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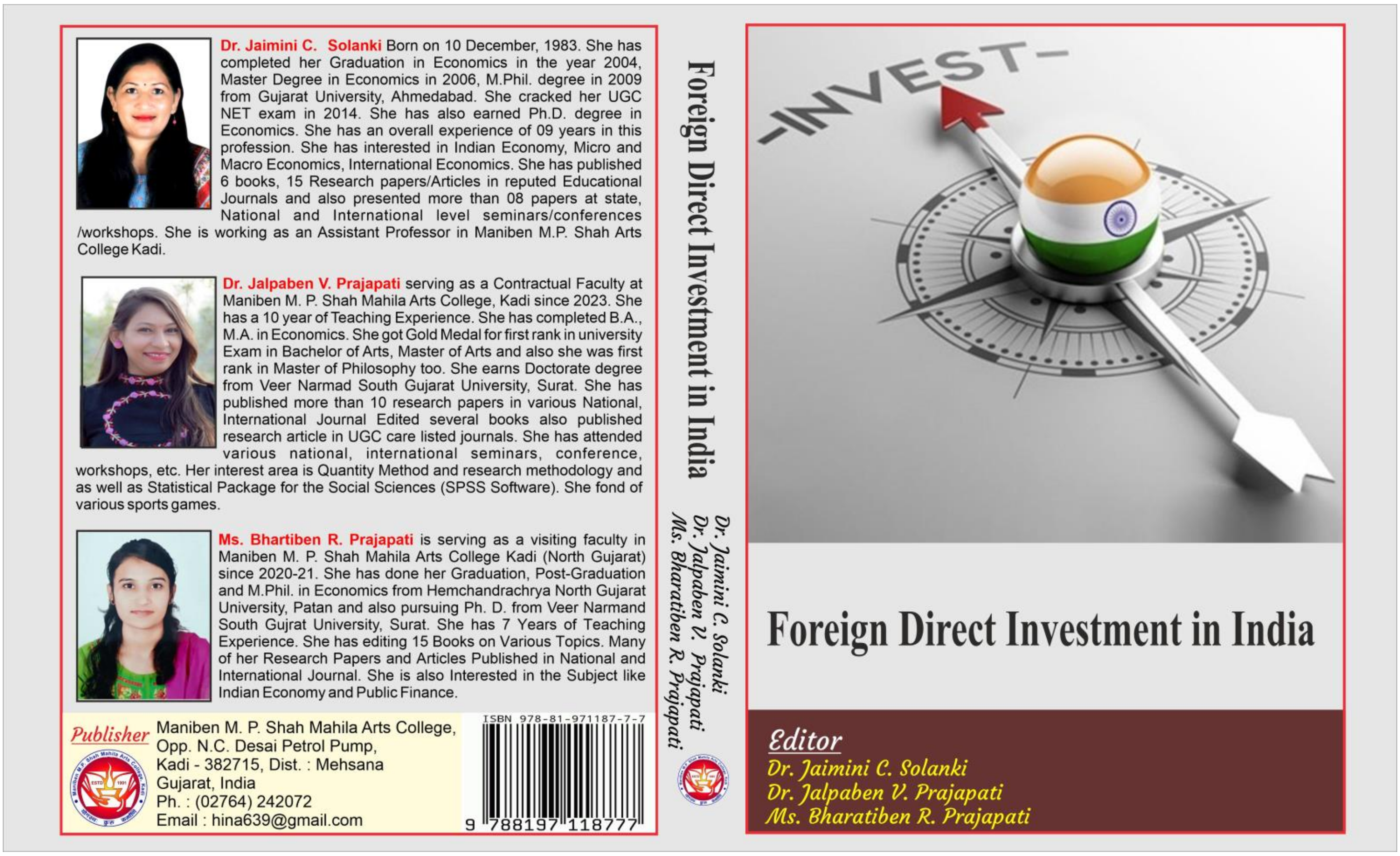

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Foreign Direct Investment in India

Dr. Jaimini C. Solanki

Dr. Jalpaben V. Prajapati

Ms. Bhartiben R. Prajapati

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Preface

Dear Reader,

Foreign Direct Investment (FDI) has become a cornerstone of global economic interactions, shaping the landscape of international business and influencing the development trajectories of nations. This book delves into the multifaceted dimensions of FDI, exploring its impact, challenges, and opportunities in the contemporary global economy.

As the world continues to witness unprecedented levels of economic interdependence, FDI emerges as a crucial mechanism driving growth, fostering innovation, and facilitating technology transfer across borders. Through this book, we embark on a journey to unravel the intricacies of FDI, examining its role as a catalyst for economic transformation and a bridge connecting diverse economies.

The chapters within this book are crafted to provide a comprehensive overview of FDI, beginning with its historical evolution and conceptual underpinnings. We delve into the motivations behind FDI flows, ranging from market-seeking and resource-seeking to strategic asset-seeking, shedding light on the strategic decisions made by multinational enterprises (MNEs) in their global expansion endeavours.

One of the central themes explored in this book is the impact of FDI on host countries' economic development. We delve into the dynamics of FDI inflows, analysing their contribution to job creation, technology diffusion, and infrastructure development. Furthermore, we critically assess the potential challenges and risks associated with FDI, including issues of sovereignty, environmental sustainability, and socio-economic disparities.

In the context of emerging markets, FDI plays a pivotal role in driving industrialization, enhancing export competitiveness, and integrating local industries into global value chains. Through case studies and empirical analysis, we illustrate the transformative effects of FDI on emerging economies, highlighting success stories and lessons learned.

However, the realm of FDI is not without complexities and controversies. This book also delves into debates surrounding FDI policies, regulatory frameworks, and the balance between attracting foreign investment and safeguarding national interests. We examine the role of governments and international organizations in promoting responsible FDI practices, ensuring a conducive environment for sustainable development.

Throughout this book, we emphasize the importance of ethical considerations in FDI, advocating for responsible business conduct, corporate social responsibility, and ethical investment practices. We explore the intersections between FDI and human rights, labour

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standards, and environmental stewardship, advocating for a holistic approach to inclusive and sustainable development.

Ultimately, this book serves as a comprehensive guide for students, policymakers, business leaders, and scholars seeking a deeper understanding of FDI dynamics in the contemporary global economy. It is our hope that this exploration into the world of FDI will inspire informed discourse, strategic decision-making, and policy interventions that harness the full potential of foreign investment for shared prosperity and sustainable development.

Dr. Jaimini C. Solanki,
Dr. Jalpaben V. Prajapati, and
Ms. Bhartiben R. Prajapati

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CONTENTS

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Factors Influencing Customers' Intention Towards Purchasing Health Insurance from Banks

Sanjaykumar Rameshbhai Patel
Research Scholar, Department of Management
Hemchandracharya North Gujarat University, Patan, Gujarat, India
Dr. Ashwin G. Modi
Professor, Department of Management
Hemchandracharya North Gujarat University, Patan, Gujarat, India

ABSTRACT

This study indicates the factors shaping customers' intention toward purchasing health insurance from banks. The structured questionnaire was formed for the research and a sample of 300 respondents was collected. Demographical details including gender, age, marital status, education, and occupation analysed along with eight factors to identify the customers' intention such as quality and scope of coverage, premium pricing and affordability, customer service and support, transparency and clarity, convenience and accessibility, educational resources and information, and regulatory compliance and security. Data analysis is done through chi-square and ANOVA. Chi-square tests revealed no significant association between gender and health insurance possession. Additionally, the ANOVA results suggest that age has a significant influence on customers' intention such as quality and scope of coverage, premium pricing and affordability, transparency and clarity, convenience and accessibility, educational resources and information, and regulatory compliance and security. But age has no significant influence on customers' intention such as trustworthiness and reputation and customers service and support.

KEYWORDS: Health Insurance, Customers intention, Banks

INTRODUCTION

A financial instrument that offers protection against particular hazards is insurance. To cover the losses of the few who experience an unforeseen occurrence, such as an accident, sickness, or natural disaster, it operates by combining the resources of numerous people. There are many different kinds of insurance, each intended to guard against a certain set of hazards. These include house, auto, life, health, and travel insurance. When you get insurance, you pay a premium to the insurance company, and in exchange, the business promises to compensate

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for your losses as described in your insurance policy. It's a means of bringing comfort and controlling the financial effects of unanticipated circumstances.

One kind of insurance that shields people financially in the event of an illness or accident is health insurance. It covers all or a portion of the expense of the medical services, including doctor appointments, hospital stays, and ER visits. Either a Health Insurance Marketplace or an insurance company directly can be used to obtain health insurance. It can also be given to staff members or members' employers, unions, or other group sponsors to cover the cost of their medical care. A list of approved medical supplies and services is provided by health insurance policies, along with an estimate of the costs associated with them. The range of benefits provided or the duration of coverage are two factors that may be used to classify health insurance policies. Because it offers financial security and keeps medical expenses reasonable and predictable, health insurance is crucial.

Bank-provided health insurance is a handy substitute for traditional insurance providers, offering a wide array of benefits and services customised to match changing consumer demands. These services usually feature easy access to insurance products, competitive premium prices, and extensive coverage options. To provide dependable insurance solutions, banks make use of their current infrastructure and financial know-how; these solutions are frequently seamlessly integrated with other banking services. Customers can also find it simpler to research, buy, and maintain their health insurance coverage because of the accessibility and familiarity of banking channels. Because of this, bank-provided health insurance has become a very attractive option for people looking for consistent coverage and ease of banking ties.

Customers' intention describes how a customers' feels about a specific brand, product, or service. It includes all of the emotions, ideas, and reasons behind a customers' interaction with a company. Businesses need to understand customers' intention since they have a direct influence on judgments about what to buy and how satisfied customers are in general. Businesses may better satisfy the requirements and expectations of their consumers by customizing their marketing tactics, product offers, and customers service by having a better understanding of their intents. Businesses may learn more about what motivates customers to buy a product or service by examining customers behaviour, reviews, and interactions. To remain competitive in today's fast-paced market, firms must constantly assess and adjust to the shifting intents of their customers.

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LITERATURE REVIEW

Ahmadi et al. (2018) examine the factors that influence consumer perceptions of health insurance, stressing the potential advantages of health insurance awareness initiatives. These initiatives can have a favourable impact on clients' purchasing intentions, ultimately increasing sales of health insurance products through banking channels.

Kang and Kim (2019) investigated the impact of fairness value evaluations on customers' intentions to acquire health insurance policies. They argue that fairness perceptions influence customers' propensity to invest in health insurance plans supplied by financial entities such as banks.

Al-Harthi et al. (2020) examined the antecedents of customers' buying intention for online health insurance in Saudi Arabia and identified many aspects, including perceived utility, simplicity of use, trust, and privacy concerns. Their research sheds light on the factors that influence customers' decision-making while selecting bank-provided online health insurance solutions.

Guan et al. (2020) conducted a study on factors influencing customer purchase intention toward insurance products. According to the study's findings, consumer attitude and, ultimately, purchase intention are influenced by the marketing mix, which consists of product, price, place, and promotion. Therefore, to boost sales, the insurance firm needs to carefully consider its marketing mix. It is advised that future research examine the impact of pictures supplied by marketing or sales professionals on the purchasing behaviour of life insurance.

Elhawary et al. (2021) made an empirical evidence study from the United Arab Emirates on consumer buying intentions for health insurance. By examining data from a sample of UAE citizens, they discover certain elements that influence customers' intentions to purchase health insurance through financial organizations.

Khanna et al. (2022) attempted a study on factors influencing consumer perception towards health insurance policies during the COVID-19 pandemic. A self-administered questionnaire with distinct parts for demographic and subjective inquiries was created. A Likert scale with points comprised the subjective component. Using a random selection approach, 200 respondents were selected for the study. This study's main goal was to investigate the variables influencing consumers' perceptions of health insurance during the pandemic. Factor analysis and the Chi-square test were used to achieve the goal. Compatibility, awareness, transparency, tax benefits, accurate clarity and availability of information, claim settlement percentage, and number of network hospitals were the elements impacting the customer view of health insurance. It was shown through the survey that most of the respondents were aware of health insurance products.

METHODOLOGY

This study used descriptive research design to study factors affecting customers' intention regarding health insurance provided by banks. The sample unit is selected from a range of cities in the region, and the sampling frame is limited to North Gujarat. After removing 33 replies, 300 respondents' responses were chosen using a straightforward selection technique via a Google Form. The study utilized a combination of primary and secondary data sources, whereby primary data is collected directly from participants, and secondary data was sourced from pertinent literature and databases. Statistical methods such as the chi-square test and ANOVA are employed to investigate correlations and differences between the variables in the dataset. This thorough methodology made it possible to examine in-depth the variables influencing how customers' intention when it comes to health insurance products, providing insightful information on the intention of customers in North Gujarat.

OBJECTIVES

The main objective of the study is to identify factors influencing the purchase intention of customers on buying health insurance from banks.

HYPOTHESES

Null Hypothesis (H_{01}): There is no significant association between gender and possession of health insurance provided by banks.

Null Hypothesis (H_{02}): There is no significant difference in age group and customers' intention to purchase insurance from a bank.

DATA ANALYSIS AND INTERPRETATION

Table 1: Demographic Profile

Variables	Categories	Frequency	Percentage
Gender	Male	180	60
	Female	120	40
	Other	-	-
Age	Below 20 years	34	11.33
	21 to 40 years	170	56.67
	41 to 60 years	90	30
	More than 60 years	6	2

Marital status	Married	145	48.33
	Unmarried	155	51.67
	Not prefer to say	-	-
Educational Qualification	Below graduation	67	22.33
	Graduation	132	44
	Post-graduation	42	14
	Professional	21	7
	Other	38	12.67
Occupation	Private sector	85	28.33
	Business	55	18.33
	Government employees	23	7.67
	Not prefer to say	4	1.33
	Housekeeping	69	23
	Professional	4	1.33
	Other	60	20

The demographics of the respondents are subdivided in the table by factors such as gender, age, marital status, level of education, and occupation. There are 180 male respondents (60%) and 120 female respondents (40%) among the total number of respondents. No respondents are classified as "Other" for gender. As for respondents' ages, the majority are between the ages of 21 and 40, then 41 and 60, with fewer respondents under the age of 20 and over the age of 60. The distribution of respondents' marital status is fairly balanced, with 145 married and 155 unmarried. In terms of educational background, the largest percentage of respondents have graduate degrees, followed by those with post-graduate, professional, and below-graduation. The most common occupation, according to respondents, is private sector work, which is followed by jobs in housekeeping, business, and other categories. A small percentage of respondents would rather not disclose their occupation. The sample is diverse overall, as indicated by the demographics, and interpretations of any further analysis should take this into account as well as the respondents' varied characteristics across these demographic factors.

Table 2: Crosstabulation

		Do you currently have any type of health insurance?		Total
		Yes	No	
Gender	Male	158	22	180
	Female	110	10	120
Total		268	32	300

Table 3: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.143[a]	1	.285		
Continuity Correction	.771	1	.380		
Likelihood Ratio	1.174	1	.279		
Fisher's Exact Test				.342	.191
Linear-by-Linear Association	1.139	1	.286		
N of Valid Cases	300				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.80.

b. Computed only for a 2x2 table

Above both tables indicate crosstabulation and chi-square test for examining the relationship between gender and the possession of health insurance. There are 158 men and 110 women among the 300 respondents having health insurance, compared to this 22 men and 10 women among the 300 respondents without health insurance. The Pearson Chi-Square ($\chi^2 = 1.143$, $p = 0.285$) and other test statistics do not show any statistically significant correlation between gender and health insurance status, which is consistent with the results of the Chi-Square tests. This implies that people's likelihood of having health insurance is not substantially influenced by their gender alone.

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Table 4: ANOVA of Age and customers intention-related factors

		Sum of Squares	df	Mean Square	F	Sig.
Trustworthiness and Reputation	Between Groups	.094	1	.094	.087	.768
	Within Groups	319.853	298	1.073		
	Total	319.947	299			
Quality and Scope of Coverage	Between Groups	5.014	1	5.014	7.864	.005
	Within Groups	189.986	298	.638		
	Total	195.000	299			
Premium Pricing and Affordability	Between Groups	4.302	1	4.302	4.857	.028
	Within Groups	263.978	298	.886		
	Total	268.280	299			
Customer Service and Support	Between Groups	2.494	1	2.494	2.714	.101
	Within Groups	273.853	298	.919		
	Total	276.347	299			
Transparency and Clarity	Between Groups	3.380	1	3.380	4.771	.030
	Within Groups	211.100	298	.708		
	Total	214.480	299			
Convenience and Accessibility	Between Groups	7.220	1	7.220	8.826	.003
	Within Groups	243.767	298	.818		
	Total	250.987	299			
Educational Resources and Information	Between Groups	3.827	1	3.827	4.526	.034
	Within Groups	251.969	298	.846		
	Total	255.797	299			
Regulatory Compliance and Security	Between Groups	14.580	1	14.580	13.322	.000
	Within Groups	326.150	298	1.094		
	Total	340.730	299			

The table provided appears to be the results of an Analysis of Variance (ANOVA) test examining the relationship between age and different factors influencing customers Intention.

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1. Trustworthiness and Reputation

The mean square is 0.094 and the F value is 0.087. The significance value is 0.768 which is more than 0.05. The null hypothesis is accepted, there is no significant difference in trustworthiness and reputation between age groups.

2. Quality and Scope of Coverage

The mean square is 5.014 and the F value is 7.864. The significance value is 0.005 which is less than 0.05. The null hypothesis is rejected, there is a significant difference in quality and scope of coverage between age groups.

3. Premium Pricing and Affordability

The mean square is 4.302 and the F value is 4.857. The significance value is 0.028 which is less than 0.05. The null hypothesis is rejected, there is a significant difference in premium pricing and affordability between age groups.

4. Customer Service and Support

The mean square is 2.494 and the F value is 2.714. The significance value is 0.101 which is more than 0.05. The null hypothesis is accepted, there is no significant difference in customers service and support between age groups.

5. Transparency and Clarity

The mean square is 3.380 and the F value is 4.771. The significance value is 0.030 which is less than 0.05. The null hypothesis is rejected, there is a significant difference in transparency and clarity between age groups.

6. Convenience and Accessibility

The mean square is 7.220 and the F value is 8.826. The significance value is 0.003 which is less than 0.05. The null hypothesis is rejected, there is a significant difference in convenience and accessibility between age groups.

7. Educational Resources and Information

The mean square is 3.827 and the F value is 4.526. The significance value is 0.034 which is less than 0.05. The null hypothesis is rejected, there is a significant difference in educational resources and information between age groups.

8. Regulatory Compliance and Security

The mean square is 14.580 and the F value is 13.322. The significance value is 0.000 which is less than 0.05. The null hypothesis is rejected, there is a significant difference in regulatory compliance and security between age groups.

Overall, the ANOVA results suggest that age has a significant influence on customers' intention such as quality and scope of coverage, premium pricing and affordability,

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transparency and clarity, convenience and accessibility, educational resources and information, and regulatory compliance and security. But age has no significant influence on customers' intention such as trustworthiness and reputation and customer service and support.

RESULTS AND CONCLUSION

The ANOVA table indicates statistically significant differences between age groups for the following factors: quality and scope of coverage; premium pricing and affordability; transparency and clarity; convenience and accessibility; educational resources and information; and regulatory compliance and security. This indicates that a customer's intention to purchase health insurance from a bank is influenced by various factors, of which age is a major one. There are no statistically significant differences in trustworthiness and reputation and customer service and support across age groups. This suggests that the specific factors influencing customers' intention to purchase health insurance from banks may not be significantly influenced by age. The results of the Chi-Square test indicate that among the sample population, there is no statistically significant correlation between gender and health insurance status. The p-values found in the various test statistics provide credence to this conclusion. Consequently, there is insufficient evidence to imply that gender affects people's likelihood of having health insurance based on the data provided. Possession of health insurance may be more significantly impacted by other factors that were not taken into account in this analysis.

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An analytical study on relationship between Capital Adequacy and Earnings Capacity of banks in India

(Comparative Analysis of Capital Adequacy & Earnings Capacity of Select Public & Private Sector banks of India based on CAMEL Approach)

Dr. Nitin R. Suba

Assistant Professor and Head – Commerce Department,

Smt. C. P. Choksi Arts and Shree P. L. Choksi Commerce College, Veraval

Mo. 9825491263

Email: nitin.suba@gmail.com

Abstract

The objective of this paper is to perform comparative analysis of the financial performance of 5 public and 5 private sector banks of India over a period of five years i.e. (2018-19 to 2022-23). For this purpose, CAMEL approach has been used. CAMEL is an acronym for measures Capital adequacy, Assets quality, Management soundness, Earnings, and Liquidity.

Out of five, two measures are taken for analysis i.e. Capital Adequacy and Earnings Capacity. Ten commercial banks were selected purposively for the study. The ratios depicting the CAMEL parameters were calculated based on the publicly available information published at Reserve Bank of India, Indian Bankers' Association, annual reports of respective banks and Moneycontrol.com.

T Test has been applied to test four hypothesis and findings have been statistically counted.

From the aforementioned, summarized findings, we can clearly note that private sector banks do well in terms of both indicators of financial performance.

1. Private sector banks capital adequacy is more than public sector banks.
2. Private sector banks earn more profit margin than public sector banks.
3. It is found that public sector banks provide more net worth to the shareholders with compare to private sector banks.

Keywords: CAMEL approach, public and private sector banks, T-test, Capital Adequacy, Earnings Capacity

INTRODUCTION

The Indian banking sector has been the backbone of the Indian economy over the past few decades, helping it survive various national and worldwide economic shocks and meltdowns. It is one of the healthiest performers in the world banking industry seeing tremendous competitiveness, growth, efficiency, profitability and soundness, especially in the recent years.

