out dark jobs which means that the shortage of currency halted these jobs to a great extent. Reports released in the immediate aftermath of demonetisation estimated that incidents of terrorism have reduced by 60% especially in Jammu and Kashmir, however these were questioned by many in the long run. Hawala business has also got a big blow and fell by almost 50%.

It can be said that demonetization has managed to cripple terrorism but has also given rise to unemployment which is the breeding place of terrorism and crime in India. A team of rescue workers stated that there is a radical fall in the trafficking industry due to demonetization.
Economic Sector of India

Scarcity of cash forced many small scale industries to burn down to ashes. Commercial banks found it difficult to bridge the gap between the supply of banned notes from people and the supply of currency notes from RBI. Moreover, the National Statistical Commission revealed that demonetization hampered the growth of the construction industry, which is the second largest employment generating industry in the country. Agriculture, which is considered to be the 'backbone of India' also could not cope up with the rising prices, contracting demands and money shortage. As a result of falling industrial growth and diminishing opportunities of employment, demand and supply of the Indian markets also faltered. Prices soared and purchasing power dropped in the 'out of cash' country. As a result, the GDP growth of India fell to 5.7% after 4 months of demonetization (March-June 2017). It is the sixth consecutive quarter which has witnessed declining GDP.

Comparing Gains and Losses

In short, demonetization managed to reduce the ill-gotten wealth, corruption, terrorism and fake currency to some extent. Centre for Monitoring Indian Economy (CMIE) estimates that demonetization has cost India around 1.28 lakh crore which has burdened the shoulders of poor, tax payers and people holding legitimate currency. It failed to curb the difference between rich and poor. It has also beaten the economy, creating unemployment and breakdown of the industrial structure of the country.

Black Money

A Central Bank's report released in August 2017 stated that 99% of the Rs.500 and Rs.1000 notes that were demonetised returned to the banking system. Therefore, the government failed in its aim of purging black money from the economy. India's Prime Minister Modi, had said that due to demonetisation, corrupt officials, businessmen and criminals popularly believed to hoard large amounts of illicit cash would be stuck with “worthless pieces of paper”. The amount of money deposited in the banks was much more than the government had expected at the time of banning the notes. Prominent economic analyst Vivek Kaul, said in a BBC article that "demonetisation had been a failure of epic proportions." It was highlighted that there were meager or no gains as against ill effects such as the cost of printing new notes, loss of livelihoods and deaths.

Conclusion

Central government’s recent decision to demonetize the high value currency is one of the major steps towards the eradication of black money in India. The demonetization dive will affect some extent to the general public, but for larger interest of the country such decision are inevitable. Also it may not curb black money fully but definitely it has major impact in curbing black money to large extent.

Former Prime Minister Manmohansingh who is a noted economist, former RBI governor and former finance minister of the country dubs the demonetization more as an organized loot and legalized plunder. However if we compare the merits verses demerits it will be safe to conclude that the former outweighs the latter. The government is taking all the necessary steps and actions to meet the currency demand and soon the trial and tribulations of the people will be over with the smooth flow of the new currency.

References
Abstract

Tourism – a service sector – plays a major role in developing tourism spots for which consumers (tourists) are essential for success of tourism products and services. In tourism, different kinds of products and services are offered to the tourists and they are leisure, recreation, medical treatment, amusement and hospitality. In economics, demand for tourism of any types rests upon peace and prosperity, safety and security, freedom from ethnic crisis and terror, political and economic stability, rich customs, cultures and traditions, history and archaeology, monuments and mountains, hill stations and heritage, transports and communications, ethics and religion, emigration and immigration, value of currency and societal values and, above all, friendship and peace between people. Further, supply of tourism of any types depends upon the natural, ecological, cultural, historical and environmental resources prevalent in a country. Tourism makes positive impacts on the economy, creates huge employment opportunities, provides equitable distribution of wealth, brings economic and social overheads, improves international understanding, helps to create social, political, cultural and educational understanding among people, earns foreign exchange, promotes businesses in tourism zones, exchanges cultural values, strengthens political and economic relations and brings multiplier effects in the economy. To sum up, tourism delivers services directly to the tourists; links other sectors, provides off-farm diversification; employs labour-intensive technology, provides higher proportion of employment to women in developed and men in developing countries; and gives opportunities for poorer countries. It depends on the natural and cultural capital, articulates consumerism, brings about the division of labour, and touches all aspects of community; promotes small businesses, improves standard of living of local stakeholders and professionals; reduces the stresses and strains; produces growth and development by improving the balance of payments and terms of trade; reflects the regional growth, reduces regional disparity and diversifies economic activity. Above all, it provides relief to the mind, relaxes the body, rejoices the soul, helps the tourists to know the place, understands the people, tastes cuisines, shares feelings, enjoys waves of appreciation of arts, listens to music, preserves culture, gives opportunities to artists, protects monuments, promotes commerce to traders and supports facilities to public. With this background, the authors of this paper have made an attempt to scan the tourism policies of different countries of the world, with particular focus on top tourism destinations including India. Moreover, this paper has also reviewed and appraised India’s tourism policies of the past and present and suggested the areas in which India has to concentrate the development of tourism sector in future.

Introduction

Economists approach tourism as a route to macro economic growth; Ecologists consider tourism as a form of sustainable use of natural resource endowments; Sociologists think tourism as a socio-cultural institution with different societal dimensions; Geographers look tourism as a resource industry, one that is depend on natural endowment and society's heritage along with natural data, dimensions of time and space; Architects visualise tourism as potential provided by specific localities and recreation for which visual milieu is equally important for every form of tourism; Psychologists inspect tourism as two dimensional forces like push factors (people travel because they are pushed into making travel decisions and desire to travel by internal forces) and pull factors (those that emerge as a result of the attractiveness of destinations); Environmentalists are of the view that tourism needs to have EIA, SIA, RRA, and PRA for safeguarding valuable flora and fauna; Political Scientists advocates tourism as a media for promotion of peace and friendship, trade and cultural relations and bilateral treaties and
agreements; Anthropologists evaluates tourism as visiting the sites of human evolution and civilisation of mankind; Common man reckons tourism as an invisible, unaccounted and immeasurable satisfaction derived from leisure, pleasure and entertainment out of tourism; Development Professionals believe that tourism as products of three main elements viz destination, hosts and tourists; Private Sector views tourism as commercial activity and marketing of goods and services locally to customers (tourists) that come from beyond the local area; Governments (local state and national) treat tourism as an economic commitment in the form of income (foreign exchange and money flow) and expenditure (provision of socio-economic overheads); NGOs ascertain tourism as a component of rural development; CBOs believe that tourism is community industry, which cannot exist without support of public services, public resources and public acceptance of positive and negative externality; Tourists’ judge tourism as a product and expect maximisation of utility with comfort, safety and security system against potential risks and threats; Local Residents perceive tourism as shared responsibility, community participation, consulting the local and putting the people at first in the tourism agenda; and Service Providers observe tourism as services aiming for maximisation of profit, sales value and sales volume. The views and opinions, expressed by the experts in different facets of tourism are equally applicable to the pilgrimage tourism and thus, the present study is made with a view to examine the economic impacts (tourism alters the economic status of a destination); social impacts (changes the quality of life residents of tourist destinations); cultural impacts (changes elements of culture resulting from the presence and activities of tourism); and environmental impacts (positive and negative externalities).

Policy

Goeldner & Ritchie, 2006 defined tourism policy as a set of regulations, rules, guidelines, directives, and development/promotion objectives and strategies that provide a frame-work within which the collective and individual decisions directly affecting long-term tourism development and the daily activities within a destination are taken’. Merriam-Webster Online Dictionary (2007) has defined policy as ‘A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions’. According to Biederman (2007) tourism policy is the direction or course of action that a particular country, region, locality or an individual destination plans to take when developing or promoting tourism. Edgell, Allen et al (2008) asserted that ‘the highest purpose of tourism policy is to integrate the economic, political, cultural, intellectual and economic benefits of tourism cohesively with people, destinations, and countries in order to improve the global quality of life and provide a foundation for peace and prosperity The vision should be a few words that describe where local or national tourism policy wants to be while the mission statement explains how to get there.

Tourism Policy

Marco Polo, then, is the best early ‘cornerstone’ person to provide information which made rational sense out of travel, gave it some direction and helped us to understand how travel impacts world culture. He identified socio-cultural aspects of travel, environmental conditions at a number of locations, and the complications of travelling in sparsely populated areas. His writings aroused curiosity in others, thus stimulating world travel, which continues to grow to this day. He most likely deserves partial recognition as the ‘father of early tourism policy’. Tourism policy did not become a reality until the twentieth and twenty-first centuries. In searching for a place to begin the discussion of tourism policy, the authors focus on the history of the most important global tourism policy body, the United Nations World Tourism Organization (UNWTO). The key principle for any tourism policy is to ensure the nation
(region or locality) benefits to the maximum extent possible from the economic and social contributions of tourism. The ultimate objective of a tourism policy is to improve the progress of the nation (region or locality) and the lives of its citizens’, Goeldner and Ritchie (2006) said, ‘Tourism policy seeks to ensure that visitors are hosted in a way that maximizes the benefits to stakeholders while minimizing the negative effects, costs, and impacts associated with ensuring the success of the destination. Tourism policy should aim to improve the quality of life of the local citizenry at any given destination also to integrate the economic, political, cultural, intellectual and economic benefits of tourism cohesively with people, destinations, and countries in order to improve the global quality of life and provide a foundation for peace and prosperity and to improve the quality of life of the local citizenry at any given destination.

Tourism Policies of Leading countries in Tourism

Tourism contributes in a major way to a global economy nowadays. Millions are being spent by every country to make it a better tourist destination. 2010 witnessed a grand total of 940 million international tourist arrivals worldwide, which marked a 6.6% growth compared to 2009. Though, 2008 had witnessed a downfall in the tourism market due to the recession showing just a 2% increase as compared to 5.7% in the previous year. Then again in 2009 due to the H1N1 influenza virus the world tourism sector again suffered a 3.8% decline. By vigorous advertising and marketing of the tourism sector by most of the countries, 2010 saw a 6.6% increase again. knowing the benefits-to-costs ratio enables a tourism organization to invest in attracting and developing the appropriate and optimal market segments and tourism facilities (Frechtling, 1994) Tourism policy is ‘dynamic’ and flexible enough to allow adjustments and refinements as the occasion arises.

Tourism, Key to development, Prosperity and well-being

An ever increasing number of destinations worldwide have opened up to, and invested in tourism, turning tourism into a key driver of socio-economic progress through export revenues, the creation of jobs and enterprises, and infrastructure development. Over the past six decades, tourism has experienced continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world. It contributes 9 per cent to GDP. France continues to top the ranking of international tourist arrivals with 83 million visitors in 2012 (2013 still to be reported), and is 3rd in international tourism receipts (US$ 56 billion in 2013). The United States ranks 1st in receipts with US$ 140 billion and 2nd in arrivals with 70 million. Spain is still the second largest earner worldwide and the first in Europe (US$ 60 billion), and recovered its 3rd place in arrivals with 61 million visitors. China moved to 4th in arrivals (56 million) and remains 4th in receipts (US$ 52 billion). Italy has consolidated its 5th place in arrivals (48 million) and 6th in receipts (US$ 44 billion). Turkey remains 6th in arrivals and 12th in receipts. Thailand moved up two positions in the ranking by international receipts to 7th, while it entered the top 10 by arrivals in 10th position, in a bumper 2013 when international arrivals were up by 19% to 27 million and receipts by 23% to US$ 42 billion. Germany and the United Kingdom remain respectively 7th and 8th in arrivals, but moved down one place each in terms of earnings to 8th and 9th places respectively. The Russian Federation completes the top ten ranking by arrivals in 9th place, while the two Chinese Special Administrative Regions Macao and Hong Kong rank respectively 5th and 10th in receipts.
<table>
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<tr>
<th>S. No</th>
<th>Country</th>
<th>Comparative Report</th>
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| 1.    | France | France continues to be the most popular tourist destination in the world.  
- Hygiene  
- cleanliness  
- proper management of most of the sectors  
- The domestic tourism  
- A progressive policy provides high level of security to tourists and regulates travel agents, reorganizing the strict liability of operators to operate under international convention.  
India’s  
- India, on the other hand is still a developing country, where France has to make changes and improve what is already there India is still on the path of making available the basic requirements for tourists.  
- Like France, India too has a huge variety of resources, a rich history, rich culture, natural beauty, good food but lack is the management  
- infrastructure,  
- safety such issues refrain people from coming to India.  
France attracted 84.7 million foreign tourists whereas India managed to host just a total of 248379 tourists in 2013. |
| 2.    | US     |  
- Ranks second largest preferred tourist destination in the world.  
- Proactive tourist policies  
- Infrastructure development and facilities  
- methods of information dissemination  
- travel agents  
- visa rules  
- safety of the people  
- hygiene  
- clean environment  
- fresh air  
- better management systems  
- Universal dollar and high economic systems  
India’s  
- Rich culture and good food  
- Lack of hygiene  
- Hotel industries are still in nascent stage  
- Increase interest rates |
| 3.    | Spain  | Strength of the Spain brand  
- It is a key asset in the economy, calling for efficient management coordinated with all stakeholders to help build it up.  
- Driving a campaign to stimulate national tourism demand.  
- Standardization of the rating and categorization of hotels, rural accommodation and campsites.  
- Bringing out the importance of Spain’s cultural and natural heritage, wine and cuisine.  
Focus on clients demand management  
Supply-side and Destinations:  
- infrastructure  
- World leader in seaside-resort tourism  
- development of the transport industry and infrastructure  
- high level of law and order and  
- first rate healthcare and assistance services.  
Alignment of public-private stakeholders  
- Favourable attitude by the business sector  
Knowledge  
- Availability of top-quality public and private databases and sources  
Talent and entrepreneurship:  
- Spain boasts a wide-ranging supply of university and |
| 4. China       | • China's  
|               | • Strong economic growth and  
|               | • Relaxed travel policies which make a huge number of towns accessible to tourists  
|               | • Advanced infrastructure facilities  
|               | • Wide variety of hotels and restaurants  
|               | • Transport  
|               | • Technology,  
|               | • Widely promoted culture  
|               | • Food  
|               | • Shopping and its popularity as a business center and  
|               | • Easy Visa policies  
|               | • India's  
|               | • Economic position not enough strong as China  
|               | • Lack of infrastructure facilities  
|               | • Lack of Advertisement campaign  
|               | • Better Management Policies not up to the expectation.  |
| 5. Italy      | • Uniqueness of it attractions  
|               | • Provide quality, comfort and convenience products and services.  
|               | • The multiplicity of stakeholders active in tourism development  |
| 6. Turkey     | • Turkey's ahead of its rich culture and historical background. Istanbul is a popular destination for spa and healthcare.  
|               | • Turkey surrounded by three seas and suitable climate makes it a perfect summer holiday destination.  
|               | • Turkey's advertising campaigns are focused and designed keeping in view each country's socio-cultural complex catering to the majority demands of the concerned populations.  
|               | • Turkey's intense advertising campaigns make them visible and eye catching.  
|               | • India's  
|               | • In India the spa and healthcare facilities are still developing and have a lot of potential for improvement.  
|               | • In 2010 Turkey bagged the seventh position in the world tourism charts but in 2013 its moved forward to sixth position. with nearly 27 million in 2010, to 37.8 million people visited the country in 2013.  |
| 7. Germany    | • working together with the federal Länder and local governments to provide the necessary infrastructure for a successful tourism sector.  
|               | • Strengthening the performance of small-scale businesses and  
|               | • to foster sustainability in the tourism sector  |
| 8. UK         | • UK remains ahead of India in terms of  
|               | • Technology,  
|               | • Infrastructure  
|               | • Cleanliness  
|               | • Management and  
|               | • Policies; apart from that  
|               | • UK's major attraction include parks  
|               | • Museums which are enough to draw a lot of tourists to its country.  
|               | • Vigorous advertising campaigns;  
|               | • Make the use of movies to broadcast their countries highlights, these reasons are pushing UK ahead  
|               | • Some of the down sides of UK are its  
|               | • strong currency when compared to the Indian rupee.  
|               | • UK also has lot of racism;  
|               | • local crime rate is high  
|               | • The taxes in UK is a major issue though the government has launched various  
India’s Foreign Policy with Neighbouring Countries

**Tourism Policy in India: National Tourism Policy, 2002**

Tourism was not a department but a cell in the Ministry of Civil Aviation till the late 1960s. It was later upgraded into a department and Mr. S.M. Chib was appointed as the first Director-General of Tourism. He is regarded as the father of India’s Tourism Policies. In 1982, the Indian Government presented its first tourism policy, in early days of independent Indian government didn’t pay much attention to tourism. The first public milestone in the history of tourism was the creation of the Indian Tourism Development Corporation (ITDC), in 1966. A National Policy on Tourism highlighting the importance of the sector and the objectives of tourism development. It was prepared with the objectives of positioning tourism as a major engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner. It was felt that at the institutional level, a framework would have to be evolved that is Government-led, private sector driven and community-welfare oriented. Sustainability was envisaged to serve as the guiding star for the new policy. The development and management strategies was to be so worked out as to ensure that tourism largely acts as a smokeless industry and its ecological footprints remain as soft as possible. No one engaged, directly or indirectly, in the tourism industry is to be allowed to secure short-term gains by resorting to what has been called the ‘darker side of tourism’. Neither over-exploitation of natural resources should be permitted nor the carrying capacity of the tourist-sites ignored. Special thrust was to be imparted to rural tourism and tourism in small settlements, where sizeable assets of our cultural and natural wealth exist. It was also envisaged in the policy that a section of the State police should be earmarked to act as tourist police and special training should be imparted to it. The policy fails to emphasize the role of private sector, domestic tourism and the need for product development, and foreign investment. Broadly the policy paper attempted to:-

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<td>- Russia also has an extensive coastline which is the longest in the world and provides great opportunity for cruise tourism.</td>
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<td>- The accommodation sector and the infrastructure is well suited to match the international standards</td>
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<th>10.</th>
<th>Thailand</th>
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<td>- Thailand’s success is attributed to low hotels prices,</td>
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<td>- scenic beauty</td>
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<td>- beaches</td>
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<td>- inspiring temples</td>
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<td>- Hospitality</td>
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<td>- cuisines and</td>
<td></td>
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<td>- architectural ruins of fabulous ancient kingdoms</td>
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India’s |

- Need better management techniques |
- Cleanliness and |
- Making better tourism friendly policies |

Source: compiled by author from various country’s reports
- Position tourism as a major engine of economic growth;
- Harness the direct and multiplier effects of tourism for employment generation, economic development and provide impetus to rural tourism;
- Focus on domestic tourism as a major driver of tourism growth.
- Position India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination;
- Acknowledges the critical role of private sector with government working as a proactive facilitator and catalyst;
- Create and develop integrated tourism circuits based on India’s unique civilization, heritage, and culture in partnership with states, private sector and other agencies;
- Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and "feel India from within".

Seven key Areas that will provide the Theist to Tourism Development these are
- Swagat (Welcome)
- Soochana (Information)
- Suvaidha (Facilitation)
- Suraksha (Safety)
- Samrachana (Infrastructure) and
- Safai (Cleanliness)

India is believed to be one of the top most tourism spot from 2009-2018, having the highest 10-year growth potential according to the World Travel and Tourism Council (WTTC). Only a slight improvement in these areas can result in a huge improvement in the tourist visits. People are bored of visiting the same places again and again and now want to go to new places and thus India offers a huge scope of witnessing new places, new cultures, new traditions, and new festivals. This is the reason why India is considered to be one of the most promising markets in tourism sector.

Major areas being looked after by most of the countries: (GoI)
- Domestic tourism
- Removing the limitations of their nation in being season specific destination
- Acting as better information guides to tourists about their country, with the use of internet websites phone apps, TV etc.
- Better and new advertising campaigns
- Hosting major events like Olympics, to increase tourist arrivals in their countries
- Providing skill management classes
- Better division of hotels
- Developing the not so developed and unexplored places in the country into new tourist destinations
- Working on infrastructure roads safety of tourists
- Providing schemes and holiday packages the foreign tourists as well as domestic Tourists
- Making visa availability an easy task so that more tourists can come visit their countries
- Organizing festivals and events to attract tourists

Draft- National Tourism Policy 2015
To give new status to the tourism sector, government re-visited the National Tourism Policy 2002 and framed the draft National Tourism Policy 2015. It includes
- Increased desire and financial mobility for travel of the middle classes (domestic and international);
Step-change increase in air access (airlines, airports and route development) in tandem to decreases in the cost of travel;

- Growth in the quest of travelers for immersive experiences rich in cultural and natural exposure;
- Path-breaking innovations in the field of Information Technology, including mobile usage, digital content creation and sharing;
- More importantly, appreciation of the tourism economy amongst heads of state and policy makers; and increasing tourism-related infrastructure investment.

Critically this policy addresses the issues of achieving growth commensurate with our potential, within a framework of:

- Responsibility (in line with UNWTO's Global Code of Ethics)
- Social, environmental and cultural preservation, protection and promotion
- Opportunities for community development
- Job creation for youth and women
- SME development

Why India Fails?

Tourism in India accounts for 2.5 percent of the GDP, the third largest foreign exchange for the country. India fails to be one of the 20 top destinations in the world; in fact it doesn’t even make to the top 10 destination ranking in Asia Pacific region. India ranks 38 in the United Nations World Tourism Organization rankings for tourism arrivals in the country. The slow growth in tourism can be attributed to lack of management, lack of proper advertising and marketing strategies, low level of cleanliness, infrastructure, technology, hygiene and sanitation, infrastructural blocks in less available star category hotels, roads, lack of proper dissemination of information, improvement in facilities such as visa, travel agencies, safety and security is one of the important concerns of travelers in India. The hospitality industry in India is still in a nascent stage when compared to many of the developed countries. The tourism industry is distributed in a number of small and medium enterprises that act as fly by night operators, thus creating an uncertainty in the market place. What India lacks in management and infrastructural blocks, it makes up with its unique diversity, culture, friendly people and sheer variety of cuisine. Though India has a lot of attraction like culture, history, architecture, food, warm people, scenic beauty, temples, festivals, colours but the negative points overshadow the positives. Over the past six decades, tourism has experienced continued growth and diversification to become one of the largest and fastest growing economic sectors in the world.

Conclusion

The advertising campaigns of India like ‘Incredible India’ have been famous but they fail to attract a major section of travelers because it showcases only one aspect of India’s tourism. The advertising sector needs a lot of improvement and once this is done a lot of improvement will be witnessed in the tourism sector. To become the top priority destination in international tourists this emerging economic bloc needs to be removed by the governmental authorities with a co-ordination among various entities related to tourism along with the active participation of the private sector to become the global leader in the sphere of world tourism and emerge as a major player.

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INDIA – EUROPEAN UNION FOREIGN POLICY AND MULTILATERAL GOVERNANCE
FOREIGN POLICY WITH NEIGHBORING CONTINENTAL COUNTRIES

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Introduction
This article reflects on the relations between the European Union (EU) and India. It questions whether the strategic partnership between the EU and India is truly strategic, by looking at their position in international organisations and at their views about multilateral governance. The article points to the EU’s and India’s different views about the principles and values that are to be upheld in global governance, about their different positions in the World Trade Organisation (WTO) and the United Nations (UN), with special attention to the voting behaviour of India and the EU at the UN General Assembly (UNGA), and to the explanations for the lack of voting cohesion between the EU and India.

Relations between India and the EU date back to the early 1960s. The 1994 Cooperation Agreement governs the current relations and resulted in sectoral dialogues, frequent ministerial meetings and annual summits between the parties. In 2004 the EU-India strategic partnership was launched, reflecting the increasing importance of India for the EU. In 2005 a Joint Action Plan was launched (and revised in 2008) in order to realise the full potential of this partnership in the areas of main interest for the EU and India. Over the past two decades the EU-India

India Europe Foreign Policy Collaboration
Partnership has developed from a merely development-oriented partnership to a partnership with a clear focus on trade and economics, but with the engagement between both partners also gradually expanding from the economic to the political and security realms (Bava, 2008, 2010; Jain, 2007; Grevi and Khandekar, 2011). India is for the moment the EU’s eight largest trading partner, accountable for approximately 2.5% of total EU trade, while the EU is the largest trading partner of India representing 19% of India’s exports and 14% of its imports (European Commission, DG Trade). Building on this relationship, the EU and India intend to increase their trade in goods, services and investment through the establishment of a Free Trade Agreement (FTA), which is the subject of negotiations that were launched in 2007.

Despite these developments, the EU-India strategic partnership is considered as neither comprehensive nor strategic (Renard, 2011). The EU-India strategic partnership currently has failed to make progress in any significant way, as both parties do not seem to have managed to agree on a
narrowed down and manageable set of strategic priorities (Khandekar, 2011), basically making the status of the EU and India as ‘strategic partner’ a rhetorical facade.

This also becomes obvious when looking at the EU’s and India’s stance with regard to multilateral governance. First of all, mirroring other BRICS countries and emerging powers, India has different views on global governance issues and multilateralism than the EU (Bava 2011; Keukeleire and Bruyninckx, 2011; Keukeleire, Mattlin, Hooijmaaijers, et al., 2011). India strongly supports respect for national sovereignty and prefers legally non-binding commitments agreed by consensus, while the EU is in general a strong proponent of international legally binding commitments as well as powerful international regimes. The EU encourages social protection, respect for the environment and human rights, while India is rather reluctant to let its economic growth and development be limited by concerns about these issues. The EU is in general pleased with the current system of multilateral governance, as the EU or European countries have privileged positions in various of the main international organisations (such as the UN Security Council, the WTO, the IMF and the WB); India is underrepresented, though, in the dominant international organisations and seeks to increase its international influence through various newly emerging power alliances (such as the BRICS, IBSA and BASIC).

Secondly, the positions of Brussels and New Delhi within the World Trade Organization (WTO) do not point to a true strategic partnership either. Despite the negotiations on a bilateral Free Trade Agreement between both parties, India and the EU are often at loggerheads in the WTO on concrete dossiers of international trade, for example in areas that are highly important for India’s economy including agriculture, textiles and services (Baroowa, 2007). Moreover, India opposes an inclusion of core labour standards in WTO negotiations and, similarly, it opposes linking trade with environmental issues (Ibid: 740).

Thirdly, we can find a similar trend of diverging positions and interests between India and the EU in the UN framework. In the main body of the UN, the Security Council, India had experienced that it could not count on the full support of the EU and its member states for institutional reforms, in order to gain a permanent seat in the UN Security Council (Ibid, 2007). On environmental issues, in the United Nations Framework Convention on Climate Change (UNFCCC), the 2009 Copenhagen meeting showed a lack of a true strategic partnership between the EU and India. India negotiated a deal together with the US and other emerging powers such as China, Brazil and South Africa, hence sidelining the EU (Hallding et al., 2011; Keukeleire and Bruyninckx, 2011). The divergence also appears with regard to foreign policy issues at the UN General Assembly (UNGA), which we now assess in somewhat more detail.

Our recent research on the voting behaviour at the UNGA in the period 2004-2010 illustrates to what extent and on which issues India and the 27 EU member states cast identical votes. We have to take into account in this respect that a large majority of resolutions in the UNGA are adopted with consensus (Hooijmaaijers, 2011; Hooijmaaijers and Keukeleire, 2012). An analysis of the voting cohesion demonstrates that in case of full EU cohesion (i.e. when all EU member states cast the same vote), the voting cohesion per annual UNGA session between the 27 EU member states and India varies from 43% to 53%. This means that, overall, in half of the resolutions voted upon during an annual UN General Assembly session the EU member states and India casted split votes.

An issue-based analysis shows some differences in the degree of voting cohesion in several issue areas. On international security issues, the extent of agreement between the 27 EU member states and India in case of EU consensus fluctuates between 20 and 47 percent. As there are rather significant differences between the various years, it is hard to draw clear conclusions from these data. Nevertheless, we can observe that in the vast majority of the UNGA resolutions concerning international
security both parties cast split votes. In case of full EU consensus on UNGA resolutions about human rights and development issues, the EU member states and India casted identical votes in approximately 30 percent of the resolutions voted upon. The only exception in this case is the year 2005, when both parties voted as one in 47 percent of the resolutions adopted with vote. India and the member states of the EU casted split votes on, for example, the human rights situation in the Democratic Republic of Congo, Iran, Myanmar and North Korea. Except for the year 2005, these findings are in line with data from other researchers such as Gowan and Brantner (2010: 4), who illuminated that on human rights issues at the UN, India casted identical votes with the EU in 25% of the cases when there is full EU cohesion. This limited degree of identical votes casted on resolutions about human rights at the UNGA indicates that both parties can hardly be seen as like-minded partners on this theme.

These findings are worrying for the EU and for its ambition to project its values as a normative power (see Manners, 2002; Whitman, 2011). The EU considers human rights issues as highly important in its foreign policy and easily assumes that this position is shared by other democratic countries in the world. However, the data demonstrate that the EU significantly differs on these issues with an important country that the EU not only has designated as a strategic partner, but that it also perceives as a full-fledged democracy. The observation that India and the 27 EU member states do not cast identical votes on human rights issues in the UNGA can be explained by India’s strong preference to respect the national sovereignty of third countries and to uphold the principles of non-intervention and equality between nations. These principles or values are considered more important than the promotion of human rights and democracy which - at least in the EU’s formal discourse - figure at the top of the EU’s priorities (Kumar, 2008). The launch of the EU-India strategic partnership in 2004 so far does not seem to have helped the EU and India to overcome their different approaches.

Equally problematic for the EU is that it suffers from ‘weak visibility and low profile’ in India (Jain and Pandey, 2010: 207) and that its image in India (and other non-European countries) is less positive than often assumed in Europe. The EU is not perceived as a central factor in India’s foreign and security policy, which reflects the lack of common strategic interest between the two partners, the low visibility of the EU, and the greater importance of bilateral relations with some of the largest EU states and with other major powers and the US in particular (Bava, 2010; Novotny, 2011). Perhaps even worse for the EU is that public opinion surveys illuminate that the external image of the EU is in decline and that, in 2012, only 21 percent of the Indian population had a favourable attitude towards the EU (PEW Research Center, 2012).

**Perceptional Changes in Policy of India – Europe Relationship**

The Indian perception of the EU can be seen as another major indicator that, at this moment, one can hardly speak of a true partnership, let alone a strategic partnership, between both parties. It is doubtful whether India and the EU will be able to move their strategic partnership to a qualitatively higher level by the time they will celebrate its 10\(^{th}\) anniversary. There is a risk that this anniversary will be celebrated by further expanding the scope of their cooperation or by further upgrading the label of the partnership - as a facade for the lack of a genuine strategic partnership. A more fruitful way forward may be that India and the EU select a limited number of strategically important issues and goals, with both partners accepting firm commitment and agreeing on the concrete steps to provide the other with strategic support to achieve these goals. This may require from the EU that it questions and surpasses its self-image as a morally superior normative power and shows more active interest in what India and other Asian countries consider as essential in their foreign policy and in the partnership with Europe.
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IMPACT OF INDIAN FOREIGN POLICY ANALYSIS AND CONTEMPORARY CHALLENGES IN CURRENT SCENERIO

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Abstract
India is fast emerging as an important player in regional and international players. On the assumption that India's foreign policy has evolved in step with its domestic politics, this article briefly surveys the evolution of Indian domestic politics and foreign policy promoting national interest is the basic objective of foreign policy. From this perspective this paper tries to analyze the India's foreign policy. In 21st century, world's scenario has been changed to a great extent. What changes and challenges come in the way of India's foreign policy, this paper discusses upon them.

Keywords: Foreign Policy, Perspective, Analysis.

Introduction
The world in twenty first century is outstandingly different from the cold war period. The end of ideological clash and strategic struggle between the superpowers, which had incredible role in accentuating conflicts across the world generated new hope for building a peaceful and co-operative world order. Instead there is a great deal of improbability in the emerging global order. New conflicts and issues have surfaced in the form of ethnic conflicts, expatriate problem, environmental dispossession, terrorism etc. Foreign policy of a country is determined by the times in which it is conducted in twenty-first century, foreign policy of India is going to be very different from what it was when country became independent. At that time there were well-known two blocs, the USA and the USSR. India’s foreign policy rightly did not wish to become a part of either of two blocs and evolved what is known as an impartial group of nations.

The world politics after 1991 emphasizes the need for a fundamental rethinking in India’s foreign policy. India in the early twenty-first century has become a focus of international attention more than ever before. —In the pyramid of world powers in 1947, India was perchance at the rock bottom. However, within a short span of three or four decades India had pushed forward its position and became a most developed country among the developing countries. India is the seventh largest country and next to China having the highest population in the world. It is well marked off from the rest of Asia by mountains and seas, which give the country a distinct environmental identity. Foreign policy is an instrument at the disposal of a country to protect and promote its national interests. The core of the national interest is constant defend the territorial integrity and sovereignty, enhance the economic and social well-being of the people, promote opportunities for profitable trading relations with other countries, and exploit the soft power through propagation of While the national interest would be forever, its content will vary with time and circumstance. It follows that the policy has to be flexible and must keep in tune with changing international, as well as national, environment. This paper is a modest attempt to analyze India's foreign policy as an instrument for protecting national interest, what success it has got and what challenges it is facing in the 21st century.
Historical Background

When India became free the world scenario was quite changed. It was the time of cold war. World politics was divided in two blocs; the first one was led by USA under the capitalist principles and another was by USSR under the collectivist ideology. India, under Nehru, did not wish to become a part of any bloc and adopted a new policy, which is known as non-alignment policy. Non-alignment has been regarded as the most important feature of India's foreign policy. Non alignment aimed at maintaining national independence in foreign affairs by not joining any military alliance formed by the USA and USSR in the aftermath of the Second World War. Non-alignment was neither neutrality nor non-involvement nor isolationism. It was a dynamic concept which meant not commitment to any military bloc but taking an independent stand on international issues according to the merits of each case. The policy of non-alignment won many supporters among the developing countries as it provided an opportunity to them for protecting their independence as also retaining their freedom of action during the tension ridden cold war period. Under this policy India had chosen an independent path for foreign policy and became a natural leader of newly independent Afro-Asian countries in the surcharged atmosphere of cold war bloc politics between USA and USSR. In justifying this policy Nehru observed, India is too big a country. India is going to be and is bound to be a country that wants in world affairs. while enduring quite apart from power blocs. We in better position to cast our weight at the right moment in favour of peace and meanwhile our relation can become as close as possible in the economic or other domain with such countries with which we can easily develop them.

India has always divergent colonialism, imperialism and racism. Whenever any injustice happened, India raised her voice, for instance in favour of Indonesia's ethnic group fighting against the Dutch colonialism in 1947, against South Africa's illegal occupation of Namibia and the infamous apartheid policy in South Africa. India fully supported inclusion of communist China in the United Nations. India had a lot of experiences of British colonialism so India always opposes this evil naturally. On this behalf India supported to the freedom struggles of Libya, Algeria, Tunisia, Malaya and other third world countries.

India has always viewed UN as a vehicle for peace and for peaceful change in world politics. Apart from this, India has always expected UN to actively involve countries to moderate their differences through talks or conference. Further, India has advocated active role for UN in development effort of Third World countries. India has pleaded for a common united front of the third world countries in the UN. It believes that the non-aligned group of nations, by virtue of its massive number, could play a constructive and meaningful role in the UN by stopping the superpowers from using this world body for their own designs. As early as 1950 India linked the reduction of armaments with the larger goal of development. The UN has in fact played a key role in preserving world harmony by helping in the decolonization process, by providing humanitarian and developmental assistance and through peacekeeping. Decolonization – refers to achievement of independence from majestic rule. After the Second World War many colonies.

Many scholars believe that these all determinants of India's foreign policy are supporting the optimistic view of international politics, which ignores the hard realities of worldwide relations. So they think that India’s foreign policy not succeeded to achieve the realistic goal. But it is one sided truth. Above all idealistic determinants of India's foreign policy made her an important figure in world politics. Through the non-alignment policy India received benefits by both side of bipolar world and succeed at balancing the relations. Through this policy India span her politics in entire world and gathered the newly independent countries under the one umbrella. Non-alignment group of nations gave tough struggle to monopolistic economic policies of west. They strongly opposed to Bretton Woods system
and provide a very strong platform to new international economic order. Due to opposing the colonialism, imperialism and racism India become natural leader of third world countries, for instance G77 other groups are headed by India.

Changing Paradigms

Changes which took place in 1989-91 were clearly looking at the global level. World was passing through the age of ideological, militarily and economical changes. It was time to the end of cold war and the collapse of USSR. In such circumstances it was a major challenge to India to make coordination with worldwide situation. Economic liberalization became obligation rather than stipulation for India. In context of foreign policy, the major brave for India, to list out the new subjects according to new world circumstances because those subjects which were key determinant to India's foreign policy in post independent period, became irrelevant after the end of cold war. The end of the Cold War saw India replace the optimism in its foreign policy with a pragmatic approach as it sought to develop new and meaningful relationships that would aid its global ascendancy. In post cold war period India adopt realistic aim and objective based, result oriented and positive foreign policy. India's economic liberalization, initiate in the early 1990s, allowed it to build its new foreign policy on the thrusts of economic diplomacy. The 1990s also saw India shedding its non-aligned image and pursuing the membership of other multilateral forums such as the involvement of South East Asian Nations (ASEAN). The end of cold war generated new challenges and created many options for foreign policy makers of India. In a unipolar world, there were so many challenge came in the way of policy makers in terms of foreign policy. The challenges included balancing the relations with global powers, building a new partnership with regional organization, expanding the influence in Asia, Africa and Latin America, making NAM more relevant according to new conditions, enhance India's economic and energy security, to deal with ecological and human security threats, UN reforms and permanent membership of Security Council and active pursuit for multipolar world.

India and Its Relation with Power Blocks

The collapse of the USSR, this was close ally to India during cold war; one of the greatest challenges that India faced to make a balance relation with super powers. India needed to determine its policies towards the other global powers like America, China, Russia, Japan and European Union. India's main foreign policy objective is to achieve global power status. It will however, depend greatly on its relationship with the US, and the other global powers, to attain this. The dynamics of India's relations with each of the other five powers will determine its global power status. It was major challenge for India in the 21st century to keep the United States (US) as the focal point of its new foreign policy. The Indian delegation pointed out that, after the end of cold war, India was willing to diversify, and also to expand economic, industrial, cultural and educational relations with US. The main reason for this is that close relations with the US will help to convince the international community that India is truly a global player. India and the US have been cooperating recently in several areas including in defence and the technology. The highlight of their cooperation in recent times has been the civil nuclear energy cooperation deal that has been signed between both countries. The civilian nuclear deal is a positive development in Indo-US bilateral relations, there is still a need for India to carefully man oeuvre its foreign policy to manage ties with US. The Indo-US bilateral liaison progress through the next step in strategic partnership initiative (NSSA) is also notable, as it is believed to lead towards significant economic benefits for both countries and improve provincial and global security. America and India agreed to expend co-operation in three specific areas viz. Civilian nuclear activities, civilian space
program and high technology trade. The 123 nuclear treaty was historical event in confidence building for both countries. So, it is evident now that the US-India relation has progressed remarkably in the post cold war period. 9/11 terrorist attack reinforced a perception of a broader political and strategic similarity of interest pulling India and the US together. Some another pull factors, such as, belief in democracy and democratic values, peace building and co-operate with United Nations are also bring India and the US very close. Besides the US, China is another superpower and playing an important role in world politics in general and particular in Asia. China’s rise poses challenges to India to achieving its foreign policy objectives. India and China found themselves as a rivalry, competitor and co-operate in twenty first century. They are rivalry about the border issues, competitor in market economy, for influence in Asian politics, not only in ASEAN but also in south and west Asia. There are so many issues in world politics, on which both countries found them in co-operation, such as, in south-south dialogue, for new economic world order, energy security, environmental issues and both are against to protectionism. Both Japan and Russia are strategic partners of India. Russia has been an important supplier of defence equipment and technology and will grow in importance to India. With the current global shortage of oil and gas expected to exacerbate in the coming years, energy security will become an important facet of countries foreign policies, including India’s. As such, it is important for India to not only secure access into key energy markets but also to diversify its sources for oil and gas so as to reduce its dependence on a particular supply. Relations with Russia continued to mature and involved a long standing multidimensional approach involving security, military, and economic links.

Another domain of opportunity for the Indian foreign policy is growing interaction with European Union (EU). India has a strategic partnership with EU. The most significant aspect of this partnership is that India is only the fifth country besides the US, Canada, Russia and China with whom the EU has established such equation. This partnership launched in January, 2005 in various areas; such as, trade and investment, protection for scholarly property, co-operation in science and technology, education, terrorism and democratization and devolution of UN. EU and India should hold continuous dialogue on organizational and institutional restructuring and reform of the United Nations in particular. This quite good relation is consequences of India’s vibrant democratic institutions, emerging economic power and increasing global status.

Challenges to Foreign Policy from Third World Countries

India acquired a new face in the beginning of twenty first century with her vibrant economy and geopolitics. India becomes a big trade and strategic partner with superpowers. At the same time India's position at an economic and strategic nexus in Asia, Africa and Latin America was also gaining significance. India has realized that if it wishes to expand its global influence, then it must continue to diversify its engagement in the intercontinental sphere. This realization will propel India to deepen and widen its relations with third world countries.

As Asia consists of several regions, India's foreign policy is formulated according to the engagement with each region. Although India expands her manipulate in South Asia but one major challenge remains, that is, to manage the reservations with her immediate neighbours. A solution of border disputes between India and its neighbours such as; China, Pakistan and Bangladesh, is major challenge to India's foreign policy. In the age of liberalization these issues stands a barrier to economic ties. Learning lesson from the past it is very much desirable on the part of India's foreign policy to concentrate on mending her mutual ties and finding a solution to the territorial disputes. Without a mutual solution of this problem India cannot expand her global status. Many country of South Asia, such as Afghanistan, Pakistan and Nepal, have recently adopted democracy and the international
neighborhood looking towards India far help to promote democracy in this region. The future of the South Asian Association for Regional Cooperation (SAARC) seems increasingly uncertain. Because India is larger economy than the other South Asian countries, and they have a fear that India's giant economy will grasp their own economic system, and India will play hegemonic role in region. India should have to be more innovative in its foreign policy in South Asia and put into effect its economic diplomacy and soft power to engage with these countries. Being larger country in South Asian region India has a significant role of 'Big Brother'. Gujral doctrine and India's effort to establishing South Asian Economic Community (SAEC) will be mile stone for the economic integration of this region. But, China's involvement within South Asian countries are posing challenges to India's ability to engage with the region. China, an observer country in SAARC, is close ally of Pakistan. China has also begun to engage with Bangladesh, Sri Lanka and Nepal, on energy cooperation and economic development. China factor will force to India to revise its foreign policy in South Asia.

India's relation with South-East Asian countries is consequence of Look East Policy, which was adopted in 1991. The Look East Policy now provides the direction for India's foreign policy towards East Asia. The Look East Policy focusing on India's engagement with ASEAN countries to include economic, security and political cooperation. This policy has been considerably successful from India's perception, but once again China's economic, security and political clout in these region posses strong challenges to India's foreign policy in 21st century. After successful exercise of the Look East Policy, India adopts the Look West Policy for engagement with West Asian countries. West Asia has big storage of petroleum and natural gases. The Look West Policy is an instrument for India's energy security. India unmitigated its influence into the distant neighbourhoods of Southeast Asia and the Middle East. The tenure of Prime Minister Rao witnessed burgeoning economic and political relations.

For engage with African continent, India adopted Focus Africa Policy. In Africa, India will continue to leverage on the economic development aid it provides to these countries to gain access into key oil and gas sources. In Latin America as well, India will look into source key resources from the regions it seeks to develop economic ties with Brazil.

India's Efforts to be a Permanent Member of Sc and Un Reforms

The founding fathers of the United Nations established the organization with the purpose of maintaining international peace and security, of developing friendly relations among nations and of taking other appropriate measures to strengthen universal peace. India one of among the founding fathers of UN. —The UN has become the most universal international organization in the world, embracing under its aegis the activities of governments from 184 states (at present) 192 states. CE 1945 to present days, years to pass, but there is no any structural change taking place in UN When it was came in existence five nations were permanent member of Security Council out of fifty one members of UN, and those five nations are still permanent member of Security Council while the number of member nations reached 192. UN, also, not works like an independent international organization. There are so many examples which are proofing that this organization becomes a pocket organization of US.

It's a challenge to nations that UN can work as an independent organization. India made an effort to do so. Organizational and institutional restructuring and reform of the UN is core objective of India's foreign policy in 21st century. India convince to other countries including P5 nations since post cold war period for decentralization and democratization of UN. Another challenge to India's foreign policy, that is to achieve the permanent membership in UN Security Council. —India formed a group with Germany, Japan and Brazil called G-4, who were equally strong contenders for permanent membership of the Council and vociferously campaigned for more representation to developing countries.
Challenge to Keep Nam Relevant

Non-alignment is the doctrinal foundation of India’s foreign policy. It was adopted by Pt. Nehru to keep away India from cold war bloc politics. Being cardinal base of India’s foreign policy the non-alignment served her interest in post Nehruvian period. But the end of cold war and emergence of unipolar world politics has forced India to bring changes in her foreign policy. The end of bipolarity made the very foundation of non-alignment movement irrelevant. Scholars argued that NAM was the consequence of bipolar world order and now world is unipolar so non-alignment with whom? With the end of bipolar world order the policy of non-alignment have lost their relevance and significance. It is challenge to India’s foreign policy planer to make NAM more relevant than it was ever before.

In fact NAM is not relevant in the context of bipolar world, but there are local power centres within unipolar world order. Besides this, NAM still relevant in other sense, such as opposing the neo-imperialism and neo-colonialism, peaceful settlement of disputes, restructuring and democratization of UN, establishing new international economic order, demand for the North-South dialogue based on the mutuality of interests and benefits, South-South cooperation and nuclear, chemical and biological disarmament. NAM is second largest organization of the world and India realized that it can play a creative role in international politics. NAM facing fundamental problem and challenges but by redefining and modifying the objectives of the movement and its role it can overcome these challenges.

Three E-Concerns of India’s Foreign Policy

Three E-concerns mean India’s efforts to economic, energy and environmental security.

These securities are the demand of the age to become global power. These are, in 21st century, those component which will help to expanding India’s global status and to achieve these security are another challenge to its foreign policy.

Due to the shift in priority from military struggle to economic competition, strong economic ties become necessity of states. India, with the superpowers and also with third world countries, has turned to a primarily trade-driven relationship. India has big economic ties with US, Britain, Russia, France, China, Japan and EU. India has free trade agreement (FTA) with ASEAN and other regional forums. India’s economic strategy should be make closer linkages with developing countries and work on common agenda at international platforms like WTO talks, IMF and the World Bank.

Planning Commission’s incorporated Energy Policy document asserts that India would need to sustain an economic growth rate of 8-10% over the next 25 years, in order to eradicate poverty and meet its human development needs. This would require augmentation of primary energy supplies by nearly 4 times, and an increase in power generation from current level of 1,60,000 megawatts to about 8,00,000 megawatts by 2030-31. Economic growth is based on energy; so energy security is another factor which clearly influences India’s foreign policy. India should be rethinking and close to deepen its engagement with oil and gas rich countries for energy security point of view. Recant 123 treaty with America and other civilian nuclear energy treaties with several countries like France and Russia will be fulfil India’s energy requirement in future. But India should deepen its relationship with West Asian and Gulf countries for her energy security and also diversify her own traditional sources of energy like solar energy.

Another area of critical importance in foreign policy in 21st century is environmental security. The environmental degradation is questioned to human existence. India is aware about the environmental issues. Global warming and climate change requires all societies to work together. While the major responsibility for the accumulation of green house gasses in the atmosphere lies with the developed countries, its adverse affects are felt most severely by developing countries like India. On the
issue of climate change and global environmental degradation, India adopted the principle of Common but differentiated responsibilities enshrined in the UN Framework Convention on Climate Change. Differentiated responsibilities on climate change include the international community’s shared responsibility to de-carbonization with ensuring the right to development of the developing countries. In Shivshankar Menon’s view, this issue cannot be viewed in isolation and must be seen in the context of the developmental needs of developing countries.

**Disarmament, CTBT, NPT and India’s Foreign Policy**

India’s foreign policy, in its early years, was shaped by Prime Minister Jawaharlal Nehru’s idealistic world view. He opposed any kind of nuclear programme in India. Global disarmament was his dream. But, after China’s war in 1962 and China’s nuclear test in 1964, set the stage for India’s nuclear armaments programme. Prime Minister Lal Bahadur Shastri gave the green signal for a peaceful nuclear explosion in 1964, yet, in his speech in Parliament he also maintained that India would never make the bomb. India conducted its first nuclear test in May 1974, it was India’s attempt to obtain least amount security guarantee from the nuclear power holders.

Pokhran-I, India continued to defend its goal of nuclear disarmament. In 1998, Pokhran-2, India tested its own nuclear capability and justified this on the basis of threats to national security. After the second nuclear test India show her commitment to nuclear disarmament which was subsequently included as India’s principle objective in her nuclear policy. India is one of the four countries to have never signed the NPT. It tested nuclear Weapons twice (in May 1974 and May 1998), but makes a distinction between vertical and horizontal proliferation. Simply put, it regards itself as a domestic but not an international proliferator. India has opposed the NPT and CTBT for their prejudiced structures which (a) favour the nuclear haves over the have-nots, and (b) focus on disarming/de-proliferating the have-nots at the cost of reducing nuclear weapons capability and stockpiles of the nuclear haves. India opposes CTBT because it allows subcritical and sub-kiloton tests in the name of stockpile stewardship. "India’s refusal to sign the wide-ranging Test Ban Treaty (CTBT) was, in part, a reaction to (fusion) research by the nuclear weapons states. In turn, its subsequent decision to conduct underground nuclear tests was partly related to its conclusion that the CTBT had changed from a unbiased instrument designed to promote both non-proliferation and disarmament into a tool for non-proliferation alone." India believes that the objective of CTBT was not merely to end test explosions but to end the qualitative development and refinement of nuclear weapons whether through explosive or other means. Yet, CTBT leaves the door open for building leaner and meaner warheads – to compensate for quantitative cuts in P-5 arsenal. According to India Non-Proliferation Treaty (NPT) attempts to maintain the post-second world war power structure unto perpetuity by privileging the P-5 and continues to focus on strengthening ever more intrusive measures against the non-P-5 without any attempt to rein in the P-5 arsenals or even to move toward eventual disarmament. India is not a party to the NPT, but its conduct "has always been consistent with the key provisions of the Treaty as they apply to nuclear weapon states. Article I of the NPT obliges a nuclear weapon state not to transfer nuclear weapons to any other country or to assist any other country to acquire them. India's record in this regard is impeccable and a matter of public knowledge. This is in contrast to the poor record of some of the nuclear weapon states who have been active collaborators in, or silent spectators to, continuing clandestine and illegal proliferation, including export of nuclear weapon components and technology. Article VI commits the parties to the Treaty to pursue negotiations to bring about eventual global nuclear disarmament. India is not only committed to commencing negotiations for a Nuclear Weapons Convention, it is also the only nuclear weapon state ready to do so.
Human Security Framework and India’s Foreign Policy

The concept of human safekeeping emerged with the end of the cold war. The end of cold war is often seen as the moment where human security gained real recognition because of the belief that, with the reduction of ideological hostilities between the US and USSR in the early 1990s, real progress could be made to address the root causes of global insecurity.

The first major statement concerning human security appeared in the 1994 Human Development Report, an annual publication of United Nations Development Programme. Human security is not just protecting people from various threats but also empowering people and enhance individual’s capabilities and capabilities are people’s freedom to do so what he like valuable. It focuses on individual’s security to defend their human dignity, culture and faith, fundamental freedoms, human rights and human capabilities beyond nation border.

India has taken, not tentatively but traditionally, human security as the paradigm for its foreign policy and has taken a leadership role in operationalizing it. India’s foreign policy framework has maintained a distinctive focus on peace, security, development, international cooperation and peaceful co-existence since her independence. The human security agenda has offered a chance for India to contribute a leading role on the international platform.

Conclusion

Foreign policy is changeable; it changes with time and circumstances. With the end of cold war, world politics became totally change and many challenges emerged in front of nation-states in terms of their foreign relations. India’s policy planner brought changes in foreign policy according to changed world scenario. With her long-term and short-term national interest, India’s foreign policy becomes closer to realistic approach. But it is hard to say that, the idealistic components of India’s foreign policy are just irrelevant. In the new form, colonialism and imperialism are exist in the world, pseudo war, drug trafficking, nuclear armaments and other threats to human security are incredibly grown. To eliminate these problems, the idealistic components of India’s foreign policy are relevant. Since the end of cold war, India has been deepening its relations with super powers. US become focal point of India’s foreign policy. Although it is necessity of age that, to make closer relation with super powers but India’s tend to US is questioned to its independent foreign policy. For instance, while India has historical relation with Iran, it has voted against Iran in IAEA. Due to this the Indo-Iran gas pipeline project has been failed. Such kind of diplomatic failure will be stands the barrier in the way of India’s energy security process.

In the process of making close relations with super powers, India is ignoring her immediate neighbours and also third world countries. Some scholars project India as an Asian power, but it is matter of rethinking. There is no clear policy about Nepal and Bangladesh. India’s foreign policy is not clear about the Nepalese Maoist and Bangladeshi refugee problem. Sri Lanka is also a major concern of India’s foreign policy but India’s influence is going down in Sri Lanka. China’s influence is continuously growing in South Asian region. India needs to look back and redefine its foreign policy for Asian region. It is time for India to work with third world countries on economic, energy and environmental issues. India can play an important role at international platform like WTO, World Bank, Copenhagen conference, Kyoto Protocol and in UN reforms with developing countries.

The end of the Cold War and the growing impacts of globalisation are also making India redefine its position and role both at the regional and at the global level. Since the economic liberalisation of the 1990s, which lead to current growth rates of 8-9 percent annual, India’s global presence has been steadily visible. Economic development would require energy security. Improving energy security and
energy conservation should be top priorities of India with addressing environmental safety net. So, there are so many foreign policy challenges for India and many changes are viewing in its foreign policy since the end of cold war period. But main challenge is to attain global power status and make India a major player in international affairs. Foreign policy designers brought many changes to attain this goal. In this process we can see naturally clashes between foreign policies and necessities, because it is transitional period, which will be build coordination with time and circumstances. India needs to adopt a pragmatic foreign policy; it will help to attain global power status.

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WTO AND FOREIGN TRADE POLICY IN INDIA

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Abstract

International trade is taken into account to be the engine of economic process. There has been continuous and ascent in world trade attributable to relaxation of tariffs, quotas and different restrictions. The share of manufactures in world trade has exaggerated iron regarding 50p.c over the previous few decades. The developed countries dominate the global trade though the share of developing countries has exaggerated over the years. World exchange in services has been increasing quickly. World trade has become progressively four sided attributable to the efforts of GATT and different bodies. GATT, International Organisation and varied international commercialism blocks exercise a big influence on world trade. Trade propels economic process and national development. The first purpose isn’t the mere earning of exchange, however the stimulation of larger economic activity. The foreign trade policy of Asian country is Predicted on 2 major objectives, they’re as follows: To double the proportion share of world merchandise trade at interval consequent 5 years. To act as a good instrument of economic process by giving a thrust to employment generation During this article the author explains edges and drawbacks of International Organisation in India and analysis in current Foreign trade policy in India.

Keywords: International Organisation (WTO), Foreign Trade Policy.

Introduction

In order to confirm swish commercialism relations internationally and maximize world trade once Second Warfare, a world establishment within the variety of General Agreement on Tariffs and Trade (GATT) was setup. Its objective was to figure for reducing tariff on international exchange product and supply a forum for negotiation on trade disputes and trade connected problems among nations. The GATT mandated for exchange products. The WTO, that replaced GATT in 1995 mandated for exchange product yet as services and problems touching international trade. Hence, International Organization has significantly larger influence on trade among nations

Agriculture and trade has shown exceptional resilience and dynamism in conducive to a healthy growth in exports. Within the last 5 years the exports witnessed sturdy growth to succeed in A level of US$ 168 billion in 2008-09 from US$ sixty three billion in 2003-04. Our share of world merchandise trade was zero.83% in 2003; it rose to 1.45% in 2008 as per International Organization estimates. Our share of world business services export was 1.4% in a pair of 003; it rose to 2.8% in 2008. India’s total share in product and services trade was .92% in 2003; it exaggerated to 1.64% in 2008. On the utilization front, studies have prompt that just about fourteen million jobs were created directly or indirectly as a result of increased exports within the last 5 years. The short term objective of the policy is to arrest and reverse the declining trend of exports and to produce extra support particularly to those sectors that are hit badly by recession within the developed world. The policy is authorized with objective of achieving an annual export growth of 15% with an annual export target of US$ 200 billion by March 2011. within the remaining 3 years of this Foreign Trade Policy i.e. upto 2014, the country should be able to come back on the high export growth path of around 25% per annum. By 2014, policy expects to double India’s exports of products and services.

The long run objective of policy for the Govt. is to double India’s share in world trade by 2020. So as to fulfill these objectives, the Govt would follow a combination of policy measures as well as financial
incentives, institutional changes, procedural rationalization, and increased market access across the globe and diversification of export markets. Improvement in infrastructure associated with exports; transfer down dealing prices, and providing full refund of all indirect taxes and levies, would be the 3 pillars, which can support us to achieve this target. Endeavours are going to be created to examine that the Products and Services Tax rebates all indirect taxes and levies on exports.

Review of Literature


According to article revealed in “India Brand Equity Foundation (IBEF)” (October 20, 2017) “Foreign Trade Policy of India” ready to perceive capital inflows, FDI and FIIs details and external sector details.

According to Sanjiv singh Bhadauria (February 2015) in his article named World Trade Organization on Foreign Trade in India reveals the benefits of WTO for Foreign Trade Policy.

Objectives

- To study the benefits and drawbacks of WTO in India.
- To analyse the objectives of Foreign Trade policy (2015 – 2020) in India

Benefits of WTO to India

As a founder member of International organization, Asian country will gain with in the following ways:

- **Boost to Exports:** India’s exports square measure seemingly to be boosted attributable to reduction of tariffs on the merchandise of export interest to Asian country. Prospects of agricultural exports can improve attributable to reduction in domestic subsidies and barriers to trade. Phasing out of MFA can facilitate within the export of textiles. Compulsion has been obligatory on Asian country to be competitive within the world market.

- **Security and Predictability:** The revamped dispute settlement procedures and therefore the agreements of safeguard, subsidies and anti-dumping measures can offer larger and foregone conclusion in international trade. International Organization rules offer larger protection against bilateral pressures or restrictive trade practices Arbitrary changes within the laws governing trade and investments won’t be created below the International Organization regime. Under WTO, member nations bind their commitments so that conditions become predicable and clear.

- **Policy Assistance:** As a member of the International Organization, Asian country will get help from the international trade centre in formulating and implementing export promotion programmes.

- **Trade Links:** Asian Country has the advantage of getting trade links with all different member countries. It's served from the difficulty of going in multiple bilateral trade agreements with such a lot of countries. Asian country has market access to all nations. International Organization is predicted to facilitate the expansion of four-side trade.

- **Settlement of Disputes:** International Organization provides a forum for trade negotiations and settlement of disputes among member countries. Elaborate rules and procedures are ordered down for this purpose. The agreements square measurede jure binding on member countries.
• **Special Concessions**: There are many concessions and exemptions for the developing countries, particularly the least developed nations. There are provisions extending special and differential treatment to such countries. The International Organisation has helped in promoting services.

• **Promotion of Competition**: Quantitative restrictions and non-tariff barriers are to be removed below the regime of the International Organisation. Import restrictions are to be allowed only during balance of payments difficulties.

• **Technical Assistance**: Coaching programmes, regional seminars, and international conferences are to be held frequently below the auspices of the International Organisation. In these sessions, developing countries get a chance to be educated on the technicalities, rules, and regulations governing world trade. An integrated framework for trade-related technical help to the least developed countries is provided.

• **Sustainable Development**: The four-sided commercialism trading system embodied within the International Organisation has contributed considerably to economic processes and social development. No country is prevented from taking measures for the protection of its surroundings. The International Organisation seeks to uphold associated safeguard an open and non-discriminatory four-sided commercialism systems for promoting property development. Tariff and non-tariff barriers for surrounding products and services shall be reduced and eliminated. Alleviation of impoverishment is placed at the centre of the agreements and rules.

• **Policy Review Mechanisms**: Members of the International Organisation have to be compelled to endure a periodic review of their policies and programmes. This can be through a read to promoting mutual understanding of the necessity, significance, and therefore the impact of those policies which might promote transparency and fairness.

**Disadvantages WTO to India**

Critics offer the following arguments against India’s membership in the International Organisation.

• **No Export Push** – India’s export might not increase significantly. Flow of products and services across the globe depends a lot on infrastructure. Political surroundings, quality, and technology then on trade barriers. Removal of trade barriers is not any guarantee for increase in exports.

• **Prominence to Developed Nations**: International Organization focuses a lot on the interests of development countries. TRIMs undermines strategy of independent growth supported native services and technology. World finance continues to be moving primarily towards the developed countries. Most of the developing countries square measure left high and dry. TRIMs favour the International firms.

• **Price Rise**: International Organization agreements square measure seemingly to cause a steep hike within the cost of medicines and agricultural inputs.

• **Danger to Service Sector**: Service sector in Asian country is a smaller amount developed than in developed countries. Inclusion of exchange in services would be damaging to India’s interests.

• **Not Very Free Trade**: World trade has not very unfolded. Developed countries square measure imposing a lot of restrictions than underdeveloped countries. Free movement of labour isn’t allowed. Tariff peaks stay in sure areas. Anti-dumping duties became the supply of recent non-tariff barriers. Developed nations need to possess monopoly over technology.

• **Erosion of Autonomy**: International Organisation agreements square measure seemingly to avoid the autonomy of governance within the aggregation countries. The governments of those countries...
won’t have full freedom to establish the policies and identify the priorities in several areas, within which International Organisation agreements can prevail. Independency is also hampered.

Objectives of Foreign Trade Policy
1. To provide a stable and Property policy surroundings for foreign exchange in merchandise and services;
2. To link rules, procedures and incentives for exports and imports with different initiatives like "Make in India", Digital India and Skill India to create an ‘Export Promotion Mission’ for India;
3. To promote the diversification of India’s export by serving to varied sectors of the Indian economy to realize world aggressiveness with a read to market;
4. To create associate design for India’s world trade engagement with a read to increasing its markets and higher group action integrating with major regions, thereby increasing the demand for India’s product and conducive to the government’s flagship "Make in India" initiative;
5. To provide a mechanism for normal appraisal so as to rationalise imports and sale back the trade imbalance.

Current Scenario
In line with International Organisation, in merchandise trade Asian Country was the nineteenth largest bourgeois within the world with a share of 1.7 per cent and therefore 12th largest business person with a share of 2.3 per cent in 2013. In Business services, Asian Country was the sixth largest bourgeois within the world with a share of 3.2 per cent and there foreninth largest business person with a share of 2.8 per cent. The BJP government has did not improve matters in foreign trade since 2014 when it came to power. India’s position is turning into worse despite the actual fact that the America economy is alleged to posses kick off of recession throughout 2014 and 2015. Enough time is given to the Ministry of Commerce and Industry to take effective action to register growth in export of merchandise and services. The PM could offer longer to the current Ministry up to December 2017 once the reviews of FTP are going to be done.

Conclusion
GATT aims to boost living standards, employments, resource use and international, employments, resource use and international trade. The principles of equity, free trade, mutual consultation, etc. The TRIMS aimed towards removing trade barriers and different distinctions on investment. The TRIPs provides for each method and merchandise patents. GATT is that international delivery of services within the main concern. However WTO is by and enormous some aims as those of GATT. As a permanent body that has achieved sure edges for the developing nations however remains to be done There ought to be some forceful changes required in Foreign Trade Policy too viz,
1. Foreign trade matters ought to be removed from the Ministry of Commerce and Industry and entrust it to MoF. There is no need for a separate Ministry of Export and Import. Importer-Exporter Code may be issued by any Department of Revenue.
2. All export promotion councils, trade goods boards and development authorities as listed in Appendix of Foreign Trade Policy (2015-20) might not figure in the FTP/Hand Book of Procedures. Registration-cum-Membership certificate shouldn’t be needed to say export incentives. It serves no purpose. "Ease of doing business” demands reduction of export documents that became redundant.
3. Exporters, if they thus need, will type their own councils, which can survive if their services square measure found helpful to exporters.
4. Examination norms want be liberalised by the Customs department. A careful examination of all the packages isn’t tenable and potential by the Customs. Status-holders will claim exemption from examination depending upon their track records.

5. Privileges granted to status-holders in the current FTP need revision. It shouldn’t rely upon benchmark of export performance.

6. The role of bureaucrats within the regional workplace of DGFT and Customs ought to be created exporter-friendly. There’s some improvement within the workplace of Customs within the disbursement of duty disadvantage claims owing to computerisation. However within the RAs of DGFT, bureaucrats haven’t improved and if they need to delay the problem of status-certificate, they will do thus in spite of on-line filing of application. In one case, the workplace of ADGFT, Mumbai, the problem of status-certification as a pair of Star Export House was delayed for forty six days once acceptable the application on-line.

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INDIA’S ROLE IN THE TRADE OF SAARC COUNTRIES

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Abstract
Regional trade groupings have come to study as a hard reality on the global economic scenario. They range from preferential trading arrangement to economic union. The establishment of South Asian Association for Regional Cooperation (SAARC) is also an effort in this direction. Expansion of trade after the formation of SAARC needs to be evaluated periodically; such an evaluation will help to understand whether trade has really expanded more after the formation of SAARC, compared to the earlier phases. Hence, the main focus this study is to evaluate the role of Indian trade with SAARC Region. This study based on the secondary data. In SAARC, Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka are the eight members. An India total export to SAARC Region was 113501.12 Millions of U.S. Dollars. The share of SAARC countries in India’s exports was 4.94 percent during 1981-2013. India’s total import from SAARC Region was 23060.93 Millions of U.S. Dollars. India’s trade with SAARC Region has 2.69 percent during 1981-2013. All the nations have promised to move from SAPTA to SAFTA by the turn of the countries. It is yet to be seen whether they take all the necessary steps towards trade liberalisation to make the movement from SAPTA to SAFTA smooth.

Keywords: Export, Import and Trade of SAARC Region

Background
There is a greater realization today than ever before that the problems of trade and development of developing countries cannot be solved without co-operation among them. It should not be taken to mean in any way, that it frees the industrialized economies from their responsibility towards their developing counterparts. In other words, economic co-operation among developing countries should supplement the global efforts and, in no way, it should not eliminate the interaction between the affluent North and the needy South-South Co-operation. Efforts are still being taken in international organizations, especially in UNCTAD, GATT, IMF and World Bank. The global economic situation is a reflection of varied structural maladjustments and the persisting lack of equity in international economic relations (Debendra Kumar Das ed., 1996). The share of South Asia intra-regional exports in the total exports of world is around three per cent. The share of intra-regional imports to the total imports is about 2 percent for all commodities and about five percent of agricultural commodities. The share of intra-regional trade in total trade has declined over the years. Among the South Asian countries, Nepal has the highest share of in the intra-regional trade followed by Bangladesh and Sri Lanka. India and Pakistan, the major traders in the region have a low share in the intra-regional trade. The South Asian countries trade more with industrial, countries. Except Nepal, all other South Asian countries export less than 10 percent of their total exports and imports of food commodities to other South Asian Association of Regional Co-operation (SAARC) countries in the region. The South Asian Region can develop a strong market by strengthening the technological and trade cooperation among them. India exports only 2 per cent of its total food commodities exports to other countries of the region (Kumaresan Govindan, 1994).

Regional Grouping
Today almost all the countries must accept the fact that they are part of the world economy. No country can escape from its role in the system of interdependent trading nations. It is still a
debateable point whether the degree of inter-dependence among nations is increasing or not. However, it is a fact that the world trade has grown exceptionally fast in the post-war period. On the whole, the forces working for economic interdependence among nations become irresistible. Nobody can deny the fact that the rich nations are getting richer, while the poor nations are trying to stand up on their own legs. The world as whole has grown in constant dollars at 4.7 percent a year on an average during the period from 1950 to 1980. On the other hand, the poorest nations, such as Afghanistan, Bangladesh, Ethiopia, India, Indonesia, and Pakistan had grown by 3.9 percent. South Asian Region is one the most populous regions in the world with low per capita income. As regionalism is remerging and playing an important role in international trade, the countries in South Asian region have endorsed a South Asian Preferential Trading Arrangement among the SAARC member countries and it can significantly influence development of the agriculture sector and the overall economy of these countries.

Statement of Problems

In the world market, the products of the developing countries are facing tough competition with the products of the developed countries. As a result, the share of the developing countries is not increasing in the world market with the passage of time. On the other hand, the share of developed countries has been increasing in the world market. Developing countries need to develop their necessary infrastructure, transport and telecommunication system, basic and key industries; besides, they need to modernize their agriculture sector to assure continuous supply of food to the people and raw materials to the industry. For these purposes, developing countries should import modern technology, industrial equipments and other necessary items. All these activities force them to depend more and more on imports from developed countries. However developing countries do not have adequate foreign exchange to pay for their imports (Davinder Kumar Madaan, 1998).

Regional trade grouping have come to study as a hard reality on the global economic scenario. They range from preferential trading arrangement to economic union. The basic objective is to promote intra-regional trade among the member countries and there by economic cooperation and development. The establishment of SAARC is also an effort in this direction. Expansion of trade after the formation of SAARC needs to be evaluated periodically; such an evaluation will be helpful to understand whether trade has really expanded more after the formation of SAARC, compared to the earlier position. SAARC is showing its constant interest in expanding its intra-regional trade and adopting different polices for it. Now more than two decades are over and this is the time to assess and progress in trade. Hence, the main focus of this study is to examine the India's trade with SAARC Region.

Methodology

This research work is completely based on the secondary data. To assess the progress in trade, data on exports and imports in terms of value are used for this study. Data on the value of total exports of India to other SAARC countries and value of total imports from SAARC countries are mainly required. The data specified above been collected for this study mainly from the following World Bank publications. DOTS-CD. Data on the total value of India exports to SAARC countries, total value of India imports from SAARC countries, have been taken from the various issues of the Direction of Trade Statistics Year Books. In SAARC, Afghanistan, Bangladesh, India, Maldives, Nepal, Pakistan and Srilanka are the eight members. However data on Bhutan are not available from 1981 to 1990. Hence Bhutan could not be included for analysis. Excluding Bhutan; the other seven countries are taken for analysis. Hence, to facilitate international comparison all the data on exports and imports expressed in terms of millions of US dollars have been taken for analysis. Time period taken for analysis for this study is the 33-years period from 1981 to 2013. The choice of this period is primarily due to the availability of data.
Analysis and Discussion
In present day world, no country, however, powerful, can live in isolation. It is the experience of all countries that they can optimize their opportunities and capacity only when they form themselves into a group of countries having common interest. India is one of the members of the SAARC and is comparatively a more powerful country in terms of resources, population, and military strength, and growth potentials, technical and scientific progress. For a proper appreciation of the various issues involved, it would be desirable to understand first the direction of trade of India. Data given in Table 5.1 reveal the direction of India’s exports by major areas during 1980-2013.

<table>
<thead>
<tr>
<th>Period</th>
<th>Exports to Afghanistan</th>
<th>Exports to Bangladesh</th>
<th>Exports to Bhutan</th>
<th>Exports to Maldives</th>
<th>Exports to Nepal</th>
<th>Exports to Pakistan</th>
<th>Exports to Srilanka</th>
<th>Total Exports to SAARC Region</th>
<th>Total Exports of INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-1990</td>
<td>207.08 (0.2)</td>
<td>1246.73 (1.2)</td>
<td>NA</td>
<td>19.02 (0.02)</td>
<td>859.84 (0.81)</td>
<td>173.3 (0.16)</td>
<td>872.32 (0.82)</td>
<td>3378.29 (3.2)</td>
<td>106230.8 (100)</td>
</tr>
<tr>
<td>1991-2000</td>
<td>222.28 (0.1)</td>
<td>6757.35 (23.1)</td>
<td>73.36 (0.03)</td>
<td>143.22 (0.1)</td>
<td>1165.27 (0.4)</td>
<td>942.27 (0.32)</td>
<td>385.09 (1.34)</td>
<td>13156.84 (4.51)</td>
<td>291990.3 (100)</td>
</tr>
<tr>
<td>2001-2013</td>
<td>3390.51 (0.22)</td>
<td>30772.14 (2)</td>
<td>1369.69 (0.11)</td>
<td>962.71 (0.1)</td>
<td>16754.52 (0.1)</td>
<td>14137.04 (2)</td>
<td>29579.38 (2)</td>
<td>96966.99 (6.16)</td>
<td>157424.7 (100)</td>
</tr>
<tr>
<td>Total</td>
<td>3819.87 (0.2)</td>
<td>38776.22 (2)</td>
<td>1443.05 (0.1)</td>
<td>1124.95 (0.1)</td>
<td>18779.63 (1)</td>
<td>15252.61 (1)</td>
<td>34304.79 (1.74)</td>
<td>113501.12 (5.75)</td>
<td>1972468 (100)</td>
</tr>
</tbody>
</table>

Note: Figures within the parentheses are percentages and NA: Means Not Available


It is observed from above table that India’s export with Afghanistan was 207.08 millions of U.S Dollars during 1981-1990. It increased to 3390.51 millions during 2001-2013 from 222.28 millions of U.S Dollars during 1981 and 2013. The total export of India to Afghanistan was 3819.87 millions of U.S Dollars during 1981 and 2013. The average value of exports per year is 115.75 millions of U.S Dollars. The trade relation between India and Bangladesh were governed by Indo-Bangladesh Treaty of Friendship Cooperation and Peace signed in March 19, 1972. The agreement stipulated the exchange of trade in non-convertible currency upto 1980. There is also an agreement to accord reasonable facilities for the holding of trade fairs and exhibitions (Venkata Subbulu, 1996). The accord on December 12, 1990 (Pai and Bharathi, 1986). The accord on December 12, 1990 (Pai and Bharathi, 1986). The accord on December 12, 1990 (Pai and Bharathi, 1986).

In the context of the current bilateral trade, there is nothing much Bangladesh can export to India. But if Indian investments take place its exports to India could increase. The example of Srilanka has been cited to buttress the sensibility of such a policy more with regard to Bangladesh. It has been said that, till five years ago, Srilanka was on the negative investment – source list along with Pakistan and Bangladesh. World Bank Report says that Bangladesh would be better served in pursuing similar welfare, gains through multilateral trade liberalization.

The Report concludes unequivocally that India would gain much more from a continuation of its policy unilateral liberalization, paying special attention to the removal of non-tariff barriers, specific duties on textiles and garments and prohibitively high tariffs on agricultural products (Ranabir Ray Choudhury, 2007). India export to Bangladesh stood at 1246.73 million during 1981-1990. It increased to 222.28 during 1991-2000. However, there were wide fluctuations in the exports during 1991 and 2000. It is observed from table 1 that India’s export with Bangladesh increased to 3390.51 million during 2001-2013 from 222.28 millions of U.S Dollars during 1991-2000. The total export of India to Bangladesh was 38776.22 millions of U.S Dollars. There is no accurate account for flow of good and service between the two countries. Hence, data are not available for export trade with Bhutan until 1990 (Pai and Bharathi, 1986).
It is observed from table 1 that the data are not available during 1981-1990. Thereafter, India's exports to Bhutan increased to 1369.69 million from 73.36 million during 1991-2000. The total value of Bhutan as a percentage of her world exports should a fluctuating trend. It touched highest level is 0.1 percent during 2001-2013. India's the average share of exports per year is 0.1 percent. India's economic ties with Maldives began in 1980 when both of them agreed to set up regular institutional agreement to give a momentum to bilateral trade between the countries. As per this agreement, India agreed to meet the requirements of Maldives in essential commodities and agreed to identify the list of such items a year to year basis. The bilateral trade agreement of 1981 did not bring out any appreciable change in their bilateral trade (venkata Subbulu, 1891).

From 1981 onwards there has been a continuous rise in the India's exports to Maldives and it share at 0.1 million U.S Dollars during 2000-2013. The total export of India during 1981-2013 was 1124.95 millions of U.S Dollars. For the last 33 years India's exports to Maldives as a percentage of her world exports remains at constant level of 0.1 percent. Indo-Nepalese trade and economic relations is the product of the age old cultural, geographic and economic ties that persisted between the two countries since the dawn of civilization in the India sub-continent. However, Indo-Nepal trade relations acquired a new dimension in 1951. When the first treaty on trade and commerce was signed between the two countries In March 1978, however, “a treaty of trade transit and agreement of cooperation to control unauthorized trade” was signed. The trade treaty and agreement of co-operation was valid for five years each and the transit treaty valid for seven years. In 1983, the former two were extended for a period of another five year upto march 1988 (Parthasarathy, 1984). With all these agreements, India and Nepal have strived to explore and undertake all measures, including technical cooperation to promoter facilities and expand and diversify trade between two countries.

In his address, the inaugural session of the 14th summit of the SAARC here, Nepal Prime Minister Girija Prased Koirala said that all eight member countries” should strive to take concrete and inter looking steps in an accelerated pace to operationalise the FTA and enhance the size of the pie for all. Quoting studies which have shown South Asian borders to be more cumbersome to pass through than many regions, he said all the member countries should reduce physical barriers to transport and communications, which were fundamental to economic interaction. "Trade facilitation measures should therefore, receive as much priority as the implementation of SAFTA in our deliberations (Koriala, 2007).

The total export of India to Nepal during 1981 amd 2013 was 18779.63 millions of U.S Dollars. India's exports to Nepal as a percentage of the total exports formed an insignificant proportion. The shares fluctuated around less than one percent during 1981-2000. During 2001-2013, it increased 1.1 percent. Before independence, India and Pakistan were the part of single get political entity. In spite of it, their economies were not competitive. There was wide scope for expansion of bilateral trade relations between the two countries. Trade relations have been rather strained mainly due to political reason. From 1996 to 1974, there was absolutely no trade between India and Pakistan due to Indo-Pak wars of 1965 and 1971 (Venkata Subbulu, 1974). The Simla Agreement in 1972 paved the way for normalization of relations. The actual trade between them resumed only after the trade agreement signed in 1975. In January 1980, following a review, Pakistan government allowed its private sector to import 42 specified items from India. The indo-pak joint commission, set up on 1983 has been a major step towards strengthening cooperation (Ajar and Viswanathan, 1987). This was followed by many agreements and meetings. However the performance of two way trade between the two countries has been far below the existing potential. Exports to Pakistan from India have increased from 173.3 million of U.S Dollars during 1981-1990 to 942.77 millions during 1991-2000. There were wide fluctuations in the exports during the period from 1981 to 2013. The total export of India to Pakistan was 15252.61
millions of U.S Dollar. Pakistan shared 0.16 percent of India exports during 1981-1990. It increased to one percent during 2000-2013 from 0.32 percent during 1991-2000. Pakistan has recently expanded the list of importable items from India. the list was expanded by 302 items to take the total to 1075, though Islamabad has expanded the list in recent month, the basket of major items from India to Pakistan consists of a very few principal products such as machinery and instruments, drugs, pharmaceuticals, fine chemicals, transport, equipment, other commodities primary and secondary iron and steel, paper and wood products and footwear. Commerce secretary, Mr.Gopal K.Pillai, told that," In the items which are in positive; list, trade has improved on both sides. In the positive list, tariffs have come down as agreed to in the SAFTA and this has encouraged more trade" (Srinivasan, 2007).

In 1983, Indian Trade Development Authority sent a study team to Colombo to get a feel of new market scenario. Almost dormant Indo-Srilanka joint commission was revived with fourth ministerial meeting of Indo-Srilanka joint commission, held in New Delhi in September 1987 on both occasions the issue of the discussion focused on bringing greater degree of complementarily in trading relations. Past is a poor guide to current trends in Indo-Srilanka trade and to their future potential. What Srilanka did in 1977, India did in 1991 by liberalizing its domestic front, and several new steps were introduced for invigorating Indian exports (Nilanjan Banik, 1999). Table 1 gives that data on absolute value of exports to Srilanka and share of Srilanka over the period. India’s exports to Srilanka in value terms have increased from 872.30 millions of U.S Dollars during 1981-1990 to 29579.38 millions of U.S Dollars during 2001-2013. The total export of India was 34304.79 millions. The share of Srilanka in India’s total export to Srilanka was 0.82 percent during 1981-1990 touched peak level of 2 percent during 2001-2013. India’s total exports to SAARC Region have increased to 13157.04 millions of U.S Dollars during 1991-2000 from 3378.29 millions during 1981-1990. Thereafter, it increased to 80937.38 millions during 2001-2013. The total annual export of India’s to SAARC was 97472.71 millions of U.S Dollars. India’s export to SAARC Region in relation to global exports was 3.2 percent during 1981-1990. It increased to 5.14 percent during 2001-2013 from 4.51 percent during 1991-2000.

Table 2 India’s Imports from SAARC Region (In Millions of U.S. Dollars)

<table>
<thead>
<tr>
<th>Period</th>
<th>Import from Afghanistan</th>
<th>Imports from Bangladesh</th>
<th>Imports from Bhutan</th>
<th>Imports from Maldives</th>
<th>Imports from Nepal</th>
<th>Import from Pakistan</th>
<th>Import from Srilanka</th>
<th>Total Imports from SAARC Region</th>
<th>Total Import of INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-1990</td>
<td>130.30 (0.08)</td>
<td>157.05 (0.09)</td>
<td>NA</td>
<td>0.2 (0.00)</td>
<td>362.01 (0.21)</td>
<td>344.49 (0.20)</td>
<td>171.09 (0.10)</td>
<td>1165.15 (0.69)</td>
<td>169732.6 (100)</td>
</tr>
<tr>
<td>1991-2000</td>
<td>113.89 (0.03)</td>
<td>466.74 (0.14)</td>
<td>102.47 (0.03)</td>
<td>1.9 (0.00)</td>
<td>787.66 (0.23)</td>
<td>757.32 (0.22)</td>
<td>304.17 (0.09)</td>
<td>2534.15 (0.74)</td>
<td>341297 (100)</td>
</tr>
<tr>
<td>2001-2013</td>
<td>1053.81 (0.04)</td>
<td>3239.78 (0.12)</td>
<td>1502.97 (0.06)</td>
<td>76.13 (0.00)</td>
<td>5331.82 (0.20)</td>
<td>3044.03 (0.12)</td>
<td>5113.1 (0.2)</td>
<td>19361.93 (0.74)</td>
<td>2602003 (100)</td>
</tr>
<tr>
<td>Total</td>
<td>1298 (0.04)</td>
<td>3863.57 (0.12)</td>
<td>1605.44 (0.05)</td>
<td>78.23 (0.00)</td>
<td>4681.49 (0.21)</td>
<td>4145.84 (0.13)</td>
<td>5588.36 (0.19)</td>
<td>23408.5 (0.74)</td>
<td>3113033 (100)</td>
</tr>
</tbody>
</table>

Note: Figures within the parentheses are percentages and NA: Means Not Available


The actual value of India’s import from Afghanistan was fluctuating during 1981-2000. During 2001-2013, the imports of India from Afghanistan increased to 1053.81 millions of U.S Dollars. The total import of India from Afghanistan was 1298 millions of U.S Dollars. India’s imports from Afghanistan as a percentage of world imports have been very insignificant and it was declining 0.03 percent during 1991-2000 from 0.08 percent during 1981-1990. The share is increased 0.04 percent during 2001-2013. The actual value of imports of India from Bangladesh increased to 466.74 millions during 1991-2000 from 157.05 millions during 1981-1990. Thereafter, it increased 3239.78 millions of U.S Dollars during 2000-2013.
The total import of India was 3863.57 millions of U.S Dollars. The share of India’s imports from Bangladesh in India’s imports very insignificant and it was ranging from 0.09 percent to 0.14 percent. Surplus production generated in Bhutan, mainly agricultural and forest products 9 percent exported to India. The data on India’s imports from Bhutan are not available during 1981-1990. The imports increased to 1502.97 millions during 2001-2013 from 102.47 millions of U.S Dollars during 1991-2000. The share of Bhutan in India’s imports is very insignificant ranging from 0.00 percent. Moreover, there has been an increasing trend in India imports from Bhutan from 0.03 percent during 1991-2000 to 0.06 percent during 2001-2013. Due to limited resources base India’s imports from the Maldives were continued to a limited number of commodities. Table 2 shows that India’s imports from Maldives remain less than one millions of U.S Dollars. The total import of India from Maldives is 78.23 millions of U.S Dollars. India imports from Maldives as a percentage of India’s world imports were very negligible.

In view of limited recourse base and undeveloped industrial structure of Nepal, the imports from Nepal to India’s confined to a limited number of items. India’s imports from Nepal increased in value terms from 362.01 millions of U.S Dollars during 1981-1990 to 787.66 million during 1991-2000. Again, it increased to 5331.82 million of U.S Dollars during 2001-2013. The total import of India from Nepal was 6481.49 million of U.S Dollars for the 33 years taken for investigation. The share of Nepal in India’s imports increased from 0.21 percent during 1981-1990 to 0.23 percent during 1991-2000. Thereafter, it decreased to 0.20 percent during 2001-2013. After resumption of trade relation with Pakistan is 1975. India made deliberate efforts to increase her imports from Pakistan. As a result, India’s imports from Pakistan went up 757.32 millions of U.S Dollars during 1991-2000 from 344.49 million during 1981-1990. Even though, imports increased in value term. There has been a increasing trend in India’s imports from Pakistan from 0.20 percent during 1981-1990 to 0.22 percent during 1991-2000. The final aim should be to make the indo-Srilanka Economic Partnership Agreement to supersede the ISLBFTA (Saman Kelegama, 2003). The share of Srilanka in India’s Imports was very significant and it was 0.10 percent during 1981-1990. Moreover, there has been a decline trend in the share of Srilanka from 0.09 percent during 1991-2000 to 0.2 percent during 2001-2013. India’s total import from SAARC Region was 1165.15 million of U.S Dollars. It continuously increased to 19709.2 million from 2534.15 millions of U.S Dollars during 1991-2000. The share of SAARC Region in India’s imports was 7.52 percent.

<table>
<thead>
<tr>
<th>Period</th>
<th>Afghanistan</th>
<th>Bangladesh</th>
<th>Bhutan</th>
<th>Maldives</th>
<th>Nepal</th>
<th>Pakistan</th>
<th>Srilanka</th>
<th>Total Trade of SAARC Region</th>
<th>Total Trade of INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-1990</td>
<td>337.39 (0.12)</td>
<td>1403.78 (0.51)</td>
<td>NA</td>
<td>19.22 (0.00)</td>
<td>1221.85 (0.44)</td>
<td>517.79 (0.19)</td>
<td>1043.41 (0.38)</td>
<td>4543.43 (1.65)</td>
<td>27596.34 (100)</td>
</tr>
<tr>
<td>1991-2000</td>
<td>335.77 (0.05)</td>
<td>7224.09 (1.14)</td>
<td>175.83 (0.03)</td>
<td>144.67 (0.02)</td>
<td>1952.93 (0.31)</td>
<td>1699.59 (0.27)</td>
<td>4157.26 (0.66)</td>
<td>15691 (2.48)</td>
<td>63328.73 (100)</td>
</tr>
<tr>
<td>2001-2013</td>
<td>4444.32 (0.12)</td>
<td>34011.92 (0.81)</td>
<td>2872.66 (0.07)</td>
<td>1038.84 (0.03)</td>
<td>22086.34 (0.53)</td>
<td>17181.07 (0.41)</td>
<td>34692.48 (0.83)</td>
<td>116502.5 (4.87)</td>
<td>4176250 (100)</td>
</tr>
<tr>
<td>Total</td>
<td>5117.48 (0.10)</td>
<td>42639.79 (0.84)</td>
<td>3048.49 (0.06)</td>
<td>1202.73 (0.02)</td>
<td>25261.12 (0.50)</td>
<td>19398.45 (0.38)</td>
<td>39939.15 (0.78)</td>
<td>136736.93 (2.69)</td>
<td>5085500.7 (100)</td>
</tr>
</tbody>
</table>

**Note:** Figures within the parentheses are percentages

**Source:** IMF, Direction of Trade Browser and Government of India, Ministry of Commerce (2008-2013)

The important of SAARC countries in India’s total trade with the SAARC Region could better be understood in terms of table 3 Afghanistan was on important trade partner of India with a share of 377.39 million of U.S Dollars during 1981-1990. It decreased to 335.77 million during 1991-2000. The total trade of India with Afghanistan was 5103.41 millions of U.S Dollars. The share of Afghanistan...
in the India’s trade has decreased from 0.90 percent during 1981-1990 to 0.05 percent during 1991-2000. In the next 13 year, it share had increased 0.09 percent during 2001-2013.

Bangladesh occupied the first position in total trade with India during 1981 and 2013. India’s total trade with Bangladesh was 1403.78 millions of U.S Dollars during 1981-1990. Thereafter, it increased to 33535.45 million from 7224.09 million during 1991-2000. The total trade India with Bangladesh was 42163.32 millions of U.S Dollars. India’s total trade with Bangladesh as a percentage of its world total trade was insignificant and it was ranging from 0.67 percent to 3.76 percent. During 1980 and 1987 the data are not available for India’s trade with Bhutan. India’s total trade with Bhutan was 1.7 million of U.S Dollar during 1981-1990. From 1991 there has been some improvement in trade with Bhutan and during 1991-2000, the total trade stood at 175.83 million of U.S Dollar. The total trade of India with Bhutan was 3091.57 million. India’s total trade with Bhutan as percentage of its world total trade was 0.05 percent. India’s total trade with Maldives increased in value terms from 4.94 millions of U.S Dollars during 1981-1990 to 144.67 million during 1991-2000. It increased to 1054.44 millions of U.S Dollars during 2001-2013. The total trades of India trade with Maldives were 1204.05 millions of U.S Dollars. The share of Maldives was constant to 0.02 percent during 2001-2013 from 0.02 percent during 1991-2000. India’s total trade with Pakistan went up from 97.78 millions of U.S Dollars during 1981-1990 to 1699.59 million during 1991-2000. Again, it increased to 17355.25 million during 2001-2013. The total trade of India with Pakistan was 19152.62 millions of U.S Dollars. India’s total trade with Pakistan as a percentage of India’s total trade was significant and it was ranging from 0.26 percent to 35 percent. India’s trade with Srilanka was 186.04 millions of U.S Dollars during 1981-1990. It increased to 34926.19 million during 2001-2013 from 4157.26 million during 1991-2000. The total trade of India with Srilanka was 39269.49 millions of U.S Dollar. The share of India trade with Srilanka was increased to 0.70 percent from 0.5 percent during 1981-1990. India’s total trade with individual SAARC countries was very insignificant and in case of some countries, it has been showing a increasing trend over the period. The data on the overall trade of the India are also given in table 3. During 1980-1990, the total trade of India was 746.12 millions of U.S Dollars. It increased continuously to 11650.5 millions during 2001-2013 from 15691.19 millions of U.S Dollars. India’s trade with SAARC Region in relation to global trade was 2 percent during 1981-1990. In increased 2.5 percent during 1991-2000. It has become 0.23 percent during 2001-2013. The annual average growth rate of trade is 2.24 percent during the period 1981 to 2013.

Conclusion

An India total export to SAARC Region was 97472.71 Millions of U.S. Dollars. The share of SAARC countries in India’s exports increased to 4.94 percent during 1981-2013. India’s total import from SAARC Region was 23408.5 Millions of U.S. Dollars. The share of SAARC Region in India’s imports is 7.52 percent during 1981-2013. The overall trade of India is 5686417 billion of U.S. Dollars. India’s trade with SAARC Region has 2.24 percent during 1981-2013. For India and other SAARC nations, the trade wind has to below within. With just 3.51 per cent share of SAARC intra-regional trade in world trade, there is a crying need for correcting the directions of trade among the member nations to focus within the region. India being the most industrialized nations among the seven SAARC countries, the onus lies on India to take the initiative for SAARC to emerge as a powerful trading bloc. All the nations have promised to move from SAPTA to SAFTA by the turn of the countries. It is yet to be seen whether they take all the necessary steps towards trade liberalisation to make the movement from SAPTA to SAFTA smooth.
References
AN ASSESSMENT ON THREATS OF CLIMATE CHANGES AND ENVIRONMENTAL SECURITIES

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Abstract

This article analyses the emerging discourse on ‘threats of climate changes and environment security’ whether and how attempts to consider environmental problems as security issues are transforming security practices. This problematic development has been described as ‘securitization’. The securitization of the environment, it is argued, is transforming existing security practices and provisions. It implies new roles for security actors and different means to provide security. This assessment examines the environmental securities and threads of climate changes which cause for all kinds of problems in relating to global warming.

Keywords: greenhouse gases,

Introduction

The subjects of “global warming” and “climate change” have become parts of both the popular lexicon and the public discourse. Discussions of global warming often evoke passionate responses and fierce debate between adherents to different views of the threat posed. In order to illustrate our understanding of the nexus of environmental issues and national security, we will examine the problems that global climate change will present for the nation and its military. The mechanics of climate change are simple. Sunlight falls on the earth and the earth’s surface reflects it back as infrared heat, which escapes into space. Greenhouse gases in the atmosphere, such as carbon dioxide (CO₂), methane (CH₄) and the newly-discovered trifluoromethyl sulfur pentafluoride (SF₅CF₃) (Sturges et al 2000) prevent this heat from escaping into space by reflecting it back down to the earth’s surface. Without this effect, there would be no life on earth, since the planet’s surface would be no warmer than the surrounding space. However, since the industrial revolution, anthropogenic greenhouse gas emissions are pushing this effect farther than any time in recorded history (IPCC 2001).

Threats of Climate Changes

The effects of climate change are being felt now: temperatures are rising, icecaps and glaciers are melting and extreme weather events are becoming more frequent and more intense. The following section outlines some of the forms of conflicts driven by climate change which may occur in different regions of the world.

Conflict over Resources

Reduction of arable land, widespread shortage of water, diminishing food and fish stocks, increased flooding and prolonged droughts are already happening in many parts of the world. Climate change will alter rainfall patterns and further reduce available freshwater by as much as 20 to 30% in certain regions. A drop in agricultural productivity will lead to, or worsen, food-insecurity in least developed countries and an unsustainable increase in food prices across the board. Water shortage in particular has the potential to cause civil unrest and to lead to significant economic losses, even in robust economies.
Economic Damage and Risk to Coastal Cities and Critical Infrastructure

Coastal zones are the home of about one fifth of the world’s population. Mega-cities, with their supporting infrastructure, such as port facilities and oil refineries, are often located by the sea or in river deltas. Sea-level rise and the increase in the frequency and intensity of natural disasters pose a serious threat to these regions and their economic prospects. The East coasts of China and India as well as the Caribbean region and Central America would be particularly affected. An increase in disasters and humanitarian crises will lead to immense pressure on the resources of donor countries, including capacities for emergency relief operations.

Loss of Territory and Border Disputes

Scientists project major changes to the landmass during this century. Receding coastlines and submergence of large areas could result in loss of territory, including entire countries such as small island states. More disputes over land and maritime borders and other territorial rights are likely. A further dimension of competition for energy resources lies in potential conflict over resources in Polar regions which will become exploitable as a consequence of global warming. Desertification could trigger a vicious circle of degradation, migration and conflicts over territory and borders that threatens the political stability of countries and regions.

Environmentally-Induced Migration

Those parts of the populations that already suffer from poor health conditions, unemployment or social exclusion are rendered more vulnerable to the effects of climate change, which could amplify or trigger migration within and between countries. The UN predicts that there will be millions of "environmental" migrants by 2020 with climate change as one of the major drivers of this phenomenon. Some countries that are extremely vulnerable to climate change are already calling for international recognition of such environmentally-induced migration. Such migration may increase conflicts in transit and destination areas. Europe must expect substantially increased migratory pressure.

Tension over Energy Supply

One of the most significant potential conflicts over resources arises from intensified competition over access to, and control over, energy resources. That in itself is, and will continue to be, a cause of instability. However, because much of the world’s hydrocarbon reserves are in regions vulnerable to the impacts of climate change and because many oil and gas producing states already face significant social economic and demographic challenges, instability is likely to increase. This has the potential to feed back into greater energy insecurity and greater competition for resources. A possible wider use of nuclear energy for power generation might raise new concerns about proliferation, in the context of a non-proliferation regime that is already under pressure. As previously inaccessible regions open up due to the effects of climate change, the scramble for resources will intensify.

Pressure on International Governance

The multilateral system is at risk if the international community fails to address the threats outlined above. Climate change impacts will fuel the politics of resentment between those most responsible for climate change and those most affected by it. Impacts of climate mitigation policies (or policy failures) will thus drive political tension nationally and internationally. The potential rift not only divides North and South but there will also be a South - South dimension particularly as the Chinese and Indian share of global emissions rises. The already burdened international security architecture will be put under increasing pressure.
Environmental Security

Environmental security (ecological security or a myriad of other terms) reflects the ability of a nation or a society to withstand environmental asset scarcity, environmental risks or adverse changes, or environment-related tensions or conflicts. When discussing the security implications associated with climate change and environmental degradation, scholars have sought to enumerate the various threats according to certain conceptual dichotomies (direct and indirect). A direct threat is one that can be traced with precision to an environmental problem (i.e. skin cancer caused by exposure to severe UV radiation due to ozone depletion). An indirect threat is one that occurs outside the physical boundaries of the state, but nonetheless poses certain risks to the values of the state (i.e. biodiversity loss causing certain life-saving drugs to go undiscovered) or could have far-reaching, negative consequences for the physical sanctity of the state in the longer term (i.e. the onset of regional conflicts due to resource scarcity that result in mass migration).² The chart below illustrates the potential for economic activity to cause environmental changes that lead to conflict.

Figure 1: Environmental Routes to Conflict ¹

Unlike potential conventional military threats, these environmental threats are real and on-going. However, not every environmental issue will result in a security problem, and most security problems are generated from complex situations involving environmental, political, social, and economic issues. Therefore when considering problems of environmental security, it is important to recognize that higher-order effects result from more intervening variables.¹
Security Implications

Political Economy of Environmental Security

Environmental degradation brought on by human activity and exacerbated by climate change has negative impacts on a state’s economy. Countries that rely on their natural resource base for domestic needs as well as foreign exports may be particularly vulnerable to declining environmental conditions. As a country suffers significant losses in its agricultural industry, economic opportunities for the agrarian state begin to disappear. The state dependent on its resource extraction capabilities must now endure a growing population of unemployed workers and yet the country may not possess the economic infrastructure to support its population while replacement economic activities are created. The lack of economic opportunity leads to civil unrest, which upsets the existing fragile political order. Citizens view their government as unable to provide basic human services, thus undermining state authority and the legitimacy of the party in power. Tensions may culminate in the form of conflict incited on behalf of disenfranchised citizens lacking the ability to earn income to support their family. Efforts to overthrow the government ensue. These conflicts may spill over into neighboring countries not currently facing the same difficulties.

Environmental Security and Resource Scarcity

Resource scarcity, construed here as a dearth of vital supplies needed for survival such as food, water, and energy, can be brought on by a change in environmental conditions and intensified by the effects of climate change. Rising temperatures may inhibit the cultivation of staple crops, greater variability in rainfall may lead to droughts in some regions and floods in others, and unsustainable consumption of non-renewable energy resources may contribute to food and water insecurity through its negative impact on the atmosphere. Abrupt climate change may drastically alter the availability of critical resources. Resource scarcity issues may develop into two main types of conflict: (1) territorial disputes among neighboring states, and (2) aggressive measures taken to ensure the protection of certain vital national interests abroad.

Environmental Security and Human Security

For instance, climate change may pose significant risks to the well being of states due to its potential for disastrous effects on critical infrastructure. Climate change may yield concerns of this nature through abrupt climate change, rising sea levels, natural disasters, and ice melting in the Arctic sea. Each of these projected impacts from climate change could disturb the order of life and continuity within a state, throwing it into disarray if institutions are not resilient in the face of exogenous shocks to the system. Although Busby writes specifically of the impact of climate change on U.S. national security, one can apply the same set of circumstances to another state in order to understand how climate change could affect the human security of other countries as well. Climate change presents a threat to human security most directly in terms of its potential to devastate critical infrastructure. A discussion of sea level rise illustrates this relationship. The Intergovernmental Panel on Climate Change (IPCC) projects that the global sea level could rise by more than half a meter over the next century. While not every country will be threatened by this development, states along coastal areas and small island nations could be impacted greatly. If a small island state on a low-lying atoll becomes uninhabitable, its residents may seek to find alternate living arrangements in nearby or hospitable countries. To some extent, small island states are already investing in land that would support their transplantation once climate change and rising sea levels prove too difficult to adapt to. Sea level rise thus becomes an issue of strategic concern for two reasons: (1) it could result in environmental refugees and subsequent stress on the recipient country, and (2) it could overtake strategically important overseas assets.
The above discussion serves to highlight only one aspect of human security—the unintended consequences of devastation to critical infrastructure due to sea level rise. It might be important to mention that humanitarian catastrophes caused by environmental disasters also pose a major threat to human security.

**Conclusion**

This article has explored how the practices associated with security are challenged by the attempts to transform environmental crises and climate change into a security issue, and has shown how appeals to security have emphasized the relevance of preventive, non-confrontational measures and the importance of other actors than states in providing security. The assessment of climate change demonstrates that we must take responsibility for our role in causing environmental degradation; the 'head in the sand' approach of the current Administration benefits no one except a select few. All countries must cooperate in order to mitigate the effects of environmental degradation, including limiting greenhouse gas emissions, conserving natural resources, and developing and sharing energy-efficient technologies. In the short term, policymakers will be forced to rely on military assistance to recover from the effects of environmental degradation, but in the long term, nations must work together to reduce the insecurity that comes from these non-military, environmental threats. Examine the security implications of climate change in dialogue with third countries including through the sharing of analyses.

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GST IN INDIA: A KEY TAX REFORM

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Abstract
The implementation of GST has brought many taxes under the GST Rules, which make computation and understanding easier. Like the earlier rules that provided for tax credit benefit, GST also has the provision of utilizing such tax credit. Few taxes in relation to import and export trade are not brought under the purview of GST. Goods and Service Tax is a comprehensive tax levy on manufacture, sale and consumption of goods and services. GST is termed as biggest tax reform in Indian Tax Structure. It will not be an additional tax, it will include central excise duty, service tax additional duties of customers at the central level, VAT, central sales tax, entertainment tax, octroi, state surcharge, luxury tax, lottery tax and other surcharge on supply of goods and services. The purpose of GST is to replace all these taxes with single comprehensive tax, bringing it all under single umbrella. The purpose is to eliminate tax on tax. This paper will throw light on GST its features and also effect of GST on prices of goods and Services.

Keywords: Import and Export, Tax credit, GST

Introduction
The introduction of goods and service tax made a historical change in the indirect tax system in India. On 1st July 2017, GST was implemented with its prime motto of: one nation one tax one market. Despite various criticisms all over the nation, the central government implemented GST, to ensure effective tax payment, transparency of accounts; good monitoring that reduces tax evasion. GST comprises of: CGST – levied and collected by central government, SGST – levied and collected by state government, IGST – levied and collected by union territory and UGST – for inter-state transactions.

Goods and Service Tax
India follows a dual system of GST. That is, both the state and central government impose tax. The intra-state transactions attracts CGST and SGST while the inter-state transaction attracts IGST. The objective of GST was to remove multiple taxes thereby reducing tax cascading effect. GST has replaced the existing indirect taxes like central excise duty, additional excise duty, service tax, countervailing duty, special additional duty of customs, value added tax, central sales tax, and luxury tax, taxes on lottery, betting and gambling, cess and surcharges. This is called tax subsumption.

Subsumption of Taxes
Based on the following considerations, various taxes were subsumed:
1. The intended taxes and levies that are to be subsumed are in the nature of indirect tax that relates to supply of goods or services.
2. Taxes and levies should be a part of transaction chain that starts with production or manufacture of goods or supply of services and ends with consumption of goods and services.
3. After subsumption there must be a free flow of tax credit both in intra and inter-state transactions.
4. Taxes and levies that are not related to supply of goods and services should not be subsumed in GST.
Taxes that are subsumed under GST:

Central excise Duty
Duty levied on manufacture or producer of goods in relation to production is called excise duty. It is also called CENVAT (central value added tax). The various types of excise duty are:

Basic Excise Duty
It is levied on goods specified in first schedule to CETA. The general rate of Excise is 12.5% which is applicable to majority of goods.

Additional Excise Duty
It is levied on commodities specified in first schedule that is in lieu of sales tax which is shared between central and state government. But further notification has exempted such duty.

National Calamity Contingent Duty (NCCD)
It is an additional duty imposed on pan masala, branded chewing tobacco, domestic crude oil and mobile phone.

Education Cess and Secondary and Higher Education Cess
It is levied on excisable goods manufactured @ 2% and 1% respectively on aggregate duty on excise. From 1st March 2015, cess has been exempted.

Service Tax
Service tax is levied by central government on service transactions that involves a consideration and is carried out by one person to another. The provider of service is liable to collect the service tax from the customer and remit it back to the government. In India service tax was charged @15% that is inclusive of sawchbharath cess and krishikalyan cess at 0.5% each respectively. However certain services are not attracted to service Tax included in negative list, mega-exemption, and other abatements. The payment of service tax is based on Point Of Taxation Rules, which defines the point when a service is provided or deemed to have been provided. Service tax is inclusive in nature. If a service that was previously exempted becomes taxable, then the amount of service is assumed to be inclusive of service tax. Also if the service provider does not charge tax or charges tax at lesser amount, he is obliged to pay service tax at prescribed rate from the service amount. In some cases the service receiver is required to pay service tax. This is called reverse charge mechanism. For services relating to Goods transport agency, sponsorship to corporate, insurance agent to company, lottery agent to distributor etc. reverse charge mechanism applies.

Central Sales Tax
Taxes levied on inter-state sales is called CST. That is, sale of goods from one state to another attracts CST. Actual sales and deemed sales are subject to CST. The tax amount is collected by the dealer from his customer in another state and the dealer remits it to the government. Inter-state stock transfer or consignment transfer does not attract CST though goods are transferred one state to another. During the transit of goods, if an order is placed for such goods, it amounts to inter-state transfer and hence attracts CST. The rate of CST will be taken @2% of turnover or rate applicable under sales tax law of that state, whichever is lower, or under concessional rate that applies for sale of eligible goods, by a registered dealer and Form- C is furnished. Sales price is considered to be inclusive of CST. So if the seller fails to collect CST or collects an amount lower to the actual CST, then he should pay CST based on his sales price. CST is not attracted on goods sold solely for export, subsequent inter-state sales (if proper forms are furnished) and sale to foreign missions.

Purchase Tax
The tax levied by the state government for purchase of goods is called purchase tax. The buyer pays tax on the goods procured to the dealer who in turn remits the tax amount to the government. The
dealers prepare voucher that contains all details regarding the price, quantity, and tax for the good. There is less difference between purchase tax and sales tax since sellers usually pass on the tax to purchasers along with the price of product.

**Value Added Tax**

It is the tax on value added at each stage in production and distribution chain of a commodity. VAT is ultimately borne by the final consumer. The purchaser of goods (registered dealer), pays VAT on goods purchased which is called input tax. On sales, tax is charged by the dealer which is called output tax. The VAT amount to be paid to government is the difference between Output VAT and Input VAT. There exists a provision for set-off of tax paid earlier, which is called Input tax Credit or rebate. It refers to setting off, the input tax paid by a registered dealer against the amount of output tax. But this credit is allowed only against VAT amount and not for taxes on inter-state purchase. Tax credit is allowed both on input and capital goods. The Input tax credit is first utilized in payment of VAT on intra-state sales. Any balance, if available, is utilized in payment of CST on inter-state sales made during the period. VAT is mostly paid @12.5% but the rate of VAT differs for certain states and certain products.

**There are 3 Variants of VAT Namely**

1. Gross product variant : Tax credit is allowed only on inputs
2. Income variant: Tax credit is allowed on inputs and depreciation on capital goods
3. Consumption variant: Tax credit is allowed both on inputs and capital goods. It does not distinguish capital and recurring expenses. It is the most widely used variant of VAT.

**Luxury Tax**

Taxes charged on hotel bills, Spas and resorts are called as luxury tax. It is levied on hotel bill exclusive of food charges but it includes facilities like Beauty parlour, health club, meeting halls, swimming pools, gym and other recreational activities inside the hotel premises.

**Entry Tax**

When a product manufactured in a state is brought by a purchaser in another state, and then the purchasing state imposes entry tax on the purchaser. It is collected by state government.

**Octroi Duty**

When goods are sold within a state, from one region to another or one municipal limit to another, the buyer of such goods is required to pay octroi duty. The local municipalities have power to levy octroi duty. Though GST subsumes most of the indirect tax, there are still few taxes that are not subsumed under GST.

**Taxes that are not subsumed under GST**

1. **Basic Customs Duty**
   
   Duty levied on import of goods into India does not attract GST.

2. **Export Duty**

   It is the duty paid on export of goods to foreign countries which is outside the ambit of GST.

3. **Toll fees**

   A fee collected by state government to access the roadways is called toll fees. It was implemented to get back the cost of construction and maintenance of roads. Many state governments have abolished toll fees on implementation of GST.

4. **Anti-Dumping duty**

   When a country imports goods, at a price lower than the price of such goods in domestic market, it imposes tariff on the exporting country which is called Anti-Dumping Duty. It ensures fair trade for domestic market.
5. **Safeguard duty**
   If a product is imported in an increased quantity which would affect the domestic market and its production, safeguard duty is levied on the exporter in order to protect the local market.

6. **Entertainment tax**
   Entertainment tax is imposed on films and other commercial shows. It is collected by state government and the rate of tax differs for each state.

7. **Tax on alcoholic liquor for human consumption:**
   The term ‘goods’ under GST, specifically excludes alcoholic liquor for human consumption. Since it is outside the ambit of GST, the state government has authority to tax for such products. Hence alcoholic liquor is subject to VAT.

8. **Tax on petroleum crude, high speed diesel, motor spirit, natural gas, aviation turbine fuel:**
   The state government is empowered to charge VAT on petroleum goods as they do not come under the purview of GST. Intra-state sale attracts VAT while Inter-state sales attract CST.

**Conclusion**

The Goods and Service tax is expected to increase the revenue of the government. It also aims to eradicate tax evasion completely thus presenting a transparent economy. Many products and services are still exempted from GST that helps consumers in cost reduction and availability of necessaries at low cost. GST favors foreign investors, since the complexity of taxes that was earlier the major issue of global investors is now simplified. Though there exits many dispute in the rate of GST charged on many products, the benefit of implementing GST will be known in near future. This trend setting change is sure to prosper the nation.

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FATCA – IMPACT IN INDIA

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Abstract
Foreign Account Tax Compliance Act (FATCA) has become one of the most controversial policies in the United States economic history. It aims to increasing the government’s revenue, the policy was introduce to overcome the economic problems and lead to state’s future development. The policy has direct and long-term implications on investors and investment processes. The paper studies the introduction and the impacts of FATCA in India.

Introduction
The policy initiatives and reform measures have compelled Indian Banks to focus on market forces, customer service and aggressive marketing techniques and be prepared to meet any challenges for existence and sustenance. Globalization of the economy and integration of financial sector enabled banks to bring the latest trends in banking industry. Bank management governs various concerns associated with bank in order to maximize profits. It concerns broadly include liquidity management, asset management, liability management and capital management.

Tax treaties represent an important aspect of the international tax rules of many countries. The overwhelming majority of these treaties are based in large part on the United Nations Model Double Taxation Convention between Developed and Developing Countries tax treaties are obviously intended to benefit taxpayers of the contracting States.

The Foreign Account Tax Compliance Act (FATCA) is an important development in U.S. efforts to combat tax evasion by U.S. persons holding accounts and other financial assets offshore. The Treasury Department and the IRS continue to develop guidance concerning FATCA.

1. According to Abdul-Aziz AlShubaily on his article on “Fatca’s Effect on the In-Flow of Investments to the United States Of America” the study talks about Foreign Account Tax Compliance Act (FATCA) which has become one of the most controversial policies in the United States economic history. Although it aims for increasing the government’s revenue, but the policy has undesirable to economic and social implications that threaten the state’s future development. And defiantly, the policy has direct and long-term implications on investors and investment processes according to the author. The research examines the manner in which the government uses the policy to strengthen its operations. The study also explores the impacts of the FATCA on investment, policies, digital investment, the determination of the optimal structure of clients, investment psyche, and roles of mobile devices and the legality of the FATCA.

2. According to Itai Grinberg and his friends on article “ Beyond FATCA: An Evolutionary Moment for the International Tax System “ the study talks about the The growing consensus, that the financial institutions should act as “tax intermediaries” cross-border represents a remarkable shift in international norms that has yet to be recognized in the literature. And how financial institutions should serve as tax intermediaries’ cross-border, and for which countries. According to him different outcomes in this contest it have been pointed basically different futures for the extent of cross-border tax administrative assistance available to most countries. At the end of the event
success of an information reporting model over an anonymous withholding model is key to (1) allowing for the taxation of principal, (2) ensuring that most countries are included in the benefit of financial institutions serving as tax intermediaries cross-border, and (3) encouraging taxpayer engagement with the polity and supporting sovereign policy flexibility, especially in emerging and developing economies. The article closes with proposals to help reconcile the emerging automatic Information exchange approaches and produces an effective multilateral system.

3. Kristen M. Garry and co-author on “FATCA: implications for non-US funds: a general guide for determining the applicability of FATCA to non-USA funds” according to their finding FATCA presents a number of compliance and operational challenges for non-USA investment funds. Such funds should be aware of their status under FATCA and resulting compliance responsibilities to ensure that they are compliant with FATCA and thus not subject to USA withholding tax.

Objective
1. To study the initiation of FATCA an intergovernmental agreement
2. To study the process and impact of FATCA in India.

Research Methodology
The study carried out only on secondary data which is collected from journals, newspapers, and websites.

Life before FATCA
Before the introduction of FATCA, the IRS was largely reliant on the honest and accurate reporting by individuals, corporations and trustees of their foreign assets and income. International confidentiality and secrecy laws meant that the IRS could not undertake a review of foreign bank accounts and assets owned by U.S. citizens or corporations held abroad. Although the U.S. Treasury could seek the assistance of foreign courts in cases where there was clear and compelling evidence of tax evasion, it could not gain access to financial accounts on suspicion alone. It was identified the incapability for effective investigate tax reporting created which given rise to casual tax evasion or tax avoidance and which made the legal lot of loopholes in the law to minimize tax liability, tax evasion is a criminal offense and it is punishable by hefty fines and even sentences to prison.

This made U.S. government to look in to the matter to solve the problem form the tax evasion, which made Shell companies would set up offshore with a sole U.S. director and shareholder, but the income would either not be reported or would be inaccurately reported. Given that several offshore jurisdictions have legislation keeping directors’ registers and shareholders’ registers confidential. Foreign trusts would be established to hold assets including corporations, real estate, stock and foreign currencies, the assets would not be properly reported as the assets of trusts are also protected by foreign confidentiality laws. Furthermore, U.S. citizens and green card holders were living abroad, sometimes earning substantial tax-free wages, without ever declaring their foreign earned income to the IRS. The IRS had no way of conducting compliance checks to see what interests U.S. citizens had in foreign companies. Which lead to lack of accurate financial reporting, it may be by intentional, reckless or negligent which becoming an alarming sign to financial economy in U.S. which haven given rise to FATCA policy.

Introduction to FATCA
The Foreign Account Tax Compliance Act (FATCA) is a new US reporting and withholding regime enacted in March 2010 as part of the Hiring Incentives to Restore Employment (HIRE) Act. FATCA is
intended to go against offshore tax avoidance by US persons investing money outside of the United States, either through their accounts with non-US financial institutions or investments in certain non-US entities. FATCA was issued by the US Treasury in 2012, which was followed by final regulations in January 2013. And it was effective from July 1st 2014. The objective of FATCA is to targets tax non-compliance by U.S. taxpayers with foreign accounts. It focuses on reporting by U.S. taxpayers about certain foreign financial accounts and offshore assets, and by foreign financial institutions about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest. It is the reporting of foreign financial assets, and to find the withholding cost of not reporting.

Under FATCA, certain U.S. taxpayers holding financial assets outside the United States must report those assets to the IRS on Form 8938, Statement of Specified Foreign Financial Assets. There are serious penalties for not reporting these financial assets. For this transaction US financial institution needs support of the other financial institution information about financial accounts held by US taxpayers or by foreign entities in which US taxpayers hold a worthwhile ownership.

The reporting institutions will include not only banks, but also other financial institutions, such as investment entities, brokers, and certain insurance companies. Some non-financial foreign entities will also have to report certain of their U.S. owners.

FATCA provides special reporting requirements about the U.S. account holders of certain financial institutions that do not speak business outside their country of organization and that mainly service account holders resident within country.

**Initiation FATCA in India**

Common reporting standard (CRS) is a globally accepted standard for the automatic exchange of financial account information. The organization for economic cooperation and development (OECD) is close-cooperation with the G20 countries and the EU and propose an idea for the purpose of CRS is to encourage the automatic exchange of information between bilateral treaty partner countries on accountholders/investor maintain accounts in foreign jurisdiction.

India being a part of the G20 countries has committed itself to the acceptance of CRS. In agreement with CRS, government of India (GOI) has promised itself to implement the reciprocal exchange of financial accounts information on an automatic basis with 93 countries as November 06, 2014. India also has treaties with 130 countries/union territories. In the same manner India would also set similar information through financial institutions from such treaty countries.

All the financial institution in India are required to do update know your customer (KYC) for the identification of the US accounts and taxpayer’s from other foreign countries and report such accounts on a yearly basis.

FFIs foreign financial institution are included but are not restricted to depository institutes like banks, investment entities like private equity funds or hedge funds, custodial institutions like mutual funds and insurance companies having cash value products/annuities information being sought from customers by the banks and other financial institutes in India i.e, the information to be reported will depend on the category of the customer falling under FATCA and CRS. customer are expected to provide details on country of tax residence, tax identification umber from such country, country citizenship, country of birth, etc.

For non-individual customer, the necessary details of any of the controlling persons need to be provided. In general FATCA rules do not apply to non-US persons. But it is necessary to provide additional details/documents for the determination of whether he is a US person under FATCA.

As per the FATCA regulation all the existing and the new customers subscribed to the mutual funds schemes need to comply with the new FATCA regulation and submit the FATCA self-declaration form at the time of subscriptions and it was made effective from jan1, 2016 all mutual funds houses made it mandatory for existing customer to. By submitting additional KYC information such as net worth, income slab, occupation, etc.
The impact of FATCA in Indian financial institution is that, some of the top mutual fund houses HDFC, ICICI, Reliance, etc. have stopped accepting fresh investments from US based NRIs and US residence to lower the burden of reporting, but not all mutual funds, some of them are ready to comply with FATCA.

The Indian Government has quickly come out with the rules for exercise of FATCA and has notified the reporting framework with careful examine the requirements. RBI, SEBI, and IRDA came out with clear guidelines for exercise of FATCA, issued a notice by the CBDT. The financial institutions are identified as designated director and principal officer, and they have separate registration number from general of income-tax.

Filing of the FATCA report is to be made in .xml format which is very much similar to the tax return filing process. Specific penalties are levied on for the individual who fails to provide a financial transaction statement or incurred information will be punished. The information collected by India or the US or any other country comes under treaty is used for revenue authorities for audits.

**Operating Framework in India**

![Diagram of Operating Framework in India]

**Impact on FFIS**

FATCA would impact a wide range of non-US financial institutions as tabulated below. These institutions are required to collect specified details from US persons and/or withhold tax on qualifying payments. It becomes important for the Indian financial institutions to have speedy exercise and implement plan to get accurate information within the stipulated time period.
Conclusion

Foreign Account Tax Compliance Act (FATCA) has become one of the most controversial policies in the United States economic history. It aims is to increasing the government's revenue. The policy has direct and long-term implications on investors and investment processes. It concluded that the Indian Government has quickly come out with the rules for exercise of FATCA and has notified the reporting framework with careful examine the requirements. RBI, SEBI, and IRDA came out with clear guidelines for exercise of FATCA, issued a notice by the CBDT. The information collected by India or the US or any other country comes under treaty is used for revenue authorities for audits. It becomes important for the Indian financial institutions to have speedy exercise and implement plan to get accurate information within the stipulated time period.

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WHO – GLOBAL HEALTH AND FOREIGN POLICY

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Abstract
The relevance and effectiveness of the World Health Organization’s (WHO’s) Global Code of Practice on the International Recruitment of Health Personnel is being reviewed in 2015. The Code, which is a set of ethical norms and principles adopted by the World Health Assembly (WHA) in 2010, urges members states to train and retain the health personnel they need, there by limiting demand for international migration, especially from the under – staffed health systems in low – and middle – income countries. Most countries failed to submit a first report in 2012 on implementation of the Code, including those source countries whose health systems are most under threat from there cruitment of their doctor sandnurses, often to work in 4 major destination countries: the United States, United Kingdom, Canada and Australia. Political commitment by source country Ministers of Health needs to have been achieved at the May 2015 WHA to ensure better reporting by these countries on Code implementation for it to be effective. This paper uses ethics and health systems perspectives to analyse some of the drivers of international recruitment. The balance of competing ethics principles, which are contained in the Code’s articles, reflects a tension that was evident during the drafting of the Code between 2007 and 2010. In 2007 - 2008, the right of health personnel to migrate was seen as a preeminent principle by US representatives on the Global Council which co-drafted the Code. Consensus on how to balance competing ethical principles—giving due recognition on the one hand to the obligations of health workers to the countries that trained them and the need for distributive justice given the global in equities of health work force distribution in relation to need, and the right to migrate on the other hand—was only possible after President Obama took office in January 2009. It is in the interests of all countries to implement the Global Code and not just those that are losing their health personnel through international recruitment, given that it calls on all member states “to educate, retain and sustain a health work force that is appropriate for their (need) ...” (Article5.4), to ensure health systems’ sustainability. However, in some wealthy destination countries, this means tackling nationalist in equities and poorly designed health work force strategies that result in foreign-trained doctors being recruited to work among disadvantaged populations and in primary care settings, allowing domestically trained doctors work in more attractive hospital settings.

Keywords: Global Code, International Recruitment, Health Personnel, Distributive Justice

What Is the WHO Global Code?
In May 2015, are port is being made to the World Health Assembly (WHA) by an expert advisory group, established by the World Health Organization (WHO), on the relevance and effectiveness of the Global Code of Practice on the International Recruitment of Health Personnel (the Code). Adopted by the WHA in May 2010, the Code is a ‘ground-breaking legal instrument’, which provides ethical norms and principles for governing inter country relations. A 2004 resolution of the WHA had requested the WHO to develop a voluntary code of practice on international recruitment, which was achieved through a 3-year process, including 8 international meetings from 2007 to 2010, where the drafting was under taken by the WHO, a Global Policy Advisory Council and a Technical Working Group. The outcome was a voluntary instrument that, while not legally binding on member states, is an “expression of the solemn will of the international community.” Its primary purpose is to protect vulnerable source countries whose health systems are under mined through losing scarce health professionals to wealthy destination countries.

Definitions and Concepts
“Global health governance” refers to the use of formal and in formal institutions, rules, and processes by states, inter governmental organizations, and non state actors to deal with challenges to health that require cross-border collective action to address effectively. This definition’s relative simplicity should not obscure the breadth and complexity of this concept.
Leading definitions of “health” conceptualize it in broad terms. The World Health Organization (WHO) defines health as “the state of complete physical, mental and social well-being and not merely the absence of disease or in firmity.” 3 Making progress toward the mere absence of disease or in firmity is hard enough without pursuing the more comprehensive conception of health, and the range and diversity of health threats that require collective action touch virtually every policy area.

To complicate matters, each health threat inter twines with political, economic, social, and environmental factors that shape how it emerges and spreads. For example, whether a pathogen “jumps species” from animals to humans depends not only on the micro but also the social, economic, and ecological realities that facilitate the pathogen’s presence in animals and it strays mission to humans. In taking these kinds of “social determinants of health” into account, public health solutions must address issues such as poverty, hunger, education, housing, gender relations, environmental factors, and security conditions. 4 These determinants shape patterns of disease emergence and prevalence in populations. To improve social determinants of health requires policies that penetrate into political, economic, and social contexts, often down to the local, neighborhood, and household levels. Thinking about health as more than the absence of disease implies an normative outlook. Many regard enjoyment of the highest attainable standard of health as a fundamental human right and as consistent with respect for human dignity and social justice. Consequently, eliminating health inequity defined by WHO as “the unfair and avoidable differences in health status seen within and between countries” becomes a moral imperative.

Taken together, the challenges presented by health threats, social determinants of health, and the normative imperatives of human dignity and social justice make the current scale and content of global health governance breadth taking. At the same time, this expansive scope complicates effective cooperation. The collective action mechanisms available to states, inter governmental organizations, and non state actors are not well suited to producing health-centric, coordinated governance across all necessary policy areas. As a result, holes, fissures, and shiftings and appear in contemporary global health governance.

Health Work Force Migration

Migration of labour in search of opportunity and livelihood, which is a guiding principle and right that is recognised in the Code, is a sold as the human race. Its consequences for the health systems of source countries became evident in a series of studies on the emigration of doctors from the United Kingdom, mainly to North America, published during the 1960s and 1970s. The global scale and consequences of migration, in terms of the mal distribution of health workers, was synthesised in the 2006 World Health Report. This report’s statistics are still quoted 36 of the 57 countries with critical shortages are in Africa, which has 25% of the world’s burden of disease, but only 3% of health workers world wide and 1% of global economic resources. Whereas, the United States – with 4% of the world's population– has 8% of the doctors and 17% of the nurses.

Such statistics embody the Biblical statement “For who ever has, to him more shall be given, and he will have an abundance; but who ever does not have, even what he has shall be taken away from him” – except in one respect. Rather than there being an abundance, there are growing shortages of health professionals’ world wide, exacerbated by ageing populations, increasing expectations and demand. WHO 2006 estimates of a global shortage of 4.3 million doctors and nurses are still quoted.

Ethics and Politics

Political tensions between the position adopted by one destination country (the United States) and the other members of the Global Policy Advisory Council emerged at several points during the 2007–
2010 Global Code development process. In 2009, there was a sea-change in the attitude of the US representatives on the Global Advisory Council, from the latter days of the President George W. Bush had ministration to the period after President Obama' s inauguration. The Washington June 2009 meeting addressed by Senator Tom Daschle, after President Obama took up office, was a celebratory affair. It contrasted with the funereal atmosphere of a similar meeting in Geneva a year earlier, when the possibility of consensus on any form of Global Code appeared to be a receding dream, given the position of the United States delegates on the Council. These tensions reemerged a year later during the negotiation of the Code at the 63\textsuperscript{rd} WHA, May 2010, when articles that enshrined the principle of 'ethical recruitment practices', which had been crafted over three years of international meetings, were challenged in the final three days of negotiations. Consensus was maintained, however, and the Code that was endorsed had retained its ethical force. These events, which were partly captured by Taylor and Dhillon, demonstrate how the national strategic interests of powerful member states can 'trump' the ethical positions that such states also seek to champion.

Relevance and Effectiveness of the WHO Global Code

If the WHO Global Code of Practice on the International Recruitment of Health Personnel is to have sustainable relevance and become effective, it needs to be supported by evidence. While (Health work force development and health systems sustainability) may be the cornerstone of the Code, and (Responsibilities, rights and recruitment practices) frames the ethical debates, the oxygen keeping the Code alive will be derived from those articles that underpin and need to be used to demonstrate the Code's effectiveness: Data gathering and research, Information exchange; and Monitoring and institutional relationships. Better routine data systems and monitoring are needed to produce statistics and to track trends in health worker migration. This requires destination countries to record and report on the inward migration of health workers, especially those from the poorest and most fragile health systems of SSA, given the difficulties in tracking outward migration from these countries, which contributes in turn to non-reporting by source countries.

However, analyses of root causes and systems drivers--and not just push and pull factors--are also needed. There are common systems' factors at work within destination countries, as reported earlier, such as the channelling of foreign-trained doctors and nurses towards rural populations, poorer urban areas, and less desirable (and less lucrative) specialties. Developing a new lens for viewing the migration of health professionals, which brings together ethics, culture and health systems analyses, can help reframe and stimulate the debate within as well as across source and destination countries by introducing new ethical perspectives. It is questionable, at the least, if major destination countries, explicitly or by default, channel foreign-trained doctors and nurses into the Primary Care/General Practice posts that especially require culturally appropriately trained staff, as is the case in the United States, Canada and Australia. Where as hospital special typos that requireless culturally sophisticated and more specific clinical skills, but are more prestigious and usually better paid, are filled mainly by domestically-trained doctors. Hence, ethical perspectives can inform the analyses of national as well as the global drivers of health work force migration; and distributive ethics can shed light on how the features of a destination country' s health system serve to reinforce local as well as global inequities. However, while this perspective can shift the debate, it cannot be expected to diminish the expedient, passive power of national and possibly professional interests in destination countries, which drive health worker migration. Nor can it be expected to quellthe efforts of individual health professional to migrate and find opportunities to better their lives.
The Global Health Governance Regime Complex

Given its massive scope and cross-cutting relevance to multiple policy areas, global health is not governed by a single regime but rather a “regime complex,” or “a collective of partially over lapping and non hier archical regimes.” 29 Regime complexes are not unique to global health, but the regime complex governing health may be one of the most complicated in world affairs. Indeed, the global health governance regime complex is actually composed of several over lapping “regime clusters” in which multiple players address specific problems through different processes by applying various principles.

The needs of public health explain to a large degree the presence of so many regime clusters. Effective health strategies must be specifically tailored to each situation, combining surveillance — the collection, analysis, and dissemination of epide miological information — and interventions — measures to prevent, protect against, or respond to health threats. Solutions that work in one context often cannot be translated into another; consequently, global health governance needs different regimes purpose – built for specific challenges.

For example, although both are communicable diseases, the approach to HIV/AIDS should not guide preparations for pandemic influenza. Preventing occupational in juris em an dates different techniques than reducing the demand for tobacco. Similarly, the regulation of the application of sanitary and phytos anitary measures to trade in goods is not a template for preventing trans-boundary pollution. And the process of developing a new anti biotic for drug-resistant tuberculos is does not reduce poverty in the developing world. Although public health experts seek multi purpose surveillance and intervention capabilities where possible, surveillance and response interventions do not often support actions against multiple problems.

Political interest she lproduce the multitude of regime clustering lobar health. Consider the prolife ration of efforts to address HIV/AIDS: activities began with the WHO Global Programme on AIDS, but have expanded to include UNAIDS, human rights bodies, the Security Council, the World Bank, WTO, the MDGs, the Global Fund, G8 initiatives, regional efforts, bilateral programs, and various NGOs. The HIV/AIDS regime cluster reflect show states, IGOs, and non state actors have framed HIV/AIDS as a security, economic, development, and humanitarian issue. It also reflect show powerful actors and influential processes, such as the United States and the G8, created new initiatives (such as PEPFAR and the Global Fund) to address specific concerns rather than strengthening efforts within UNAIDS and WHO.

Global Health Players

There evolution in global health governance has increased the quantity and diversity of players. This development has intensified competition for leadership, influence, and resources. States, IGOs, and NGOs have long been involved in global health, but the participation of each of player has changed. In addition, public-private partnerships (PPPs) emerged as new actors. Global health governance has truly gone “multipolar,” with many more players more deeply engaged than ever before. Donor states, especially the United States, have increased development assistance for health but haved one so mainly through bilater alaid, such as the President’s Emergency Preparedness for AIDS Relief (PEPFAR), or new mechanisms, such as the Global Fund, which by pass traditional institutions, such as WHO or the World Bank. These shifts reflect the growing importance of global health to powerful states, which are exerting greater control over resources they expend in this area. Established and emerging powers, such as the United States, China, and Brazil, increasingly view global health as a component of “soft” or “smart” power. This heightened interest by major countries has elevated global health politically, but it also reveals how the divergent interests of states shape global health.
Global Health Problems

The number and variety of global health problems on foreign policy agenda as has also increased and continues to expand. Beyond traditional concerns with direct trans-boundary threats (for example, communicable diseases and cross-border pollution), the challenges now encompass additional communicable and non communicable health harms, health infrastructure problems (such as water and sanitation, surveillance and response capacities, health care systems), and deteriorating social determinants of health.

The diversity of problems creates two main difficulties for global health governance. First global health problems do not all generate the same level of interest from states. Internationally, states tend to be more interested in problems that directly threaten their interests, require collective action in order to minimize the threat, and involve limited, feasible interventions. This pattern can be seen in the attention states have given to direct, cross-border transmission of dangerous communicable diseases. However, many problems do not involve such transmission (non communicable diseases related to tobacco consumption, for example) and require more complicated, expensive, and open-ended solutions (such as reducing poverty, hunger, gender discrimination, and environmental degradation in poor countries). Second, the expanding agenda creates pressure to prioritize responses because of scarce political and economic capital and public health capabilities. Complaints about communicable diseases, generally, and HIV/AIDS, specifically, getting a disproportionate share of attention and resources reveal disagreements about how priorities are established. 39 Calls for more evidence-based priority setting a read mirrorable but often do not reflect the way states, especially powerful ones, decide when, how, and why they get involved in collective action for global health. This prioritization dilemma means that the quantity and quality of global health governance is uneven.

Global Health Principles

The quantity and variety of principles guiding global health has also increased during there solution in global health governance. Many of the new binding rules come from two treaties WHO crafted during this period: the International Health Regulations in 2005 and the Framework Convention on Tobacco Control, 2003. Internationally, non binding norms, the Millennium Development Goals and the Global Fund stand out as breakthroughs.

Although had option of the IHR 2005 and the FCTC might suggest that the players are becoming more interested in binding international law for global health; this perspective ignores the long-standing binding rules of international law relevant to public health. In addition, most recent innovations in global health governance are non binding. For example, the following are all non binding mechanisms, objectives, commitments, or strategies not based in international legal instruments:

- Global Fund;
- Millennium Development Goals;
- G8 pledges of development assistance for health;
- Innovative financing mechanisms (such as IFFI, UNITAID, AMCV);
- Co ordination processes (for example, International Health Partnership +, Health 8);
- Promises to respect recipient country preferences and plans for development assistance;
- Adopted or proposed strategies concerning diet and nutrition, harmful use of alcohol, marketing food to and nonalcoholic beverages to children, and recruitment of health workers.
Existing norms have also undergone scrutiny and, in some cases, have been refined to clarify how health and other interests get balanced. Refinement of the right to health has occurred through an interpretation by the UN human rights process, and in the relationship between trade and health through case law decided by the WTO’s Dispute Settlement Body. The rising importance of health in development thinking has also contributed to principles that stress ownership of development assistance for health and alignment of aid with recipient country objectives. Policy Options

Although global health governance faces a more difficult context in the next decade than it did in the recent past, options exist for improving how the regime complex operates and how states, IGOs, and non-state actors contribute to such improvements.

**Formulating National Global Health Strategies**

The importance of global health, combined with the complexity of global health policy and governance, requires countries to formulate integrated, coherent global health strategies. Both Switzerland and the United Kingdom developed such strategies and found them useful in forging interagency coordination and achieving coherent policy approaches. The UN secretary-general has encouraged other UN member states to adopt similar integrated national approaches to global health.

The United States should formulate a comprehensive, government-wide global health strategy that ensures unity of purpose and effort across the complex range of global health issues in which the United States has interests. The United States routinely develops comprehensive strategies in many areas, as illustrated by the Obama administration’s National Strategy for Countering Biological Threats and the National Health Security Strategy. Just as in the attempts to integrated diplomacy, development, and defense in counterinsurgency and stability operations, a whole-of-government strategy should guide the use of all elements of U.S. national power in global health.

A comprehensive U.S. global health strategy would go beyond the Obama administration’s GHI because the GHI does not address many aspects of U.S. involvement in global health. For example, the GHI does not include guidance for U.S. efforts on implementing IHR 2005, pandemic influenza preparedness, U.S. health assistance to disaster-stricken countries, and communicable disease problems. A U.S. global health strategy should also contain guidance on how the United States will approach perceived problems with global health governance.

A mandate from Congress for the Executive Branch to produce a global health strategy (as was done for the national health security strategy) would provide a stronger foundation for development of the strategy. Given its role in interagency collaboration and facing with IGOs, the Office of Global Health Affairs in the Department of Health and Human Services (DHHS) could lead the effort to produce a U.S. global health strategy, guided by the White House, National Security Council, and these cretary of health and human services

**Shoring up Cornerstones of Global Health Governance**

Although producing a single architecture to govern global health is not feasible, effective implementation of the IHR 2005 would contribute to advancing U.S. security, economic, development, and humanitarian interests. U.S. backing of the IHR 2005 must be of equal significance as the policies in the GHI. The United States must redouble its support for the IHR 2005, especially in helping developing countries meet their minimum core surveillance and response obligations. The lead agencies of this effort should be the Department of State and the Office of Global Health Affairs in the Department of Health and Human Services, supported by the Centers for Disease Control and Prevention.
The United States has not ratified the FCTC. Although some expert shave urged FCTC ratification, the United States does not have to do so in order to help WHO, other countries, and non state actors fulfill that treaty’s potential. Moving in this direction requires that the U.S. government acknowledge tobacco as a global health problem in which it should be more involved. The United State scan strengthen in-country efforts by tasking the CDC to help WHO scale up technical assistance for tobacco control in developing countries, to support NGOs, and to partner directly with the global anti-tobacco efforts of the Gates Foundation and the Bloom berg Initiative Without progression HIV/AIDS prevention, them assive effort waged since the 1980s will not gain sufficient traction to bring this crisis under control. Like parts of the global health governance regime complex need priority attention. Critical steps include progress on implementing the IHR 2005, strengthening the FCTC, integrating serious prevention strategies into HIV/AIDS efforts, andre-calib rating global approaches to achieving the Millennium Development Goals. The goal of strengthening national health systems in developing countries must inform each step. The IHR 2005 and the FCTC are break throughs, the failure of which would be damaging to global health governance and WHO. Both the set reaties have provided glimpses of their potential, but both also face implementation problems that could, in time, neuter their promise and render them ineffective instrument.

**Strengthening Regional Cooperation on Health**

Although much attention is paid to multilateral efforts on global health, the past ten to fifteen years have seen health cooperation become more important in regional organizations. Forexample, the African Union, Association of Southeast Asian Nations, and European Union have scaled up their efforts on health. The African Union, in particular, has been “involved with activities designed to tackle HIV/AIDS, tuberculosis, malaria, and polio in Africa; health financing challenges in Africa; food security and nutrition; and the African Diaspora Health Initiative, which is designed “to link specific health care expertise with in the African Diaspora with specific health needs in specific geographical locations in Africa.”

Then exist age of global health governance should draw on the strengths of regional organizations to consolidate gains generated by global health initiatives, address regional problems, and make health a “whole -of- region” objective. Through the Department of State, Department of Health and Human Services, and Centers for Disease Control and Prevention, the United States can advance this strategy through participation in and relations with regional organizations and processes around the world, particularly by assisting regional institutions with capacity building.

**Providing Health in Put on Other Global Governance Problems**

Attempts to raise health issues in other global governance forums are not always successful, as illustrated by the lack of attention the Copen hagen Climate Change Conference paid to health. However, the need to continue “speak health to power” is important, particularly because decisions in non-health issue areas will have a significant impact on health. These context include, but are not limited to, the globale conomicris is, trade, climate change, food security, and energy policy.

The United States can help this effort by including health in its approach to global governance questions that a rise insecurity, political, economic, and environmental contexts. Achieving this goal requires as trategic understanding of health in all areas of global governance, which under scores the importance of a global health strategy. The Obama administration’s proposal to elevate development to the same level as defense and diplomacy would be a first step to facilitate integrating health in to U.S. policies.
Conclusion

With the revolution over, the international community must shift its focus to producing resilience in global health governance. Global health will not see large-scale radical reforms, innovations, and funding increases in the next ten years. Instead, for actors in global health, the challenges will be to consolidate gains, make iterative improvements, and prepare for the health impacts that reforms in other governance realms might produce. U.S. leadership will remain critical, but the United States now faces more domestic and global difficulties than it experienced in global health since the end of the cold war.

The agenda proposed here is not as dramatic as the breakthroughs that transformed the legacy institutions, strategies, and attitude on global health over the past ten to fifteen years. However, revolutionary moment send, leaving the hard work of ensuring that the vision behind the revolution informs policy, influences practice, and achieves progress. Although faced with problems — many of which are beyond its influence — the global health community stands better positioned in the political, diplomatic, and governance spaces where states, IGOs, and non-state actors shape globalization. This time, this community will not have the excuse that its neglect and marginalization leave it un-prepared to try to influence world affairs.

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A PARADIGM SHIFT IN THE GOVERNANCE IN INDIA – A CONCEPTUAL STUDY

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Abstract

“Prosperity of Nation is Prosperity of its total Population”

As dynamic is the nature of law, is the concept of good governance. Governance is ever changing concept due to many factors, like political parties’ policy changes, overall the societal changes, etc. Modern democratic system emerged which led the people assume many roles and responsibilities to be played as a citizen of the nation. There is an increasing change in the roles of the citizen over the past few years. India, a developing country, has to keep its pace with the changing environmental factors of the world with the series of newly changed policies of the present day government ie., Modi government, which is going to decide the fortune of the people in few years. The concept of good governance is to be considered for a sustainable development of India. Digitization plays a vital role in changing the governance of the nation. This paper discusses about the policy initiatives taken and implemented by the present day government and also shows the success rate of those policy reforms to some extent.

Keywords: Democratic system, governance, digitization, policy initiatives

Introduction

Our Nation “India” has been witnessing a paradigm shift in the governance from the day when Prime Minister Narendra Modi formed his government at the centre. The policy statements of the Modi government show highly reformative decisions which are paving the way to the changes in the development of the nation. From a state of policy paralysis, the country’s economy moves towards economic growth through a series of reforms.

Good Governance

There is as such no definition of good governance. It is rather an ideal-typical construct which outlines the parameters of governance through certain indicators. The qualifier “good” clearly denotes the better standards of such a formulation and hence the imperative to achieve them. The World Bank has identified three discrete aspects of governance which needs to be emphasized for reform:

- The form of political regime.
- The process by which authority is exercised in the management of a country’s economic and social resources for development.
- The capacity of government to design, formulate and implement policies and discharge functions.