Various aspects of the Indian banking sector have been highlighted in recent studies. Many of these refer to convergence and soundness of the sector. There has been a lot of literature covering both of these aspects and, to a great extent, establishing different relationships between these and key macroeconomic and financial variables.

Soundness is a key factor in any financial sector. One of the major measures of economic development and financial growth of a country has been the soundness of it banks. Soundness of the banking sector is synonymous with efficiency, productivity, profitability, stability and a shock free environment. Achieving stability in banking is only the beginning of a sound banking system. The main goal of banks today is to maintain stability and make sure they are impervious to external shocks while at the same time being internally sound and sensible. Hence, it is important to measure soundness across various banks in the country, identify the weaker sections of the banking sector, and devise appropriate strategies and policies to lift these sections.

This study tries to analyse the various aspects of soundness in the Indian Banking sector.

Camel Model – A Tool for Financial Performance Analysis

A. CAPITAL ADEQUACY RATIO

CAR = (Tier 1 Capital + Tier 2 Capital) / Risk weighted Assets

TIER 1 CAPITAL - (paid up capital + statutory reserves + disclosed free reserves) - (equity investments in subsidiary + intangible assets + current and b/f losses)

TIER 2 CAPITAL – i. Undisclosed Reserves, ii. General Loss reserves, iii. Hybrid debt capital instruments and subordinated debts where risk can either be weighted assets (a) or the respective national regulator's minimum total capital requirement. If using risk weighted assets, CAR = [(T1 + T2) / a] _ 10% percent threshold varies from bank to bank (10% in this case, a common requirement for regulators conforming to the Basel accords) is set by the national banking regulator of different countries.

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Two types of capital are measured: tier one capital (T1 above), which can absorb losses without a bank being required to cease trading, and tier two capital (T2 above), which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors.

B. ASSET QUALITY

To account for the extent of Non-Performing Asset in the portfolios of the banks and the extent of damage this particular asset class can have on the financial performance the following ratio is considered for the purpose of analysis.

C. MANAGEMENT QUALITY

The management dimension in CAMEL analysis has assumed much important position like never before. To capture the possible dynamics of management efficiency affecting the financial performance of the banks the following ratios are considered.

i. Market Value to Equity Capital
ii. Total Advances to Total Deposits
iii. Business Per Employee
iv. Profit Per Employee

D. EARNINGS QUALITY

Banks depend on their strong capability of earnings for performing the activities like funding dividends, maintaining adequate capital levels, providing for opportunities of investment for bank to grow, strategies for engaging in new activities and maintaining the competitive outlook. However apart from the sources of earning, the following dimensions also decide significantly the financial performance of the banks.

i. Level, trend, and stability of earnings,
ii. Quality and sources of earnings
iii. Ability to augment capital through retained earnings
iv. Exposure to market risks.
v. Provisions for loan losses

Keeping in purview the above-mentioned dynamics the following ratios in the dimension of earning ability of the banks to measure financial performance are considered. i. Operating profit by Average working funds, ii. Net profit to average assets, iii. Interest income to total income, iv. Non-Interest income to total income

E. LIQUIDITY

Liquidity management in banks has assumed prime importance due to competitive pressure and the easy flow of foreign capital in the domestic markets. The impact of liquidity crisis in the banks can adversely impact the financial performance of the banks. Inability of the banks to manage its short-term liquidity liabilities and loan commitments can adversely impact the performance of the banks by substantially increasing its cost of fund and over exposure to unrated asset category. Also, the cash flow from principal and interest payments could vary due to the types of loans on the balance sheet impacting the liquidity position.

To capture the impact of liquidity on the financial performance of the banks two ratios are considered. i. Liquid assets to total assets. ii. Liquid asset to total deposit

Based on the values of the ratios the selected banks will be ranked. Higher average value of the ratios gets ranked higher. The best ratio gets rank one followed up to rank twelve with an interval of one. In case of tie the average rank is assigned to the banks. All the ratios having higher value get higher rank whereas the ratio Net NPA to Total Asset gets the rank in reverse order. Higher Net NPA to Total Asset ratio attracts lower rank as well.

RESEARCH METHODOLOGY

To look at the financial soundness of the commercial banks operating in India, a very simplified approach using internationally accepted CAMEL rating parameters has been applied in this study.

CAMEL is an acronym for measures (capital adequacy, assets quality, management soundness, earnings, and liquidity. In this analysis the six indicators which reflect the soundness of the institution framework are considered.

Ten commercial banks were selected purposively for the study. Bank Index is an index comprised of the most liquid and large capitalized Indian Banking stocks. It provides investors and market intermediaries with a benchmark that captures the capital market performance of the Indian banks.

The banks selected for the purpose of the study are

PUBLIC SECTOR BANKS

1. Bank of Baroda (BOB)
2. Bank of India (BOI)
3. IDBI Bank Ltd (IDBI),
4. Punjab National Bank (PNB)
5. State Bank of India (SBI)

PRIVATE SECTOR BANKS

1. Axis Bank Ltd.
2. HDFC Bank Ltd (HDFC)
3. ICICI Bank Ltd (ICICI)
4. Kotak Mahindra Bank Ltd (KMB)
5. Yes Bank

Once soundness across banks is determined using the CAMEL model, inferences can be drawn regarding convergence across these banks based on the model.

The ratios depicting the CAMEL parameters were calculated based on the publicly available information published at Reserve Bank of India, Indian Bankers' Association and Moneycontrol.com.

Hypothesis

1. CAR of Public Sector Banks is more than Private Sector Banks. (Tier I capital)
2. CAR of Public Sector Banks is more than Private Sector Banks. (Tier II capital)
3. Earnings Capacity of Public Sector Banks is more than Private Sector Banks (Net Profit Margin)
4. Earnings Capacity of Public Sector Banks is more than Private Sector Banks (Return on Net Worth)

Application of T- test

This test is used only when it can be assumed that the two distributions have the same variance. (When this assumption is violated, see below.) The *t* statistic to test whether the means are different can be calculated as follows:

$$t = \frac{\bar{X}_1 - \bar{X}_2}{s_{X_1X_2} \cdot \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}$$

Where,

$$s_{X_1X_2} = \sqrt{\frac{(n_1 - 1)s_{X_1}^2 + (n_2 - 1)s_{X_2}^2}{n_1 + n_2 - 2}}.$$

The critical values of t distribution are calculated according to the probabilities of two alpha values and the degrees of freedom. The Alpha(α) values 0.05 one tailed and 0.1 two tailed are the two columns to be compared with the degrees of freedom in the row of the table.

In this we have compared calculated value as per T – test with Tabular Value of T-test as one tailed test at 5% level of Significance.

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DATA ANALYSIS

Source of Data

The data used for this study is mainly secondary data and this are collected from bank's balance sheet and annual reports for the period of five years (2018-19 to 2022-23).
More information is also collected from Reserve Bank of India, Indian Banks Association.

Capital Adequacy Ratio:

Capital adequacy ratios ("CAR") are a measure of the amount of a bank's core capital expressed as a percentage of its risk-weighted asset. Capital adequacy ratio is defined as
CAR = (Tier 1 Capital + Tier 2 Capital) / Risk weighted Asset

Two types of capital are measured: tier one capital (T1 above), which can absorb losses without a bank being required to cease trading, and tier two capital (T2 above), which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors.

Earnings Capacity:

Earning Capability of bank can be reflected as funding dividends, maintains CAR, providing growing opportunities of banks and standing in the competitive market. For this quality of bank here two ratios are considered in this parameter.

1. Net Profit Margin (NPM)
2. Returns on Net worth (RONW)

NET PROFIT MARGIN (PUBLIC AND PRIVATE SECTOR BANKS)

The profit Margin is the residue left after meeting all the expenses out of revenue. This margin is available for ploughing back into the business. It explains the bank's profitability position. This ratio is calculated by the following formula.
Net Profit Margin = Net Profit/Total Income X 100

RETURN ON NET WORTH

Return on net worth is used in finance as a measure of company's profitability. It reveals how much money a company has generated. With the money that the equity shares holders have invested. Therefore, it is also called return on equity.
Return on Net Worth = Net Income/Shareholders equity X 100.

Performance Parameters of Public and Private Sector Banks.

A. **Capital Adequacy Ratio**
    a. Tier 1 Capital
    b. Tier 2 Capital

B. Earning Capacity

Net Profit Margin

Return On Net Worth

CAPITAL ADEQUACY RATIO

CAR = (Tier 1 Capital + Tier 2 Capital) / Risk weighted Asset

Public Sector Banks

BANKS	2018-19	2019-20	2020-21	2021-22	2022-23
Bank of Baroda:	12.88	12.84	13.02	12.95	12.09
Tier I	7.79	8.22	8.96	9.56	9.20
Tier II	5.09	4.62	4.06	3.39	2.89
Bank of India	13.21	13.01	11.42	11.57	11.35
Tier I	8.73	8.91	7.8	8.29	8.42
Tier II	4.48	4.10	3.62	3.28	2.93
IDBI Bank Ltd	11.23	10.83	11.31	12.84	12.09
Tier I	6.60	5.97	6.24	7.37	7.06
Tier II	4.63	4.86	5.07	5.47	5.03
Punjab National Bank	12.59	14.03	11.76	11.59	12.28
Tier I	8.05	8.98	7.99	8.52	9.42
Tier II	4.54	5.05	3.77	3.07	2.26
State Bank of India	12.90	12.00	10.69	12.05	11.22
Tier I	8.53	8.46	6.93	8.50	8.23
Tier II	4.44	3.54	3.76	3.55	2.99

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Private Sector Banks

BANKS	2018-19	2019-20	2020-21	2021-22	2022-23
Axis Bank	12.52	15.05	12.65	13.66	17.00
Tier I	8.47	10.65	9.41	9.45	12.23
Tier II	4.05	4.40	3.24	4.21	4.77
HDFC Bank Ltd	15.09	16.45	15.32	15.71	15.94
Tier I	10.18	12.50	11.56	11.04	10.51
Tier II	4.91	3.95	3.76	4.67	5.43
ICICI Bank Ltd	15.92	19.14	17.63	16.26	16.90
Tier I	12.16	13.48	11.77	11.09	11.50
Tier II	3.76	5.66	5.86	5.17	5.40
Kotak Mahindra Bank Ltd	19.86	18.05	18.73	16.51	15.16
Tier I	16.01	15.17	16.91	14.84	13.90
Tier II	3.85	2.88	1.82	1.67	1.26
Yes bank	14.53	17.25	16.50	17.90	18.30
Tier I	7.47	10.76	9.70	9.90	9.50
Tier II	7.06	6.49	6.80	8.00	8.80

EARNINGS CAPACITY

Net Profit Margin = Net Profit/Total Income X 100

Return on Net Worth = Net Income/Shareholders equity X 100.

Public Sector Banks

BANKS	2018-19	2019-20	2020-21	2021-22	2022-23
Bank of Baroda:					
Net Profit Margin	12.86	15.37	17.17	15.12	11.54
Return On Net Worth	17.35	20.24	20.15	18.22	14.01
Bank of India					
Net Profit Margin	10.39	9.68	8.50	10.54	12.03
Return On Net Worth	14.26	13.94	12.71	13.89	15.74
IDBI Bank Ltd					
Net Profit Margin	7.84	6.71	5.95	8.12	7.99
Return On Net Worth	10.72	11.53	12.53	13.02	11.56

Punjab National Bank					
Net Profit Margin	13.76	15.64	14.48	12.02	10.29
Return On Net Worth	23.52	24.06	20.61	17.55	14.52
State Bank of India					
Net Profit Margin	12.03	10.54	8.50	9.68	10.69
Return On Net Worth	15.74	13.91	12.71	13.94	14.26

Private Sector Banks

BANKS	2018-19	2019-20	2020-21	2021-22	2022-23
Axis Bank					
Net Profit Margin	13.31	16.10	17.12	15.47	15.35
Return On Net Worth	17.77	15.67	17.83	18.59	15.64
HDFC Bank Ltd					
Net Profit Margin	11.35	14.76	16.18	15.88	16.04
Return On Net Worth	15.32	13.70	15.47	17.26	18.57
ICICI Bank Ltd					
Net Profit Margin	9.74	12.17	15.79	15.75	17.19
Return On Net Worth	7.58	7.79	9.35	10.70	12.48
Kotak Mahindra Bank Ltd					
Net Profit Margin	8.35	15.23	16.46	15.15	14.78
Return On Net Worth	7.05	12.42	12.03	13.65	14.40
Yes bank					
Net Profit Margin	12.35	16.30	15.56	13.66	13.61
Return On Net Worth	18.70	15.46	19.16	20.89	22.39

FINDINGS

After applying t-test on the data, following findings were brought about;

Table 5.1

Hypothesis	Calculated Value	Tabular Value	Accept/Reject
1. CAR of Public Sector Banks is more than Private Sector Banks. (Tier I capital)	10.74	1.86	10.74>1.86 Hypothesis is **Rejected.**
2. CAR of Public Sector Banks is more than Private Sector Banks. (Tier II capital)	2.42	1.86	2.42>1.86 Hypothesis is **Rejected.**
3. Earnings Capacity of Public Sector Banks is more than Private Sector Banks (Net Profit Margin)	3.72	1.86	3.72>1.86 Hypothesis is **Rejected**.
4. Earnings Capacity of Public Sector Banks is more than Private Sector Banks (Return on Net Worth)	0.94	1.86	0.94<1.86 Hypothesis is **Accepted**.

CONCLUSION

It is generally believed that public sectors bank lag behind the private sector banks in context of financial performance. To check and measure this generally believed perception, two major indicators (Capital Adequacy and Earnings Capacity) of financial performance have been taken from CAMEL model and applied to five major public and private sector banks.

T Test has been applied to test four hypothesis and findings have been statistically counted.

From the aforementioned, summarized findings, we can clearly note that private sector banks do well in terms of both indicators of financial performance.

1. Private sector banks capital adequacy is more than public sector banks.
2. Private sector banks earn more profit margin than public sector banks.
3. It is found that public sector banks provide more net worth to the shareholders with compare to private sector banks.

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Challenges of Foreign Direct Investment in India

Dr. Harshida G. Jagodadiya
Department of Economics,
Dharmendrasinhji Arts College-Rajkot

India has actively sought to attract Foreign Direct Investment (FDI) to foster economic growth, industrial development, and job creation. Over the years, the Indian government has implemented various policy measures to liberalize the economy and encourage foreign investors. Here are some key points related to FDI in India:

Liberalization Policies: India embarked on significant economic reforms in the early 1990s, liberalizing its economy and opening up various sectors to FDI. The government has periodically revised FDI policies to ease restrictions and enhance the ease of doing business.

Sectors Open for FDI: While many sectors are open for FDI, certain strategic sectors may still have restrictions or require government approval. Key sectors like telecommunications, information technology, manufacturing, and infrastructure have attracted significant foreign investments.

Automatic Route and Government Approval: FDI in several sectors can be made through the automatic route, where no prior approval is required. However, some sectors or investments may require government approval, and there are caps on foreign ownership in certain industries.

Make in India Initiative: Launched in 2014, the "Make in India" initiative aims to promote manufacturing and attract FDI by simplifying procedures and creating a conducive environment for businesses.

Investment Facilitation: The government has taken steps to streamline the approval process for foreign investors, making it more efficient and transparent. Initiatives like "Invest India" serve as a single-window clearance mechanism to assist investors.

FDI Limits: While FDI is generally encouraged, there are limits on foreign ownership in certain sectors. These limits vary depending on the industry, and exceeding the prescribed limit may require government approval.

Technology Transfer: India has sought FDI not only for capital but also for technology transfer. In sectors such as information technology and pharmaceuticals, FDI has played a crucial role in bringing advanced technologies and expertise.

Infrastructure Development: FDI has been targeted to support infrastructure development projects in areas like roads, railways, airports, and smart cities. This is aimed at improving the overall business environment and connectivity in the country.

Policy Stability: The government has recognized the importance of providing policy stability to attract long-term investments. Efforts have been made to reduce bureaucratic hurdles and create a more predictable regulatory environment.

It's essential to note that economic and policy conditions can change, so it's advisable to check for the most recent information or updates regarding India's FDI policies and initiatives from official government sources or reliable news channels.

While Foreign Direct Investment (FDI) can bring several benefits to a country, it also poses certain challenges and concerns. Here are some common problems associated with FDI:

Dependency on Foreign Investors: Excessive reliance on FDI can make a country vulnerable to external economic conditions. Economic downturns or policy changes in the home countries of foreign investors can negatively impact the host country.

Unequal Distribution of Benefits: The benefits of FDI may not be evenly distributed across all segments of the population. There is a risk that the wealth generated through FDI may primarily benefit certain industries or regions, leading to income inequality.

Loss of Sovereignty: In some cases, heavy reliance on FDI may result in a loss of economic and political sovereignty. Foreign investors may have significant influence over the host country's policies and decision-making processes.

Competition with Local Businesses: FDI can lead to increased competition, which may adversely affect local businesses, particularly small and medium-sized enterprises (SMEs). Large multinational corporations may have a competitive advantage, and local businesses may struggle to survive.

Environmental Concerns: Some foreign investments, particularly in industries with lax environmental regulations, may lead to environmental degradation. This can have long-term negative effects on the host country's ecosystems and public health.

Job Displacement: While FDI can create job opportunities, it may also result in job displacement, especially if foreign investors introduce more efficient technologies that require fewer workers. This can lead to social and economic challenges, including unemployment.

Repatriation of Profits: Foreign investors often repatriate profits back to their home countries. While this is a standard business practice, excessive profit repatriation can result in a drain on the host country's resources and reduce the overall economic benefits.

Risk of Economic Volatility: The inflow and outflow of foreign capital can contribute to economic volatility. Sudden changes in investor sentiment or external economic conditions can lead to capital flight, impacting the host country's exchange rates and financial stability.

Cultural Impact: FDI may bring about cultural changes as foreign businesses introduce new practices and values. This can sometimes lead to cultural clashes and challenges to local traditions.

Lack of Technology Transfer: While one of the potential benefits of FDI is technology transfer, in some cases, foreign investors may be reluctant to share advanced technologies with the host country. This can limit the development of local industries.

It's essential for governments to carefully manage and regulate FDI to maximize the positive impacts and minimize the negative consequences. Striking a balance between attracting foreign investment and safeguarding the interests of the host country is crucial for sustainable economic development.

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Foreign Direct Investment and Indian Economy

Dr. Sanjay A. Pandya

Department of Economics,

Saurashtra University-Rajkot

FDI stands for Foreign Direct Investment. It refers to the investment made by an entity (individual, business, or government) from one country into another country. This investment involves a significant degree of influence or control by the investor over the foreign business operations.

FDI can take various forms, including the establishment of new facilities (such as factories or offices), mergers and acquisitions, or the purchase of stocks in foreign companies. The goal of FDI is often to gain access to new markets, resources, or technologies, and it can have a significant impact on the economic development of both the investing and the receiving countries.

Governments often encourage FDI by implementing policies and incentives to attract foreign investors, as it can contribute to job creation, technology transfer, and overall economic growth.

India has been actively promoting and attracting Foreign Direct Investment (FDI) to boost its economy and enhance industrial development. India has implemented various policy reforms and initiatives to facilitate a more favourable environment for foreign investors.

Some key aspects related to India and FDI:

Liberalization Policies

Over the years, India has implemented economic liberalization policies to open up various sectors for foreign investment. The government has regularly revised FDI policies to ease restrictions and attract more foreign capital.

Liberalization in the context of India refers to the economic liberalization policies that the country adopted in the early 1990s. Prior to this period, India followed a more closed and regulated economic model, characterized by extensive government control and protectionist measures. The economic liberalization of 1991 aimed to open up the Indian economy, reduce government intervention, and promote private sector participation. Here are key aspects of India's liberalization policies:

End of License Raj: Before liberalization, India operated under a system known as the "License Raj," where businesses needed various licenses and approvals from the government

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to operate, expand, or produce certain goods and services. Liberalization aimed to dismantle this complex regulatory framework and reduce bureaucratic hurdles.

Trade and Investment Reforms: India implemented measures to open up its markets to foreign trade and investment. Tariffs were reduced, and restrictions on foreign direct investment (FDI) were eased to attract international capital.

Financial Sector Reforms: The financial sector underwent significant changes during liberalization. The banking and financial markets were opened up, and reforms were introduced to encourage competition, improve efficiency, and attract foreign investment.

Privatization: The government initiated the privatization of state-owned enterprises to reduce the public sector's burden and improve efficiency in various industries. This involved selling shares of government-owned companies to private entities.

Exchange Rate Reforms: The Indian government moved towards a more market-oriented exchange rate system. The rupee was devalued, and the exchange rate was partially determined by market forces, leading to greater flexibility in currency movements.

Industrial Policy Reforms: Industrial licensing requirements were significantly reduced, allowing businesses more freedom to set up and expand operations. The focus shifted from a state-driven economy to one that encouraged private enterprise and competition.

Globalization: India embraced globalization by integrating its economy with the global market. This involved participating in international trade, welcoming foreign investment, and engaging in global economic activities.

These liberalization measures were primarily driven by a balance of payments crisis in 1991, which forced the Indian government to seek assistance from the International Monetary Fund (IMF). The economic reforms that followed had a profound impact on India's economic growth, transforming it into a more market-oriented and globally connected economy. However, it's important to note that the liberalization process also faced challenges, and its impacts were experienced differently across various sectors and regions. mistakes. Consider checking important informant

Sectors Open for FDI: While many sectors are open for FDI, certain critical sectors may still have restrictions or require government approval. Key sectors like telecommunications, information technology, pharmaceuticals, and manufacturing have seen significant foreign investments.

Government Initiatives: The Indian government has launched initiatives such as "Make in India" and "Invest India" to promote manufacturing and attract foreign investors. These initiatives aim to simplify processes and provide a conducive environment for business.