This again establishes the close link between democracy, economic development and good governance. As far as the criteria of good governance are concerned, UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific) sets out eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective & efficient, equitable & inclusive and follows the rule of law.
Governance in India is heavily undergoing ‘paradigm shift’ because of digitization. Programmes such as Make-in-India, Start-up India, Skill Development, MUDRA, PM Jan Dhan Yojana, JAM, DBT, etc are the utmost initiatives taken to move India towards a growth path.

**Demonetization**

Demonetization which is used to flush out the black money helped to clean the Indian economy to a certain extent. NITI Ayog has been created in the place of Planning Commission to make NEW INDIA.

Demonetization of currency is a radical monetary step in which a currency unit’s status as a legal tender is declared invalid. It occurs whenever there is a change on national currency. The current form or forms of money is or are pulled from circulation and retired, often to be replaced with new notes or coins. Under certain circumstances a nation completely replaces the old currency with new currency.

The short-term indicators show that the Indian government failed to meet the stated objectives. But it could be an economic success in the long run.

**GST**

GST (Goods and Services Tax), 2017, as the boldest step, has been taken to put the countrymen under the “One Nation One Tax” administration. This is to bring in transparency in taxation with an ultimate aim of safeguarding the interests of the commoners, businessmen and industrialists. Though its implementation faced a lot of criticism, the signals of its first month of implementation paved a way for the brightest side of the economic future of the nation.

**DBT**

Direct Benefit Transfer (DBT) policy, particularly for cooking gas, of Modi government succeeded in its implementation. Nearly 15 crore cooking gas consumers came under the DBT considered as PAHAL, which has been acknowledged by the Guinness Book of World Records. DBT saved approximately Rs. 56,000 crore government money from leakage. The government is also taking initiatives to introduce DBT for fertilizer and kerosene subsidies on pilot basis.

**Foreign Direct Investment**

FDI policy has been liberalized and the government announced a series of decisions in order to attract off-shore investments in sectors like insurance, railways, defence, retail marketing, etc. Aadhaar Scheme

Aadhaar marks a fundamental shift in citizen-state relations from ‘We the people’ to ‘We the Government’. According to the Supreme Court, on 09 June 2017, “Introduction of Aadhaar into the tax regime is one of the measures to tackle the threat of corruption and black money”. Also added that malafides cannot be attributed to the Aadhaar scheme as it would go a long way to check and minimize the malaise and agreed with the government’s contention that Unique Identification Authority of India (UIDAI) is the best and robust method of de-duplication of PAN database as there was no instance of Aadhar duplication. This is the most advanced and sophisticated infrastructure which may also facilitate the law enforcement agencies to take care of the problem of terrorism to a certain extent.

**Mines and Minerals (Development Regulation) Act (MMDR)**

The MMDR Act was amended to bring in transparency in leasing out non-coal major minerals. It also opened the coal mining sector to private and foreign investments by legislation Coal Mines (Special Provisions) Act, 2015 on March 20, 2015. The transparent e-auction in mining sector has fetched government huge revenue also. The changes in the act are benefitting the people and their living condition is changing.
Telecom Reforms

Changes were brought in the policies to conduct the telecom spectrums in a transparent way. India has now conducted multiple free and fair telecom auctions with no complaints from stake-holders.

Industrial Reforms

As part of ease of doing business, the government extended the expiration date of industrial licenses. DIPP issued an order on December 20, 2014, increasing the maximum validity of an industrial license from two years to seven years. Removing sectoral investment limit, the government on April 10, 2015 removed the last 20 products from the reserved list.

Bankruptcy Laws

The government has also recently enacted bankruptcy laws to make it easy for the companies to go for liquidations.

Subsidies

Modi government has several reform initiatives in its agenda. Now further reforms in subsidies expenditures are the top priority of the government. Reform is a long term and continuous process. The real dividend of the reform processes that have already initiated is expected to come in the next two years.

Changing concept of E-governance in India

E-governance deploys information technology (ICT) for improving information and service delivery to citizens (consumers) by enabling them to participate in the decision making process through a wider network of private and civil society organizations. Therefore the government becomes more transparent, accountable and efficient and hence fits perfectly into the agenda of good governance. Not surprisingly, ‘E-governance for Development’ has been a prominent slogan in India which has been heavily influenced by international agencies such as DFID, UNDP, G-8 and World Bank. Ministry of Information and Technology was found, National IT task force was implemented and National E-governance Plan was adopted as part of such development initiatives.

Digital India: A paradigm shift in Governance

The Narendra Modi government has been hyperactive in power in New Delhi – announcing a slew of new initiatives that can, potentially, transform the country. Many of them – such as the Swachh Bharat Yojana, to build millions of toilets to overcome the problem of open defecation, and the Make in India initiative, which seeks to transform India into a manufacturing powerhouse, a la China, have received widespread play in the media.

Ironically, Modi’s Digital India initiative, the scheme that can most transform India – and, in fact, be the backbone for the delivery of the Prime Minister’s core promises of providing good governance, maximum governance and minimum governance – has by and large, been ignored, at least in the popular perception.

Among the many problems of governance that hobble India’s development are the issues of lack of transparency in decision making, absence of last mile mechanisms to deliver services to those needing them and corruption and sloth that make it difficult for people without the “right connections” to access public goods and services.

The Digital India plan can change that narrative. It envisages an expenditure of Rs 1 lakh crore (about $17 billion) on laying a countrywide network of optical fibre cables and on creating allied infrastructure, and has nine main pillars: They are:
Nine Pillars of Digital India

It’s a bold and ambitious initiative in a country that has been cursed, since Independence, with a bloated government and sub-optimal governance. This programme can actually empower the so-called aam aadmi (common man) by providing him information that the bureaucracy at all levels has contrived to withhold. It will make it easier for the government – all governments, the Centre, the states and the grassroots-level panchayats – to deliver education, healthcare, justice and general governance that can actually uplift the lives of millions of people. More importantly, it will make people sitting in government offices accountable for their actions.

India is widely acknowledged as a global information technology powerhouse, but this label hides an unpalatable truth. Only about a quarter of Indians have access to the internet? As a result, a combination of politicians, bureaucrats, contractors and middlemen at all levels leverage what game theorists call “asymmetry of information” to deny the intended beneficiaries of public services their dues.

The Digital Indian programme, if successfully implemented, can change the paradigm of governance in this country, by arming the common man with information that will enable him to claim his rights.

Digital India also offers a massive opportunity for the private sector to participate in and profit from this empowerment. The government has proposed a public private participation (PPP) model to roll out this programme. The infrastructure itself is massive and the proposed outlay of $17 billion means many multinational and domestic companies can hope to win substantial contracts.

Microsoft has already applied to roll out a pilot project to use “whitespace”, the unused spectrum between two analogue TV channels, to provide free internet access. The spectrum is owned by the government and by the national, government-owned broadcaster Doordarshan. If successful, this can provide a fillip to the Digital India initiative.

Then, it can also provide an impetus to Indian manufacturing by opening up a massive demand for internet-related equipment – routers, switches and devices (mostly affordable smart mobile phones) – that will facilitate last mile connectivity. This, in turn, can create jobs and eco-system that takes the Make in India initiative forward.

It’s an ambitious programme – there’s no doubt about that – and it is critically dependent on intensive and honest implementation. Can the Indian government pull it off? And more importantly, can it carry along the state and local governments across the country that would stand to lose their power of information arbitrage if it succeeds?

Conclusion

The Prime Minister’s track record as a person who can get things done, even in the face of stiff opposition, gives hope.
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FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH IN INDIA

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Abstract

Foreign Direct Investment (FDI) plays a very important role in the development of the nation. It is very much vital in the case of underdeveloped and developing countries. A typical characteristic of these developing and underdeveloped economies is the fact that these economies do not have the needed level of savings and income in order to meet the required level of investment needed to sustain the growth of the economy. In such cases, foreign direct investment plays an important role of bridging the gap between the available resources or funds and the required resources or funds, Foreign Direct Investment is the one among this, also there are number of different forms of FDI is available currently. Recently, Government of India allowed FDI in different sectors of Indian economy. But several opposition parties are making it a political issue in parliament on these policy decisions and amendments. With a view to infuse globally acceptable best practices, modern management skills and latest technology, it has been decided to allow foreign investment in India also point out the sector-wise distribution of FDI inflow to know about which has concerned with the chief share. The present study is based on secondary data collected from different sources. This paper also tries to find out the scenario and role and Scope of Foreign Direct Investment in India.

Keywords- FDI, economic growth, economic development, dynamic growth.

Introduction

Foreign direct investment (FDI) has played an important role in the process of globalization during the past two decades. The rapid expansion in FDI by multinational enterprises since the mid-eighties may be attributed to significant changes in technologies, greater liberalization of trade and investment regimes, and deregulation and privatization of markets in many countries including developing countries like India. Capital formation is an important determinant of economic growth. While domestic investments add to the capital stock in an economy, FDI plays a complementary role in overall capital formation and in filling the gap between domestic savings and investment.

In India FDI inflow made its entry during the year 1991-92 with the aim to bring together the intended investment and the actual savings of the country. To pursue a growth of around 7 percent in the Gross Domestic Product of India, the net capital flows should increase by at least 28 to 30 percent on the whole. But the savings of the country stood only at 24 percent. The gap formed between intended investment and the actual savings of the country was lifted up by portfolio investments by Foreign Institutional Investors, loans by foreign banks and other places, and foreign direct investments. Among these three forms of financial assistance, India prefers as well as possesses the maximum amount of Foreign Direct Investments.

FDI Inflow Routes:

An Indian company may receive Foreign Direct Investment under the two routes as given under:

- **Automatic Route**: FDI in sectors /activities to the extent permitted under the automatic route does not require any prior approval either of the Government or the Reserve Bank of India.
Government Route: FDI in activities not covered under the automatic route requires prior approval of the Government which are considered by the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, and Ministry of Finance.

FDI is not permitted in the following industrial sectors:
- Arms and ammunition.
- Atomic Energy
- Railway Transport.
- Coal and lignite.
- Mining of iron, manganese, chrome, gypsum, sulphur, gold, diamonds, copper, zinc.
- Lottery Business
- Gambling and Betting
- Business of Chit Fund
- Agricultural (excluding Floriculture, Horticulture, Development of seeds, Animal Husbandry, Pisciculture and cultivation of vegetables, mushrooms, etc. under controlled conditions and services related to agro and allied sectors) and Plantations activities (other than Tea Plantations)
- Housing and Real Estate business.
- Trading in Transferable Development Rights (TDRs).
- Manufacture of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.

Review of Literature

Singh Kr. Arun and Agarwal P.K., (2012) “Foreign direct investment: The big bang in Indian retail”. In this article they have studied the relation of foreign investment and Indian retail business. The study is based on different literatures, case studies and analysis of organized retail market. The author discusses the policy development for FDI in the two retail categories: single brand and multi brand. The author concludes that FDI in multi brand retail should be considered, better technology and employment. The paper also concludes that openness of FDI in India would help India to integrate into worldwide market. Dr. Mamata Jain and Mrs. Meenal Lodhana Sukhlecha, (2012), “FDI in multi brand retail: Is it the need of the hour?” The paper studies the need of the retail community to invite FDI in retailing. The study is undertaken through analysis of positive and negative impacts of reforms. The study shows various advantages of FDI, which suggests for foreign participation in retailing, but the author also suggests that the ceiling should not exceed 51% even for single brands to ensure check and control on business operations.

Rajalakshmi K. and Ramachandran F., (2011), “Impact of FDI in India’s automobile sector with reference to passenger car segment.” The author has studied the foreign investment flows through the automobile sector with special reference to passenger cars. The research methodology used for analysis includes the use of ARIMA, coefficient, linear and compound model. The period of study is from 1991 to 2011. This paper is an empirical study of FDI flows after post liberalization period. The author has also identified the problems faced by India in FDI growth of automobile sector through suggestions of policy implications.

Dr. S N Babar and Dr. B V Khandare, (2012), “Structure of FDI in India during globalization period”. The study is mainly focused on changing structure and direction of India’s FDI during globalization period. The study is done through analysis of benefits of FDI for economic growth. The study has been done through sectoral analysis of FDI participation, as well as through study of country wise flow of foreign inflow in India till 2010.
Singh (2009) stated in their study that foreign direct investment (FDI) policies play a major role in the economic growth of developing countries around the world. Attracting FDI inflows with conductive policies has therefore become a key battleground in the emerging markets. The paper highlighted the trend of FDI in India after the sector-wise economic reforms.

Objectives of the Study
- To discuss the FDI policy framework in India.
- To identify the various determinants of FDI.
- To understand the need for FDI in India.

Research Methodology
Sources of Data Collection
In this research paper, the researcher has trying to her level best to collect the data from secondary sources which is purely an Empirical study like published research papers, journals, magazines, websites such as www.tradingeconomics.com RBI websites, Government of India websites, and various issues of DIPP, Central Statistical Organization, and Handbook of Statistics on Indian Economy. The study carried out is analytical and empirical in nature in which it explores the relationship between the Inflows of FDI and their impact on Indian economic growth. Further, in order to show the position of FDI we selected different economic level of study.

Problems for Low FDI Flow to India
India, the largest democratic country with the second largest population in the world, with rule of law and a highly educated English speaking work force, the country is considered as a safe haven for foreign investors. Yet, India seems to be suffering from a host of self-imposed restrictions and problems regarding opening its markets completely too global investors by implementing full scale economic reforms. Some of the major impediments for India's poor performance in the area of FDI are: political instability, poor infrastructure, confusing tax and tariff policies, Draconian labour laws, well entrenched corruption and governmental regulations.

- Lack of adequate infrastructure:
- Stringent labor laws:
- Corruption
- Lack of decision making authority with the state governments:
- Limited scale of export processing zones:
- High corporate tax rates:
- Indecisive government and political instability:

Determinants of FDI
The determinant varies from one country to another due their unique characteristics and opportunities for the potential investors. In specific the determinants of FDI in India are:

- Stable policies
- Economic factors
- Cheap and labour
- Basic infrastructure
- Unexplored markets
- Availability of natural resources
Need for FDI in India
As India is a developing country, capital has been one of the scarce resources that are usually required for economic development. The flow of FDI in India from across the world will help in acquiring the funds at cheaper cost, better technology, employment generation, and upgraded technology transfer, scope for more trade, linkages and spillovers to domestic firms. The following arguments are advanced in favor of foreign capital.

- Sustaining a high level of investment:
- Technological gap:
- Exploitation of natural resources:
- Understanding the initial risk:
- Development of basic economic infrastructure:
- Improvement in the balance of payments position
- Foreign firm's helps in increasing the competition

Data Analysis and Interpretation Fact Sheet on Foreign Direct Investment (FDI)

<table>
<thead>
<tr>
<th>Table No 1 Total FDI Inflows (From April, 2000 to June, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Cumulative Amount Of Fdi Inflow (Equity inflows + 'Re-invested earnings' + Other capital)</td>
</tr>
<tr>
<td><strong>2</strong> Cumulative Amount Of Fdi Equity Inflows (Excluding, amount remitted through RBI's NRI Schemes)</td>
</tr>
</tbody>
</table>

**Source:** FDI Statistics, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, 2015.

Table 1 shows the amount of FDI inflows from April, 2000 to June, 2015. It shows the cumulative amount of FDI Inflows both in terms of Crore and in US $ million.

Point 1 shows the sum of equity inflows, reinvested earnings and other capital. Cumulative amount of inflows are 380,215 in US $ million. Other than this, cumulative FDI equity inflows which excludes amount remitted through RBI's -NRI schemes are 1,293,303 in Crore and 258,020 in US $ million.

<table>
<thead>
<tr>
<th>Table No 2 FDI Inflows during Financial Year 2015-16 (June, 2015):-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Total Fdi Inflows Into India (Equity inflows + 'Re-invested earnings' + Other capital)</td>
</tr>
<tr>
<td><strong>2</strong> Fdi Equity Inflow</td>
</tr>
</tbody>
</table>

**Source:** FDI Statistics, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, 2015.

Table 2 shows the amount of FDI inflows during the Financial Year, 2015(June). It shows the total amount of FDI Inflows both in terms of Crore and in US $ million.

Point 1 shows the sum of equity inflows, reinvested earnings and other capital. Total amount of inflows are 2,929 in US $ million. Point 2 shows the FDI equity inflows amounted 13,115 in Crore and 2,054 in US $ million.
Table No 3 FDI Equity Inflows (Month-wise) during the Financial Year 2015-16:

<table>
<thead>
<tr>
<th>Financial Year 2015-16</th>
<th>Amount of FDI Equity inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>(April-March)</td>
<td>(In Rs. Crore)</td>
</tr>
<tr>
<td>1. April, 2015</td>
<td>22,620</td>
</tr>
<tr>
<td>2. May, 2015</td>
<td>24,564</td>
</tr>
<tr>
<td>3. June, 2015</td>
<td>13,115</td>
</tr>
<tr>
<td>2015-16 (from April, 2015 to June, 2015)</td>
<td>60,299</td>
</tr>
<tr>
<td>2014-15 (from April, 2014 to June, 2014)</td>
<td>43,171</td>
</tr>
<tr>
<td>%age growth over last year</td>
<td>(+) 40 %</td>
</tr>
</tbody>
</table>


The above Table 3 shows the amount of FDI inflows during Financial Year from April, 2015 to March, 2016 (up to June, 2015). It shows the amount in Rs Crore and in US $ mn. The highest FDI inflows in the country is in the month of May 2015 i.e. 24,564 in Rs Crore and 3,850 in US $ mn. Followed by April, 2015 and June, 2015 with inflows 22,620 in Rs. Crore (3,605 in US$ mn) and 13,115 in Rs. Crore (2,045 in US$ mn) respectively. It can also be observed that there is 40% growth over last year.

Table No 4 FDI Equity Inflows (Month-wise) during the Calendar Year 2015:

<table>
<thead>
<tr>
<th>Calendar Year 2015</th>
<th>Amount of FDI Equity inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Jan.-Dec.)</td>
<td>(In Rs. Crore)</td>
</tr>
<tr>
<td>1. January, 2015</td>
<td>27,880</td>
</tr>
<tr>
<td>2. February, 2015</td>
<td>20,397</td>
</tr>
<tr>
<td>3. March, 2015</td>
<td>13,221</td>
</tr>
<tr>
<td>4. April, 2015</td>
<td>22,620</td>
</tr>
<tr>
<td>5. May, 2015</td>
<td>24,564</td>
</tr>
<tr>
<td>6. June, 2015</td>
<td>13,115</td>
</tr>
<tr>
<td>Year 2015 (up to June, 2015) #</td>
<td>121,797</td>
</tr>
<tr>
<td>Year 2014 (up to June, 2014) #</td>
<td>90,876</td>
</tr>
<tr>
<td>%age growth over last year</td>
<td>(+) 34 %</td>
</tr>
</tbody>
</table>


The above Table 4 shows the amount of FDI inflows during the Calendar Year January, 2015 to December, 2015 (up to June, 2015). It shows the amount in RsCrore and in US $ mn. The highest FDI inflows in the country is in the month January 2015 i.e. 27,880 in RsCrore and 4,481 in US $ mn. Month like January 2014 have 13,589 in RsCrore and 2,189 in US $ mn. Comparing both we can observe that there is a 34% growth in FDI inflow.

Table No 5 Share of Top Investing Countries FDI Equity Inflows (Financial Years):

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mauritius</td>
<td>29,360</td>
<td>55,172</td>
<td>13,236</td>
<td>438,892</td>
<td>35 %</td>
</tr>
<tr>
<td>Country</td>
<td>INflow FDI (in $)</td>
<td>% of Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mauritius</td>
<td>48,597</td>
<td>34%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>35,625</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>20,426</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>10,550</td>
<td>7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>13,920</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.A.</td>
<td>4,807</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>6,093</td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyprus</td>
<td>3,401</td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>1,842</td>
<td>2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>2,084</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Inflow FDI from All Countries</th>
<th>147,518</th>
<th>189,107</th>
<th>60,298</th>
<th>1,293,836</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(30,931)</td>
<td>(9,508)</td>
<td>(258,141)</td>
<td>-</td>
</tr>
</tbody>
</table>


The above Table No. 5 depicts the country having the highest FDI in India. The report shows that the Mauritius country has the highest foreign investor in India with 34%. After Mauritius, Singapore and U.K. invest the highest FDI in India with 14% and 9% respectively. Japan also gets 4th position with 7% FDI in India.
Table No 6 Sectors Attracting Highest FDI Equity Inflows: Amount in Rs. Crores (US$ in millions)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Services Sector</td>
<td>13,294</td>
<td>19,963</td>
<td>4,036</td>
<td>209,578</td>
<td>(2,225)</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>Construction Development:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(3,253)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Townships, Housing, Built-Up Infrastructure</td>
<td>7,508</td>
<td>4,582</td>
<td>216</td>
<td>113,355</td>
<td>(1,226)</td>
<td>9%</td>
</tr>
<tr>
<td>3.</td>
<td>Computer Software &amp; Hardware</td>
<td>6,896</td>
<td>13,564</td>
<td>16,245</td>
<td>89,481</td>
<td>(1,126)</td>
<td>7%</td>
</tr>
<tr>
<td>4.</td>
<td>Telecommunications</td>
<td>7,987</td>
<td>17,372</td>
<td>2,517</td>
<td>86,609</td>
<td>(1,307)</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>(radio paging, cellular mobile, basic telephone services)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2,895)</td>
<td>(17,453)</td>
</tr>
<tr>
<td>5.</td>
<td>Automobile Industry</td>
<td>9,027</td>
<td>15,794</td>
<td>6,914</td>
<td>70,906</td>
<td>(1,517)</td>
<td>5%</td>
</tr>
<tr>
<td>6.</td>
<td>Drugs &amp; Pharmaceuticals</td>
<td>7,191</td>
<td>9,211</td>
<td>1,370</td>
<td>66,652</td>
<td>(1,279)</td>
<td>5%</td>
</tr>
<tr>
<td>7.</td>
<td>Chemicals (Other Than Fertilizers)</td>
<td>4,738</td>
<td>4,077</td>
<td>1,598</td>
<td>50,909</td>
<td>(878)</td>
<td>4%</td>
</tr>
<tr>
<td>8.</td>
<td>Power</td>
<td>6,519</td>
<td>3,985</td>
<td>1,717</td>
<td>48,357</td>
<td>(1,066)</td>
<td>4%</td>
</tr>
<tr>
<td>9.</td>
<td>Trading</td>
<td>8,191</td>
<td>16,962</td>
<td>5,679</td>
<td>49,479</td>
<td>(1,343)</td>
<td>4%</td>
</tr>
<tr>
<td>10.</td>
<td>Metallurgical Industries</td>
<td>3,436</td>
<td>2,897</td>
<td>845</td>
<td>41,992</td>
<td>(568)</td>
<td>3%</td>
</tr>
</tbody>
</table>


The above Table No.6 depicts the sector having the highest FDI equity inflow in India. The report shows that Service sector has the highest FDI Equity inflow 17%, followed by Construction development, Computer Software and Hardware, Telecommunication, Automobile Industry sector having 9%, 7%, 7%, and 5% respectively. Other sectors like Drugs and Pharmaceuticals carries 5% and Chemicals, Power, Trading Industries carries 4% FDI inflow each, whereas the least is of Metallurgical industries – 3%.
Conclusion

FDI in India has a significant role in the economic growth and development of India. FDI in India to various sectors can attain sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries. Computer, Software & Hardware and Drugs & Pharmaceuticals sector were the other sectors to which attention was shown by Foreign Direct Investors (FDI). The other sectors in Indian economy the Foreign Direct Investors interest was, in fact has been quite poor. FDI has helped to raise the output, productivity and employment in some sectors especially in service sector. Indian service sector is generating the proper employment options for skilled worker with high perks. On the other side banking and insurance sector help in providing the strength to the Indian economic condition and develop the foreign exchange system in country. So, we can conclude that FDI is always helps to create employment in the country and also support the small scale industries also and helps country to put an impression on the world wide level through liberalization and globalization.

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Abstract

Flowering relations between India and China in the early 1950s were based on peaceful coexistence. But these withered and faded in an atmosphere of mutual hostility following the 1962 war between the two countries. A new phase of improved ties began with Indian Prime Minister Rajiv Gandhi’s visit to China in December 1988, resulting in the setting up of a Joint Working Group to defuse tension and ensure peace and tranquility on the borders. Since the end of the Cold War and the demise of the Soviet Union, India–China relations have not only steadily improved, but have strengthened in diverse fields of mutual interest. Apart from this, the contentious boundary issue has registered substantial progress, although uncertainty looms large as to when it will be finally resolved. Despite divergences in the perceptions and approaches of New Delhi and Beijing on issues such as Sino-Pakistani military and strategic ties and India’s Tibet policy, both countries have enormous potential and opportunities to expand and deepen their economic and trade ties in their mutual interest. Emerging trends indicate that both India and China would remain highly competitive in the global and regional trade and economic domain, and would continue to compete for status and influence in the Asian region in general, and in South Asia in particular.

Introduction

China as an ascending power generates concern, fear and mistrust both among the major powers and other countries. Its burgeoning economic growth, fuelling an equally burgeoning military modernization substantially enhancing its trans-border capabilities as sent wake-upcalls, particularly to the United States, Japan and India. China is following a two-pronged strategy in which it attempts to reassure neighbors of its peaceful intentions, even while pressing ahead with huge military expenditure. Now that China stand poised to emerge as a global power in the 21st century, the international community is uncertain about China’s intentions, despite all the peace rhetoric that emanates from its political leaders and state organs. Lieutenant General SRR Aiyengar (Retd) is former Commandant of National Defence College, NewDelhi and Defence Services Staff College, Wellington ‘out there’, it is India’s largest neighbour ‘right here’. Thus, there is a need for making independent assessments of China’s capabilities and intentions rather than borrowed judgments made from different strategic view points.

China’s National Objectives

China is guided by its national interests, as enunciated by Deng Xiaoping, who had said, “Strategy is built around national interests and we should raise a great fuss about historical grievances and about differences in social systems and ideology. We must build our strategies on future interests of the nation”. These were identified asunder:

- Security and sovereignty of the nation. This is a pre-condition for survival and development.
- Honour of the nation, implying no foreign occupation ordication.
- Well-being of the Chinese people, signifying the importance of economic development.

Flowing out of the above national interests, some of the national objectives that could be discerned are:
- Achieve 'Great Power Status' by Mid-21st Century: In the near future, China would strive for 'near parity' in economy, technology, defence and other determinants of national power with the other developed countries, with the overall aim of achieving 'great power/super power' status by 2025 AD.
- Safeguard the National Territory and Sovereignty of China: This would include its intention of recovering its lost territories. It may well have the hidden agenda of resolving border disputes and other historical claims always from a position of strength.
- Guide National Construction and Development: This could be China's motivation to pursue unhindered economic progress with adept employment of diplomatic skills at both the regional and international levels. China has fully realised that economic prosperity is the key to power in the future.
- Comprehensive National Power (CNP): This underlies China's desire to gain strength from progress in economy, technology, diplomacy, politics, defence, and develop power to pursue her national interests. Mao's well-known dictum that "power flows from the barrel of the gun" has been fully realised in China's nuclear postures. In its own perception, China felt that only the possession of nuclear weapons capability would compel other major powers to treat it as an equal power.

Chinese Perceptions of India

China's negative perceptions of India which often find articulation, especially when bilateral relations deteriorate, include that the 1962 armed conflict was entirely the product of Indian unreasonableness and aggressiveness; India is not fully reconciled to the situation in Tibet not with standing its stated policy; India is seeking domination of South Asia that would preclude China from pursuing its legitimate interests in its neighbourhood; India is a poor country but its leaders, instead of solving its economic problems, seek to maximise its military power in pursuit of their "hegemonic" objectives; and India is deliberately using the myth of a Chinese threat to find a pretext for its nuclear ambitions. China views India's nuclear tests not as an expression of genuine security concerns but a product of domestic politics and India's desire for international prestige.

The following purely pragmatic consideration shaves led China's leadership to pursue a policy of improving relations:
- The fact that India is the second most populous state with which China shares along and yet unsettled border.
- India has emerged as the most powerful state in its southern periphery.
- India has historic links with the Tibetan issue.
- India, like China, has relentlessly pursued the goal of becoming an autonomous major power in the international system.
- India is now a nuclear weapons power, which has made no secret of the fact that its nuclear weapons programme was being designed in the context of its threat perception from China.

India-China Border Dispute

No commentary on India-China relations would be complete without a discussion on the border dispute that exists between the two countries. The great natural defensive line of northern India, the mighty Himalayas, separating Tibet from northeast India, is a barrier
which, by tradition, was impenetrable. This defensive line is embodied by the 1914 Mac Mahon Line, India's non-negotiable interest. Further, the 1914 alignment, aside from its strategic sanctity, also upholds the ethnic and linguistic affinities to people south of it, who are distinct from the homogeneous Tibetan or the Han people. Similarly, from the Chinese perspective, it too is in possession of its non-negotiable interest—the aksai Chin Plateau and there in lies the essence of what some call the “East-West” swap.

India-China Trust Deficit

News about border incursions by Chinese troopshas recently become theroutine in the Indian media, TV, discussions, online forums. Various Indian TVnews channels are airing news as well as news analysis about recent developments in India and China relations. Prominent among the news had been Indian government support for the visit of the Dalai Lama to Tawang, the world’s second largest Buddhist pilgrimage place, second only to Tibet. Last year, in 2009, amid growing distrust between India and China, the Indian governmental lowered him to visit Tawang. This was seen as proactive diplomacy by the Indian government by many intellectuals. Arunachal Pradesh is the area which is claimed by China, mainly due to Tawang. Various Western pundits are also of the opinion that China’s recent tough posturing against India is due to its growing nervousness about a growing India, economically and militarily. A few weeks ago, there was an analysis by a “Chinese” think-tank advocating the breaking-up of India into many parts, and supporting separatist organisations, especially in north east India. Though both countries played down the analysis, the damage was done.

Indian Interests in Engaging China

India’s power has been growing as are sult of economic reforms. India could become the world’s largest market, displacing China, and asia’s second most formidable military power after China. India has the strategic vision to arise that it has the potential to play asignificant role in the asian balance of power and, hence, needs as table and peaceful neighbourhood to build linkages with important players based on congruence of strategic interests. A cooperative and mutually beneficial relationship with China was, therefore, inevitable as the current mantrasongeo-economics in the globalised era. India also requires the strategic space by buying peace with its powerful northern neighbour so as to deal effectively with abelligerent Pakistan. The India-China equation will profoundly affect regional and global security. A certain amount of competition is in evitable in an equation between two large neighbours. The challenge for both countries is to ensure that their competition does not spill into open confrontation. The manner in which the Indian political leadership manages to engage China will determine the future security environment in the region. A seven-prong future trend matrix could be:

- Strong economic growth in both India and China, and their improving diplomatic and trade relations, have led many to dub the two countries “Chindia”. Both Chinese and Indian politicians and business men will focus on the countries’ complementary industrial nature, particularly in the IT sector where India is said to have the software, and China the hardware. Both governments will be committed to regional and sub-regional cooperation, and will bilaterally accord priority to resolving their border disputes as well as to their partnership in overseas investment, at times, jointly bidding for energy projects.
Despite the rhetoric, similar regional and global interests mean the two countries will often be in competition. The relationship will be marred by sporadic border disputes and competing geo-political and economic interests in third countries. These concerns manifest themselves in India's reluctance to admit Chinese firms into sensitive industries and China's ambivalence towards India's ambition to secure a permanent seat on the UN Security Council as also to strike a nuclear deal beneficial to India.

Environmental and water resource issues are likely to become a future cause of contention. Key Indian river shave their sources in the Chinese Himalayas and the Chinese plans to harness the waters of the Tibetan Plateau will concern India's management of the resources and future intentions.

While trade relations will continue improving, the relationship is complex and steeped in historical mistrust. Competing interests, combined with concerns over longer-term ambitions, seem likely to hamper future cooperative relations.

A well-planned and well-executed Chinese cyber attack could do significant damage to India's economy, telecommunications, electric power transmission, financial data, and other vital infrastructure. Our vulnerability to cyber attacks is a critical threat to national security. We need to address these problems and take adequate steps, to reduce our vulnerabilities to these threats. Failing to take prompt measures, the fix will become prohibitively expensive and / or our national security will be irreversibly compromised.

China is giving mixed signals, but it would be in India's interests to continue 'engaging' China. We should, at the same time, take all necessary steps to protect our strategic interests; India's revised defence strategy proves that it is prepared to do it. While admittedly, nuclear weapons are political and not exclusively military weapons, we need to ensure that the nuclear deterrence capabilities we have remain in place and are credible. Wedded as we are to the doctrine of "no first use" of nuclear weapons, the recent successful trials of the agniliI missile have certainly added muscle to our deterrence capabilities.

The Pakistan strategic establishment which has courted outside intervention in the South Asian region through out its history, is now on the back foot. It apprehends that our side engagement in the region is going in India's favour. It would be of utmost advantage to India if the discourse in South Asian politics moves from power politics to the wider and deeper economic engagements. Toughwall-weather friendship between Pakistan and India is a worry for the Indian leadership. As light strategic tension may be in India's interest as it provides lever age vis-à-vis Indo-US relations. However, it would be imprudent to let the relationship be marred by mutual suspicion on matters of history.

**Conclusion**

Despite the year 2006 being designated as the "Year of Friendship", mutual suspicion persists. India's goal of emerging as a great power is crucially dependent on the grand strategy of dealing with the rising China. Both India and China have agreed to resolve the boundary dispute through peaceful and friendly consultations and neither side shall use or threaten to use force against the other by any means. However, Chinese foreign policy is too strategically savvy to for a strategic partnership with India. Acursory analysis of the international political discourse awards a fairly higher status to China than to India. The joint statement
signed by Prime Minister Manmohan Singh and Premier Wen Jinfo in April 2005 said, “The Chinese side reiterated that India is an important developing country and is having an increasingly important influence in the international arena.” An important developing country is all the recognition that China is willing to render to India under the prevalent scenario.

References
CLIMATE CHANGE AND ENVIRONMENTAL SECURITY

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Abstract

There is an international consensus that climate change is caused by human activities which substantially increase the atmospheric concentration of greenhouse gases. The ill-effects of climate change are droughts which adversely affect the global poor who are engaged in agriculture; storm surges which destroy local infrastructure, housing and crops; and the rise of sea levels which adversely affect the inhabitants of small island states which could eventually be totally submerged. Military strategists and intelligence analysts are preparing for future conflicts likely to be caused by environmental security issues. The objects of this article are: (i) to evaluate the ill-effects of climate change as a matter of global justice, (ii) to consider whether future generations have the right not to suffer from the ill-effects of climate change, and if so, (iii) to evaluate the relevant conceptions of global justice, and (iv) to assess critically whether international law provides effective preventive responses to climate change and environmental security threats. Finally, a monist-naturalist conception of global justice privileging human dignity as one of its guiding principles is proffered as a solution to the problems raised by the mechanisms of dealing with the ill-effects of climate change and the attendant environmental security issues under international law.

Keywords: climate change, environmental security, future generations, international law, global justice

Introduction

The contribution of greenhouse gases to climate change and the attendant environmental problems have been the subject of a broad international consensus for over two decades. The 1985 Vienna Convention was the first treaty to address global atmospheric issues by adopting measures to protect human health and the environment against the adverse effects resulting or likely to result from human activities which adversely affect the ozone layer, that is, a film of O3 molecules (ozone) occurring at altitudes of 25 kilometres over the equator and 15 kilometres over the poles which acts as a shield to ultra violet radiation from the sun (Note 1). The World Commission on Environment and Development was established in 1983 by the United Nations General Assembly and the authors of its report (the Brundtland Report) coined the term “sustainable development” which has become a popular discourse covering environmental issues from local to global, as well as economic, development, and security issues. In this article, we shall discuss the following themes: (i) Climate change, environmental security and global justice; (ii) Future generations and the non-identity thesis; (iii) Intragenerational and intergenerational obligations and conceptions of global justice; (iv) The preventive responses of international law to climate change and environmental security; and (v) The feasibility and desirability of a monist-naturalist conception of global justice. But, first, let us discuss, in a lexical order, climate change coupled with environmental security as a matter of global justice; and to this we now turn.

Climate Change, Environmental Security and Global Justice

The ill-effects of climate change caused by the emission of greenhouse gases are (i) droughts, (ii) storm surges which result in flooding which destroys infrastructure, housing and crops; (iii) rise in sea levels leading to contamination of fresh water by sea water and which can also adversely affect small island states such as Tonga, Tuvalu, Kiribarti, the Marshall Islands, Antigua and the Maldives which could eventually be submerged; and (iv) increased temperature which results in an increase in the number of people exposed to malaria, dengue and cholera.
Future Generations and the Non-Identity Thesis

Climate change raises the issues of global justice in two ways: (i) that the ill-effects of the emission of greenhouse gases of the past and present generations will be borne by future generations, and (ii) that part of the problems facing present and future generations arise because of the policies of past generations. The pertinent question is: Do future generations have rights? The answer to this question is in the affirmative and the contents of the rights of future generations depend on our conceptions of justice: utilitarianism (the greatest happiness of the greatest number), egalitarianism (justice as fairness à la Rawls) (Note 2), sufficient Arianism (meeting the needs of the present generation without compromising the ability of future generations to meet their needs) (Note 3), and libertarianism (the Nozickean entitlement theory of distributive justice based on the historical principles of just acquisition, just transfer and rectification which forbids any redistribution by way of taxation) (Note 4). These conceptions of justice are about the distribution of benefits and burdens within a state. The principles of justice enunciated at domestic level, as we shall see later, become problematic when applied at global level. But, first, let us discuss the objections to granting rights to future generations. The first objection by Derek Parfit is that the term “right” is inappropriate in any discourse on future people (Parfit, 1987). The second objection is the non-identity thesis which rests on two propositions canvassed by Parfit and Grosseries (Parfit, 1987; Grosseries, 2008b). The first proposition is about causation: that present action may have an impact in the future; this makes it possible to have, in the Hohfeldian sense, a correlative duty to a right that will exist but the reverse option of an alleged duty to a right that did not exist in the past is philosophically problematic (Note 5). The second proposition is that the number of future people is unknown and rights involve quantitative dimensions in forms of budget calculation or natural resources (Grosseries, 2008b). The two objections that it is inappropriate to ascribe rights to future people and the non-identity thesis are not insurmountable problems. The ascription of rights to present and future generations depends on one’s conception of justice: whether it is principle-based, interest-based or communitarian. John Rawls in A Theory of Justice enunciated a principle-based theory of justice derived from the original position: a position of equality which corresponds to the traditional theory of social contract. The original position is a purely hypothetical situation characterised so as to lead to a conception of justice, that is, it is a counterfactual hypothesis (Rawls, 1999a). In this original position, proffered: “(a) Each person has an equal right to the most extensive scheme of equal liberties compatible with a similar scheme for all. (b) Social and economic inequalities are permissible provided they are (i) to protect the greatest expected benefit of the least advantaged; and (ii) attach to positions and offices open to all under conditions of faire quality of opportunity [The difference principle] (Rawls, 1993 and 1999a).”

Rawls in Political Liberalism broached the problem of intergenerational justice. He argues that in order to establish fairness between generations, it is necessary to add to the two principles of justice as fairness, instantiated above, and another principle: the “principle of just savings”. Since society is a system of cooperation between generations over time, Rawls avers that the principle of just savings is required and that this is the principle that members of any generation would adopt and would want any other generation – past, present or future – to adopt (Rawls, 1993).

Intra generational and Intergenerational Obligations and Global Justice

Sustainable development – discussed above – implies equity. Equity is both intra generational, that is, it seeks to redress the imbalance in wealth and economic development between the developed and the developing countries, and intergenerational in that it seeks to alleviate costs across succeeding generations. Theories of distributive justice focus on the distribution of benefits and burdens within a
state. The question is whether the principles of justice that apply within a state apply to global justice. Global climate change raises the questions of distributive justice, that is, the questions of intergenerational justice: granting rights to future generations and the adaptation of domestic principles of justice to the global environmental problems we face. The adaptation of domestic principles of justice to global justice must be broached. It has been suggested that Rawls's position could be developed to address problems of global justice (Beitz, 1999; Buchanan, 2000 and Pogge 2001). This suggestion bristles with practical problems as we can gather from a critical analysis of Rawls's theory of justice as fairness in A Theory of Justice, Political Liberalism and The Law of Peoples (Rawls, 1993, 1999a and 1999b). Hierarchical (or decent) societies. Rawls suggests that liberal rights discussed in his first principle of distributive justice should be regarded as human rights enforceable in liberal and non-liberal (but decent) societies. Rawls's second principle of distributive justice, the difference principle, applicable within different societies but not among them drops out of the picture because, according to Rawls, a world government is not feasible. Rawls, like Kant, feels that a world government to enforce the difference principle would either be “a global despotism” or “a fragile empire torn by frequent civil strife as various regions and peoples tried to gain their political autonomy” (Note 6). So Rawls's difference principle is not global in its reach. And yet, The Law of Peoples is designed to address problems that arise in the contemporary globalized world such as unjust war, religious persecution and the denial of liberty of conscience. Societies, that is, liberal and non-liberal but decent societies Cosmopolitans such as Beitz, Buchanan and Pogge argue that for the same reason that parties agree to the difference principle in domestic society, the global principle should be the difference principle. For Beitz and Pogge, the basic structure comprises regional and international agreements such as GATT, WTO, NAFTA and various treaties governing currency exchange mechanism (Buchanan 2000; Pogge 2001a; Pogge 2001b). Beitz's position embodies two levels of international society: the domestic and international levels. While the domestic (i.e., the state) level societies have primary responsibility for their people, the international level establishes and maintains the background conditions applicable to state level societies (Beitz, 1999). Communitarians challenge the liberal/cosmopolitan emphasis on individual autonomy for closing of considerations of value that individuals find in their culture and communal practices and traditions. Charles Taylor opines that “since the free individual can only maintain his identity within a society/culture of a certain kind; he has to be concerned about the shape of his society/culture as a whole” (Taylor, 2001). The cosmopolitan theories, from a communitarian perspective, are not only presumptuous but also ethnocentric. As Hill stated: “[T]hroughout history powerful groups have tended to persecute, “[Human beings] are not the owners of the globe. They are only its possessors, its usufructuaries, and live bonipatresfamilias, they must hand it down to succeeding generations in an improved condition” (Marx, 1971). This statement opposes Grotius's view of the matter. For Marx, each generation has an obligation to the next to hand down this planet in an improved condition; for Grotius, there are no duties to future generations. Risse argues that generations of humans occupy the earth successively and that throughout history many societies have recognised duties towards future generations. The ownership approach, Risse concludes, does not generate strong duties to future generations but recognises that “some of the duties that this generation has to future generations concern the preservation of climate conditions hospitable to human life” (Note 8). (A variant of the ownership approach is the common concern of mankind which we shall discuss later in this excursus (Trindade, 2010).) The positions taken in the cosmopolitan/communitarian debate, discussed above, require a pragmatic reconciliation which must take cognisance of the world order. The world order after the Peace of Westphalia of 1648 is based on state sovereignty and the horizontal equality of all states. Consequently, the interstate system is based
on communitarian principles, that is, shared traditions within communities which vary from state to state, and not cosmopolitan principles based on universal values or common humanity. From the perspective that the interstate system is based on communitarian principles, we critically assess the preventive responses of international law to climate change and environmental security.

A Critical Assessment of the Preventive Responses of International Law to Climate Change and Environmental Security

The international law responds to climate change and environmental security issues in four ways: (i) through the instruments present in the climate change regime; (ii) the securitization of climate change by recasting climate change as a threat to international peace and security and using the mechanisms of the UN Charter provided in Chapter VII; (iii) through international human rights law; and (iv) application of existing principles and precedents in international environmental case law such as the trilogy of Trail Smelter Case (Note 9), Case Concerning the Territorial Jurisdiction of the International Commission of the River Oder (Note 10) and Lac Lanoux arbitration (Note 11).

5.1 Instruments Present in the Climate Change Regime

The genesis of the climate change regime has been traced to the Climate Change acrimonious debate pre-dates the Convention. In 1988, the World Meteorological Organisation and the United Nations Environmental Programme established the Intergovernmental Panel on Climate Change (IPCC) which was charged with assessing the risks of climate change caused by human activities. Although the IPCC stated in the first of its five reports in 1990 that “the balance of evidence suggests that there is a discernible human influence on climate change”, it was in the fifth assessment report released in 2013 that it was stated that global warming is unequivocal and that the likelihood that humanity is causing it is ‘extremely likely’, which meant, 95-100 per cent certainty” (IPCC, 1990 and 2013). This statement was not enough for climate change sceptics – right wing politicians or members of the conservative think tanks in the United States – who refuse the broad consensus within the international community of relevant scientists on the following grounds: (i) that the pursuit of environmental protection involves government action which is repugnant to libertarianism (à la Nozick discussed above), (ii) that growing concern about global warming and the possibility of social change resulting from such efforts pose a threat to the entire ‘American way of life’, and (iii) that, in any case, the evidentiary basis of global warming is weak (Mccright and Dunlap, 2003). In spite of this persistent denial, the five phases of the evolution of the climate change regime are:(i) the establishment of the United Nations Framework Convention on Climate Change 1992 (UNFCCC 1992) (Note 12); (ii) the 1997 Kyoto Protocol (Note 13); (iii) the Copenhagen Accord 2009 (Note 14); (iv) the Paris Agreement 2015 (Note 15); and (v) the Marrakech Proclamation 2016 (Note 16).

The UNFCCC signed at the United Nations Conference on Environment and Development in Rio in 1992 established commitments to stabilise greenhouse gas concentration and a financial mechanism and commitment by developed country parties to provide financial resources for meeting certain incremental costs and adaptation measures. The State Parties to the Kyoto Protocol 1997 agreed to reduce their collective emissions of six greenhouse gases (carbon dioxide, methane, nitrous oxide, hydro fluorocarbon, per fluorocarbon and sulphur hexafluoride) by at least five percent by 2008 – 2012 (Article 3). The United States, a country with four percent of the world’s population, accounts for 25 percent of the world’s carbon dioxide emissions but refused to ratify the Protocol for reasons stated above. The Copenhagen Accord 2009 is not a legally binding document but a political agreement by a group of 28 countries including all the world’s major economies to limit climate change to no more than two degrees Celsius and a “pledge and review” for mitigation commitment or actions by both developed
and developing countries. US President Barack Obama and Secretary of State Hillary Clinton attended the Copenhagen Conference. The Paris Agreement 2015, in its preambular statements, recognised (i) the Parties to the Agreement as Parties to the UNFCCC, (ii) the specific needs and particular circumstances of developing country Parties, and (iii) the fundamental priority of safeguarding food security and ending hunger and the particular vulnerabilities of food production systems to the adverse impacts of climate change. The purpose of the Paris Agreement is to strengthen the global response to the threat of climate change in the context of sustainable development and make efforts to eradicate poverty and limit average temperature to well below two degrees Celsius and to limit temperature increase to 1.5 degrees Celsius (Article 2 (1)). It must be noted that Article 21 of the Paris Agreement provides that the Agreement shall enter into force on the thirtieth day after the date on which at least 55 Parties to the Convention accounting in total for at least an estimated 55 percent of the total greenhouse gas emission have ratified, accepted or approved or acceded to it. (As at the time of writing 135 of 197 Parties to the UNFCCC have ratified the Agreement (Note 17) A Party to the Agreement may withdraw from the Agreement after three years of its entering into force and any Party that withdraws from the UNFCCC shall also withdraw from this Agreement (Article 28). The proffered withdrawal of the United States from the Paris Agreement by President Donald J. Trump will not affect the implementation of the Paris Agreement. The Marrakech Climate Change Conference of 2016 demonstrated that the implementation of the Agreement is underway and the spirit of global cooperation on climate change continues. The problem with the instruments of global climate change regime is that neither the UNFCCC 1992 nor the Kyoto Protocol includes any provisions for those who will be directly affected by climate change more; the Copenhagen Accord 2009 is not legally binding and fails to provide a “binding” commitment on the mitigation of climate change. Thus, the protection of those adversely affected by climate change must now be considered under the security mechanisms of the UN Charter, international law of human rights and principles and precedents of international environmental law. But, first, let us evaluate the securitisation of climate change.

Mechanisms of the UN Charter – Chapters VI and VII

Climate change threatens water, food security, coastal populations and small island states; creates a new breed of refugees, environmental refugees; and raises tensions and triggers conflicts. It has been suggested that the conflict in Darfur was partly driven by climate change. Another source of conflict perceived by military strategists and intelligence analysts is water stress or water security (Brown, et al, 2007). Shapiro opines that the construction of dams on the upper reaches of Mekong River (in China) and Salween River (in China) which affect the water supply of riparian states of Laos, Cambodia, Thailand and Myanmar has the potential for conflict (Shapiro, 2016). The recasting of climate change as a threat to peace and security is attributed to six documents: (i) The 1982 UN General Assembly Resolution, World Charter for Nature, maintains, in a preambular statement, that “competition for scarce resources creates conflict, whereas the conservation of nature and natural resources contributes to justice and the maintenance of peace cannot be achieved until mankind learns to live in peace and forsake war and armament” (Note 18). (ii) The Brundtland Report highlighted the nexus between environmental problems and international security (Note 19). (iii) The Rio Declaration on Environment and Development 1992, principle 6 states that: States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the Charter of the United Nations (Note 20). (iv) The United Nations Millennium Declaration 2000, paragraph 9, states: We resolve therefore to make the United Nations more effective in monitoring peace and security by giving it resources and tools it needs for conflict prevention, peaceful resolution of disputes, peace-building and reconstruction (Note 21). (v) The Johannesburg Declaration on Sustainable Development 2002 noted, in paragraph 35: We commit ourselves to work together, united by a common determination to save our planet, promote
human development and achieve universal prosperity and peace (Note 22). (vi) In The Madrid Declaration on Environment and Security 2007, the Ministerial Council of the Organisation for Security and Co-operation in Europe noted: “Environmental degradation, including both natural and man-made disasters, and their possible impact on migratory pressures, could be potential additional contribution to conflict. Climate change may magnify the environmental challenges.” (Note 23) The pertinent question is whether the UN Security Council should deal with climate change, and, if so, whether the UN Charter mechanism provided for in Chapter VII of the Charter should apply. Those who support the securitisation of climate change (France and Germany) argue that the securitisation of climate change is part of conflict prevention which is essential when dealing with peace and security. Some of the vulnerable island states went further by arguing that climate change is already a security issue for them and that the Security Council should not only debate the problem but also act on it as soon as possible. The leading developing countries such as China, India, South Africa and Brazil and the G77 countries (a group of 77 developing countries established on 15 June 1964 to promote its members’ economic interests and enhance their negotiating capacity in the United Nations) argue that climate change is not a security issue but a sustainable development issue (Sindico, 2007). The security threat to the small island states are real and imminent and global justice in the sense of common concern for mankind demands that, in the absence of any solution under the climate change regime discussed above and recognising that the international human rights – discussed below – are problematic, the UN Security Council must act. The question is: How should the UN Security Council proceed? First, Article 1(1) of the UN Charter states that one of the purposes of the United Nations is: “to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international law or situations which might lead to a breach of peace.” Article 1(1) of the Charter must be read conjunctively with Article 2(3) which obliges Member States to “settle their disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.” Second, we must consider Chapters VI and VII of the UN Charter. Although Chapter VI of the UN Charter empowers the Security Council to make various types of recommendations for peaceful settlement of dispute, the relevant section of the Charter to inhabitants of small island states who are likely to be climate-induced or environmental refugees is Chapter VII of the Charter entitled “Action with respect to threats to the peace, and acts of aggression.” Terms such as “threats to the peace” and “breaches of the peace” are not defined in the Charter, but three Articles of Chapter VII – Articles 39 to 41 – are useful. Article 39 provides: “The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain international peace and security.” Article 40 deals with provisional measures to be adopted by the Security Council while Article 41 provides for non-military enforcement action. Since climate change is being recast as a threat to international peace and security, Malanczuk opines that “threat to peace” in the sense of Article 39 means “whatever the Security Council says is a threat to peace, which is a political decision and as a matter of principle, not subject to legal evaluation” (Malanczuk, 2009). In a similar vein, Shaw describes Article 39 as constituting “a safety net for Security Council action where the conditions needed for breach of the peace or act of aggression do not appear to be present” and observes that “threat to peace” is “the category which has marked a rapid evolution as the perception as to what amounts to a threat to international peace and security has broadened” (Shaw, 2014). In other words, the mechanisms of Chapter VII of the UN Charter apply to environmental security. We must now consider the universal and basic human rights of those affected by climate change, especially the rights of the inhabitants of small island states who could become environmental refugees.

**International Human Rights Law**

The protection of environmental or climate change refugees under international human rights law bristles with definitional and practical problems. The definition of a refugee as set out in the United

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Nations Convention Relating to the Status of Refugees 1951 requires (i) a fear, (ii) that is well-founded, (iii) of prosecution, (iv) based on reason of race, religion, nationality, membership in particular social group or political opinion (Note 24). The inhabitants of the small island states do not meet this definition because "climate change" and "environment" are not recognised as accepted grounds. The 1967 Protocol Relating to the Status of Refugees did not review the substantive content of the definition of "refugees" (Note 25). The 1990 International Convention on the Protection of the Right of All Migrant Workers and Members of their Families protects migrant workers and their families (Note 26). Environmental refugees were not included in the 1990 Convention. The International Organisation on Migration has proffered a definition of "environmental migrants" as: "persons or (a) group of persons who, for compelling reasons of sudden or progressive changes in the environment that adversely affect their lives or living conditions, are obliged to leave their habitual homes, or choose to do so, either temporarily or permanently or who move either within their country or abroad" (Note 27).

The Feasibility and Desirability of a Monist-Naturalist Conception of Global Justice

From the foregoing analysis of treaties on climate change from the UNFCCC 1992 to the Marrakech Proclamation 2016, it is safe to assert that the protection of present and future generations from the ill-effects of climate change is a norm of international law. I use the term "treaty" here as meaning: "any international agreement in written form, whether embodied in a single instrument or more related instruments, whether its particular designation (treaty, convention, protocol, covenant, concordat, exchange of notes, agreed minute, memorandum of agreement, modus vivendi or any other appellation), concluded between two or more States or other subjects of international law and governed by international law" (Note 33).

Conclusions

Climate change is responsible for several environmental problems: droughts which are felt by the global poor who are employed in agriculture; raised sea-levels and storm surges which are devastating to agriculture, increase in migration and social tension, decreased tourism, and the destruction of local infrastructure; the eventual submergence of small island states; contamination of freshwater sources by sea-water; and the increased temperatures which result in an increase in the number of people exposed to malaria, dengue and cholera. Therefore, climate change is a matter of global justice.

References
Abstract

MAKE IN INDIA - is an inspiring and vibrant slogan among every sector in India. Make in India emerged from Swadeshi movement covering 25 sectors of economy. Government of India has announced Make in India in 2014 to encourage companies to manufacture their products in India. As per current policy, 100 percent foreign direct investment is permitted in all the 25 sectors, except for space (74 percent), defense (49 percent) and news media (26 percent). It is a comprehensive and unique program to renovate the outdated processes and polices. This is a kind of invitation to foreign companies to witness the large demographic market, various natural resources and skills that are available in India. This will indirectly hit the foreign direct investment inflow. The Make in India move is an economic event which explores new avenues and trends in FDI in recent years through its Ease of Doing Business procedures. This paper is to analyse how Make in India is the trend setter in foreign direct investment inflow and evaluate the reasons behind it.

Keywords: Comprehensive, Make in India, policy, reforms, unique

Introduction

Make in India is a major national initiative which facilitating the FDI inflow in many sectors. It enhancing the skill development and built best-in-class infrastructure for manufacturing units by attracting FDI through many key features of this policy. It was witnessed that the FDI inflows after the announcement of Make in India Policy was almost 40 per cent because there was a huge platform for promoting manufacturing sectors. The motive behind this scheme was to reduce unemployment and elevate the skills in various segments of the Indian economy. It pushed up the rate of FDI inflows by 87 per cent during 2014-2016 with the aggregated value of US$2.22 billion. Through its friendly investment schemes, India has proved as one of the fastest growing economies of the world.

The government has taken initiatives by simplification procedures to attract the FDI inflows gear up the velocity. This paper analyzes the FDI inflows, the recent trend setter industries under Make in India scheme.

Review of Literature

Boopath (2013) revealed that the press council of India has commented on synergic alliance or equity participation by way of Foreign Direct Investment. He opined that FDI should be allowed to break or halt the growing monopoly of few media giants in India who offer uneven playground and unhealthy competition to small and medium papers.

S. Soundhariya (2015) the article entitled “Make in India-scheme for transforming India” The paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some examples of different investors invested so far. The study found that, Make in India campaign surely makes India an investment destination and global hub for manufacturing and innovation.

Narayana (2012) explains that one of the major concerns of planners and policy makers in India is attracting more and more Foreign Direct Investment. He analyzed the Foreign Direct Investment and its flow into India. He highlighted the basic constraints to investment in general and FDI in particular.
Objectives of the study
1. To study the trend setter sectors in Make in India on FDI inflow
2. To study the Ease of Doing Business scheme
3. To study the initiative taken by the government in Make in India

Research Methodology
This study is based on secondary data. The data has been collected from various sources like Government of India, Research articles, various economic bulletins; records form Ministry of Commerce and legitimate websites.

Trend setters of Make in India on FDI Inflow
Make in India identified 5 super trend setter industries which are boosting the Foreign Direct Investments in India.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Services Sector</td>
<td>13,584</td>
<td>19,663</td>
<td>4,534</td>
<td>209,576</td>
</tr>
<tr>
<td>2</td>
<td>Construction Development- Townships, Housing, Built-Up Infrastructure</td>
<td>7,582</td>
<td>4,582</td>
<td>216</td>
<td>113,355</td>
</tr>
<tr>
<td>3</td>
<td>Computer Software &amp; Hardware</td>
<td>6,856</td>
<td>13,584</td>
<td>16,245</td>
<td>89,481</td>
</tr>
<tr>
<td>4</td>
<td>Telecommunications</td>
<td>9,107</td>
<td>17,372</td>
<td>2,517</td>
<td>86,009</td>
</tr>
<tr>
<td>5</td>
<td>Automobile Industry</td>
<td>9,072</td>
<td>17,820</td>
<td>6,914</td>
<td>70,906</td>
</tr>
<tr>
<td>6</td>
<td>Drugs &amp; Pharmaceuticals</td>
<td>7,110</td>
<td>9,211</td>
<td>1,374</td>
<td>68,652</td>
</tr>
<tr>
<td>7</td>
<td>Chemicals Other than Fertilizers</td>
<td>4,998</td>
<td>6,077</td>
<td>1,598</td>
<td>60,905</td>
</tr>
<tr>
<td>8</td>
<td>Power</td>
<td>5,156</td>
<td>5,985</td>
<td>1,717</td>
<td>48,357</td>
</tr>
<tr>
<td>9</td>
<td>Trading</td>
<td>8,161</td>
<td>10,062</td>
<td>5,876</td>
<td>49,479</td>
</tr>
<tr>
<td>10</td>
<td>Metal &amp; Engineering Industries</td>
<td>3,455</td>
<td>2,597</td>
<td>845</td>
<td>41,992</td>
</tr>
</tbody>
</table>

Source: FDI Factsheet
The above table 1 revealed that there are six industries which attracts foreign direct investment after the Make in India launched. The following are the 5 super stars in FDI boosters in Make in India scheme.
1. **Service Sector**: It shows that the service sectors are boon for the investment inflows. It has the highest growth amounted to 17%, which was 2,225 US$ during 2013-14 and 2014-15 it was raised 3253 US$.
2. **Construction Development**: It shows that there was a considerable push in the inflow of investment. The cumulative inflow was 24,098, it was the second highest share amount to 9%. There were 1,226 US$ hike during 2013-14 post the launch of Make in India initiative.
3. **Computer software and Hardware**: there was a significant growth during 2014-15 2,200 US$ in this sector and the total hit on the share was 7% in the FDI inflow.
4. **Automobile Industry**: India has established itself as a prime destination for automobile sector.2,570 US$ was increased during the year 2014-15 and its total inflow share is 5%
5. **Drugs and pharmaceuticals**: the widespread availability of raw materials and the presence of a highly skilled workforce have catapulted India in the global pharmaceuticals supply chain. The growth rate was 1,523 US$ during 2014-15 and it share in total inflow amounted to 5% equal to automobile sector.
Ease of Doing Business-FDI Inflow

In 2014 India launched Make in India an ambitious program of encouraging foreign investors doing business in our land. Under this scheme it introduced a regulatory reform aimed at making easier to do business in India which known as Ease of Doing Business (EODB). This program creates a more business friendly environment aimed at decreasing number of procedures and time taken to start business. This yielded substantial result with India jumping 4 places on the World Bank’s “Doing business ranking. India holds the rank of 8 in protecting the minority interest of the investors among 189 countries. This key factor open up new avenues of opportunities and create confident among the foreign business institutions and attract the Foreign Direct Investment inflow in India. Ease of doing business is a mile stone in the FDI inflow. The below Table 2 reveals the growth rank has been reached from 142 in 2014 to 100 in 2018 which is the remarkable achievement.

Impact on FDI inflow Post Make in India

The below Table 3 shows the total growth of FDI was 23 per cent after the initiative of Make in India scheme under the study. There was significant revolution in FDI inflow from foreign investors through its business friendly environment. The FDI raised 40, 923(2014-15) US$ from 5, 009US$ (2013-14) after the launch of Make in India. Pre-launch of Make in India the FDI inflow during 2000 was 2, 339US$, and it hiked 24, 299US$ in 2013-14 and 30, 933US$ in 2014-15 after the launch of Make in India initiative by the Government of India on September 2014.

Table 3

| Source: FDI Factsheet |

Initiative by the Government

1. Simplified investment norms for several sectors, including railways, defense, insurance and medical devices.
2. Digitizing regulatory process, along with various other state-specific initiatives.
3. Promotes domestic industry, restricts imports, create local jobs and results in conserving valuable foreign exchange.
4. An Investor Facilitation Cell was set up to assist investors seeking regulatory approvals and after-care support.
5. Enhancing skill development and protect intellectual property.
7. Government of India building a pentagon on industrial corridors across the country to provide developed land and quality infrastructure for Industrial Township.

Findings
- Service sectors, construction, computer software & hardware, automobile and Drugs and pharmaceuticals’ industries are the new trend setters in FDI inflow in Make in India scheme.
- Inspire confidence in India’s capabilities amongst potential partners abroad.
- It promotes employment opportunity and entrepreneurship development.
- Due to foreign investment GDP raised and there is a foreign currency inflow.
- Self–dependency by own venture is the key element of Make in India Scheme.
- This initiative enhancing standard of living.

Suggestions
- The government must invest and more in developing truly skilled graduates not just degree holders.
- Employees are encouraged and expend their skill through various training and development programme.
- To facilitate liberal taxation policy.
- Commitment to manufacture new innovative products not just meeting manufacturing excellence to capture the global market.
- Avoid focusing on short time economic benefit

Conclusions
“The lion on the move” Make in India as a major national initiative to boost manufacturing and investment in India, Make India ushered multiple reforms in the sphere of foreign direct Investment, thus rendering positivity to the investment climate in India. The country witnessed substantial increase in FDI with USD161Billion FDI during April 2014-2017. It gives the Global recognition to the Indian Economy.

References
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7. www.statista.com
EMERGING TRENDS AND IMPACT OF FDI IN INDIAN BANKING SECTOR

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Abstract

Today, Indian banking sector has created a very important platform in creation of wealthy and healthy economical development of India. In the year 2008, when financial sector of U. S. A and world economy faced the disturbance of financial crisis, even though, the financial sector of Indian banking sector did not disturbed and operated healthy business successfully due to the proper credit controlling system and saving habits of Indian people.

In India, after the implementation of Liberalisation, Privatisation and Globalisation, FDI in India has stepped as an engine of dynamic growth and the competitiveness and reform forces have led to the emergence of the Internet, electronic banking, ATM, credit cards, debit cards, mobile banking and various banking apps in order to attract and retain the customers by a bank.

Foreign Direct Investment (FDI) is considered as a major non-debt source for economic development of developing countries like India. Multinational Companies invests their investments in India to get the benefits and to change the environment of Indian business structure and provides a source of capital, creates enhancing competitiveness among domestic economy through transfer of sophisticated technology, strengthening infrastructure, improving productivity, and generating employment opportunities. This paper is an attempt to present the inflows of FDI, role, impact on Indian banking sector etc.

Introduction

Foreign direct investment (FDI) is an investment made by an organization/entity in one country in an industrial/business activity in another country. FDI can take place in the form of establishing new business operations from scratch or acquiring existing business assets in the other country. FDI includes mergers and acquisitions, building new facilities, expansion of existing production capacity, etc. FDI usually involves control/participation in management, joint-venture, management expertise and technology transfer. It excludes investment through purchase of securities or portfolio foreign investment, a passive investment in the securities of another country e. g. shares and bonds.

Statement of the Problem

In today’s economy, Foreign Direct Investment plays a vital role in each sector. So it is an important to understand the concept and trends of FDI, therefore, in this research study an attempt is made to find out the impact of FDI on Indian banking industry.

Research Methodology

This is a Descriptive as well as Analytical type of research in nature. This study is purely based on secondary data and is collected from various sources such as Journals, Newspaper articles, RBI publications, PIB etc.

Objectives of the Study

1. To present the FDI inflows in Indian banking Sector.
2. To discuss the Guidelines for investment in banking sector.
3. To find out the Problems of Indian Banking Sector
4. To understand the impact of FDI in Indian on banking sector.
Review of Literature

Kunal Badade & Medha katkar (2011) have studied that India has sought to increase inflows of FDI with a much liberal policy since 1991 after decade cautious attitude. The 1990’s have witnessed a sustained rise in annual inflows to India. They rightly pointed out that the present scenario looks more closely at the paradigm of exponential growth and laments that India’s role as an engine for global growth has been limited by the still relatively closed nature of its economy.

C. P. Chandrasekhar and Jayati Ghosh (2012) have pointed out that an important objective of promoting FDI has been to promote efficiency in production and increase exports. However, any increase in the equity stake of the foreign investors in existing joint ventures or purchase of a share of equity by them in domestic firms would not automatically change the orientation of the firm. That is, “the aim of such FDI investors would be to benefit from the profit earned in the Indian market”.

FDI in Indian Banking Sector

- FDI is permitted through 4 distinct Channels in the Banking Sector
- In Public Sector Banks: FDI is permitted with a cap of 20% of equity.
- In Private Sector Banks: FDI is permitted with a cap of 74% of equity.
- Branches of Foreign Banks
- Wholly Owned Subsidiaries of Foreign Banks

Recent RBI Guidelines Regarding FDI in Banking Sector

1. Foreign Direct Investment (FDI) of up to 49% from different sources will be allowed in private sectors banks of India on the automatic route.
2. Fresh shares issue under automatic route will not be available to foreign investors who have technical or financial collaboration in the allied or similar field. Such category of foreign investors will have to take approval from Foreign Investment Promotion Board (FIPB).
3. According to the Insurance Act, maximum foreign investment in any insurance company has a limitation of 26%. Application for doing foreign investment in Indian bank which has joint venture with insurance sector must be made to RBI. All these applications will be observed by the RBI in collaboration with the Insurance Regulatory and Development Authority (IRDA).
4. Foreign bank which has branch in India is eligible for FDI in private sector banks, after taking approval from the RBI, subject to the limit of 49% mentioned above.
5. The RBI has allowed foreign investors to set up new branches in rural India and weak banks with an investment of upto 74 percent.
6. Foreign Direct Investment in Indian banking sectors is permitted up to 74 percent where 49 percent is allowed via automotive route, while FDI beyond 49 percent up to 74 percent is permitted through government approval route.

Following important conditions must be satisfied with regards to investment from foreign investors (NRIs/PIOs/OCBs) in banking sector of India

1. The 74 percent limit will include all the investment done under Portfolio Investment Scheme (PIS) by NRIs and FIs along with the all the shares acquired by OCBs. It also includes Private placements, IPOs and GDR/ADRs along with acquisition of shares from current shareholders.
2. The aggregate foreign holding in private bank from different sources will be permitted up to 74% of entire paid up capital of the private bank. Apart from this, at least 26% of the entire paid up capital should be held by residents.
For NRIs and FIIs, the limits under Portfolio Investment Schemes (PIS) through Stock Exchanges are:

1. Individual FII holding is limited to 10% of the overall paid-up capital and an aggregate limit for all FIIs can't exceed 24% of entire paid-up capital. However, the limit can be increased to 49% of entire paid-up capital by taking resolution of bank's Board of Directors.
2. Transfer of Shares under Foreign Direct investment from residents to non-residents will require necessary approval from Indian Government and Reserve Bank of India.
3. The procedures and policies prescribed by RBI, SEBI, IRDA and Department of Company Affairs will be applicable for NRIs and FIIs from time to time.

Foreign bank setting up a subsidiary in India

1. Foreign banks are allowed to set up either subsidiary or branch but not both.
2. All the guidelines for establishing a wholly owned subsidiary of foreign bank will be issued by RBI.
3. Foreign bank subsidiary will be subject to all the licensing requirements which are broadly consistent with those of private sector banks.
4. All the applications for conversion of existing branch into subsidiary or setting up a new subsidiary by foreign bank will have to be forwarded to the RBI.

Limit for Foreign Direct Investment (FDI) in public sector banks

1. Foreign Direct Investment (FDI) in public sector banks of India is permitted up to 20% (Portfolio investment and FDI) via government approval subject to Banking Companies Act.
2. The investment cap of 20% is also applicable to nationalized banks such as State Bank of India (SBI) and its other associated banks.

FDI is prohibited in the following sectors

- Lottery Business including Government/private lottery, online lotteries, etc.
- Gambling and Betting including casinos etc.
- Chit funds
- Nidhi company
- Trading in Transferable Development Rights (TDRs)
- Real Estate Business or Construction of Farm Houses (Real estate business does not include development of townships, construction of residential/commercial premises, roads or bridges)
- Manufacturing of cigars, cheroots, cigarillos and cigarettes, or tobacco or of tobacco substitutes
- Activities/sectors not open to private sector investment e.g. Atomic Energy and Railway operations (other than permitted activities)

Market Size

The economic liberalisation in India initiated in the year 1991 with the goal of making the economy more market and service-oriented and expanding the role of private and foreign investment. In India, foreign direct investment (FDI) was allowed in cash and carry wholesale and automatic entry route in Single-brand retail with cap of 51% was granted in 2006. As a result, between 2000 to 2010, Indian retail market attracted about $1.8 billion representing a very small 1.5% of total investment flow into India. Further, on 14 September 2012, the government of India announced the opening of FDI in multi-brand retail, the net FDI inflow in 2015-16 was $36 billion and in 2014-15 it was $31 billion refers to healthy growth of FDI inflows in the country. Moreover, India has recorded the highest foreign direct
investments in a year in 2016-17 at $43 billion indicating that government’s effort to improve ease of doing business and relaxation in FDI norms is yielding results. During April-September 2017, India received the maximum FDI equity inflows from Mauritius (US$ 11.47 billion), followed by Singapore (US$ 5.29 billion), Netherlands (US$ 1.95 billion), USA (US$ 1.33 billion), and Germany (US$ 934 million). Indian impact investments may grow 25 per cent annually to US$ 40 billion from US$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network’s (GIIN’s) advisor for South Asia.