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Automatic Route and Government Approval: FDI in many sectors can be done through the automatic route, where no prior approval is required. However, in some sectors or for certain investment amounts, government approval may be necessary.

FDI Limits: While FDI is generally encouraged, there are caps on foreign ownership in certain sectors. These limits vary depending on the industry, and exceeding the prescribed limit may require government approval.

Attracting Investments: India has sought to attract investments in areas such as infrastructure, renewable energy, and technology. The government's focus has been on creating a business-friendly environment and addressing concerns related to ease of doing business.

Please note that economic and policy conditions can change, so it's advisable to check for the most recent information or updates regarding India's FDI policies and initiatives from official government sources or reliable news channels.

Challenges of FDI:

While Foreign Direct Investment (FDI) can bring several benefits to a country, it also poses certain challenges and concerns. Here are some common problems associated with FDI:

Dependency on Foreign Investors:

Unequal Distribution of Benefits:

Loss of Sovereignty:

Competition with Local Businesses:

Environmental Concerns:

Job Displacement:

Repatriation of Profits:

Risk of Economic Volatility:

Cultural Impact:

Lack of Technology Transfer:

It's essential for governments to carefully manage and regulate FDI to maximize the positive impacts and minimize the negative consequences. Striking a balance between attracting foreign investment and safeguarding the interests of the host country is crucial for sustainable economic development.

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Advantages and Disadvantages of Foreign Direct Investment

Dr. Diwakar C.
Associate Professor & HOD
Department of Political Science
University Evening College, University of Mysore, Mysuru

Foreign direct investment (FDI) is when a company or individual of one country invests in the business interests of another country in the form of creating or acquiring foreign companies or assets to gain a measure of control over their operation. In practical terms, it is a transfer of capital from one country to another to establish a foreign business presence.

Foreign Direct Investment (FDI) occurs when an individual or business owns at least 10% of a foreign company. When investors own less than 10%, the International Monetary Fund (IMF) defines it simply as part of a stock portfolio. Whereas a 10% ownership in a company doesn’t give an individual investor a controlling interest in a foreign company, it does allow influence over the company’s management, operations, and overall policies. DI is critical for developing and emerging market countries. Companies in developing countries need multinational funding and expertise to expand, give structure, and guide their international sales. These foreign companies need private investments in infrastructure, energy, and water in order to increase jobs and salaries.

There are various levels of FDI which range based on the type of companies involved and the reasons for the investments. An FDI investor might purchase a company in the targeted country by means of a merger or acquisition, setting up a new venture, or expanding the operations of an existing one. Other forms of FDI include the acquisition of shares in an associated enterprise, the incorporation of a wholly-owned company, and participation in an equity joint venture across international boundaries. There are various advantages and disadvantages of foreign direct investment.

THE IMPORTANCE OF FOREIGN DIRECT INVESTMENT

FDI plays a very important role in the development of an economy of a country. The following are the some of the importance of Foreign Direct Investment,

a) Helps to avoid foreign government pressure for local production.
b) Enables making the move from domestic export sales to a locally-based national sales office.
c) Helps in increasing the total production capacity.

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d) Presents greater opportunities for co-production, joint ventures with local partners, joint marketing arrangements, licensing, etc.

ADVANTAGES OF FOREIGN DIRECT INVESTMENT:

FDI brings many advantages for both the investing and receiving countries. One of the main advantages of foreign direct investment is the contribution it makes towards economic growth. When a foreign company invests in a country, it brings in new capital that can be used to finance various economic activities. This influx of capital can lead to the creation of new jobs, expansion of businesses, and increased production, all of which contribute to the growth of the country's economy. Additionally, FDI can bring in new technology and skills, leading to increased productivity and efficiency, further boosting economic growth. Another advantage of FDI is its role in promoting globalization. When companies invest in foreign countries, they create a link between different economies. This can lead to increased trade and exchange of goods and services between countries, stimulating economic growth. Moreover, FDI can help developing countries access new markets and technologies, aiding their overall development. However, it is crucial for governments to carefully regulate and monitor FDI to ensure its benefits are maximized and its drawbacks are minimized.

The advantages of FDI can provide valuable insights into potential opportunities and risks in a host country. One of the main advantages of foreign direct investment is the access to new markets and resources that may not be available in the investor's home country. This can lead to increased profitability and diversification of the investor's portfolio. Additionally, FDI can provide access to skilled labor and advanced technologies, enhancing the efficiency and competitiveness of the investor's operations. Furthermore, FDI can also lead to the transfer of knowledge and expertise, as foreign companies often bring in new management techniques and practices. This can positively impact the host country's economic development and contribute to the growth of local industries. As an investor, these FDI advantages can be beneficial in identifying potential long-term growth opportunities and expanding into new markets. However, consider the potential drawbacks and carefully assess the risks associated with FDI.

Economic growth

The creation of jobs is the most obvious advantage of FDI, one of the most important reasons why a nation (especially a developing one) will look to attract foreign direct investment. FDI boosts the manufacturing and services sector which results in the creation of jobs and helps to reduce unemployment rates in the country. Increased employment translates to higher incomes and equips the population with more buying powers, boosting the overall economy of a country.

Human capital development

Human capital involved the knowledge and competence of a workforce. Skills that employees gain through training and experience can boost the education and human capital of a specific country. Through a ripple effect, it can train human resources in other sectors and companies.

Technology

Targeted countries and businesses receive access to the latest financing tools, technologies, and operational practices from all across the world. The introduction of newer and enhanced technologies results in company's distribution into the local economy, resulting in enhanced efficiency and effectiveness of the industry.

Increase in exports

Many goods produced by FDI have global markets, not solely domestic consumption. The creation of 100% export-oriented units help to assist FDI investors in boosting exports from other countries.

Exchange rate stability

The flow of FDI into a country translates into a continuous flow of foreign exchange, helping a country's Central Bank maintain a prosperous reserve of foreign exchange which results in stable exchange rates.

Improved Capital Flow

Inflow of capital is particularly beneficial for countries with limited domestic resources, as well as for nations with restricted opportunities to raise funds in global capital markets.

Creation of a Competitive Market

By facilitating the entry of foreign organizations into the domestic marketplace, FDI helps create a competitive environment, as well as break domestic monopolies. A healthy competitive environment pushes firms to continuously enhance their processes and product offerings, thereby fostering innovation. Consumers also gain access to a wider range of competitively priced products.

Climate

The United Nations has also promoted the use of FDI around the globe to help combat climate change

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DISADVANTAGES OF FOREIGN DIRECT INVESTMENT:

While FDI has many potential benefits, various disadvantages must be considered. One of the main concerns is the potential for exploitation and loss of control by the host country. When a foreign company invests in a local business, it may have significant control over the operations and decision-making processes. This can lead to the transfer of profits and resources from the host country, ultimately weakening their economy and limiting their ability to make independent decisions.

Hindrance of domestic investment

Sometimes FDI can hinder domestic investment. Because of FDI, countries' local companies start losing interest to invest in their domestic products.

The risk from political changes

Other countries' political movements can be changed constantly which could hamper the investors.

Negative exchange rates

Foreign direct investments can sometimes affect exchange rates to the advantage of one country and the detriment of another.

Higher costs

When investors invest in foreign counties, they might notice that it is more expensive than when goods are exported. Often times, more money is invested into machinery and intellectual property than in wages for local employees.

Economic non-viability

Considering that foreign direct investments may be capital-intensive from the point of view of the investor, it can sometimes be very risky or economically non-viable.

Expropriation

Constant political changes can lead to expropriation. In this case, those countries' governments will have control over investors' property and assets.

Modern-day economic colonialism

Many third-world countries, or at least those with history of colonialism, worry that foreign direct investment would result in some kind of modern-day economic colonialism, which exposes host countries and leave them vulnerable to foreign companies' exploitation.

Poor performance

Multinationals have been criticized for poor working conditions in foreign factories.

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CONCLUSION

Foreign direct investment (FDI) has advantages as well as disadvantages also. The FDI advantages include access to new markets and resources and the transfer of technology and knowledge. These benefits can lead to increased profitability and economic development for the host country. However, FDI also has drawbacks, such as the potential for exploitation of cheap labor and resources and the risk of cultural clashes and political instability. It is important for both the investor and the host country to carefully consider all aspects of FDI before making any decisions. A well-planned and mutually beneficial FDI can bring positive outcomes for both parties involved. FDI helps to stabilize the economy of developing countries a lot.

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The liberalization approach in India and its long-term effects among Vibrant Gujarat

Dr. Ratanben P. Solanki
Associate Professor in Psychology,
Maniben M. P. Shah Mahila Arts College, Kadi
Dr. Apexa N. Pandya
Visiting Lecturer in Sociology,
Maniben M. P. Shah Mahila Arts College, Kadi

Abstract

To showcase the vibrancy of Indian MSME sector, Ministry of MSME participated in a grand way at the Vibrant Gujarat Global Summit 2019 with a dedicated MSME Pavilion in Hall No 14A. A hexagonal shaped live lounge called "MSME-Live" was set up, that showcased all the MSME's activities on a real time basis in the MSME pavilion. The theme of te MSME pavilion in Vibrant Gujarat 2019 was "Charkha Se Chandrayaan Tak" which showcased the humble Charkha from KVIC, that instils pride and joy for its deep symbolic importance in India's freedom struggle, to the cutting edge technology of Mangalyaan and Chandrayaan MSME-Technology Centre, that has made India one of the few countries to do so. In overview, the MSME pavilion showcased IT initiatives viz, Sambandh, Samadhan, PMEGP, MSME B2B global Mart on four LED touchscreen display. NSIC exhibited its state of art 3D printers, application of sensors and supervisory control and data acquisition for smart home and smart cities, CNC simulation, augmented reality and virtual reality. Coir Board contributed by bringing in its latest invention of Power Loon for making Coir Geo-Textiles. The change in the Indian Government's policies post 1991 though gradual has been quite steady with the Government inviting more and more foreign participation in all but a few restricted sectors.

The percentage of foreign investment has also been increased from its initial low levels to 49% and 100% in many sectors. This has brought about some direct and numerous indirect changes.

MSME: Ministry of Micro, Small & Medium Enterprises

Keyword: Liberalization, Vibrant Gujarat, Industries area effect, MSME

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Introduction

Vibrant Gujarat Summit was conceptualized to re-establish Gujarat as a preferred investment destination within India. Today, the Summit has evolved into a platform for brainstorming on agendas of global socio-economic development, in addition to being a facilitator for knowledge sharing and forging effective partnerships. The 9th edition of Vibrant Gujarat Summit, themed at “Shaping A New India” was inaugurated by Prime Minister, Narendra Modi featured a forum for discussion on Global, National and State-level agendas with a sharp focus on all round economic development for a ‘New India’.

MSMEs are the lowest layer of the enterprise system in any country. Being the ‘bottom of the pyramid’, their potential growth and importance is without a doubt critical to the Nation. The need for tapping this potential, therefore, is not only a business case, but a wider issue in the overall development agenda of countries, including India. MSMEs in Gujarat are not stand alone, they are significantly influenced by trends in the global and national economy relating to business performance, and developments in technology and trade.

To showcase the vibrancy of Indian MSME sector, Ministry of MSME participated in a grand way at the Vibrant Gujarat Global Summit 2019 with a dedicated MSME Pavilion in Hall No 14A. A hexagonal shaped live lounge called “MSME-Live” was set up, that showcased all the MSME’s activities on a real time basis in the MSME pavilion. The theme of te MSME pavilion in Vibrant Gujarat 2019 was “Charkha Se Chandrayaan Tak” which showcased the humble Charkha from KVIC, that instils pride and joy for its deep symbolic importance in India’s freedom struggle, to the cutting edge technology of Mangalyaan and Chandrayaan MSME-Technology Centre, that has made India one of the few countries to do so. In overview, the MSME pavilion showcased IT initiatives viz, Sambandh, Samadhan, PMEGP, MSME B2B global Mart on four LED touchscreen display. NSIC exhibited its state of art 3D printers, application of sensors and supervisory control and data acquisition for smart home and smart cities, CNC simulation, augmented reality and virtual reality. Coir Board contributed by bringing in its latest invention of Power Loon for making Coir Geo-Textiles.

The MSME theme pavilion also showcased various initiatives and achievements of Ministry, which are benefiting MSME Sector in the field of Technology up-gradation and Innovation. Various new products designed under Ministry’s new initiative were on display for entrepreneurs like Solar Charkha, coir Mattress Machine, Anugraha Coir Loom, etc.

In addition to ‘MSME Live’ Lounge, there were separate theme pavilions of Khadi, Coir and MSME Technology Centers, popularly known as Tool Rooms. A wide variety of khadi and Village Industries products were on display with a special focus on youth. MSME Technology centers also showcased their excellence by displaying components/machines developed by them across sectors from aviation to agriculture.

Through this initiative, Ministry of MSME also gave an opportunity to more than 200 MSME units to exhibit their products before the national and International audience and to expand their business.

"India is now ready for business. In the last four years, we have jumped 65 places of global ranking of ease of doing business. I have asked my team to work harder to ensure India is on the top 50 next years", said Prime Minister Narendra Modi while inviting global business leaders and companies to come and invest in India at the 9th edition of Vibrant Gujarat Summit held at Mahatma Mandir Exhibition cum Convention Centre in Gandhinagar from Jan18 to Jan20,2019. Witnessing the participation of Five Heads of States who graced the occasion were the President of Uzbekistan, Shavkat Mirziyoyev along with the Prime Ministers of Denmark, Lars Løkke Rasmussen; Czech Republic, Andrej Babis & Malta, Dr Joseph Muscat, the event turned out to be huge success with so many leaders showing that international cooperation is no longer limited to national capitals but is also extended to state capitals. First edition of Vibrant Gujarat Summit was held in 2003 under the guidance of Prime Minister Narendra Modi who was then the Chief Minister of Gujarat, to give a spur to the investments in Gujarat. Since then it has played the role of a catalyst leading to several other such summits annually in states across the country.

With an intention to bring in incredible opportunities and to encourage the inflow of resources into India, the then Government in 1991 approved a systemic shift to a more open economy giving a larger role for the private sector and foreign investment.

While the most important reason for liberalization could be zeroed to the correction of the BOP situation, some of the other key objectives for introduction of liberalization policy are given below:

- To overcome the delay in the public works undertaken;
- To clear red tapism;
- To invite fresh and increased investments from private sector;
- To identify new initiatives and focus on growth;
- To awaken and encourage the thought of profit motive;
- To bring in accountability and responsibility for all the works undertaken.

These policies have succeeded in unlocking India's enormous growth potential and powerful entrepreneurial forces. The move from socialist reforms to a new competitive friendly policy has earned rewards. Since 1991, successive Governments, across political parties, have successfully carried forward the country's economic reform agenda.

Capital inflows and growth trends

India's foreign investment policy has been formulated with a view to encouraging FDI into India. The process of regulation and approval has been substantially liberalized. FDI under automatic route is permitted in most activities/ sectors, except in a certain restricted sectors where prior approval of the Government is required.

Government of India (GoI) welcomes FDI in all permitted sectors, especially for development of infrastructure, technological upgradation of Indian industry through 'greenfield' investments and in projects having the potential of creating employment opportunities on a large scale. Investment for setting up Special Economic Zones (SEZs) and establishing manufacturing units are also welcomed.

Benefits from Liberalization

Liberalization in the Government policy brings about a sea change in the perception that the world has about a country on the economic front. It sends a strong message to the world inviting foreign players in the local market with limited control of the Government. This is a reflection that the local industry players have matured enough to be pitted against global competitors and should be governed by the market forces rather than protectionist policy measures. It assures an atmosphere of openness and fair treatment.

The change in the Indian Government’s policies post 1991 though gradual has been quite steady with the Government inviting more and more foreign participation in all but a few restricted sectors.

The percentage of foreign investment has also been increased from its initial low levels to 49% and 100% in many sectors. This has brought about some direct and numerous indirect changes.

What is MSME-specific About Gujarat?

Gujarat was born on 1st May 1960, after the division of the erstwhile state of Bombay. Form a population of 20 million and a GDP of $1.6 Billion in 1960, Gujarat has grown leaps and bounds to register a population of over 60 million, and an exponentially bigger GDP of $151 Billion today. Gujarat was chosen for the inaugural volume of Global Business Summit for the following special reasons:

- Gujarat aspires to become a beacon of comprehensive social and economic development

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- Gujarat has a highly diversified industrial structure, with over 800 large industries and about 4,00,000 micros, small and medium enterprises, demanding innovative public policy initiatives.
- Vibrant Gujarat (January 2019) hosts a large audience of investors for whom this report is expected to be of immense value.
- Gujarat has significant achievements relating to industrialization and MSME development which are not properly documented. Such documentation is vital for enhancing their visibility and sustainability.

Changing Business Ecosystems

The Vibrant Gujarat initiative of the Government of Gujarat has a built-in mechanism to promote scientific advocacy within the Government. Against the background of the rapid changes in the global economy, to which India and Gujarat are getting increasingly integrated, the challenges to SME competitiveness have gone up. However, a prerequisite for enhanced competitiveness, is an environment of competition itself. The legal and institutional framework prevailing in the Country and in Gujarat are decisive in providing these preconditions. One laudable achievement of Gujarat is its integrated approach to investment promotion as a key to rapid growth. It requires greater efforts towards developing and branding of clusters, rewarding innovative entrepreneurs, and development of infrastructure, especially, ports, airports, logistic services and industrial estates. Moreover, the state needs to strengthen its economic infrastructure, such as, quality testing facilities, incubators, enabling firms conversant with IPR and export procedures/regulations, entrepreneurship development, and design technology. Such an integrated approach helps the State to go beyond the constraints of narrow departmentalism, a malaise faced by many other States of the Country. Gujarat's MSME growth, even while appreciating the focused efforts of the Government, is more of a spillover of overall growth. But in order to help the MSME sector to enjoy the benefits of such growth in a more meaningful way, legal and institutional reforms are vital. For instance, there is the imperative for a Competition Law for the MSME sector, as also a special Fund for its development. But these cannot be realised by the efforts of the State itself. In a federal system, this leads us to the realm of action and advocacy going hand in glove with each other.

Global Trade Show

The Vibrant Gujarat Global Summit also unfold the global Trade Show of the same name. The show was held at the Summits Largest Exhibition Venue spread over 2,00,000 sq. mts. Over 25 industrial and business sectors were showcased under one umbrella in one of the largest trade shows in the world. The networking and knowledge sharing platform with immense business potential proved to be veritable gateway to million opportunities. There were 15 partner country pavilions and Indian states pavilions and pavilions featuring central government's flagships programs like 'Make in India', Digital India', Start-Up India', ITES, Sagarmala, Ayushyaman Bharat and Indradhanush.

The trade shows at VGGIS focused on the Micro, Small and Medium Enterprises (MSME) sector with a special MSME zone.

Besides, the global trade show also featured a fashion show based on 'Farm to Fabric' theme.

Gujarat MSME overview

Gujarat ranks 1st in integrated overall performance of MSMEs at National Level, as per ISED Small Enterprise Observatory (As per Gujarat MSME Report 2013)

Gujarat received 2nd highest share of over 16.2% in the total number of entrepreneur's memorandum filed the MSMEs across India as of 2013-14

The MSMEs entrepreneur memorandums received by Gujarat has grown by 193% - from about 20,000 in 2009-10 to over 58,600 in 2013-14

Ahmedabad, Surat, Rajkot, Vadodara, Bharuch, Jamnagar, Bhavnagar and Valsad are the major Multi-Product MSMEs clusters in the state

MSME- Engines of Growth and Entrepreneurship

MSMEs are the lowest layer of the enterprise system in any country. Being the 'bottom of the pyramid', their potential is substantial. The need for tapping this potential, therefore, is not only a business case, but a wider issue in the overall development agenda of countries, including India, and at the subnational level. MSMEs in Gujarat are not stand alone. They are significantly influenced by trends in the global and national economy relating to business performance, and developments in technology and trade. Moreover, MSMEs, being a subject in the Concurrent List of the Constitution of India, development programmes in the state need to work within the overall framework and policies at the national level. A discussion on the development agenda of the State should therefore, take all these aspects into consideration.

Gujarat Contribution

- Gujarat contributes more than 7% to India's GDP. At a CAGR of 16.5%, the State's growth has been the second highest in India between 2005-2006 and 2011-2012;
- Gujarat is the largest producer of processed diamonds and denim in the world and is also the largest producer of milk in India;

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- Gujarat has one major port (Kandla) and 41 minor/ intermediate ports;
- The State boasts of contributing to a significant proportion of the production of soda ash, salt, petrochemicals, plastics, pharmaceuticals, crude oil and chemicals;
- During 2011-2012, Gujarat recorded the second highest number of FDI proposals (131 FDI proposals) worth over USD 3.7 billion;
- TATA Motors Ltd has already set up a large production facility in Gujarat and Maruti Suzuki
- India Ltd is in active dialogue to set up a production facility.[1]

Why Business is Vibrant in Gujarat?

- Business is a way of Life
- Inherited Entrepreneurial spirit
- The SEZ –Growth engines that can boost manufacturing, augment exports and generate
- employment
- SME Backbone of the economy. Sector playing a key role in shaping the manufacturing industry
- PPP – Public Private Partnership. A winning combination for Investments
- Led by visionary Political Leaders
- Government felicitates, encourages investment and holistic growth
- Gujarat is on forefront to promote Excellence

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Foreign Direct Investment: Recent Trends in India

Ms. Jayshri R. Ichchhuda

(M. Com., GSET)

Assistant Professor of Commerce,

G.E.S. Class -II

Government Arts and Commerce College, Palitana.

Abstract:

The aim of this article is to study the FDI inflows in India. As the purpose of this paper is to study trends of FDI inflows in India especially sector-wise FDI inflows in India from financial years 2021-22 to 2023-24 (April-Sept), therefore, we collected the required data from said periods from website of DPIIT, Ministry of Commerce and Industry, Government of India. In addition, we use MS Excel analyze the data. In this article, we analyzed the data such as: sectors attracting highest FDI inflows and the share of top investing countries FDI inflows for the said periods.