Foreign Direct Investment Inflows in Banking Sectors

Table 1: FDI Equity Inflows in Banking Sector (from January, 2000 to December, 2010)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>Rupees in crore</th>
<th>US $ in Million</th>
<th>% of Total FDI (US $ in %)</th>
<th>% of Total FDI in Service Sector (US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Banking sector</td>
<td>13471.6</td>
<td>3099.06</td>
<td>1.89</td>
<td>11.64</td>
</tr>
</tbody>
</table>

Table 2: FDI equity inflows in Banking Sector (From January, 2011 to June, 2015)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>Rupees in crore</th>
<th>US $ in Million</th>
<th>Total FDI (billion US $)</th>
<th>Total FDI in Service Sector (billion US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jan-Dec, 2013</td>
<td>147.15</td>
<td>28.88</td>
<td>0.1</td>
<td>.56</td>
</tr>
<tr>
<td>2</td>
<td>Jan-Dec, 2014</td>
<td>251.53</td>
<td>46.25</td>
<td>0.2</td>
<td>.99</td>
</tr>
<tr>
<td>3</td>
<td>Jan-June, 2015</td>
<td>1702.03</td>
<td>295.44</td>
<td>2.72</td>
<td>17.06</td>
</tr>
</tbody>
</table>

Source: DPIPP-SIA News Letter

It is evident from the Table that the Banking Sector received FDI Equity inflows during period from January to December, 2012 was an amount of Rs.147.15 crores (US $ 28.88 million) which account for 0.10 per cent of total FDI inflows and 0.56 per cent in total Service Sector FDI inflows in terms of US $. Banking Sector received Rs.251.53 crores (US $ 46.25 million) in the form of FDI that account for 0.20 per cent of total FDI and 0.99 per cent of Service Sector FDI inflows. When compared to Jan-Dec, 2013, FDI inflows in Banking Sector increased by 41.49 per cent for the same period in 2014. Rs.1702.13 crores (US $ 2.72 million) of FDI inflows received during period from January to June, 2015 which account for 2.72 per cent of total FDI inflows and 17.06 per cent of total Service Sector FDI inflows in Banking Sector. It is very clear from the above discussion that the FDI Equity Inflows in Banking Sector have been increasing year by year.
Total Foreign Direct Investment Equity Inflows from 2000-01 to 2016-17
(Amount in USD million.)

<table>
<thead>
<tr>
<th>Years</th>
<th>Service Sector (Finance, Non-Finance, Banking, Outsourcing, R&amp;D, Courier and Tech)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>71.38</td>
</tr>
<tr>
<td>2001-02</td>
<td>187.95</td>
</tr>
<tr>
<td>2002-03</td>
<td>271.15</td>
</tr>
<tr>
<td>2003-04</td>
<td>296.34</td>
</tr>
<tr>
<td>2004-05</td>
<td>456.15</td>
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<tr>
<td>2005-06</td>
<td>548.61</td>
</tr>
<tr>
<td>2006-07</td>
<td>2225.1</td>
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<tr>
<td>2007-08</td>
<td>3296.09</td>
</tr>
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<td>2008-09</td>
<td>4174.53</td>
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<td>2009-10</td>
<td>4443.26</td>
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<td>2010-11</td>
<td>4713.78</td>
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<tr>
<td>2011-12</td>
<td>4832.98</td>
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Source: Ministry of Commerce and Industry, Department of Industrial Policy and Promotion

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Source: RBI annual reports

Findings
- India is considered to be the Third most preferred investment destination in the world.
- Service Sector is one of the most dominant sector of Indian economy in attracting highest FDI Equity inflows which account for 19 per cent of total FDI equity inflows.
- The trend of FDI Equity inflows in Banking Sector have been increased year by year.
International Finance Corporation (IFC), the investment arm of the World Bank Group, is planning to invest about US$ 6 billion through 2022 in several sustainable and renewable energy programmes in India.

Soft Bank is planning to invest its new US$ 100 billion technology fund in market leaders in each market segment in India as it is seeks to begin its third round of investments.

Benefits of FDI in Banking sector in India

- Transfer of technology from overseas countries to the domestic markets
- Ensure better and improved risk management in the banking sector
- Assure better capitalization
- Offers financial stability in the banking sector in India

Problems faced by Indian Banking Sector

- Inefficiency in management
- Instability in financial matters
- Innovativeness in financial products or schemes
- Technical developments happening across various foreign markets
- Non-performing areas or properties
- Poor marketing strategies
- Changing financial market conditions

Conclusion

At the outset, FDI in Banking Sector solves various problems like Inefficient Management, non-Performing Assets, Financial Instability and Poor Capitalization. Further, FDI in Banking Sector provide benefits of Technology Transfer, Better Risk Management, Financial stability, Innovative Products and Employment. Interestingly, FDI inflows in Banking Sector have been increasing year by year.

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CLIMATE CHANGE AND ENVIRONMENTAL SECURITY

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Abstract

There is a global agreement that climate change is caused by person activities which significantly increase the atmospheric concentration of greenhouse gases. The ill-effects of climate change are droughts which adversely affect the global poor who are engaged in agriculture; storm surges which destroy local infrastructure, housing and crops; and the rise of sea levels which adversely affect the inhabitants of small island states which could eventually be totally submerged. Military Strategists and intelligence analysts are preparing for future conflicts likely to be caused by environmental Security issues.

The objects of this article are:

- To evaluate the ill-effects of climate change as a matter of global justice,
- To consider whether future generations have the right not to suffer from the ill-effects of climate change, and if so,
- To evaluate the relevant conceptions of global justice, and
- To assess critically whether international law provides effective preventive responses to climate change and environmental security threats. Finally, a monist-naturalist conception of global justice privileging human dignity as one of its guiding principles are proffered as a solution to the problems raised by the mechanisms of dealing with the ill-effects of climate Change and the attendant environmental security issues under international law.

Keywords: climate change, environmental security, future generations, international law, global justice.

Introduction

The contribution of greenhouse gases to climate change and the attendant environmental problems have been the subject of a broad international consensus for over two decades. The 1985 Vienna Convention was the first treaty to address global atmospheric issues by adopting measures to protect human health and the environment against the adverse effects resulting or likely to result from human activities which adversely affect the ozone layer, that is, a film of O3 molecules occurring at altitudes of 25 kilometers over the equator and 15 kilometers over. The poles which acts as a shield to ultra violet radiation from the sun. The World Commission on Environment and Development was established in 1983 by the United Nations General Assembly and the authors of its report (the Brundtland Report) coined the term “sustainable Development” which has become a popular discourse covering environmental issues from local to global, as well as economic, development, and security issues. The Brundtland Report characterized sustainable development as a process that “meets the needs of the present generation without compromising the needs of future generations to meet their needs”. In other words, development is sustainable if it benefits the disadvantaged without disadvantaging the needs of the future. For example, increased agricultural production in developing countries can be achieved through the conversion of grasslands and forests to croplands and the use of nitrogenous fertilizers. However, these changes have the oblique consequence of releasing greenhouse gases which have adverse effect on climate change and lead to land degradation through erosion and sanitization of soil. In this article, we shall discuss the following themes:

- Climate change, environmental security and global justice;
- Future generations and the non-identity thesis;
- Intergenerational and intergenerational obligations and conceptions of global justice;
• The preventive responses of international law to climate change and environmental security; and
• The feasibility and desirability of a monist-naturalist conception of global justice. But, first, let us
discuss, in a lexical order, climate change coupled with environmental security as a matter of Global
justice; and to this we now turn.

Climate Change, Environmental Security and Global Justice
The ill-effects of climate change caused by the emission of greenhouse gases are
• Droughts,
• Storm surges which result in flooding which destroys infrastructure, housing and crops;
• Rise in sea levels leading to Contamination of fresh water by sea water and which can also adversely
affect small island states such as Tonga, Tuvalu, Kiribati, the Marshall Islands, Antigua and the
Maldives which could eventually be submerged; and
• Increased temperature which results in an increase in the number of people exposed to malaria,
dengue and cholera. Climate change also raises the issue of environmental security which is one of
the seven key components of ‘Human security’ that all individuals are entitled to freedom from fear,
freedom from want, and equal opportunity to enjoy all their rights and fully develop their potential.
The climate-induced environmental.

Security threats are:
• Loss of territorial sovereignty due to rising sea levels,
• The problem of climate-induced migration, and
• Environmental problems such as threat of water crisis which can worsen a pre-existing Conflict or
create a new conflict For example, long-standing interstate tensions in an era of environmental
degradation are potential flashpoints for serious water conflicts in fifty-seven transnational basins in
Asia. These tensions will be discussed later in this excursus. The ill-effects of climate change,
therefore, raise issues of intergovernmental and intergovernmental obligations, thus making climate
change a matter of global justice.

The Pertinent questions are:
• Do future generations have a right not to suffer the ill-effects of climate change?
• If so, can we extend principles of justice at domestic?
  Level to global justice but, first, let us discuss the right of future generations not to suffer from the
ill-effects of Climate change, and to this we now turn.

Future Generations and the Non-Identity Thesis
Climate change raises the issues of global justice in two ways:
• That the ill-effects of the emission of green house gases of the past and present generations will be
borne by future generations, and
• That part of the problems facing present and future generation arises because of the policies of past
generations. The pertinent question is: Do future generations have rights? The answer to this
question is in the affirmative and the contents of the rights of future generations depend on our
conceptions of justice: utilitarianism equality sufficient arianism, and libertarianism. These
conceptions of justice are about the distribution of benefits and burdens within a state. The
principles of justice enunciated at domestic level, as we shall see later, become problematic when
applied at global level. But, first, let us discuss the objections to granting rights to future generations.
The first objection by Derek Parfait is that the term “right” is inappropriate in any discourse on future people. The second objection is the non-identity thesis which rests on two propositions canvassed by Parfait and Groceries. The first proposition is about causation: that present action may have an impact in the future; this makes it possible to have, in the sense, a correlative duty to a right that will exist but the reverse option of an alleged duty to a right that did not exist in the past is philosophically problematic. The second proposition is that the number of future people is unknown and rights involve quantitative dimensions in forms of budget calculation or natural resources. The two objections that it is inappropriate to ascribe rights to future people and the non-identity thesis are not insurmountable problems. The ascription of rights to present and future generations depends on one’s conception of justice: whether it is principle based, interest-based or communitarian. John Rawls in *A Theory of Justice* enunciated a principle-based theory of justice derived from the original position: a position of equality which corresponds to the traditional theory of social contract. The original position is a purely hypothetical situation characterized so as to lead to a conception of justice, that is, it is a counter factual hypothesis (Rawls, 1999a). In this original position, two principles of justice as fairness are proffered:

- Each person has an equal right to the most extensive scheme of equal liberties compatible with a similar scheme for all.
- Social and economic inequalities are permissible provided they are:
  - To protect the greatest expected benefit of the least disadvantaged; and
  - Attach to positions and offices open to all under conditions of fair equality of opportunity.

Rawls in *Political Liberalism* broached the problem of intergenerational justice. He argues that in order to establish fairness between generations, it is necessary to add to the two principles of justice as fairness, instantiated above, another principle: the “principle of just savings”. Since society is a system of cooperation between generations over time, Rawls avers that the principle of just savings is required and that this is the principle that members of any generation would adopt and would want any other generation—past, present or future—to adopt. The other critique of the non-identity thesis is interest-based. According to Caney, a person has a right to X when X is a fundamental interest and the interest is not suffering from the ill-effects of climate change. Caney maintains that if persons have a right not to suffer from the ill-effects of climate change, then the right should apply to those who are alive and those who will be born. Another critique of the non-identity thesis is the parent-child model: that we are causally responsible for future generations in the same way as we care for our children, and, as co-owners of the earth, Rises opines that the view that “all human beings have the same claims to original resources and spaces that cannot be constrained by reference to what others have accomplished applies to all human beings regardless of when they live”.

If, therefore, the identity of future persons does not undermine the extension of principle—and interest-based arguments to intergenerational obligations, then the conceptions of justice applicable to present and future generations can be classified as principle-driven, interest-based and communitarian. To these conceptions of global justice we now turn.

**Intergenerational and Intergenerational Obligations and Global Justice**

Sustainable development—discussed above—implies equity. Equity is both intergenerational, that is, it seeks to redress the imbalance in wealth and economic development between the developed and the developing countries, and intergenerational in that it seeks to alleviate costs across succeeding generations. Theories of distributive justice focus on the distribution of benefits and burdens within a state. The question is whether the principles of justice that apply within a state apply to global justice.
Global climate change raises the questions of distributive justice, that is, the questions of intergenerational justice: granting rights to future generations and the adaptation of domestic principles of justice to the global environmental problems we face. The adaptation of domestic principles of justice to global justice must be broached. It has been suggested that rawls's position could be developed to address problems of global justice. This suggestion bristles with practical problems as we can gather from a critical analysis of Rawls's theory of justice as fairness in *A Theory of Justice*, *Political Liberalism* and *The Law of Peoples*. The purpose of Rawls's *A Theory of Justice* and *Political Liberalism* is to show how a liberal society might be possible and that of *The Law of Peoples* is to show that a World Society of liberal and non-liberal (but decent) peoples might be possible. In *The Law of Peoples*, Rawls applies the original position – the second time – to the international sphere, that is, a World Society of Peoples comprising well-ordered societies, liberal societies and hierarchical (or decent) societies. Rawls suggests that liberal rights discussed in his first principle of distributive justice should be regarded as human rights enforceable in liberal and non-liberal (but decent) societies. Rawls's second principle of distributive justice, the difference principle, applicable within different societies but not among them drops out of the picture because, according to Rawls, a world government is not feasible. Rawls, like Kant, feels that a world government to enforce the difference principle would either be “a global despotism” or “a fragile empire torn by frequent civil strife as various regions and peoples tried to gain their political autonomy”. So Rawls's difference principle is not global in its reach.

And yet, *The Law of Peoples* is designed to address problems that arise in the contemporary globalized world such as unjust war, religious persecution and the denial of liberty of conscience, starvation and poverty and to enunciate principles of foreign policy for well-ordered societies, that is, liberal and non-liberal but decent societies. Cosmopolitans such as Beitz, Buchanan and Pogge argue that for the same reason that parties agree to the difference principle in domestic society, the global principle should be the difference principle. For Beitz and Pogge, the basic structure comprises regional and international agreements such as GATT, WTO, NAFTA and various treaties governing currency exchange mechanism. Beitz's position embodies two levels of international society: the domestic and international levels. While the domestic (i.e., the state) level societies have primary responsibility for their people, the international level establishes and maintains the background conditions applicable to state level societies. Communitarians challenge the liberal/cosmopolitan emphasis on individual autonomy for closing of considerations of value that individuals find in their culture and common practices and traditions. Charles Taylor opines that “since the free entity can only keep his identity within a society/culture of a certain kind, he has to be concerned about the shape of his society/culture as a whole”. The multinational theories, from a communitarian perspective, are not only presumptuous but also ethnocentric. As Hill stated: “throughout history powerful groups have tended to persecute, exploit and try to dominate weaker groups, sometimes with open enmity but often in the name of universal values” Since Rawls's theory of justice as fairness lacks a theory of environmental justice and the adaptation of Rawls's difference principle at global level is problematic, various theories of global justice addressing the issue of future generations have been proffered. One of such is Matthias Rise's collective ownership of the earth as a ground of Justice or what he calls “internationalism” or “pluralist internationalism”. A theory of justice based on collective ownership of the earth is an old way of thinking in moral and political philosophy attributed to seventeenth century philosophers such as Hugo Grotius, Samuel Pufendorf, John Locke and others who regarded the earth as the common heritage of humankind. The view that God had given the earth to humankind is applied in international law to the high seas, the ocean floor, Antarctica and the outer space. Rises cites Marx's position in *Capital*, Volume 3, that: “[Human beings] are not the owners of the globe. This statement opposes Grotius's view of the
matter. For Marx, each generation has an obligation to the next to hand down this planet in an improved condition; for Grotius, there are no duties to future generations. Rises argues that generations of humans occupy the earth successively and that throughout history many societies have recognized duties towards future generations. The ownership approach, Rises concludes, does not generate strong duties to future generations but recognizes that “some of the duties that this generation has to future generations concern the preservation of climate conditions hospitable to human life”. The positions taken in the cosmopolitan communitarian debate, discussed above, require a pragmatic reconciliation which must take cognizance of the world order. The world order after the Peace of Westphalia of 1648 is based on state sovereignty and the horizontal equality of all states. Consequently, the interstate system is based on communitarian principles, that is, shared traditions within communities which vary from state to state, and not cosmopolitan principles based on universal values or common humanity. From the perspective that the Interstate system is based on communitarian principles; we critically assess the preventive responses of international law to climate change and environmental security.

A Critical Assessment of the Preventive Responses of International Law to Climate Change and Environmental Security

The international law responds to climate change and environmental security issues in four ways:

- Through the instruments present in the climate change regime;
- The securitization of climate change by recasting climate change as a threat to international peace and security and using the mechanisms of the UN Charter provided in Chapter VII;
- Through international human rights law; and
- Application of existing principles and precedents in international environmental case law such as the trilogy of trail Smelter Case.

Instruments Present in the Climate Change Regime

The genesis of the climate change regime has been traced to the Climate Change meeting 1992 but an acrimonious debate pre-dates the Convention. In 1988, the World Meteorological Organization and the United Nations Environmental Programme established the Intergovernmental Panel on Climate Change (IPCC) which was charged with assessing. The risks of climate change caused by human activities although the IPCC stated in the first of its five reports in 1990 that “the balance of evidence suggests that there is a discernible person sway on climate change”, it was in the fifth judgment report released in 2013 that it was stated that global warming is unequivocal and that the likelihood that humanity is causing it is ‘extremely likely’, which meant, 95-100 per cent certainty” (IPCC, 1990 and 2013). This statement was not enough for climate change skeptics – right wing politicians or members of the conservative think tanks in the United States – who refuse the broad consensus within the international community of relevant scientists on the following grounds:

- That the pursuit of environmental protection involves government action which is repugnant to libertarianism
- That growing concern about global warming and the possibility of social change resulting from such efforts pose a threat to the entire ‘American way of life’, and
- That, in any case, the evidentiary basis of global warming is weak.
- In spite of this persistent denial, the five phases of the evolution of the climate change regime are:
  - The establishment of the United Nations Framework Convention on Climate Change 1992 (UNFCCC 1992);
The 1997 Kyoto Protocol;
• The Copenhagen Accord 2009;
• The Paris Agreement 2015; and
• The Marrakech Proclamation 2016.

The UNFCCC signed at the United Nations Conference on Environment and Development in Rio in 1992 established commitments to stabilize greenhouse gas concentration and a financial mechanism and commitment by developed country parties to provide financial resources for meeting certain incremental costs and adaptation measures.

The State Parties to the Kyoto Protocol 1997 agreed to reduce their collective emissions of six greenhouse gases (Carbon dioxide, methane, nitrous oxide, hydro fluorocarbon, per fluorocarbon and sculpture hexafluoride) by at least five percent by 2008–2012. The United States, a country with four percent of the world’s population, accounts for 25 percent of the world’s carbon dioxide emissions but refused to ratify the Protocol for reasons stated above. The Copenhagen Accord 2009 is not a legally binding document but a political agreement by a group of 28 countries including all the world’s major economies to limit climate change to no more than two degrees Celsius and a “pledge and review” for mitigation commitment or actions by both developed and developing countries. US President Barack Obama and Secretary of State Hillary Clinton attended the Copenhagen Conference. The Paris Agreement 2015, in its preambular statements, recognised

• The Parties to the Agreement as Parties to the UNFCCC,
• The specific needs and particular circumstances of developing country Parties, and
• The fundamental priority of safeguarding food security and ending hunger and the particular vulnerabilities of food

Production systems to the adverse impacts of climate change. The purpose of the Paris Agreement is to strengthen the global response to the threat of climate change in the context of sustainable development and make efforts to eradicate poverty and limit average temperature to well below two degrees Celsius and to limit temperature increase to 1.5 degrees Celsius. It must be noted that Article 21 of the Paris Agreement provides that the Agreement shall enter into force on the thirtieth day after the date on which at least 55 Parties to the Convention accounting in total for at least an estimated 55 percent of the total greenhouse gas emission have ratified, accepted or approved or acceded to it. (As at the time of writing 135 of 197 Parties to the UNFCCC have ratified the Agreement. A Party to the Agreement may withdraw from the Agreement after three years of its entering into force and any Party that withdraws from the UNFCCC shall also withdraw from this Agreement.

The proffered withdrawal of the United States from the Paris Agreement by President Donald J. Trump will not affect the implementation of the Paris Agreement. The Marrakech Climate Change Conference of 2016 demonstrated that the implementation of the Agreement is underway and the spirit of global cooperation on climate change continues.

The problem with the instruments of global climate change regime is that neither the UNFCCC 1992 nor the Kyoto Protocol includes any provisions for those who will be directly affected by climate change, and, what is more, the Copenhagen Accord 2009 is not legally binding and fails to provide a “binding” commitment on the mitigation of climate change. Thus, the protection of those adversely affected by climate change must now be considered under the security mechanisms of the UN Charter, international law of human rights and principles and precedents of international environmental law. But, first, let us evaluate the securitisation of climate change.
Climate change threatens water, food security, coastal populations and small island states; creates a new breed of refugees, environmental refugees; and raises tensions and triggers conflicts. It has been suggested that the conflict in Darfur was partly driven by climate change. Another source of conflict perceived by military strategists and intelligence analysts is water stress or water security. Shapiro opines that the construction of dams on the upper reaches of Mekong River (in China) and Salween River (in China) which affect the water supply of riparian states of Laos, Cambodia, Thailand and Myanmar has the potential for conflict.

The recasting of climate change as a threat to peace and security is attributed to six documents:

- The 1982 UN General Assembly Resolution, *World Charter for Nature*, maintains, in a Preambular statement, that “competition for scarce resources creates conflict, whereas the conservation of nature and natural resources contributes to justice and the maintenance of peace cannot be achieved until mankind learns to live in peace and forsake war and armament”.
- The Brundtland Report highlighted the nexus between environmental problems and International security.
- The Rio Declaration on Environment and Development 1992, principle 6 states that States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the Charter of the United Nations.
- The United Nations Millennium Declaration 2000, paragraph 9, states: We resolve therefore to make the United Nations more effective in monitoring peace and security by giving it resources and tools it needs for conflict prevention, peaceful resolution of disputes, peace-building and reconstruction.
- The Johannesburg Declaration on Sustainable Development 2002 noted, in paragraph 35: We Commit ourselves to work together, united by a common determination to save our planet, promote human development and achieve universal prosperity and peace.
- In the Madrid Declaration on Environment and Security 2007, the Ministerial Council of the Organization for Security and Co-operation in Europe noted: “Environmental degradation, including both natural and man-made disasters, and their possible impact on migratory pressures, could be potential additional contribution to conflict. Climate change may magnify the environmental challenges.”

The pertinent question is whether the UN Security Council should deal with climate change, and, if so, whether the UN Charter mechanism provided for in Chapter VII of the Charter should apply. Those who support the securitisation of climate change (France and Germany) argue that the securitisation of climate change is part of conflict prevention which is essential when dealing with peace and security. Some of the vulnerable island states went further by arguing that climate change is already a security issue for them and that the Security Council should not only debate the problem but also act on it as soon as possible. The leading developing countries such as China, India, South Africa and Brazil and the G77 countries argue that climate change is not a security issue but a sustainable development issue.

The security threat to the small island states are real and imminent and global justice in the sense of common concern for mankind demands that, in the absence of any solution under the climate change regime discussed above and recognising that the international human rights – discussed below – are problematic, the UN Security Council must act. The question is: How should the UN Security Council proceed “The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain international peace and security.” Article 40 deals with provisional measures to be adopted by the Security Council while Article 41 provides for non-military
enforcement action. Since climate change is being recast as a threat to international peace and security, Malanczuk opines that “threat to peace” in the sense of Article 39 means “whatever the Security Council says is a threat to peace, which is a political decision and as a matter of principle, not subject to legal evaluation” (Malanczuk, 2009). In a similar vein, Shaw describes Article 39 as constituting “a safety net for Security Council action where the conditions needed for breach of the peace or act of aggression do not appear to be present” and observes that “threat to peace” is “the category which has marked a rapid evolution as the perception as to what amounts to a threat to international peace and security has broadened”. In other words, the mechanisms of Chapter VII of the UN Charter apply to environmental security. We must now consider the universal and basic human rights of those affected by climate change, especially the rights of the inhabitants of small island states who could become environmental refugees.

International Human Rights Law

The protection of environmental or climate change refugees under international human rights law bristles with definitional and practical problems. The definition of a refugee as set out in the United Nations Convention Relating to the Status of Refugees 1951 requires (i) a fear, (ii) that is well-founded, (iii) of prosecution, (iv) Based on reason of race, religion, nationality, membership in particular social group or political opinion. The inhabitants of the small island states do not meet this definition because “climate change” and “environment” are not recognised as accepted grounds. The 1967 Protocol Relating to the Status of Refugees did not review the substantive content of the definition of “refugees”. The 1990 International Convention on the Protection of the Right of All Migrant Workers and Members of their Families protects migrant workers and their families. Environmental refugees were not included in the 1990 Convention. The, International Organization on Migration has proffered a definition of “environmental migrants” as: “persons or (a) group of persons who, for compelling reasons of sudden or progressive changes in the environment that adversely affect their lives or living conditions, are obliged to leave their habitual homes, or choose to do so, either temporarily or permanently or who move either within their country or abroad”.

It has been suggested that the 1951 Refugees Convention should be extended to embrace this new definition. The rise of populism in the United States and Europe and the resistance towards refugees preclude the extension of the Refugee Convention to climate or environmental refugees in the foreseeable future. However, these refugees can avail themselves of their right to life, liberty and the security of the person under Article 3 of the Universal Declaration of Human Rights 1948 (UNDHR) and Article 6 of the International Covenant on Civil and Political Rights 1966 (ICCPR) and right to food and water under Article 25 of the UNDHR 1948 and Article 11 of the International Covenant on Economic, Social and Cultural Rights 1966 (ICESCR). The right to water (that is, clean drinking water) was recognised by the United Nations Human Rights Committee in 2002.

The problem is that while many developing and developed nations ratified most of the human rights documents, the United States ratified the ICCPR 1966 with five reservations, five understandings and one proviso. China ratified the ICESCR 1966 but did not ratify the ICCPR 1966 because the civil and political rights promulgated are alien to Asian values which are based on order, discipline and loyalty rather than liberty or freedom (Sen, 1999). We must now move from international human rights instruments to principles and precedents of international Environmental law.

Principles and Precedents of International Environmental Law

Three causes Celebes are worthy of note, via (i) the Trail Smelter case, (ii) the Case Concerning the Territorial Jurisdiction of the International Commission of River Oder, and (iii) the Lac Limoux arbitration.
In the Trail Smelter case, the pollutant in issue was sulphur dioxide (SO2) produced by high-sulphur content of fossil fuel (coal and oil) which combined with rain formed acid rain – a harmful respiratory tract irritant. The dispute which went to arbitration was the emission of sulphur dioxide from one smelter in Canada which caused damage in the State of Washington in the United States. The Tribunal applied the principle of international law that “no state has the right to use or permit the use of territory in such a manner as to cause injury by fumes in or to the territory of another or properties of persons therein, when the case is of serious consequence and the injury is established by clear and convincing evidence”. In this case, the community of interest principle, a natural law concept, was applied. In 1929, in the Case Concerning the Territorial Jurisdiction of the International Commission of the River Oder, the Permanent Court of International Justice (PCIJ) held that the utilisation of rivers including their flow was subject to international law. The PCIJ noted that the “community of interests” in a navigable river was the basis of a common legal right, the essential features of which were (i) equality of all riparian users in the use of the whole course of the river, and (ii) the exclusion of any preferential privilege of any one riparian user. Seventy years later in Kasikili/Sedudu Island, the International Court of Justice extended the common interest principle to non-navigable rivers. Again, in Lac Lanoux arbitration (France v Spain), a proposal by the French Government to authorise the construction of a barrage to channel water through hydro-electric plant, thereby diverting approximately 25 percent of the flow of Carol River before returning the same amount to the river prior to its use by farmers in Spain was brought before an arbitral tribunal. The tribunal held that the proposed work did not constitute an infringement but stated that their conclusion would have been different if the

Proposed works would pollute River Carol or change the chemical composition, temperature or characteristics of the waters in such a way as to injure other riparian users. The purpose of citing the above-mentioned cases on the principle of community of interests is to highlight the elasticity of the principle and to show that it could be used to develop new principles for climate change and its attendant environmental problems such as the environmental or climate refugee issue, deforestation, sustainable development, water stress and the resolution of climate-induced conflicts instantiated in section above.

The Feasibility and Desirability of a Monist-Naturalist Conception of Global Justice

From the foregoing analysis of treaties on climate change from the UNFCCC 1992 to the Marrakech Proclamation 2016, it is safe to assert that the protection of present and future generations from the ill-effects of climate change is a norm of international law. I use the term “treaty” here as meaning: “any international agreement in written form, whether embodied in a single instrument or more related Instruments, whether its particular designation (treaty, convention, protocol, covenant, concordat, exchange of notes, agreed minute, memorandum of agreement, modus Vivendi or any other appellation), concluded between two or more States or other subjects of international law and governed by international law”.

The question is: what is the conception of justice underpinning the international instruments on climate change and its attendant environmental problems? One candidate for such a conception of global justice is John Rawls’s A Theory of Justice as amended by Political Liberalism, extrapolated by The Law of Peoples discussed above and adopted by cosmopolitans such as Beitz, Buchanan and Pogge. The first problem is that Rawls’s difference principle applies within states and not among states because a world government to enforce such a principle at global level is not feasible for reasons stated by Rawls himself. The second problem with Rawls’s conception of justice as fairness in a multicultural society is that it is justified by an overlapping consensus. This justification is not supported by empirical evidence.
But that is not all. The problem with Rawls’s translocation of Western liberalism to non-liberal (but decent) societies is the clash of civilizations and the clash of cultures. In The Clash of Civilizations and the Remaking of the World Order, S. P. Huntington argues that “(t)he philosophical assumption underpinning values, social relations, customs, and overall outlook on life differs significantly among civilizations” (Huntingdon, 2002). Rawls’s eighth principle of foreign policy in the World Society of liberal and non-liberal (but decent) Peoples enunciated in The Law of Peoples which states that “peoples have a duty to assist other peoples living under unfavorable conditions to prevent their having a just or decent regime” is a principle of international ethics, not a principle of underpinning climate change and the attendant environmental problems. A conception of justice with global reach must privilege, as one of its guiding principles, human dignity defined in Pope John Paul II’s Encyclical Letter Centessimus Annus as follows: “Before the right which man acquires by his own work, there exist rights which do not correspond to any work he performs but which flow from his essential dignity as a person”. The starting-point for articulating a conception of global justice privileging human dignity as a guiding principle is Hill’s philosophy and anthropology of human dignity. In his polemical writings, Hill contends that we live in a world where interests are diverse and often conflicting and human beings are worthy of respect “regardless of how their values differ and whether or not we disapprove of what they do” (Hill, 2000). He identifies four basic attitudes of human dignity in a multi-cultural society: (i) that people in different cultures have different legal systems, interpersonal relationships, tastes and aspirations; (ii) that people identify themselves and their project in cultural content; (iii) that there is a tendency towards ethnocentricity on cross-cultural issues; and (iv) that cultures and subcultures are unequal.

Mindful of the four basic attitudes to human dignity described by Hill, a monist-naturalist conception of global justice where the norms of municipal and international legal orders are not derived from the same Grundnorm (a basic norm) as in Kelsen’s pure theory of law is proffered (Kelsen, 1967). The norms of international law are subject to a communitarian conception of global justice privileging human dignity as one of its guiding principles. A communitarian conception of justice underpins natural law doctrines such as common ownership of earth, common concern of mankind and the principle of common interest discussed above. This communitarian conception of justice is based on a system of rights à la Unger which preserves minimal qualities of well-being and existence worldwide and includes the following rights:

- **Immunity rights** – autonomy and human dignity – which are to be given priority unless critical morality (i.e., the morality by which every human institution including positive morality itself is assessed) dictates otherwise;
- Rights of powerful groups that have ossified and are inimical to the interests of weaker groups must be subjected to destabilisation rights;
- Claims to divisible portions of marketplace rights must be guaranteed; and
- **Solidarity rights** – rights arising from mutual reliance such as contract, tort and trust must be protected (Unger, 1987).

The monist-naturalist conception of global justice is not only feasible but also desirable as a solution to the philosophical, cultural and ethical problems raised by any legal framework for societies with different philosophical and socio-cultural backgrounds.

**Summary and Conclusions**

Climate change is responsible for several environmental problems: droughts which are felt by the global poor who are employed in agriculture; raised sea-levels and storm surges which are devastating to agriculture, increase in migration and social tension, decreased tourism, and the destruction of local...
increase in the number of people exposed to malaria, dengue and cholera. Therefore, climate change is a matter of global justice. It is true that there is a broad international consensus that climate change is caused by the emission of greenhouse gases and the conversion of natural grassland and forests to croplands. The two countries responsible for the highest emission of greenhouse gases – the United States and China – should lead the concerted effort to eliminate the ill-effects of climate change. While China is proactive in reducing the emission of greenhouse gases and is the world leader in solar energy, future American leadership is highly unlikely. The proffered withdrawal of the United States from the Paris Agreement and the rolling back of climate protection in the US by President Donald J. Trump will not affect the implementation of the Agreement as demonstrated by the Marrakech Proclamation 2016. The responses of international law to climate change and environmental security have been haphazard. We have a cluster of legally binding provisions (ICCPR 1966, UNFCCC 1992, the Kyoto Protocol 1997 and the Paris Agreement 2015); non-binding provisions (the ICESCR 1966 and the Copenhagen Accord 2009); political norms; and principles and precedents of international environmental law such as the Trail Smelter case and the Lac Lanoux arbitration. There is also a striking omission: the term “environmental refugees” is not in any extant treaty (as liberally defined above). And, what is more, the ICCPR 1966 is a “toothless tiger”; the United States ratified the Convention with five qualifications, five understandings and one proviso; China did not ratify it (Carpenter, 2000). Natural law doctrines such as common ownership of earth and common concern of mankind and the principle of community of interests which raise issues of global justice are pressed into service when promulgating legal frameworks for societies with different philosophical and socio cultural backgrounds. Since the interstate system grafted on a world order developed after the Westphalia Peace of 1648 is based on communitarian principles and not cosmopolitan principles (ie, universal values and common humanity), the only defensible conception of global justice underpinning the climate change regime and international environmental law is a monist-naturalist conception of global justice privileging human dignity as one of its guiding principles. This conception of justice underpins the Council of Europe Convention on Human Rights and Biomedicine (ECHRB) (Note 40). The ECHRB is a regional instrument which has a wide territorial application because non-EU states which took part in its preparation – Australia, Canada, the Holy See, Japan and the United States – may sign the Convention, The monist-naturalist conception of global justice not only protects present and future generations from the ill-effects of climate change, but also serves as a tool for promulgating legal frameworks for societies with different philosophical and socio cultural backgrounds.

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10. https://doi.org/10.1093/0198238347.001.0001
CLIMATE CHANGE AND ENVIRONMENTAL SECURITY

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Introduction
Climate change is the words biggest threat which is mainly caused by humans. Human beings are causing global warming as we are burning dangerous fuels, oils, gas or coal. We have been ignoring warnings of the scientist's infact we are pretty late in the game as we have reached a level that every country writes together and address the common problem. The world agrees, this is a huge problem. There is a need to take some kind of action. Even leading corporations need to take the initiative, the cities, states has to go far beyond than the national government.

We are pushing Mother Nature to new territory likely never seen before. We need to change and are meanseverybody. We do have the greenhouse gases co2 carbon dioxide, methane CH4 and Nitrous oxide N2o laughing gas these are the most dominant gases, emitted by fossilfuels, these significantly effect on the climate and threat global warming. Climate change does not just warm the air and melt the glaciers. It also acts as threat multiplier playing on the vulnerabilities of ecosystems and communities in ways that are yet to fully understand.

The greenhouse gas emissions of carbondioxide 2015 were rising fast globally more than 36.26 billion metric ton of carbondioxide was emitted through fossil fuel and cement use. In comparison to the first year data of 1751 which was 11 million metric tons of carbondioxideworldwide i.e. 1000 times higher than 1751.

In 8, 00,000 years ago the change was not so drastic, the climate was stable, but in the recent 50 years the carbondioxideconcentration has suddenly increased by 40%. The rising of Co2 levels, is also rising the temperatures.

In 2016, the largest Co2 producers included in US and three members of BRIC countries like India, Russia, China were ranked among the fine largest emitters, with China at the top, 4th ranked united states one of the biggest emitters of Co2. Worldwide energy related carbondioxideemissionwould increase 46% by 2040.

Why is the Carbondioxide Increasing?
All the human beings are made of carbon, and it is neither created nor destroyed, it cycles around the biosphere.

Every year we are giving 50 billion tons of greenhouse gases, about 70% of the 50 billion ton is from the fossil fuel and it is increasing as more, and more people use it.

Objectives
- How much is the earth warming.
- Consequences of climate change.
- What is the worst-case scenario?
How much will the ocean rise.
Is crazy weather tied to climate change?
Why do people still question climate change?
What can we do?

1. How much is the earth Warming

Heat from human emotion is roughly equal to 4,000,000 Hiroshima atomic bombs exploding the planet every single day. Future generations are in big trouble temperatures may go warmer and slower will grow more intense with longer periods of drought in between. If in the long run as the emissions continue to rise, and left unchecked the climate disaster would be so severe they would destabilize entire nations and send millions of refugees cross borders. This will force people out of their countries adding to the growing migration crisis, it will also cause widespread extinction of various species on earth and melt the ice-caps and leave the world, cities several feet underwater due to rising oceans levels. However, it may take centuries and a collapse of agriculture will trigger immediate chaos in the society.

2. What is the Worst Case Scenario

The collapse of food production will cause effect in spiraling prices. The melting of icecaps and sheets, which may force to abandon many of our greatest cities and all the social and scientific progress that we are making within the cities. A many mega cities like Honkong, Shantou, Taizhou, Shanghai, Nantong, Tianjin, Liangyungang etc will be under water, if the seas rise too high. However, it is upon the ordinary citizens to continue demanding our political leaders for policies climate change. This is the hardest problem the ever humanity has faced.

3. How much will the Ocean Rise

Scientists will have with us the history to base this prediction on which suggests that the rate could occasionally hit one-foot per decade. So we have to adapt to attended coastline sooner or later, the reliability of this can be achieved from the past study of past climate conditions which clearly shows that every time the amount of carbon dioxide in the air rises—earth warms up, the ice melts and the ocean rises.

4. Is the Crazy Weather Tied to Climate Change?

Scientist have been publishing strong evidences that the climate warming will threat for more heat waves, drought more frequent, causing heavy rainstorms and more severe coastal flooding. The extreme floods and droughts imparts on global food security problems and water security. In 2015 the earth surface temperature was around 0.9 Celsius dregs warmer than 20th century average. The rise in surface temperature might be the cause of an increase sea-level, a decrease in artic ice and growing number of weather related catastrophes, including storms, floods and droughts. Hence leading to economics losses too, for instance, the economic loss to the 2012 drought in United States reached around 20 billion USD making the country’s costliest drought in history. Sources also say that the Sahara desert also witnessed the snowfall, which is an effect of climate change.

5. Why do People Still Question Climate Change?

If we look into the past data from 1880 to 2015 temperature has increased from 288k to 2888 k (0.3%) is amazing stable. Putin in Russia and authorities in Canada were reluctant to make climate commitments but expert that the change that these countries will be swamped by millions of refugees from the less fortunate nations. As at the most favorable stage of technological era, it is questionable whether technological breakthrough helps? We still should be spending as much as 3 times as on these
efforts of climate improvements according to several in-depth reports on the other hand skeptical say it’s not so serious to talk much about what can we do?

**Consequences from Climate Change**

2017 has really shown us the consequences for example we had really extreme sour hurricane, extreme rains causing, release toxins from industries one example, the state of Montanan was set on fire, this summer, the air quality was so bad that little children could not play for weeks together out. Even senior citizens could not move faster infact we observe devastation to the entire community at California. (The national academy of sciences NAS, thousands of scientists say the storms and wildfires are going worst).

With respect to the climate change the annual temperature has increased, with an increase of 0.56 degree Celsius per 100 years between 1901 and 2007. In India the west coast and southern India are projected to shift to new, high temperature climatic regimes with significant impacts on agriculture.

A decline in monsoon rainfall since 1950 has already been observed. The frequency of heavy rainfall events has also increased. A 2 degree Celsius rise in the worlds average temperature will make Indian summermonsoon highly unpredictable. At 4 degree Celsius warming, an extremely wet monsoon that currently has a chance of occurring in 100 years is projected to occur every 10 years by the end of century.

The world food prices are expected to use and increase due to growing population and rising incomes as well as greater demand for biofuels.

Recent studies show that wheat yields peaked in India and Bangladesh around 2001 and have not increased since despite increasing fertilizer applications. Their observed extremely high temperature in northern India above 34 degree celsius has substantial negative effects on wheat yields.

Climate change is expected to have major health impacts in India – increasing malnutrition and related health disorders such as child strutting with the poor likely to be affected most sanely. Heat moves are likely to result in a very substantial rise in mortality and death and injuries from extreme weather events are likely to strengthen in identified hotspots. (Business World).

Researcher’s also molded future navigation patterns by comparing present trends against the global warming scenario set out by the inter-governmental panel on climate change. IPCC rising temperatures will force people out of their countries adding to governing migration crisis.

They found that under the pathway where the concentration of greenhouse gases does not significantly decrease, and global temperatures increase by 4.8 degrees Celsius asylum applications are likely to rise by 188% by the end of century.

On more study also highlights the effect of climate change could wipe out cacao plants by 2050. We may be left with 40 years of chocolate. Over half of the world’s chocolate comes from two countries in west Africa but cote ‘d’ ivories and Ghana will not be suitable for growing cacao in next few decade due to rising climate.

The population rise has to be controlled and if it is ignored and not taken care now, nature will play cruel role to reduce it. As social responsibility humans should curtail human aspirations as well as human population. Today one man = 1000 man consumption, 1000 years ago (due to technological progress) we should project and plan less population in future otherwise humans will face difficulties even for the basic survival, let say by 2050 we will be 4 billion and not 9 billion.

Several universal consequences together can be of greater food insecurities, rising migration, seal eve rise, impact on global infrastructure, global population which proves as the major risks. Apart from this climate, change is going to drive thousands of refugees to cooler countries.
About 2/3rd of the world is desertifying. Land when turn into desert. Livestock, overgrazing plants by these unplanned grazing patterns leaving the soil bare and unmoist, also cause desertification.

Allan savory a bio scientist points out the dessert lands can be changed with the help of time stock in a planned grazed manner at a very low cost. More than possible fuel control, if live stock grazing in organized in proper patterns, it will help in reduction of carbon emission even soil moisture can also be retained.

It is also observed forestry and agriculture amounts to 24% green house gas emission. The international meat industry generates roughly 18% of the world’s greenhouse gas emissions, which is even more than transportation. It’s advisable to support local farmers buy organic produce to reduce the use of pesticides.

Cape Town will run of water by April as the city is suffering from catastrophic drought. Cape Town wants each person to use less than 87 liters of water each day which is equal a 4 minutes shower. 2017 was one of the driest years in decades and followed by two dry winters in a row all due to climate change. Cape Town may be the first major city to run of water.

**Measures**

- **Steps**
  - Lowering Carbon Foot Print: It is the amount of CO₂ released into atmosphere.
  - Take public transit riders and small to mid-sized city save 5.8 million gallons of gas and eliminate 78,000 tons of air pollutants.
  - Diesel vehicles can be converted into Bio-Diesel based fuel systems.
  - Up to 1.5. Tons of carbon dioxide one year if we use vegetarian food. So become a vegetarian.
  - Buying local products produce to this will reduce transportation cost.
  - Reduce packing; if every package could be reduced by 5% it would prevent over 600,000 tons of carbon dioxide emission.
  - Say no to plastic bags – every year more than 500 billion plastic bags are distributed and less than 3% of these bags are recycled. Plastic bags are typically made of poly ethane and can take up to 1000 years to biodegrade to landfills.
  - Reduce the paper use as this will reduce the tree cutting, if we switch to online will payments it would cut paper waste by 1.6 billion tons a year and cut greenhouse emission by 2.1 million tons a year.
  - Switch to LED bulbs. LED bulbs last up to 10 times as long as CFL bulbs. Unlike CFL bulbs there is no mercury used in the production of LEDS even big cities invest in LED lighting.
  - To save CO₂ greenhouse emissions the United States, China, India & Brazil has started to add renewable sources to the energy wise.
  - In 2015, the share of renewable in US energy consumption rose to over 20%.
  - The country is also counted among the key producers of wind & solar energy.

**Remedies / Steps**

**Welcome to Electric Land for the Domestic Use**

Introduction and rapid use of electric buses and cars instead of diesel buses or tax is China chose Shenzanas a pilot for electric projects. Electric buses are cheaper than diesel buses and cause less pollution. Also for Electric cars - Norway leads to electric cars. Norway is electric and hybrid. Norway gives many benefits - subsidies parking, reduced price or free charging, exempted new electric cars from taxes. It generates its energy from renewable sources. So all these electric cars or buses are not adding to pollution or climate change. Polluting diesel vehicles amount up to just 23% sales in Norway.
Norway parliament wants zero emission vehicles by 2025. Which a very good example to the whole world.

Installation of Solar Panels

The International Energy Agency (IEA) reveals that the world will install 70,000 solar panels every hour over next 5 years. China is leading the solar power revolution, installing almost half of all new solar capacity in 2016. There are three main drivers of solar boom. The cost of solar technology has fallen dramatically, white efficiency has increased and government is committing to green energy policies. Solar is now the fastest growing source of new power generation. Almost 75 giga watts of solar capacity were added globally in 2016. Almost half of new renewable resources for the first time the new solar power sources outstripped new coal power systems. This will boom with new solar capacity well above the wind and hydro.

Tackling the Climate Change

- With clear energy investments. The funding provided for clean energy has steadily increased over last decade.
- In 2004 clean energy, investments totaled just over 45 billion US dollars and increased to 241.6 billion US dollars in 2016. US alone amounts for significant share of global clean energy investments.
- In 2015, it was 56 billion US dollars. About 3.4 billion US dollars investment fund were from venture capital and private equity funding. In 2010, china invested almost 32 billion us dollars.

Reforestation and Plantation

Many countries and cities have been taking measures to how to overcome the climate change global issue. More than the reduction in the consumption of fossil fuel, it is the reforestation and plantation of trees, which will beat the issue of warm climate. The green belt introduction and improvement in the green spaces will help the coming generations. The imbalance in oceans, the rising levels, the dumping of factory runouts, plastic disposal in it needs alarming concern. India has banned all forms of disposal plastic in its capital. The illegal burning of plastic prompted it and other waste Hence emission of green gas needs control. The country is responsible for 60% of the 8.8 million tons of plastic dumped into oceans every year.

India has recently planted 50 million trees in a day to combat climate change, which is a Guinness record too. The Indian government is focusing on renewables. By 2027, its predicted that nearly 60% of the electricity capacity will come from non-fossil fuel sources.

Let us have a look on the cities with most trees in the world These are the cities which improved its green spaces in the recent past. To begin with the lowest percentages transformation towards the green spaces

<table>
<thead>
<tr>
<th>City</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Amsterdam</td>
<td>20.6%</td>
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<tr>
<td>Geneva</td>
<td>21.4%</td>
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<tr>
<td>Frankfurt</td>
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<tr>
<td>Sacramento California</td>
<td>23.6%</td>
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<td>Johannesburg South Africa</td>
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<td>Durban South Africa</td>
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<tr>
<td>Cambridge Massachusetts</td>
<td>25.3%</td>
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<tr>
<td>Vancouver Canada</td>
<td>25.9%</td>
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Singapore leading with 29.3% in increasing most trees in the world. By 2030, 85% of the population will be within 400 meters of a park. In case of Sydney, it has 400 parks and open spaces covering 188 hectares. In Johannesburg, South Africa, there are 6 million trees. Amsterdam has spent $3.4 million in 2015 to improve green spaces.

**Shaping of Cities – How We live**

More than half of the world’s population already lives in cities and another 2.5 billion people are projected to move to urban areas by 2050. The way we build our cities, will matter from climate change to economic vitality to our well being and sense of connectedness.

**Use of Non-Fossil Fuel**

There are three major fossil fuels coal, oil and natural gas. Fossil fuel is sought after energy sources because they have a high energy density. Fossil fuels are the largest emissions of CO₂, which cause the climate change. The production causes both environmental and health issue. Coal makes up to 2/3 of energy consumption, more than twice the global average. The natural gas amounts for 1/4th in the global energy consumption. As a replacement, alternative energy sources can be used to maintain the climatic conditions. The clean energies can be by increasing the wind energy, solar energy, and hydropower. These are as efficient as just in case of fossil fuel. For instance, wind power can generate more than 250 billion kWh hours. They could provide energy over 22 million households. China will increase its hydropower capacity by 60 million kW or 2.7 sizes of three gorges dams. By 2020, non-fuel energy climbs up to 15% in energy consumption.

**Achievement - of Bhutan A carbon Negative Country**

Tiny Bhutan is the world’s first carbon negative country. It absorbs more CO₂ than it produces. It manages this by producing only 1.5 million tons of CO₂ a year. However, its forest absorbs up to 6 million tons of CO₂ annually. The country is covered by forest, which is protected by law. As per law, at least 60% of the country must always be forested. It generates electricity from hydroelectric power. The government for more benefits has suspended import taxes on electric vehicles to lower their price. It is also investing in wind and solar power like China and Netherlands.

**Conclution**

As now, we are aware that we are available with both fossil fuel and non-fossil or renewable energies. It has been observed in the last 50 years a major shift in the climatic conditions. This clearly indicates more carbon dioxide mean more climate change more global warming, climate change leads to high temperatures more intense rain more floods, damages the crops and badly imparts our health. Serious efforts and researches have been constantly going on for lowering the carbon footprint. Major to minor imitations can be taken both by the government with introduction of government regulations for the countries and cities across the globe and as each person’s individual responsibility towards reducing the green gas emissions.

We know that we have a problem and it is bad, what we should do to it. We need to speed up our technical challenges, political challenges, and resistance from oil profiting organizations. If only 10% of us spread this awareness. If over a million people the awareness reaches, we can observe over 1,00,000 of effective actions can be taken change can be observed collective appeal to government can be made for introducing carbon pricing in our country and that adds up.
In individual capacities, we can use our purchasing power, we can use solar panels on the house rooftops or switch to renewal energy provider or buy an electric car, which is cheapening by the day or invest into a company producing solar energy. Individuals can reduce the flight transport; prefer train, more biking less beef or more veggies. It will also rather improve your health. In fact, change the personal habits.

As a fact many a billion population still live without electricity. People can invest in solar panel companies. These companies generate energy, which leads to multiple benefits. We can observe better standard of living, less global warming and better return on investments in solar energy production companies.

It can be also considered that instead of coal, oil consumption, we can use solar and wind turbines giving the same energy, which is more cost effective ‘grid parity’ can be created i.e. solar plus wind focused can be also made in energy. The storage at the next level which can be also called as still a de-marketised energy both solar and wind in fact battery technology and energy storage is a good solution.

Let's become and move towards from global to local on an average each person on earth causes 3 to 18 tons of given gas emission every year depending on the income level. We have one planet, no matter where you are, who you are sea that we help in reducing the emission, every tone counts.
IMPACT OF TAX REGULATION UNDER THE GOODS AND SERVICE ACT, 2017 OVER THE CONSUMER

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Abstract
The constitution of India empowered the central government and state government to impose different types of direct and indirect taxes. The tax paid by the tax payer directly from his own pocket is called direct tax and the tax which is collected from the buyer or consumer of goods / service called as indirect tax. Excise duty, central sales tax, value added tax and service tax are the earlier indirect taxes paid by the consumer. Due to the different types of law governing the indirect taxation which impose huge burden on the consumers thereby ultimately increases the cost of the goods and services. Thus the Government of India has introduced a new taxation system known as GST (Goods and service tax) and it subsumes various other earlier taxes. "CONSUMER IS THE KING" and his awareness is important in everything including paying taxes. Though this system is welcomed by several experts on the other hand a lacunae is created among the people regarding this drastic change. As well as it is criticized by consumer activists also since the raw materials cost has been increased the cost of end product will also increase so it further increases the burden on consumers rather decreasing the burden. Therefore the main objective of this study is to analyse key challenges and issues related to the newly implemented tax regulation system (GST) over the consumers. The study also aims in providing awareness thereby empowering the consumers regarding the new tax regulation.

Keywords: Goods and service tax, consumer, lacunae, tax regulation, end product, awareness.

What is GST?
Goods and service tax is a multi stage, destination based tax on consumption of goods and services. This tax has been levied at all stages in the supply chain from manufacture to final consumption. In other words value addition will be over the consumers. The three essentials of GST are that it is a multi stage, destination based and value addition tax. Its main aim is to make India a common market with common tax rates and procedures and remove the economic barriers thus paving the way for an integrated economy at the national level. Thus credit passes on from trader to trader and lastly, all these taxes indirectly collected from the customer at the last resort under the umbrella of MRP (Maximum Retail Price)

Aim
The main objective of this study is to bring out the importance of the consumer and to protect the interest of the consumer. The need for the alert in consumers and enforcement machinery is to be known by every consumer. According to Mahatma Gandhi "A customer is the most important visitor in our premises. He is not dependent on us but we are dependent on them. He does not interrupt our work instead he is the purpose of our work. But he is a part of it and not an outsider". According to Pure Theory of Law by Hans Kelsen it states that a system of law is based on a Grundnorm from which the

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1 This information has been referred from the following link https://www.aces.gov.in/Documents/faq-on-gst.pdf
2 This information has been referred from the following link, http://www.financialexpress.com/economy/gst-to-come-into-force-soon-11-salient-features-of-the-tax/641652/
3 This information has been referred from this link, http://shodhganga.inflibnet.ac.in/bitstream/10603/74884/9/09_chapter%202.pdf
validity of other statements of law flows. GST was first initiated by V. P Singh (7th Prime Minister of India) in 1986. The Constitution (One Hundred and Twenty Second Amendment) Bill, 2014 which has been passed by the Lok Sabha and has been referred to Select Committee of the Rajya Sabha, by which Goods and Services Tax Act, 2017 (GST) came into force on July 1st, 2017.⁴

Need for GST

The GST is important in culminating the earlier indirect taxations such as VAT, CET etc into a single tax, which in turn boost the efficiency of taxation, improve tax buoyancy and bring about an integrated market nationally. As a welfare state, India plays a key role in the protection and promotion of the economic and social well-being of its citizens.

Road Map and Steps for GST Implementation

What are the Taxes which were replaced by GST?

Goods and service tax (GST) completely replaces the central tax such as central excise duty, Duties of excise(medicinal and toilet preparation), Additional duties of excise on goods of special importance and textile related products, Additional Duties of custom, Special Additional Duty of Customs (SAD), Service Tax, Central Surcharges and Cesses related to supply of goods and services. State levied taxes such as State VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by the local bodies), Taxes on advertisements, Purchase Tax, Taxes on lotteries, betting and gambling, State Surcharges and Cesses related to supply of goods and services are also subsumed by GST.

Commodities Excluded under GST

GST act 2017 is based on the 101st constitutional amendment act 2016. This amendment was made to the Article 366(12A) which defines goods and service tax. It defines GST as the tax on supply of goods or services or both. The following are the exceptions under GST over which the taxation has not be levied. They are,

⁴ This information has been referred from this link, http://www.manupatrafast.in/NewsletterArchives/listing/GST%20Vaish/May%202015,%20Vol.%201,%20No.%202_GST%20Cafe.pdf
Supply of alcoholic liquor for human consumption hence this is kept out of GST as in constitution.

Five petroleum products such as petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel have been temporarily kept out and it is upon the discretion of GST council from which date these can be included under taxation.

Electricity has also been excluded from GST.

The commodities mentioned above have the taxation such as VAT and central excise tax.

**Products Having both CET and GST**

GST is levied over Tobacco and related products. But central government has the authority to levy central excise duty.

**Types of GST in India**

The type of GST implemented in India is dual GST because of the federal nature as mentioned in our constitution. Based on this federal feature there is division of powers between the Centre and State to levy and collect taxes through legislations. The GST regime comprises of central GST (CGST) and State GST (SGST)/ Union territory GST (UTGST). Apart from this there is an Interstate GST (IGST).

**CGST**

CGST (CENTRAL GOODS AND SERVICE TAX) is the levied and administered by the centre. The share of GST returned to revenue department of central government as equivalent to SGST. This share of tax compensates the loss of earlier tax regime like excise duty and service tax to the central government.

**SGST AND UTGST**

SGST (STATE GOODS AND SERVICE TAX) is the tax levied and administered by the state and UTGST (UNION TERRITORY GOODS AND SERVICE TAX) is the levied and administered by the union territory.

The Central and State GST would be levied simultaneously on every transaction of supply of goods and services except to the exempted goods and services such as alcohol for human consumption, electricity etc. And to goods which are outside the purview of GST and the transactions which are below the prescribed threshold limits.

**Illustration:**

A is automobile parts manufacturing company located in Chennai. It supplies goods to retailer in Chennai itself. And the GST payable for this is 10% to the centre and 10% to the state. If the total cost of the part is Rs.1000 then from this 100 Rs is payable to the centre and 100 Rs is payable to the state. Here A can make CGST payments only through the credits of the CGST and SGST payments through the SGST credits but not from the any of the other credits.

**IGST**

IGST (INTERSTATE GOODS AND SERVICE TAX) is the tax administered by the central government over the inter-state supply of goods and services. The IGST is the separate tax which is charged only in case of inter-state sales or when there is a transaction between two states. The octroi (tax or duty) is also paid on transportation of goods from one state to another.

**Salient Features of GST**

- GST is applicable to all transactions of goods and service except certain exemptions.
- The tax to be paid to the accounts of the Centre and the States separately.
- The rules for taking and utilization of credit for the Central GST and the State GST have been prescribed.
- Cross utilization of Input tax credit between the Central GST and the State GST would not be allowed except in the case of IGST (i.e. for interstate supply of goods).
The Centre and the States would have concurrent jurisdiction for the entire value chain and for all taxpayers on the basis of thresholds for goods and services prescribed for the States and the Centre.

The taxpayer need to submit a common format of periodical returns, to both the Central authorities and as well as the concerned State GST authorities.

Taxable Person under the Act

The act covers all types of person carrying on business activities, i.e. manufacturer, job-worker, trader, importer, exporter, all types of service providers, etc. If a company is having four branches in four different states, all the four branches will be considered as TP (taxable person) under each jurisdiction of States. All the dealers/ business entities will have to pay both the types of taxes in all kinds of transactions. A dealer must be registered under CGST as it will entitle him to claim ITC (input tax credit) of CGST thereby attracting buyers. Importers have to register under both CGST and SGST as well.

Tax Structure

The GST Act, 2017 provides a multiple tax structure. The tax structure under this act is a four tier slab, i.e. 5%, 12%, 18% and 28%.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Goods and services</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>Commonly used goods and services like Sugar, tea, roasted coffee beans, edible oil, PDS kerosene, domestic LPG, milk food for babies, animal fat etc comes under this category.</td>
</tr>
<tr>
<td>12%</td>
<td>Standard goods and service like butter, ghee, almonds, fruit juice, preparations of vegetables, fruits and nuts, mobiles etc</td>
</tr>
<tr>
<td>18%</td>
<td>Standard goods and services like hair oil, toothpaste, soap, pasta, corn flakes, ice-cream, toiletries, computers, printers, cameras, mineral water etc comes under 18%.</td>
</tr>
<tr>
<td>28%</td>
<td>Special category of goods and services including luxury cars, shampoo, motor cycle, water heater etc.</td>
</tr>
</tbody>
</table>

In addition to the four tier tax structures, there is an exemption category i.e. (0%) on articles of mass consumption like unpacked food grains, fresh vegetables, unbranded atta or maida, milk, egg, curds, salt etc. Apart from this there is another tax structure between 40- 60% imposed on high end cars, tobacco, aerated drinks etc.5

HSN Code

HSN is harmonized Commodity Description and Coding System developed by world customs organization (WCO). In Indian, a taxpayer having a turnover exceeding Rs 5 crore is required to follow the HSN code. It is a four digit code especially for the manufacturing of goods.

SAC Code

SAC code is the Services Accounting Codes. Under GST, for each type of service provided is given with a unified code for recognition, measurement and taxation. These are known as SAC codes.

GST in Other Countries

France was the first country to implement GST to reduce tax-evasion in the year 1954. After which more than 140 countries have implemented GST with some countries having Dual-GST, for example Brazil and Canada. European countries have single rate of GST. India follows the Canadian model of dual GST as it has a federal structure where the Centre and states have the powers to levy and collect taxes.6

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5 This information has been referred from the following link, http://www.firstpost.com/politics/gst-council-fixes-4-rate-structure-all-you-need-to-know-about-the-extremely-complex-tax-reform-3087720.html

6 This information has been referred from this link, http://www.businesstoday.in/current/economy-politics/indias-gst-highest-in-the-world-heres-what-some-other-countries
Registration of GST

In the GST regime, every business whose turnover exceeds the threshold limit of Rs.20 lakh/ 10 Lakh as applicable will be required to register as a normal taxable person as mentioned under the act. 7The tax calculation in GST is based on the place of supply i.e. based on bill to address calculation.

Advantages of GST

- It is estimated that India will gain large benefits by implementing the Goods and Services Tax as it would promote exports, raise employment and boost growth.
- It will divide the tax burden equitably between manufacturer of goods and services offered.
- Under the GST regime, both Central and State taxes will be collected at the point of sale. Both components (the Central and State GST) will be charged on the manufacturing cost. As a result it benefits the individuals by reducing the overall burden. Thus, Lower prices will lead to more consumption.
- Under this regime the filing of tax returns is easier when compared with earlier regime which includes filing through various forms. While this includes only three returns every year.
- Mitigation of the cascading effect.

Disadvantages of GST

- GSTN will have threat of privacy and security related issues.
- In addition to SGST, local dealers and consumers need to pay CGST (Earlier only VAT is paid.
- In case of any failure of GSTN (GST network) or IT network it affects everyone across India.
- Under the GST regime there shall be no differentiation between goods and services.
- In every State at each stage of supply chain the assessee/buyer/consumer need to pay CGST. Tax sharing between states and centre is another disadvantage.
- The hike in prices of raw material and components will increase the product price thereby affecting the consumer only.
- The tax rate for services has been raised over certain goods and services when compared to the earlier tax rate.8

Conclusion

The Goods and Services Tax termed as a potential game-changer since independence. It can be said as ‘one- nation, one-market, one-tax’ arrangement and one of the biggest taxation reform since independence. Almost all developing and developed countries already have a single tax structure. The GST regime is very much welcomed in India. Thus the imposition of GST leads to economic development

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7 This information has been referred from this link, https://cleartax.in/s/gst-registration/
8 This information has been referred from this link, https://www.quora.com/What-is-GST-And-what-are-the-advantages-and-disadvantages-of-GST
as well as it attracts foreign direct investments (FDI). On the other hand since it is a destination based
tax it imposes a burden (i.e. increase in the cost of goods and services) over the end user. At the same
time the government of India needs to reform the existing tax structure where ever it is required
thereby reducing the burden over the consumers.

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FOREIGN DIRECT INVESTMENT IN INDIAN RETAIL SECTOR: AN ANALYSIS WITH CURRENT TRENDS

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Abstract

The Indian retail industry is one of the emerging sectors in today’s economy of the nation. Its contribution to the economic development of the nation is in a good move. Due to economic liberalisation, the growths of Foreign Direct Investment (FDI) in the retail sector uplift the position of Indian consumer market. The government recently announced lot of positive changes in the entry routes of international companies which boost up them and may push the market share up. This paper studies and analyse the recent trends and scenarios prevailing in the FDI in Retail in India.

Keywords: Indian Retail, Foreign Direct Investment, Pros & Cons of FDI in Retail.

Introduction

Indian Retail Sector

Retail is the sale of goods to the end users. It involves the sale of merchandise from a single point of purchase directly to a customer who intends to use the product. That point could be a brick and mortar retail store or an online destination. This activity is at the end of the supply chain transaction in the retailing process. Manufacturers sell bulk quantity of products to the retailers and then they will sell the same to the end users (Barbara Farfan, 2017).

In India, retailing is one of the emerging sector of its economy and accounts for about 10 percent of its GDP (McKinsey & Company, 2015). If India continues on its current high growth path, incomes will almost triple over the next two decades and the nation will become the world’s fifth largest consumer market by 2025 (The ‘bird of gold’: The rise of India’s consumer market. (McKinsey Global Institute)). The forthcoming development in the Indian consumer market will create major opportunities and challenges for Indian and international companies.

The retail market of India is expected to rise at a Compound Annual Growth Rate (CAGR) of 10 percent to US$ 1.6 trillion from US$ 641 billion in 2016 (India Brand Equity Foundation (IBEF), 2016).

In India, Foreign Direct Investment (FDI) is the leading source for the development of the economy today. Overseas companies directly invest in fast growing private Indian companies to take benefits of cheaper wages and changing business environment of India. Economic liberalisation initiated in vigil of the 1991 economic crisis and since the FDI has steadily increased in India (Economic Times, 2015).

In 2015, India over whelm China and the US as the top destination for FDI. In the first half of 2015, India drew attention with the investment of US$ 31 billion compared to US$ 28 billion and US$ 27 billion of China and the US respectively (Financial Times, 2015). A combination of these two emerging in India, that is, FDI in Retail.

Review of Literature

When FDI in retail in India was introduced, the Indian economy could have grown by 13 percent, the unorganised sector could have seen a growth of 10 percent and the organised sector could have
increased by 45 percent (Indian Council for Research on International Economic Relations (ICRIER), 2014).

Permitting 100 percent FDI in single brand retail through automatic route will generate employment and provide Indian consumers with many global brands (Aashish Kasad, 2018).

E-retailers are seeing an upgrade in foreign investments that will pave them the way to widen faster and in new categories. At the same time, this will have increased the competition too after the Union Cabinet approved 100 percent foreign direct investment in single brand retail through the automatic route (Economic Times, 2018).

Cabinet approves 100 percent FDI in single brand retail, construction development through automatic route (The Hindu, 2018).

The recent government move, “100 percent FDI in single brand retail under the automatic route from 49 percent and the relaxed sourcing norms (relaxation of 30 percent local sourcing norms for the first five years by allowing inclusion of incremental sourcing for global operations) will push up the market share of organised retailers to grow about 9 percent by fiscal 2020, based on healthy revenue growth of about 18 percent” (Crisil, Economic Times 2018).

Objectives
To analyse the current scenario of Foreign Direct Investment in the Indian Retail sector

Research Methodology
The study is Descriptive in nature and has used secondary data to study the Foreign Direct Investment in Retail industry in India.

Results and Discussion
The results of the study are prescribed under the following heads.

Evolution of Retail in India
The origin of retailing in India can be followed with the evolution of Kirana stores and mom and pop stores. These stores used to supply to the local consumers. The following are the progress and growth of retail sector in an Indian context.

Pre-1990s
- Manufacturers opened their own outlets.

1990-2005
- Pure-play retailers realised the potential of the market, most of them were in apparel segment.

2005-2010
- Massive investment commitments by large Indian Corporate.
- Access in food and general merchandise category.
- Pan-India expansion to top 100 cities.
- Relocating by existing players.

2010 onwards
- Cumulative FDI inflow from April 2000 to March 2017, in the retail sector, reached US$ 988.56 million.
- Movement to smaller cities and rural areas.
- More than 5-6 players with revenues over US$ 1 trillion by 2020.
- Large scale entry of international brands.
FDI in single-brand retail up to 100 percent from 51 percent.
Approval of FDI limit in multi-brand retail up to 51 percent.
Rise in private label brands by retail players.
Sourcing and investments rules for supermarkets were relaxed.
E-Commerce has emerged as one of the major segments.

Retail forms in India
The following are some of the popular forms of retail categories in India.

- **Mono/exclusive branded retail shops**
  This form of retail is unique showrooms owned or franchised out by a manufacturer and integrated range available for a given brand with certified product quality.

- **Multi branded retail shops**
  In this form, they target on particular product categories and bring most of the brands available. Customers have more choices of brands are on display here.

- **Convergence retail outlets**
  Display most of convergence as well as consumer/electronic products which includes communication and IT group. Shop at one stop, many product lines of different brands on display for the customers.

- **E-retailers**
  It is an online shopping facility for buying and selling products and services and such facility is widely used for electronics, healthcare, etc. Since it provides anytime and anywhere access, it is convenient and saves the time of the customers.

### Milestones of FDI in Retail

<table>
<thead>
<tr>
<th>Year</th>
<th>Progress of FDI in Retail</th>
</tr>
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<tbody>
<tr>
<td>1995</td>
<td>World Trade Organisation’s General Agreement on Trade in Services, which includes both wholesale and retailing services, came into effect.</td>
</tr>
<tr>
<td>1997</td>
<td>FDI in cash and carry (wholesale) with 100 percent rights allowed under the Government approval route.</td>
</tr>
<tr>
<td>2006</td>
<td>FDI up to 100 percent for cash and carry (wholesale) trading allowed under the automatic route. FDI up to 51 percent with prior Government approval (i.e., Foreign Investment Promotion Board) for retail trade of ‘single brand products’. FDI was not permitted in multi-brand retailing.</td>
</tr>
<tr>
<td>2010</td>
<td>The Department of Industrial Policy and Promotion, Ministry of Commerce circulated a discussion (July 2010) seeking the opinions of all stakeholders on allowing FDI in multi-brand retail. Further a six-member inter-ministerial panel took the move. Organised retailers, industry chambers like Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) welcomed the move and the Consumer Affairs Ministry and Planning Commission gave the green signal for 49 percent FDI in multi-brand retail. But no decision was taken place because of the opposition of the Micro, Small and Medium Enterprises (MSME) Ministry and the Ministry of Finance for opening of the sector to FDI.</td>
</tr>
</tbody>
</table>
| 2012 | Opening up of the retail trade in the country to foreign investors, the Government allowed 100 percent FDI in single-brand retail and 51 percent FDI in multi-brand retail, under the Government approval route. **Single-Brand Retail** FDI up to 49 percent was allowed under the automatic route, but beyond that, government approval was required. Then the liberalisation was subject to certain conditions, such as products should be of a single brand only and the same brand to be sold internationally. FDI which cross 51 percent, the compulsory
sourcing of at least 30 percent would have to be done from the local (domestic) small and industries which have a maximum investment in plant and machinery of US$1 million (about Rs.5 crore).

**Multi-Brand Retail**

In multi brand retail, conditions for investment required companies to invest at least 50 percent of the first US$ 100 million into 'back-end infrastructure' such as manufacturing, processing, packaging, distribution, logistics, design improvements, quality control, warehouses, storage, and agriculture market produce infrastructure and to source 30 percent mandatory local sourcing from small industries only.

**2015**

The Government announced Diwali bonanza to investors opening as many as 15 sectors. To rationalise and simplify the process of foreign investments in the country and to put more FDI proposals on the automatic route. Single brand retail sector is one of the most important sectors impacted by the policy change. And also, the Government allowed single brand retailers with FDI to conduct online trading in any form.

**2016**

The Government permitted 100 percent FDI in the marketplace, in the format of e-commerce retailing and also inventory-based model of e-commerce.

Budget 2016 paves the way for retailers such as Walmart and IKEA to sell multi-brand food products (sourced and manufactured within India). But such ventures, must seek approval from the Foreign Investment Promotion Board (FIPB).

**2017**

The Department of Economic Affairs confirming the abolition of Foreign Investment Promotion Board. Hence, the introduction of the Foreign Investment Facilitation Portal (FIFP) as an administrative body to facilitate FDI applicants. Competent Authorities listed in the FDI Policy 2017 which include the Department of Industrial Policy and Promotion (DIPP) in respect of applications for FDI in the single brand, multi brand and food product retail trading. Introduction of Standard Operating Procedure (SOP) took place to process FDI proposals.

### FDI (Foreign Direct Investment) Flows to India from Various Countries (Wholesale and Retail Trade)

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Direct Investment (FDI) inflows (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2007</td>
<td>47</td>
</tr>
<tr>
<td>2007-2008</td>
<td>200</td>
</tr>
<tr>
<td>2008-2009</td>
<td>294</td>
</tr>
<tr>
<td>2009-2010</td>
<td>536</td>
</tr>
<tr>
<td>2010-2011</td>
<td>391</td>
</tr>
<tr>
<td>2011-2012</td>
<td>567</td>
</tr>
<tr>
<td>2012-2013</td>
<td>551</td>
</tr>
<tr>
<td>2013-2014</td>
<td>1,139</td>
</tr>
<tr>
<td>2014-2015</td>
<td>2,551</td>
</tr>
<tr>
<td>2015-2016</td>
<td>3,998</td>
</tr>
<tr>
<td>2016-2017</td>
<td>2,771</td>
</tr>
</tbody>
</table>

The above table shows the flow of FDI to India for the last 11 years. It is clearly showing that the emerging FDI in the wholesale and retail sector. There was a good growth from the year 2013 onwards because of the changes happen in the multi brand retailing. This is issued by the Reserve Bank of India in their annual report 2016-2017.

### Process of FDI in Retail

Global companies can put their applications with the Department of Industrial Policy and Promotion (DIPP) to invest in either single or multi brand retailing. Then the applications will be reviewed in an intention to determine their suitability as per the guidelines. Finally, the Foreign Investment Facilitation Portal (FIFP), Ministry of Finance will consider the application before providing the final approval.
Pros of FDI in Retail to India

- **Building up a Modern Supply Chain Infrastructure**: While the goods reached the consumers, a big chunk of agricultural products get wasted. This is due to the old supply chain system. To remove this, there is a need of technology know how to build a modern supply chain infrastructure. At present, deep pocketed FDI players can only build such thing.

- **Disintermediation**: On the time a vegetable reaches a consumer it might have crossed six hands. This huge waste is due to intermediaries and brokers. This can be removed by one retail chain, directly buying from farmers and selling to the consumers. In most cases, the farmers can get a good deal.

- **Better Tax Collection**: A neighbourhood shopkeeper never gives a proper receipt. But in modern retail outlets, receipts are mandatory and that helps the government for tax collection. These results in, billions of dollars in sales tax receipts happen in India.

- **Job Opportunities for the Middle Class**: Retail industry needs enough group of people to work, so they hire plenty of lower and upper middle-class people to manage the stores and supply chain. This can help people to overcome the poverty. And also, child labour can be diminished in modern retail due to better visibility.

- **Better Market for Small and Medium Enterprises**: Small and medium scale enterprises will have a bigger market and also with better technology and branding.

- **Advancement in Technology**: Through FDI, companies will be able to acquire technology and skills from various countries, thus it will help create more value for money for the buyers. Because of the foreign retailers who come to India will be more open to sourcing manufactured goods and food products from India, as they have existing infrastructure. And also, FDI backed retailers can have better quality control resources to setup cold storage facilities.

Cons of FDI in Retail to India

- **Possibility for Unemployment**: There may be chances for unemployment at menial level jobs.

- **Concentration of Resources**: Concentration of resources and power with few retail outlets.

- **Termination of Mom and Pop Shops**: It will lead to closing of lots of mom and pop shops across the nation, thus it will threaten millions of livelihoods.

- **Break up Supply Chains**: It will shatter traditional supply chains by encouraging monopolies of global retailers.

Conclusion

From the above analysis, it shows that the Foreign Direct Investment (FDI) has both positive and negative impact on the nation. There are challenges too in this which include geographically dispersed population, complex distribution network and existence of counterfeit goods. These challenges have to overcome to bring out a well-furnished FDI policy with help of the government for the welfare and healthy growth of the nation. Thus, FDI in retailing is an essential need of the time for creation of more employment opportunities, expansion of existing manufacturing companies, development of new technologies and it would also help the nation to become a ‘developed nation’.

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FOREIGN DIRECT INVESTMENT IN INDIA

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Abstract
Foreign direct investment plays an important role in the economic development of the country. It helps in transferring of financial resources, technology and innovative and improved management techniques along with raising productivity. An Indian company may receive Foreign Direct Investment either through automatic route or government route. The paper tries to study the need of FDI in India, to exhibit the sector-wise & year-wise analysis of FDI's in India, to rank the sectors based upon highest FDI inflows. The results show that Mauritius is the country that has invested highly in India followed by Singapore, Japan, and USA and so on. It also shows that there has been a tremendous increase in FDI inflow in India during the year 2000 to 2011.

Keywords: FDI, finance, productivity.

Introduction
FDI have helped India to attain a financial stability and economic growth with the help of investments in different sectors. FDI has boosted the economic life of India and on the other hand there are critics who have blamed the government for ousting the domestic inflows. After liberalization of Trade policies in India, there has been a positive GDP growth rate in Indian economy. Foreign direct investments helps in developing the economy by generating employment to the unemployed, Generating revenues in the form of tax and incomes, Financial stability to the government, development of infrastructure, backward and forward linkages to the domestic firms for the requirements of raw materials, tools, business infrastructure, and act as support for financial system. Forward and back ward linkages are developed to support the foreign firm with supply of raw and other requirements. It helps in generation of employment and also helps poverty eradication. There are many businesses or individuals who would earn their livelihood through the foreign investments. There are legal and financial consultants who also guide in the early stage of establishment of firm. An Indian company may receive Foreign Direct Investment under the two routes as given under:

Automatic Route
FDI in sectors /activities to the extent permitted under the automatic route does not require any prior approval either of the Government or the Reserve Bank of India.

Government Route
FDI in activities not covered under the automatic route requires prior approval of the Government which is considered by the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, and Ministry of Finance. FDI is not permitted in the following industrial sectors:
1. Arms and ammunition.
3. Railway Transport.
4. Coal and lignite.
5. Mining of iron, manganese, chrome, gypsum, sulphur, gold, diamonds, copper, zinc.
7. Gambling and Betting
8. Business of Chit Fund
9. Agricultural (excluding Floriculture, Horticulture, Development of seeds, Animal Husbandry, Pisciculture and cultivation of vegetables, mushrooms, etc. under controlled conditions and services related to agro and allied sectors) and Plantations activities (other than Tea Plantations).
10. Housing and Real Estate business.
12. Manufacture of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.

**FDI in India Sector Wise**

**FDI in Hotel & Tourism sector in India**

100% FDI is permissible in the sector on the automatic route. The term hotels include restaurants, beach resorts, and other tourist complexes providing accommodation and/or catering and food facilities to tourists. Tourism related industry include travel agencies, tour operating agencies and tourist transport operating agencies, units providing facilities for cultural, adventure and wild life experience to tourists, surface, air and water transport facilities to tourists, leisure, entertainment, amusement, sports, and health units for tourists and Convention/Seminar units and organizations.

**Non-Banking Financial Companies (NBFC):** 49% FDI is allowed from all sources on the automatic route subject to guidelines issued from RBI from time to time.

**FDI in Insurance sector in India**

FDI up to 26% in the Insurance sector is allowed on the automatic route subject to obtaining licence from Insurance Regulatory & Development Authority (IRDA).

**FDI in Telecommunication Sector**

In basic, cellular, value added services and global mobile personal communications by satellite, FDI is limited to 49% subject to licensing and security requirements and adherence by the companies (who are investing and the companies in which investment is being made) to the license conditions for foreign equity cap and lock-in period for transfer and addition of equity and other license provisions.

- ISPs with gateways, radio-paging and end-to-end bandwidth, FDI is permitted up to 74% with FDI, beyond 49% requiring Government approval. These services would be subject to licensing and security requirements.
- No equity cap is applicable to manufacturing activities.
- FDI up to 100% is allowed for the following activities in the telecom sector.

**FDI in Trading Companies in India**

Trading is permitted under automatic route with FDI up to 51% provided it is primarily export activities, and the undertaking is an export house/trading house/super trading house/star trading house. However, under the FIPB route:- 100% FDI is permitted in case of trading companies for the following activities:

- Exports;
- Bulk imports with ex-port/ex-bonded warehouse sales;
- Cash and carry wholesale trading;
- Other import of goods or services provided at least 75% is for procurement and sale of goods and services among the companies of the same group and not for third party use or onward transfer/distribution-sales.

**FDI in Power Sector in India**

Up to 100% FDI allowed in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and quantum of foreign direct investment.
Drugs & Pharmaceuticals

FDI up to 100% is permitted on the automatic route for manufacture of drugs and pharmaceutical, provided the activity does not attract compulsory licensing or involve use of recombinant DNA technology, and specific cell / tissue targeted formulations.

Roads, Highways, Ports

FDI up to 100% under automatic route is permitted in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports.

Pollution Control and Management

FDI up to 100% in both manufacture of pollution control equipment and consultancy for integration of pollution control systems is permitted on the automatic route.

Call Centres in India: FDI up to 100% is allowed subject to certain conditions.

Business Process Outsourcing in India: FDI up to 100% is allowed subject to certain conditions.

Foreign Direct Investment in Small Scale Industries (SSIs) in India

Recently, India has allowed Foreign Direct Investment up to 100% in many manufacturing industries which were designated as Small Scale Industries.

Findings

FDI is an important stimulus for the economic growth of India.

- FDI shown a tremendous growth in second decade (2000 -2011) that is three times then the first decade of FDI in services sector.
- Service sector is first and Banking and insurance sector is second segment of which pick the growth in second decade of reforms.
- FDI create high perks jobs for skilled employee in Indian service sector.
- Mauritius and Singapore is the 2 top countries which has maximum FDI in India.
- FDI plays an important role in the development of infrastructure because many countries invest in the infrastructure sector and service and banking finance sectors.
- Atomic Energy and Railway Transport are some important and life line of any country. Therefore India also restricted FDI in this sectors.
- After above analysis, we can say that FDI has good future growth in Retailing and Real estate sector in India.

Conclusion

It can be observed from the above analysis that at the sectoral level of the Indian economy, FDI has helped to raise the output, productivity and employment in some sectors especially in service sector. Indian service sector is generating the proper employment options for skilled worker with high perks. On the other side banking and insurance sector help in providing the strength to the Indian economic condition and develop the foreign exchange system in country. So, we can conclude that FDI is always helps to create employment in the country and also support the small scale industries also and helps country to put an impression on the world wide level through liberalization and globalization.

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ANALYSIS OF INFLOWS OF FOREIGN DIRECT INVESTMENT IN INDIA - PROBLEMS AND CHALLENGES

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Abstract
Countries around the world - both developed and developing, are taking concerted efforts in a bid to attract greater flows of FDI into their economies. Indian government is leaving no stone unturned in its attempt to attract greater FDI flows into India. But despite the fact that India offers a large potential market, possesses pool of talented, educated and skilled workforce, has relatively low labour costs and liberal democratic political structure, the FDI inflows into India have remained low in comparison to other emerging markets. In this back drop, this paper seeks to analyse the status of FDI inflows into India and identify the problems and issues that have made India less attractive destination as compared to other nations. The study is exploratory in nature and secondary data has been collected from various reports and publications of Government of India, World Bank, OECD, World Economic forum etc. The study will enable us to get an insight on the steps that Indian government can take and also some lessons that India can learn from countries like China to increase the Attractiveness of India as an FDI destination.

Keywords: Foreign Direct Investment, India.

Introduction
According to the IMF and OECD definitions, foreign direct investment is defined as a cross border investment made by an entity resident in one economy in an enterprise resident in another economy with the aim of acquiring a lasting interest and control. FDI has been associated with improved economic growth and development in the host countries which has led to the emergence of global competition to attract FDI. Many countries are now offering a range of incentives to the foreign investor like tariff concessions, tax holidays, R&D support, infrastructure improvements, financial subsidies, low tax rates etc. India in its attempt to attract greater FDI flows has also established “India Brand Equity Foundation”. After following inward oriented policies for nearly four decades, India marched on the path of liberalization in July 1991. The restrictions in FDI were gradually reduced, the sectoral caps were raised and FDI was allowed through automatic route in most sectors, except a few sectors which are of strategic importance. Many new sectors were opened up for FDI like defence, power, insurance etc. To enhance India’s potential to become an attractive FDI destination, Government of India has been actively taking steps to pursue a more open door policy for foreign investment. For instance, in August 2013, the government increased the FDI limits in twelve sectors, including telecom and insurance.

Objectives
India possesses several advantages like superior IT technology, well developed industrial base, large consumer market, and abundant supply of skilled and educated workers who can fluently speak English at relatively low wage rates. Still, India attracts lesser inflows of FDI in comparison to other nations. In this context, this study has following two objectives:
1. To analyze the status of FDI in India, pointing out the sector wise trends and country sources.
2. To identify the problems and reasons that have reduced India’s attractiveness as an FDI destination.
3. This study is exploratory in nature and secondary data has been collected from various reports and publications of Government of India, World Bank, OECD, World Economic Forum etc.

Analysis of FDI Inflows

The introduction of New Economic Policy in July, 1991 has resulted in attraction of greater FDI inflows into India. The liberalization of foreign investment policy has resulted in an upward trend in FDI inflows, although the inflows have also witnessed fluctuations in the recent years.

Comparative Inward FDI

There is an intense global race for FDI where every country is putting its best foot forward in order to attract greater inflows of FDI into their economies. In 2012, developing countries took a lead and absorbed about 52% of global FDI inflows. Four countries namely United States, China, Brazil, and the United Kingdom accounted for 36% of global FDI inflows. Among the developing economies China attracted the bulk of FDI. FDI inflows into many developing economies like India, Russia and South Africa witnessed a decline in 2012. On the other hand, low income countries like Myanmar and Vietnam have emerged as an important destination for labour-intensive FDI. The FDI received by some countries and FDI as a percentage of GDP in 2012 is shown in Figure-1 and Figure-2 respectively. The FDI/GDP ratio is an indicator of the investment climate in the host economy. Countries with have investor friendly policies tend to have a higher FDI/GDP ratio.

FDI in India- Country and Sector Specific Analysis

FDI has grown in its importance in India in the last two decades. Cumulative FDI inflows reached USD 290,078 million between April, 2000 to March, 2013. Since 2000, sectors such as services, construction, hotels and tourism, drugs and pharmaceuticals, metallurgical industries, power, automobile, computer hardware and software have performed well in attracting FDI. Services sector took the lion’s share in 2012-13 accounting for about 21% of total FDI inflows. It was followed by hotels and tourism (14.5%), automobile (7%), metallurgical (7%), Construction (6%) and drugs and pharmaceuticals (5%). The sectors attracting highest FDI equity inflows for the year 2012-13.

Attracting Larger FDI Inflows in India- Problems and Challenges

Both India and China are competing to get a larger share in world trade and investment. Although China continues to be India’s major competitor, many new economies like Indonesia, Vietnam and Philippines have emerged as strong competitors. India’s main competitive advantage lies in its lower labour costs and remunerative domestic markets. But India is fast losing its competitive advantage to countries like Indonesia and Vietnam as investors are shifting FDI away from known growth engines towards these new emerging economies. No doubt Indian government has implemented several reform measures in order to attract greater FDI but there are several studies which have highlighted India’s weak spots. One such report is “Doing Business 2014”, an annual report co-published by the World Bank and International Finance Corporation that brings out the differences in business regulations and their implementation across economies. This study covers 189 countries, ranking them on 11 indicators. These indicators reflect the quality of the investment climate in a country and better performance on these indicators is frequently associated with greater inflows of FDI.

Another report “Global Competitiveness Report” published annually by “World Economic Forum” ranks 148 economies on their competitiveness with respect to indicators like infrastructure, institutions, macro-economic stability, innovation etc. India’s overall rank for 2013-14 on the Global Competitiveness Report was 126.
Competitiveness Index was 60. The most problematic factors for doing business identified in the report are inadequate supply of infrastructure, corruption, inefficient government bureaucracy, policy instability, tax regulation and restrictive labour regulations.

Major Impediments

The major deterrents to larger flows of FDI to India are listed below:

Weak infrastructure

Infrastructural bottlenecks continue to be a major cause of concern in India. When it comes to competition, India doesn’t stand against other emerging markets in terms of ports, roads, skills sets, education etc. Even after six decades of planned economic development, India suffers from poor transport links, inadequate power supply, poor roads, frequent power cuts, delays in ports, water and sewerage problems and so on. A study conducted by the Federation of Indian Chambers of Commerce and Industry in 2013, revealed that each day Indian companies are losing up to Rs. 40,000 because of power shortages; and due to power cuts, 61% companies suffer more than 10% loss in production. Warehousing and cold storage facilities are also in short supply, because of which 40% of the fruits, vegetables and other perishable products get destroyed before reaching the markets. In the World Competitiveness Index for 2013-14, India ranked 85 out of 148 countries for its infrastructure, much behind China which ranked 48.

Complicated Tax Structure

Stability and transparency in tax regime along with clarity in tax laws can have far reaching impact on investments in any country. The taxation policies in India remain inherently complex despite the fact that government has taken several steps to simplify and redesign it. In the recent years, India has witnessed several tax disputes with respect to cross border transactions involving big MNCs. According to a report in 2011-12, 30 corporations which comprise the BSE Sensex had USD 7 billion clogged in tax law suits. Again, while corporate tax rates in most of the nations are in the range of 15 to 25%, in India foreign companies are taxed at a rate of 40%. The corporate tax rate for foreign companies is 25% in China along with tax holidays for qualified tax payers. India’s indirect tax regime is also very complex, imposing several taxes such as central sales tax, VAT, service tax, central excise duty, octroi etc. and calls for a number of compliances increasing the burden on companies. Moreover, there is a lack of uniformity in the tax rates across the country increasing the complexities for tax payers.

Restrictive Labour Laws

India is known worldwide for its stringent and rigid labour laws and over-regulated labour market. Over the years, Indian government has enacted a large number of legislations to protect the interests of labour covering different aspects namely fixation and revision of wages, worker’s health and safety, mode of payment of wages, payment of compensation in the event of industrial accident, provision of social security such as provident fund, gratuity, insurance and so on. Indian economy has turned highly inflexible due to these laws. These laws contain strict rules regarding overtime and imposes financial obligation on the employer upon worker retrenchment. Laws such as taking prior permission from the government before firing any worker in an organization employing more than 100 workers continues to haunt corporations. On several occasions OECD and World Bank studies have highlighted the need to bring reforms in Indian labour laws.
Bureaucracy, Regulations and Corruption

Yet another handicap that India suffers from is bureaucracy, red tapeism and corruption. It takes months to obtain licenses, approvals and permits. As per the doing business report, it takes 67 days for a company to obtain electricity connection, 16 days to obtain clearances and export goods from India, 182 days for dealing with construction permits and 1420 days for enforcing contracts. It takes 4 to 8 weeks for a new company to get itself registered in India as compared to few days in most developed and developing markets. Many a times, the FDI approvals are kept pending for months that prompts the investor to drop out. With respect to FDI policies, even though several liberalization measures have been undertaken by the government but FDI regulations continue to remain restrictive as compared to many other nations. India has been selective in opening sectors for FDI and FDI in India is subject to sectoral caps ranging from 20 to 100%. The FDI Regulatory Restrictiveness Index 2013, prepared and published by OECD has ranked India 6th (indicate restrictive FDI policies) out of 58 countries. Again, corruption in India is rampant where; licenses, clearances, and contracts are given not on merit basis but based on bribes. Uncertain government policies and frequent changes in them, inefficient administrative, overlapping jurisdictions, excessive governance increases the transaction costs for companies making India a less preferred destination.

Policy Recommendations

There is no denying the fact that India is receiving FDI inflows far below her potential. Indian government has taken several steps to make the FDI policies simplified and transparent, have increased the FDI limits in different sectors, opened many new sectors for FDI, and have placed many sectors on the automatic approval route. In spite of all this, India receives much lesser FDI as compared to developing economies of China and Brazil. India stands the chance of losing its comparative advantage in lower labour costs and large domestic markets to the newly emerging low cost economies of Indonesia, Vietnam and Philippines. If some reform measures are not implemented quickly, chances will soon take the shape of reality.

Conclusions

Therefore, it is high time that India learns some lessons from other countries and launch second generation of reforms. Reforms in labour laws; liberalizing FDI policies in sectors like retail, insurance, airports and media; introduction of Goods Sales Tax to avoid the levy of multiple taxes; reduction in corporate tax rates; cutting down the bureaucratic hurdles; and simplification of regulatory procedures and development of world class infrastructure is the need of the hour. Only by implementing these reforms, can India expect to attract larger flows of FDI in the years to come.

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FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH IN INDIA

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Abstract

Foreign Direct Investment (FDI) is an important source of finance for the development of an economy. It contributes to productivity gains by providing new investment, better technology, management expertise and export markets. The present article investigates the trend and pattern of FDI inflow, along with its contribution for the growth and development of the economy. Gross Domestic product is used as a proxy for economic growth, for which secondary data from Reserve Bank of India was collected from 1991 to 2016. The test result indicates that around 80 percent of correlation exists between FDI and GDP and for the period of study FDI has a growth rate of 15.6 percent. The regression result reveals a significant and positive relation between FDI and GDP. If FDI has a positive impact on economic growth, then a host country should encourage FDI flows by offering tax incentives, infrastructure subsidies, import duty exemptions and other measures to attract FDI also Higher levels of economic growth may not attract foreign investment due to lack of stability of Indian rupee in international market. Hence, a stable exchange rate policy is a must in maintaining good economic performance, as movements in the exchange rate may produce negative impacts on economic prosperity.

Keywords: Economic growth, Foreign Direct Investment, Gross Domestic Product, Linear regression, Indian economy.

Introduction

Investment in a country by individuals and organisations from other countries is an important aspect of international finance. This can take the form of portfolio investment or Direct Investment (FDI). FDI is an important source of development financing; it contributes to productivity gains by providing new investment, better technology, management expertise and export markets. FDI has become a much desired commodity by nations, regions and cities throughout the world indeed, governments bid for FDI because it is commonly thought to be an important engine of economic growth, job creation, and technological upgrading.

The foreign direct investments (FDI) into India have nearly doubled over the past decade to USD 42 billion, which was 1.9 per cent of GDP in 2016-17. (Business line, 27.08.2017). India’s FDI inflow registered a rapid growth as shown in the Table 1. From Rs 185 crores in 1990, the FDI flows rose to Rs 16364 in 1995 and further to Rs 26744 in 2000. It reached Rs 68782 crores in 2005, and further increased to Rs 193482 in 2010 and in 2016 it was around Rs 289394 crores. This is also provided in chart 1. The figure reveals a steady increase from 1990 to 2007 (almost 84 percent), in 2008 a sudden fall is observed (great depression) and after few fluctuations with a rise and fall (around 46 percent) the FDI inflow, which can be observed from the chart.

Table 1 Trends in FDI Inflow (In Rs. Crore)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>185</td>
<td>16364</td>
<td>26744</td>
<td>68782</td>
<td>193482</td>
<td>289394</td>
</tr>
</tbody>
</table>

Source: RBI, Handbook of Indian Economy, various issues.

9 According to the International Monetary fund, FDI is defined as investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor. The investor’s purpose being to have an effective voice in the management of the enterprise.

10 after Liberalisation, Privatization and Globalization.
Scope of the Study

According to the United Nations (2001) the countries that usually attract large amounts of FDI are those with good economic conditions, with a high level of education, a high level of macroeconomic and political stability, favourable growth prospects and favorable investment environments. They are considered to be fast growing economies. Economic growth in any country depends upon the sustained growth of productive capacity which comes from savings and investment. Low levels of this savings and investment may result in low level of capital stock and economic growth.

Previous Studies


Objective of Study

On the above background, the present article investigates (i) the trend and pattern of FDI in India, its share to GDP and the factors that contribute to this FDI inflow. The rest of the paper is organized as follows: Section 2 presents the methodology along with results and discussion and finally, the concluding remarks and policy suggestions are presented in Section 3.

Methodology and Results

Simple ratio, percentage method, growth rate, correlation and Linear regression model is used to analyse the above objective. Secondary data for FDI and GDP\textsuperscript{11} (proxy for economic growth) has been collected from 1991 to 2016 (Post Liberalization period). The necessary information was collected from various issues of the Hand book of Indian economy, Reserve bank of India bulletin.

The chart 2 presents the FDI-GDP ratio and it is clear from it, that, there is a consistent increase in the ratio since 1970 to 2007, in 2008 due to great dispersion there is a fall in the ratio and after 2008, the ratio do not follow a consistent flow. The Correlation between FDI and GDP is around 80 percent, 

\textsuperscript{11} GDP measures the performance of the economy in relation to the goods and services produced in the country. It is the most widely used indicator to measure the performance of national economies. It is further employed in the statistics of the economic state of affairs, because it is the most adequate measure of the current economic activity that is closely associated with other indicators like industrial production, employment, productivity and investment.
which means that there is degree of relation between FDI and GDP is 80 percent. Also the linear growth rate for the study period is computed using

\[ \ln \text{FDI} = \alpha_0 + \alpha_1 \text{trend} + \mu \]

And the computed linear rate for FDI is around 15.6 percent for the period of 27 year. The linear regression model is used to check the contribution of Economy to FDI and vice versa. The table below provides the regression result

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**Chart 2: FDI-GDP RATIO**

![Graph showing FDI and GDP ratio over time]

---

Table 2 reveals the regression result of investment on growth and growth on investment. Equation 1 reveals that, if GDP increases by 1 unit, FDI inflow or contribution of FDI inflow will increase by 2 units. And from equation 2 it is clear that if FDI increases by 1 unit, GDP increase by 0.27 units, hence it is clear that FDI contribution is there for GDP, but FDI is not the only one factor contribution to GDP.

**Table 2 Linear Regression Results**

<table>
<thead>
<tr>
<th>Equations</th>
<th>Dependent Variable</th>
<th>Intercept</th>
<th>Independent Variable</th>
<th>R2</th>
<th>F-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FDI = \alpha_0 + \alpha_1 \text{GDP} + \mu</td>
<td>FDI</td>
<td>-15.84*</td>
<td>2.58*</td>
<td>0.67</td>
<td>47.32*</td>
</tr>
<tr>
<td>2. GDP = \alpha_0 + \alpha_1 \text{FDI} + \mu</td>
<td>GDP</td>
<td>7.48*</td>
<td>0.27*</td>
<td>0.67</td>
<td>47.32*</td>
</tr>
</tbody>
</table>

*significant at 1% level

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**Concluding Remarks and Policy suggestion**

India has become the fastest growing investment region for Foreign Investment. The current paper attempts to examine the trend and pattern of FDI inflow, along with its contribution for the growth and development of the economy. The test result indicates that around 80 percent of correlation exist between FDI and GDP during the study period and FDI has a growth rate of 15.6 percent. The regression revels a significant and positive relation between FDI and GDP.

Hence, the present result calls for the following policy options to enhance economic growth: If FDI has a positive impact on economic growth, the host country should encourage FDI flows by offering tax incentives, infrastructure subsidies, import duty exemptions and other measures to attract FDI also. Higher levels of economic growth may not attract foreign investment due to lack of stability of Indian rupee in international market.

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ROLE AND POLICIES OF FOREIGN DIRECT INVESTMENT IN INDIA

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Abstract

Foreign Direct Investment refers to an investment that allows an investor to have a significant voice in the management of an enterprise operating outside the investor’s own country. It is considered an important instrument in the process of economic growth and developing in globalizing world. It provides additional sources of capital, latest technology to the host country and creates many opportunities for employment. The domestic market becomes more competitive with the entry of FDI’s which leads to an increase in the productivity level of the country. Developing countries like India need substantial flow of FDI to achieve the required investment to accelerate economic growth and development. India is one of the most attractive destinations for foreign direct investment. India provide high returns on FDI than many countries of the world. Since liberalization when Foreign Direct Investment and Foreign Portfolio Investment were allowed to enter India, our country has grown by manifolds. Recently a number of changes were approved on the FDI policy to remove the cap in most of the sectors. The study is based on the objectives like-to investigate the impact of FDI on Indian economy, to know the trends of FDI and FPI in India, highlights country wise and sector wise FDI in India and its major policies.

Keywords: Foreign Direct Investment, FPI, GDP, Economic growth.

Introduction

There are many economic variables which bring the ups and down in the growth of an economy. Foreign direct investment is considered an important instrument in the process of economic growth and development in a globalizing world. FDI inflows are critical for sustaining a high growth rate. It is the process where the resident of one country acquires ownership of assets for the purpose of controlling the production distribution and other activities of a firm in another country. Foreign Direct Investment plays a significant role in the economic development by (i) Providing additional sources of capital and expanding countries production, transferring crucial technology to the host country, (ii) Promoting trade and exports, especially in more open host countries, (iii) Generating employment opportunities and training skilled workers, and (iv) Improving the international allocation of capital, particularly if the return on capital is higher in the host country than in the source country for this reason government of India have been adopting different steps of promote FDI inflows since 1991 and become one of the most attractive destinations for foreign investment. Since liberalization, when FDI and FII allowed entering, our country has grown by manifolds. Recently a number of changes were approved on the FDI policy to remove the cap in most of the sectors today India provide high return on FDI.
Objectives of the Study
The study is based on objectives are;
1. To investigate the trends of foreign investment in India since 2000.
2. To discuss the role of foreign investment in the growth of Indian economy.
3. To highlight current major policies of India about foreign direct investment and to discuss FDI in India country wise and sector wise.

Methodology of the Study
To analyse this study data have been collected through secondary sources like publications and reports of government and RBI relating to foreign direct investment. The data are taken from various journals also.

Trends and Progress of FDI in India
Table 1 Trend of FDI and FPI in India (US $ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Foreign Direct Investment</th>
<th>Net Portfolio Investment</th>
<th>Total A + B</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>3272</td>
<td>2590</td>
<td>5862</td>
</tr>
<tr>
<td>2001-02</td>
<td>4734</td>
<td>1952</td>
<td>6686</td>
</tr>
<tr>
<td>2002-03</td>
<td>3217</td>
<td>944</td>
<td>4161</td>
</tr>
<tr>
<td>2003-04</td>
<td>2388</td>
<td>11356</td>
<td>13744</td>
</tr>
<tr>
<td>2004-05</td>
<td>3713</td>
<td>9287</td>
<td>13000</td>
</tr>
<tr>
<td>2005-06</td>
<td>3034</td>
<td>12494</td>
<td>15528</td>
</tr>
<tr>
<td>2006-07</td>
<td>7693</td>
<td>7060</td>
<td>14753</td>
</tr>
<tr>
<td>2007-08</td>
<td>15893</td>
<td>27433</td>
<td>43326</td>
</tr>
<tr>
<td>2008-09</td>
<td>22372</td>
<td>-14030</td>
<td>8342</td>
</tr>
<tr>
<td>2009-10</td>
<td>17966</td>
<td>32396</td>
<td>50362</td>
</tr>
<tr>
<td>2010-11</td>
<td>11834</td>
<td>30293</td>
<td>42127</td>
</tr>
<tr>
<td>2011-12</td>
<td>22061</td>
<td>17170</td>
<td>39231</td>
</tr>
<tr>
<td>2012-13</td>
<td>19819</td>
<td>26891</td>
<td>46711</td>
</tr>
<tr>
<td>2013-14</td>
<td>21564</td>
<td>4822</td>
<td>26386</td>
</tr>
<tr>
<td>2014-15</td>
<td>32627</td>
<td>40934</td>
<td>73561</td>
</tr>
</tbody>
</table>

The growth pattern of foreign investment in India can be ascertained from the table 1, which depicts the trend of Foreign Direct Investment and Foreign Portfolio Investment from 2001-02 to 2014-15. Table-1 depicts the trends in Net Foreign Investment flows in India and it is clear from the table that FDI of India was $ 3272 million in 2001-02. The year 2003-04 registered massive foreign investment flows of $ 13744 million of which the share of portfolio investment was as high as $ 11356 million according to RBI, this reflected investors inflows rose further. A distinct change occurred in 2006-07 with the share of FDI surpassing the share of portfolio investment. FDI rose from $ 3034 million in 2005-06 to $ 7693 million in 2006-07. This reflected the continued strength of sustained economic activities and positive investment climate. The strength of corporate performance, positive investor sentiments further liberalization of foreign direct investment policies in sector such as telecom, retail and expanding promotional efforts by the government also played a greater role in attracting FDI. Portfolio investment also rises due to massive increase in investment by Foreign Institutional Investment. However because of recession in America, Foreign Institutional investors withdrew a large amount of resources from India in 2008-09 and as a result FPI of India reduced and became $ 14030 million in 2008-09. But in 2009-10 FDI showed a robust growth of Indian economy and Foreign Investment flows became $ 50362 million. FDI fell in 2011-12 because of a decline in FII’S inflows. Total investment increased in 2012-13 and showed some improvement in FDI trends. It increased in 2014-15 in a huge amount by $ 73561 million from $ 26386 million in 2013-14 due to the liberal and new policy framework of Modi’s government.

Country Wise FDI Equity Inflows in India
Country wise FDI equity inflows in India is shown in table-2
Table 2: Share of Top Investing Countries FDI Equity Inflows (Apr-2016-Sep-16) (in US $ Million)

<table>
<thead>
<tr>
<th>Ranks</th>
<th>Country</th>
<th>April 2016 to Sep.16</th>
<th>% age of Total Inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mauritius</td>
<td>5850</td>
<td>33</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>4680</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>U.K.</td>
<td>964</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>2795</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>U.S. A</td>
<td>1437</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Netherlands</td>
<td>1615</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Germany</td>
<td>588</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Cyprus</td>
<td>381</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>France</td>
<td>183</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>UAE</td>
<td>355</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 2 depicts that Mauritius have major share in FDI inflows in India. The reason is double tax avoidance agreement (DTAA) with India. The agreement means that any foreign investor has the option of paying tax either in India or in Mauritius. Since the tax rates prevailing in Mauritius are amongst the lowest in the world, many multinational Corporations prefer to route their investments to India through Mauritius. Singapore has second rank as an investor in India having 16 percent of total FDI inflows. USA is the fifth major trading partner and largest source of FDI after Mauritius, Singapore, UK and Japan.

Sector Attracting Highest FDI Equity Inflows

Table 3 Sector Wise FDI Equity Inflows in India (From April 2016 - Sep-2016)

<table>
<thead>
<tr>
<th>Ser. No.</th>
<th>Sector</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service Sector</td>
<td>18.08</td>
</tr>
<tr>
<td>2</td>
<td>Construction Development</td>
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<td>9</td>
<td>Power</td>
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<tr>
<td>10</td>
<td>Hotel &amp; Tourism</td>
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</table>

Sector Attracting Highest FDI Equity Inflows

Table 3 Sector Wise FDI Equity Inflows in India (From April 2016 - Sep-2016)

It would be interesting to see in which sectors foreign investors show comparatively greater interest. The maximum inflows of FDI has been in Service sector accounting 18.08 percent in total FDI inflows, followed by Construction activities (7 percent), Computer Software and Hardware (7.11 percent), Telecommunication (6.83 percent), Automobile industry (5.09 percent), Drugs and pharmaceuticals (4.67 percent), Trading (4.31 percent), chemicals (other than fertilizers) having 4.31 percent, Power (3.56 percent), Hotel and Tourism (3.14 percent) and Metallurgical Industry (3.01 percent). The top ten sector wise curative inflows FDI in India have been shown in Table 3 given below.

Role of FDI in Economic Development of India

FDI plays an important role in the development process of a Country Developing Countries like India need substantial foreign inflows to achieve the required investment to accelerate economic growth and development. Developing Countries like India seek FDI because – Domestic Capital is insufficient for the purpose of economic growth.

Foreign Direct Investment usually brings it with other scare productive factors like technical know-how, business expertise and knowledge.

It helps in accelerating government revenue which can help a lot in the development of Indian economy.

It plays an important role in generating employment opportunities by providing job.
The biggest advantage of FDI is that it will increase the saving of Indian people as they will get good quality products at cheaper rates.

It enlarge the size of market by introducing a number of companies and goods and services and help in accelerating the income of the country & further increase the standard of living of people in host Country.

FDI affects the economic growth by stimulating domestic investment, increasing human Capital formulating and by facilitating the technology transfer in the host country.

Make India Attractive for FDI

Market Size – Consumer market of up to 300 million people – India has the largest middle class population in the world, which possess great potential for companies to market.

Rationalization by economic policies by Indian government

Improvement in domestic financial institutions and banks help a lot in attractive FDI.

Good manufacturing and outstanding Hub – India business than other Countries, with the huge labour availability and its access to markets in Asia, it becomes very attractive for foreign Companies to set up shop in the country.

Recent FDI Policies in India

Since liberalization, government of India is attempting to boost Foreign Direct Investment in India & changes its policies time to time in context of FDI & is trying to create healthy environment for FDI.

The latest changes in foreign direct investment (FDI) norms in India have made entry and control of foreign investors in a lot of sectors easier. Defense and civil aviation have been opened to 100 percent. FDI under the government approval route (the FDI limit was 49 percent in airlines before). Many other sectors have been allowed 100 percent FDI with government approval or through the automatic approval route. These include animal husbandry, trading of food products produced in India, Private security services and broadcasting carriage services (such as DTH, Cable network and mobile T. V.). Up to 74 percent (against the previous 49 percent) in brown field Pharmaceutical industry protects will no longer require government approval. Brown field airport too have been brought under the automatic approval route. The condition of access to state-of-the-art technology in India has been removed in defence. In addition, for single brand retail trading companies undertaking business with state-of-the-art technology, the restriction of sourcing up to a certain percentage of inputs locally has been totally relaxed for three years, followed by a partial relaxation for another 5 years – a favour granted apparently on Apple’s appeal. The stated objective of 100 percent FDI and other relaxations is to promote employment and improve infrastructure, along with greater FDI inflows and the ease of doing business in India. With all this India is now the most open economy in the world for foreign direct investment.

Conclusion

An analysis of the trends in FDI in India from 2001-15 shows that India has generally attracted higher FDI inflows, especially in service sector with its robost economic growth and the Contribution of Mauritius and Singapore in FDI inflows is highest. The trends show some ups and down in FDI in India due to the changes in India’s macroeconomic environment. The study shows that there is a significant role by FDI in stimulating growth rate of developing countries like India which have shortage of technology, trained entrepreneurs. FDI is considered the life blood for the developing countries and developing countries like India need substantial foreign investment to achieve the required investment to accelerate economic growth and development.

References
INDIA AND PAKISTAN: CONFLICTS AND CO-OPERATION

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Abstract
Although not a history per se of India–Pakistan relations, a fact that Cohen highlights, Shooting for a Century is at once an introduction to, a contemporary snapshot of, and a perspective on the dynamics of this relationship. India and Pakistan’s conflicting national identities and their struggle to define and distinguish these identities have led them to exaggerate marginal cultural and political differences, mischaracterize the other, not compromise with the other, perceive the other as an existential threat and seek to overcome their security dilemma as well as realise territorial and moral claims through the pursuit of power in the internal and external domains.

Introduction
More than six decades of freedom have quadrupled the population of India and transformed its democracy from the impoverished state of post-British India’s Raj into the world’s newest Asian superpower. India’s military power and economy now approach those of the United States of America and China. The same six decades have diminished Pakistan from its promising origins as the world’s largest Muslim state into an almost failed fragment of itself, more than half of its population having broken away to become independent Bangladesh in 1971.

The Historic Roots of the Problem
India and Pakistan were born to conflict generated by the partition of British India in August 1947. Britain’s last viceroy, Admiral Lord Louis Mountbatten (known as “Dickie”), who had little understanding of India, foolishly halved the timetable allotted to him by British Prime Minister Clement Attlee’s Labour cabinet to try to resolve the conflicts that divided India’s political leaders and get them to agree to form a single federal dominion of independent India. Mahatma Gandhi and Jawaharlal Nehru, the leaders of the Indian National Congress party, had always wanted such a federal union.

The First Indo-Pakistani War
The earliest written history of South Asia, Kashmir’s ancient Rājaratanginī (River of Kings), dating back to 1148 C. E., records both the wisdom of Kashmir’s greatest rulers and the cruelty of its most violent. Its first author, Kalhaṇa, commences by bowing to the Hindu Lord Shiva, whose many consorts include the mother goddess Parvati, one of whose terrestrial names was Kashmira. India’s great Buddhist emperor Aśoka, who reigned over Mauryan India from 269 to 232 B. C. E., founded Kashmir’s capital of Srinagar on the banks of the river Vitasta during his brief visit to that peaceful valley.

The Second Indo-Pakistani War
The UN cease-fire line in Kashmir could not prevent heavy artillery from firing over it or Pakistani infiltrators from crossing it. Nor were there ever enough UN monitors to do more than report violations of the cease-fire they were employed to enforce. The United Nations had no army of its own, after all, nor money enough to keep more than a few monitors posted at distant stations along that porous line.
The Third Indo-Pakistani War and the Birth of Bangladesh

From its birth, Pakistan was plagued by the insoluble division of its territory into two wings, with a thousand miles of northern India between them. The Pakistan Resolution unanimously adopted by Jinnah’s Muslim League in Lahore in 1940 had been drafted by a committee chaired by the League’s most popular Bengali leader, A. K. Fazlul Haq.

From the Simla Summit to Zia’s Coup

Bhutto was clever enough to know just how badly Pakistan had been beaten and how weak it really was, despite the brave words he used in trying to lift the spirits of his defeated countrymen. But he also knew that the fortunes and destinies of nations often change quickly, and that in some respects losing Bangladesh was a great advantage for Pakistan. Though the country’s eastern wing’s exports of jute had earned most of Pakistan’s hard currency during their decades linked together, its ten million Hindus had always seemed to Bhutto a potential fifth column, and, indeed, all Bengalis seemed.

Afghanistan’s Impact on Indo-Pakistani Relations

From the dawn of Indian history, the Afghan Plateau has been a springboard to the conquest of India by martial raiders from the West. Indo-Aryan tribes first came down the Khyber and Bolan Passes over the Hindu Kush as early as 1500 B.C. Alexander the Great led his Macedonian army over the Khyber, crossing the Indus in 326 B.C., followed by Perso-Afghans, Central Asian Scythians, and Kushanas, Turks, and Mughals. The Muslim conquerors of Punjab, Kashmir, Sind, and the North-West Frontier converted Hindus of that region to Islam, or forced them to flee south. Though the British ultimately won control...

Pakistan’s Proxy War and Kashmir’s Azaadi Revolution

With no Soviet troops left to fight in Afghanistan, Pakistan’s ISI vigorously focused its attention on Kashmir, encouraging unemployed mujahideen to help them liberate it from the steel grip of India’s strongly entrenched army in the Vale. Indira Gandhi’s last decade in power had proved as tragic for Kashmir as it did for Punjab. Her victory over Pakistan in the Bangladesh War and the success of India’s first plutonium explosion in 1974 had raised her to so powerful a position, not only in New Delhi but throughout the world, that Indira Gandhi seemed to have lost her judgment, and certainly...

Recent Attempts to Resolve the Escalating Conflict

Prolonged secret efforts by India and Pakistan to develop nuclear weapons reached their dramatic fruition, to the anxious concern of the rest of the world, in May 1998. On 11 May, India triggered three powerful nuclear bombs under the same portion of the Rajasthan desert in which it had first exploded a single bomb twenty-four years earlier. Two more bombs were exploded at the same underground station two days after the first three, sending greater shock waves rumbling through India’s desert sands, rattling Pakistan’s former capital of Karachi. India’s Prime Minister Atul Bihari Vajpayee, whose Hindu-first Bharatiya Janata Party (BJP)...

The Stalled Peace Process

In December 2003, Prime Minister Vajpayee met President General Musharraf on the eve of their annual session of the South Asian Association for Regional Cooperation (SAARC) in Islamabad, agreeing to a cease-fire along the Line of Control in Kashmir. This important agreement launched the composite peace process for South Asia, designed to put an end to all major conflicts between India and Pakistan. Several positive measures have since been agreed upon, the most symbolically encouraging of which is the Peace Bus that started to travel between Srinagar and Muzaffarabad in 2005, filled with happy Kashmiris.
Potential Solutions to the Kashmir Conflict

A permanent peaceful resolution to Kashmir's conflict will require solemn diplomatic agreements between India and Pakistan that have the full support of Kashmir's most popular leaders. For ten years after the Kashmir problem was first brought to the UN Security Council by India, heroic efforts were made by the UN's global diplomats to resolve the conflict through a comprehensive or limited plebiscite supervised by UN monitors, or by the division of Jammu and Kashmir into its dominant ethno-religious units—Hindu Jammu and Buddhist Ladakh going to India, and the Muslim-majority Kashmir Valley to Pakistan.1

Conclusion

Perhaps, hope eventually triumphs over reality in Cohen's mind, especially hope about Pakistan emerging as a modern, democratic and moderately religious polity. Perhaps, inspired by Shelley, he is endeavouring 'to hope till hope creates from its own wreck the thing it contemplates'. But, as he himself repeatedly points out, hope is not policy. Nor can it be the premise for policy, which has to necessarily address the extant reality. And the extant reality today and in the policy-actionable future is the continuing identity-driven conflict between India and Pakistan, the enduring China–Pakistan entente cordiale and the persisting alliance between the Pakistani state and Islamic terrorist groups.

References

REFUGEES: SITUATIONAL IMPACT ON THE HOST COUNTRY

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Abstract

India keeps its record of helping vulnerable population who come as refugees but should also restrict the transformation of the government and culture protected by its own country. Though the fate of the refugees couldn't be framed as they have to face large level of hardships without any uniform law in the countries, India has to deal with all the people of the country and the refugees comprehending the rights of the own land.

The study provides the knowledge on the impact that the refugees had made in the economic system. The study explores the problems faced by the country by the arrival of refugees. The study describes the static growth of the state due to influence of refugees and explains the problems faced by the state people because of the influences of the refugees in high number.

Introduction

India has one of the largest refugee populations in the world. According to the office of the United Nations High Commissioner for Refugees (UNHCR), India has given shelter to many refugees. Although India has not deported Rohingyas who illegally entered from Myanmar and Bangladesh borders, India is a home to nearly 4 lakhs refugees from 30 odd countries.

Since Independence, India had to meet lot of disturbances which resulted in a large number of people flooding in India from Sri Lanka, Tibet, Pakistan and Bangladesh, Afghanistan, Iraq, Sudan and Myanmar. Tamilnadu, Delhi, Uttarakhand and Chhattisgarh, Chandigarh and Goa are the main places where the refugees are located. India always helps refugees with great concern though it refused Rohingyas. Sri Lankan Tamils migrated from Sri Lanka during the rise of militancy in Sri Lanka.

On the moment of arrival, the refugees compete with the local citizens for scarce resources such as land, water, housing, food, fuel, and shelter, medical and educational services. This may cause inflationary pressures on prices and depress wages. This will have a high impact demand and supply of labour. The increased demand for food and other commodities can lead to price rises in the market which will stimulate local economic activity.

Significance of the Study

The study provides the knowledge on the impact that the refugees had made in the economic system. The study explores the problems faced by the country by the arrival of refugees. The study describes the static growth of the state due to influence of refugees and explains the problems faced by the state people because of the influences of the refugees in high number.

Profile of the Study Area

India, officially the Republic of India is a country in South Asia. It is the largest country by area, the second-most populous country (with over 1.2 billion people), and the most populous democracy in the world. It is bounded by the Indian Ocean on the south, the Arabian Sea on the southwest, and the Bay of Bengal on the southeast. It shares land borders with Pakistan to the west; China, Nepal, and Bhutan to the northeast; and Myanmar (Burma) and Bangladesh to the east. In the Indian Ocean,
India is in the vicinity of Sri Lanka and the Maldives. India’s Andaman and Nicobar Islands share a maritime border with Thailand and Indonesia.

India became one of the fastest-growing major economies and is considered a newly industrialized country. However, it continues to face the challenges of poverty, corruption, malnutrition and inadequate public healthcare. A nuclear weapons state and regional power, it has the second largest standing army in the world and ranks fifth in military expenditure among nations. India is a federal republic governed under a parliamentary system and consists of 29 states and 7 union territories. India is widely recognized for its wide cinema, rich cuisine and lush wildlife and vegetation. It is a pluralistic, multilingual and multi-ethnic society and is also home to a diversity of wildlife in a variety of protected habitats.

**Economic Scarcity**

Developing countries will have scarce resources to satisfy the wants of population of their own country. The additional group of refugees to an existing population creates a sudden and massive demand for scarce natural resources such as land, fuel, water, food and shelter materials with long term implications on their sustainability. The infrastructure demands heavy attention from the increased use of public services like health education and water facilities.

**Crimes**

The impact of large refugee populations on the economic systems and on the infrastructure of the host countries is devastating. The crimes are marketed for income earning and likely to increase theft, murder, rapes etc. in particular. The black market also develops prostitution and alcoholism. Concomitantly, other social problems such as prostitution and alcoholism are also claimed to rise in the refugee camps along with enforced idleness and poverty within a refugee camp.

**Constitutional Provisions for Refugees**

The legislation in India had adopted the rules of natural justice to refugees issues, along with (UNHCR) United Nations High Commissioner for Refugees for the protection of refugees. A refugee certificate (RC) is provided to refugees who come to India as refugee which is renewed every year. The RC allows the rights to the refugees that are enjoyed by any Indian citizen except for the right to vote and right to government employment. The government of India built special schools for refugees that provide free education, health care and scholarships for those students who excel in school. There is no national legislation for refugees in India but it may have its modifications and changes in tune with its national requirements combined with the principles of constitutionality. National legislation for refugees is needed for maintaining territorial integrity, securing the porous borders, for ensuring homeland security, for evading international pressure in the name of refugee rights and for establishing its high benchmarks of respecting international human rights. Financial Assistance, health assistance, food and accommodation are given to refugees. Free Education provided to the students up to 12\(^\text{th}\) class in Government and government aided schools with free note books, text books, free uniform, free noon meals and free bus pass to commute from the camp to the school. The refugees are allowed to move freely, practice any religion and have their residence. The laws of India would apply to them.

**Socio Economic Life of Refugees**

Refugees return back to their own country in to an extent. An awesome number of refugees get settled in the refugee camps. Many refugees are working in the hotels, textile industries, night food...
stalls, markets, shops etc., doing some private jobs for livelihood. They also run small business for their earning. Abundant supply of labour for cheap wage rate has made business entrepreneurs to provide the jobs to those who are seeking the jobs for less wages.

Situational Impact Faced by Indian because of Refugees

- Refugees competed with the local citizens for scarce resources such as land, water, housing, food and medical services
- Market disturbances been creating inflationary pressures on prices and depressed wages
- Increases in rent benefiting property owners
- Increased demand for food and other commodities leading to price rises
- Create strain on the local administration
- Amount to be spent on country’s welfare activities shared by the refugee population
- Resources are vastly depleted.
- Ethnic balances within the local population got disturbed.
- Cross cultural disturbances
- Added security problems
- Create cross border problems
- Great access to education which local population could not get
- Heavy money been spent on refugees.
- Large presence of refugee will transform the local environment
- Depletion of wood
- Extensive utilization of ground water
- Increase in violent crimes
- Arrival of refugees has led to increased volatility in the prices of basic commodities and rent

Literature Review

C. Valatheeswaran S. Irudaya Rajan, (2011) Most Sri Lankan Tamil refugees in India have been residing in camps in the State of Tamil Nadu for more than two decades under 24/7 police surveillance, following the assassination of the Indian prime minister. This article attempts to examine the trends in the Sri Lankan refugee inflows to India and outflows back to Sri Lanka through official channels over the last three decades, and the government-sponsored responses and mechanisms for their welfare and rehabilitation. In addition, it examines the livelihood options and strategies of the camp refugees based on a primary survey among 100 households and 12 in-depth case studies in the selected refugee camps in Tamil Nadu. The study documents that they do have access to relief assistance from the State Government on humanitarian grounds. Their livelihood strategies include gainful employment activities outside the camp, reliance on social networks both in India and abroad, short-duration or seasonal migration, and investment in human resources such as children's education. This study opines that integrating the Tamil refugees into local society could be a durable solution for their future, especially for those who married Indian citizens and who wish to remain in India. Sri Lankan Tamil Refugees in India: Rehabilitation Mechanisms, Livelihood Strategies, and Lasting Solutions

There is a new phenomenon in the global arena: environmental refugees. These are people who can no longer gain a secure livelihood in their homelands because of drought, soil erosion, desertification, deforestation and other environmental problems, together with the associated problems of population pressures and profound poverty. In their desperation, these people feel they have no alternative but to seek sanctuary elsewhere, however hazardous the attempt. Not all of them have fled their countries,
many being internally displaced. But all have abandoned their homelands on a semi-permanent if not permanent basis, with little hope of a foreseeable return. In 1995, environmental refugees totalled at least 25 million people, compared with 27 million traditional refugees (people fleeing political oppression, religious persecution and ethnic troubles). The total number of environmental refugees could well double by the year 2010, and increase steadily for a good while thereafter as growing numbers of impoverished people press ever harder on overloaded environments. When global warming takes hold, there could be as many as 200 million people overtaken by sea-level rise and coastal flood, by disruptions of monsoon systems and other rainfall regimes, and by droughts of unprecedented severity and duration.

Partitioned States offers new perspective in the histories of Partition and its aftermath by connecting it to the long, drawn out and skewed formation of new national entities: India and East Pakistan. The book focuses on the Bengal Partition and locates its narrative within the intersection of long term cross border movement, chronic small-scale violence, the emergence of a document regime, and biased national refugee policies, all of which contributed to the formation of national citizenships in India and East Pakistan. This book argues that minorities -- Hindus in East Pakistan, Muslims in eastern India -- and the discourse over their citizenship and national identity were central to the project of nation building. However, rather than being automatic after 1947, the identity of Indians and Pakistanis were produced, often constructed arbitrarily, through the discretionary powers of lowly officials as through legislation emerging out of parliaments over the next two decades.

This essay answers the call for intersectional examinations of difference constitution/negotiation. I outline a dialogic framework of difference, actively accomplished via communication in conjunction with material conditions of object, site and body. The essay draws from an ethnography with Sri Lankan Tamil refugees in India. It finds that the refugees use dialogic domains of segregation–assimilation, safety–risk, and agency–passivity to make sense of their tenuous social position as outsiders within. The project adds to our understanding of difference as multi-layered, simultaneously straddling agency/structure, and discourse/materiality.

Conclusion

India keeps its record of helping vulnerable population who come as refugees but should also restrict the transformation of the government and culture protected by its own country. Though the fate of the refugees couldn’t be framed as they have to face large level of hardships without any uniform law in the countries, India has to deal with all the people of the country and the refugees comprehending the rights of the own land.

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A STUDY ON IMPACT OF GOLD GROWTH RATE OF EXPORT IN INDIA

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Abstract

Gold is a precious metal and malleable in nature. Historically, it has been a very valuable metal due to its precious nature and used as a medium of exchange or as currency. As it is a good conductor, very malleable and highly ductile, it is used in electronics, typically as wiring. The government should give all possible support to encourage this sector of exports from India, the exports of 15 billion dollars is achievable. This is vitally important for India’s gold market: our econometric analysis reveals that income growth is the single biggest driver of gold demand in India. The study examines of export and import policy of gold and analyzes the growth rate of gold rate.

Keywords: Gold, Growth, Economy, India

Introduction

In the exports in this sector, diamonds dominate over all other products, India, imports, as it referred to in the industry, ‘diamond roughs’. They are cut and polished in India. Even here, India specializes in what is referred to as single and double cuts. In terms of carat –weights processed, and the number of pieces worked in industry has come to occupy the first rank in the world in the area in which we specialize. The industry estimates that there are 25000 diamond cutting and polishing units in India. Half of the cutting activity is concentrated in and around Navasri and Surat in Gujarat. The other traditional centers where this industry is concentrated are palanpur, Bhavnagar and Mumbai.

Gems and Jewellery exports is one well suited to India, as it is manpower intensive. Our main competitor is Israel. The work essentially consists of polishing small diamonds to the finish required. We have developed excelled expertise in this area, and with the world population increasing, the demand will also increase substantially. The government increasing, the demand will also increase substantially. The government should give all possible support to encourage this sector of exports from India, the exports of 15 billion dollars is achievable.

The foreign Trade (development and regulation) Act 1992 governs the imports and exports of the country. This has replaced the earlier ‘Import and export (Control) Act 1947, which governed our export and import activities until 1992. The object of the Act of 1947 was to prohibit or control imports and exports whereas the act f 1992 states that the object of the act is to provide for the development of foreign trade by facilitating imports into augmenting exports from India.

And India’s entire economy is on a rapid journey to becoming more organised and more transparent, boosting economic growth. This is vitally important for India’s gold market: our econometric analysis reveals that income growth is the single biggest driver of gold demand in India. In summary, GST represents a radical step forward for India’s economy. While it could present short-term challenges to the gold industry, we believe it will boost the economy and make the gold industry more transparent to the benefit of gold buyers. This should support India’s gold demand, which we expect to be between 650-750t in 2017, rising to 850-950t by 2020.
Objectives of the Study
1. To study examine of export and import policy of gold.
2. To analyze the growth rate of gold rate.

Data and Methodology
The study was based on secondary data, the research was study for 10 years (2008 to 2018) and analyze the simple growth rate of gold.

Review of Gold Policy Since 1947

Restriction (1947–62)
• Foreign Exchange Regulation Act (FERA) introduced in 1947
• Nationalisation of Kolar gold mine at Mysore took place in 1956
• Replacement of the proportional reserve system with the minimum reserve system for currency issue in 1956
• First Gold Bond Scheme introduced in 1962.

Prohibition (1963–1989)
• Gold Control Rules (1963)
• Gold (Control) Act (1968)
• Gold Bonds 1980 (March, 1965)
• National Defence Gold Bonds 1980 (October, 1965)
• Voluntary Disclosure of Income and Wealth (Amendment) Ordinance (1975)
• Gold auctions (1978).

Liberalisation (1990–2011)
• Gold Control Act 1968, repealed in June 1990
• NRI Scheme introduced in March 1992
• Scope of Special Import License (SIL) scheme expanded to include gold in April 1994
• In 1997, seven banks were authorized to import gold – a number that was later increased to twenty banks. Gold Deposit Scheme (GDS) launched by State Bank of India in 1999
• Gold Deposit Scheme (GDS) launched by State Bank of India (1999)
• Banks permitted to sell gold coins in 2002, extended to India Post in 2008.

Intervention (2012–2013)
• Duty hike to 10% from 2% through repeated increases between January 2012 and August 2013
• Introduction of the “80:20 rule”, an export obligation of 20% on importers of gold
• Ban on import of gold coins and sales through banks and post offices
• Reducing the loan that can be given against gold as collateral from 75% to 60% of the value (LTV ratio).

Transparency (2014–end-2016)
• Removal of “80:20, “ an export obligation of 20% on importers of gold (November 2014)
• Ban lifted on import of gold coins (November 2014)
• Gold Deposit Scheme of 1999 withdrawn and relaunched in new form as Gold Monetisation Scheme (November 2015)
• Launch of first ever National gold coin – Indian Gold Coin (November 2015)
• Sovereign Gold Bond Scheme launched (November 2015)
• PAN (Tax Number) made mandatory on jewellery purchases above Rs200,000 (January 2016)
• Introduction of 1% Excise duty on Jewellers above Rs120mn turnover (April 2016)
• Demonetisation of INR500 and INR1,000 notes (November 2016)
• Removed 1% excise duty on branded gold coins with purity of 99.5% (December 2016)
• New Bureau of Indian Standards (BIS) Act introduced that makes Hallmarking mandatory, effective 1 January 2017.

Import of Gold and Silver in India

Eligibility

• Any passenger of Indian origin (even if a foreign national except Pakistan / Bangladesh national).
• Any Passenger holding a valid passport issued under the Passport Act 1967, (that Indian Passport holder)

Conditions

1. The weight of gold (including ornaments) should not exceed 10 kgs. Per Passenger. The weight of Silver (including ornaments) should not exceed the quantity of 100 kgs. Per Passenger.
2. Such Passenger is coming to India after a period of not less than six months of stay abroad. However, short visits during these six months shall be ignored if the total duration of such short visits does not exceed 30 days and the passenger has not availed of the exemption under this scheme, at the time of such short visits.
3. Ornaments studded with stones and pearls will not be allowed to be imported under the scheme mentioned above.
4. The Passenger can either bring the Gold / Silver himself at the time of arrival or import the same within fifteen days of his arrival in India as unaccompanied baggage. There is no restriction of the sale of the gold in India.
5. The Passenger an also obtain the permitted quantity of Gold’ Silver from customs bonded warehouse of state bank of India and metals and Minerals Trading Corporation subject to conditions (i) and (iii). He is required to file a declaration in the prescribed form before the Customs officer at the time of arrival in India stating his intention to abstain the Fold from the Customs bonded warehouse and pay the duty before clearance.
6. The duty shall be paid in convertible foreign currency.

Rate of Duty

1. Gold bars, other than tola bars, bearing manufactures or refiners engraved serial number and weight expressed in metric units and gold coins---Rs.300 per 10 grams + 3 % education cess
2. Gold in any form other than at No.1 above including tola bars and ornaments, but excluding ornaments studded with stone or pearls. ---Rs.750 per 10 grams + 3 % education cess.
3. Silver in any form, but excluding ornaments studded with stones or pearls--- Rds.1400 per kg + 3 % education cess.
Analysis and Interpretation

### Table 1

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<th>Gold Growth Rate of Export in India’s No.</th>
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<td>7</td>
<td>2010-2011</td>
<td>113,696,426.38</td>
<td>2011-2012</td>
<td>146,595,939.96</td>
<td>28.94</td>
</tr>
<tr>
<td>8</td>
<td>2009-2010</td>
<td>84,553,364.38</td>
<td>2010-2011</td>
<td>113,696,426.38</td>
<td>34.47</td>
</tr>
<tr>
<td>9</td>
<td>2008-2009</td>
<td>84,075,505.87</td>
<td>2009-2010</td>
<td>84,553,364.38</td>
<td>0.57</td>
</tr>
<tr>
<td>10</td>
<td>2007-2008</td>
<td>65,586,352.18</td>
<td>2008-2009</td>
<td>84,075,505.87</td>
<td>28.19</td>
</tr>
</tbody>
</table>

In this study, I have selected 10 years of growth rate, in 2008-2009 which shows highest percentage 28.19% i.e. 84,075,505.87 in values. In comparison, the amount of export 34.47 growth rate i.e. 113,696,426.38 in 2010-2011. It can be seen that the total amount of exports during the year 2014-2015 to 2015-2016 lowest percentage in exports of gold. The consolidated result show in the table 1, the variable of export of gold in normal values, by fluctuating in every year.

### Conclusion

Today's investor has more choices than at any other time in history. Unfortunately, far too many have learned the hard way that diversifying their portfolios only with more paper assets provides no security against adverse financial conditions. Gold only beats inflation. It fares poorly when compared to real estate or shares when compared on the basis of real inflation adjusted returns in the very long term. Any serious investor however is advised to have a certain percentage of investment in gold to hedge inflation.

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Abstract

The GATT mandated for trade in goods. The WTO, which replaced GATT in 1995 mandated for trade in goods as well as services and issues affecting international trade. Hence, WTO has considerably greater influence on trade among nations. The present chapter discusses various provisions of WTO and its implications and influence on agricultural sector in India. The WTO, which was established in 1995, replaced the GATT with a much broader mandate. The GATT existed since 1947. The US and the UK were the main architects, though there were 23 members in the beginning of which 12 were those that are now called the developing countries. The GATT was essentially a framework for reduction of tariffs (customs duty) until 1979 (end of Tokyo Round of negotiation), when certain disciplines were elaborated in the non-tariff areas, like subsidy given by governments, dumping by firms, licensing in case of import control, valuation of customs duty at the time of import of a product, etc. As a result of the Uruguay Round of negotiations (1986-94), the WTO was created in the beginning of 1995 and the GATT was made a part of it. WTO members are negotiating further trade liberalization under Doha Development Agenda, launched in November 2001.

Keywords: Objective of WTO, Role of UT WTO, Trade Eco System, Indian Foreign Trade,

Introduction

Agreement on Tariffs and Trade (GATT) India became member of the WTO in January 2005. The new Foreign Trade Policy (2004-09) takes an integrated view of the overall development of India’s foreign trade and provides a roadmap for the development of this sector. The policy is mainly focused to meet two major objectives: doubling India’s share of global merchandise trade and using trade policy as an effective instrument of economic growth with a thrust on employment generation. To meet the emerging challenges, the government of India has from time to time initiated several measures for giving a new direction and dynamism to the export sector. Exports over the years have played a vital role in the economic development of India. Against this backdrop, origin trade over the years has been playing an important role in the Indian economy. Exports have continued to be the major focus of India’s foreign trade policy and India is today rated as one of the most exciting markets for foreign trade with a large base of export- and import-centric industries. This can be attributed to various factors such as huge purchasing power and skilled managerial and technical manpower. Since 1991, India has embarked upon a programme of economic and trade liberalisation impacting the contours of the country’s foreign trade in a big way. This process has further been hastened by the country’s active role in the World Trade Organisation (WTO), previously known as Generalised.

Objectives of the WTO

1. The Foreign Trade Policy Statement explains the vision, goals and objectives underpinning the Foreign Trade Policy for the period 2015-2020. It describes the market and product strategy envisaged and the measures required not just for export promotion but also for the enhancement of the entire trade ecosystem.
2. The vision is to make India a significant participant in world trade by the year 2020 and to enable the country to assume a position of leadership in the international trade discourse. Government
ICWA Sponsored National Conference On INDIA’S FOREIGN POLICY WITH NEIGHBOURING COUNTRIES

aims to increase India’s exports of merchandise and services from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20 and to raise India’s share in world exports from 2 percent to 3.5 percent.

3. The FTP for 2015-2020 seeks to provide a stable and sustainable policy environment for foreign trade in merchandise and services; link rules, procedures and incentives for exports and imports with other initiatives such as “Make in India”, “Digital India” and “Skills India” to create an „Export Promotion Mission”; promote the diversification of India’s export basket by helping various sectors of the Indian economy to gain global competitiveness; create an architecture for India’s global trade engagement with a view to expanding its markets and better integrating with major regions, thereby increasing the demand for India’s products and contributing to the „Make in India” initiative; and to provide a mechanism for regular appraisal in order to rationalise imports and reduce the trade imbalance.

Role of State/UT Governments of WTO

1. Foreign trade today plays a significant part in India’s economy, so much so that foreign trade policy deserves a special focus and dedicated attention as a key constituent of India’s economic policies. Foreign trade policy can neither be formulated nor implemented by any one department in isolation. Going forward, a „whole-of-government” approach will be required.

2. A major path breaking initiative taken by the Department of Commerce, which can have far reaching benefits if properly executed, is to mainstream State and Union Territory (UT) Governments and various Departments and Ministries of the Government of India in the process of international trade. State/UT Governments can play a crucial role in promoting exports and rationalizing nonessential imports. Many of the State Governments have nominated Export Commissioners. The Department of Commerce is also helping State Governments to prepare export strategies. An Export Promotion Mission will be constituted to provide an institutional framework to work with State Governments to boost India’s exports. Senior officials have been appointed as designated focal points for exports and imports in several Central Government departments.

Challenges to Indian Agricultural Industry

The export growth of 24.1 percent achieved in 2004 -05 is the highest recorded in the last three decades. Yet, it appears to be very difficult to achieve the target of 1.5 percent share of the global exports, set by the foreign trade Policy 2002-09, by the end of the decade. While export growth has not very encouraging, imports have been increasing, driven mostly by the boost in the oil import bill due to the escalating crude prices. (In 2004-05, for example, while the volume growth of oil import was only 5.5 percent, the oil import bill shot up by 45.1 percent). Between 1999-2000 and 2004-05 both exports and imports have risen by about 115 percent but between 2000-01 and 2004-05 while exports have increased by 78 percent, imports have gone up by 112 percent. Non-oil imports, particularly of capital goods and other industrial goods, have also been very buoyant. Imports of some items like gold and silver have been rising steeply. The non-oil trade balance, which remained in surplus during 2000-01 to 2003-04, turned into a deficit of $4.8 billion during 2004-05 and this with a huge oil trade deficit resulted in a historic, peak merchandise trade deficit at $27.8 billion during 2004-05. The import growth of 37 percent in 2004-05 was the highest since 1980-81. The trade deficit during the first six months of 2005-06 alone amounted to $23.5 billion, higher by about 66 percent than the corresponding period of the previous year. The expansion of nonoil imports, resulting in large non-oil trade imbalance, accounted for a major share of this trade deficit. Rising non-oil imports, however, is an indicator of buoyant growth of the domestic industry.
Trade Ecosystem

Several initiatives are underway or in the pipeline for the simplification of procedures and digitization of various processes involved in trade transactions. Steps are being taken by various Ministries and Departments to simplify administrative procedures and reduce transaction costs based on the recommendations of two Task Forces constituted by the Directorate General of Foreign Trade. The implementation of these recommendations is being actively pursued.

India's Foreign Trade

India over the years, as may be seen from has been having an unfavourable balance of trade. The deficit trade balance has been continuously rising—from Rs 65,741 crore in 2003-04 to Rs 3,23,663 crore in 2007-08, registering a phenomenal increase of 393.33 per cent. The main factor behind the continuous rise in deficit trade balance is the mounting import bill on account of petroleum, crude and products which shot up by a quantum jump in 2006-07 to Rs 2,58,259 crore as against Rs 1,94,640 crore in the previous year, registering thereby a steep increase of 32.69 per cent.

Exports of major products in India

India's merchandise exports, as may have made a steady and continuous growth rising from Rs 2,93,367 crore in 2003-04 to Rs 3,56,069 crore in 2004-05, subsequently to Rs 4,56,418 crore in 2005-06 and Rs 5,71,642 crore in 2006-07, registering thereby an exponential growth of 94.86 per cent in 2006-07 over the year 2003-04. It is for the first time that the petroleum, crude and products sector emerged as the largest group of exports, thereby putting gems and jewellery at the second position. The gems and jewellery sector has continuously over the years dominated India's merchandise exports. The petroleum, crude and products sector registered a steep increase of 62.90 per cent in 2006-07 over the previous year. The other sectors showing a steep growth during the period comprised non-ferrous metals (165.87 per cent), primary and semi-finished iron and steel (49.88 per cent), dyes, intermediates and coal tar chemicals (39.65 per cent), machinery and instruments (30.93 per cent), electronic goods (28.50 per cent) and manufactures of metals (21.36 per cent).