Keywords: FDI, Sectors, India.

1. INTRODUCTION:

Foreign Direct Investment (FDI) is considered as a major source of non-debt financial resource for the economic development. FDI flows into India have grown consistently since liberalization and are an important component of foreign capital since FDI infuses long term sustainable capital in the economy and contributes towards technology transfer, development of strategic sectors, greater innovation, competition, and employment creation amongst other benefits. Therefore, it is the intent and objective of the Government of India to attract and promote FDI to supplement domestic capital, technology, and skills for accelerated economic growth and development.

2. FOREIGN DIRECT IVESTMENT:

Foreign direct investment (FDI) is an ownership stake in a foreign company or project made by an investor, company, or government from another country.

3. FDI Routes in India

There are three routes through which FDI flows into India. They are described in the following table:

Category 1	Category 2	Category 3
100% FDI permitted through Automatic Route	Up to 100% FDI permitted through Government Route	Up to 100% FDI permitted through Automatic + Government Route

A. Automatic Route FDI:

In the automatic route, the foreign entity does not require the prior approval of the government or the RBI. Examples: Medical devices, Thermal Power etc.

B. Government Route FDI

Under the government route, the foreign entity should compulsorily take the approval of the government. It should file an application through the Foreign Investment Facilitation Portal, which facilitates single-window clearance. This application is then forwarded to the respective ministry or department, which then approves or rejects the application after consultation with the DPIIT. Examples: Broadcasting Content Services, Food Products Retail Trading etc.

4. Sectors where FDI is prohibited

There are some sectors where any FDI is completely prohibited. They are:

- Agricultural or Plantation Activities (although there are many exceptions like horticulture, fisheries, tea plantations, Pisciculture, animal husbandry, etc.)
- Atomic Energy Generation
- Nidhi Company
- Lotteries (online, private, government, etc.)
- Investment in Chit Funds
- Trading in TDR’s
- Any Gambling or Betting businesses
- Cigars, Cigarettes, or any related tobacco industry
- Housing and Real Estate (except townships, commercial projects, etc.)

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5. Benefits of FDI

FDI brings in many advantages to the country. Some of them are discussed below.

1. Brings in financial resources for economic development.
2. Brings in new technologies, skills, knowledge, etc.
3. Generates more employment opportunities for the people.
4. Brings in a more competitive business environment in the country.
5. Improves the quality of products and services in sectors.

6. Disadvantages of FDI

However, there are also some disadvantages associated with foreign direct investment. Some of them are:

1. It can affect domestic investment, and domestic companies adversely.
2. Small companies in a country may not be able to withstand the onslaught of MNCs in their sector. There is the risk of many domestic firms shutting shop as a result of increased FDI.
3. FDI may also adversely affect the exchange rates of a country.

7. FDI inflow during 2021-22 to 2023-24:

FDI inflow of USD 85 billion in the financial year 2021-22 is the highest ever FDI inflow. During FY 2022-23, FDI inflow of USD 71 billion (provisional figure) has been reported. During the current financial year, 2023-24 (up-to September 2023) FDI worth USD 33 billion has been reported.

8. FACTORS ATTRACTING FDI IN INDIA:

Government has taken many steps and initiated many schemes to promote foreign investment in India. Some of that are as follows:

A. Make in India:

The government of India has launched Make in India program to drive self-reliance and aid manufacturing in India and strengthen the logistics supply chain.

B. PM Gati-Shakti:

With an INR 200 billion outlay, the initiative is driven by the seven engines – Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.

C. PLI Scheme:

- Incentives of INR 1.97 trillion have been announced for 14 sectors.
- Heavy incentives for foreign companies manufacturing in India.

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D. Export Promotion:

- Special Economic Zone Act to be replaced with a new legislation to facilitate states to become partners in 'Development of Enterprise and Service Hubs'.
- New Foreign Trade Policy to be announced in FY 2023.

E. Liberal FDI Norms:

- Several sectors open to 100% FDI under automatic route.
- 13 FTAs and six preferential trade agreements are signed with several countries.

9. TOP INVESTING COUNTRIES FDI INFLOWS

Following Table shows share of top investing countries FDI inflows from 2021-22 to 2023-24 (April-Sept). The results show that India received highest FDI from Mauritius i.e. USD Million 9,392, USD Million 6,134 and USD Million 2,952, respectively, 2021-22, 2022-23, and 2023-24. Similarly, India received second highest FDI from Singapore i.e. USD Million 15,878, USD Million 17,203 and USD Million 5,224, respectively, 2021-22, 2022-23, and 2023-24. In addition, India received third highest FDI from U.S.A. i.e. USD Million 10,549, USD Million 6,044, USD Million 2,052 respectively, 2021-22, 2022-23, and 2023-24. Similarly, India received fourth, fifth, sixth, seventh, eighth, ninth, tenth highest FDI from Netherland, Japan, United Kingdom, UAE, Cayman Islands, Germany, Cyprus, respectively.

Share of Top Investing Countries FDI Inflows (In USD Million)

Rank	Country	2021-22 (April-March)	2022-23 (April-March)	2023-24 (April-Sept.)	Cumulative Equity Inflow* (April, 2000-September, 2023)
1	Mauritius	9,392	6,134	2,952	166,828
2	Singapore	15,878	17,203	5,224	153,393
3	U.S.A.	10,549	6,044	2,052	62,248
4	Netherland	4,620	2,498	1,927	45,686
5	Japan	1,494	1,798	2,098	40,838
6	United Kingdom	1,657	1,738	638	34,514
7	UAE	1,032	3,353	1,100	16,678
8	Cayman Islands	3,818	772	145	15,069
9	Germany	728	547	238	14,376
10	Cyprus	233	1,277	35	12,680

* Includes inflow under NRI Schemes of RBI.

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Notes: Raking is provided on total FDI received in FY 2021-22, 2022-23, 2023-24

Source: Report on FDI by DPIIT, Ministry of Commerce and Industry, GOI.

10. SECTORS ATTRACTING HIGHEST FDI INFLOWS IN INDIA

Below Table shows share of top investing Sector FDI inflows from 2021-22 to 2023-24 (April-Sept). The results show that India received highest FDI from services sector, computer software & hardware, trading, telecommunications, automobile industry, construction (infrastructure) activities, construction development: Townships, housing, built up infrastructure and construction-development projects, chemicals (other than fertilizer), drugs & pharmaceuticals, metallurgical industries.

Rank	Sector	2021-22 (April-March)	2022-23 (April-March)	2023-24 (April-Sept)	Cumulative Equity Inflow* (April,2000-Sept, 2023)
1	Services Sector **	7,131	8,707	3,853	106,709
2	Computer Software & Hardware	14,461	9,394	2,401	97,312
3	Trading	4,538	4,792	920	40,451
4	Telecommunications	668	713	271	39,315
5	Automobile Industry	6,994	1,902	664	35,408
6	Construction (Infrastructure) Activities	3,248	1,703	2,402	32,088
7	Construction Development: Townships, Housing, Built Up Infrastructure And Construction-Development Projects	125	146	66	26,422
8	Chemicals (Other Than fertilizer)	966	1,850	411	21,714
9	Drugs & Pharmaceuticals	1,414	2,058	117	21,581
10	Metallurgical Industries	2,272	219	172	17,405

Note:(i) ** Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. (ii) Raking is provided on total FDI received in FY 2021-22, 2022-23, 2023-24

Source: Report on FDI by DPIIT, Ministry of Commerce and Industry, GOI.

11. STATES ATTRACTING HIGHEST FDI INFLOWS IN INDIA

Top 5 States receiving highest FDI Equity Inflow during FY 2022-23 are Maharashtra (29%), Karnataka (24%), Gujarat (17%), Delhi (13%), and Tamil Nadu (5%).

Source: Report on FDI by DPIIT, Ministry of Commerce and Industry, GOI.

12. CONCLUSION:

1. Data shows that highest FDI comes through small countries like Mauritius and Singapore with whom India has friendly economics ties and are tax friendly countries. USA is also in 3rd rank. FDI inflow is limited from border sharing countries of India as FDI policy restricts them to invest directly without government route.
2. Sectors like services, computer & software, trading are remained more attractive to investors compare to other sectors. India needs to focus on other sectors like agriculture, education etc. to boost up primary sectors. Policy should be refined according to that and need to give some incentives and amend local norms/rules regarding these sectors.
3. Developing states like Maharashtra, Karnataka, Gujarat etc. are attracting more FDI compare to other less developed states. Government needs to identify potentiality of such states and should take steps to promote it and attract FDI. Uttar Pradesh has seen a surprising rise in Foreign Direct Investment (FDI). In terms of FDI in the five years between 2019 and 2023, Uttar Pradesh has left behind 22 states including Andhra Pradesh, Punjab, Kerala, Chandigarh, and Madhya Pradesh. Such, Uttar Pradesh has set an example for other states to attract FDI.
4. State governments also need to take steps to attract FDI in their own state. Like Gujarat's vibrant summit, states need to take some initiatives and made local rules and norms easy for foreign investments. States also needs to provide basic infrastructure for industry to promote industries in states.
5. Government of India is trying to attract more FDI through various initiatives mentioned in para 8. As result India remaining more attractive country to investors. After corona many foreign is willing to set up or shift their manufacturing plant from China to India. So, it could be leverage to India for promoting FDI in country.

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India remains a favored destination for global investors, as per the United Nations Conference on Trade and Development (UNCTAD) World Investment Report. The report for 2023 disclosed that India secured the third-highest foreign direct investment (FDI) for new greenfield projects in 2022. FDI in India plays an instrumental role in shaping the country's economic landscape.

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Role of Dairy Cooperatives in Rural Development in Gujarat

Patel Mahesh Kumar Rashikbhai
Research Scholar,
Gokul Global University, Siddhpur
E-Mail Id:-mahesh82388@Gmail.com

ABSTRACT

Dairy cooperatives, exemplified by organizations such as the Gujarat Co-operative Milk Marketing Federation (GCMMF) and the well-known Amul brand, play a pivotal role in shaping rural development in Gujarat. This abstract explores the diverse impacts of these cooperatives on the socio-economic landscape of the state. The establishment of cooperative structures among farmers serves as a cornerstone for economic empowerment. This approach augments farmers' collective bargaining power, ensuring fair pricing for their milk and fostering a strong sense of community. Beyond its economic implications, the cooperative model facilitates knowledge exchange, skill development, and contributes significantly to overall rural development. Gujarat's dairy cooperatives are noteworthy for their adoption of innovative practices, incorporating technology and stringent quality control measures, leading to increased productivity and the production of high-quality dairy products. The influence of these cooperatives extends beyond the realms of agriculture, resulting in substantial improvements in rural infrastructure, education, and healthcare services. The surplus generated is thoughtfully reinvested in community development projects, establishing a sustainable cycle of progress and enhancement.

Keywords: Dairy cooperatives, Rural development, Socio-economic impact, Community participation.

1. INTRODUCTION

Dairy cooperatives in Gujarat are pivotal in advancing rural development, empowering local communities, and contributing to economic prosperity. The state is recognized for its effective cooperative model, exemplified by the Gujarat Co-operative Milk Marketing Federation (GCMMF) and the renowned Amul brand. These cooperatives significantly impact the lives of rural farmers, particularly in the dairy sector. By organizing farmers into cooperatives, they gain collective bargaining power, ensuring fair pricing for their milk and improved market access. This not only enhances the economic well-being of individual farmers but also strengthens the overall rural economy.

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The cooperative framework fosters knowledge exchange and skill development among farmers, nurturing a sense of community and collaboration. Gujarat's dairy cooperatives embrace innovative practices, such as technology integration and quality control measures, leading to increased productivity and superior-quality dairy products. Furthermore, the success of dairy cooperatives translates into tangible improvements in rural infrastructure, education, and healthcare facilities. The surplus generated is often reinvested in community development initiatives, creating a sustainable cycle of progress. Gujarat's dairy cooperatives play a pivotal role in propelling rural development by empowering farmers, fostering collaboration, and stimulating economic growth. Their success serves as a model for achieving sustainable and inclusive development in other regions. Dairy cooperatives have emerged as transformative agents in Gujarat's rural development, reshaping the socio-economic fabric of the state. Led by the Gujarat Co-operative Milk Marketing Federation (GCMMF) and the renowned Amul brand, these cooperatives are pivotal in uplifting rural communities. This exploration delves into the diverse facets of dairy cooperatives in Gujarat, showcasing their integral role in fostering rural development.

2. OPERATION FLOOD

The Operation Flood initiative, initiated in the 1970s, is a pivotal moment for dairy cooperatives in Gujarat. This visionary program aimed to create a nationwide milk grid, seamlessly integrating rural milk producers into a cooperative framework. The result was a significant surge in milk production, establishing a sustainable model for rural development through dairy activities. Operation Flood has been instrumental in empowering dairy farmers to take charge of their own development, ensuring that they maintain control over the resources they generate. The implementation of a National Milk Grid seamlessly connects milk producers from across India with consumers in more than 700 towns and cities. This strategic network effectively minimizes seasonal and regional price fluctuations, establishing a system that guarantees fair market prices for producers consistently and transparently. At the heart of Operation Flood lies the village milk producers' cooperatives, serving as crucial entities in the procurement of milk, provision of essential inputs and services, and facilitation of the adoption of modern management and technology among their members. The overarching goals of Operation Flood include the augmentation of milk production, creating a substantial increase in milk supply, boosting rural incomes, and ensuring reasonable prices for consumers.

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3. EMPLOYMENT

Dairy cooperatives have evolved into substantial generators of employment in rural Gujarat. From milk collection to processing and distribution, the entire dairy value chain creates numerous job opportunities, not only bolstering economic conditions but also catalyzing skill development among the rural populace. Dairy cooperatives play a crucial role in advancing rural development in Gujarat, placing a significant emphasis on fostering employment opportunities. These cooperatives directly involve farmers and laborers in essential milk production processes, while personnel working in processing units, responsible for tasks like pasteurization and packaging, contribute to the workforce. The dairy industry extends into animal husbandry, requiring skilled professionals like veterinarians and caretakers to ensure the well-being of livestock. Employment opportunities also arise in the transportation sector for milk collection and distribution, with roles for drivers and logistics staff. Sales and marketing professionals find employment in the retail and marketing aspects of these cooperatives, complemented by administrative roles in record-keeping and financial management. Additionally, strategic oversight from management positions further contributes to job creation. Training programs initiated by these cooperatives not only enhance the skills of farmers but also create employment for trainers. The dairy sector in Gujarat encourages entrepreneurship, especially for small-scale entrepreneurs, and actively supports women's empowerment through their participation in various dairy activities. This comprehensive approach to employment, coupled with a positive impact on supporting industries, underscores the indispensable role of dairy cooperatives in promoting economic growth and development in rural Gujarat.

4. HYGIENE AND CLEANLINESS

Promoting hygiene and cleanliness standards in milk production and processing is a key initiative of dairy cooperatives. Stringent adherence to quality control measures ensures the production of safe and sanitary dairy products, directly contributing to public health and creating a healthier living environment in rural areas.

5. HEALTH CARE

The success of dairy cooperatives has not only elevated economic conditions but also led to improvements in healthcare facilities in rural Gujarat. Surpluses generated from dairy activities often fund healthcare initiatives, addressing the health needs of the community. Regular veterinary services provided by these cooperatives further contribute to the overall health and well-being of livestock, a crucial asset for rural populations.

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6. SUPERSTITIONS

Dairy cooperatives actively engage in dispelling superstitions and traditional practices that may impede progress. By advocating for modern and scientific dairy farming methods, these cooperatives contribute to the elimination of outdated beliefs, fostering a more informed and progressive rural society.

7. IMPACT ON INFRASTRUCTURE

The positive outcomes of dairy cooperatives extend beyond economic and social spheres to infrastructure development in rural areas. Surpluses generated are reinvested in projects enhancing roads, storage facilities, and transportation networks. This not only facilitates dairy operations but also contributes to overall infrastructure development, promoting connectivity and accessibility in rural regions.

8. IMPACT ON INFRASTRUCTURE

Dairy cooperatives play a pivotal role in shaping the infrastructure landscape of rural Gujarat, emerging as key drivers of economic and social development. The establishment of milk collection centers necessitates foundational infrastructure, such as access roads and storage facilities, supporting the core operations of these cooperatives. Processing units, integral components of the cooperatives, demand specialized facilities, contributing significantly to the broader development of the region's infrastructure. The imperative for efficient transportation networks, crucial for the movement of dairy products from collection centers to processing units and markets, propels the improvement of connectivity, potentially leading to upgraded roads and transportation links. Furthermore, the demand for a reliable power supply and energy infrastructure arises to sustain dairy processing and refrigeration facilities. The emphasis on preserving dairy products through cold storage facilities acts as a catalyst for the development of cold chain infrastructure. Dairy cooperatives also make notable contributions to water supply and sanitation enhancements, recognizing the essential role of adequate water resources for farming and processing activities. Advancements in communication infrastructure are observed, with cooperatives requiring efficient networks for effective management and coordination. The establishment of training and education centers by these cooperatives additionally bolsters educational infrastructure in rural areas. The presence of dairy cooperatives leaves a discernible impact on social infrastructure, influencing the creation of community centers and recreational facilities. In conclusion, the multifaceted contributions of dairy cooperatives extend beyond economic benefits, leaving an enduring mark on the development of indispensable infrastructure in rural Gujarat.

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9. CONCLUSION

In conclusion, the role of dairy cooperatives in rural development in Gujarat is extensive and transformative. From the inception of Operation Flood to contemporary initiatives, these cooperatives have been instrumental in driving economic growth, improving hygiene standards, enhancing healthcare, dispelling superstitions, and positively impacting rural infrastructure. The collaborative endeavors of dairy cooperatives continue to stand as a cornerstone for sustainable and inclusive rural development in Gujarat.

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Impact of Foreign Direct Investment On Indian Economy with Regards to GDP

Radhika Mangal Gupta

Sydenham College of Commerce and Economics

Church gate, Mumbai, Maharashtra 400020

Abstract

The impact of Foreign Direct Investment (FDI) on a country's Gross Domestic Product (GDP) has been a topic of significant interest and debate in the field of economics. This research paper aims to analyze and evaluate the relationship between FDI and GDP, taking into account various factors such as sectoral distribution, technological spillovers, and institutional quality. By addressing these objectives, this research aims to contribute to the ongoing discourse on the impact of FDI on GDP, offering valuable insights for academia, policy formulation, and investment decision-making.

Introduction

Foreign Direct Investment (FDI) has emerged as a crucial driver of economic development and globalization in the contemporary world. The relationship between FDI and a country's Gross Domestic Product (GDP) has been a subject of extensive scholarly inquiry and policy debate. Understanding the impact of FDI on GDP is of paramount importance for policymakers, economists, and investors, as it sheds light on the potential benefits and challenges associated with FDI inflows.

The significance of investigating the impact of FDI on GDP lies in its potential to uncover the mechanisms through which FDI influences a host country's economic performance. FDI not only brings in capital but also facilitates technology transfer, enhances productivity, and stimulates employment, all of which can contribute to GDP growth. However, the extent and nature of this impact are contingent on various factors such as the absorptive capacity of the host economy, the quality of institutions, and the sectoral composition of FDI.

As globalization intensifies and countries compete to attract FDI, it becomes imperative to comprehensively assess the implications of FDI on GDP. This research seeks to address the gaps in existing literature by providing a nuanced understanding of the relationship between FDI and GDP, taking into account the heterogeneity of FDI effects across different sectors and the contingent nature of these effects on host country characteristics.

Research Objectives

1. To critically review the existing literature on the impact of FDI on GDP, examining theoretical frameworks and empirical evidence.
2. To empirically analyze the relationship between FDI and GDP, considering the role of sectoral distribution, technological spillovers, and institutional quality.
3. To derive policy implications based on the findings, offering insights for policymakers and stakeholders on leveraging FDI for sustainable economic growth.

Review of Literature

1. Several studies have highlighted the positive relationship between FDI inflows and GDP growth in India. They argue that FDI brings in capital, technology, managerial expertise, and access to international markets, all of which contribute to economic expansion. A study by Sharma and Kumar (2019) found a significant positive impact of FDI on GDP growth in India. They suggested that FDI inflows have played a crucial role in augmenting India's GDP growth rate.
2. FDI inflows impact different sectors of the Indian economy differently, influencing overall GDP growth. A study by Banga (2003) highlighted the positive impact of FDI in the manufacturing sector on GDP growth. It noted that FDI in industries such as chemicals, textiles, and electronics had particularly positive effects on GDP.
3. Research by Pradhan and Bagchi (2017) focused on the services sector, showing that FDI inflows in services have a positive impact on GDP growth due to increased efficiency, productivity, and competitiveness.
4. A study by Kathuria and Raj (2016) emphasized the role of FDI in improving productivity in India's manufacturing sector, ultimately contributing to GDP growth. The spillover effects of FDI on domestic firms, known as "positive externalities," have also been studied. These spillovers can enhance the overall productivity and competitiveness of the economy, positively impacting GDP.
5. Research by Kundu and Mitra (2018) emphasized the role of FDI in infrastructure development, arguing that such investments can boost economic growth by reducing bottlenecks and improving connectivity. The study further states that FDI inflows in sectors such as infrastructure can have a significant impact on GDP growth by improving the country's physical capital. This includes investments in roads, ports, telecommunications, and other essential infrastructure.

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In conclusion, the literature generally suggests that FDI inflows have had a positive impact on GDP growth in the Indian economy. However, the magnitude and nature of this impact can vary across sectors, regions, and depend on various factors such as the quality of institutions, technological absorptive capacity, and the policy environment.

Research methodology

This research study is a descriptive study based on secondary data collected from books, journals and websites. The study employs quantitative analysis using econometric techniques to examine the relationship between FDI and GDP, controlling for relevant variables such as trade openness, human capital, and financial development

Impact of foreign direct investment on Indian economy with regards to GDP

Foreign Direct Investment (FDI) has had a substantial impact on the Indian economy, particularly in relation to GDP growth. Here are some notable impacts of FDI on the Indian economy:

Long-term Economic Growth: FDI is viewed as a driver of long-term economic growth in India, as it facilitates technology transfer, leading to improved productivity and innovation in domestic companies.

Contribution to GDP Growth: FDI inflows have played a crucial role in driving India's GDP growth. The infusion of foreign capital into various sectors such as manufacturing, services, and infrastructure has positively impacted the overall GDP growth rate. FDI has positively impacted GDP growth in India, and this effect is expected to be long-lasting, contributing to the country's economic expansion.

Technology Transfer and Skill Development: FDI often involves technology transfer, leading to improved productivity and innovation, which in turn can positively impact GDP.

Strategic Sector Selection: The strategic selection of sectors for FDI can increase Return on Investment (ROI) and contribute to balanced growth in GDP.

Complement to Domestic Investment: FDI complements domestic investment, raising competitiveness, innovation, and living standards, ultimately contributing to GDP growth.

Income and Consumption: FDI can contribute to an increase in per capita income and improved consumption levels in the economy, positively impacting GDP.

Enhanced Productivity and Efficiency: FDI often brings with it advanced technology, management expertise, and best practices, which can lead to increased productivity and efficiency in various industries. This, in turn, can contribute to the growth of GDP.

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Job Creation: FDI inflows have the potential to create employment opportunities in the host country. In the Indian context, FDI has led to the creation of jobs across different sectors, thereby contributing to higher GDP through increased household income and consumer spending.

Infrastructure Development: FDI has been instrumental in the development of infrastructure in India. Investments in sectors such as telecommunications, transportation, and energy have not only improved the quality of infrastructure but have also facilitated economic activities, ultimately contributing to GDP growth.

Balance of Payments: FDI can help improve the balance of payments situation in a country. By attracting foreign investment, India can reduce its current account deficit, which positively impacts the overall economic stability and, consequently, the GDP.

Sectoral Impact: FDI has had varying impacts across different sectors of the Indian economy. For instance, in the retail sector, FDI has the potential to modernize the supply chain and improve efficiency, while in the manufacturing sector, it can lead to the transfer of technology and know-how, boosting production and contributing to GDP growth.

Findings on the Impact of Foreign Direct Investment in India

Foreign Direct Investment (FDI) has made significant contributions to India's economic growth and development. Several sectors have been booming in attracting significant FDI inflows, such as the manufacturing sector, services industry, IT sector, and infrastructure projects. The impact of FDI in India can be summarized as follows:

Economic Impact: FDI has played a crucial role in boosting GDP growth, employment generation, and capital formation in India. It has facilitated technology transfer, knowledge spillovers, and skill development, leading to enhanced productivity and innovation.

Sector-Specific Impact: Various sectors such as the automotive industry have seen notable foreign investments, leading to the establishment of world-class manufacturing facilities and a robust ecosystem.

Factors Attracting FDI: India's skilled workforce, cost advantages, English language proficiency, and robust IT infrastructure have been significant draws for foreign companies.

Employment Generation: FDI inflows have created job opportunities by stimulating economic growth and expanding businesses, directly and indirectly generating jobs across various sectors.

Government Measures: The Indian government has implemented several reforms to attract FDI, including a transparent FDI policy framework, sectoral reforms, and special economic zones to create a conducive business environment.

Challenges: Despite the positive impacts, India faces challenges such as lack of adequate infrastructure, bureaucratic red tape, rigid labor regulations, and weak public finances.

Key Reforms and Policy Changes: The government has implemented reforms to liberalize restrictions on foreign investment, update bankruptcy and labor laws, and create incentives for manufacturing companies to set up in Special Economic Zones.

These findings underscore the significance of FDI in driving India's economic growth, technology transfer, and job creation, while also highlighting the need for addressing challenges and implementing policy reforms to further enhance the impact of FDI in the country.

Conclusion

The research provides valuable insights into the complex relationship between FDI and GDP, offering implications for policymakers, investors, and scholars interested in understanding the dynamics of FDI and its impact on economic growth. The impact of FDI on the Indian economy with regards to GDP has been largely positive. It has contributed to economic growth, employment generation, infrastructure development, and technology transfer, all of which have had a direct or indirect impact on the country's GDP.

Through a comprehensive analysis of the impact of FDI on GDP, this research contributes to the existing body of knowledge and provides a nuanced understanding of the multifaceted relationship between these two key economic variables.

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A Study On Capital Structure and Performance Evaluation of Selected Textile Companies

Ghanchi Samim Asgarali

Research Scholar (Gokul Global University, Siddhpur)

Contact No: -9998899849

Mail Id:- samimghanchi21@gmail.com

ABSTRACT

The examination of capital structure remains a fundamental and crucial aspect in the field of corporate finance theory. An organization's capital structure is influenced by numerous factors, and determining the optimal blend of investment or funding represents a critical decision for any entity. Despite more than five decades passing since the introduction of Modigliani and Miller's irrelevance theorem, the essential question of how firms decide on their capital structure continues to be elusive. The Indian textile industry holds a significant position in the country's economic landscape, ranking as the second-largest textile industry globally, second only to China. Beyond its role in meeting the basic need for clothing, the textile sector plays a crucial role in contributing to the nation's industrial output and export earnings. This study aims to delve into the relationship between capital structure and the financial performance of the textile industry, acknowledging the complex interplay of factors influencing this association.

Keywords: Textile companies, financial performance, Capital Structure

1. INTRODUCTION

The composition of a company's capital structure, determining the blend of debt and equity utilized for operational and investment funding, plays a crucial role in shaping its financial well-being and performance. A profound comprehension of how organizations structure their capital is essential within the domain of corporate finance. This study endeavors to investigate the nuanced relationship between capital structure and the performance evaluation of specific textile companies, recognizing the unique challenges and opportunities inherent in the dynamic textile industry. Despite more than five decades since the establishment of Modigliani and Miller's irrelevance theorem, a foundational principle in understanding capital structure dynamics, the practical aspects of how firms in the textile sector determine their optimal capital structure remain a compelling and evolving area of study. The Indian textile industry, positioned as the second-largest globally, holds a pivotal role in the country's economic landscape. Beyond addressing the fundamental need for clothing, the industry significantly shapes the nation's industrial output and export earnings. This study seeks to uncover the link between capital structure choices and the overall financial performance of selected textile companies, aiming to provide valuable insights for both academic researchers and industry practitioners. Through a comprehensive exploration of financial operational, and strategic dimensions, this research aims to shed light on the factors influencing capital structure decisions within the textile sector. By assessing the impact of various financing choices on performance metrics, the study aspires to contribute to the existing body of knowledge in corporate finance and offer practical implications for textile companies striving for sustainable growth and competitiveness in the global market. Subsequent sections of this study will delve into the methodology, literature review, findings, and recommendations, providing a thorough understanding of the intricate interplay between capital structure and the performance of selected textile companies.

2. HISTORY OF TEXTILE INDUSTRY

The textile industry boasts a fascinating history intricately woven into the fabric of human civilization. Its roots extend back to ancient societies like Mesopotamia, Egypt, and the Indus Valley, where individuals cultivated and processed fibers such as flax and cotton, employing manual spinning and weaving techniques. The Silk Road played a pivotal role in fostering cross-cultural exchanges, introducing precious silk from China to the Western world and influencing global trade and fashion trends. In Medieval Europe, textile production became organized through guilds, and the Renaissance ushered in technological breakthroughs like the spinning wheel. The late 18th-century Industrial Revolution marked a profound shift with the mechanization of textile manufacturing, giving rise to large-scale mills, notably in Manchester, England. Eli Whitney's invention of the cotton gin in 1793 revolutionized cotton production in the southern United States, leaving a lasting impact on the global textile industry. The 19th and early 20th centuries witnessed further advancements, including the creation of synthetic fibers such as rayon and nylon. Post-World War II, ongoing technological progress introduced mass production techniques and synthetic materials. Today, the textile industry reflects globalization, with production and supply chains extending across multiple countries. Contemporary concerns center around sustainability, ethical production, and eco-friendly materials, influencing both consumer choices and industry practices. The dynamic evolution of the textile industry throughout history underscores its adaptability and enduring significance in the tapestry of human progress.

1. OBJECTIVES

- To analyze the financial performance of selected textile companies.
- To study the inter -company variation with regards to resorting to various sources of finance

2. HYPOTHESES

- H0: There is no significant difference in the financial performance of textile companies based on their size
- H0: There is no significant difference in the capital structure of textile companies based on their size

3. REVIEW OF LITERATURE

Karam Pal Narwal (2015)[1], In the contemporary global business landscape, upholding effective corporate governance principles is essential. This study delves into the specific examination of how corporate governance practices influence the profitability of the Indian textile sector. The data for this analysis has been derived from the annual reports of textile companies, encompassing a five-year period from 2009-10 to 2013-14. The focal point of the study is the dependent variable, profitability, while independent variables include board size, audit committee members, board meetings, non-executive directors, and directors' remunerations. The analytical methodology employs correlation and Ordinary Least Squares (OLS) regression models. Noteworthy is the discovery of a robust positive correlation between directors' remuneration and profitability. In contrast, the presence of audit committee members shows a negative association with profitability. The study's findings lead to the conclusion that variables such as board size, board meetings, and non-executive directors do not exhibit a significant association with profitability in the Indian textile sector during the specified time frame.

Marimuthu KN(2022)[2], The Indian textile industry stands as the world's second-largest, following China. It holds a crucial position in the national economy, providing employment to over 35 million people and making substantial contributions to excise collections, accounting for nearly 9 percent. Moreover, the industry commands a significant 16 percent share in the country's total exports and contributes around 27 percent to foreign exchange earnings. Additionally, the textile sector plays a vital role in India's overall industrial production, contributing approximately 14 percent. Coimbatore, recognized as the Manchester of South India, stands out as a major hub in this industry.

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A. M. Khan (2018)[3], The textile industry in Maharashtra comprises both public and private sector units. Despite its position as a leading textile producer, the state grapples with challenges in sustaining its position. Hence, this study seeks to evaluate the impact of solvency, liquidity, and turnover on the financial performance of public sector textile units in Maharashtra. The research employs various key ratios and utilizes a multiple regression model to analyze the influence of specific independent variables on the financial performance of selected public textile units.

4. STATEMENT OF THE PROBLEM

In practical terms, establishing the capital structure of a firm is an intricate endeavor. Financial managers face difficulties in pinpointing the optimal capital structure, as it entails exploring various combinations of securities to maximize the overall value of the company. The use of an inappropriate financing mix can profoundly affect the performance and sustainability of the business enterprise. Despite the imperative need for resources for survival and growth, there are constraints on financing these resources. Therefore, this study is conducted to evaluate the impact of capital structure on the financial performance of selected Indian textile companies.

5. RESEARCH METHODOLOGY

The study is based on secondary data and data is majorly collected in financial report of the selected companies' Other sources of secondary data includes Research papers, reports published and Annual Reports of the sample unit and to supplement the data different publications, various books, journals and different websites related to textile industry have been used for better reliability. The study data covers period financial years from 2022-23.

Top five textile industries are taken for the study. They five textile companies are,

1. Arvind Ltd
2. Minaxi textile Ltd
3. Trident ltd
4. Welspun Ltd
5. Lux Industries Ltd.

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6. DATA ANALYSIS

Capital structure of the selected companies

Year-2022-23					Rs. cr
Particulars	**Arvind Ltd**	**Minaxi textile Ltd**	**Trident ltd**	**Welspun Ltd**	**Lux Industries Ltd.**
Equity Share (Authorized Capital)	574.5	4.94	15093	152	90
Equity Share (Issued Capital)	261.50	3.20	509.60	132.61	60.51
Paid Up Capital (Crores)	214.75	3.24	520.40	132.61	60.51

Explanation

In the financial year 2022-23, a comprehensive overview of the equity share details for Arvind Ltd, Minaxi Textile Ltd, Trident Ltd, Welspun Ltd, and Lux Industries Ltd sheds light on significant facets of their financial architectures. Arvind Ltd, for instance, declared an authorized capital of 574.5 crore rupees, having issued equity shares valued at 261.50 crore rupees, and a corresponding paid-up capital amounting to 214.75 crore rupees. Meanwhile, Minaxi Textile Ltd, with an authorized capital of 4.94 crore rupees, issued shares totaling 3.20 crore rupees, leading to a paid-up capital of 3.24 crore rupees. Trident Ltd reported an expansive authorized capital of 15093 crore rupees, with issued equity shares aggregating 509.60 crore rupees and a paid-up capital standing at 520.40 crore rupees. Welspun Ltd's authorized capital amounted to 152 crore rupees, with issued shares valued at 132.61 crore rupees and an equivalent paid-up capital. Lux Industries Ltd, with an authorized capital of 90 crore rupees, issued equity shares valued at 60.51 crore rupees, aligning with a corresponding paid-up capital. These disclosed details offer vital insights into the financial health and capitalization of these entities, serving as valuable information for investors and stakeholders in their evaluative analyses of these companies.

7. CONCLUSION

In summary, the disclosed equity shares details for Arvind Ltd, Minaxi Textile Ltd, Trident Ltd, Welspun Ltd, and Lux Industries Ltd in the fiscal year 2022-23 offer a comprehensive insight into their individual financial structures. The disparities in authorized capital, issued equity shares, and paid-up capital among these companies signify the diversity in their financial scopes and approaches. Investors and stakeholders can use these findings to make educated decisions, evaluating the strength and stability of each company. The intricate breakdown of capitalization highlights the distinctive financial positioning of these entities, providing valuable data for strategic planning and risk assessment. Given the pivotal role of these figures in comprehending the fiscal well-being of companies, this analysis promotes transparency and facilitates knowledgeable investment decisions within the ever-evolving landscape of the corporate sector.

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A Study on technical tools for investment decision on selected sectors of Indian stock market

Dr. Rajendra Patoliya

Assistant Professor

Smt. C. P. Choksi Arts and Shri P. L. Choksi Commerce college, Veraval

Email: rb_patoliya@yahoo.com

Abstract

Investors take decision for investment in stock market using fundamental and technical analysis. As market is highly volatile, investors predict prices using technical tools due to which it makes easy for them to earn profits or to reduce losses. Technical tools help investors in taking decision - buy or sell stocks. Technical analysis helps in identifying trends of the market and predict price accordingly. This research paper considers period from July 2018 to June 2023, analysis is done using different sectors of nifty. The tools used in study are Simple moving averages, MACD, RSI, ROC, Bollinger band and Chaikin volatility.

Keywords: Technical analysis, Investors, MACD, RSI, ROC, and Bollinger band, moving averages, Chaikin volatility.

Introduction

Technical analysis deals with trends and patterns. It predicts price movement using historical price of stocks/securities/market. Technical analysis works on certain assumptions:

(a) Everything is discounted by market i.e. whatever price of stock for trading is inclusive of all the factors.

(b) Price always moves in trend.

(c) History tends to repeat itself.

Traders/analysts/brokers use technical analysis tools to predict price movement of market/stocks/commodities, etc.

Tools of technical analysis used in study:

7. Relative strength Index: It considers range of 0-100 for momentum. RSI above 70 is considered as overbought situation (sell signal) and below 30 as oversold situations (buy signal). It gives the trader signals of bearish and bullish price momentum.
   RSI = 100-(100/1+Avg gain/Avg. loss).
8. ROC (Rate of Change): It is momentum measure between the current market price and price before n period of days. It is considering as an indicator of divergence that signals the

trend going to change. Divergence occur when price of stock moves in one direction while its ROC moves in opposite direction. Divergence is considered to be poor predictor of time signal as divergence can be for longer period of time and it may not result in price reversal.

9. MACD (Moving Average Convergence and Divergence): It is easy to understand whether market is bullish or bearish. Traders and analyst used this indicator to understand market momentum.
10. Bollinger Band: It involves three bands one is upper band, second is lower band and third is moving averages band. When price touches upper band than in that situation it indicates overbought stock which means sell signal and if price cross lower band than it is oversold stock which gives us buy signal.
11. Moving averages: When moving average of stock increases than it indicates uptrend of stock price and if moving average of stock decreases than it indicates downtrend of stock price.
12. Chaikin volatility: It compares the spread between high and low of securities. It shows the volatility.

Literature review

- Pushpa B. V. (2017), investigated about the trends formed in market. They used technical analysis tools for predicting price movement from January 2011 to December 2016. The paper aims of price predicting for which selected 9 companies were taken from different sectors. This paper suggests the buy and sells strategy for the investors.
- C. Boobalan (2014), The researcher gives price behavior of shares signals given by price movement. This paper assists the investment decision in Indian market through various tools of technical analysis.

Problem Statement

Predicting market movement is difficult for investors as market are volatile and moves in trends. As many tools are available for forecasting stock prices but it becomes difficult for investors and analysts to buy-hold or sell stocks looking to price movement. It also shows when to avoid losses and make profits accordingly.

Objectives of the study

1. To suggest strategies - buy or sell stocks
2. To guide investors about the price movement of market.
3. To identify overbought or oversold stocks/markets from various technical tools.

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Scope of the study

The study is done using secondary data. The tools used are RSI, ROC, MACD, Bollinger band, moving averages and Chaikin volatility. The time span of 5 years is taken from July 2018 to June 2023. The data from four different sectors are taken with nifty. The data collected from NSE India, chart ink, investing.com, etc.

Data Analysis and Interpretation

RSI of nifty when it crosses below 30 which indicates overbought situation –buy signal. When it crosses above 70 which indicates sell signal i.e. oversold situation of market. When price is increasing and RSI is decreasing than it indicates buy signal it is shown in graph with green area. If price is decreasing and RSI is increasing than it indicates sell signal it is shown in graph with red area. As on 5/10/18, 2/8/19, 16/3/20, etc. buy signals are indicated. 18/3/19, 18/11/20, 16/12/20, 13/9/21, 18/8/22, etc. sell signals are indicated.

Bollinger band is narrow than it indicates less volatility. If prices of stock cut band above than it signals buy and if prices of stock cut band below than it signals sell.

Buy signal: 30/8/18, 25/9/19, 21/12/20, 18/10/21, 7/4/22, 2/12/22, etc.

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Sell signal: 30/10/18, 21/2/19, 30/8/19, 26/3/20, 15/5/20, 23/9/20, 28/1/21, 17/12/21, 9/3/22, 15/6/22, 28/12/22, etc.

MACD line cuts signal line from upward than the market indicates bearish trend – as market has been followed by bearish trends after this dates 25/3/19, 24/3/20, 25/9/20, 1/10/20, 25/3/21, 23/11/22, etc.

MACD line cuts signal line from downward than the market indicates bullish trend-1/4/20, 22/12/21, 11/3/22, 24/5/22, 6/6/22, 12/10/22, etc.

Chaikin volatility is seen highest on March 2020, during this period prices were decreasing and range of volatility was increasing.

ROC above zero indicates uptrend – 13/11/18, 22/3/19, 31/5/19, 23/9/19, 13/4/20, 9/6/20, 14/10/20, 18/11/20, 15/2/21, 11/1/22, 31/3/22, 2/6/22, 5/8/22, etc.

Roc below zero indicates downtrend- 5/10/18, 14/5/19, 23/3/20, 19/5/20, 29/1/21, 8/3/22, 21/6/22, 29/9/22, etc.


(c) Chartink.com
NIFTYAUTO (Daily) 1.55E4
Vol: 0M
Moving Avg (20) C -> 14871.09
Bollinger (20, 2) -> 14,322 - 15,420
Moving Avg (21) C -> 14862.56
Moving Avg (10) C -> 15036.25
RSI (14) -> 77.62
Bollinger Width (20, 2) -> 1098.31
Chaikin Volatility (10, 10) -> 24.57
MACD (26, 12) -> 297.21
EXP (9) -> 258.76
Divergence -> 38.44
ROC (12) -> 4.82
Jul 18 Oct Jan 19 Apr Jul Oct Jan 20 Apr Jul Oct Jan 21 Apr Jul Oct Jan 22 Apr Jul Oct Jan 23 Apr Jul


(c) Chartink.com
NIFTYFMCG (Daily) 5.294E4
Vol: 0M
Moving Avg (20) C -> 52079.07
Bollinger (20, 2) -> 50,456 - 53,702
Moving Avg (21) C -> 52034.52
Moving Avg (10) C -> 52464.61
RSI (14) -> 63.34
Bollinger Width (20, 2) -> 3246.42
Chaikin Volatility (10, 10) -> 31.71
MACD (26, 12) -> 773.71
EXP (9) -> 714.18
Divergence -> 59.53
ROC (12) -> 1.49
Jul 18 Oct Jan 19 Apr Jul Oct Jan 20 Apr Jul Oct Jan 21 Apr Jul Oct Jan 22 Apr Jul Oct Jan 23 Apr Jul

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Conclusion

Investors are suggested to invest in stock when prices of stock crosses upper band and they can exit/sell stock when prices of stock crosses lower band. ROC and MACD suggest the investor/analysts about the movement of the market i.e. upper trend or lower trend will be followed so that it becomes easy for them to buy or sell the securities. RSI suggest when market is having overbought or oversold situation and Bollinger band guide the investors about the entry and exit in market i.e. when to buy or sell the stock. If Moving average lines are below the closing pprice of te company than company is said to be performing well. According to Moving average indicators investor can take long position when there is bullish divergence. If the MACD lines show maximum movement above zero, it indication that the company is technically strong.