Other Issues

Foreign Manufacturers Legal Accountability Act of 2013 (FMLAA)

India had raised a number of concerns over the draft legislation called Foreign Manufacturers Legal Accountability Act of 2010 (FMLAA). While FMLAA 2010 was not passed FMLAA 2013 has been introduced and referred to a committee of the US House of Representatives on May 09, 2013. Hence the concerns highlighted with respect to FMLAA Bill 2010 are relevant and highlighted below:

a) The proposed law subjects foreign manufacturers or producers to the personal jurisdiction of the State and Federal Courts of the US for any civil or regulatory proceeding. For India this appears to be a jurisdictional over reach of the US law as it subjects the nationals across the world, who have a trade linkage with US to the US municipal laws. India sought justification behind subjecting foreign nationals to its regulatory and product liability laws, which normally have a territorial application to the nationals of that country.

b) The proposed legislation seems to impose a prohibition on import by means other than duties and taxes as it lays down in Section 4 that “a person may not import into the US a covered product (or component part that will be used in the United States to manufacture a covered product) if such product (or component part) was manufactured or produced outside the United States by a manufacturer or producer who does not have a registered agent. India asked the US that the
legislation being in the nature of import prohibition, does it not violate the principle enshrined under GATT Article XI of no prohibition or restriction on imports except through duties of customs.

c) Section 2 of the draft law defines the term “commerce” as “trade, traffic, commerce or transportation between a place in a State and any place outside thereof. This definition can technically also apply to goods in transit; as ‘traffic’ or ‘transportation’ can be from the territorial waters or from bonded areas of the customs territory of a US State to a place outside thereof, which can also imply a foreign territory. By taking this interpretation, it appears that even for transit of goods from the US customs territory, there will be a legal requirement to have a registered agent. India feels that, in such case it violates the principles of freedom of transit enshrined under GATT Article V.

d) The US had earlier replied that the proposed Foreign Manufacturers Legal Accountability Act, as reflected in bills pending before the US Congress, reflects a desire to ensure that consumers in the United States can be confident that the products they buy are safe and that there are procedures available under US law to address effectively any product liability issues they may engender. The United States believes these goals can be accomplished without imposing undue burdens on foreign manufacturers.

Conclusion
The WTO regime has opened up global trade in goods and services along with competitive economic environment. This is also a breeding ground for disputes on areas concerning the application of the WTO Agreements. The dispute settlement mechanism of the WTO is a rule-based and effective system for dealing with such disputes. Some of the areas of interest for CAs on WTO disputes could be those concerning application of indirect taxes; non tariff barriers; intellectual property rights such as patents, copyrights, trademarks,

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4. Information has been obtained from Ministry of External Affairs, Government of India.
5. This issue has been raised by Government of India in the Trade Policy Review of EC held in 2009
6. The information has been obtained from WTO secretariat report, 2013.
Abstract

Demonetisation is the cessation of currency notes of particular denomination from being legal tender. In Indian context it can be termed as ‘scrapping’ or phasing out of certain currency notes. The retail businesses are taking an all new dimension due to the growth of the internet, the business models and the payment methods have all changed. This complex model is now further complicated by the introduction of demonetization. This can lead to more positive effects in the long term, but in the short term effects, it has adversely affected the customers and businesses. In India, 80% sales of e-commerce industry are Cash on Delivery. As cash got rationed businesses and industry that depend on cash have been directly impacted. With cash rationing happening consumption drops and people tend to spend less this will have impact on non-COD orders as well. The cash on delivery share will come down and it will force customers to make payments online. It will also be a great opportunity for e-commerce players to push customers towards adopting cashless instruments and reform business models to encourage cashless instruments. The main purpose of the study is to identify the initial inconvenience faced by online businesses and effect of demonetisation on e-commerce. For this study, the researcher has used secondary data.

Keywords: Demonetisation, E-Commerce, COD.

Introduction

Demonetisation is a process by which a series of currency will not be legal tender. The series of currency will not acceptable as valid currency. The same thing happened with the Rs.500 and Rs.1000 note demonetization. On 8th November 2016, Government of India had announced that from today onward rupees 500 and 1000 rupee note will not be a legal tender. This means that 500 and 1000 rupee note will not be accepted by anyone except the organisation declared by government, that is, the public can change the currency from the banks and post offices till 30th December 2016. The Reserve Bank of India has issued new notes of Five hundred rupees and Two thousand rupee notes which has been placed in circulation from 10th November 2016. Currency notes of one hundred, fifty, twenty, ten, five, two and one rupee will remain as legal tender and will remain unaffected by this decision. The ban on Rs 500 and Rs 1000 currency notes have restricted the shopping ability of people through cash. Along with this, the ATM withdrawal limit of Rs 2, 500 has complicated the entire matter further. This measure has been taken by the PM in an attempt to address the resolve against corruption, black money and counterfeit notes. This move is expected to cleanse the formal economic system and discard black money from the same. In India, 90% of eCommerce transactions are carried out in cash (COD) option so retail segment is going bit downwards. Top eCommerce stores like Amazon, Flipkart, Snapdeal and others who had earned revenues through their sales during Diwali are now seeing downfall in their sales rate due to their COD system. As survey conducted by Cashkaro.com, with 1000 people across India showed the below results for payment methods now a day:

Preferred payment method used after demonetization of Rs 500 &Rs1000 notes when shopping online: Using Wallets like Paytm, Mobikwik etc., Net Banking, Cash on Delivery (CoD) – via using Debit/Credit card, Cash on Delivery (CoD) – via Cash.

ECommerce companies also stopped receiving old denomination notes of Rs 500 and Rs 1000 notes and paid more emphasis on other means of digital payments. The demonetization move has hurt the
eCommerce conversions of various companies from Flipkart to Zomato, which is a food discovery and delivery portal with other companies that mainly generate revenues through hard cash that accounts for around 60-70% of total orders. With fall in CoD orders, demonetization has led to jump in digital payment options for making online transactions.

**Objectives of the Study**
- To determine the initial inconvenience faced by online businesses.
- To study the effect of demonetisation on e-commerce.
- To study the positive and negative impact of demilitarization on plastic money.

**Research Methodology**
The nature of the study is descriptive. The researcher has used the secondary data for the study and the period of the research is December 2017 to mid of January 2018. Secondary data was collected from books, newspaper and journal.

**Impacts that Demonitisation has made on the Online Business**

**Apps like Paytm, Mobikwik have Come into the Scenario**
These apps are being used for paying the various bills on different websites. These apps had an target to be achieved and due to demonetisation it gained success within a fortnight. Downloads and registrations have made a boom in the market. There are many more apps also that also have been launched in this period.

**The chaiwala’s and sabjiwala’s have gone Online**
Going to a tapri and having tea was once a leisure time for all. But now we all are crying out for some lose change. ‘Expect the unexpected’, the chaiwala or the sabjiwala that we visit on daily basis have gone online for making payments. You can find a board notifying that Paytm can be used for paying. They too have started marking a difference in the economy.

**Increased debit and Credit Card Transactions**
As we are in the transit phase people prefer using the plastic money. The banks are running all their banking service in a doubly mode. The online gateways are preferred for shopping online. Transacting with this plastic money has become much easier.

**The Ultimate Aim of the E-Commerce Websites**
The ultimate goal of any e-commerce website was to probe the online transactions. Cash on delivery was just an additional facility provided on the go. The e-commerce websites have gained success overnight by making transactions online. Local groceries are where all have been stuck up so the better idea is to order online and pay it.

**Knowing the Importance of Plastic Money**
The old generation people do not believe in credit or debit cards they still go to the bank to withdraw their money. But this phase has made everyone go to the bank and stand in the long queues for money. Payments made with cards are an easier option for all in this phase. Those cards in the wallet have now gained some value.

**Negative Impact**
- The incidence of Cash on Delivery (CoD) has reduced considerably. This can be celebrated as well as mourned. This might also indicate that sales have dropped. Snapdeal co-founder Kunal Bahl said that the move had negatively impacted the company’s CoD. He lauded the move and said that it
would be beneficial in the long run and support pre-paid transactions. However, this can well be a blessing in disguise. While companies may lose out on their revenue from CoD in the few months following the move, it would encourage customers to pay for the purchases in advance or using debit or credit cards.

- The predicted value of the ecommerce industry has been reduced. American market research company eMarketer has noted that the earlier approximation of 75% of growth in the Indian ecommerce industry was now cut to 55.5%.
- The immediate impact was a reduction in sales. There was a 30% fall in the average sale figure. This was a direct result of reduced CoD service, and customers cancelling their orders. Shopclues reported a fall in its sales.
- It could possibly slow down the country's gross domestic product (GDP). According to investment advisory firm Ambit Capital, the country's GDP for the year ending 2018 could be lower than the previously projected figure. The company says that thanks to demonetisation, India's GDP could drop to 5.8% from the earlier estimate of 7.3%.
- Companies will be unable to meet their year-end targets. Ecommerce companies will fall short of their projected figures for the year.
- While pointing to the low morale that could also impact the situation, Satish Meena, forecast analyst at Forrester Research says, “Post Diwali, the e-tailing industry was looking forward to this month and the early days of January next year, when there is festive euphoria among people. However, considering the cash reality on the ground and the mood of buyers, e-tailing companies will not be able to meet the target of this quarter and the next.”

Positive Impact

However, it is not all gloom and doom. Some good has come out of all this hullaballoo.

- Snapdeal briefly relieved sellers of the CoD charges on returns. The company offered to take up the charges on returned products from the 9th to the 15th of November. The company also took up measures to ease things for its sellers including increased locations for card swipe machines, encouraging the use of Freecharge.
- Companies are observing an increased rate in sale. In a recent function, heads of leading online marketplaces including Flipkart, Shopclues and Snapdeal lauded the move.
- Investors are hopeful of good business in the coming days. There is homogeneous positivity from the investors community because typically investors are long-term oriented. And, their response is: This (demonetisation) is going to positive impact on the industry and also on the company.
- While there will be an initial inconvenience, in the long run, everyone is hopeful of a better growth, reduction in CoD, and a quicker return in investment.

Observation and Findings

Though there was an initial inconvenience observed in the long run after demonetisation, the companies are observing an increased rate in sale. Transacting with plastic money has become much easier and popular. Cash on delivery is decreased. There is homogeneous positivity from the investors community because typically investors are long-term oriented. And, their response is: This (demonetisation) is going to positive impact on the industry and also on the company.

Limitation of Study

- Secondary data was collected.
- Lack of time
Conclusion

This phase is a difficult one for all but it has its own advantages at the end of the day. Wiping out the black money would be in good faith of the economy. As we are in the transit phase people prefer using the plastic money. The online gateways are preferred for shopping online. Transacting with this plastic money has become much easier. While there will be an initial inconvenience, in the long run, everyone is hopeful of a better growth, reduction in CoD, and a quicker return in investment.

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INTERNATIONAL TRADE IN OVERSEAS BANKING SERVICES OF INDIAN AND FOREIGN BANKS

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Abstract
Banking system forms an integral and dominant part of the financial system. Banking services consist of, acceptance of deposits and lending, and the other financial services like payment services, securities trading, asset management, financial advice, settlement and clearing service, etc. Hence, the present paper attempts to compare the Employment Distribution, Balance Sheet, Country-wise and Activity-wise Banking Services of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches Operating in India.

Introduction
In many developing countries like India, the banking system forms an integral and dominant part of the financial system. The banking system in India has undergone great transformation since liberalization, the banking services consist of, acceptance of deposits and lending, and the other financial services like payment services, securities trading, asset management, financial advice, settlement and clearing service, etc. With the developments in economic integration of financial markets, the international trade in banking systems has significantly increased. The number of Indian banks overseas and foreign banks operating in India has increased over the years in line with the growing demands from cross-border trade and other activities.

The GATS framework predicts that the delivery of any commercial services can be through four different modes (i) Cross Border Service, (2) Consumption abroad, (3) Commercial presence and (4) movement of natural persons. In Mode 3, the bank has a commercial presence in the territory of the service importing country and the service is delivered therein. The commercial presence can be through various investment vehicles like representative offices, branches, subsidiaries, associates and correspondents (RBI,2015). Cross-border banks in 1980’s were mostly physical, presence of Indian banks overseas has increased over the years in line with the growing demands from cross-border trade and other activities. The overseas services of Indian and foreign banks over the years is impartial with the rising global import and export services.

Based on the above back ground, the present paper attempts to compare the Employment Distribution, Balance Sheet, Country-wise and Activity-wise Banking Services of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches Operating in India.

Table 1 presents the Employment Distribution of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches Operating in India, it is clear from that table that there is a decline in the number of branches and employees from the year 2016–17 only in case of Foreign banks in India. On the other hand, the numbers of overseas branches of Indian banks are continuously increasing. The reason can be that, the performance of Indian banks are improving to meet the competition of Foreign banks, also Demonization can be a fact.
Table 1 Employment Distribution of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches Operating in India

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
<th>Total number of branches</th>
<th>Total number of employees</th>
<th>Total number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Local</td>
<td>Others</td>
</tr>
<tr>
<td>Indian banks’ branches operating abroad</td>
<td>2013-14</td>
<td>170</td>
<td>3,915</td>
<td>2,393</td>
</tr>
<tr>
<td></td>
<td>2014-15</td>
<td>178</td>
<td>3,897</td>
<td>2,437</td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>189</td>
<td>4,040</td>
<td>2,549</td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>192</td>
<td>3,984</td>
<td>2,520</td>
</tr>
<tr>
<td>Indian Banks’ Subsidiaries Operating Abroad</td>
<td>2013-14</td>
<td>235</td>
<td>3,469</td>
<td>2,829</td>
</tr>
<tr>
<td></td>
<td>2014-15</td>
<td>235</td>
<td>3,424</td>
<td>2,832</td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>310</td>
<td>4,091</td>
<td>3,616</td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>325</td>
<td>4,704</td>
<td>4,194</td>
</tr>
<tr>
<td>Foreign Banks’ Branches in India</td>
<td>2013-14</td>
<td>307</td>
<td>24,703</td>
<td>24,561</td>
</tr>
<tr>
<td></td>
<td>2014-15</td>
<td>313</td>
<td>25,519</td>
<td>25,354</td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>317</td>
<td>26,642</td>
<td>26,487</td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>286</td>
<td>24,766</td>
<td>24,602</td>
</tr>
</tbody>
</table>

Source: Consolidated from RBI survey on International trade in banking services.

The Balance Sheet Items of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches in India for the year 2013-16 is presented in Table 2. Business growth continued for all groups of banks (Indian bank branches operating abroad, till 2014-15, Credit extended by all three categories of banks is found to declined in 2016-17, this can be due to Demonitisation. But there is a consistent increase in the Deposits mobilized by the Foreign Banks in India. However, profitability ratio declined for both Indian banks’ overseas branches/subsidiaries as well as foreign banks’ branches in India.

Table 2 Balance Sheet Items of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches in India (end-March)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount in $ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013-14</td>
</tr>
<tr>
<td>Indian Banks’ Branches Operating Abroad</td>
<td></td>
</tr>
<tr>
<td>Credit extended</td>
<td>7488.8</td>
</tr>
<tr>
<td>Deposits mobilized</td>
<td>4993.7</td>
</tr>
<tr>
<td>Total Assets/ Liabilities</td>
<td>12791.2</td>
</tr>
<tr>
<td>Indian Banks’ Subsidiaries Operating Abroad</td>
<td></td>
</tr>
<tr>
<td>Credit extended</td>
<td>714</td>
</tr>
<tr>
<td>Deposits mobilized</td>
<td>611.9</td>
</tr>
<tr>
<td>Total Assets/ Liabilities</td>
<td>1050.9</td>
</tr>
<tr>
<td>Foreign Banks’ Branches in India</td>
<td></td>
</tr>
<tr>
<td>Credit extended</td>
<td>2972.3</td>
</tr>
<tr>
<td>Deposits mobilized</td>
<td>3485.3</td>
</tr>
<tr>
<td>Total Assets/ Liabilities</td>
<td>7290.3</td>
</tr>
</tbody>
</table>

Source: Consolidated from RBI survey on International trade in banking services.

Table 3 Income and Expenditure of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches in India (Amount in $billion)

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
<th>Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013-14</td>
<td>399.8 (9.3)</td>
<td>306.4 (11.9)</td>
</tr>
<tr>
<td>Indian Banks’ Overseas Branches</td>
<td>2014-15</td>
<td>432.3 (8.1)</td>
<td>318.8 (4)</td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>457.3 (5.8)</td>
<td>419.4 (31.6)</td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>436.1 (-4.6)</td>
<td>453 (8)</td>
</tr>
<tr>
<td>Indian Banks’ Subsidiaries Operating Abroad</td>
<td>2013-14</td>
<td>56.1 (16.5)</td>
<td>45.8 (33)</td>
</tr>
<tr>
<td></td>
<td>2014-15</td>
<td>59 (5.2)</td>
<td>48.4 (5.7)</td>
</tr>
<tr>
<td></td>
<td>2015-16</td>
<td>67.3 (14.1)</td>
<td>62.8 (29.8)</td>
</tr>
<tr>
<td></td>
<td>2016-17</td>
<td>68 (1)</td>
<td>67.7 (7.8)</td>
</tr>
</tbody>
</table>
The Income and Expenditure of Indian Banks’ Overseas Branches, Subsidiaries and Foreign Banks’ Branches in India is presented in table 3. From the table it is clear that, on an average the income and expenditure is increasing over the period of time from 2013-16. And figure within parenthesis Figure within parenthesis indicates the percent change in growth. Despite lower asset base, the income of foreign banks in India consistently exceeded that of Indian banks’ branches operating abroad in the recent years.

Table 4 presents the Activity-wise Composition of Fee Income from Banking Services of Indian Banks’ Overseas Branches and Foreign Banks Operating in India for the year 2013-2016. Banking services covered in this survey include financial auxiliary services such as (i) Deposit Account Management Services, (ii) Credit Related Services, (iii) Financial Leasing Services, (iv) Trade Finance Related Services, (V) Payment And Money Transmission Services, (Vi) Fund Management Services, (Vii) Financial Consultancy And Advisory Services, (Viii) Underwriting Services, (IX) Clearing And Settlement Services, And (X) Derivative, Stock, Securities And Foreign Exchange Trading Services. The overseas branches of Indian banks generated major share of fee income by rendering ‘Credit related services’, ‘Derivative, stock, securities, foreign exchange trading services’ and ‘Trade finance related services’. For the foreign banks operating in India, ‘Derivative, stock, securities, foreign exchange trading services’ and ‘Trade finance related services’. For the foreign banks operating in India, ‘Derivative, stock, securities, foreign exchange trading services’ and ‘Trade finance related services’. The overseas branches of Indian banks generated major share of fee income by rendering ‘Credit related services’, ‘Derivative, stock, securities, foreign exchange trading services’ and ‘Trade finance related services’. For the foreign banks operating in India, ‘Derivative, stock, securities, foreign exchange trading services’ and ‘Trade finance related services’.
Table 5 Country-wise and Activity-wise Banking Services delivered by Overseas Branches of Indian Banks (2013-14 to 2016-17) (Amount in $billion)

<table>
<thead>
<tr>
<th>Banking Service</th>
<th>Bahrain</th>
<th>Hong Kong</th>
<th>Japan</th>
<th>Singapore</th>
<th>Sri Lanka</th>
<th>UAE</th>
<th>UK</th>
<th>USA</th>
<th>Other Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAM</td>
<td>0</td>
<td>0.5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2.5</td>
<td>0</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>CRS</td>
<td>6.3</td>
<td>11.4</td>
<td>1.9</td>
<td>12.1</td>
<td>0.6</td>
<td>14</td>
<td>42.1</td>
<td>5.8</td>
<td>10.8</td>
</tr>
<tr>
<td>TFR</td>
<td>4.3</td>
<td>11.3</td>
<td>0.7</td>
<td>7.8</td>
<td>0.5</td>
<td>11.7</td>
<td>6.8</td>
<td>4.6</td>
<td>15.4</td>
</tr>
<tr>
<td>PMT</td>
<td>0</td>
<td>0.9</td>
<td>0.1</td>
<td>2</td>
<td>0</td>
<td>0.6</td>
<td>0.3</td>
<td>4.4</td>
<td>3.8</td>
</tr>
<tr>
<td>DER</td>
<td>1</td>
<td>2.4</td>
<td>1.6</td>
<td>1.9</td>
<td>0.4</td>
<td>4.1</td>
<td>66.2</td>
<td>0</td>
<td>1.6</td>
</tr>
<tr>
<td>Other Services</td>
<td>4.6</td>
<td>2.9</td>
<td>0</td>
<td>3.4</td>
<td>0</td>
<td>2.7</td>
<td>82.6</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>All Services</td>
<td>16.3</td>
<td>29.5</td>
<td>4.3</td>
<td>27.3</td>
<td>1.7</td>
<td>35.4</td>
<td>198.3</td>
<td>15.6</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Consolidated from RBI survey on International trade in banking services

DAM: Deposit Account Management Services  
CRS: Credit Related Services  
TFR: Trade Finance Related Services  
PMT: Payment & Money Transmission Services  
DER: Derivative, Stock, Securities, Foreign Exchange Trading services

Table 6 Country-wise and Activity-wise Banking Services of Indian Banks' Subsidiaries Operating Abroad

<table>
<thead>
<tr>
<th>Categories</th>
<th>Botswana</th>
<th>Canada</th>
<th>Russia</th>
<th>UK</th>
<th>Other Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAM</td>
<td>0.6</td>
<td>0.5</td>
<td>0</td>
<td>0.1</td>
<td>4.6</td>
</tr>
<tr>
<td>CRS</td>
<td>1.1</td>
<td>2.1</td>
<td>1.3</td>
<td>2.8</td>
<td>4.1</td>
</tr>
<tr>
<td>TFR</td>
<td>0.5</td>
<td>0.7</td>
<td>0.3</td>
<td>1</td>
<td>9.5</td>
</tr>
<tr>
<td>PMT</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.3</td>
<td>3.2</td>
</tr>
<tr>
<td>DER</td>
<td>0</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Other Services</td>
<td>0</td>
<td>0.1</td>
<td>2.1</td>
<td>5.7</td>
<td>4.9</td>
</tr>
<tr>
<td>All Services</td>
<td>1.6</td>
<td>2.9</td>
<td>4.3</td>
<td>8.5</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Consolidated from RBI survey on International trade in banking services

DAM: Deposit Account Management Services  
CRS: Credit Related Services  
TFR: Trade Finance Related Services  
PMT: Payment & Money Transmission Services  
DER: Derivative, Stock, Securities, Foreign Exchange Trading services

Conclusion

Services sector is the prominent sector of India, where the contribution of banking sector is foremost. The number of Indian banks overseas...
and foreign banks operating in India has increased over the years in line with the growing demands from cross-border trade and other activities. These banks provide foreign reserve and employment opportunities. The foreign banks operating in India is useful for the local residents to withdraw the NRI money and also it provides the job opportunity for Indian residents. The current study attempts to compare the banking services rendered by the overseas branches of Indian banks and foreign banks operating in India.

Study reveals that Foreign banks who operate in India, is found to have a fall in its banking service especially in 2016-17, this may be due to demonetization and GST. Particularly, small and Medium business entities are mainly affected by these factors, also employment opportunities has also found to be falling in foreign banks operating in India. On the other hand Overseas Indian Banks’ reveals an increasing trend during the study period. Hence the following policy suggestions may be suggested: the New Digital services can be exchanged with the help of advance technology like, payment, securities, trade and finance related services etc.

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2. Trend and pattern of banking sector in India, RBI, (various issues)
3. \[ (X_t - X_{t-1}) / X_{t-1} \] * 100, where X_t is current year; where X_{t-1} is past year
Abstract

The Indian Ocean is the third largest Ocean in the world, which is the bridge between Asia, Africa and Europe as well as the Economic life line of both developed and developing countries. Two key players in this region are India and China, both countries having bilateral relation with the South Asian and Indian Ocean Region countries. Threats to the security of the Indian Ocean Region have become manifold in the post-cold war period. The traditional balance of power that existed during the cold war, due to naval presence of the super powers, exists no more. Though the United States remains the preeminent naval power in the above mentioned region, yet it provides no guarantee to the security of the littoral countries. On the other hand, present-day India and China are more concerned with safeguarding its own strategic interests in the Indian Ocean Region on account of both countries wants to dominate the region. Further, the Indian Ocean region is confronted with countless threats that comes from the non-military source like drug-trafficking, proliferation of small arms, trans-border terrorism, ethno religious civil strife’s and other related factors. Eventually power rivalry will start in the Indian Ocean Region because China is not keen in a war again in the Himalayan region but China’s interest towards the Indian Ocean region as increased. Therefore, most of the Chinese seaborne trade depends on the gulf countries, so Indian Ocean Region is the most significant trade route for China. These sources of threats to security exist within the region. China’s growth in the Political, economic, and military spheres, and its policies are increasingly having significant impacts on Indian Sub-Continent and Indian Ocean Region. This paper discusses and highlights the significance of the India-China relation, Indian Ocean Region and the increasing geostrategic geopolitical challenges.

Keywords: India, China, Indian Ocean Region, Geopolitics, Bilateral, Balance of Power,

Introduction

An Overview of an Indian Ocean Region

The Indian Ocean is the third largest Ocean in the World, With 74.9 million square kilometers, It is strategically situated, connected with some of the world’s most important oil and trade transport lines: the Strait of Hormuz, the Strait of Malacca, the Suez Canal, Bab-el-Mandeb, and the Horn of Hope. The Malacca Strait alone accounts for sixty five thousand ships annually. Of the World’s seaborne trade, 50 percent travels through the Indian Ocean, of which about 20 percent are energy resources. Two thirds of global oil reserves and an estimated 40 percent of the world’s offshore oil production are located in and come from the Indian Ocean Region. Because of its growing importance in both maritime security and global energy transport, the Indian Ocean has attracted increasing attention from major power.

Reflection of history consistently showcases the significance of maritime trade route and the overarching strategic interest in the Indian Ocean Region. The end of the Cold War has witnessed a shift in the focus of world attention to the Indian Ocean Region. The procurement of nuclear small weapons and proliferation of terrorism, piracy, drug trafficking and the internal turmoil in many countries have made the region and extremely vulnerable.

India and China Relations: A Historical Perspective

India China relations have been includes many turns and twists. Last driving factor of China’s engagement in India sub-continent deals with Indian Ocean Region. New land and bordering conflicts had been come after the partition of Indian sub-continent in 1947. India was in a difficult position to
claim her traditional jurisdictions over Indian Ocean Region. Since 1990s, “India has repeatedly underlined the expanded geographic scope of India's maritime interest. The phrases from ‘Aden to Malacca’ or ‘the Suez to the South China Sea' were re-injected into the national security discourse”. At the same time, China's national strategic interests in Indian Ocean Region have grown for expanding Chinese trade diplomacy and development strategy globally. More importantly, the rise of China's economic power has directed its national interests in Indian Ocean Region searching energy and natural resources. "At end of February 2006, external reserves of China recorded US$853.7 billion, overtaking Japan (US$850.1 billion) as the world's largest holder of foreign exchange reserves. Thus, it has been recognized that with its sheer size of China's economy and its rapid expansion, China begins to serve as an engine of growth not only in Asia, but even globally”. In fact, “China is highly dependent on imported energy to sustain its economy. A net oil importer, China has been importing 56 percent of its oil from the Middle East. Conservative estimates project that China will import almost two-thirds of its oil needs by 2015 and three-quarters by 2030”.

**Geopolitical and Geostrategic Significance of the Indian Ocean Region**

Renowned Indian strategic thinker and historian K. M. Panikkar emphasized the crucial importance of the India’s need to control the Indian Ocean in the early days of independence (Panikkar, 1945). However, it was not until the end of the Cold War that India began to devote more resources and debate to its naval strategy and capabilities. Alfred Thayer Mahan said that “Whoever controls the Indian Ocean dominates Asia this ocean is the key to seven seas in the 20th century. The destiny of the world will be decided on its water (Mahan, 1890).” The influence of Mahan's proponent of sea power is felt on the current ambitious plane of China and India to build powerful navies for strategic and economic purpose.

According to Robert D. Kaplan argued that the Indian Ocean Region will become 'center stage' in the twenty first century why because conflict over energy, clashes between East and West and rivalry between China and India (Kaplan, 2009). The rise of China and India as major economic power means Indian Ocean Region becomes significant as a trade route and a center of global economic power (David Brewster, 2014). The Indian Ocean is the area of great significance in the economic and strategic term. India's foreign policy orientation towards its Eastern neighbors has encouraged interest and attentions there.

**Major Powers Rivalry in the Indian Ocean**

End of the Second World War the Soviet Union and the united state which had been close allies during the war period but it was turned antagonistic to each other and these two countries gave the military and economic assistance to the newly independent countries like wise African and Asian countries. This mutual rivalry between US and Soviet Union (present day Russia) for expanding respective spheres of influence in the Indian Ocean Region, this cause arms race escalating between the two states and that leads to the cold war between each other (Dr. Anil Kumar Singh, 2003).

**China in Indian Ocean**

The main source of insecurity relates of the rise of new navel powers in the Indian Ocean. While piracy and terrorism in the Indian Ocean are current issue, so called great power rivalry is not yet an immediate security in the region. However the potential effects of great power rivalry are more fundamental and reach further than acts of terrorism or piracy. In terms of this rivalry, a major issues stand out the rise of maritime rivalry between India and China. The tensions between these two Asian powers have existed since the 1959 exile of the Dalai Lama to India, and the 1962 Sino-Indian border
war. Moreover China is a close security partner with Pakistan, which traditionally has a troubled relationship with India. Now that China and India are emerging as major powers in the Indian Ocean region, this scenario the Indian Ocean has become an additional area of potential tensions between the two countries.

This is especially the case since 2009, when the Chinese navy started operations in the Indian Ocean Region in response to Somali piracy. For this purpose, China has so far maintained the continuous naval presence in the Indian Ocean Region, on a rotating basis, with task force consisting of two warships and one supply vessel. The warships carry Chinese Special Forces, which can provide onboard protection for commercial vessels. China has so far dispatched seventeen consecutive counter-piracies task forces to the Gulf of Aden. Meanwhile, the steady rise of India as an economic power provides it with a growing capacity to play a role in the maritime domain. The Indian navy commenced counter-piracy operation in 2008, and is speeding up its modernization and expansion of its capabilities in the maritime domain. The recent Indian purchase of twelve P-18 anti-submarine warfare aircraft from the United States is illustrative of this. (Tanchum, 2014)

Initially Chinese navy operates without bases in the region. Instead, the Chinese navy ships are replenished through visits to various commercial ports around the western Indian Ocean. Logistical support at the local level is provided by Chinese companies (Kamerling and Van Der Putten, 2011). Nonetheless India seems concerned about the possibility of an increased Chinese naval presence in the future at sea and in places such as the Seychelles, which are often mentioned in international media as a potential location for Chinese naval supply facility. Moreover China has close diplomatic and economic ties with larger number of littoral states in the Indian Ocean likewise East Africa, the Middle East, South Asia, and South East Asia. China has sold arms to many of these nations, and has invested in port construction in countries such as Pakistan, Myanmar, Sri Lanka and Bangladesh. Chinese shipping firms and commercial port operators are highly active in and along the Indian Ocean, and Chinese fishing and offshore oil and gas activities in the region are also increasing (Kaplan, D. Robert 2010). India’s efforts to expand its navy and its ties with other littoral states are driven in part by the aim of keeping up with the growing Chinese presence in Indian Ocean.

On July 2017, it was reported that China to established a naval base in the East African nation of Djibouti. The strategic move towards an overseas base is part of the changing Chinese strategic culture that is increasingly outward-looking and maritime-oriented. But if the base in the Djibouti is to be materialized, even in its most limited form, it is certainly a transformative moment in the strategic culture shift. Under the Xi Jinping’s administration, China has placed greater economic emphasis on the Indian Ocean region. For instance, the recently announced ‘Maritime Silk Road’ involves connecting East Asia with the Indian Ocean Economies such as India, Pakistan, Kenya and other via the promotion of maritime trade and investment in port infrastructures. Indian analysts have doubled this “String of Pearl” although the String of Pearl concept is an exaggerated reading of largely commercial Chinese infrastructure investments in the Indian Ocean, the scope of Chinese port building does reveal Chinese economic-political weight in the area, the Chinese doctrine of String of Pearls to contain both lands as well as the maritime footprint of India and the Indian Ocean Region.

India in the Indian Ocean Region

Over the last two decades, India has spread its naval forces across the Indian Ocean. Its strategic location allows access to vital sea lanes of communication in the Persian Gulf, Suez Canal, and Strait of Malacca, and its defence spending has increased significantly. According to recent reports, India plans to increase its fleet to include three aircraft carriers, which will operate in the Bay of Bengal, the Indian
Ocean, and the Arabian Sea. It has a stronger naval presence on the Indian Ocean than does China, and it has strengthened its port infrastructure with new southern ports, which allow greater projection into the ocean and better challenge China’s sea lanes of communication. While India’s efforts have focused on the northern Indian Ocean region, India has developed security partnerships with states in the South and East, including the Maldives, Madagascar, and the Mauritius Islands. Furthermore, its strategic relationships with Singapore and Indonesia reflect its desire to take a more direct role in the security of the Strait of Malacca. On the issue of strategic deterrence (including both nuclear and non nuclear options), Indian maritime strategy is likely to be more purposeful. Indian analysts have been worried about Chinese naval presence in the sub continental littorals, particularly PLAN submarine visits to Colombo and Karachi. For many Indian maritime planners, the troubled nature of the India–China political relationship enjoins upon the Indian Navy an obligation to take a qualified position on strategic deterrence even if it needs to balance India’s security concerns with Chinese economic interests in the IOR. The problem that strategy writers might face is that strategic nuance on deterrence options does not often sit well with maritime practitioners, who are accustomed to seeing firm lines on the operational slate and neatly outlined policy positions.

In 2004, accordingly, New Delhi issued its first public analysis of the nation’s oceanic environs and of how to cope with challenges there. Straight forwardly titled Indian Maritime Doctrine, the document describes India’s maritime strategy largely as a function of economic development and prosperity:

“India’s primary maritime interest is to assure national security. This is not restricted to just guarding the coastline and island territories, but also extends to safeguarding our interests in the [exclusive economic zone] as well as protecting our trade. This creates an environment that is conducive to rapid economic growth of the country. Since trade is the lifeblood of India, keeping our SLOCs [sea lines of communication] open in times of peace, tension or hostilities is a primary national maritime interest”.

The trade conveyed by the sea-lanes traversing the Indian Ocean ranks first among the strategic realities that the framers of the Indian Maritime Doctrine discern. Roughly forty merchantmen pass through India’s waters of interest every day. An estimated $200 billion worth of oil transits the Strait of Hormuz annually, while some $60 billion transits the Strait of Malacca enrooted to China, Japan, and other East Asian countries reliant on energy imports. Nonetheless, China is attentive to what is seeing as India’s ambitions for building a blue water navy by 2015: a fleet of 145 oceangoing surface ships capable of operating beyond Indian Ocean. The Indian Navy has shifted from its past doctrine of active defence to a new one of offensive defence to move beyond the Indian Ocean. Chinese media suggest that India has the ambitious plan to control the Strait of Malacca with its eastern naval command and project seabird, which includes the consolidation and expansion of the Kadamba naval base to control the Indian Ocean. India maintains two important territories, the Andaman and the Nicobar Islands, which can be used to block the Malacca Strait and control the entire Bay of Bengal. Once India controls the area, it will control some of the key arteries of the global economy. This could have serious implications for China’s energy security. For this purpose, India has significantly increased its defence budget and lent urgency to its naval buildup.

Conclusion

The activities of Chinese in the Indian Ocean Region were starts from 2008. China, based on the above facts has been and continues to be a greater naval power in the Indian Ocean Region for the decades ahead. Chinese new leadership, under Xi Jinping continues to retain its naval power in Asia including the Indian Ocean. Very recently, in an article published by Shi Yinhong, a Chinese professor at
School of American Studies, Renmin University, and Beijing has elaborated that China, under Xi Jinping is strengthening its hard power to assert itself as a maritime power in Asian Pacific. The Indian Ocean Region, owing to its geo-strategic disposition, will continue to enjoy eminence in global calculation. Driven by the demand for key resources and markets, the jostling among regional and extra-regional maritime powers for influence in the region will remain. However, the altered complexion of security threats necessitates that states seek convergence to preserve the freedom of navigation. Though military pacts may now seem redundant, multilateralism has acquired a fresh relevance in the form of security arrangements. Regional cooperation would also be fruitful to reduce inter-state tensions since it would be preceded by trust building; and naturally succeeded by creating common stake in the maintenance of peace and stability.

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E-GOVERNANCE AND DIGITAL INDIA – A MILE STONE TOWARDS ECONOMIC DEVELOPMENT

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Bishop Heber College, Tiruchirappalli

Abstract
A well formulated and integrated interaction and effective decision making among a society requires well organised governance, every company is expected to adhere with all way of rules, procedures and norms in order to regulate them effectively. The changing governance looks ahead towards betterment of employees, competitors and to the society.

E-Governance
It is the integration of information and communication Technology in all the process, the government want to do all action without any corruption and to be done in transparency. Thus e-governance paves way for the betterment of the economic development of the economy. With the application of Information and communication technology (ICT) the government services are extended between government to citizen and government to employees and also to back office process and interaction of government services.

Benefits
1. Better access of information and quality services for the citizens regarding the information on law, rules, procedures, perfect reports, public database, decision making process are enhanced through the e-governance. They enable the services to the public by providing right information which are required from birth to death.
2. Simplicity efficiency and accountability - e- governance helps in simplifying the complicated processes, weeding out of redundant process, it also leads to effective decision-making and increased efficiency which would lead to enhanced productivity.
3. Expanded reach of government - With the rapid spread of growth of communication and its adoption in government it focus in helping the citizens to get all services at ease, which includes expansion of telephone network, rapid speed of internet and telecommunication facilities which will facilitate delivery of a large number of service provided by government.
4. E-Governance builds trust between the Government and citizens - Building trust between governments and citizens is fundamental of any good governance. E- governance build trust by enabling citizen to get engaged in the policy process, promoting open and accountable government and helping to prevent corruption. heard in a broad debate. It also encourages citizens to think constructively about public issues and assessing the impact of applying technology to open up the policy process.
5. Contributes to economic policy objectives - E-Governance helps to reduce corruption, increases openness and trust in government, and thus contributes to economic policy objectives. Specific impacts include reduced government spending through more effective programs, and efficiencies and improvements in business productivity through ICT-enabled administrative simplification and enhanced government information.
Advantages of E-Governance
Following are the advantages of E-Governance
1. Speed – With the invention of technology communication and internet services have got rapid growth and development which enhances great exchange of information through internet and other broadband services.
2. Cost Reduction – Most of the Government expenditure is appropriated towards the cost of stationary. Paper-based communication needs lots of stationary, printers, computers, etc. which calls for continuous heavy expenditure. Internet and Phones makes communication cheaper saving valuable money for the Government.
3. Transparency – Use of Information Technology makes the process transparent. All the information of the Government would be made available on the particular website. The citizens can access any information whenever they want to see. But this is only possible when every piece of information of the Government is uploaded on the internet and is available for the public to peruse.
4. Accountability – Once the governing process is made transparent the Government is automatically made accountable. Accountability is answerability of the Government to the people. It is the answerability for the deeds of the Government. An accountable Government is a responsible Government.

E-Governance and Economic Growth
It is an imperative for economic progress in today's world. Today many government departments have started using information and communications technology (ICT) to automate their works because of ease of access to computer technology and the numerous developments in the field of information and communications technology. Today ration cards have come in the form of smart cards and every citizen is expected to have his own aadhar card even from the age of one year. ICT plays a vital role in availing income certificates, building licences, Passport/VISA, Pensions, Road Transport, Property Registration, Railway services, land records, and income tax payments etc. which has made life convenient, efficient and transparent for the citizens.

Services of E-Governance
Government to Citizen (G2C) deals with major impact on the people at large. Projects like Computerization of Land Records (Department of Land Resources, Government of India), Bhoomi Project: Online Delivery of Land Records, e-Mitra Project, eSeva, Revenue Administration through Computerized Energy (RACE) Billing Project, Admission to Professional Colleges – Common Entrance Test (CET) etc.. Government to Business (G2B) is an initiative which deals with activities of government and business organizations. The objective of bringing activities like registrations, licenses and exchange of information between government and business under e-Governance is to provide an amiable legal environment to business, speed up processes and provide relevant information to business. Some of the projects are e-Procurement Project, e-Procurement, MCA 21, etc... Government to Government (G2G) is an initiative which deals with large scale processing of information and decision making within government systems. This initiative has been taken to help in making the internal government processes more efficient. Some of projects are Khajane Project in Karnataka, SmartGov (Andhra Pradesh), etc...

E-Seva, a Government to Citizen Project
The e-seva project whose services include online payment of utility bills, issuing certificates, issuing licenses & permits, e-forms etc started in 1999. It was designed to provide 'Government to Citizen' services. It delivers services online to consumers by connecting them to the respective government departments and providing online information at the point of service delivery.
E-Governance and Digital India
The government has initiated several programmes that, together, will help realize its vision of a digitized nation. These programmes aim to create technology-enabled solutions and facilitate which is done by
1. Creating a platform through growth of infrastructure, such as laying optical fibre cables;
2. Making devices available in an affordable manner by encouraging research, development and manufacturing of electronic devices;
3. Incentivising their adoption by linking basic services and facilities like subsidies to these initiatives and
4. Imparting relevant skills to ensure that citizens not only adopt these technologies, but also contribute to them, through skill development programmes.

Schemes under E-Governance
Pradhan Mantri Jandhan Yojana (PMJDY)
This scheme has been launched with the aim of providing basic banking amenities to everyone, by providing accounts, debit cards and accidental insurance coverage worth 1 lakh. This is envisioned as a move to empower Indian citizens and head towards inclusive growth. Progress: The scheme has been very successful, so far, with over 150 million bank accounts being opened. Over 100 million RuPay debit cards have also been issued. Use of RuPay debit cards for transactions and extended reach into remote areas. Under the DBT scheme, consumers will receive subsidies directly into their bank accounts, while the subsidized goods will be sold at market prices. This will reduce pilferage, adulteration and other malpractices, while ensuring that subsidies reach the people who need them.

Smart Cities
The government aims to create 100 smart cities by 2022 outfitted with high-tech communication capabilities and civic infrastructure across the country. For instance, Surat, one of the cities chosen for the smart city programme, is being fitted with a network of CCTV. Electronic delivery of government services and e-platform for citizens will help their participation in governance, and enable micro-management of minor issues. The service was launched as an important facility to store crucial documents like Voter ID card, Pan card, BPL card, driving license, education certificates, etc. in the cloud. The 10 MB personal storage space is linked to the Aadhar number of the user.

Digi Locker scheme
The Digi Locker scheme has nearly 940,000 users, who have uploaded nearly 700,000 documents as of August, 2015. It will be vital to ensure safety and privacy of data by using high-end encryption technology and to reduce risk of theft or misuse.

Wifi Hot Spot
This programme aims to develop high speed BSNL Wi-Fi hotspots throughout the country to improve digital connectivity across India. Free public Wi-Fi has been made available at several locations in major cities like Railway and metro stations in cities such as Mumbai, Delhi and Chennai have similar free Wi-Fi facilities.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
Through an initiative programme known as Recognition of Prior Learning, the government aims to identify and certify youth for the skills they already possess. Loans ranging from ₹5,000 to ₹150,000
will be made available to youth for skill development. It includes technology intervention, equipping training centres with high-speed Wi-Fi and video facilities which will enable greater outreach and quicker scalability of the project development. This is an initiative by the government under the Digital India program and is being managed by the Department of Electronics and Information Technology.

E-Hospital

It features an online registration system which links various hospitals across the country for registrations and appointments based on Aadhar. Under this initiative, people can use services like online registration, payment of fees and appointment, online diagnostic reports, checking on the availability of blood online, etc. Efficient database management will be crucial to allow patients to access these facilities in other hospitals.

Ensuring Success

To ensure success of all initiatives in the digital space, the government will have to take steps across multiple functional areas, some of which are outlined below:

1. **Regulatory Framework**: The government should focus on putting in place regulations that ensure smooth adoption of digital services. Use of cash cards/wallet services, etc. should be instituted along with the initiatives of Digital India.

2. **Effective Implementation**: There are two things to be considered for effective implementation.
   a. Skill enhancement: The government should focus on skill enhancement of its workforce through training programmes or hiring of private sector experts.
   b. Planning and implementation: The government, along with system integrators developing various platforms, should adopt implementation practices.

3. **Budget Constraints**: The government should tap into the available pool of resources such as manpower, budgets, private sector fund, etc. in an optimal manner and should put monitoring mechanisms in place to ensure right allocation of resources at the right places.

4. **Bridge Digital Divide**: There are two key imperatives for bridging the digital divide:
   a. Capability enhancement of citizens: To enable citizens to reap the benefits of Digital India initiatives, the government should disseminate information through multiple channels and train citizens on use of technology devices and various interfaces (e.g. web portals, app, etc.).
   b. Design of digital services: The government should design easy-to-use intuitive interfaces. The private sector expertise can be leveraged in this aspect. Service providers (e.g. government agencies, universities, etc.) should design simple process flows such that a user can do the transactions with minimal human intervention.

5. **Security and Privacy**: The government and system integrators should ensure application of state-of-the-art security protocols. Relevant privacy policies should be instituted by the government so that the information’s not misused by people who have access to it.

Conclusion

E-Governance can achieve and reap its success by providing proper awareness among all the citizens and enhancing the efficient and effective way of using the services. Government can interact with citizens, business and government through the proper implementation of e-governance policy there by achieving its fruitful results.

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A STUDY ON TRENDS OF FOREIGN DIRECT INVESTMENT ON MANUFACTURING SECTOR IN INDIA

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Abstract
Every country in the world is trying to improve their economic conditions through the developing the various sectors of the economy. Particularly the development and revolution of the industrial sector leads to achieve the higher rate growth of an economy. But the industrial sector needs huge capital resources. To fulfill the capital needs the developing countries like India seeking foreign direct investment from various countries. FDI has played a significant role in the growth and development of the economy. This paper seeks to present the trends of FDI on manufacturing sector in India. It envisages the role of FDI in India is more important to increase gross domestic product, employment, savings and to promote economic development of India.

Keywords: FDI, Manufacturing Sector, Make in India, Economic Development.

Introduction of the Study
Foreign Direct Investment (FDI) the term is very popular in all over the world. Recently most of the countries are trying to get more FDI inflows into their countries. Particularly the developing and transitional economies are giving more priority to attracting FDI like India. It is given such emphasis not just because it boosts capital formation but because of its potential to enhance the quality of the capital stock. The reason for this is that in general multinationals are assumed to bring with them best practice or as a minimum, better practice technology and management. FDI is a key driver of economic growth and economic development of India. FDI in India to various sectors can attain sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries. The Indian government’s favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. The FDI has risen considerably in post-reform India. The flow of FDI has changed significantly since India has opened up to world markets. This has fueled high prospect that FDI may serve up as a channel to advanced economic growth. However, it turns out the development effects of FDI differ extensively across sectors. FDI stocks and production are equally reinforcing the domestic manufacturing sector.

Importance of the Study
Until 1991, India did not have enough savings to meet the capital requirements. Moreover, the licensing agreements as well as capital goods imports also did not give it the requisite industrial technology. But with the inflow of foreign funds after 1991 certain gaps with regard to capital, technology for industrial development have been fulfilled. Indian liberalization began in early 1990s leading to gain in momentum of foreign direct investment inflows into the country. However it was only after 2000 that the investment became significantly higher. During the initial phase of liberalization
inflows of the foreign direct investment in manufacturing sector was highest as compared to the service sector. However over the period of time service sector has emerged as a major sector attracting most of the foreign investment. Foreign investment is considered as an important sector especially for the manufacturing sector of the developing countries as foreign investors tend to bring with it the capital, technology and skills needed for industrial development. Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, has launched the Make in India programme to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. According to the Global Manufacturing Competitiveness Index, India is expected to become the fifth largest manufacturing country in the world by end of year 2020.

Objectives of the Study
1. To study the importance of manufacturing sectors in India
2. To study the trend of FDI into manufacturing sector.
3. To identify the factors which influence the flow of FDI in India.
4. To analyze the role and effect of FDI on manufacturing sector.
5. To make appropriate suggestions to improve FDI inflow into India.

Limitations of the STUDY
1. This study is aims to analyse only the trend of FDI on manufacturing sector in India during 2007-08 to 2016-17.
2. The study is based on the data which is published by the RBI.
3. The study is suffered due to inadequacy of time series data from related agency.

Review of the Literature
Pradeep(1) in his thesis “FDI and Industrial Development in India” found out that a positive high coefficient of correlation is found between FDI approvals and actual inflows. RBI automatic route is found contributing the maximum share of 45.7 percent to the total FDI inflows followed with a gap by government’s FIPB route (25.30 percent) and other route (29.00 percent). Hooda(2) in their research paper “Determinants of Manufacturing FDI in India: A sectoral analysis”. They found out that Manufacturing FDI in India significantly negatively affected by tariffs, import-intensity, R&D intensity, where as it is positively impacted by market power. FDI inflows has been higher in those sector where market imperfections give an opportunity to exploit ownership advantages of FDI making companies to increase their margins and hence profits. The negative relationship between tariffs and FDI shows that FDI has been efficiency seeking. Mohan(3) in his research paper “FDI and Indian Economic growth factors-An Empirical Analysis-2014” reveals in his study that trade, GDP, Reserves, Exchange rate are the main determinant of FDI inflows to the country. Finally, his study observed that FDI is a significant factor influencing the economic growth in India. It also contributes to the GDP and foreign exchange reserves of the country. Pais(4) in his paper “Foreign Direct Investment: Impact on Indian Economy” has shown current challenges and improvement areas. As well as he concludes FDI has had a positive impact on Indian Economy. It also supplements domestic capital, as well as technology and skills of existing companies. Mohanty (5) in his research paper titled” Making India an Attractive Investment Destination: Analyzing FDI Policy and Challenges” outlines India’s foreign direct investment (FDI) policies and highlights challenges for foreign investors, recent policy developments, and the potential for foreign firms. The researcher suggested various policy measures like different ministries to work together, and meetings are now frequently held between ministries to sort out differences for quick project clearance, improving coordination between the states and the central government for project clearance is imperative. To make SEZs more attractive, proper planning and design should include local level solutions for land acquisition and infrastructure connectivity to SEZs, along with sector-specific policies to attract FDI. Sanghamitra Samal and Venkatrama Raju (6) in their research paper “A Study of
FDI on Manufacturing Industry in India: An Emerging Economic Opportunity of GDP Growth and Challenges” they found out the FDI inflows into India was Boosted up the manufacturing sector and enhancing the domestic production, savings and exports of the country. And this observed that FDI is a significant factor influencing the economic growth in India.

**Methodology**

This study is aims to analyse the trends of FDI on manufacturing sector in India. The data published by RBI are the main source of this analysis and also various books, journals are used for this analysis. In this study percentage and regression methods are used to find out the results of the study.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total FDI</th>
<th>% Rate of Change</th>
<th>CAGR</th>
</tr>
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<tr>
<td>2007-08</td>
<td>19425</td>
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<td>22697</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>22461</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>14939</td>
<td>-33</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>23473</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>18286</td>
<td>-22</td>
<td>9.71</td>
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<tr>
<td>2013-14</td>
<td>16054</td>
<td>-12</td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>24748</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>2015-16</td>
<td>36068</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>2016-17</td>
<td>36317</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: RBI

Table-1 displays the total FDI inflows in India. It is clearly understood that there is ups and downs in percentage rate of change and the Annual Average Percentage Rate of Change had registered positive (11.75 per cent) during the study period. The above table also shows that the Compound Average Growth Rate had been a positive trend (9.71 per cent) in attracting FDI over the study period. It is evident that the highest percentage rate change in attracting FDI during 2011-12, 2014-15 and 2015-16 (ie., more than and nearly 50 per cent). During the study period the percentage rate of change of total FDI inflows in India ranging from -33 per cent to 57 per cent. In overall the inflows of FDI in India had registered positive trend during the study period 2007-08 to 2016-17.

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI on Manufacturing Sector</th>
<th>% Rate of Change</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>3726</td>
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<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>4777</td>
<td>28</td>
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<tr>
<td>2009-10</td>
<td>5143</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
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<tr>
<td>2011-12</td>
<td>9337</td>
<td>95</td>
<td></td>
</tr>
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<td>2014-15</td>
<td>9613</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>2015-16</td>
<td>8439</td>
<td>-12</td>
<td></td>
</tr>
<tr>
<td>2016-17</td>
<td>11972</td>
<td>42</td>
<td></td>
</tr>
</tbody>
</table>

Source: RBI. 

The above Table-2 shows the FDI inflows on manufacturing sector in India during 2007-08 to 2016-17 and it is clearly reveals that FDI inflows during study period had been increased from US$ 3726 to US$ 11972. The percentage rate of change of FDI inflows on manufacturing sector had positive trend during the study period except 2010-11, 2012-13, 2013-14 and 2015-16. It is noted that in the year
2012-13 had the highest negative trend (-30 per cent) and the FDI is attracted more during 2011-12 (95 per cent). This is may be due to the fluctuations of the economy and policy changes of Indian Government and the institutional factors that reduce investor confidence could be the reason for the sharp decline in the flow of investments in manufacturing sector. The Compound Annual Average Growth Rate also depicts that there is positive trend of FDI on manufacturing sector (8.21 percent) during the study period. Thus in overall the flow of FDI on manufacturing sector is registered an increasing trend and in satisfactory level.

Suggestions and Conclusion

India is the fastest growing economy in the world with the highest rate of economic growth. India is also becoming an important destination for foreign direct investment in Asia. The analysis of this study is quiet evident that the foreign direct investment in India is the most influential financial resource especially for the manufacturing sector. The inflows of FDI on manufacturing sector are not only improves such sector and also it is included that the gross domestic product, exports and imports, foreign exchange reserves and rate of unemployment like development indicators of an economy. Government should design the appropriate foreign domestic investment policy such a way where FDI inflow can be utilized as means of enhancing domestic production, savings and exports through the equitable distribution among the states by providing much freedom to states and needs to more attention on investment climate, infrastructure, foreign exchange fluctuation and business facilitation, so that they can attract FDI inflows at their own level. Further it is noted that Prime Minister of India Mr.Narendra Modi has taking much effort to attracting FDI from various countries through Make in India. Progressive liberalization of FDI policy has strengthened the investor confidence with opening of new sectors like integrated township, defence industry tea plantation etc. But at the same time India need to concentrate more in the policy changes relating to inflows of FDI.

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Abstract

As the central government reaches its three-year and eight months mark, let's take a look at the top policies implemented by the government in economy and the social sector. The 15th Prime Minister of India on May 26, 2014. The popular leader has completed three years, 8 Months but the excitement, on his being our PM has not died down. He still moves people with his excellent oratory skills and still manages to attract the public wherever he goes. In this period central government implemented seven major policies and campaigns such as Make in India, Swachh Bharat Abhiyan, Demonetisation, Goods and Service Tax, Jan Dhan Yojana, Beti Bachao, Beti Pahdao, Smart Cities Mission. A researcher talk about in this article in detail manner

Introduction

As the central government reaches its three-year mark, and eight months let's take a look at the top policies implemented by the government in economy and the social sector. The 15th Prime Minister of India on May 26, 2014. The popular leader has completed three years, 8 Months but the excitement, on his being our PM has not died down. He still moves people with his excellent oratory skills and still manages to attract the public wherever he goes. In this period central government implemented seven major policies and campaigns such as Make in India, Swachh Bharat Abhiyan, Demonetisation, Goods and Service Tax, Jan Dhan Yojana, Beti Bachao, Beti Pahdao, Smart Cities Mission.

Make in India: 10 Indian Brands at Par with Foreign Brands

Prime Minister Narendra Modi is on his way to make his 'Make in India' campaign a grand success. As more and more countries shake hands with India on this campaign, Modi is likely to give the same a big push while inaugurating the Hannover Fair in Germany on April 12. Hannover Fair is the world's largest industrial fair being held on the Hanover fairground in Hanover, Germany, every year, since 2006. India as a country partner will see 350 enterprises in 2015.

On September 25, 2014, Modi launched the campaign to attract foreign investment and build brand India. The primary goal behind this policy was to make India a global manufacturing hub, by encouraging both multinational as well as domestic companies to manufacture their products within the country. The Foreign Investment Promotion Board, the panel set up in the 1990s to coordinate and approve foreign investments, has been scrapped as part of PM Modi's efforts to boost funding of local industries from overseas.


Swachh Bharat Abhiyan

The Prime Minister launched his pet project for a clean India on Mahatma Gandhi's birth anniversary October 2, 2014. The PM roped in prominent personalities from the film industry, sports, media, business and other celebrities to promote the initiative.
Swachh Bharat Abhiyan: 7 Things You Should Definitely Know about the Campaign

1. The national campaign led by the Government of India is covering 4041 statutory towns across India and aims to make the streets, roads and infrastructure clean by October 2, 2019 (Mahatma Gandhi’s 150th birth anniversary)

2. The mission is estimated to cost around 62,009 crore rupees, of which 14,623 crore rupees will be borne by the Union Government

3. The urban component of the mission is being implemented by the Union Ministry of Urban Development and is India’s biggest ever cleanliness drive. Around three million government employees and school and college students of India participated in the event in its initial phase. However, the rural component of the mission will be implemented by Union Ministry of Drinking Water and Sanitation

4. The mission was started by Prime Minister Modi, who, on December 25, 2014, nominated nine famous personalities for the campaign. They took up the challenge and nominated nine more people. Thereafter, it has been carried forward with people from all walks of life joining it. The nine public figures selected by Modi to propagate the mission include:

5. Comedian Kapil Sharma, Former captain of Indian cricket team Sourav Ganguly, Former IPS officer Kiran Bedi, Padmanabha Acharya, Nagaland Governor Sonal Mansingh, classical dancer Ramoji Rao of Eenadu group and Aroon Purie of the India Today group

6. The goal also includes the elimination of open defecation, conversion of insanitary toilets to pour flush toilets, eradicating of manual scavenging and Municipal Solid Waste Management (MSWM).

History: With effect from April 1, 1999, the Government of India restructured the Comprehensive Rural Sanitation Programme and launched the Total Sanitation Campaign (TSC). To give a fillip to the TSC, effective June 2003, the government launched an incentive scheme in the form of an award for total sanitation coverage, maintenance of a clean environment and open defecation-free panchayat villages, blocks and districts, called Nirmal Gram Puraskar. Effective April 1, 2012, the TSC was renamed to Nirmal Bharat Abhiyan (SBA). On October 2, 2014 the campaign was relaunched as Swachh Bharat Abhiyan

7. A Swachh Bharat Run was organised at the Rashtrapati Bhavan on October 2, 2014. According to a statement from the Rashtrapati Bhavan, around 1500 people participated and the event was flagged off by President Pranab Mukherjee. Participants in the run included officers and their families.

Demonetisation

The Indian government had demonetised bank notes on two prior occasions—once in 1946 and then in 1978—and in both cases, the goal was to combat tax evasion by “black money” held outside the formal economic system. In 1946, the pre-independence government hoped demonetisation would penalise Indian businesses that were concealing the fortunes amassed supplying the Allies in World War II. (Vikram 2016) In 1978, the Janata Party coalition government demonetised banknotes of 1000, 5000 and 10,000 rupees, again in the hopes of curbing counterfeit money and black money. (Gopika Gopakumar.) Prime Minister Narendra Modi addressing the country after a meeting with all three military chiefs. The core discussion was around the major ceasefire violations by Pakistan in Jammu and Kashmir.

After the meeting, Modi talked about his promise about shaking India’s stagnant economy that he hinted back in 2014. Under his new motto of - ’Sab ka sarkaar, sab ka vikas’ which roughly translates to 'governance and progress for all’, his core target will be corruption and black money.
He has taken a bold step to control the funding in the economy. Rs 500 and Rs 1000 notes will not be used any further and are being discontinued from November 9.

**Goods and Services Tax**

GST also known as the Goods and Services Tax is defined as the massive indirect tax structure designed to support and enhances the economic growth of a country. More than 150 countries have implemented GST so far. However, the idea of GST in India was mooted by Vajpayee government in 2000 and the constitutional amendment for the same was passed by the Lok sabha on 6th May 2015. However, there is a huge hue and cry against its implementation. It would be interesting to understand why this proposed GST regime may hamper the growth and development of the country.

Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that will be levied on every value addition.

In simple words, GST is an indirect tax levied on the supply of goods and services. GST Law has replaced many indirect tax laws that previously existed in India.

The Goods and Services Tax (GST) is a vast concept that simplifies the giant tax structure by supporting and enhancing the economic growth of a country. GST is a comprehensive tax levy on manufacturing, sale and consumption of goods and services at a national level.

The Goods and Services Tax Bill or GST Bill, also referred to as The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014, initiates a Value added Tax to be implemented on a national level in India. GST will be an indirect tax at all the stages of production to bring about uniformity in the system. On bringing GST into practice, there would be amalgamation of Central and State taxes into a single tax payment.

It would also enhance the position of India in both, domestic as well as international market. At the consumer level, GST would reduce the overall tax burden, which is currently estimated at 25-30%. Under this system, the consumer pays the final tax but an efficient input tax credit system ensures that there is no cascading of taxes - tax on tax paid on inputs that go into manufacture of goods.

In order to avoid the payment of multiple taxes such as excise duty and service tax at Central level and VAT at the State level, GST would unify these taxes and create a uniform market throughout the country. Integration of various taxes into a GST system will bring about an effective cross-utilization of credits. The current system taxes production, whereas the GST will aim to tax consumption. (Suresh, Arul, 2017)

**Jan Dhan Yojana**

Cores of bank accounts have been opened as part of the scheme to give every household in India easy access to banking facilities and set up accounts at zero balance. Prime Minister Narendra Modi on January 22, 2015 launched 'Beti Bachao Beti Padhao' programme from Panipat in Haryana.

**Programme Objectives for Jan Dhan Yojana**

1. Prevent gender biased sex selective elimination
2. Ensure survival & protection of the Girl Child
3. Ensure education of the Girl Child
4. Improve the Nutrition Status of Girl Child
5. Promote a protective environment for Girl Child
Beti Bachao, Beti Pahdoo

With an objective to generate awareness and to improve the welfare services provided to women, on January 25, 2015, Modi launched the Beti Bachao, Beti Padhao campaign. The focus was laid on 100 selected districts that are low in Child Sex Ratio (CSR) for safeguarding the survival and education of a girl child.

The Pradhan Mantri Jan Dhan Yojana is a determined flagship financial inclusion programme scheme launched by Prime Minister Narendra Modi, on August 28, 2014 as per which the government will provide all the households with a bank account and an insurance cover by January 26, 2015.

Beti Bachao, Beti Padhao (translation: Save girl child, educate a girl child) is a social campaign of the Government of India that aims to generate awareness and improve the efficiency of welfare services intended for girls. The scheme was launched with an initial funding of ₹100 crore (US$16 million).

According to census data, the child sex ratio (0–6 years) in India was 933 girls per 1,000 boys in 2001, which dropped to 918[1] girls for every 1,000 boys in 2011. A 2012 UNICEF report ranked India 41st among 195 countries.[citation needed] In the Population Census of 2011 it was revealed that the population ratio of India 2011 is 943 females per 1000 of males. The Sex Ratio 2011 shows an upward trend from the census 2001 data. (Press Trust of India)

Smart Cities Mission

Urban modification and renewal programme to make 98 shortlisted cities across the country citizen friendly and sustainable. The scheme received a contribution of Rs 980 billion from the Indian Cabinet for the rejuvenation of 500 cities.

The list of 20 Cities Declared are


Benefits of Smart Cities

1. Smart Cities will utilise analytics to give efficient solutions which would result in energy saving cost up to 30%
2. This will build sustainable and liveable cities

Rakesh Kaul, Partner, Government and Public Sector, PwC India, says, "This program, when synergized with other key programs like Make in India, Skill India and Digital India, will provide a unique platform for Young India to achieve rapid, equitable and sustainable growth. The move to focus on encouraging innovation in urban design through a "City Challenge" is a smart way to begin the Smart City Journey."

Due to the breadth of technologies that have been implemented under the smart city label, it is difficult to distill a precise definition of a smart city. Deakin and Al Wear (Deakin, Mark; Al Waer, Husam) list four factors that contribute to the definition of a smart city:
1. The application of a wide range of electronic and digital technologies to communities and cities
2. The use of ICT to transform life and working environments within the region
3. The embedding of such Information and Communications Technologies (ICTs) in government systems
4. The territorialisation of practices that brings ICTs and people together to enhance the innovation and knowledge that they offer.

Deakin defines the smart city as one that utilises ICT to meet the demands of the market (the citizens of the city), and that community involvement in the process is necessary for a smart city.

Conclusion
Governments will come and governments will go. The people are concerned not so much with governments as they are with governance. The hallmark of a government is its priorities. No government starts on a clean slate. It inherits certain policies and programmers from the previous government(s) which the new government may continue or modify or abandon. Besides, there are structural issues that must be addressed by successive governments. The new government must also find the resources to implement its declared policies and programmers; it is fair to assume that every government tries to do its best. Whether a government has succeeded or not is a question that must be answered by the people.

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EXPORT AND IMPORT IN GLOBAL SCENARIO

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Abstract
Human wants are various. In the modern world, people want to upgrade their needs. So, it is necessary to Import and Export goods and services from and to other countries. These two factors are important for a country's economic development. Through this article, we can know the basic information in Import and Export along with its differences and with some specifications such as gold, medicine, etc...

Keywords: upgrade, specifications.

Introduction
An import is a good brought into a jurisdiction, especially across a national border, from an external source. The term export means sending of goods produced in one country to another country. Let us discuss these terms in detail.

Balance of Trade
When exports exceed Imports, it increases the national of the country. Meanwhile, when imports exceed exports, it results in reduction of national income. It is better when import equals exports. This is widely known as balance of trade.

Types of Imports and Exports
Both imports and exports are classified into two types. Imports are classified as Industrial and consumer goods And Intermediate goods and services. Exports are classified as physical export and deemed export.

Advantages of Imports and Exports
Imports
1. It reduces the dependence on existing markets.
2. It exploits international trade technology.
3. It extends sales production of existing products.

Exports
1. It increases the sales and profits.
2. It reduces risks and balances growth.
3. It gains new knowledge and experience.

Disadvantages of Imports and Exports
Imports
1. It leads to excessive competition.
2. It also increases the risk of other diseases.
Exports
1. It increases the financial risk and suffers extra cost.
2. It makes to establish the market information.

EXIM Bank
The expansion of EXIM bank is export and import bank of India. Guiding the export-import businesses of India Export-import bank of India is the premier export finance institution of a country that seeks to build value by integrating foreign trade and investment with the economic rise of India. The bank has been expertise at the board level, by senior policy makers.

Objects of EXIM Bank
- Provide financial assistance to exporters.
- Promoting foreign trade of India.
- Coordinating the working of institutions engaged in financing export and import.
- Assist Indian joint ventures in the world.
- Concentrate on medium and long term finance.

Procedures for Import
- Preliminary Formalities
  - Trade enquiries.
  - Obtaining performance invoice.
  - Obtaining import license.
- Placing the Order
  - Placing the indent.
  - Opining later of credit.
- Getting Document of Titles
  - Receiving advice note.
  - Making payment.
  - Receiving documents of titles.
- Clearing of Goods
  - Getting delivery order.
  - Payment of custom duties.

Procedures for Export
- Registration procedure.
- Pre shipment procedure.
- Shipment procedures.
- Realizing export incentives.
- Post-shipment procedure.

Documents for Import
- Import license (if required).
- Indent.
- Letter of credit.
- Bill of entry.
- Bill of sight.
Documents for Export
- Commercial invoice.
- Packing list.
- Bill of lading.
- Combined transport document.
- Certificate of inspection / quality control.
- Insurance certificate / policy.
- Certificate of origin.
- Bills of exchange and shipment advice.

Specifications

Gold
The top 5 countries which exports gold:
1. Switzerland: US$82.3 billion (25.3% of total gold exports)
2. Hong Kong: $54.1 billion (16.7%)
3. United Arab Emirates: $25.4 billion (7.8%)
4. United States: $17.7 billion (5.4%)
5. United Kingdom: $15.7 billion (4.8%)

India is in the 14th position ($4.3 billion (1.3%)) in exporting gold as per the ratio in 2016-2017.

The fastest-growing gold exporters since 2012 were: India (up 12,612%), United Kingdom (up 580.1%), Japan (up 17.1%), Thailand (up 9.4%) and Hong Kong (up 8.3%).

Gold holdings in India
Indian households, together the world's largest hoarders of gold, hold a record 23,000-24,000 tonnes of the precious metal, worth at least $800 billion, despite a sharp fall in international prices from their peaks in 2011, according to a comprehensive study of the Indian market by the London-headquartered World Gold Council (WGC).[Financial express news].

Medicines
The top 5 countries which exports medicines
1. Germany: US$48.6 billion (15.3% of total exported drugs and medicines)
2. Switzerland: $39.9 billion (12.5%)
3. Belgium: $26.5 billion (8.3%)
4. France: $22.8 billion (7.1%)
5. United States: $22.5 billion (7.1%)

India is in the 10th position ($11.6 billion (3.6%)) in exporting medicines as per the ratio in 2016-2017. The fastest-growing drugs and medicine exporters since 2012 were: Canada (up 84.5%), India (up 38.2%), Switzerland (up 27%) and the Netherlands (up 17.5%).
Weapons
The weapon imports and exports are described in the ratio below:

![The world's largest arms importers and exporters](image)

**Conclusion**
In imports United States scores 1st while in exports China becomes 1st. Its better when a country exports more than what it imports. If export is more in a country than its imports, then the country is economically well. In the competitive world, both imports and exports increase the competition among the domestic and foreign sellers. At the same time, the trade relationship among countries becomes strong.

**References**
A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES ORGANISED RETAIL STORES IN INDIA

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Introduction

The most challenging and exciting time to live be shifting. Where is India today? This large, multicultural country is the creation of creative economy for consumption from a socialist India. The purpose and depth of the change in the history of India described in retail. This change is a huge challenge and offers a huge opportunity for marketers and retailers.

The retail economy is not just an impotent aspect but a part of our lives too. While commodities are traded even after festive days, it is the dominance of the purchase and sale goods in recent times. In fact, today retailing is becoming a global, high-tech business. Customer Relationship Management (CRM) in retail isn’t a new concept, but it’s one that could help retailers win the battle for sales in these competitive times. Tesco introduced their loyalty club card in 1995, collecting data on shoppers and using the information to personalize discounts and rewards. Fast forward 21 years and the majority of retailers offer some kind of reward or locality program with Marks & Spencer being the latest to launch their Sparks card, a new ‘Members Club’ which includes bespoke offers and priority access to sales for those that sign up.

Customer Relationship Management

CRM is a mixture of policies, processes and techniques implemented by an organization that provides an algorithm to integrate customer relationships and monitor customer information. This involves using the new and lucrative customers to embrace technology and create a tight bond with existing ones. Customer Relationship Management is a developing tool that helps marketers to maintain their presence in the marketing environment. Customer Relationship Management is much higher in the corporate agenda. A recent study conducted by business intelligence has already begun six companies in ten companies at the CRM Journey.

Retail Industry Scenario in India

Due to the entrance of many new players, the Indian retail industry has become one of the most dynamic and fastest industries. More than 8 percent of the Gross Domestic Product (GDP) account for over 10 percent of the Gross Domestic Product (GDP). India is the fifth largest global target in retail trade.

Crm and Organized Retail Segment

Products are easy to copy, difficult to copy the services, but it is increases in five key ways of retail business:
• Customer loyalty is translated as low cost competition
• Allowing customer information companies to target lucrative customers.
• Pre-purchase methods costs, loot and low inventory delivery costs.
• Customer loyalty reduces advertising and marketing costs.
• Customer confidence extends the product life cycle.

Review of Literature
According to Raman than (2008), customer relationship management helps the retailers maintain their presence in the market environment. CRM is the preferred tool for manufacturers in the early days, which promotes and retains retailers. Customers now use the same tool to retain customers.