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The Effect of Globalization On India's Economic

Dr. Tarulataben V. Patel
Assistant Professor (Adhyapak Sahayak),
Department of Sanskrit,
Maniben M. P. Shah Mahila Arts College, Kadi
Dr. Kinjalba D. Chudasama
Assistant Professor (Adhyapak Sahayak),
Department of Economics,
Maniben M. P. Shah Mahila Arts College, Kadi

It might seem to be the globalising age where B 2 B approach is much simpler and is much wider in its application then what it used to be a decade ago. It is very easy now to browse for the product, check its authenticity, read comments or testimonials for it and order, you don't even have to change your posture and can buy the costliest of the things from far flung areas of the world. In single word the whole process is the framework of Globalisation.

But what do we understand of Globalisation? Wikipedia explains it as: - Globalisation means an ongoing process by which regional economies, societies, and cultures have become integrated through a globe-spanning network of communication and trade. But in economic terms we describe it as conjunction of various economies working together for what we call now is World Economy. It is in fact a tool for a country that is producing goods in surplus to distribute with bare minimum of logistic cost and marketing cost to a country which has a progressive buyer and has dearth of particular goods.

Now Globalisation has many meaning and many types or rather channels. The most primary one is:

Company to Company: - The trade between companies involved in making precision components or geographically specific product to companies who deal in either higher assembly or marketing of the products. For example, a car company wants to manufacture a high end model of a Sedan, going for an Italian component manufacture to vendor him out for some specialised product, in doing this the quality and authenticity of the product increases at the manufacturer's end and customer's end simultaneously.

Another channel of globalisation is Company to Buyer: - In which through direct sales outlets and direct sales channels company get direct access to the buyer. This channel in offshore sales is further facilitated by the presence of a phenomenon called online trading.

The last or the most vulnerable channel has been the Buyer to Buyer: - Now the one segment that has come up is this past decade. As we speak some of you must be browsing the EBay and must be checking out some of the products listed by sellers, now sellers here are not manufacturers particularly, but they are the buyers themselves.

Globalisation has been the very essence of the world market's trends these days. Since each and every economy of the free world is in some way linked to each and every other economy there have been times when many bulls have collided with each other horns in horns. Saying that we represent the global economy and the open door policy is one thing but judging its repercussions is altogether different.

With the certain prosperity and the distribution of profits reaching to common man it has brought us with the dead lock too. The dead lock that if one falls, the whole boat will sink with it too. Dependent economies on larger economies have already either faced or are still facing the fall. The widest spread and the most devastating down turn has been just witnessed by the world. What went wrong? Everyone was producing surplus and it was being consumed with a very fast rate too.

Looking at the way the post-recession recovery work is going I still wonder whether the bull will run as it used to in the past or rather it has changed its characteristics and have adopted a subtler and slow but steady philosophy for the consolidation.

Globalisation has profound effects on education in the following ways. Firstly, globalisation has changed people's views about education. Education has become more like a private good in which everything is valued or assessed according to the standard of the market. As discussed earlier the study observes that knowledge has become a commodity, to be traded in the marketplace along with other goods and services. As globalisation has intensified, Altbach (2001) claims, "higher education is increasingly seen as a commercial product to be bought and sold like any other commodity. HE commercialization has now reached the global marketplace" (p.1). In the global market, students have become customers, and teachers in any educational organization or institutions are the providers. Students who invest their money in education after meeting some basic requirements of any HEI enjoy the freedom of choosing, among competing providers, a programme of study in which they are interested (Roberts, 1998).

As a new participant in the globalization wave, India went through several structural and policy changes only in early 1990s, even if the awareness of need for opening up country's borders was started in late 1980s, when Mr. Rajiv Gandhi was at the helm of policy design. With almost 20% devaluation of the Indian rupee in 1991, the process began that for a while

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First Edition

slowed down a little but rarely anyone was in doubt about its existence. The recent reports show that Indian economy grew at the record breaking and astonishing pace of 8% growth in real GDP in 2003-2004. The real question is how did the economy that was an “almost autarky”. From 1950 to 1985 period, reached to such a realization that gains from trade are there to reap and the economic transition necessary for globalization is a pre-condition for wider economic growth? This paper attempts to investigate if globalization is a cause of India’s economic growth and if the new culture of trade policy change in India is there permanently or temporarily. The human society around the world, over a period of time, has established greater contact, but the pace has increased rapidly since the mid 1980’s. The term globalization means international integration. It includes an array of social, political and economic changes. Unimaginable progress in modes of communications, transportation and computer technology have given the process a new lease of life.

The world is more interdependent now than ever before. Multinational companies manufacture products across many countries and sell to consumers across the globe. Money, technology and raw materials have broken the International barriers. Not only products and finances, but also ideas and cultures have breached the national boundaries.

Laws, economies and social movements have become international in nature and not only the Globalization of the Economy but also the Globalization of Politics, Culture and Law is the order of the day. The formation of General Agreement on Tariffs and Trade (GATT), International Monetary Fund and the concept of free trade has boosted globalization.

Globalization in India

In early 1990s the Indian economy had witnessed dramatic policy changes. The idea behind the new economic model known as Liberalization, Privatization and Globalization in India (LPG), was to make the Indian economy one of the fastest growing economies in the world. An array of reforms was initiated with regard to industrial, trade and social sector to make the economy more competitive. The economic changes initiated have had a dramatic effect on the overall growth of the economy. It also heralded the integration of the Indian economy into the global economy. The Indian economy was in major crisis in 1991 when foreign currency reserves went down to $1 billion and inflation was as high as 17%. Fiscal deficit was also high and NRI's were not interested in investing in India. Then the following measures were taken to liberalize and globalize the economy.

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First Edition

Steps Taken to Globalize Indian Economy

Some of the steps taken to liberalize and globalize our economy were:

1. **Devaluation:** To solve the balance of payment problem Indian currency were devaluated by 18 to 19%.
2. **Disinvestment:** To make the LPG model smooth many of the public sectors were sold to the private sector.
3. **Allowing Foreign Direct Investment (FDI):** FDI was allowed in a wide range of sectors such as Insurance (26%), defence industries (26%) etc.
4. **NRI Scheme:** The facilities which were available to foreign investors were also given to NRI's.

Merits and Demerits of Globalization

The Merits of Globalization are as follows:

- There is an International market for companies and for consumers there is a wider range of products to choose from.
- Increase in flow of investments from developed countries to developing countries, which can be used for economic reconstruction.
- Greater and faster flow of information between countries and greater cultural interaction has helped to overcome cultural barriers.
- Technological development has resulted in reverse brain drain in developing countries.

The Demerits of Globalization are as follows:

- The outsourcing of jobs to developing countries has resulted in loss of jobs in developed countries.
- There is a greater threat of spread of communicable diseases.
- There is an underlying threat of multinational corporations with immense power ruling the globe.
- For smaller developing nations at the receiving end, it could indirectly lead to a subtle form of colonization.

Summary

India gained highly from the LPG model as its GDP increased to 9.7% in 2007-2008. In respect of market capitalization, India ranks fourth in the world. But even after globalization, condition of agriculture has not improved. The share of agriculture in the GDP is only 17%. The number of landless families has increased and farmers are still committing suicide. But

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First Edition

seeing the positive effects of globalization, it can be said that very soon India will overcome these hurdles too and march strongly on its path of development.

TABLE 1

India's Trade: 1965-1985

Year	Merchandise Exports	Services Exports	Merchandise Imports	Services Imports	Trade Balance
1965	129.4	62.1	125.3	57.5	4.9
1966	139.3	69.1	146.5	66.2	-8.6
1967	98.9	74.8	152.1	73.2	-57.3
1968	82.5	67.0	130.6	63.0	-51.2
1969	107.1	69.3	107.0	56.8	0.9
1970	146.2	85.1	143.5	71.3	2.1
1971	150.8	97.2	200.6	85.0	-49.0
1972	191.7	99.8	215.5	84.0	-25.8
1973	291.0	118.9	326.0	93.2	-16.2
1974	329.4	140.7	776.7	125.3	-160.4
1975	306.5	182.5	441.9	118.3	-102.7
1976	402.0	172.5	427.9	117.2	-22.8
1977	512.6	212.1	564.7	149.8	-48.3
1978	640.3	262.0	618.4	192.1	18.9
1979	779.6	292.8	754.1	253.5	-21.2
1980	919.8	279.8	899.9	262.8	-79.1
1981	896.4	302.8	925.5	282.0	-147.9
1982	685.5	340.6	837.6	308.5	-263.2
1983	742.0	342.5	721.6	280.7	-56.9
1984	743.2	347.1	756.6	310.9	-131.3
1985	814.0	394.3	814.3	362.9	-115.1

Source: International Financial Statistics Yearbook 1994, International Monetary Fund, Washington D.C.

All figures are expressed in millions of US dollars at the current prices.

One of the reasons for this retarded growth in Indian trade was the disoriented trade policy. There was even a problem of assigning priority to industries for importing necessary parts and raw materials. As Bhagwati-Desai put it, "It was not surprising, therefore, that the agencies involved in determining industry-wise allocation fell back on vague notions of "fairness", implying pro rata allocations with reference to capacity installed or employment, or shares defined by past import allocations and similar other rules of thumb without any rationale" (see Bhagwati-Desai (1970) in bibliography, page 290).

The hardship experienced by this virtual "closed economy" was no more evident than in early 1970s when the economy went through numerous shocks. The poor monsoons created agricultural production short-fall leading to severe droughts in some parts of the country. This put pressure on the industrial production which was not progressing very well in the first place. Due to the additional burden exerted by the Indo-Pakistan War of 1971, the economy started suffering miserably. Rationing of necessities was common and criminal elements made a heyday by hoarding. The political opposition parties made life miserable for Indira Gandhi government which had a little choice but to blame all starvation on foreign elements. In 1973, came the OPEC oil price shock and the things really went out of control. While country had no reserves to pay for imported oil, the import bill was growing very fast and export earnings were sluggish. See Table 1 figures for 1973 when imports increased from $191.7 million to $291 million and again in 1976 went up to $402 million. Political parties were extremely active. But economically there was no way out. The protectionism was to the highest level. Consider the 350% import tariff rate on automobiles and average tariff rate of 152%. Domestic industries were well protected that they loved being monopolists and had no inclination for technological innovation. The maturity stage, that was supposed to have taken place according to the famous(?) Infant Industry Argument has never arrived. Strict foreign exchange controls were not only required but were very necessary to stop illegal foreign currency and gold smuggling transactions. It was an administrative nightmare where rent seeker made merry and black market constituted half of the official economy. Academicians learned several lessons of how protectionism can ruin the economy and policy makers watched economy reaching to a real low point while they searched for the solutions.

To top the political chaos, the ruling party (Indira Congress) declared emergency restricting many a freedoms and ruthlessly putting anyone in jail, who gave even a hint of "anti-governmental activity". The country definitely needed a magic for rapid economic growth which could have silenced the political "trouble makers".

In early 1980s the monsoon god was nice to India. While agricultural sector that was in desperate need to prosper, received a big boost, the industrial sector invented few new technological advances and grew much more rapidly than before. India also realized that she can do much better in service sector. All in all, the economy started prospering at a slow rate but definitely much better than in 1970s. The need for opening up the economy was felt more keenly by Rajiv Gandhi's government and some reductions in tariff rates were activated in early 1980s. But the real support for globalization, liberalization and reduction in protectionism came in late 1980s.

TABLE 2

Macroeconomic Performance in Post 1991 Years

Year	Real GDP Growth	Inflation Rate	Interest Rate	Unemployment Number in Millions	Money Supply Billions of Rs.
1991	0.96	8.9	17.88	36.3	1046.1
1992	2.3	13.7	18.92	36.75	1120.9
1993	1.5	10.1	16.25	36.27	1330.2
1994	5.9	8.4	14.75	36.69	1695.0
1995	7.3	10.9	15.46	36.74	1883.5
1996	7.3	7.7	15.96	37.43	2148.9
1997	7.8	6.4	13.83	39.14	2419.3
1998	6.5	4.8	13.54	40.01	2703.5
1999	6.5	6.9	12.54	40.37	3161.2
2000	6.1	3.3	12.29	40.34	3495.9
2001	4.0	7.1	12.08	41.99	3846.0
2002	6.2	4.7	11.92	42.36	4318.6
2003	5.5	5.1	11.50	43.10	4822.3
2004	8.0	4.5	10.60	42.50	5402.3

Source: Some figures are from Aggarwal (2004) and some are from IMF's publication, International Financial Statistics Yearbook, 2003.

- ## Imperialism and economic globalization

Globalization Encouraging Child Labour

By Amy V. Padilla, People's Conference against Imperialist Globalization (Manila), [11 December 1996]. A study released this week by the Institute of Labour Studies (ILS) of the Department of Labour and Employment (DOLE) revealed that the country's export-oriented strategy, its use of sub-contracting in particular, has resulted in the hiring of child workers.

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First Edition

To save society

By Bernard Cassen, Le Monde diplomatique, May 1997. Free markets and free trade are the two age-old articles of faith of the doctrine of ultra-liberalism. And, as inevitably happens with articles of faith, they take precedence, whatever the circumstances, over other considerations or values at issue.

Globalization poses threat to human health—WHO (excerpts)

By Adam Jasser, Reuters, 19 November 1997. New and re-emerging diseases along with crumbling health care systems pose an increasing threat to human health around the globe. Globalization exacerbates disparities between the rich and the poor.

Globalisation Hits Women Worst

By Farhan Haq, InterPress Service, 27 February 1998. Financial austerity measures, and the fallout from economic globalisation, have had a disproportionate effect on women's advancement worldwide, forcing them into low-paying jobs or unemployment.

Monocultures, myths and the masculinisation of agriculture

Statement by Dr. Vandana Shiva, 27 June 1998. The corporate appropriation of basmati rice. Genetic Engineering and IPRs will rob Third World women and their creativity, innovation and decision-making power in agriculture. In place of women deciding what is grown in fields and served in kitchens, agriculture based on globalisation, genetic engineering and corporate monopolies on seeds will establish a food system and worldview in which men controlling global corporations control what is grown in our fields and what we eat.

Global poverty in the late 20th century

By Michel Chossudovsky, 27 October 1998. The late 20th Century will go down in World history as a period of global impoverishment marked by the collapse of productive systems in the developing World, the demise of national institutions and the disintegration of health and educational programs. This "globalization of poverty"—which has largely reversed the achievements of post-war decolonization—, was initiated in the Third World coinciding with the onslaught of the debt crisis.

Tobacco corporations step up invasion of Third World

By Cisar Chelala, Third World Network Features, October 1999. Facing increasing restriction in the USA and other industrialised countries, transnational tobacco companies are increasingly marketing their products in developing countries, particularly among women and adolescents.

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Education and the bottom line

By Adam Harden, PIC Press (Kingston, Ontario), May 2000. The intrusion of bottom-line thinking into the public domain seen today in efforts to introduce for-profit clinics in Alberta and for-profit private post-secondary education in Ontario. No area, he says, is immune to the corporate mission: the maximization of profits. Privatization.

Robinson criticised the fortress mentality of richer countries

By Claire Doole in Geneva, BBC News, Monday 1 May 2000. Globalisation and racism is linked, according to the United Nations High Commissioner for Human Rights, Mary Robinson. Dome countries, rather than trying to bridge the gap between haves and have nots, were adopting a fortress mentality, determined to keep their wealth for themselves and demonising those who came in search of a better life.

Gangster states

By Jean de Maillard, The Guardian, 2 May 2000. A French judge warns that global crime is exploding as offshore tax havens prostitute their legal systems. The deregulation that characterises current globalisation has opened up a worldwide new market. The dark side of economic globalisation is the market in law, exploited by crime.

Indigenous Peoples Struggle to Protect Culture Under Globalisation

By Ihsan Bouabid, InterPress Service, 24 May 2000. Globalisation is threatening the essence of the cultural diversity of the world's indigenous peoples. The life and the genetics of indigenous people are violated every day despite the efforts and the agreements made by the United Nations to protect them.

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Foreign Direct Investment in India - A Brief Appraisal

Dr. Sejal B. Patel
Adhyapak Sahayak in Economics
Anand Commerce College, Anand

Introduction

Foreign investment plays a vital role in the development of any economy in the world. It supports economic growth by meeting the investment needs of a capital deficit economy by bridging the savings-investment gap. Many foreign investors bring new technology, best practices and governance along with financial capital, resulting in skill transfer and productivity gains. While new business may create employment, greater competition from new firms also leads to improved efficiency in the host country. Foreign investment, a component in a country's national financial accounts, can be achieved through equity and debt. It is linked to the investor's permanent management interest in the recipient economy and is, therefore, a more stable component. While foreign portfolio flows are important for financing the current account deficit, many countries focus on and encourage FDI in general as well as in select sectors.

An important driver of India's economic expansion is foreign direct investment (FDI), which provides a sizeable non-debt funding source for the country's development initiatives. Global firms make deliberate investments in India, taking advantage of the nation's special investment advantages, such as tax breaks and labour costs that are comparatively low. This not only makes it easier to learn new technologies, but it also promotes the creation of jobs and other benefits. The government's proactive policy framework, a dynamic business environment, increasing global competitiveness, and growing economic influence are all contributing factors to the inflow of these investments into India.

Unlike other East Asian countries, Indian policymakers have refrained from offering incentives to foreign investors. Foreign investors have so far adopted a two-pronged strategy: inviting foreign firms to engage in FDI, while simultaneously promoting the transfer of foreign technology to domestic firms. Previous research has shown that increased FDI increases competition in industries where domestic firms compete with each other at one level of the production process. The increased pressure of competition keeps the output of domestic firms' low, allowing domestic firms to take over. Their reduced output. It does not increase the profit margin of Indian producers. Domestic firms that adopt and copy foreign firms' technology are called technology inflows because these firms benefit from the inflow of technology into

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industries. They need additional technology or are close to the technology frontier. But industries where there are more production activities than one level of production are called vertically integrated industries. Previous research has shown that FDI has a positive effect on the profitability of both domestic and foreign firms, and this applies to technology rushes.

What is Foreign Direct Investment (FDI)?

A foreign direct investment refers to a purchase of a particular organisation's interest by another foreign organisation. Such an organisation or investor is located in a different country than the organisation whose interest is purchased. It involves a business decision whereby a significant stake is acquired in a foreign business. Generally, organisations undertake FDI to expand operations to a foreign location. Foreign Direct Investment, often abbreviated as FDI, is defined as an investment made by an individual or an organization in a business located in another country. Apart from money, FDI comes with IT knowledge, technology, skills and employment.

FDI in India – Routes for Investment

The Indian government has implemented a range of policies and initiatives to enhance Foreign Direct Investment (FDI) in the country. Notable efforts include the "Make in India" campaign, which focuses on simplifying procedures and promoting a favourable investment climate across sectors. Liberalization of FDI policies, particularly in retail, defence, insurance, and single-brand retail trading, has been a key strategy. The Goods and Services Tax (GST) implementation has improved transparency, while Special Economic Zones (SEZs) provide dedicated spaces with tax incentives. India's FDI inflows reached record levels, at US$ 84.84 billion during 2021-22. Service sector, Computer software and hardware and Trading were the major receivers of FDI.

India was ranked seventh among the world's top recipients of foreign direct investment (FDI) up until 2020, according to the World Investment Report 2022. Multinational corporations (MNCs) have explored strategic collaborations with leading domestic business groupings, fuelled by notable deals in the technology and health sectors. This has resulted in an 83% increase in cross-border M&A to US$ 27 billion in 2020. India emerges as the FDI powerhouse and gets the third-highest foreign investment in 2021–2022, according to the World Investment Report 2023. Over the course of the last ten years, from April 2014 to December 2023, foreign direct investment (FDI) inflows totalled US$ 647.96 billion. This FDI has come from more than 170 countries that have invested across 33 UTs and States and 63 sectors in the country.

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First Edition

Thanks to a number of factors that have encouraged FDI, India has grown in popularity as a destination for FDI. India moved up three spots from 43rd place in 2021 to 40th place in the World Competitive Index in 2023. According to the Global Innovation Index 2023, India ranked 40th out of 132 economies and was ranked as the 48th most innovative nation within the top 50. India moved up to 40th place in 2023 from 81st place in 2015.

Routes Through which FDI Happens in India

There are two common routes through which India receives foreign direct investment.

1. Automatic Route

The automatic route is when an Indian company or non-resident does not require any prior permission from the RBI or the Government of India for foreign investment in India. Many sectors fall under the 100 per cent automatic route category. The most common industries include agriculture and animal husbandry, airports, air transport services, automobiles, construction companies, food processing, jewellery, healthcare, infrastructure, electronic systems, hospitality, tourism, etc. There are also some sectors in which 100 per cent automatic route foreign investment is not permitted. These include insurance, medical device, pension, power exchange, petroleum refining and securities market infrastructure companies.

2. Government Route

The second route through which FDI takes place in India is through the government route. If FDI takes place through the government route, the company intending to invest in India must mandatorily obtain prior government approval. Such companies must fill and submit the application form through the Foreign Investment Facilitation Portal, which enables them to obtain single-window clearance. The portal then forwards the foreign company's application to the concerned ministry which has the discretion to accept or reject the application. The ministry consults the Department for Promotion of Industry and Internal Trade or DPIIT before accepting or rejecting the foreign investment application. Once approved, the DPIIT issues standard operating procedures as per the existing FDI policy, which creates a route for foreign direct investment in India.

Like the automatic route, the government route also allows 100 per cent FDI. Here is a sector and percentage wise break up as per permissions under the government route.

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Sr. No.	FDI Sector	FDI percentage in India
1.	Public Sector Banks	20%
2.	Broadcast Content Services	49%
3.	Multi-brand Retail Trading	51%
4.	Print Media	26%

Apart from the sectors mentioned above, 100 per cent FDI is also allowed through government sectors such as core investment companies, food products, retail trade, mining and satellite establishments and operations.

FDI Prohibited Sectors in India

Although foreign direct investment is permitted through several sectors, as mentioned above, there are specific sectors and industries in which FDI is prohibited irrespective of the automatic or government route. These includes:

1. Atomic power generation
2. Gambling, betting business and lotteries
3. Chit fund investments
4. Agriculture and plantation activities (except fisheries, horticulture and aquaculture, tea plantation and animal husbandry)
5. Real estate and housing (except townships and commercial projects)
6. TDR trading
7. Products manufactured by the tobacco industry such as cigarettes and cigars

FII/FPIO Investment Limit in India

FIIs, NRIs (Non-Resident Indians), and PIOs (Persons of Indian Origin) can buy shares/debentures of companies listed on the Indian stock exchange through PIS (Portfolio Investment Scheme). However, SEBI and RBI have set an investment limit in listed Indian companies to limit the impact of these foreign investors on the company and financial markets and to protect the economy from potential losses if FIIs flee the Indian market. The infographic below will help you understand the FII/NRI/PIO limit.

As an investor, you should also know that the limit limits mentioned below can be increased after passing a special resolution for the same.

1. For FII investment, it can be increased to the sectoral limit of that particular industry
2. For NRIs, it can be increased to 24%

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Before we move ahead, you should know the prerequisites for buying equity shares and convertible debentures of a company under PIS.

1. The total purchases by NRIs/PIOs should be within the overall limit of
   a) 24% of the paid-up equity capital of the company, or
   b) 24% of the total paid-up value of each series of convertible debentures

The conditions given above are for both repatriation and non-repatriation.

Here It is interesting to note that Investment on repatriation basis means that the sale/ maturity proceeds of the said investment can be repatriated to the source country. On the other hand, investment on non-repatriation basis means that the sale/ maturity proceeds on the said investment could not be repatriated to the source country.

2. Investments made by NRIs/PIOs in equity shares and convertible debentures on repatriation basis should not exceed 5% of the paid-up equity capital of the company or 5% of the total paid-up value of each series of convertible debentures.

Monitoring of Investment limits from FIIs/NRIs/PIOs in listed Indian Companies

The investment limits or ceilings for FIIs/NRIs/PIOs in listed Indian companies are monitored by the Reserve Bank of India (RBI) on a daily basis. For effective monitoring of the ceiling limits, RBI has prescribed a cut-off point which is 2 points lower than the actual limit. For example, the NRI limit is 10%, so the cut-off point will be 8% of the paid-up capital of the company. The steps taken by RBI after the cut-off point is reached are given below.

1. RBI informs all the designated bank branches not to buy more shares of the said company on behalf of FIIs/NRIs/PIOs without any prior approval
2. If they wish to buy, they have to inform RBI about the total number and value of shares/convertible debentures of the company they wish to buy
3. RBI, after receiving the information, approves the banks on first come first basis upto the investment limit
4. After reaching the maximum limit, the company asks all the designated bank branches to stop buying on behalf of FIIs/NRIs/PIOs
5. RBI informs the general public about this ‘stop buying’ through a press release

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First Edition

Benefits of Foreign Direct Investment

The following are the main benefits of FDI in India:

1. A Rise in Employment and Economic Expansion

The most evident advantage of FDI is the creation of jobs. It is also among the main justifications for a nation, particularly a developing nation, to seek to draw in FDI. Both the manufacturing and service sectors benefit from increased FDI. In turn, this generates employment and lowers the unemployment rate among the nation's skilled and unskilled labourers as well as educated youth. When employment rises, earnings rise as well, increasing the population's purchasing power. The nation's economy is boosted by this. As FDI grows in a nation, especially a developing one, its service and manufacturing sectors grow, resulting in employment generation. Employment results in creating income sources for a lot of people. People then spend their income, increasing the purchasing power of the country.

2. The Advancement of Regressive Areas

One of the most significant advantages of FDI for developing nations is this. FDI makes it possible to turn a nation's underdeveloped areas into industrial centers. This strengthens the local social economy. In Tamil Nadu, India, the Hyundai facility at Sriperumbudur serves as an example of this procedure.

3. Availability of Funds and Technology

Businesses who receive this assistance have access to the most recent global finance instruments, technology, and operational procedures. The industry becomes more efficient and effective as a result of the gradual diffusion of new, cutting-edge technology and processes into the local economy.

4. A Rise in Exports

Not all FDI-produced goods are intended for domestic market use. Numerous of these products are sold internationally. The establishment of economic zones and units dedicated solely to exports has assisted foreign direct investment (FDI) investors in increasing their exports.

5. Development of Human Resources

FDI helps in the development of human resources, especially if training, technology and best practices are transferred. Employees, also known as human capital, are provided with adequate training and skills, which help in enhancing their knowledge to a wider level. But if you consider the overall impact on the economy, human resource development increases the country’s human capital. As more and more resources gain skills, they can train others and create a ripple effect on the economy. One of the less evident advantages of FDI is this. It is therefore frequently undervalued. The workforce's skills and knowledge are referred to as human capital. Acquired and improved skills via training and experience contribute to the nation's human capital and education. After it is developed, human capital changes. It can train staff members at other businesses, having a domino effect.

6. FDI Boosts the Country's Finance and Technology Sectors

The process of FDI is robust. It provides the country in which the investment takes place with several tools that they can leverage. For example, when FDI takes place, recipient businesses are provided access to the latest tools in finance, technology, and operational methodologies. As time goes by, the introduction of advanced technologies and processes gets assimilated into the local economy, making the fin-tech industry more efficient and effective.

7. Stability of Exchange Rates

Foreign exchange flows continuously into a nation when foreign direct investment (FDI) does as well. This aids in the nation's Central Bank keeping a sizable foreign exchange reserve. Thus, a stable exchange rate is guaranteed.

8. Encouraging Economic Development

This is only one more significant advantage of FDI. FDI is a way for a nation to get more foreign money and revenue. At the very least, some local labour, supplies, and machinery are used when factories are constructed. After building is finished, the factory will continue to use local resources, including labour and supplies, and hire some local workers. Workers at these factories have higher disposable income. More jobs are created as a result of this. The government will receive additional tax money from these factories, which it can use to fund the construction and enhancement of the financial and physical infrastructure. It is the primary source of external capital and also increased revenue for the country. It often results in opening a factory in the country of investment, using some local equipment – be it materials or labour force. This process is repeated depending on the skill level of the employees.

9. Improved Capital Flow

Capital flow is particularly beneficial for countries with limited domestic resources, as well as countries with limited opportunities to raise funds in global capital markets.

10. Second-order Benefits

Apart from the above points, there are a few more we cannot ignore. For example, FDI helps develop backward regions of the country and helps turn it into an industrial hub. Goods produced through FDI can be exported domestically and abroad, creating another essential revenue source. FDI also improves the stability of the country's exchange rate, capital flow and creates competitive markets. Lastly, it helps in easing international relations.

11. Creation of Competitive Markets

By facilitating the entry of foreign organizations into the domestic market, FDI helps create a competitive environment, as well as break up domestic monopolies. A healthy competitive environment motivates companies to constantly enhance their processes and product offerings, thereby promoting innovation. Consumers also gain access to a wider range of competitively priced products.

A global company uses foreign direct investment (FDI) in India to grow its commercial operations and impact by gaining access to new markets for production and consumption. It can obtain access to both professional and unskilled labor, management knowledge, and technologies, in addition to scarce resources like fossil fuels and precious metals. An firm can also lower its production costs using FDI by going straight to the source instead of purchasing raw materials from outside sources, or by gaining access to less expensive resources. The business putting in the FDI frequently gets a number of tax breaks. This may occur if the beneficiary country grants tax breaks and incentives to companies that make foreign direct investment there, or if the home country permits tax deductions on foreign revenue. This may also occur if the tax code of the beneficiary nation is more advantageous than that of the home nation.

Disadvantages of Foreign Direct Investment

Even while foreign direct investment (FDI) has many advantages, there may be some drawbacks as well. The following are a few typical drawbacks of FDI:

1. Dependence on Foreign Investors

FDI-heavy host nations run the risk of becoming unduly reliant on foreign capital. This reliance may put investors at risk should they want to sell their holdings or should the economy in their native nation decline. Additionally, it may reduce the host nation's independence and capacity for making decisions.

2. Repatriation of Profits

Profits are frequently repatriated by foreign investors to their home nations. Although this is a respectable return on investment, the host nation may have to expend financial resources as a result, which could have an impact on its foreign exchange reserves and balance of payments.

3. Economic Seepage

Economic leakage is the possibility that a sizable amount of the earnings made by foreign-owned businesses would depart the country of origin as a result of FDI. This can happen through the import of goods and services from the investor's home nation, the repatriation of profits, or the payment of royalties and fees to foreign parent businesses. Economic leakage may impede the growth of regional industries and lessen the economic multiplier effect.

4. Adverse Impact on Local Firms

Foreign direct investment (FDI) can provide obstacles for local businesses, especially small and medium-sized enterprises (SMEs), when it comes to their entry. Local businesses may face a competitive disadvantage as a result of foreign investors' access to sophisticated technology, economies of scale, and larger financial resources. Domestic businesses may occasionally find it difficult to compete and run the danger of going out of business or being acquired.

5. Labour Market Concerns

The host country's labour market may be impacted by FDI. It may lead to labour market distortions even if it may also generate job possibilities. Local job generation may be restricted by the presence of foreign investors who may import their own personnel or hire expatriate labour. Furthermore, some FDI projects may raise issues with worker exploitation, working conditions, and labour rights.

6. Depletion of Resources and Effects on the Environment

Certain foreign direct investment (FDI) projects, especially those in extractive industries, have the potential to degrade the environment and deplete natural resources. Extraction operations may affect local communities and biodiversity by causing pollution, deforestation, or environmental deterioration. To reduce these hazards, host nations must have strict environmental laws and environmentally friendly policies.

7. Sovereignty Loss

FDI may occasionally give rise to worries about losing sovereignty and authority over important economic areas. Critical infrastructure, natural resources, and key sectors are all subject to considerable influence or control by foreign investors. This may give rise to doubts about the host nation's capacity to determine its own economic goals and strategies.

8. Unequal Distribution of Benefits

It's possible that FDI doesn't always lead to a fair distribution of advantages inside the receiving nation. Income inequality and geographical inequities may be exacerbated if the advantages are concentrated in particular areas or industries. Social tensions and inequality may arise from FDI's potential to benefit marginalized or disadvantaged populations differently.

9. Potential for Economic Instability

Rapid FDI inflows and outflows have the potential to exacerbate economic instability in the host nation. Exchange rates, interest rates, and the macroeconomic stability of the economy can all be impacted by the abrupt withdrawal of foreign investments or by volatility in the global financial markets. The host nations must carefully monitor FDI flows and create regulations to reduce any dangers. For instance, RazorpayX provides the ability to access financial information and transactions from anywhere in the world, enabling businesses to better manage and control their finances.

In short, like any other investment source, FDI has its pros and cons, which are mostly geo-political. For example, FDI can:

1. Stifle domestic investment and transfer control of domestic firms to foreign companies
2. Risk political change, leaving countries exposed to foreign political influence
3. Impact exchange rates
4. Impact interest rates
5. If domestic industries cannot compete, they will be overtaken
6. Uncontrolled FDI can make the country vulnerable to foreign elements such as digital crime (e.g. Huawei issue)

However, comparing the pros and cons of FDI, it is very clear that the pros outweigh the cons.

Summary

FDI proves to be beneficial for the foreign company investing in India and the country in which the investment is made. For the investing country, FDI translates to lower costs while the country enabling FDI can develop human resources, skills and technologies. Common FDI examples include mergers and acquisitions, logistics, retail services and manufacturing. Every business has some benefits and drawbacks related to foreign direct investment. Work should be done to eliminate these drawbacks and improve performance to amplify the benefits. For instance, the investor can install plants for appropriate and secure waste disposal in order to address the pollution issue. Both production and pollution will rise as a result. Foreign direct investments promote job creation and development as well as the expansion of an economy.

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An analysis of economic growth due to Vibrant Gujarat –become global gujarat

Prof. Harsukh H. Parmar
Associate Professor,
Department of Gujarati,
Maniben M. P. Shah Mahila Arts College, Kadi
Prof. Dharmendrabhai K. Chaudhari
Associate Professor,
Department of Gujarati,
Maniben M. P. Shah Mahila Arts College, Kadi

ABSTRACT

National leadership since 2014 is a significant marker of revitalization of the Bharatiya Janata Party (BJP) in Indian politics. This article traces Modi's association with the idea and rhetoric of development. He presented himself as *vikaspurush* (development man) and as a leader who would provide strong governance for India when he campaigned in the 2014 general elections. The Gujarat Model was showcased by him as the blueprint for development for the whole of India. However, a closer analysis of the developmental paradigm demonstrates that he has changed secular meanings and connotations of state-initiated development by associating state action with the rituals of pilgrimage used in the *yatra* (procession) politics of the Hindu nationalist movement. The article highlights the significance of the blurring of the lines between the administrative-bureaucratic process of planning and religio-spatial symbolism.

The economic reforms initiated by the Congress government in the 1990s raised the GDP growth rate from an average of around 3.5% per annum since Independence to more than 9% between 2005-06 and 2007-08 [3], before dropping to 6.7% in 2008-2009 as a result of the global crisis [4]. Global competition forced manufacturers of products like electrical and electronic goods to improve the quality and reduce the prices of their products. Computers, internet access and mobile phones became much more widely available.

However, neoliberal policies that were part of the changes had serious negative consequences. Privatisation was in many cases accompanied by massive corruption (e.g. the CWG and 2G scams), as politicians and bureaucrats received kickbacks from the corporates they favored. In other cases, even if there were no kickbacks, lack of adequate regulation allowed corporates to make windfall profits, while public sector banks offered them generous loans without exercising due diligence. The campaign by industrialists for the abolition of protective labour laws reached a crescendo during the NDA regime. It stopped when the UPA came to power, but the anti-labour atmosphere had already influenced state labour departments and even the judiciary to such a degree that workers struggling for their rights were seldom successful.

The result of these trends was a huge increase in inequality. At the top, a few capitalists became dollar billionaires, joining the global rich. Just below them, 10-15% of the population became a prosperous middle class. But for the vast majority there was no improvement. Between the top and the bottom there was an unbridgeable gulf.

These developments were not peculiar to India. A wave of neoliberalism was sweeping through the world. What does this mean? The only interest of most capitalists is to maximize their profits regardless of the damage they do to the economy. If reducing wages below subsistence and destroying the environment boosts profits, so be it; if gambling with worthless derivatives promises trillions, then go for it. If privatisation of public utilities like electricity and water offers huge profits to a few, then that is the way to go, even if it reduces the profits of many others and imposes an intolerable burden on non-corporate users. But normally the state, even if it supports capitalism, takes a broader view. It may regulate the banking sector so that it is not threatened with collapse if risky investments go wrong. It may nationalize railways and public utilities so as to reduce costs for all capitalists. It may even invest in health and education in the interests of a better labour force.

The peculiarity of a neoliberal regime is that the state takes the standpoint of individual capitalists and allows them to do what they want rather than protecting the system as a whole. The corruption unleashed by this regime in countries like the US has been phenomenal. Mortgage providers ramped up the housing market to astronomical levels by offering large mortgages to buyers who would never be able to pay them back. Investment banks then â€˜bundled toxic mortgages into complex financial instruments, got credit rating agencies to rate them as AAA securities, and sold them to investors, magnifying and spreading risk throughout the financial system, and all too often betting against the instruments they soldâ€¦â€™ [5]. The outcome was the global crisis of 2008, resulting in millions of homes, jobs and pensions lost on one side, while on the other side gigantic fortunes were made. Years later, some of these banks were penalized, but their CEOs were not [6]. Credit rating agencies too came under fire for giving triple-A ratings to junk; Standard & Poors even faced a civil suit [7]. Yet they too remained in operation.

This background is important in understanding what has been happening in the Indian economy. The global crisis hit all countries across the world. India, because its economy was not fully neoliberalised, did better than most. Its relatively well-regulated banking sector survived, though not unscathed: generous loans given to corporates like Kingfisher Airlines without proper scrutiny of their ability to repay piled up on the balance-sheets of the banks as non-performing assets [8]. This has justifiably been seen as collusion between bank managements and corporates to rob the public of over 3 lakh crores over the past two years [9]. The Finance Ministry and Reserve Bank acknowledged the scale of the problem in November 2013, and pledged to take steps to deal with it [10]. Recession and austerity in developed countries hit exports from India, which in turn hit employment, reducing wage expenditure and demand. Paradoxically NREGA, which had been initiated before the crisis, acted as a stimulus package, creating employment, helping to raise agricultural wages and preventing the collapse of rural spending power. But the middle classes, who had been doing so well before the crisis, saw their future and the future of their children threatened.

The net result in India has been a slow-down in economic growth and high rates of inflation, which are causes for concern but not nearly as catastrophic as the slow-down in developed countries. According to Shankar Sharma, a director at one of Indiaâ€™s leading investment brokers, First Global, â€˜Indiaâ€™s current economic management is inarguably the best that we have€¦ In the last nine years, India has grown at about seven and a half percent compounded. But more importantly, in this ten years, debt to GDP has come down from 91 percent to 67 percent€™ [11]. APCO Worldwide agrees with this assessment of the UPAâ€™s economic performance: â€˜India today is a trillion-dollar market with an enviable rate of GDP growth. India’s economy is fueled by the combination of a large services sector, a strong and diversified manufacturing base and a significant agricultural sector that continues to provide a framework for the growth of the domestic economy. The country’s resilience in weathering the recent global downturn and financial crisis has made governments, policy-makers, economists, corporate houses and fund managers believe that India can play a significant role in the recovery of the global economy in the months and years aheadâ€™ [12].

This is a very different picture from the constant BJP blitzkrieg blaring the allegation that the UPA has made a mess of Indiaâ€™s economy. Given that APCO is the PR firm hired by the state government of Gujarat from 2009 to 2013 at a reported cost of $ 25,000 a month to promote Modiâ€™s Vibrant Gujarat [13], it can hardly be accused of pro-Congress bias. Moreover, while rampant corruption during the UPA regime is undeniable, it also enacted the Right to Information (RTI) Act, which played a considerable role in exposing corruption. If the

BJPâ€™s anti-UPA propaganda is economical with the truth, what about its pro-Gujarat propaganda?

CORRUPTION, POVERTY AND POLLUTION IN VIBRANT GUJARAT

The average GDP growth rate in Gujarat over the past ten years has been above the national average, but in line with the growth rates of comparable large states like Maharashtra, Tamil Nadu and Delhi [14]. Gujaratâ€™s growth has been achieved at the cost of handing over complete control over the economy to corporates, and wholesale privatisation: â€˜Key sectors â€ "traditionally held to be the preserve of the state â€ "such as ports, roads, rail and power have been handed over to corporate capital. This has meant, inevitably, that the government has abdicated all decision making powers, as well as functional and financial control over such projects. Nowhere else in the country has this abdication of responsibility been so total, nowhere else has the state given over the economy so entirely to the corporates and private investors€™. Infrastructure and access to water and electricity favor industry over agriculture and individual consumers. Employment growth in manufacturing and services turned negative in the last five years, and even prior to that was concentrated in the informal sector [15].

The Modi administration€™s largesse to corporates can be judged by two examples. One is the staggering subsidies offered to Tata for its Nano plant and other projects. Against an investment of 2900 crores, Tata received a loan of 9570 crores at 0.1% interest, to be paid back on a monthly basis after 20 years, in addition to land at much below market rates, with stamp duty, registration charges and electricity paid for by the state. Tax breaks mean that the people of Gujarat will not be getting any of this money back in the near future [16]. All the rules were bent to provide Adani with a power supply contract costing the state of Gujarat an excess Rs 23,625 crores over 25 years [17], and other companies, including Reliance Industries and Essar Steel, were extended similar favors [18]. So when these companies praise Modi to the skies [1], support his candidature for PM [2], use the media they own to promote Modi and silence criticism of him [19], and put their aircraft at his disposal [20], this is merely quid pro quo.

Any objective definition of â€˜corruption€™ would include such activities. The scale of corruption in Gujarat is stupendous, and those who campaign against it have not fared well. With only 5% of Indiaâ€™s population, 22% of the murders and 20% of the assaults of RTI activists in recent years have occurred in Gujarat, which has only two RTI Commissioners compared to eight in Maharashtra and nine in Tamil Nadu [21]. The post of Lokayukta (corruption watchdog) was not filled for ten years since 2003. When the Governor and Chief

Justice of the High Court selected Justice R. A. Mehta for the post in 2011, as they were empowered to do according to the Gujarat Lokayukta Act, Modi fought tooth and nail against the appointment, reportedly spending Rs 45 crores to challenge it all the way up to the Supreme Court. Even after the Supreme Court had upheld the appointment, the state government refused to cooperate with Mehta, leading him to decline the position [22]. Subsequently the state government amended the Lokayukta Act to make it a toothless body under the control of the very government whose corruption it was supposed to monitor [23]! Apparently Modi learned a lesson from the fate of his friend Yedyurappa, former BJP Chief Minister of Karnataka, who was forced to resign due to corruption charges against him initiated by the Karnataka Lokayukta [24], and resolved never to give any Lokayukta the opportunity to do the same to him.