Praveen k. According to Deb (2009), customer loyalty programs are in today’s retail world and food in Mumbai is leading this industry in western India. He pointed to typical consumer response: “Offer cards or special offers are not only the retailers’ retailers, but consumer pay more for this opportunity.”

“According to Sreekumar B. (2009), the life expectancy customer’s value is the most important measure to implement any CRM initiative or specialty loyalty benefits.

Objectives of the Study
• To understand and identify the customer Relationship Management Practices followed by the retail stores.
• To study the various CRM techniques adopted by organized retail firms and stores.
• To study the benefits of CRM to the retailers and customers

Research of the Study
The prepared paper is descriptive study in nature. The study has been carried out based on the collecting of the relevant secondary data. Secondary data collection was based on various sources such as published books; article published in difference conferences paper periodicals, working paper and websites, journals and newspaper etc.

Role of CRM in Retail Business
Customer History
CRM saves all customer information, last purchase, business cards, phone numbers etc. It helps to record a customer’s history so that you can see each individually, who you know their needs. It covers demands, receives better business and helps customers “get a better experience in your store.

Segmenting
Collecting all information about customers allows your customers to be placed in different sectors so that you can participate accordingly ,This way you can in your market segment Families , young people, vegetarian food, non-vegetarian, fresh buyers, long – term customers, easy buying customers. The segment in your market helps your customers get the best strategy.

Tracking
CRM software helps you keep track of all customers individually. It does not mean you are benefiting any customers, it provides no clear information. Which customers have proven to be trustworthy? So you can provide then with the best service, sometimes for your loyal customers to maintain their loyalty and get more buyers indirectly.
Promotions

Advertisers are helping to target the right audience when each observer watches. So you can manage them as groups or individually. This will help them provide the best service. When a customer visits your website, see what they are searching for and can add an ad of that particular product in their newsletter. For example you can add that promotion to their newsletter or emails so that you have a sports store and a customer are some fitness wear.

Purchase tracking

CRM helps you monitor individual customers’ purchases separately, so you know their interests and their product has any problem or any damage. This way you can provide the best service through their SMS and emails or message included in their interests. In case of damage or trouble, you may provide them with the same item at the next purchase or provide a free service, and provide them with more customer satisfaction.

Loyalty

CRM can focus on each individual customer and look closely to your needs. This way you can focus on your long-term clients and provide them with points, bonuses and rewards to help customer gain loyalty. This way, because you are loyal, you will bring your customers, which will be set in the right path of your sales and profit.

Cost effective

This allows you to manage customers in the most cost-effective manner. Easy up-to-date sales, privileges and emails can be allowed to allow you to take care of them individually by observing their personal needs. CRM implementation is a simple and cost-effective performance that saves you extra income because you have to spend less money and less resources.

The Effects of CRM in Retail Markets

Customer relationship management in retail sales, customer satisfaction increases, reducing costs and improving company performance in the market. CRM software manages relationship with individual customers to benefits for both clients.

Segmentation

CRM helps you gather information, including information about your customers, priorities for your market and personalize your approach to young families in a section, you can create a family friendly retail environment. If you have multiple data, you can install a snake for wheelchairs and easily access your store. The CRM data-based segment is the best solution for your customers to adjust your retail strategies.

Advertising

The data you collect in the CRM system will target individual customers without targeting only the market segment that advertises its members. For example, if you know that a customer is reaching the retirement age, you can encourage suitable entertainment products for him. If you see customer who has visited your website and has seen certain products, you can add advertisement in their emails. In this way CRM recipients do not have any interest in advertising and increase the meaning of the information sent.

Purchases

A CRM system holds records of customer purchases and customer service calls. You can see that every customer has a supervision of purchased products and can see whether buying or getting discontent issues. Special offers for customers allow the information to be sent when their purchased products reach the end of their lives. Such a strategy should keep your products in the hands of the
customers, and if he has purchased, they will need them and will be less affordable for him. On your side, such a goal promotion is less than the marketing and a few responses to a larger team.

Retention

The overall outcome of CRM is to focus on customers by focusing more on the customers. You can increase this effect by using CRM software to implement customer loyalty programs. Because apps will monitor your purchase, you can also reward and bonuses for holding valuable customers. Because long-term customers are at lower prices than new customers, these plans allow you to reduce your fee further.

Suggestions:

- Supply of private marketing to retail customers. This will encourage customers to frequently meet retail sales.
- To maintain a healthy and friendly relationship with customers, retail sales management should provide special training.
- Temporary comments from customers should be taken by the retailer, which will make customers feel important for the company's development.

Conclusion

Customer Relationship Management is widely used in hospitality and service sectors, but it is important in retail business. Customers do not take a second to change the customer’s choice and to break the loyalty of a company and in such a scenario the customer’s relationship management will again re–invite customers to look at retail sales again. In this way, we finally help achieve its vision “giving to every Indian consumer the most lucrative, every time, every time”.

References

ORGANISATIONAL DESIGN AND DEVELOPMENT RELATION TO INDIAN RAILWAY SECTOR

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Introduction
Organizational design and development is a process in which an organization optimizes performance as it works toward becoming its ideal state. Organisational design and development occurs as a reaction to an ever-changing environment or as a response to a current changing needs in service towards human Society. Nadler and Trushman. The organisational design is “the making of decision but the formal organisational arrangements, including the formal structures and the formal process that make an organization.

Organizational Design
Organizational design is a step-by-step methodology which identifies dysfunctional aspects of work flow, procedures, structures and systems, realigns them to fit current business realities/goals and then develops plans to implement the new changes. For most companies, the design process leads to a more effective organization design, significantly improved results (profitability, customer service, internal operations), and employees who are empowered and committed to the business. The hallmark of the design process is a comprehensive and holistic approach to organizational improvement that touches all aspects of organizational life, so you can achieve.

- Excellent customer service
- Increased profitability
- Reduced operating costs
- Improved efficiency and cycle time
- A culture of committed and engaged employees
- A clear strategy for managing and growing your business

Growth Strategies, Design Challenges
Today, most organizations find that competitive conditions, technological capabilities, fashion and customer preferences change so dramatically and quickly that growth strategies involve a combination of organic and externally fueled growth. Growth strategies often are conceived in an uncertain environment, one that requires organizational flexibility and agility. Organizations must be “built to change” (Lawler & Worley, 2006)

To get a sense for the substantive and process expertise entailed in helping design an organization for growth, we will look at a number of ways in which organizations grow and their associated design challenges. We will start with the foundational processes involved in business life-cycle growth and then
address: growth that builds on the core business model and capabilities of the firm; growth by developing new capabilities; growth through innovation; and growth through mergers and acquisitions. Clearly these are not mutually exclusive; a company may use all of these approaches to grow. But, each offers its own design challenges and requires that the process of growth is built into the routines of the organization. Furthermore, the challenges and problems of talent acquisition, development, and management differ.

**Organizational Development**

The nature and needs of organizations are undergoing dramatic changes; with a corresponding effect in the profession of OD to meet the changing needs of organizations. The definitions from various pioneers in the field of OD are a reflection of the genesis, growth and development of OD. "Organization Development is a body of knowledge and practice that enhances organizational performance and individual development, viewing the organization as a complex system of systems that exist within a larger system, each of which has its own attributes and degrees of alignment. OD interventions in these systems are inclusive methodologies and approaches to strategic planning, organization design, leadership development, change management, performance management, coaching, diversity, and work life balance”

Research evidence regarding organizational change is now very clear. Change rarely if ever can be effected by treating symptoms, and organizational change will not occur if effort is directed at trying to change individual members. The direction of change should be toward the personality of the organization, not the personality of the individual. My knowledge of the research evidence, my realization in the consultation case that a modification in the organization’s reward system was not likely, and my acceptance that OD, by definition, means change led me to conclude that, in the final analysis, I had not accomplished organization development.

**The Imperative for Human Resources**

Understanding the design approaches to support different strategies, leading design processes, and knowing how to build the capabilities for such growth into leading organization, constitute a critical strategic contribution for HR professionals in supporting the growth. This is a natural extension of the HR functions talent imperative because the organization design not only configures resources to support the growth strategy. The growth agenda, the organizations design, and the talent agenda are highly interdependent and constrain another.

**The Targets of Organizational Design and Development**

The influential factors or organisational effectiveness are widespread, including factors that are related to external environmental changes, and factors which will improve the interval service effectiveness. The organization must consider the reasons for Design and development, the external environment, and the internal situation to decide which factors to change. The most common known targets of organizational Design and Development include vision, strategy, culture, stricture, system and service. Vision includes a firm’s organization core value but one that also adapts accordingly to the external environment. When an organization undergoes Design and Development, its core value needs to be determined so that in the process of transformation, it can be preserved. Strategy refers to the organization’s long term goals and the steps and resources needed to be considered in its decision-making. The strategy change can be divided into the enterprise strategy change (EX: low cost strategy), the overall strategy change (EX: multiple-angle management), and the global expansion strategy change.
Culture is referring to its members' collective value, norm, and basic assumptions. The change involved is altering the content of this collective value and/or basic assumption. Typically, the explicit culture is more easily manageable or changed than the implicit culture.

Structure is an official system of the duty and the authority relations of an organization. Structural change is transforming the organization's vertical disintegration or horizontal differentiation, power allocation, and level of formalization. System is the formal regulations, policies and procedures such as reward system, performance evaluation methods, and goals budget system, etc. That is used to operate the organization. Production science and technology is the technology, the knowledge, the ability, the material, the machine, the computer, the tool and other equipments which transforms inputs to outputs.

The Different Types of Organizational Design and Development

The most widely known types of evolutionary Design and Development is socio-technical systems theory, total quality management, and management by objectives (George, & Jones, 2002; Yang, Yu, 2009). Socio-technical systems theory emphasizes the importance of the social and technological aspects within the organization during the process of Design and Development. In other words, it emphasizes the development of the most optimal partnership between members/works of the organization and technology. Total quality management is an ongoing and constant effort by all of an organization's functions to find new ways to improve the quality of the organization's goods and services. Management by objectives specifies the importance of regular meetings between management and its subordinates. The objective is to assess future work goals, evaluate work performance, and discuss challenges and obstacles in an attempt and Development: reengineering, and innovation.

The Growth of Organizational Design and Development in Railway Sector

Growth is taking certain actions to transform the organization to an expected development. The process is quite adaptive to the changing scenario of Globalization and meeting to the standards of the service sector it involves, support seeking, planning and execution. The service sector consists of the "soft" parts of the economy, i.e. Activities where people offer their knowledge and time to improve productivity, performance, potential, and sustainability, include attention, advice, access, experience, and discussion. The production of information is generally also regarded as a service.

Services involve the transport, distribution and sale of goods from producer to a consumer, the focus is on people interacting with people and serving the customer rather than transforming physical goods.

The Indian Railways has moved a step forward in Design and Development. India by rail offers a fascinating odyssey through time and space, cultures and history offering glimpses of unity amidst diversity, shrouded in enchanting mystery, colors that capture the heart while soothing the soul. No one offer the multi-dimensional magic of the real India more excitingly than the Indian Railways- the second largest railway system in the world covering 64,500 km. of track laid across around 7,000 stations, running around 16,000 trains every day. The convenient, well connected routes offer to the passenger's hassle-free travel to some of the most exotic places in the world. The mighty Himalayas are apt crown for India. The glory of the Himalayan range is unmatched and can best be appreciated by seeing them with one's own eyes. The Indian Railways have made awe-inspiring contribution by bringing the mountain range closer to us through engineering marvels and dedicated efforts put up by the masters of the craft in Design and Development. The latest innovations of high speed trains and the metro Rails that meet the passengers satisfaction and the adoption of the latest communication systems are the marvels of Design and development.
The major growth in this sector also involves the transfer of funds from the governmental to the contractual profit, non-profit and hybrid sectors of the economy.

Last 100 years, there has been a substantial shift from the primary and secondary sectors to the tertiary sector in industrialized countries. In examining the growth of the Railway sector in the early Nineties, the globalist Kenichi Ohmae noted that:

“In the united States 60 percent of the workforce works in the Railway sector; in Japan, 40 percent, and in India, 30 percent.

Conclusion

This chapter reviewed the development and organization of the Indian rail network, the trends in railway performance, the effects of ownership and regulatory policies, and the impact of railways on the Indian economy. The major conclusions are the following: The Government of India had a strong influence over railways from the beginning, but the Government's role increased with time culminating with nationalization. The performance of Indian railways was quite different before and after 1920. There was trend to higher output, productivity, and profits between 1850 and 1919, but not after. Dividend guarantees and government ownership had some surprising effects on railway performance. Lastly, railways increased market integration and national income, but railways could have done more to aid Indian economic development.

References

INDIA’S EXPORTS TO SOUTH ASIAN COUNTRIES AND ITS SUSTAINABILITY

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Abstract

Export is essential part of the trade which plays an important role in influencing the economic growth, employment and balance of payment. The theory of neo-classical trade supports that export can contribute to economic growth of the country. India’s trade with the world has expanded since New Economic Policy. Its trade with SAARC countries is crucial as it maintains positive net exports with all the seven countries. Exports to SAARC countries were highly dominated by two countries, i.e. Bangladesh and Sri Lanka, in the beginning of the twenty first century. The percentage share of exports to Bangladesh and Sri Lanka narrowed down and Nepal emerged as strong consumer of India’s exports. The percentage share of exports to Pakistan was highly volatile and Afghanistan, Bhutan, Maldives had no significant changes during the study period. Keywords: Exports, SAARC, India, Bangladesh, Sri Lanka.

Introduction

Export is essential part of the trade which plays an important role in influencing the economic growth, employment and balance of payment. The theory of neo-classical trade supports that export can contribute to economic growth of the country. India’s trade with the world has expanded since New Economic Policy. Geographical locations are major factor in the country’s trade performance. The easiest market for the finished goods is the nearby countries than the far-off countries as it involves transportation cost. Infrastructure facilities and transportation facilities to the countries which are far-off impact the trade sustainability. Indian subcontinent was colonized by European countries and attained independence half a century ago. The market potential in these countries are immense which attracted European countries to control this region to sell their products. After independence, the trade within the Indian subcontinent was significant due to the geographical advantages. In 1950, India’s share in world trade was 1.78 percent which declined to 0.59 percent in 1990. In 2006, India’s share in world exports was 0.8 percent and it is 1.7 percent in 2016-17. The share of India in world exports is stuck around 1.7 percent since 2011. Its trade with SAARC countries is crucial as it maintains positive net exports with all the seven countries. Losing the trade with the neighbor countries may affect its sustainability. Small and medium sized enterprises faces more challenges if India loses its neighboring trading partners as they are just few kilometers away from their own productive locations. The study analyzes the trends in India’s exports to SAARC countries.

Objectives

This study is based on the following objectives –

- To analyze the trends in exports of India with SAARC Countries.
- To identify the sustainability of India’s exports to countries in SAARC.
Methodology

Source of Data

The study is based on published sources of data collected from the Ministry of Commerce, Reserve Bank of India’s Handbook of Statistics of Indian Economy, Economic Survey and UNCTAD website.

Period of Study

The study is focusing on the impact of India’s export relationship with SAARC countries since 2000. Therefore study is undertaken for a period of 16 years from 2000-01 to 2016-17.

Tools Used For Analysis

The study employed the percentage analysis, average growth rate for the analysis.

Findings

Table 1 Percentage share of Exports to SAARC Countries

<table>
<thead>
<tr>
<th>Country/Year</th>
<th>Afghanistan</th>
<th>Bangladesh</th>
<th>Bhutan</th>
<th>Maldives</th>
<th>Nepal</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>1.32</td>
<td>47.84</td>
<td>0.06</td>
<td>1.26</td>
<td>7.21</td>
<td>9.56</td>
<td>32.75</td>
</tr>
<tr>
<td>2001-02</td>
<td>1.19</td>
<td>48.88</td>
<td>0.37</td>
<td>1.31</td>
<td>10.46</td>
<td>7.02</td>
<td>30.77</td>
</tr>
<tr>
<td>2002-03</td>
<td>2.18</td>
<td>42.23</td>
<td>1.40</td>
<td>1.13</td>
<td>12.58</td>
<td>7.40</td>
<td>33.07</td>
</tr>
<tr>
<td>2003-04</td>
<td>3.39</td>
<td>40.54</td>
<td>2.08</td>
<td>0.99</td>
<td>15.59</td>
<td>6.68</td>
<td>30.73</td>
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<tr>
<td>2004-05</td>
<td>3.59</td>
<td>35.41</td>
<td>1.84</td>
<td>1.03</td>
<td>16.13</td>
<td>11.31</td>
<td>30.68</td>
</tr>
<tr>
<td>2005-06</td>
<td>2.57</td>
<td>30.00</td>
<td>1.79</td>
<td>1.22</td>
<td>15.50</td>
<td>12.42</td>
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<tr>
<td>2006-07</td>
<td>2.81</td>
<td>25.16</td>
<td>0.89</td>
<td>1.06</td>
<td>14.35</td>
<td>20.86</td>
<td>34.86</td>
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<td>2007-08</td>
<td>2.59</td>
<td>30.33</td>
<td>0.90</td>
<td>0.93</td>
<td>15.66</td>
<td>20.22</td>
<td>29.38</td>
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<td>2008-09</td>
<td>4.70</td>
<td>29.15</td>
<td>1.31</td>
<td>1.52</td>
<td>18.43</td>
<td>16.83</td>
<td>28.06</td>
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<td>2009-10</td>
<td>5.56</td>
<td>29.01</td>
<td>1.41</td>
<td>0.95</td>
<td>18.29</td>
<td>18.82</td>
<td>25.95</td>
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<tr>
<td>2010-11</td>
<td>3.62</td>
<td>27.83</td>
<td>1.51</td>
<td>0.86</td>
<td>18.62</td>
<td>17.46</td>
<td>30.09</td>
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<tr>
<td>2011-12</td>
<td>3.79</td>
<td>28.71</td>
<td>1.72</td>
<td>0.93</td>
<td>20.50</td>
<td>11.63</td>
<td>32.71</td>
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<td>2012-13</td>
<td>3.13</td>
<td>34.04</td>
<td>1.54</td>
<td>0.81</td>
<td>20.44</td>
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<td>2013-14</td>
<td>2.71</td>
<td>35.18</td>
<td>2.03</td>
<td>0.60</td>
<td>20.47</td>
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<td>26.00</td>
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<tr>
<td>2014-15</td>
<td>2.06</td>
<td>31.49</td>
<td>1.64</td>
<td>0.74</td>
<td>22.24</td>
<td>9.06</td>
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<tr>
<td>2015-16</td>
<td>2.82</td>
<td>32.44</td>
<td>2.52</td>
<td>0.96</td>
<td>21.11</td>
<td>11.72</td>
<td>28.43</td>
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<tr>
<td>2016-17</td>
<td>2.64</td>
<td>35.48</td>
<td>2.65</td>
<td>1.03</td>
<td>28.38</td>
<td>9.48</td>
<td>20.35</td>
</tr>
</tbody>
</table>

Source: Ministry of Commerce, Govt. of India

India’s export among the SAARC countries was highest in Bangladesh in the beginning of the twenty first century. It accounted for 47.84 percent of the overall exports to SAARC from India. The second dominant country which received exports of India was Sri Lanka. It accounted for 32.75 percent of the overall exports to SAARC. Nepal and Pakistan was accounting for 7.21 percent and 9.56 percent of the overall exports of India to SAARC. Afganistan, Bhutan and Maldives received each less than 2 percent of the India’s overall exports to SAARC in 2000-01.

India’s exports to Bangladesh narrowed down to 25.16 in 2006-07. It expanded to 30.33 percent in 2007-08 and again started to narrowed down to 27.83 percent till 2010-11. The share of Bangladesh expanded again since 2011-12, and it was 35.48 in 2016-17. Exports to Sri Lanka was volatile around 30 percent till 2015-16, however, it narrow down to 20.35 percent in 2016-17.

India’s exports to Afghanistan reached peak in the year 2009-10 with 5.56 percent. It reduced to 2.64 percent in 2016-17. Export to Bhutan was highest in the previous two years since 2000. It was 2.52 percent in 2015-16 and 2.65 percent in 2016-17. Maldives share of India’s exports was fluctuating around 1 percent during the study period.
Nepal had four times increase in India's percentage share of exports during the study period. It received 28.38 percent of India's exports to SAARC in 2016-17. This increase is mainly due to increase in export of oil from India to Nepal. Nepal is a country which was in instability due to political changes. Democracy started to flourish steadily in Nepal since 2007. The India's share of export to Nepal started to increase steadily during the same period. Oil and gas imports has emerged Nepal as India's exporting partner within SAARC. Vehicles and spare parts imports of Nepal from India also play a important role.

After a subdued show for two consecutive years since 2014-15, India's exports to Bangladesh reported a robust growth in 2016-17. The growth is attributed to a significant rise in export of equipment and high-value machinery for project implementation in Bangladesh. Ninth largest importer of Indian goods is Bangladesh. Cotton and cotton yarn related products are exported to Bangladesh from India in large scale.

Sri Lanka's share of India's exports was highest in 2014-15. Since then, the percentage share declined rapidly. Vessels, rice, motorcycles, cement and motorcycles are important products exported to Sri Lanka from India.

<table>
<thead>
<tr>
<th>Country/Year</th>
<th>Afghanistan</th>
<th>Bangladesh</th>
<th>Bhutan</th>
<th>Maldives</th>
<th>Nepal</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>-1.63</td>
<td>11.89</td>
<td>636.38</td>
<td>14.00</td>
<td>58.97</td>
<td>-19.54</td>
<td>2.89</td>
</tr>
<tr>
<td>2003-2004</td>
<td>127.29</td>
<td>40.55</td>
<td>117.62</td>
<td>27.28</td>
<td>81.40</td>
<td>32.15</td>
<td>36.01</td>
</tr>
<tr>
<td>2004-2005</td>
<td>11.20</td>
<td>-8.38</td>
<td>-7.58</td>
<td>9.96</td>
<td>8.56</td>
<td>77.56</td>
<td>4.75</td>
</tr>
<tr>
<td>2005-2006</td>
<td>-15.03</td>
<td>0.54</td>
<td>15.53</td>
<td>39.85</td>
<td>14.03</td>
<td>30.34</td>
<td>41.17</td>
</tr>
<tr>
<td>2006-2007</td>
<td>30.18</td>
<td>-0.04</td>
<td>-40.74</td>
<td>3.94</td>
<td>10.35</td>
<td>100.13</td>
<td>13.86</td>
</tr>
<tr>
<td>2007-2008</td>
<td>21.85</td>
<td>59.43</td>
<td>34.08</td>
<td>15.95</td>
<td>44.32</td>
<td>28.17</td>
<td>11.44</td>
</tr>
<tr>
<td>2008-2009</td>
<td>81.99</td>
<td>-3.63</td>
<td>45.98</td>
<td>63.72</td>
<td>18.01</td>
<td>-16.55</td>
<td>-4.21</td>
</tr>
<tr>
<td>2010-2011</td>
<td>-12.83</td>
<td>28.27</td>
<td>42.91</td>
<td>20.36</td>
<td>36.12</td>
<td>24.04</td>
<td>55.02</td>
</tr>
<tr>
<td>2011-2012</td>
<td>26.46</td>
<td>24.63</td>
<td>37.79</td>
<td>31.23</td>
<td>33.02</td>
<td>-19.52</td>
<td>31.35</td>
</tr>
<tr>
<td>2012-2013</td>
<td>5.76</td>
<td>52.19</td>
<td>14.76</td>
<td>11.43</td>
<td>27.99</td>
<td>50.81</td>
<td>3.51</td>
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<tr>
<td>2013-2014</td>
<td>12.06</td>
<td>33.69</td>
<td>70.03</td>
<td>-3.47</td>
<td>29.54</td>
<td>23.14</td>
<td>27.46</td>
</tr>
<tr>
<td>2014-2015</td>
<td>-10.34</td>
<td>5.42</td>
<td>-4.82</td>
<td>45.13</td>
<td>27.97</td>
<td>-17.93</td>
<td>48.45</td>
</tr>
<tr>
<td>2015-2016</td>
<td>33.11</td>
<td>0.22</td>
<td>49.59</td>
<td>25.48</td>
<td>-7.67</td>
<td>25.85</td>
<td>-15.56</td>
</tr>
</tbody>
</table>

Source: Ministry of Commerce, Govt. of India

The exports to Afghanistan had very high growth rates during 2002-04. It was during this period where Afghanistan had war with United States of America (USA) which affected domestic production. Therefore, it had to import goods from other countries for their consumption which created high AGR during those periods. AGR of exports to Bhutan was high during 2001-04. India's free trade agreement with Bhutan enhanced exports from India. However, it got reduced as the agreement expired in 2005. Bangladesh had only three negative AGR during the study period. India's export to Bangladesh had higher AGR during 2010-14. Since 2014-15, AGR got reduced, however, it was positive.

India's exports to Sri Lanka had negative AGR during the previous two years. The AGR was -15 percent and -24 percent during 2015-16 and 2016-17. The AGR was steady and positive during 2001-08. Due to sub-prime crisis, the demand in Sri Lanka dropped. The impact on AGR was negative in 2008-09 and 2009-10. AGR of export to Sri Lanka again turned positive during 2008-15.

India's exports to Nepal had positive AGR during all the years of the study period except 2015-16. The AGR of India's exports to Nepal plunged to 1.34 percent in post sub-prime crisis period during
2009-10. It was -7.67 percent in 2015-16. It was observed that Nepal had steady and sustainable AGR compared to other countries in SAARC region.

India’s exports to Pakistan had five negative AGR and 10 positive AGR during the study period. India’s trade relationship with Pakistan depends on the political climate between the countries. It was observed, irrespective of the tense relationship among the countries there was positive growth rates in ten out of fifteen years. It can be concluded that better political relationships can strengthen the trade relationship existing between them.

Conclusion

India’s trade relationship with SAARC countries is crucial as it maintains positive net exports with all the seven countries. Exports to SAARC countries were highly dominated by two countries, i.e. Bangladesh and Sri Lanka, in the beginning of the twenty first century. The percentage share of exports to Bangladesh and Sri Lanka narrowed down and Nepal emerged as strong consumer of India’s exports. The percentage share of exports to Pakistan was highly volatile and Afghanistan, Bhutan, Maldives had no significant changes during the study period.
POLICIES FOR OPEN SOURCE SOFTWARE AN PROPRIETARY SOFTWARE

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Abstract

This paper analyses the policies made for proprietary software and open source software. There are two type of software. The first one is proprietary software and the second is open source software. The proprietary software is owned by a corporation that has copyrights by the same corporation. The licensed (proprietary) software policy is not to redistribute the software to other users. The person who redistributes the proprietary software violates the policy. The open source software is also owned by a corporation but with General Public License. The free/open source software can be redistributed to other users, so that they can download the source code at free of cost. The GPL tells that the software downloaded at free of cost can be modified and should be redistributed to others at no cost. This is the policy made for open source software. This article also analyses the reasons and consequences of the fact that open source software has become a portion of the technology used by proprietary companies. The proprietary software companies use different types of licensing agreements that provide the licensees with limited rights to use the software for specific purposes.

Introduction

Open Source Software[1] is defined as the software whose source code is available along with the software at free of cost and user has the liberty to run, copy, distribute, study and modify the software under the licensing policies of OSS. The development of OSS gains esteem due to the wide accessibility of the internet facility to each and every region of the world, parallel development, peer review, parallel debugging, specialist developers, and feedback. Many leading programmers and users have contributed to the development of the OSS. The development of OSS is dissimilar from the traditional industrial software also called as “closed software”. It is found by various researchers that the traditional Software Development Life Cycle (SDLC)[3] and development processes models cannot be used for the progress of OSS. Various researchers and practitioners are working on developing the standard development life cycle of OSS. Open source software is by description software for which users have access to the source code [8]. This distinguishes it from the current common practice by commercial software publishers of only releasing the binary executable versions of the software. Largely open source software is also distributed at no cost with limited restrictions on how it can be used; therefore the term “free” carries two meanings: 1) free of cost and 2) free to do with the software as the user desire. Open source software development team member are comprised of volunteers working not for monetary benefit, but for the pleasure and pride of being part of a successful virtual software development project. Team members often come from around the world and hardly ever meet one another face-to-face. The open source projects are self organized, employ enormously rapid code evolution, massive peer code review, and rapid releases of prototype code. The Open Source Software movement is a prototypical illustration of a decentralized self-organizing process. There is no inner control or central planning and supporting their software with no monetary compensation for their efforts.
Proprietary Software

The word proprietary is derived from the Latin word “proprietas” meaning property. Proprietary software is software that is owned by an individual or a company (generally the one that developed it). There are almost always major limitations on its use, and its source code is almost always kept secret. Source code is the form in which a program is formerly written by a programmer using a programming language and prior to being converted to machine code which is straight forwardly readable by a computer’s CPU (central processing unit). It is essential to have the source code in order to be able to modify or improve a program. Virtually all Microsoft software is proprietary, counting the Windows family of operating systems and Microsoft Office. This includes software that is given away at no charge, such as Internet Explorer. Other main producers of proprietary software include Adobe, Borland, IBM, Macromedia and Oracle. The restrictions on the use of proprietary software are generally enumerated in the end user license agreements (EULAs) that users must consent to. For software provided by large companies, EULAs are generally long and complicated contracts. Among the most familiar of the prohibitions for such programs are making unauthorized copies, using it on more than a certain number of computers and reverse engineering it.

Advantages and Limits of Closed Software

Commercial developers and vendors typically protect their software using many different IP mechanisms, with copyright and patents being the most popular. The reason for this multilayered type of protection lies in the pluralistic nature of computer programs. Computer programs possess several elements, each of which could fall into different categories of IP laws. Software has a dual nature: on the one hand, it can be defined as a literal work under the form of source code and object code. On the other hand, once executed by a machine it is also a functional object. This configuration allows software to fit within the scope of many different types of IP tools.

The major advantage of proprietary software lies in the fact that a firm can control the destiny of its products. This provides companies with the sufficient profit motive to make their products highly valued by consumers. For example, vendors might try to make their products backwards compatible with earlier versions, so that consumers can experience a smooth transition from an older version to a newer one. The other advantage of proprietary software is that it provides consistent platforms for running applications. Fragmentation is usually not an issue for proprietary software.

In an industry like software, where network effects are very strong, this consistency is especially important. For example, developers of proprietary software, such as Windows, write their programs in a manner that allows them to run on all computers meeting their specific hardware and operating system requirements (e.g. Windows ME, Windows 2007, etc…). Each individual IP protection mechanism possesses both positive and negative aspects with respect to software protection. As previously mentioned, the focus here is on copyright and patents.

To some extent, copyright law provides computer code with an adequate level of protection. Copyright prevents third parties from copying the software code (binary and source code) without permission, or using it as an input into a product of their own. On the other hand, however, copyright presents various shortcomings when applied to software. In this respect, the major reasons of concern lay on the copyright scope of protection.

Probably the biggest failure of software copyright is that copyright law extends to the ‘expression’ of the program in the form of either source or object code, but does not afford protection to the way the program works, i.e. to the program’s functions (“idea-expression” dichotomy). On the one hand, by leaving the functional elements unprotected, copyright creates serious risks of under protecting
software. Additionally, other problems might arise with software copyright. These can include the long duration of copyright protection with respect to the software’s short lifespan, the challenges involved with the definition of “originality” of the code, and various other difficulties deriving from new technological developments (for example, the increased use of modularisation and object-oriented designs in computer programming).

Another possible disadvantage of the proprietary software model refers to the treatment of the source code. Specifically, the fact that the source code is kept undisclosed does not allow a technically adapt user to fix bugs himself or customize a proprietary program in ways the vendor has chosen to make the program available. In this way, the non-disclosure of the source code might impede direct and indirect competitors, as well as end users, to build upon the program in order to create further developments.

To summarise, the extent of intellectual property protection that computer software should receive is debatable. Proprietary models present various advantages, but also several disadvantages with respect to software innovation.

**Open Source Software**

OSS are computer programs in which the source code is made available to the general public for use and/or modification from its original design at free of cost. Open Source Software (OSS) came into existence with the development of ICTs. The term “open source” refers to software that includes the original source code, used to create it so that users can modify it to make it work according to their needs. It also includes the right of redistribution; therefore, there may be products that are based on other open source products. While the software may be free, a developer or distributor may charge for services including special programming, installation, training and technical support, etc. In general, the source code of OSS is widely accessible, freely available and reusable. The most popular source license, the General Public License (GPL), allows almost full use and re-use of source code.

**Advantages and Limits of Open Source Software**

Depending on the product, its usage, and the market constraints, OSS has specific properties that can be advantageous or disadvantageous for computer software. The most remarkable strength of the FOSS model is cost saving. Using FOSS can save both license and development costs.

Another advantage of widely used OSS packages is the generally high quality of the software. The fact that there is a large community behind the projects guarantees that bugs are found and fixed quickly. In this sense, another important reason for using OSS is to attract developers to reduce costs related to having internal support services.

Openness can enhance welfare in several ways: it allows others to correct defects and bugs and to customize the programs by adding more features to the software, designing around it, and promoting further developments. Furthermore, the openness of the code makes it easier to adapt and reuse it, and ultimately helps software retain value rather than becoming obsolete.

On the other hand, the fact that the code is open can also bring some unavoidable disadvantages, as developers have limited opportunities to earn money for their investments. Even though non-pecuniary rewards might provide some motivation, the limited economic benefits of OSS can reduce the supply of efforts devoted to these activities. For instance, the limited pecuniary rewards in open source projects might reduce firms’ incentives to perform costly consumer research into usability and consumer needs.

From a company perspective, another advantage of OSS is the recruiting process. The fact that extensively used OSS projects develop large communities means that there are many developers
familiar with using the software tools related to such projects. Thus, incorporating widely used OSS projects can increase the overall efficiency of the company. If the recruited developers are familiar with the OSS software the company is implementing, they will certainly be more productive.

**Proprietary Software Policy (License)**

Proprietary software consists of software that is licensed by the copyright holder under very specific conditions. In general, you can use the software, but you are not allowed to modify the software or distribute it to others. The original source code for the software is not available, which means you can't see the actual code written by the programmers. Proprietary software is, therefore, also referred to as closed-source software. This is done on purpose to protect the intellectual property invested in software development. If the source code were released, even with copyright restrictions, competitors could benefit from using this code. Many proprietary software applications are also commercial, meaning that you have to pay for a license. However, many other proprietary software applications are free. The fact that software is free does not mean it is not proprietary. There are numerous examples of proprietary software. Both the Windows and Mac operating systems are proprietary, and so are many of the typical software applications used in organizations, such as Microsoft Office. Many specialized software applications, such as those used for database management and various types of enterprise information systems, are also proprietary. In many cases, software companies have invested many years of software development into a product. By making the software proprietary, they are protecting their investment and making it possible to commercialize their software. The revenue from software sales can then be used to continue developing the software. Shareware is proprietary software that is made available to users at no cost under certain conditions. For example, shareware may have limited functionality relative to the commercial version of the same software, or the license for the software may expire after a certain trial period. The rationale behind shareware is to give potential users the chance to evaluate the software before investing in a license fee. Trial versions of commercial software fall under the shareware category.

**Free and Open-Source Software Policy (License)**

Open-source software, as the name suggests, is software for which the source code is released. This means that users can look at exactly how the software was created using one or more programming languages. This is done on purpose so that anyone can benefit from using the code. A typical license for open-source software gives users the right to modify and distribute the software. Open-source software is typically free to use, which has led to the use of the term free and open-source software, or FOSS. This acronym is widely used, but many people use 'FOSS' and 'open-source software' interchangeably. The license for most open-source software uses what some have called copyleft. This is a play on the word 'copyright.' To understand what this means, it is worth considering how open-source software could be misused by someone. Consider that anybody can download, modify and distribute open-source software. What would stop a company from creating its own version of the software and then start selling it? That is where copyleft comes in. The license for open-source software specifically states that a user is not allowed to put restrictions on its use or distribution. So, by agreeing to the license, you can't start selling the software later. Copy left uses copyright law to make open-source software freely available to be modified, requiring that all modified and extended versions are to be free as well. The most widely used example of a copy left license is the GNU Public License, or GPL. So, when you look at software and you see that the license is GPL, this means the software is open source. The GPL is the primary software license used in Linux systems, which allowed Linux operating-system programmers to contribute their work knowing it would remain free and accessible to others.
Conclusion

The Open Source Software development has gained so much popularity due to a variety of features it provides. The development of OSS is at peak at present. But the standardized life cycle for the development is not published yet as the SDLC for traditional software exists. In this paper an attempt is made to review the OSS policy and proprietary policy. Open source software policy (license) is a GNU Public License (GPL) which includes free redistribution, access to and permitted distribution of source code, the allowance of modified and derivative versions, and non-discrimination against persons, groups, fields, or endeavors, among other things.

References

A STUDY ON INDIAN COUNCIL WITH REFERENCE TO WTO AND
FOREIGN TRADE POLICY IN INDIA

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Assistant Professor & Research Advisor

Introduction

The World Trade Organization (WTO) is an intergovernmental organization that regulates international trade. The WTO officially commenced on 1 January 1995 under the Marrakesh Agreement, signed by 123 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. It is the largest international economic organization in the world. The WTO deals with regulation of trade in goods, services and intellectual property between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants’ adherence to WTO agreements, which are signed by representatives of member governments.

The eleventh ministerial conference of the World Trade Organization (WTO) ended in a stalemate, without any ministerial declaration as the US reneged on its commitment to give a permanent solution to food stockpiling issues of developing countries. The US’ refusal to reaffirm multilateralism and the Doha development mandate in the outcome led to a breakdown in talks at the 164-nation WTO as several countries, including India, opposed the US position.

India will seek consultations with the US under the aegis of WTO this week on visa fee hike for professionals, which "discriminates" against Indian software companies that send employees to America on short-term contracts. "We have finalized our case. The US visa fee hike is a discriminatory move against Indian IT firms. This week, we will formally file the complaint and seek consultations under WTO," a senior Commerce and Industry Ministry official told PTI. As per the procedure of World Trade Organization (WTO), consultation is the first stage of a complaint filed with the global trade body. The US had raised visa fee in 2010 to fund its enhanced costs on securing border with Mexico under the Border Security Act. India has been protesting against the measure at different forums.

Foreign Trade Policy in India

The integration of the domestic economy through the twin channels of trade and capital flows has accelerated in the past two decades which in turn led to the Indian economy growing from Rs 32 trillion (US$ 474.37 billion) in 2004 to about Rs 153 trillion (US$ 2.3 trillion) by 2016. Simultaneously, the per capita income also nearly trebled during these years. India’s trade and external sector had a significant impact on the GDP growth as well as expansion in per capita income.

Total merchandise exports from India grew by 30.55 per cent year-on-year to US$ 26.2 billion in November 2017, while overall trade deficit increased 3.1 per cent year-on-year from US $ 13.395 billion...
during April-November 2016-17 to US $ 13.829 billion during April-November 2017, according to data from the Ministry of Commerce & Industry. According to Mr Suresh Prabhu, Minister for Commerce and Industry, the Government of India is keen to grow exports and provide more jobs for the young, talented, well-educated and even semi-skilled and unskilled workforce of India.

Capital Inflows
Impact of WTO
1. World Trade IMPACT OF THE World Trade Organisation ON THE INDIAN ECONOMY

INTRODUCTION: The World Trade organization was established to deal with all the major aspects of international trade and it had far reaching effects not only on India’s foreign trade but also on its internal economy. The impact of the WTO on the Indian economy can be analyzed on the basis and general concepts. IMPACT: The WTO has both favorable and non-favorable impact on the Indian economy. FAVOURABLE IMPACT: 1) Increase in export earnings: Increase in export earnings can be viewed from growth in merchandise exports and growth

2. Agricultural exports: Reduction of trade barriers and domestic subsidies raise the price of agricultural products in international market. India hopes to benefit from this in the form of higher export earnings from agriculture in service exports: • Growth in merchandise exports: The establishment of the WTO has increased the developing countries 5) Multi-lateral rules and discipline It is expected that fair trade conditions will be created, due to rules and discipline related to practices like anti-dumping, subsidies and countervailing measure, safeguards and dispute settlements. Such conditions will benefit India in its attempt to globalise its economy. 1 Shashi Prakash, PGDM(ABM), MANAGE like India to increase the export of textiles and clothing. 4 Foreign Direct Investment

4. Foreign Direct Investment: As per the TRIMs agreement, restrictions on foreign investment have been withdrawn by the member nations of the WTO. This has benefited developing countries by way of for indirect investment, euro equities and portfolio investment. In 2008-09, the net foreign direct investment in India was 35 billion us

5. Multi-lateral rules and discipline: It is expected that fair trade conditions will be created, due to rules and discipline related to practices like anti-dumping, subsidies and countervailing measure, safeguards and dispute settlements. Such conditions will benefit India in its attempt to globalize its economy. 1 Shashi Prakash, PGDM(ABM), MANAGE

Factors Which Affect Foreign Trade Policy
1. The geographical location. Mid-latitude moderate climate, coastal areas, the transportation is convenient, good for development of international trade. High-latitude climate cold, inland mountainous area traffic block, adverse to the development of international trade. Japan to "trading", it has to do with its island position. In addition, is advantageous to the development of bilateral trade between neighbors.

2. Natural resources. A country is rich in natural resource type and degree directly affect the country's international trade in primary products. Such as Zaire said as "Mid-Africa gem ", in the national export commodities, minerals (70% ~ 80%).

3. The level of economic development. Economic development level can directly affect a country's foreign trade commodity structure and the position in international trade. The United States, Japan and the European Union's national economic development level is high, the imports and exports accounted for half of the world and the population of the country accounts for only about 1/7 of the world. Developing countries relatively backward economy, foreign trade is relatively less.
4. Political factors. The world's political relations, the policy of a country also has a big impact to international trade. The gulf war after Iraq's oil exports plummeted, is due to political. In China since the late 1970s adopted a policy of opening to the outside reasons world, foreign trade development quickly.

**Importance of Foreign Trade Policy**

Due to uneven distribution of natural resources, some countries are more suitable place to produce some goods more economically than other countries. Further the underdeveloped and developing countries have to depend upon developed countries for financial help, which ultimately encourages foreign trade. According to the theory of comparative cost, each country should concentrate on the production of those goods and/or services for which it is best suited and specializes in the production of that goods and/or services, thus there is a significant increase in the overall production with minimized costs and resulting in higher standard of living of the people. Foreign Trade Policy helps in increasing the revenue of a nation by improving on the exports, which in turn help in improving the Balance of Payment. Foreign Trade propels economic growth and national development. The primary purpose is not the mere earning of foreign exchange, but the stimulation of greater economic activity.

**Scope and Objectives of Foreign Trade Policy**

With an aim to make India a significant partner in global trade by 2020 and for increasing global competitiveness of domestic products and aligning India's tariff framework with the long term commitment at World Trade Organization, the government formulated Foreign Trade Policy (FTP) for the term of 5 years commencing from 2015. The new Policy (FTP 2015-20) is made product wise and location wise and tried to maximize the foreign trade from the country. This policy aims at boosting India's exports and Central Government's pet projects, 'Make in India' and 'Digital India' is being integrated with the new FTP 2015-20. The Policy (FTP 2015-20) of India mainly focuses on an ambitious export target of 900 billion dollars by year 2020 highlights a visible push to 'Make in India'. The foreign trade policy of India is based on two major objectives, they are as follows: 1) To double the percentage share of global merchandise trade within the next five years. 2) To act as an effective instrument of economic growth by giving a thrust to employment generation.

**Conclusion**

India remained committed to a rule-based multilateral trading system; in this context, India regarded safeguard and anti-dumping measures as an integral part of the WTO system. The Customs Tariff Act had been amended in early 1997 to provide for GATT-consistent safeguard procedures; there had been a surge of safeguard actions following this measure. The Government had also set up an independent Directorate of Anti-Dumping, primarily to provide transparency and independence to the process and expedite cases.

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ENVIRONMENT ISSUES IN EVENT MANAGEMENT PRACTICES
(A STUDY WITH REFERENCE TO UNORGANIZED EVENT MANAGEMENT PRACTITIONERS IN SALEM DISTRICT)

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Abstract
The preparation of a budget is an essential part of event management. It is fundamentally important that Event practitioners are able to predict with reasonable accuracy whether the event will result in a profit, a loss or will break-even. The achieved by identifying and costing all probable expenditures and by totaling all expected revenues. The objective of the study is to know the personal details of unorganized event management practitioners and to study the company profile of the unorganized event management practitioner, finally to analyze the environment issues in event management practice. The primary research was done by using structured interview schedule using convenient sampling 85 practitioners of Salem district. The interview schedule contains questions to measure unorganized event management practitioner personal details and environment related issues in event management practice. Simple Percentage and T-test were used to analyze the data.
Keywords: Events, Management, Profession.

Introduction
Event management is the application of project management to the creation and development of festivals, events and conferences. Once upon a time Event management is about planning, organization and execution of a project/activity such as parties, weddings, product launches, conferences, etc. Today, it encompasses a wide range of profiles that offer thrilling opportunities to those with an eye for detail and a flair for organizing. Management of an event encompasses all activities involved in planning organizing, staffing, leading and evaluation of an event. In fact, all operational tasks for an event such as the ground work, viz. venue selection and stage design, arranging the infrastructural facilities required, liaison with artists/performers and networking with other activities such as advertising, PR, ticket sales, etc. Fall under the purview of event management Marketing Guru, Philip Kotler, defines events as occurrences designed communicate particular messages to target audiences. Suresh Pillai., managing director, Events Management, considers events as an additional media whereby two-way. Deepak gattani, Director, Uniapport Events, one of India’s foremost events agencies defines events as something note worthy which happens according to set plan involving networking of a multimedia package, thereby achieving the clients objectives and justifying their need for associating with events.

Statement of the Problem
The preparation of a budget is an essential part of event management. It is fundamentally important that Event management practitioners are able to predict with reasonable accuracy whether the event will result in a profit, a loss or will break-even. This is achieved by identifying and costing all probable expenditures and by totaling all expected revenues. So in this study the un organized event management practitioners how does manage the environment related issues?
Objectives of the Study

- To know the personal details of unorganized event management practitioners and
- To study the company profile of the unorganized event management practitioner
- To analyze the environment issues in unorganized event management practices.

Research Methodology

A convenient sampling technique was used to select the unorganized event management practitioner for the study. The study was concerned to 85 samples collected from different unorganized event management practitioner through interview schedule in Salem district. The data were collected from both primary and secondary data. Simple Percentage and T-test were used to analyze the data.

Issue Related to Environment

- Arrangement of the event
- Unpredictability of the climate
- Management of waste
- Natural calamities
- Water pollution
- Air pollution
- Unrelated event atmosphere
- Inconvenient natural environment
- Affecting the neighborhood

Data Analysis and Interpretation

The Statistical tools are used for this study are Simple Percentage analysis, T-test to have effective result of research analysis.

Demographic Factors

<table>
<thead>
<tr>
<th>S.No</th>
<th>Demographic Factors</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td></td>
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</tr>
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<td>2</td>
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<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1
From the above table, it is shows that Maximum 84.7% of the respondents are male and minimum 15.3% of the respondents are female. Hence, the researcher concluded that majority of the respondents are male. Maximum 37.6% of the respondents are belongs to the age group of 25-35 years and minimum 15.3% each of the respondents were under the category of below 25 years and above 45 years respectively. Maximum 69.4% of the respondents are married and minimum 3.5% of the respondents are Diverse. Hence, the researcher concluded that majority of the respondents are belongs to married people. Maximum 42.4% of the respondents are PG level educational qualification and minimum 10.6% of the respondents are Under Graduate. Maximum 42.4% of the respondents are living in rural area and minimum 21.2% of the respondents are living in urban area. Maximum 78.8% of the respondent’s occupations are Business and minimum 7.1% of the respondents are Private Employee. Maximum 34.1% of the respondent’s monthly incomes are earned Rs. 10001-20000 and minimum 14.1% of the respondents are Below Rs.10000. Maximum 34.1% of the respondent’s family sizes are 1 to 3 and minimum 15.3% of the respondents are 10 and above. Maximum 85.9% of the respondent’s Religion are Hindu and minimum 7.1% of the respondents Muslim and Christian respectively.

Company Profile

<table>
<thead>
<tr>
<th>S.No</th>
<th>Particulars</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company Type</td>
<td>Individual</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Partnership</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>85</strong></td>
</tr>
<tr>
<td>2</td>
<td>Established Place</td>
<td>Rural</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>City</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>85</strong></td>
</tr>
<tr>
<td>3</td>
<td>Level of Event Organizing</td>
<td>Taluk</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td></td>
<td>District</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>85</strong></td>
</tr>
<tr>
<td>4</td>
<td>Monthly Turnover</td>
<td>Below Rs.50,000</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.50,001 to Rs.1,00,000</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.1,00,001 to Rs.1,50,000</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>85</strong></td>
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### Event Management Company AND Practitioner Details

#### Table 3 Event Management Company and Practitioner Details

<table>
<thead>
<tr>
<th>S.No</th>
<th>Particulars</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How long do you run event?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1-3 Years</td>
<td>35</td>
<td>41.2</td>
</tr>
<tr>
<td></td>
<td>4-6 Years</td>
<td>12</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>6-9 Years</td>
<td>13</td>
<td>15.3</td>
</tr>
<tr>
<td></td>
<td>10 And Above</td>
<td>25</td>
<td>29.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>85</td>
<td>100.0</td>
</tr>
<tr>
<td>2</td>
<td>Source receiving order</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Friends</td>
<td>55</td>
<td>64.7</td>
</tr>
<tr>
<td></td>
<td>Relatives</td>
<td>12</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>Media</td>
<td>9</td>
<td>10.6</td>
</tr>
<tr>
<td></td>
<td>Advertisement</td>
<td>6</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>E-mail</td>
<td>3</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>85</td>
<td>100.0</td>
</tr>
<tr>
<td>3</td>
<td>Events organize in a year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimum 5</td>
<td>43</td>
<td>50.6</td>
</tr>
<tr>
<td></td>
<td>5 To 10</td>
<td>18</td>
<td>21.2</td>
</tr>
<tr>
<td></td>
<td>16 To 20</td>
<td>9</td>
<td>10.6</td>
</tr>
<tr>
<td></td>
<td>Above 25</td>
<td>15</td>
<td>17.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>85</td>
<td>100.0</td>
</tr>
<tr>
<td>4</td>
<td>Which type of events organizing?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sports Event</td>
<td>6</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>Educational Event</td>
<td>22</td>
<td>25.9</td>
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<tr>
<td></td>
<td>Personal Event</td>
<td>41</td>
<td>48.2</td>
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<td></td>
<td>Political Event</td>
<td>16</td>
<td>18.8</td>
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<td>Total</td>
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### Association between Place of Resident and Issue Related to Environment

#### Table 4

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<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Result</th>
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<tr>
<td>Arrangement of the event</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>.540</td>
<td>2</td>
<td>.270</td>
<td>.175</td>
<td>.840</td>
<td>Not significant</td>
</tr>
<tr>
<td>Within Groups</td>
<td>126.566</td>
<td>82</td>
<td>1.543</td>
<td></td>
<td></td>
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<td>Total</td>
<td><strong>127.106</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>.501</strong></td>
<td><strong>.608</strong></td>
<td>Not significant</td>
</tr>
<tr>
<td>Unpredictability of the climate</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>1.354</td>
<td>2</td>
<td>.677</td>
<td>.501</td>
<td>.608</td>
<td>Not significant</td>
</tr>
<tr>
<td>Within Groups</td>
<td>110.694</td>
<td>82</td>
<td>1.350</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td><strong>112.047</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>.501</strong></td>
<td><strong>.608</strong></td>
<td>Not significant</td>
</tr>
<tr>
<td>Management of waste</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>10.584</td>
<td>2</td>
<td>5.292</td>
<td>2.739</td>
<td>.071</td>
<td>Not significant</td>
</tr>
<tr>
<td>Within Groups</td>
<td>158.427</td>
<td>82</td>
<td>1.932</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td><strong>169.012</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>2.739</strong></td>
<td><strong>.071</strong></td>
<td>Not significant</td>
</tr>
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<td>Natural calamities</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>8.242</td>
<td>2</td>
<td>4.121</td>
<td>2.766</td>
<td>.069</td>
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</tr>
<tr>
<td>Within Groups</td>
<td>122.158</td>
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<td>1.490</td>
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<td></td>
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<tr>
<td>Total</td>
<td><strong>130.400</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>2.766</strong></td>
<td><strong>.069</strong></td>
<td>Not significant</td>
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<td>Water pollution</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Between Groups</td>
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<td>2</td>
<td>3.728</td>
<td>2.142</td>
<td>.124</td>
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<td>Within Groups</td>
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<td>1.741</td>
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<td>Total</td>
<td><strong>150.188</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>2.142</strong></td>
<td><strong>.124</strong></td>
<td>Not Significant</td>
</tr>
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<td>Air pollution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>.979</td>
<td>2</td>
<td>.490</td>
<td>.399</td>
<td>.672</td>
<td>Not significant</td>
</tr>
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<td>Within Groups</td>
<td>100.621</td>
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<td>1.227</td>
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<td>Total</td>
<td><strong>101.600</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>.399</strong></td>
<td><strong>.672</strong></td>
<td>Not significant</td>
</tr>
<tr>
<td>Unrelated event atmosphere</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Between Groups</td>
<td>2.710</td>
<td>2</td>
<td>1.355</td>
<td>1.565</td>
<td>.215</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Within Groups</td>
<td>70.984</td>
<td>82</td>
<td>.866</td>
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<tr>
<td>Total</td>
<td><strong>73.694</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>1.565</strong></td>
<td><strong>.215</strong></td>
<td>Not Significant</td>
</tr>
<tr>
<td>Inconvenient natural environment</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>1.761</td>
<td>2</td>
<td>.880</td>
<td>1.142</td>
<td>.324</td>
<td>Not significant</td>
</tr>
<tr>
<td>Within Groups</td>
<td>63.228</td>
<td>82</td>
<td>.771</td>
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<tr>
<td>Total</td>
<td><strong>64.988</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>1.142</strong></td>
<td><strong>.324</strong></td>
<td>Not significant</td>
</tr>
<tr>
<td>Affecting the neighborhood</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>10.952</td>
<td>2</td>
<td>5.476</td>
<td>3.626</td>
<td>.031</td>
<td>Not significant</td>
</tr>
<tr>
<td>Within Groups</td>
<td>123.824</td>
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<td>1.510</td>
<td></td>
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<td></td>
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<tr>
<td>Total</td>
<td><strong>134.776</strong></td>
<td><strong>84</strong></td>
<td></td>
<td><strong>3.626</strong></td>
<td><strong>.031</strong></td>
<td>Not significant</td>
</tr>
</tbody>
</table>

From the above table reveals that place of resident and issue related to environment. In case of related for Arrangement of the event, Unpredictability of the climate, Management of waste, Natural
calamities, Water pollution, Air pollution, unrelated event atmosphere, inconvenient natural environment, and affecting the neighborhood are the significant values are 0.840, 0.608, 0.071, 0.069, 0.124, 0.672, 0.215, 0.324, and 0.031 respectively. The significant value is more than the p value. Hence there is hypothesis significant difference between the place of resident and issue related to environment. So, the Hypothesis is rejected.

Suggestions
• The event management practitioners need to focus on forecasting the cost of event.
• The unorganized event management practitioners can prepare a event budget based on the previous experience.
• The unorganized event management practitioners should consider to event stakeholder while preparing budget.

Conclusion
Event management business is such a wonderful business. It is must for each and every individual, family and company to conduct events without any interruption and problems. It reduces the work load and depression to the beneficiaries. As this business create many event management practitioners may be established. It will create more employment opportunities. This study has been carried out in order to know the environment issues in unorganized event management practitioners also the unorganized event management practitioners change to the organized event management practitioners in Salem district.

References
1. SPSS 17.0 for researchers, Dr. S.L. Gupta and Hitesh Gupta, International Book House Pvt. Ltd. Pp. 70-85.
EXPORT IMPORT PROCEDURE AND DOCUMENTATION IN INDIA

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Dr. K. Maruthamuthu  
Principal, PRUCAS, Mettur Dam

Abstract

Export import policy is the crucial role in the foreign trade therefore the business people must known about the export import policy and documentation. Every countries having foreign trade policies separately. Here the researchers are discussed only Indian foreign trade policy. Although every nation having separate policy and documentation of foreign trade the world trade organization and World Bank also prescribed the guidelines for commonly. This descriptive study was explored based on export import policy of India.  
**Keywords:** Export, Import, Documentation, Policy, Procedure

Introduction

Foreign trade is recognized as the most dominant determinants of economic development of a country, all over the world. For providing, guideline and creating necessary environment for its orderly growth, several Acts have been put in place. The foreign trade of a country consists of inward and outward movement of goods and services, which results into outflow and inflow of foreign exchange. The foreign trade of India is governed by the Foreign Trade (Development & Regulation) Act, 1992 and the rules and orders issued there under. Payments for import and export transactions are governed by Foreign Exchange Management Act, 1999. Customs Act, 1962 governs the physical movement of goods and services through various modes of transportation. To make India a quality producer and exporter of goods and services, apart from projecting such image, an important Act—Exports (Quality control & inspection) Act, 1963 has been in vogue. Developmental pace of foreign trade is needy on the Export-Import Policy adopted by the country too. Even the EXIM Policy 2002-2007 lays its stress to simplify procedures, sharply, to further reduce transaction costs. Today's international trade is not only highly competitive but also dynamic. Necessary responsive framework to make exports compete globally, is essential. In order to harness these gains from trade, the transaction costs, in turn dependent on the framework support, involved need to be low for trading within the country and for international trade. International trade is a vital part of development strategy and it can be an effective instrument of economic growth, employment generation and poverty alleviation. Market conditions change, almost daily, requiring quick response and more importantly, anticipation of the future requirements is the need of the hour. To gear with the changing requirements, it is essential that the framework has to remain in pace and change in anticipation, accordingly, and then only international trade can pick up the speed envisaged.

Meaning of Foreign Trade Policy

Foreign trade policy is the combination of words first is foreign trade second is policy foreign trade. It is the exchange of goods and services between the nations. Goods can be defined as finished products, as intermediate goods used in producing other goods or as agricultural goods and foodstuffs.
History of Foreign Trade Policy in India

In the year 1962 the government of India appointed a special foreign trade policy committee to review the government preview the export and import policies. The committee was later on approved by the government of India Mr.V.P.Singh the then commerce minister and announced the foreign trade policy on the 12th of April 1985. Initially the foreign trade policy was introduced for the period of three years with main objective to boost the export business in India.

Objectives of the Study

- To clarify the export import procedures
- To clarify the documentation to export and import

Need and Importance of the Study

Export import business only can develop every nations economically. Many peoples are interested in foreign trade business but similarly known about procedure and documentation of export import. Therefore necessity to create awareness about export import procedure and documentation. In a fifth generation world, the business people must be awareness about the export import. The researcher confidently believe through this paper clarify the doubts of documentation and procedures of export and import.

Need and Importance of Foreign Trade

- Division of labour and specialization
- Optimum allocation and utilization of resources
- Equity of prices
- Availability of multiple choices
- Raise standard of living of the people

Export Import Documentation

The world trade organizations and World Bank are prescribed the documents for export and import are following:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shipping Bill</td>
<td>Bill of Entry</td>
</tr>
<tr>
<td>2</td>
<td>Commercial Invoice</td>
<td>Commercial Invoice</td>
</tr>
<tr>
<td>3</td>
<td>Packing List</td>
<td>Packing List</td>
</tr>
<tr>
<td>4</td>
<td>Bill of Lading</td>
<td>Bill of Lading</td>
</tr>
<tr>
<td>5</td>
<td>Foreign Exchange Control Form (SDF)</td>
<td>Foreign Exchange Control Form (Form A-1)</td>
</tr>
<tr>
<td>6</td>
<td>Terminal Handling Receipt</td>
<td>Terminal Handling Receipt</td>
</tr>
<tr>
<td>7</td>
<td>Technical Standard Certificate</td>
<td>Certified Engineer’s Report</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Cargo Release Order</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Product Manual</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Inspection Report</td>
</tr>
</tbody>
</table>

Export and Import Procedure

The export and import of the goods is subject to certain legal and procedural formalities before being permitted clearance by Customs. These would include the submission of require guidelines documents and observance to the laid down procedures before an order can be given by the competent officer to clear the goods for the intended purpose. To being exporting or importing goods from India, the business or individual must acquire an Import Export Code or IE Code from the Directorate General
of Foreign Trade. IE Code can be obtained by the business after obtaining PAN and opening a bank account. The following constitutes the export import procedure:

**Commercial Invoice**

Commercial invoice is issued by the seller to the buyer containing the terms of the transaction like date of transaction, seller details, buyer details, value, shipping terms and more. Customs duty is levied on the shipment usually based on the commercial invoice raised by the seller.

**Air Waybills**

An airway bill is a proof of shipment of goods by air. Air waybills serve as a proof of receipt of goods for shipment by the air cargo agent, an invoice for the air shipment, a certificate of insurance and a guide to the air cargo agent for handling, dispatch and delivery of the delivery. A typical airway bill contains details about the shipper and the consignee, the departure airport and target airport, description of the goods, sign and seal of the carrier.

**Bill of Lading**

Bill of Lading is provided by shipping agency for goods shipped by them. Bill of lading usually contains information pertaining to the shipper, consignee, carrying vessel, ports of loading and discharge, place of receipt and delivery, mode of payment and name of the carrier.

**Bill of Exchange**

Bill of exchange is used when an importer agrees to pay the exporter in future on a date on or before that is mutually agreed upon. Bill of exchange is an important written document in wholesale trade wherein a large amount of money is involved. Bill of exchange can be classified as bill of exchange after date and bill of exchange after sight. Bill of exchange after date is when the due date for payment is counted from the date of drawing. Bill of exchange after sight is when the due date for payment is counted from the date of acceptance of the bill.

**Certificate of Origin**

Certificate of origin is usually requested by the Customs Authority while clearing Customs. Certificate of Origin is used to establish the origin of the product and is issued by the Chamber of Commerce of the Exporter's country. Certificate of origin usually contains the name and address of the exporter, details of the goods, package number or shipping marks and quantity, as applicable.

**Packing List**

Packing list contains detailed information about the goods being shipped, quantity, weight and packing specifications. Packing list must contain description of the goods and have details regarding the shipping marks.

**Letter of Credit**

Letter of Credit is an arrangement wherein a Bank on the request of its customer agrees to make payment to a beneficiary on receipt of documents from beneficiary as per the terms stipulated in the Letter of Credit. Letter of Credit or LC is used extensively in international and domestic trade transactions.
Conclusion

The study clearly explained the required document and procedure of export and import. It may be omitted similar activities of procedure and documentation. Because the nations are changed their policies frequently by agreement with other county for free trading. Through this study the business people can know clearly about pre and post actions of export and import.

References
14. Export import procedures of India
TRADE AND COMMERCE OF FOREIGN DIRECT INVESTMENT

S.Renuga Devi & L. Vennila
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Abstract

The FDI (Foreign Direct Investment) influence the economic welfare, growth and development of cost countries in several ways. First of all, in any host country, the FDI manifests itself in the form of Transnational Companies (TNCs) establishing local operations, usually through one or more affiliates. They showed that it was a direct relation between the FDI flows (as percent of the GDP) and the growth of GDP per capita not just for the developed countries, but also for most of the developing countries. Since the early ’60s of the 20th century, the times with the most intense foreign investment activities had coincided with a sudden increase in the macroeconomic indicators (especially the GDP (Gross Domestic Product). Because the economic science proved that there was a direct connection between the FDI volume and economic growth rates, the IMF (International Monetary Fund) and the World Bank started to recommend to all countries (recommendation that they make currently) to create favorable conditions to attract FDI for ensuring, in this way, high development rates. The countries in transition need FDI not just to produce more goods and a higher quality. Concluding, only direct foreign investments would allow the Re-Specialization of the economy to surpass the situation of maintaining on the world markets only with food products and raw materials.

Keywords: Transnational Companies (TNC), Gross Domestic Product (GDP), Indian monetary fund (IMF), National economies Re-Specialization.

Introduction

The FDI, whatever is source, influence the economic welfare, growth and development of cost countries in several ways. First of all, in any host country, the FDI manifests itself in the form of transnational companies (TNCs) establishing local operations, usually through one or more affiliates. These foreign affiliates interact with the local economy by building production facilities and hiring workers, many of whom will require training. Second, since the affiliates are composing elements of the TNCs involved, they are parts of the TNCs’ respective value chains, both within the host country and internationally.

They establish backward (with suppliers) and forward (with distributors and sales organizations) linkages, which can stimulate production in supplier and distributor firms and organizations in the host country and constitute a channel for the transfer of technology. Finally, potential increases in employment and income due to the entry of FDI projects might result in multiplier effects on the entire host economy while, at the same time, potential crowding out of that economy’s domestic enterprises by FDI might have the opposite impact.

The extent and nature of these effects and the net outcome for a host economy depend, among other factors, on the scale of the initial FDI, the technology used, the number of people employed and the training and wages offered, the market orientation of foreign affiliates in the economy, the degree to which the affiliates procure goods and service inputs locally, and the proportion of profits reinvested, as well as on the conditions prevailing in the host economy.

Transnational Companies as Direct Foreign Investment Promoters and the Economic Growth

The annual FDI input growth is due, first, to the growth in the numbers and in the productive and financial strength of transnational companies. In this way, in 1999–2004 the total number of TNCs increased from 37 thousand to 70 thousand (1.7times), and the number of affiliates located abroad
increased from 170 thousand to 690 thousand (4 times). The accumulated global volume (the stock) of FDI of 9 trillion dollars in 2004 was, mainly, the property of 70 thousand TNCs. The largest transnational companies' analyses show that they activate in developed countries, such as the USA, the Great Britain, Japan, France, and Germany. The top position within this group is held by corporations such as General Electric (USA), Vodafone Group Picture (Great Britain), Ford Motor Company (USA), Toyota Motor Corporation (Japan), Total (France). In one of the largest TNCs, namely Vodafone Group Picture (Great Britain), the assets abroad amount to 92.8% of the total volume of the company's assets, the sales abroad – approximately 84%, the number of employees abroad – 79% of the total number. The TNCs make investments in a certain country only on condition that they gain additional profit from making their activities international and only having the advantage of monopoly. If in the country where they place the investments there are no such conditions, then the transnational companies select other countries. In the current stage, these actively contribute to the world investment input increase.

**The Role of Direct Foreign Investment in Respecializing Transition Economies and Increasing the Export Potential**

The countries in transition need FDI not just to produce more goods and a higher quality. Foreign capital investment is the most efficient and safe way to integrate into the world economy. Indeed, the accumulated experience shows that FDI substantially enhanced the national economies' re-specialization processes all over the world. The authors share the opinion of those specialists who affirm that FDI plays a determinant role in re-specializing the transition economies and increasing their export potential. That happens, because, first, in the process of attracting FDI, the improvement of economies takes place by ways of introducing and fast developing new fields and renovating the traditional ones. Second, FDI is currently the main and real source for economy restructuring and production modernization; and, third, FDI growth leads to increase in the manufactured production quantity.

The foreign investors had invested in companies within this area, and the advanced technologies, modern management, large means in technical preparation and top education in studying languages had opened to these countries the access to new outlets. As a result, a radical change of those companies' images occurred.

**Stimulating FDI and Trade for Achieving Economic Growth**

Most of the FDI specialists think that FDI had a positive impact upon the economic growth in the receiving countries. They showed that it was a direct relation between the FDI flow (as percent of the GDP) and the growth of GDP per capita not just for the developed countries, but also for most of the developing countries. In this way, the countries that had attracted an important FDI volume had the highest economic growth rates. Since the early '60s of the 20th century, the times with the most intense foreign investment activities had coincided with a sudden increase in the macroeconomic indicators (especially the GDP). Because the economic science proved that it was a direct connection between the FDI volume and the economic growth rates, the IMF and the World Bank started to commend to all countries (recommendation that they make currently) to create favorable conditions to attract FDI and to ensure, in this way, high development rates.

Although none of the specialists question the existence of an economic relationship between the FDI and economic growth, the scientists had different points of view regarding the following matters: How strong is the connection between these two processes? Do they always ensure economic growth? Is FDI
the main factor of economic growth in a country or another? The existence of a strong correlation between investment and economic growth was contested by the Russian economists, especially those from the Transition Period Economy Institute.

Using mathematical models as research instruments they calculated and proved that *the Russian economic growth, practically, did not depend on direct foreign investment.*

**Theoretical Foundations and Empirical Results**

There is a wide theoretical basis that supports the existence of a positive relation between FDI and economic growth. Relevant for the theoretical role is the model of FDI with positive impact (Moran, 1998), and especially the models of endogenous economic growth that belong to Romer (Romer, 1986), Barro and Sala-i-Martin (Borensztein, De Gregorio and Lee, 1998), Graham and Wada (2001), or Aitken and Harrison (1999). Among the empirical studies that confirm this hypothesis we present those of Krkoska (2001), Borensztein, De Gregorio and Lee (1998), Graham, Wada (2001). But as the empirical results do not always confirm the positive relation “FDI economic growth” (especially in the microeconomic studies), also the theoretical foundations behind the hypothesis of the correlation absence, its conditionality or even of the negative correlation were set and empirically verified.

**Types of Foreign Direct Investment**

FDIs can be broadly classified into two types: outward FDIs and inward FDIs. This Classification is based on the types of restrictions imposed, and the various prerequisites required for these investments.

**Outward FDI**

Is backed by the government against all types of associated risks This form of FDI is subject to tax incentives as well as disincentives of various forms. Risk coverage provided to the domestic industries and subsidies granted to the local firms stand in the way of out-ward FDIs, which are also known as direct investments abroad.’ In this case it is the local capital, which is being invested in some foreign resource.

**Inward FDI**

Factors detrimental to the growth of FDIs include necessities of differential performance and limitations related with ownership patterns. The idea behind this is that, the long run gains from such a funding far outweighs the disadvantage of the income loss incurred in the short run. Other categorizations of FDI exist as well.

**Vertical FDI**

It takes place when a multinational corporation owns some shares of a foreign enterprise, which supplies input for it or uses the output produced by the MNC.

**Horizontal FDI**

It happens when a multinational company carries out a similar business operation in different nations. Some foreign direct investments involve the transfer of strategic assets. FDI activities may also be carried out to ensure optimization of available opportunities and economies of scale. FDI is especially critical in both emerging and transition economies. FDI helps to answer the question: “How do you create capitalism in a nation where there are neither capitalists nor capital?” A parent business enterprise and its foreign affiliate are the two sides of the FDI relationship. Together they comprise an MNC. The parent enterprise through its foreign direct investment effort seeks to exercise substantial control over the foreign affiliate company. *‘Control’* as defined by the UN, is ownership of greater than or equal to 10% of ordinary shares or access to voting rights in an in corporate firm.
Conclusions

Because the developing countries expand beyond their traditional involvement in international production as recipients of FDI to that of rising sources of FDI, the impact of their outward FDI on the countries of origin, as well as on the host countries, especially host developing countries, assumes increasing significance. For the countries of origin, questions arise as to whether the exports of capital, technology and other resources by their TNCs bring benefits to the firms undertaking them, as well as to the economy at large, and contribute to the development process. For the host developing countries of FDI from other developing countries, the main issues refer to what extent such FDI adds to capital and other resources available for development, and whether the benefits and costs of such FDI differ in any way from those of FDI from the developed countries.

At the firm level, although it cannot be taken for granted that outward FDI necessarily contributes to enhancing competitiveness and performance, evidence from studies and surveys, related mainly to outward FDI from some Eastland South-East Asian economies, suggests that in most cases, developing country firms do attain their objectives: they expand markets, improve efficiency, acquire natural resources, or augment the strategic assets, thus improving their performance by investing in foreign locations. In addition, while strengthened competitiveness of firms due to outward FDI, especially in manufacturing and services, can benefit country of origin industries and the country of origin economy in general through linkages and spillovers, it can also raise concerns relating to monopoly power and competition, as the relative size of the investing firms can be large relatively to that of other firms in the country of origin developing countries. TNCs engage substantially in trade supporting activities. It is relevant in this context to note that developing countries' focus on the balance-of-payments impact of outward (or for that matter, inward) FDI per se has diminished some what, partly due to an improved overall balance-of-payments situation in many outward investing developing countries, and partly because of a growing tendency to look at the balance of payments as a whole and manage it through an appropriate exchange rate policy.

References

SAARC AND INDIA’S ENGAGEMENT IN NEIGHBOURS - A STUDY

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Abstract
India has been a member of South Asia Association Regional Co-operation from the very beginning. But it could not come close to the Association of Southeast Asian Nations during the Cold War years. With India’s ‘Look East’ policy 1991 India’s relations with ASEAN and South-East Asian countries have expanded and diversified. ASEAN is one of the successful regional organizations. The present study has been undertaken to understand, analyze and review the growing linkages between India and the ASEAN. There are a number of historical, cultural, political and economic factors which have played a major role in closer relations between the two. An effort has been made through this study to analyze the whole dynamics of India’s relations with ASEAN in the post 1991 period.

Keywords: SAARC, ASEAN, USSR, Cold War, World War, Foreign Policy.

Introduction
The disintegration USSR in December 1991 has resulted in far reaching changes in the political scenario. The change in the external environment undoubtedly affected the foreign relations of all political systems in the world. The world paradigm has largely shifted from conflict to cooperation. The concept of regional cooperation in the third world countries too has assumed greater importance. More and more regional economic cooperation is the trend now. The major power blocs have been reducing political confrontations and moving towards trade groups. The growing importance of regional cooperation through regional organizations is an important feature of the post Cold War era. The proliferation of regional organizations in the Third World in the post Second World War period is evidence of a growing need to protect the interests of the countries in the Third World in an ever increasingly competitive international system that has failed to adequately safeguard them. Regional cooperation is seen as a more fruitful way of tackling the problems of economic development, of increasing the bargaining power of underdeveloped and developing regions of the Third World vis-à-vis the developed North, and of reducing their dependence on industrialized North. Within Asia region, the two regional organizations that are playing an important role are ASEAN and SAARC.

Significance of the Study
The present study focusing on India-ASEAN Relations is a humble attempt to fill some gaps in knowledge on this very important issue. It is widely accepted that 21st century belongs to Asia. The growing importance of India as an upcoming economy increases its responsibility in the development of peace, stability and prosperity in the region. Similarly ASEAN deserves to be commended for the way it has established itself in the Asian diplomacy. The strategic, economic and political importance of ASEAN and India in achieving the objective of making Asia the centre of world politics provides an academic and political justification for exploring the challenges and prospects of India - ASEAN relations in a holistic way. The present study has been undertaken keeping in mind this objective. The study tries to
make a comprehensive analysis of India’s relations with ASEAN in the post 1991 era. It has tried to fill the gaps in the analysis of diplomatic relations of India and the ASEAN member states. India’s ‘Look East’ policy has been critically analysed and all major issues-economic, strategic, cultural and political have been reviewed.

Objectives of the Study
The major objectives of the study have been:

- To study the genesis, growth and achievements of ASEAN as a regional organization.
- To analyze the factors responsible for evolution of India’s ‘Look East’ policy.
- To study the changes in India’s relations with ASEAN as a consequence of the disintegration of the Soviet Union.
- To find out the causes as to why India has been more keen on joining ASEAN rather than giving importance to SAARC.
- To trace major issues necessitating greater Co-operation between India and ASEAN.
- To study the China factor in India-ASEAN relations.
- To highlight the challenges and prospects of India-ASEAN relations.

Research Methodology
The research methods used for the study have been descriptive and analytical. For this purpose both primary sources and secondary sources have been used. Primary sources included ASEAN-Documents: Reports, Charters / Declarations, Joint Press Releases, Foreign Affairs Records, Annual Reports, Statements by Indian or Foreign Leaders/Ministers and unpublished material, etc. The secondary sources comprised of the books, journals, newspapers, dictionaries, relevant websites, etc.

Hypotheses
- With the end of Cold War, the strategic and political factors have lost their earlier importance in the relations among different countries.
- In the age of globalization the economic factors has become more important.
- The regional organizations are an important method of security from external aggression.
- Dynamic leadership can forge closer relations between India and ASEAN.
- India is acceptable to ASEAN countries because they have nothing to fear whereas SAARC countries are apprehensive of hegemonic role of India.
- Diplomatic efforts and channels have greater role and potential in establishing closer relations between India and ASEAN countries.

Findings
The general findings are basically based on policy issues and present trade agreements and schemes implemented to increase India’s foreign trade with these countries.

- Taken into account the comparison between European Union and the SAARC and comparison between the SAARC, European Union and ASEAN. The SAARC is place on the third position with its slow progress.
- In case of the SAARC all the member countries are not in same economic condition.
- All of them were entering into unexplored territory and were thus adopting a cautious approach. India and Pakistan are main countries who play the significant role in the SAARC.
The process of industrial restructuring is also played an important role in enhancing the overall efficiency and competitiveness of the manufacturing process and it is converted into the increased export capacity of the Indian Industrial sector.

It is observed that exchange rate volatility has a significant and negative impact on the export demand on most of the SAARC countries. It does not encourage to intra-regional trade within the SAARC countries.

There is conflict between various countries in the SAARC which is adversely affecting on the economic relationship of the member countries. South Asia is a conflict prone region subject to continuous political tensions. These tensions have tended to recur periodically and have not allowed an atmosphere of mutual trust to prevail.

India-Pakistan: Relations between India and Pakistan, the two largest states in the region, embody the permanent regional instability. This instability influenced India’s trade relationship with Pakistan.


India-Bangladesh: Specifically, in the early 1990s, India-Bangladesh relations are deteriorated over a dispute concerning the Farakka Barrage, where India has built a feeder canal to divert water to its side of the river. This conflict has been violated the trade relationship with Bangladesh.

Indo-Nepal: An Indo-Nepal relation was also not so good because of border problems and the problems regarding the Nepal’s relations with China. However, now some significant changes have been made. India has also supported the Nepalese government in its fight against the ongoing Maoist rebellion in the country, a fact that has further improved relations between the two countries.

The SAARC region has not made proper communication strategy to lead proper communication among the people of different the SAARC countries. It lacks adequate communication infrastructure adversely affected the trade relations within the SAARC countries.

**Suggestions**

Based on the major findings of this study, researcher has suggested some important suggestions and recommendations for enhancing the trade relations with the SAARC countries. They are as follows:

- India and other member countries should have to take some steps for reducing quantitative restrictions and non-tariff barriers because it adversely affecting on the trade relationship of the member countries.
- The awareness about the India's trade relationship and importance of trade relationship should be inculcated in the Indian industries and trade sectors.
- The Government should appoint one country as special task force to detect problems in trade relationship and should make specific suggestions for improving trade relations with specific countries.
- India and Pakistan are most important role player in the SAARC hence, they have to come together and discuss the problematic issues about international trade.
- There is an extreme need of building the strong cultural and social connections within the citizens of the SAARC countries. Because it helps to develop trade relations within the member countries.
- In particular an ‘open sky’ policy should be adopted in South Asia to fly unhindered within the SAARC Members.
In order to facilitate development of export orientated business and access to necessary skills, knowledge and relationships, the visa regime in South Asia needs to be more open.

Pakistan contributes in the exports like fruits, spices, pulses, nuts etc to India. Hence, this import is important for India. Hence, India should develop extent level of trade relationship with Pakistan.

Energy sector is one of the most important sectors to export Pakistan and Bangladesh hence; it cannot be ignored to promote Indo-Pak Indo-Bangladesh Cooperation.

Lack of trust between India and Pakistan leads to low exports and imports. India supposes Pakistan as a terrorist country. So, both the countries should stop the conflict and work together for development of trade relations as well as economic development of the both countries.

India and Bangladesh should solve the disputes between them and build strong relations which can support to increase international trade.

Conclusion

The changed geo-political and economic realities of the post Cold War period required new power alignments. The countries of different regions realized that their unity for economic development and for achievement of modernization is a must. In this context, cooperation alone offers the best opportunities for fulfilling the aspirations of, particularly, the third world countries. The changed international scenario impacted India’s foreign policy in a big way as India could not remain immune to this. India undertook bold initiatives in its policies as a response to the evolving circumstances and economic issues started moving from the periphery to the centre stage of its foreign policy.

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Abstract

E-governance has grown to be entering in to good-governance in many developing countries. To be at par with developed countries, the Government of India had made out a plan to use Information Technology extensively in its operation to make more efficient and effective and also to bring transparency and accountability. However, for successful implementation of E-Governance, government officials have to realize the importance of E-Governance and understand that it is no longer a matter of choice, but an uncompromised need of the day. While the developed countries have been able to benefit greatly from the wide use of Information Technology, many developing countries are still grasping to make sense of how IT fits into their problems. The trend is true in the case of e-Governance also. This paper is an attempt to explore the present and futuristic scope of e-Governance in India.

Keywords: E-Governance, Good Governance, Grassroots Enlargement, Regional Diplomacy, Constitutional Safeguards

Introduction

"Access to governance has to be guaranteed with transparent systems that deliver responses and outcomes. The strengthening of democratic governance empowers the population has become active partners in the growth process." - Narendra Modi, Prime Minister of India.

India is a land of diversities. The people of India are dual faced. The constitution of India has proven equality in social, economic, political justice. The mere fact is that law in books and law in practical are always different from each other.

A developing country like India has to keep pace with the changing atmosphere of the world the new changed policies of the present government are going to decide the fate of its people in few decades. The changed concept of good governance is to be taken into consideration for a sustainable development of India.

e-Governance is about playing advanced information and communications technology to improve and support all tasks in the governmental domain. Public awareness and Digital divide is important issues to be addressed. e-Governance through regional languages is appreciable for the nations like India where people from several states are the participants.

Good Governance

There is no such definition of good governance. It is rather an ideal-typical construct which establishes the parameters of governance through certain indicators. The qualifier “good” clearly indicates the better standards of such a formulation and hence the imperative to achieve them. The World Bank has identified three distinct aspects of governance which needs to be emphasized for reform:

- The form of political regime.
The process by which authority is exercised in the management of a country's economic and social resources for development.

- The capacity of government to design, formulate and implement policies and discharge functions.

This again establishes the close link between democracy, economic development and good governance. As far as the criteria of good governance are concerned, UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific) sets out eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective & efficient, equitable & inclusive and follows the rule of law.

This new agenda of good governance, though based on the premise of early liberal theories puts emphasis on a market concept of equality which strives for empowerment of citizens by making them economically self-sustaining and enabling them to enter into market transactions. The cooperation of private agencies and NGOs are crucial for this purpose. Under this new found concept of equality and active participation of different actors citizens are often viewed as end users or customers whereas the government acts as the service providers.

**Enlargement of e-governance**

Electronic governance or e-governance is the application of information and communication technology (ICT) for delivering government services, exchange of information, communication transactions, integration of various stand-alone systems and services between government-to-citizen (G2C), government-to-business (G2B), government-to-government (G2G), government-to-employees (G2E) as well as back office processes and interactions within the entire government framework. Through e-governance, government services will be made available to citizens in a convenient, efficient and transparent manner. The three main target groups that can be distinguished in governance concepts are government, citizens and businesses/interest groups.

e-governance deploys information technology (ICT) for improving information and service delivery to citizens (consumers) by enabling them to participate in the decision making process through a wider network of private and civil society organisations. Therefore the government becomes more transparent, accountable and efficient and hence fits perfectly into the agenda of good governance. Not surprisingly, ‘e-governance for Development’ has been a prominent slogan in India which has been heavily influenced by international agencies such as DFID, UNDP, G-8 and World Bank. Ministry of Information and Technology was found, National IT task force was implemented and National e-governance Plan was adopted as part of such development initiatives.

**Significance of e-Governance**

ICT applications impact upon the structures of public administration systems. Technological advancements facilitate the administrative systems by enabling:

- Administrative Development; and
- Effective Service Delivery

**Administrative Development**

Administrative reforms, often, have focused on procedural details and restructuring of systems and processes of government organizations. The basic objective of these reforms is to enhance capacities of the systems. ICTs can be used and are being used now to give further impetus to the process. They help in the following manners:
Mechanization of Administrative Processes

A truly e-governed system would require minimal human intervention. Now administrative departments are computerized and connected through network. Software has been built and designed around government departments ensuring efficiency in operations. This has enabled online carrying of operations and file movements. Budgeting, accounting, data flow, etc. has become easy. This has increased the efficiency of office operations and processes and has reduced unnecessary delays.

Paper Work Diminution

Paperwork is reduced to a greater extent with communication being enabled via electronic route and storage and retrieval of information in the electronic form. All this has led to emergence of less paper office. Due to interconnectivity through LAN, transfer of information and files take place online, thus reducing the physical movements and consumption and storage of huge piles of paper.

Superiority of Services

ICT helps governments to deliver services to the citizens with greater accountability responsiveness and sensitivity. Quality of services improves, as now the people are able to get services efficiently and instantaneously. By ensuring online redressal of grievances the accountability of officials is ensured. Monitoring by way of video teleconferencing has further facilitated central monitoring, reporting and face to face communication that has assured effective service deliver, by the officials.

Elimination of ladder

ICT has reduced procedural delays caused by hierarchical processes in the organization. Through Intranet and LAN, it has become possible to send information and data across various levels in the organization at the same time. Computerization and communication patterns facilitated by ICT have increased efficiency and have led to the involvement of all levels in decision-making.

Change in Administrative Ethnicity

Bureaucratic structures have been plagued by characteristics aptly described by Victor Thompson as ‘bureau-pathology’. With e-governance, public actions coming under public glare would certainly induce norms and values of accountability, openness, integrity, fairness, equity, responsibility and justice in the administrative culture. Rather, administration would become efficient and responsive.

Effective Service Delivery

ICTs play an important role in effectively delivering services to the people. ICTs ensure:

Transparency by dissemination and publication of information on the web

This provides easy access to information and subsequently makes the system publicly accountable. Also as web enables free flow of information, it can be easily accessed by all without any discrimination.

Economic Development

The deployment of ICTs reduces the transaction costs, which makes services cheaper. For example, rural areas suffer on account of lack of information regarding markets, products, agriculture, health, education, weather, etc. and if all this could be accessed online would lead to better and more opportunities and thereby prosperity in these areas.

Social Progress

The access to information empowers the citizens. Informed citizenry can participate and voice their concerns, which can be accommodated in the programme/project formulation, implementation,
monitoring and service delivery. Web enabled participation will counter the discriminatory factors affecting our societal behavior.

**Strategic Information System**

Changing organizational environment and increasing competitiveness have put pressures on the performance of the functionaries. Information regarding all aspects needs to be made available to the management at every point to make routine as well as strategic decisions.

**Major E-Governance Projects in India**

1. Project Vidya Vahini
2. Project Stamps and Registration Software
3. Project Setu
4. Project Fast
5. Project Mudra
6. Project Bhoomi
7. Project E-Seva
8. Project Lok Mitra
9. Project Dristee- Connecting India village by village
10. Project AArakshi

**Challenges in Implementing e-Governance**

India's efforts towards bridging the urban-rural divide as well as digital divide are yet to yield substantial results so far. A recent United Nations report, which tracks the status of e-Governance preparedness across countries, has placed India at 118th position in the list of 193 countries. The report also revealed that there is a strong correlation between the e-Government Development Index and the national income of a country.

While it is convenient to pass the buck to “resistance to change” for low user adoption of web-based system for government services, there are two other challenges that are rearing their heads. In the absence of privacy law and data protection law, implementation of a majority of e-governance initiatives in India has witnessed failure. Another challenge that the government of India can't deny for long is the poor cyber security in the country. According to the experts, e-governance without cyber security is meaningless. They are of the opinion that the apathy towards cyber security breeds from the fact that there is no mandatory e-governance services in India.

**Conclusion**

e-governance presents a real transformation in democratic governance. E-Governance brings the issue of change and continuity involved in any social process and interaction. New technology can hold novel promises for improving the system and structure of governance and hence the quality of life. However, it becomes quite evident from the experiences of already implemented projects that technology is not ethically and socially neutral. For that motive, instead of focusing on an irreversible impact of technology on a community, it would be much more effective to see the reciprocal cycle of influences binding together technology, individual choices and consequently social shaping of such technologies.
References
Abstract

Foreign trade policy is also called as Export-Import policy or EXIM Policy. The EXIM policies are adopted by any country regarding the exports and imports goods and services with other countries in the World Trade Policies can be of two types, the free trade policy and the protective trade policy. In free trade policy there is complete absence of restrictions on the exchange of goods and services among the nations. There is also a complete absence of tariffs, quotas, taxes and subsidies on productions, factors use and consumption. Theoretically, the free trade has several advantages for mostly the developed countries but if we will talk about the developing countries the free trade does not proved much productive or proved to be a disadvantages. As earlier India has also a type of closed economy and free trade was also absent in India till 1980’s. After 1990, by the emergence of new industrial policy Indian trade comes with the contact of foreign countries and became the part of liberalized economy or globalised economy after 1991.

Introduction

Foreign trade in India includes all imports and exports to and from India. At the level of Central Government it is administered by the Ministry of Commerce and Industry. Foreign trade accounted for 48.8% of India’s GDP in 2015. Under protective trade policy a country manages to protect the domestic economy from the competition of foreign goods which may threaten the domestic goods and would definitely replace the domestic products from the markets leads heavy losses to the domestic country and instead of the development of under developed economy. The outward looking trade policies not only encourage the free trade but also the free movement of goods and services, capital and the investment of foreign investor in your country through an open system communication. Correspondingly, the inward looking trade policy stresses to produce all the goods and services for the purpose of growth and development within the country. Under this policy there is a definite restriction of movement of goods and services, capital and no kind of foreign investment can take place from foreigners.

Features

Foreign trade plays an important role in the economic development of country. It is said, “Foreign trade is not simply a device for achieving productive efficiency but is an engine of economic growth.” Many reasons certify this statement:-

1. Nation can optimally use its resources.
2. Technical know-how can be imported.
3. Surplus production can be exported.
4. Machinery and raw materials can be imported as and when needed.
5. Food grains and necessary help can be imported during natural calamities like earthquake, & flood etc.
Objectives
1. To provide a stable and sustainable policy environment for foreign trade in merchandise and services;
2. To link rules, procedures and incentives for exports and imports with other initiatives such as “Make in India”, Digital India and skill India to create an’ Export promotion mission’ for India.
3. To promote the diversification of India’s export by helping various sectors of the Indian economy to gain global competitiveness with a view to promote exports.
4. To create architecture for India’s global trade engagement with a view to expanding its markets and better integrating with major regions, thereby increasing the demand for India’s product and contributing to the governments’ flagship “Make in India” initiative.
5. To provide a mechanism for regular appraisal in order to rationalize imports and reduce the trade imbalance.

Scope
1. Development of economy
2. Meeting the shortages
3. Import for better living standard
4. Improving quality of production
5. Growth of the economy- production; Employment; Expansion; Demand of other goods; Utilization of resource
6. Sources of Foreign Exchange

Principles of Indias Foreign Policies
Non-Alignment
The policy of non-alignment is the most important contribution of India to international community. Immediately after the hostilities ended with the Second World War, a new and unprecedented tension developed between the erstwhile friends and allies The acute state of tension came into cold war. The division of the world into two blocs led by United States and the former Soviet Union respectively caused the cold war. India made up its mind not to join any of the power blocs.

Panchsheel and peaceful co-existence
Peaceful co-existence of nations of diverse ideologies and interests is an important principle of our foreign policy. Indian philosophy of vasudhaiva kutumbkam promotes the feeling of ‘one world’ In practice it means the nations inhabited by peoples belonging to different religions and having different social system. The five principles were mentioned under the personable of the agreement are:
1. Mutual respect for each other’s territorial integrity and sovereignty.
2. Mutual non-aggression.
3. Mutual non interference in each other internal affair.
4. Equality and Mutual benefit. and
5. Peaceful co-existence.

Freedom of Dependent Peoples: anti Imperialism
Anti-colonialism and imperialism has been a matter of faith with India’s Foreign policy makers. Having been a victim of British imperialism for a long time, India divided to oppose all forms of colonialism and imperialism.
Opposition to Racial Dissemination

India finally believes in equality of all human beings. It policy is aimed to all forms of social discrimination.

Foreign Economic Aid and India’s Independent Policy

India firmly believed that economics development of a country was an urgent necessity. Soon after Independence India devoted its energies to a planned and rapid all round development.

Support to the United Nations

India is one of the founder member of United Nations organization and many of the international organization and agencies.

Peaceful settlement of International Disputes

Disputes among nations are unavoidable; there can be only two methods of setting international disputes war or peaceful settlements. War has been the most used method of deciding disputes from the prehistoric days.

Reasons of Trade Policies in Developing Economies

As it has been analyzed that the free trade policy is not a fertile exercise for the developing countries but still has the worse need of dynamic trade policy to promote the economic development of developing economies for the number of reasons its impossible to avoid such countries confronted with the continuous definite in their trade balances arising out of their mounting expenditure for the sake of development. To seek the development in the developing countries the countries call for the increase in imports of capital goods, raw material and technology, but it is impossible to meet out these imports by the increase in exports. The insistently repetitive deficits in the balance of trade have the definite potential to produce an adverse effect on the development of economies. On the other hand if the developmental expenditure is reduced from these countries then it creates a long trem development problems in the developing countries.

India’s Foreign Trade Policy

Upto 1991 the Indian economy is under the coverage of heavy traffics more than 200 percent and there was there was extensive imposition of quantitative restrictions and full protection on the foreign investment in India. In 1991 the India economy got liberalized and almost in all the sectors the restrictive policies abolished only under the conditions of extreme necessity. Since that time the trade has produced remarkable achievement in the GDP of India which is increased from 15 percent from 1991 and in 2005 the percentage share of trade in the total GDP in 35 percent and now in 2012-13 it is 43 percent.

In the recent year India stand on the path of beneficial trade policies for the producers as well as the consumers and for the whole economy as well. With the passage of time India is quite sensitive limits trade policies of 2004-09 and 2009-14, in these policies its is determined that India had to facilitate those imports which are required to stimulate our country.

Conclusion

Fast changing international economic and trading environment have added a new dimension to the global economic cooperation .since 1990s most of the developing countries of the world initiated economic reforms and liberalization to stimulate growth rate and to exploit their potential in the best
possible manner. The economic reforms in India began in 1991 while in China after death of Mao in 1978. Liberalisation of foreign trade sector has been the cornerstone of economic reforms in both economies. India and China are compared with each other because of their large size of population, land and domestic economies. Both countries embarked on planned development almost at the same time with an emphasis on import substitution policies.

References
FOREIGN TRADE AND EXIM POLICY

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Abstract

The foreign trade policy of India is guided by the export import is known as in short Exim policy of the Indian government and is regulated by the foreign trade development and regulation act, 1992. DGFT (Directorate General of foreign Trade) is the main governing body in matters related to EXIM Policy. The main objective of the Foreign Trade (Development and Regulation) Act is to provide the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Foreign Trade Act has replaced the earlier law known as the imports and Exports (Control) Act 1947. Thus, there are two aspects of Exim Policy: the import policy which is concerned with regulation and management of imports and the export policy which is concerned with exports not only promotion but also regulation. The main objective of the Government’s EXIM Policy is to promote exports to the maximum extent. Exports should be promoted in such a manner that the economy of the country is not affected by unregulated exportable items specially needed within the country. Export control is, therefore, exercised in respect of a limited number of items whose supply position demands that their exports should be regulated in the larger interests of the country.

Introduction

Export-Import (EXIM) Policy frames rules and regulations for exports and imports of a country. This policy is also known as Foreign Trade Policy. It provides policy and strategy of the government to be followed for promoting exports and regulating imports. This policy is periodically reviewed to incorporate necessary changes as per changing domestic and international environment. In this policy, approach of government towards various types of exports and imports is conveyed to different exporters and importers. The Export-Import Policy (EXIM Policy), announced under the Foreign Trade (Development and Regulation Act), 1992, would reflect the extent of regulations or liberalization of foreign trade and indicate the measures for export promotion. Although the EXIM Policy is announced for a five-year period, announcing a Policy on March 31st of every year, within the broad frame of the Five Year Policy, for the ensuing year. Export refers to selling goods and services to other countries, while import means buying goods and services from other countries. Now in the era of globalization, no economy in the world can remain cut-off from the rest of the world. Export and import play a significant role in the economic development of all the developed and developing economies. With the growth of international organisations like WTO, UNCTAD, ASEAN, etc., world trade is growing at a very fast rate.

History of Exim Policy of India

In the year 1962, the Government of India appointed a special Committee to review the government previous export import policies. The committee was later on approved by the Government of India. Mr. V. P. Singh, the then Commerce Minister and announced the Exim Policy on the 12th of April, 1985. Initially the EXIM Policy was introduced for the period of three years with main objective to boost the export business in India.
EXIM Policy Documents
The Exim Policy of India has been described in the following documents:
Interim New Exim Policy 2009 - 2010
Handbook of Procedures Volume I
Handbook of Procedures Volume II
ITC(HS) Classification of Export-Import Items

The major information in matters related to export and import is given in the document named "Exim Policy 2002-2007". An exporter uses the Handbook of Procedures Volume-I to know the procedures, the agencies and the documentation required to take advantage of a certain provisions of the Indian EXIM Policy. For example, if an exporter or importer finds out that paragraph 6.6 of the Exim Policy is important for his export business then the exporter must also check out the same paragraph in the Handbook of Procedures Volume-I for further details.

The Handbook of Procedures Volume-II provides very crucial information in matters related to the Standard Input-Output Norms (SION). Such Input output norms are applicable for the products such as electronics, engineering, chemical, food products including fish and marine products, handicraft, plastic and leather products etc. Based on SION, exporters are provided the facility to make duty-free import of inputs required for manufacture of export products under the Duty Exemption Scheme or Duty Remission Scheme.

The Export Import Policy regarding import or export of a specific item is given in the ITC- HS Codes or better known as Indian Trade Clarification Code based on Harmonized System of Coding was adopted in India for import-export operations. Indian Custom uses an eight digit ITC-HS Codes to suit the national trade requirements. ITC-HS codes are divided into two schedules. Schedule I describe the rules and EXIM guidelines related to import policies where Export Policy Schedule II describe the rules and regulation related to export policies. Schedule I of the ITC-HS code is divided into 21 sections and each section is further divided into chapters. The total number of chapters in the schedule I is 98. The chapters are further divided into sub-heading under which different HS codes are mentioned.

ITC(Hs) Schedule II of the code contain 97 chapters giving all the details about the Export Import Guidelines related to the export policies.

Objectives of Exim Policy
The principal objectives of this Policy are:
1. To facilitate sustained growth in exports to attain a share of atleast 1 % of global merchandise trade.
2. To stimulate sustained economic growth by providing access to essential raw materials, intermediates, components, consumables and capital goods required for augmenting production and providing services.
3. To enhance the technological strength and efficiency of Indian agriculture, industry and services, thereby improving their competitive strength while generating new employment opportunities, and to encourage the attainment of internationally accepted standards of quality.
4. To provide consumers with good quality goods and services at internationally competitive prices while at the same time creating a level playing field for the domestic produce.
Highlights of the Exim Policy 1997-2002

- **Period of the Exim Policy**: This policy is valid for five years instead of three years as in the case of earlier policies. It is effective from 1st April 1997 to 31st March 2002.

- **Liberalization**: A very important feature of the policy is liberalization. It has substantially eliminated licensing, quantitative restrictions and other regulatory and discretionary controls. All goods, except those coming under negative list, may be freely imported or exported.

- **Imports Liberalization**: Out of 542 items from the restricted list 150 items have been transferred to Special Import Licence (SIL) list and remaining 392 items have been transferred to Open General Licence (OGL) List.

- **Export Promotion Capital Goods (EPCG) Scheme**: The duty on imported capital goods under EPGC scheme has been reduced from 15% to 10%. Under the zero duty EPCG Scheme, the threshold limit has been reduced from Rs. 20 crore to Rs. 5 crore for agricultural and allied Sectors.

- **Advance Licence Scheme**: Under Advance Licence Scheme, the period for export obligation has been extended from 12 months to 18 months. A further extension for six months can be given on payment of 1% of the value of unfulfilled exports.

- **Duty Entitlement Pass Book (DEPB) Scheme**: Under the DEPB Scheme an exporter may apply for credit, as a specified percentage of FOB value of exports, made in freely convertible currency. Such credit can be utilized for import of raw materials, intermediates, components, parts, packaging materials, etc. for export purpose.

Highlights of the Foreign Trade Policy 2015-2020

**A. Simplification & Merger of Reward Schemes Export from India Schemes:**

Merchandise Exports from India Scheme (MEIS) (a) Earlier there were 5 different schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) for rewarding merchandise exports with different kinds of duty scrips with varying conditions (sector specific or actual user only) attached to their use. (b) Rewards for export of notified goods to notified markets under ‘Merchandise Exports from India Scheme (MEIS) shall be payable as percentage of realized FOB value (in free foreign exchange).

Service Exports from India Scheme (SEIS) (a) Served From India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS). (b) The rate of reward under SEIS would be based on net foreign exchange earned.

Chapter -3 Incentives (MEIS & SEIS) to be available for SEZs It is now proposed to extend Chapter -3 Incentives (MEIS & SEIS) to units located in SEZs also. 4. Duty credit scrips to be freely transferable and usable for payment of custom duty, excise duty and service tax. (a) All scrips issued under MEIS and SEIS and the goods imported against these scrips would be fully transferable. (c) Basic Customs Duty paid in cash or through debit under Duty Credit Scrip can be taken back as Duty Drawback as per DoR Rules, if inputs so imported are used for exports.

Status Holders (a) Business leaders who have excelled in international trade and have successfully contributed to country's foreign trade are proposed to be recognized as Status Holders and given special treatment and privileges to facilitate their trade transactions, in order to reduce their transaction costs and time. (b) The nomenclature of Export House, Star Export House, Trading House, Star Trading House, Premier Trading House certificate has been changed to One, Two, Three, Four, Five Star Export House. (c) The criteria for export performance for recognition of status holder have been changed from Rupees to US dollar earnings.
(d) Approved Exporter Scheme - Self certification by Status Holders Manufacturers who are also Status Holders will be enabled to self-certify their manufactured goods as originating from India with a view to qualify for preferential treatment under different Preferential Trading Agreements [PTAs], Free Trade Agreements [FTAs], Comprehensive Economic Cooperation Agreements [CECAs] and Comprehensive Economic Partnerships Agreements [CEPAs] which are in operation.

B. Boost to "Make in India"

Reduced Export Obligation (EO) for domestic procurement under EPCG scheme: Specific Export Obligation under EPCG scheme, in case capital goods are procured from indigenous manufacturers, which is currently 90% of the normal export obligation (6 times at the duty saved amount) has been reduced to 75%, in order to promote domestic capital goods manufacturing industry.

Higher level of rewards under MEIS for export items with high domestic content and value addition

C. Trade facilitation & ease of doing business

Online filing of documents/applications and Paperless trade in 24x7 environments: (a) DGFT already provides facility of online filing of various applications under FTP by the exporters/importers. However, certain documents like Certificates issued by Chartered Accountants/Company Secretary/Cost Accountant etc.

Conclusion

The EXIM policy 2015-2020 is highly praiseworthy as it purely focuses on developing export potential, improving export performance, encouraging foreign trade and creating and favourable balance of payments resolving quality complaints and trade disputes. Good governance and export are facilitated by this policy and hope the expectations of the policy will be achieved with in the short duration of time.

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FOREIGN Trade POLICY IN BOOSTING INDIA’S EXPORT

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Introduction

The evolution of India’s Foreign Trade Policy (FTP) can be understood within the context of external dynamics and domestic priorities. India’s international trade policy following her independence in 1947 focused on economic nationalism. During 1947-1990, India’s economic development strategies were guided by an inward-looking development strategy based on the idea of self-reliance and infant-industry policy i.e. stimulating home-grown industrialization and import-substitution and minimal reliance on international trade. The Import Substitution Industrialization (ISI) minimized imports by supporting indigenous production and according priority to domestic use in the production. Such trade policy pursuit had the limiting effect on the nature of integration with the world economy.

With a view to doubling our percentage share of global trade within 5 years (2004-09) and expanding employment opportunities, especially in semi urban and rural areas, certain special focus initiatives have been identified for the agriculture, handlooms, handicraft, gems & jewellery and leather sectors. Government of India shall make concerned efforts to promote exports in these sectors by specific sectoral strategies that shall be notified from time to time.

The Government of India, Ministry of Commerce and Industry announced New Foreign Trade Policy on 01st April 2015 for the period 2015-2020, earlier this policy known as Export Import (Exim) Policy. After five years foreign trade policy needs amendments in general, aims at developing export potential, improving export performance, encouraging foreign trade and creating favourable balance of payments position.

EXIM Policy

Export-Import Bank of India set up in 1982, for the purpose of financing, facilitating and promoting foreign trade in India, is the principal financial institution in the country for coordinating the working of institutions, which are engaged in financing exports and imports.

The Bank provides competitive finance at various stages of the export cycle.

EXIM INDIA operates a wide range of financing and promotional programmes. The Bank finances exports of Indian machinery, manufactured goods, and consultancy and technology services on deferred payment terms. EXIM INDIA also seeks to co-finance projects with global and regional development agencies to assist Indian exporters in their efforts to participate in such overseas projects.

The Bank is involved in promotion of two-way technology transfer through the outward flow of investment in India joint ventures overseas and foreign direct investment flow into India. EXIM INDIA is also a Partner Institution with European Union and operates for facilitating promotion of joint ventures in India through technical and financial collaboration with medium-sized firms of the European Union.
Trends in Exports and Imports

India’s exports have seen an upward trend since the new millennium. Exports have increased from US$ 44,560.29 million in 2000-01 to US$ 3 14,405.3 million in 2013-14. Thereafter, exports have slowly declined to reach US$ 262,290.13 million in 2015-16. Similarly, India’s imports also increased from US$ 50,536.45 million in 2000-01 to US$ 490,736.65 million in 2012-13, and saw a downward trend with imports declining to US$ 381,006.63 million in 2015-16.

India's Total Imports and Exports (2000-17)

Source: EXIM Bank, Ministry of Commerce & Industry

Highlights of the Present Foreign Trade Policy 2015-2020

- India to be made a significant participant in world trade by 2020.
- Merchandize exports from India (MEIS) to promote specific services for specific Markets Foreign Trade Policy.
- FTP would reduce export obligations by 25% and give boost to domestic manufacturing.
- FTP benefits from both MEIS & SEIS will be extended to units located in SEZs.
- FTP 2015-20 introduces two new schemes, namely "Merchandise Exports from India Scheme (MEIS)" and "Services Exports from India Scheme (SEIS)". The 'Services Exports from India Scheme' (SEIS) is for increasing exports of notified services. These schemes (MEIS and SEZs also. e-Commerce of handicrafts, handlooms, books etc., eligible for benefits of MEIS.
- Agricultural and village industry products to be supported across the globe at rates of 3% and 5% under MEIS. Higher level of support to be provided to process and packaged agricultural and food items under MEIS.
- Industrial products to be supported in major markets at rates ranging from 2% to 3%.
- Served from India Scheme (SFIS) will be replaced with Service Export from India Scheme (SEIS).
- Branding campaigns planned to promote exports in sectors where India has traditional Strength.
- SEIS shall apply to 'Service Providers located in India' instead of 'Indian Service Providers'.
- Business services, hotel and restaurants to get rewards scrips under SEIS at 3% and other specified services at 5%.
- Duty credit scrips to be freely transferable and usable for payment of customs duty, excise duty and service tax.
- Debits against scrips would be eligible for CENVAT credit or drawback also.

Foreign Trade Policy 2015-2020 Unveiled

- Two New Schemes – “Merchandise Exports From India Scheme” And "Services Exports From India Scheme” Introduced.
- The much awaited Foreign Trade Policy 2015-20 was unveiled today by Minister of Commerce & Industry Mrs. Nirmala Sitharaman, at Vigyan Bhawan. The new five year Foreign Trade Policy, 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in keeping with the “Make in India” vision.
of Prime Minister. The focus of the new policy is to support both the manufacturing and services sectors, with a special emphasis on improving the ‘ease of doing business’.

- During her address Mrs. Sitharaman stated that there were various forces shaping India and its equation with the rest of the world. She urged the Government and industry to work in tandem to deal with the challenges posed.

- The release of Foreign Trade Policy was also accompanied by a FTP Statement explaining the vision, goals and objectives underpinning India’s Foreign Trade Policy, laying down a road map for India’s global trade engagement in the coming years. The FTP Statement describes the market and product strategy and measures required for trade promotion, infrastructure development and overall enhancement of the trade eco system. It seeks to enable India to respond to the challenges of the external environment, keeping in step with a rapidly evolving international trading architecture and make trade a major contributor to the country’s economic growth and development. She promised to have regular interactions with all stakeholders, including State Governments to achieve the national objectives.

- FTP 2015-20. Introduces two new schemes, namely “Merchandise Exports from India Scheme (MEIS)” for export of specified goods to specified markets and “Services Exports from India Scheme (SEIS)” for increasing exports of notified services, in place of a plethora of schemes earlier, with different conditions for eligibility and usage. There would be no conditionality attached to any scrips issued under these schemes. Duty credit scrips issued under MEIS and SEIS and the goods imported against these scrips are fully transferable. For grant of rewards under MEIS, the countries have been categorized into 3 Groups, whereas the rates of rewards under MEIS range from 2% to 5%. Under SEIS the selected Services would be rewarded at the rates of 3% and 5%.

- Measures have been adopted to nudge procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation to 75% of the normal export obligation. This will promote the domestic capital goods manufacturing industry. Such flexibilities will help exporters to develop their productive capacities for both local and global consumption. Measures have been taken to give a boost to exports of defense and hi-tech items. At the same time e-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customized fashion garments through courier or foreign post office would also be able to get benefit of MEIS (for values up to 25,000 INR). These measures would not only capitalize on India’s strength in these areas and increase exports but also provide employment.

- Commerce Minister stated that although exports from SEZs had seen phenomenal growth, significantly higher than the overall export growth of the country, in recent times they had been facing several challenges. In order to give a boost to exports from SEZs, government has now decided to extend benefits of both the reward schemes (MEIS and SEIS) to units located in SEZs. It is hoped that this measure will give a new impetus to development and growth of SEZs in the country.

- Trade facilitation and enhancing the ease of doing business are the other major focus areas in this new FTP. One of the major objective of new FTP is to move towards paperless working in 24x7 environment. Recently, the government has reduced the number of mandatory documents required for exports and imports to three, which is comparable with international benchmarks. Now, a facility has been created to upload documents in exporter/importer profile and the exporters will not be required to submit documents repeatedly. Attention has also been paid to simplify various ‘Aayat Niryat’ Forms, bringing in clarity in different provisions, removing ambiguities and enhancing electronic governance.
Manufacturers, who are also status holders, will now be enabled to self certify their manufactured goods in phases, as originating from India with a view to qualifying for preferential treatment under various forms of bilateral and regional trade agreements. This “Approved Exporter System” will help these manufacturer exporters considerably in getting fast access to international markets.

A number of steps have been taken for encouraging manufacturing and exports under 100% EOU/EHTP/STPI/BTP Schemes. The steps include a fast track clearance facility for these units, permitting them to share infrastructure facilities, permitting inter unit transfer of goods and services, permitting them to set up warehouses near the port of export and to use duty free equipment for training purposes.

Considering the strategic significance of small and medium scale enterprise in the manufacturing sector and in employment generation, ‘MSME clusters’ 108 have been identified for focused interventions to boost exports. Accordingly, ‘Niryat Bandhu Scheme’ has been galvanized and repositioned to achieve the objectives of ‘Skill India’. Outreach activities will be organized in a structured way at these clusters with the help of EPCs and other willing “Industry Partners” and “Knowledge Partners”.

Conclusion

Foreign trade in India has been one of the most important determinants of economic development in India. A new Foreign Trade Policy gives a boost to make in India vision of the government. The focus of the policy is on building the India Brand and increasing share of Export Market of India, Exports infrastructure. The unveiling of trade facilitation measures, simplified procedures, reduced interface between the authorities and industry shall motivate the exporter to do the business with more vigor, in a more transparent environment. The new policy also encourages exploration of new markets and product diversification and is designed to complement the long term vision of the government of prioritizing the importance of trade for growth of Indian economy. The foreign trade policy pitches for increasing exports by connecting it to the objectives and vision of the Make-in-India initiative.

References

RESENT-DAY CHALLENGES TO INDIA’S FOREIGN POLICY

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Abstract

India has adopted a foreign policy of neutrality and non-involvement. Advancing national intrigue is the essential goal of foreign policy. From this point of view this paper tries to break down the India’s foreign policy. In 21st century, world’s situation has been changed all things considered. What changes and difficulties come in the method for India’s foreign policy approach, this paper talks about upon them.

Keywords: Foreign Policy, Perspective, Analysis.

Introduction

The world in twenty first century is amazingly not quite the same as the frosty war time frame. The finish of ideological conflict and key rivalry between the superpowers, which had gigantic part in complementing clashes over the world produced new seek after building a quiet and co-agent world request. Rather there is a lot of vulnerability in the developing worldwide request. New clashes and issues have surfaced as ethnic clashes, displaced person issue, ecological debasement, psychological warfare; etc. Foreign approach of a nation is controlled by the circumstances in which it is conducted. In twenty-first century, remote strategy of India will be altogether different from what it was when nation ended up plainly free. Around then there were outstanding two alliances, the USA and the USSR. India’s remote strategy properly did not wish to end up noticeably a piece of both of two alliances and advanced what is known as an uncommitted gathering of countries. The world legislative issues after 1991 stresses the requirement for a principal reevaluating in India’s remote arrangement.

India in the mid twenty-first century has turned into a concentration of global consideration like never before some time recently. –In the pyramid of world powers in 1947, India was maybe at the absolute bottom. Nonetheless, inside a limited ability to focus three or four decades India had pushed forward its position and turned into a most created nation among the creating countries. India is the seventh biggest nation and alongside china having the most elevated populace on the planet. It is very much separated from whatever is left of Asia by mountains and oceans, which give the nation an unmistakable topographical personality.

Outside approach is an instrument at the transfer of a nation to secure and advance its national advantages. The center of the national intrigue is consistent — guard the regional trustworthiness and way, upgrade the financial and social prosperity of the general population, advance open doors for productive exchanging relations with different nations, and adventure the soft control’ through engendering of the social resources. While the national intrigue would be always, its substance will shift with time and conditions. It takes after that the approach must be adaptable and must keep tuned in to evolving universal, and also national, environment. This paper is an unassuming endeavor to break down India’s outside strategy as an instrument for ensuring national intrigue, what achievement it has and what provokes it is looking in the 21st century.
Challenges to Foreign Policy from Third World Countries

India procured another face in the start of twenty first century with her dynamic economy and geopolitics. India turns into a major exchange and vital band together with superpowers. In the meantime India’s position at a monetary and vital nexus in Asia, Africa and Latin America was likewise picking up criticalness. India has understood that on the off chance that it wishes to extend its worldwide impact, at that point it must keep on diversifying its engagement in the global circle. This acknowledgment will push India to develop and extend its relations with underdeveloped nations.

As Asia comprises of a few locales, India's remote arrangement is defined by the engagement with every district. In spite of the fact that India extends her impact in South Asia yet one noteworthy test remains, that is, to deal with the vulnerabilities with her quick neighbors. An answer of fringe debate amongst India and its neighbors, for example, China, Pakistan and Bangladesh, is real test to India's outside approach. In the time of advancement these issues stands a hindrance to financial ties. Taking in lesson from the past it is especially alluring with respect to India's outside approach to focus on patching her common ties and finding an answer for the regional question. Without a common arrangement of this issue India can’t grow her worldwide status.

Numerous nation of South Asia, for example, Afghanistan, Pakistan and Nepal, have as of late embraced vote based system and the universal group looking towards India far help to advance majority rule government in this area. The eventual fate of the South Asian Association for Regional Cooperation (SAARC) appears to be progressively unverifiable. Since India is bigger economy than the other South Asian nations, and they have a dread that India's goliath economy will get a handle on their own financial framework, and India will assume hegemonic part in district. India ought to must be more inventive in its outside approach in South Asia and exercise its monetary discretion and delicate energy to connect with these nations. Being bigger nation in South Asian district India has a critical part of ‘Big Brother’. Gujral principle and India's push to setting up ‘South Asian Economic Community’ (SAEC) will be point of reference for the monetary coordination of this area. However, China's association inside South Asian nations are posturing difficulties to India's capacity to connect with the area. China, a spectator nation in SAARC, is close partner of Pakistan. China has likewise started to connect with Bangladesh, Sri Lanka and Nepal, on vitality collaboration and financial advancement. China factor will power to India to amend its remote arrangement in South Asia.

India's connection with South-East Asian nations is outcome of Look East Policy, which was embraced in 1991. The Look East Policy now gives the heading to India’s remote arrangement towards East Asia. The Look East Policy concentrating on India’s engagement with ASEAN nations to incorporate financial, security and political cooperation This strategy has been significantly effective from India's viewpoint, yet by and by China’s monetary, security and political clout in these area forces solid difficulties to India's outside approach in 21st century.

Challenge to Keep Nam Relevant

Non-alignment is the doctrinal establishment of India’s remote approach. It was embraced by Pt. Nehru to keep away India from cool war coalition governmental issues. Being cardinal base of India’s remote arrangement the non-arrangement served her enthusiasm for post Nehruvian period. However, the finish of chilly war what’s more, rise of unipolar world legislative issues has constrained India to acquire changes her remote approach. The finish of bipolarity made the very establishment of non-arrangement development insignificant. Researchers contended that NAM was the outcome of bipolar world request and now world is unipolar so non-arrangement with whom? With the finish of bipolar world request the approach of non-arrangement have lost their pertinence and criticalness. It is test to India's remote strategy planer to make NAM more important than it was ever some time recently.
Truth be told NAM isn't significant with regards to world, yet there are nearby power focuses inside unipolar world request. Other than this, NAM still pertinent in other sense, for example, restricting the neo-dominion and neo-expansionism, quiet settlement of debate, rebuilding and democratization of UN, building up new global financial request, interest for the North-South discourse in view of the commonality of interests and advantages, South-South collaboration and atomic, compound and natural disarmament NAM is second biggest association of the world and India understood that it can assume an innovative part in universal governmental issues. NAM confronting crucial issue and difficulties yet by reclassifying and adjusting the targets of the development and its part it can overcome these challenges.

**Three E-Concerns of India's Foreign Policy**

Three E-concerns mean India's endeavors to financial, vitality and ecological security. These securities are the request of the age to end up noticeably worldwide power. These are, in 21st century, those segment which will help to extending India's worldwide status and to accomplish these security are another test to its remote arrangement.

Because of the move in need from military rivalry to financial rivalry, solid monetary ties progress toward becoming need of states. India, with the superpowers and furthermore with underdeveloped nations, has swung to an essentially exchange driven relationship. India has enormous financial ties with US, Britain, Russia, France, China, Japan and EU. India has unhindered commerce assentition (FTA) with ASEAN and other territorial discussions. India's financial procedure ought to be making nearer linkages with creating nations and work on regular plan at global stages like WTO talks, IMF and the World Bank.

Arranging Commission's Integrated Energy Policy archive states that India would need to support a financial development rate of 8-10% throughout the following 25 years, keeping in mind the end goal to kill neediness and meet its human improvement needs. This would require growth of essential vitality supplies by almost 4 times, and an expansion in control age from current level of 1, 60,000 megawatts to around 8,00,000 megawatts by 2030-31.xviii Economic development depends on vitality; so vitality security is another factor which unmistakably impacts India's remote approach. India ought to reexamine and near extend its engagement with oil and gas rich nations for vitality security perspective. Abjure 123 arrangements with America and other regular citizen atomic vitality bargains with a few nations like France and Russia will be satisfy India's vitality necessity in future. Be that as it may, India ought to develop its association with West Asian and Gulf nations for her vitality security and furthermore enhance her own conventional wellsprings of vitality like sun oriented vitality.

Another zone of basic significance in outside strategy in 21'st century is natural security. The natural debasement is addressed to human presence. India knows about the ecological issues. A worldwide temperature alteration and environmental change requires all social orders to cooperate. While the significant obligation regarding the collection of green house gasses in the climate lies with the created nations, its unfavorable influences are felt most seriously by creating nations like India. On the issue of environmental change and worldwide ecological corruption, India embraced the standard of —common however separated responsibilities revered in the UN Framework Convention on Climate Change. Separated duties on environmental change incorporate the global group’s imparted obligation to de-carbonization to guaranteeing the privilege to advancement of the creating nations. In Shivshankar Menon's view, —this issue can't be seen in disengagement and must be found with regards to the formative needs of creating countries.
Conclusion

Foreign policy is variable; it changes with time and conditions. With the finish of chilly war, world legislative issues turned out to be absolutely changed and numerous difficulties rose before country states as far as their remote relations. India's approach organizer got changes outside strategy as indicated by changed world situation. With her long haul and here and now national intrigue, India's remote strategy turns out to be nearer to reasonable approach. However, it is difficult to state that, the optimistic segments of India's outside approach are simply unessential. In the new shape, expansionism and colonialism are existing on the planet, pseudo war, sedate trafficking, atomic weapons and different dangers to human security are unfathomably developed. To dispose of these issues, the optimistic segments of India's remote strategy are significant.

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A STUDY ON ROLE OF EXCHANGE RATE OF INDIAN RUPEE AND TRADE BALANCE OF INDIA

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Abstract
Exchange rate plays a vital role in a country's international trade, which influence the country's balance of payment. The exchange rate volatility has been determined by the market forces of the economy. The fluctuations in the movement of exchange rate of Indian rupee against US dollar is affected by the several macro economic variables such as interest rate, inflation rate, foreign exchange reserves, foreign investment inflows etc., Indian rupee has been depreciated against US dollar over the recent years due to increase in imports. The rise in imports of the goods has created demand for the dollar currency in the country. The value of exchange rate has been appreciated and depreciated due to global recession, policy changes prevailing in the Indian economy. With this background this paper focuses on the trend and growth of exchange rate and trade balance. The variables considered for the study are exchange rate of Indian rupee against US dollar, exports, imports and trade balance covering a period of five years from 2012-13 to 2016-17. The relationship between exchange rate and trade balance of India have analysed by applying correlation analysis during the study period.

Keywords: International trade, depreciated, Indian economy

Introduction
Exchange rate is one of the most essential policy variables that determine the trade flows, capital flows and Foreign Direct Investment, inflation, international reserve of an economy. Many emerging economies, especially Asian countries encountered crisis in 1990s due to imprudent relevance and improper selection of the trade policy (Nusrate Aziz, 2008) Exchange rate is the rate at which one currency can be exchanged with other currency between two countries. It is important to establish an exchange rate between two countries to facilitate the trade of goods and services priced in different currencies. The law of demand and supply determines the exchange rate of two currencies. The fluctuations in the exchange rate will affect the trade performance of the country and it creates imbalances in the country's balance of payment (Dr.G. Jayachandran, 2013). Foreign trade is an important factor of the external sector which computes the exports and imports of the county. International trade performance has its impact on the global competitiveness and the international business. The trade barriers in under developing economies and developed economies have been reduced after the liberalisation of trade policies, reduction of tariffs and globalisation of industrial policies. Free trade policy has been brought to smoothen the transactions of exports and imports. In free trade policy India's short term objective is to achieve annual export growth of 15 per cent, and the long term objective is to accelerate the export growth rate to 25 per cent per annum and double India's share in global trade by 2020(Foreign trade policy 2015-2020). In India, most of the currencies like dollar, pound sterling, Japanese yen and euro are used for trading purposes. USD (United States dollar) is the currency mostly used for international transactions and it is the world’s most dominant reserve currency. Several countries use it as their official currency. In India exchange rate of Indian rupee against US dollar has witnessed sharp depreciation over the period of years. The movement in the exchange rate of INR/USD has been determined by several macro economic factors of the economy.
Review of Literature

Shelly Singhal (2012) has discussed the reasons for the depreciation of rupee and its outlook in the economy. She has stated that there was huge depreciation in the value of rupee after the year 1991 and this have resulted great effect on balance of payments. A rise in imports in the economy has remained current account deficit for a longer period despite of dramatic rise in exports. The policy measures such as raising policy rates, using foreign exchange reserves, easing capital control and administrative measures taken by RBI are discussed in the study. The researcher has suggested that rise in exports and increased inflows may reduce the current account deficit. Anshu Grewal (2013) has explored the impact of rupee-dollar on the Indian economy. The study was based on theoretical background which explains the concepts of movement of rupee, currency fluctuations and the reasons behind the fluctuations of the currency in the Indian economy. He has suggested that the Government of India should take necessary measures to have control on the currency fluctuations. Nand kishor Soni and Ajay Parashar (2013) have conceptually discussed the fluctuations of rupee against dollar. They have also discussed the exchange rate relationship in terms of rupee against dollar appreciation and depreciation and the various insights in to impact of changes in currency relations on various sectors of economy have been studied. They have suggested that the country has to focus on investment pattern, innovative driven economy and effective reform process and measures to make the economy resistant to meet the external shocks and changes in the economy. Vijayasri (2013) in her research paper has explained the theoretical foundation of international trade with its importance. She has discussed the theoretical concepts about the need of international trade, relationship between international trade and economic development and has stated the disadvantages of international trade. She has concluded that the economic infrastructure and policy measures to be taken in a efficient manner to adopt the socio economic changes in the economy.

Objective of the Study

- To study the trend and movements of exchange rate of Indian rupee against US dollar.
- To study the growth of exports, imports and trade balance of India.
- To analyse the relationship between exchange rate and trade balance of India

Hypotheses used in the study - The following null hypotheses were framed:

H01: Exchange rate has no significant relationship between exports, imports and trade balance

Methodology

Source of data

The study is descriptive in nature and covers a period of five years from 2012-13 to 2016-17. Secondary data were collected from Handbook of statistics on the Indian economy, RBI monthly bulletins, journals and articles.

Period of study

The study has covered a period of five years of monthly data from 2012-13 to 2016-17.

Tools used for the study

The data collected have been analysed with the statistical tools such as Percentage growth rate, mean, standard deviation, Coefficient of varaiation, Skewness, Kurtosis, Jarque bera test and correlation analysis.

Result and discussions

Data collected from secondary sources were analysed and presented.
Table 1 Movement of Exchange Rate of Indian Rupee Against US Dollar for the Period from 2012 to 2017

<table>
<thead>
<tr>
<th>Month/year</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>51.81</td>
<td>54.37</td>
<td>60.35</td>
<td>62.75</td>
<td>66.46</td>
</tr>
<tr>
<td>May</td>
<td>54.47</td>
<td>55.01</td>
<td>59.30</td>
<td>63.80</td>
<td>66.90</td>
</tr>
<tr>
<td>June</td>
<td>56.03</td>
<td>58.39</td>
<td>59.73</td>
<td>63.86</td>
<td>67.29</td>
</tr>
<tr>
<td>July</td>
<td>55.49</td>
<td>59.77</td>
<td>60.05</td>
<td>63.63</td>
<td>67.20</td>
</tr>
<tr>
<td>August</td>
<td>55.55</td>
<td>63.20</td>
<td>60.89</td>
<td>65.07</td>
<td>66.93</td>
</tr>
<tr>
<td>September</td>
<td>54.60</td>
<td>63.75</td>
<td>60.86</td>
<td>66.21</td>
<td>66.73</td>
</tr>
<tr>
<td>October</td>
<td>53.02</td>
<td>61.61</td>
<td>61.34</td>
<td>65.05</td>
<td>66.74</td>
</tr>
<tr>
<td>November</td>
<td>54.77</td>
<td>62.63</td>
<td>61.70</td>
<td>66.12</td>
<td>67.62</td>
</tr>
<tr>
<td>December</td>
<td>54.64</td>
<td>61.91</td>
<td>62.75</td>
<td>66.59</td>
<td>67.90</td>
</tr>
<tr>
<td>January</td>
<td>54.31</td>
<td>62.07</td>
<td>62.22</td>
<td>67.25</td>
<td>68.08</td>
</tr>
<tr>
<td>February</td>
<td>53.77</td>
<td>62.25</td>
<td>62.03</td>
<td>68.23</td>
<td>67.07</td>
</tr>
<tr>
<td>March</td>
<td>54.40</td>
<td>61.01</td>
<td>62.44</td>
<td>67.02</td>
<td>65.87</td>
</tr>
<tr>
<td>CAGR</td>
<td>5%</td>
<td>11%</td>
<td>3%</td>
<td>6%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Mean</td>
<td>54.41</td>
<td>60.49</td>
<td>61.14</td>
<td>65.47</td>
<td>67.07</td>
</tr>
</tbody>
</table>

Source: Compiled from Handbook of statistics on the Indian economy, RBI

Table 1 indicates the movements of exchange rate of Indian rupee per US dollar during the five year period from 2012-13 to 2016-17. In 2012-13 the value of rupee against US dollar has depreciated by 5 per cent from Rs.51.81 per US$ in April 2012 to Rs. 54.40 per US$ in March 2013. The average of exchange rate stood at Rs 54.41 per US$. In the year 2013-14 the rupee depreciated by 11 per cent from Rs. 54.37 per US$ to Rs. 61.01 per US$ in March 2014. The average of exchange rate stood at Rs. 60.49 per US$. In the year 2014-15 the rupee has been depreciated from Rs. 60.35 per US$ to Rs. 62.44 per US$ by 3 per cent. The average stood at Rs 61.14 and in the year 2015-16 the exchange rate has been depreciated by 6 per cent and on an average it stood at Rs. 65.47. In the year 2016-17 the exchange rate has been depreciated at -.9 per cent where the exchange rate has been ranging from Rs. 66.46 per US$ to Rs. 67 per US$ and on an average it stood at Rs 67.07. The value of rupee against dollar has resulted a continuous depreciation over the period of five years. The rise in prices of crude oil imported by India from international market has lead to greater demand for the US dollars.

Table 2 Descriptive Statistics of Exchange rate of Indian Rupee against US Dollar for the Period from 2012-2017

<table>
<thead>
<tr>
<th>Mean (Rs /dollar)</th>
<th>S.D (Rs / dollar)</th>
<th>C.V (%)</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Jarque bera test</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>61.71</td>
<td>1.47</td>
<td>0.02</td>
<td>-0.5</td>
<td>-0.05</td>
<td>1.47</td>
<td>0.57</td>
</tr>
</tbody>
</table>

Table 2 present the descriptive statistics of exchange rate of Indian rupee against US dollar for the period from 2012-2017. The mean value of exchange rate stood at Rs. 61.71 per US dollar and the standard deviation stood at Rs 1.47 per US dollar. The CV of exchange rate have shown moderate level of 20 per cent during the study period. Exchange rate is negatively skewed with -0.50. There is lepokurtic kurtosis for the exchange rate during the study period with the value of -0.05. The Jarquebera test has shown a positive level of normal distribution with the value of 1.47 and probability value stood at 0.57 during the study period.
Chart 1 Trend analysis of exchange rate of Indian rupee against US dollar

Chart 1 depicts the trend and movement of exchange rate of Indian rupee against US dollar for the period 2012-2017. The trend analysis has been done based on the mean values of exchange rate. It has resulted in a fluctuating trend for the period of five years where the exchange rate of Indian rupee has been depreciated against US dollar.

Table 3 Growth of India’s exports, imports and trade balance (Rupees in billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Import</th>
<th>Trade balance</th>
<th>%change in exports</th>
<th>%change in imports</th>
<th>%change in trade balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>16343.18</td>
<td>26691.62</td>
<td>-10348.44</td>
<td>-5.60</td>
<td>-0.80</td>
<td>-0.15</td>
</tr>
<tr>
<td>2013-14</td>
<td>19050.11</td>
<td>27154.34</td>
<td>-8104.23</td>
<td>16.60</td>
<td>1.70</td>
<td>-0.21</td>
</tr>
<tr>
<td>2014-15</td>
<td>18964.45</td>
<td>27370.87</td>
<td>-8406.41</td>
<td>-9.50</td>
<td>7.80</td>
<td>0.03</td>
</tr>
<tr>
<td>2015-16</td>
<td>17163.78</td>
<td>24902.98</td>
<td>-7739.20</td>
<td>-4.50</td>
<td>-5.10</td>
<td>-0.07</td>
</tr>
<tr>
<td>2016-17</td>
<td>18540.93</td>
<td>25668.20</td>
<td>-7127.24</td>
<td>8.02</td>
<td>3.20</td>
<td>-0.08</td>
</tr>
</tbody>
</table>

Source: Compiled from Handbook of statistics on the Indian economy, RBI

Table 3 depicts the growth of exports, imports and trade balance for the period 2012-13 to 2016-17. After the global slowdown of emerging economies it had affected the trade balance. There was rise in the exports and imports during the period from 2012-13 to 2013-14 from Rs.16343bn it increased to Rs.19050.11bn and imports increased from Rs.26691.62bn to Rs.27154.34bn with the growth rate of 16.6 per cent and 1.7 per cent but there was a decline in the trade balance during the period from Rs.-10348.44bn it declined to Rs.-8104.23bn with the growth rate of -0.21 per cent. During 2014-15 and 2015-16 there was decline in the value of exports and imports, exports declined from Rs.18964.45bn to Rs.17163.78bn and imports decreased from Rs.27370.87bn to Rs.24902.98bn with the percentage growth of -4.5 per cent and -5.1 per cent and trade balance stood at Rs.-7739.20bn with the growth of -0.07 per cent. During 2016-17 exports and imports stood at Rs.18540.93bn and Rs.25668.20bn which is comparatively higher than the previous year with the growth percentage of 8.02 and 3.20 respectively. Trade balance stood at Rs.-7127.24bn with the growth rate of -0.08 per cent during the study period.

Table 4 Descriptive statistics of India exports, imports and trade balance for the period from 2012-2017

Source: Study results obtained using SPSS, 2012-2017

<table>
<thead>
<tr>
<th></th>
<th>Exports</th>
<th>Imports</th>
<th>Trade balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean(Rs in billion)</td>
<td>18012.49</td>
<td>26357.60</td>
<td>-8345.10</td>
</tr>
<tr>
<td>S.D(Rs in billion)</td>
<td>1200.94</td>
<td>1044.54</td>
<td>1217.11</td>
</tr>
<tr>
<td>C.V (%)</td>
<td>6</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.75</td>
<td>-0.66</td>
<td>-1.38</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-1.78</td>
<td>-1.51</td>
<td>2.51</td>
</tr>
<tr>
<td>Jarque bera test</td>
<td>1.13</td>
<td>0.85</td>
<td>2.91</td>
</tr>
<tr>
<td>Probability</td>
<td>0.56</td>
<td>0.06</td>
<td>0.00</td>
</tr>
</tbody>
</table>
import 3 per cent. Exports and imports, trade balance are negatively skewed with -0.75 and -0.66 and -1.38. There is playkurtic kurtosis for the variables during the study period. The Jarquebera test has shown a positive level of normal distribution among the variables during the study period.

To identify the relationship of exchange rate, exports, imports and trade balance. Multiple correlation was analysed and presented in the table 5

$H_{01}$. Exchange rate has no significant relationship between exports, imports and trade balance

**Table 5 Results of Multiple Correlations**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Exchange Rate</th>
<th>Exports</th>
<th>Imports</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export</td>
<td>.996**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Import</td>
<td>.946*</td>
<td>.951*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Trade balance</td>
<td>-.721</td>
<td>-.735</td>
<td>-.872</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed)**

Table 5 reveals the results of multiple correlation analysis among exchange rate, exports, imports and trade balance during 2012-13 to 2016-17. It is analysed that the variables are positively correlated. Hence the null hypothesis is rejected. Exchange rate was correlated with exports at 0.01 level and correlated with imports at 0.05 level. Exports was correlated with imports at 0.05 level and found that the correlated variables are statistically significant.

**Conclusion**

In an external sector exchange rate is the important variable that carries out the international transactions and exchanges the domestic currency with the foreign currency of the country. Exchange rate has been determined by the market forces of the economy. The paper has investigated the trend and movements of exchange rate of Indian rupee against US dollar and trade balance for the period of five years from 2013-2017. Correlation analysis has been applied to analyse the relationship between the exchange rate and trade balance. From the study it is found that the exchange rate has been depreciated against US dollar for the period of five years and it is influenced by macro economic factors in the economy. Exchange rate was correlated with exports and imports. Reserve Bank of India should intervene in the foreign exchange market to reduce the exchange rate volatility.

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EFFICIENT ORIGIN OF NEHRU’S PANCHSHEEL FOR FOREIGN POLICY

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Abstract
The environmental of a Nation is influenced by the policy with neighboring countries. Just as both internal and external factors guide the behavior of an individual or a family, both domestic and international environment influence the foreign policy of a nation. India’s Foreign policy was lead by India’s first Prime Minister Pandit Jawaharlal Nehru. He led the country to the path of peace which leads to the promotion of International peace, security and co-operation. This paper says about the first declaration of Pancha sheel Policy. It is an alternative ideology for peace and development and its effectiveness.

Introduction
India was a dependent country till August 15, 1947. So it could not play any important role in the world affairs. After the Independence, India took active participation in the World affairs. For the development of the country apart from the domestic aid it also needs a Foreign aid. As Foreign aid is the important component of the development of a country.

As India is too being developed, it also needs Foreign aids. To develop the country here comes the policy of Non-alignment. Non-alignment is a policy where each nation pursues their own interest without disturbing the other countries. It also tunes the domestic requirements of democracy and socialism.

The section is divided as Reason of First World War, The Reason of Second World War, Origin of Panchsheel Policy and the conclusion.

First World War
It was called as the Great War or World War held as its impact on the material and non-material resources of the entire world. The two oppositions are Allied Powers and the Central Powers. The Countries in the Allied Powers are France, Great Britain, Russia, the United States and the other smaller countries. The countries belonged to Central Powers included are Germany, Austria –Hungary, Turkey and the other smaller country. Ambition of Germany to make its additional Markets and raw materials in Africa made the fundamental cause for the match stick of the World War One. But the war began on June 22nd 1914, when the Serbian student named Gavrilo Princip, who was part of the militant group called the "Black Hand", assassinated Austrian the son of the Emperor of Austria. Frances Ferdinand and his wife.

The First World War came to an end by the Paris Peace Conference on 1919. There are also number of treaties signed by the defeated countries. There are The Treaty of Versailles, The Treaty of St.Germaine, the Treaty of Trianon, The Treaty of Neuilly and the Treaty of Severes.
Second World War

It was a global military conflict lasting from 1939 to 1945. The great powers of the world split up into two opposing military alliances. The Allies and the Axis involved in the war. It was the most widespread war in the history. The result of the First World War was the Treaty of Versailles; it was dissatisfied by many countries. The spirit of Nationalism also made the tension among the countries. Failure of League of Nations were the big powers which dominated and disobeyed the terms and conditions of the League. Rising of Japan in industrial development and economic grow forced Japan to follow the policy of imperialism. It created the problems in the minorities’ country. The great powers increased steadily and it resulted in the Second World War. Hitler's signed the Rome-Berlin –Tokyo Axis in 1937, threateneing of Czechoslovakia in 1938, construction of Military Road in 1939 from East Prussia and Germany through Polish Corridor all lead to the Second world War. The results of destruction of the war was large.

As a nation born in the backdrop of the world war, India decided to conduct its foreign relations with an aim to respect the sovereignty of all other nations and to achieve security through the maintenance of peace. This aim finds an echo in the Directive Principles of State Policy. The developing countries lack the required resources to effectively advocate their concerns in the international system. So they pursue more modest goals than the advanced states. They focus more on peace and development in their own neighborhood.

Economic development of the nations can be achieved only through world peace. World peace is essential not only to India but also for all the developing countries of the world. Many countries trying to improve the dangerous weapons like atom bomb, hydrogen bomb etc. In India under Nehru, was the first against the production of such Nuclear weapons. It also made the disarmament in 1957. It also signed the Nuclear Test Ban Treaty in 1963.

Origin of Policy of Non-Alignment

After the Second World War the world was divided into two hostile blocs – the American Bloc and the Russian bloc. When both of them trying to increase their influence at the cost of the other. But India has not joined either of these two blocs. Whenever any difference arises between these blocs, India tries to remove that difference thereby contributing substantially towards the World Peace.

Pancha Sheel Policy

The policy of Non-alignment was based on the five principles of Panch Shila, enumerating international conduct. These were first envisaged and formulated in 1954.

These principles were
a. Mutual respect for each other’s territorial integrity and sovereignty.
b. Non-aggression
c. Non interference in each other’s military affairs
d. Equality and mutual benefit
e. Peaceful coexistence

The widening gap between the developed and the developing countries is a source of instability in the world. Access to resources and debt burden today threaten the survival of smaller nations.

After the principles of Foreign Policy of Independent India, early in 1947 India, the Asian Relations conference at Delhi was held and it was attended by 29 countries representatives of the world. This conference says the strengthening of the all Asian Countries. Nehru’s foreign policies are characterized by two major ideological aspects. First he wanted India to have an identity without supporting the
power two blocs, the USA or the Russia. It leads to the Non-Alignment Policy. Secondly, he had goodwill and honesty in matter of International affairs. In 1962, the China disobeying the Panchsheel Policy made an attack. It was a great shock to Jawaharlal Nehru. Nehru also participated in the Afro-Asian conference in 1955 and popularized the policy of Non-Alignment. The economic and cultural cooperation, respect for human rights and self-determination and the promotion of world peace and cooperation was the agenda on the conference. India's vital role as he peace maker in the wars of Korean and Indo-China established the great efforts of India and says that she is supporter of Non-violence. India also become the member of United Nations and took active part in the Commonwealth of Nations.

Great Helper & Against Military Alliances

India is opposed against Colonization and she wants to see all the countries of the world free from the foreign domination. India played the role of freeing Indonesia from Holland. It also supported the freedom of countries like Egypt, Sudan, Indo-China, Ghana, Morocco and Bangladesh. As India supported for freedom from the enemy countries, it was also against the Military Alliances. It also condemned the countries like France, England and Russia when there acted as aggressor Algiers, Cyprus and Hungary. India also supported China becoming the member of UNO by voting in favor of China. India supported the ending of Aparthied which is the racial discrimination followed in South Africa were the whites did not give equal rights to the native Africans. India as the first country supporting for the peace raised the issue in the UN General Assembly in 1946. India initiative to form the SAARC for mutual cooperation in all the countries. Thus we got independence through Non-Violence and Ahimsa with the leadership of Gandhi. Nehru the founder of Panchsheel who also had that faith that only through Peace the foreign policy can be improved.

Conclusion

Thus this paper shows the origin of Panchsheel Policy. The policy comes to rule by various struggles and after implementation also it struggles for its survival. Nehru’s Policy is nonviolence, peace and not to trouble any country. As an Indian Citizen we follow the nonviolence and peace to all and make India a proud Nation in the World.

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