The ordinary people of Gujarat have paid a heavy price for its economic growth. Gujarat has one of the highest poverty levels of all the Indian states. Huge swathes of land allocated to corporates have displaced lakhs of farmers, fishermen, pastoralists, agricultural workers, Dalits and Adivasis. During Modiâ€™s tenure, 16,000 workers, farmers and farm laborers had committed suicide due to economic distress by 2011 [25]. Gujarat has the highest prevalence of hunger and lowest human development indices among states with comparable per capita income, its implementation of NREGA is the worst among large states, and Muslims, â€˜in particular, fare poorly on parameters of poverty, hunger, education and vulnerability on security issues€™ [26]. Refuting Modiâ€™s claim that the high level of malnutrition in Gujarat is a consequence of vegetarianism and figure-consciousness, an eminent scholar has pointed out that the real reasons are extremely low wage rates, malfunctioning of nutrition schemes, lack of potable water supplies, and lack of sanitation: the state ranks 10th in the use of toilets, with more than 65% of households defecating in the open, with resulting high levels of jaundice, diarrhoea, malaria and other diseases [27]. Uncontrolled pollution has destroyed the livelihoods of farmers and fishermen, and subjected the local populations to skin diseases, asthma, TB, cancer and death [28].

Contrary to the myth that Gujarat is a powerhouse attracting large FDI inflows, in 2012-13 its share in FDI was a meagre 2.38%, ranked 6th, compared to Maharashtra€™s 39.4% [29]. Most damning of all, for a state that purports to provide a template for the whole country€™s economy, is the Modi governmentâ€™s â€˜lack of financial discipline. The Gujarat growth pattern relies on indebtedness. The state’s debt increased from Rs 45,301 crore in 2002 to Rs. 1,38,978 crores in 2013... In terms of per capita indebtedness, the situation is even more

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worrying, given the size of the state: each Gujarati carries a debt of Rs 23,163 if the population is taken to be 60 million€™ [30].

The Gujarat economic model is a more extreme version of neoliberalism than the version practiced by the UPA, which retains elements of regulation and social welfare. This is clearly the reason why the majority of CEOs want him to be the PM. It bothers them that the policy of endless credit from public sector banks has come under scrutiny by the UPA, and billionaires like Sahara boss Subrata Roy can be arrested for robbing small investors of Rs 20,000 crores [31]. They look forward to a Modi regime where they can continue to loot the public unhindered by regulations, where small concessions to working people like NREGA and the Food Security Act can be shelved, and the NDAâ€™s old programme of scrapping protective labour legislation can finally be realised. Importers of gold and other luxury consumption goods canâ€™to wait to have a PM who is clueless about technicalities like current account deficits and fiscal deficits and would allow the whole country to become as indebted as Gujarat is today [32]. It is also instructive that the very same ratings agencies and investment banks indicted for making trillions by bringing down the US economy and causing a global crisis (see [5] and [7]) have been busy downgrading the UPA economy [33] and batting for Modi [34]. All these firms, Indian and international, would be least bothered if the Indian economy were to crash; they would have parked their profits elsewhere by then.

Modiâ€™s policies are exactly the same as those which destroyed the economy of the US, the richest country in the world, resulting in the global crisis: wholesale privatisation and deregulation, extreme disparities in wealth, and unsustainable indebtedness. And they would have the same results in India, such as massive job losses, and worse. The US dollar has maintained much of its value because it is a global reserve currency, and other countries buy it in order to maintain their currency reserves. The Indian rupee is not a global reserve currency, and there is nothing to stop it from plummeting due to the rising deficits, leading to runaway inflation many times worse than India has ever experienced. Ironically, it is the same sections of the middle class who look to Modi as their saviour who would be hardest hit, because they have so much more to lose than the poor, who would also be hit.

Perhaps Modi would leave the economy to be handled by others in the BJP, but who is competent to do it? Yashwant Sinha, the finance minister during the NDA regime, does not exactly inspire confidence. â€˜In 1990, Sinha was finance minister in the government of Chandrashekhar, when the bottom fell out of the Indian economy. The government’s policy response then was to ship all the gold in the Reserve Bank of India’s vaults off to the Bank of England as collateral for a loanâ€¦ In 1998, by a peculiar coincidence, Sinha was again finance minister, this time in the BJP-led NDA coalition governmentâ€¦ In March 2001, soon after Sinha presented his Budget, India experienced one of its worst market crashes: about $32 billion worth of market capitalization was wiped out that month€¦ In the NDA era, a little less than $4 billion entered India each year on average. Under the UPA, this number stands at a little less than $25 billion, more than six times the NDA averageâ€™ [35]. According to investment broker Shankar Sharma, â€˜The BJP is the only mainstream political party that has no economist. And the BJP rule between 1999 and 2004 had the worst nominal GDP growth in the last 30 years in India, the worst by far. They ran the country into a huge debt trap. Indiaâ€™s debt to GDP ratio went from about 78 percent in 1999 to 91 percent by 2004. So again, whatever GDP growth the BJP delivered in those five years, the growth was with very high debtâ€™ [11].

At a time of downturn and global crisis, putting India€™s economy in the hands of a party that has no competent economist is tantamount to economic suicide. In accordance with their-frog-in-the-well perspective, Modi and the BJP never mention the global crisis or inquire into its causes. Anyone who takes the trouble to do so would realise that the â€˜medicine€™ they prescribe for the economy, which is suffering from slow poisoning by neoliberalism, is a lethal dose of the same poison.

Do the Left parties and the Aam Aadmi Party offer viable alternatives?

The Left parties failed to deliver a better model of development during more than thirty years in power in West Bengal, culminating in the Nandigram and Singur violence [36]. The Paschim Banga Khet Mazoor Samity had been demanding a rural employment guarantee scheme for decades, but the Left Front government refused even to consider it until NREGA was enacted by the UPA. The lack of an alternative was demonstrated most starkly over the issue of FDI in multiband retail, where they formed a united front with the NDA to oppose it [37] rather than thinking of anything more principled and imaginative like forming consumer cooperatives which draw in street vendors. The failure of the Left parties to offer any economic alternative is particularly disappointing because they do have a critique of neoliberalism, and can at least be counted on to oppose the wholesale privatization and deregulation of the economy or attempts to scrap protective labour legislation and welfare schemes.

AAP has a one-point economic programme: eliminating corruption. Their Jan Lokpal Bill, through which they hope to achieve this, sees all corruption as emanating from the state, and affecting only corporates that have a relationship with the state: a view entirely compatible with neoliberal World Bank anti-corruption programmes [38]. Its economic model is neoliberalism purged of corruption and â€˜crony capitalismâ€™. This comes through in their

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recent speeches. Privatisation is good, because â€˜Government has no business doing business, it only has to govern. Business should all be held by the private sector, â€™ according to Arvind Kejriwal, who made a point of saying that the party disagreed with the economic views of Prashant Bhushan, the left-wing face of AAP [39]. AAP objects to industrialists like the Ambanis getting favored treatment, but former banker Meera Sanyal clarified that they want to create the conditions in which all â€˜hard working entrepreneurial, highly innovative people can feed themselves and their families€™, suggesting that the state would help all capitalists equally [40]. Yogendra Yadav said that â€˜Food subsidies should not be provided, a€™ and that the party stands for â€˜clean politics, pro-business deregulation, non-interference of the state and not to serve the interests of crony capitalists€™ [41].

This economic model is as neoliberal as Media€™s and more neoliberal than the UPA model, which still has elements of regulation and social justice. It offers nothing to workers and the poor, and would do nothing to reduce inequality. With their exclusive focus on an extremely narrow definition of corruption, AAP ignores the underlying disease of which it is a symptom â€ "extreme inequality resulting from neoliberalism â€ "and their policies would in fact exacerbate the basic problem. In theory, their model would be free of â€˜crony capitalism€™, but whether AAP can actually eliminate corruption is questionable, given that much of the corruption during the UPA regime has been the consequence of pro-business deregulation. Finally, their government€™s grant of electricity subsidies to supporters who had not paid their bills but not to non-supporters who had paid their bills (subsequently stayed by the High Court) [42] sounds suspiciously like quid pro quo: you vote for us, we give you subsidies.

CONCLUSION

For years the BJP, Modi, the corporates which support him and the media they control have bombarded us relentlessly with propaganda and lies about the mess that the UPA has made of the economy and the shining success of â€˜vibrant Gujarat€™. In reality, we find that the UPA regime suffers from the same problems as other neoliberal regimes and has done better than most, while Media€™s policies would have catastrophic consequences for the Indian economy. AAPâ€™s policies would not be much better: they would benefit a wider layer of entrepreneurs â€ "say 3-5% of the population compared with Media€™s 0.1% â€ "but scrapping food subsidies would make the poor poorer, so inequality would be greater than under the UPA. The UPA and Left parties seem to be the best of a bad lot so far as economic policy is concerned.

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Does this mean that there is no better alternative to current policies? Far from it. Perhaps before the next Lok Sabha elections we will have a party opposing sops and subsidies to the rich, loss of lives and livelihoods due to expensive, dangerous and polluting nuclear power plants and weapons, the privatization of public utilities, education and health care, and much more. A party which would stand for reducing inequality through (1) raising wages by protecting the right of all employees, regardless of their place of work or employment status, to unionize and bargain collectively without fear of victimization; (2) putting in place a comprehensive system of progressive taxation to help fund the provision of education, health care and social security for all; and (3) creating employment through various measures such as (a) shortening statutory working hours to 40 per week and enforcing this measure; (b) expanding NREGA and including new projects such as water harvesting and rural electrification through small renewable energy projects; and (c) supporting the formation of workers€™ cooperatives in agriculture, industry and services. Until then, mass movements have to continue fighting for such goals.

Those who think these goals belong to an obsolete left-wing economic model would do well to listen to Christine Lagarde: â€˜Let me be frank: in the past, economists have underestimated the importance of inequality. They have focused on economic growth, on the size of the pie rather than its distribution. Today, we are more keenly aware of the damage done by inequality. Put simply, a severely skewed income distribution harms the pace and sustainability of growth over the longer term. It leads to an economy of exclusion, and a wasteland of discarded potential€™ [43]. These are not the words of a left-winger but of the head of the International Monetary Fund, the financial institution which, along with the World Bank, has done the most to impose neoliberal policies on the world. If she can see the writing on the wall for neoliberalism, it is high time that policy-makers and the public in India followed suit.

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પ્રત્યક્ષ વિદેશી મૂડીરોકાણ
(Foreign Direct Investment)

ડૉ. ભાવના આર.કેશવાલા
અર્થશાસ્ત્ર વિભાગ
ડૉ. વી.આર.ગોઢાણીયા મહિલા કોલેજ,પોરબંદર

પ્રાસ્તાવિક:

ભારત જેવા વિકાસમાન દેશના ઝડપી આર્થિક વિકાસમાં વિદેશી મૂડી અને પ્રત્યક્ષ વિદેશી મૂડીરોકાણ ખુબ જ મહત્વની ભૂમિકા નિભાવી શકે એમ છે. અલ્પવિક્સિત અને વિકાસમાન રાષ્ટ્રોની એક મહત્વની સમસ્યા એ હોય છે કે આ દેશોમાં પ્રજાની માથાદીઠ આવક પ્રમાણમાં નીચી હોવાના કારણે બચતનો દર નીચો રહેવા પામે છે અને તેને પરિણામે અર્થતંત્રમાં મૂડીરોકાણનો દર પ્રમાણમાં નીચો રહે છે. મૂડીરોકાણ ઓછું થવાથી ઉત્પાદન ઓછું થાય છે અને પરિણામે રાષ્ટ્રીય આવક તથા માથાદીઠ આવક ઝડપથી વધી શકતી નથી અને તેને ફળસ્વરૂપ આ દેશો 'ગરીબાઈના વિષમય ચક્ર' માં સપડાયેલા રહે છે. ગરીબાઈના આ વિષમયચક્રને ભેદવા માટે તથા ઝડપી આર્થિક વિકાસ સાધવા માટે એ આવશ્યક છે કે મૂડીરોકાણનો દર વધવો જોઈએ; પરંતુ આંતરિક બચત દર નીચો હોવાથી આ રાષ્ટ્રોના વિકાસના તબક્કામાં જો પ્રત્યક્ષ વિદેશી મૂડીરોકાણ પ્રાપ્ત થઇ રહે તો વિકાસની પ્રક્રિયા ઝડપી અને વેગીલી બની શકે એમ છે. આ પ્રકરણમાં આપણે પ્રત્યક્ષ વિદેશી મૂડીરોકાણ તથા વિદેશી સંસ્થાકીય મૂડીરોકાણની કામગીરી તથા ભૂમિકાનો અભ્યાસ કરીશું.

ભારતમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણ

પ્રાસ્તાવિક: પ્રત્યક્ષ વિદેશી મૂડીરોકાણ એ વિદેશી સહાયનું એક સ્વરૂપ છે અને તાજેતરના વર્ષોમાં તેનું મહત્વ ઉત્તરોત્તર વધી રહ્યું છે. જુલાઈ ૧૯૯૧ જાહેર કરાયેલ ઔદ્યોગિક નીતિ અન્વયે ખાનગી પ્રત્યક્ષ વિદેશી મૂડીરોકાણ અને વિદેશી ટેક્નોલોજી તથા વિદેશી સહયોગ પ્રત્યે ઉદાર અભિગમ અપનાવ્યો છે અને તેને દેશમાં આકર્ષવા માટેના અનેક પગલાં અને પ્રોત્સાહનો પુરા પાડવામાં આવી રહ્યા છે. અત્રે એ નોંધવું ઘટે કે પ્રત્યક્ષ વિદેશી મૂડીરોકાણ એટલે વિદેશી રોકાણકારો દ્વારા આપણા દેશમાં કરવામાં આવતું સીધું મૂડીરોકાણ આવા મૂડીરોકાણ પર વિદેશી રોકાણકારોનો સંપૂર્ણ અંકુશ હોય છે. આ માટે વિદેશી મૂડીરોકાણકારો ક્યાં તો આપણા દેશમાં પેટા-કંપની ની સ્થાપના કરે છે અથવા દેશના રોકાણકારો સાથે મળીને સંયુક્ત સાહત શરૂ કરે છે. સામાન્ય રીતે પ્રત્યક્ષ વિદેશી મૂડી રોકાણ અને સબંધિત પેઢીનું સંચાલન એકીસાથે અસ્તિત્વ ધરાવતો હોય છે.

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અત્રે એ નોંધવું ઘટે કે વિદેશી મૂડીરોકાણના સામાન્ય રીતે મુખ્ય બે સ્વરૂપ જોવા મળે છે:

(અ) પ્રત્યક્ષ વિદેશી રોકાણ (બ) વિદેશી પોર્ટ ફ્રોલિયો મૂડીરોકાણ

(અ) પ્રત્યક્ષ વિદેશી રોકાણ: આ પ્રકારનું રોકાણ પાંચ વર્ષ કે તેથી વધુ સમયની અવધિ માટેનું હોઈ શકે. વિદેશી રોકાણકાર પેટા કંપની સ્થાપે છે અથવા હાલ અસ્તિત્વ ધરાવતી કંપનીઓમાં તેનો હિસ્સા અને હિતમાં વધારો કરે છે. પ્રત્યક્ષ વિદેશી મૂડી રોકાણની અસર ચીજ-વસ્તુઓના બજાર પર પડતી હોય છે.

(બ) વિદેશી પોર્ટફ્રોલિયો મૂડીરોકાણ: માં વિદેશી રોકાણકાર ભારતની કંપનીઓના શેર, બોન્ડ, ડિબેન્ચર, ચલણી અસ્ક્યામતો વગેરે ખરીદે છે. આ પ્રકારનું મૂડીરોકાણ વધુ સ્થિતિસ્થાપક કે ફેરફારક્ષમ હોય છે. વિદેશી પોર્ટફ્રોલિયો મૂડીરોકાણની અસર અસ્ક્યામતોના બજાર પર વિશેષ પડતી હોય છે.

ભારત જેવા વિકાસમાન દેશોમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણની જરૂરિયાત:

ભારત જેવા વિકાસમાં દેશોમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણ તેમના ઝડપી આર્થિક વિકાસમાં મહત્વની ભૂમિકા નિભાવી શકે છે. આ દેશોમાં પ્રત્યક્ષ મૂડીરોકાણની જરૂરિયાત નીચેના કારણોસર સ્વીકારવામાં આવી છે:-

(૧) પ્રત્યક્ષ વિદેશી મૂડીરોકાણ દેશમાં મૂડીરોકાણના સ્તર માં વધારો કરવામાં સહાયભૂત થઈને આંતરિક બચતના પૂરક તરીકે ર્કાય કરે છે વિશેષ કરીને આ દેશોની વેપારતુલાની જંગી ખાદ્યના સંદર્ભમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણ મહત્વની ભૂમિકા નિભાવે છે.

(૨) પ્રત્યક્ષ વિદેશી રોકાણનો પ્રવાહ અર્થતંત્રમાં રોજગારીની નવી તકોનું સર્જન કરવામાં તેમ જ આવકવૃદ્ધિમાં ખુબ જ સહાયભૂત થાય છે. એ જ રીતે તે ઉત્પાદનના નવા ક્ષેત્રોનો વિકાસ કરી દેશની નિકાસોમાં પણ વધારો લાવે છે.

(૩) તદુપરાંત, પ્રત્યક્ષ વિદેશી રોકાણ તેની સાથે ટેકનિકલ, સંચાલકીય અને વહીવટીય કૌશલ્ય પણ લાવે છે જે ખાસ કરીને ઔદ્યોગિક ક્ષેત્રના આધુનિકરણમાં મદદરૂપ થાય છે.

(૪) પ્રત્યક્ષ વિદેશી મૂડીરોકાણ એ વિદેશી સહાય મેળવવા માટેનું સૌથી સરળ સ્વરૂપ છે. વિદેશી લોનોની જેમ તેમાં વ્યાજ તથા હપ્તાની ચુકવણીનું ભારણ હોતું નથી.

(૫) આ પ્રકારના વિદેશી રોકાણની સાથે ઉત્પાદનની અદ્યતન પદ્ધતિઓ, નવા વિચારો અને વિવિધ સ્વરૂપના નવપ્રવર્તનો આવે છે જે દેશના સાધનોના કાર્યક્ષમ અને ઈષ્ટતમ ઉપયોગના સહાય દ્વારા એક 'નવી ઔદ્યોગિક સંસ્કૃતિ' નું નિર્માણ કરે છે અને તે રીતે દેશના ઝડપી આર્થિક વિકાસમાં સહાયભૂત થાય છે.

(૬) પ્રત્યક્ષ વિદેશી મૂડીરોકાણ દેશમાં કુશળ અને દૂરદંશી સાહસિકોની ઉણપને દૂર કરે છે અને દેશના વણવપરાયેલા અથવા અલ્પવપરાયેલા સાધનોના સર્વોત્તમ ઉપયોગ દ્વારા ઉત્પાદનના નવા ક્ષેત્રોમાં પ્રવેશે છે, જેમ કે પેટ્રોલિયમ રિફાઈનિંગ, વગેરે.

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First Edition

(૭) વિદેશી મૂડીરોકાણ કરનારી પેઢીઓ પાસે આંતરરાષ્ટ્રીય કક્ષાના અનુભવનું ભાથું હોય છે તથા આક્રમક બજાર વ્યૂહરચનાથી પુરેપુરી પરિચિત હોવાને કારણે રાષ્ટ્રના દૂર-દરાજ વિસ્તારો સુધી પહોંચી જાય છે. દાખલા તરીકે, પેપ્સી, કોકાકોલા, કેડબરી જેવી વસ્તુઓ આક્રમક બજાર વ્યૂહરચના અપનાવીને આજે ભારતના ખૂણે ખૂણે પહોંચી ગયા છે.

(૮) પ્રત્યક્ષ વિદેશી રોકાણ દ્વારા થયેલ નફાનું મોટું પ્રમાણ જો દેશમાં હાલના પ્રોજેક્ટના વિસ્તરણ માટે અથવા નવા પ્રોજેક્ટની સ્થાપના માટે કરવામાં આવે તો તે દેશના મૂડીસર્જનના દરની વૃદ્ધિમાં સહાયભૂત થાય છે.

(૯) પ્રત્યક્ષ વિદેશી મૂડીરોકાણ દેશના ટેક્નોલોજીની તબદીલી ને સુગમ બનાવે છે જેને લીધે વ્યવસાયિક સંચાલન તથા ઉચ્ચતર આધુનિક સંચાલકીય પદ્ધતિઓ દ્વારા 'સંચાલકીય ક્રાંતિ' નું નિર્માણ થાય છે.

(૧૦) પ્રત્યક્ષ વિદેશી રોકાણથી દેશના સાહસિકોને પણ પ્રોત્સાહન મળે છે, કારણ કે વિદેશી કંપનીઓને તેમની પોતાની ઉત્પાદન પ્રવૃત્તિઓ ચાલુ રાખવા માટે સ્થાનિક પુરવઠાકારો તથા આ કંપનીઓની પેદાશનો ઉપયોગ કરતા ઉદ્યોગોને પ્રોત્સાહિત કરવા પડે છે.

(૧૧) પ્રત્યક્ષ વિદેશી રોકાણને હરીફાઈમાં વધારો થાય છે અને સ્થાનિક ઇજારાશાહીની પકડ નબળી પડે છે.

(૧૨) પ્રત્યક્ષ વિદેશી રોકાણ સરકારની કરની આવક વૃદ્ધિમાં પણ ફાળો આપે છે.

(૧૩) વળી, ખાનગી વિદેશી મૂડીરોકાણ સ્થાનિક મૂડીરોકાણ અને સ્થાનિક સાહસને બે રીતે પ્રોત્સાહન પૂરું પાડે છે.

(અ) સ્થાનિક નિયોજકો સાથે ભાગીદારી કરીને

(બ) પૂરક પેદાશોની માંગનું સર્જન કરીને.

(૧૪) ૧૯૮૧ના વિશ્વ બેંકના અહેવાલમાં જણાવ્યા અનુસાર અન્ય કોઈપણ પ્રકારની વિકાસલક્ષી સહાયની તુલનામાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણના નીચેના લાભ પ્રત્યે અંગુલિનિર્દેશ કર્યો છે :

(અ) પ્રત્યક્ષ વિદેશી મૂડીરોકાણ એ મૂડીરોકાણનું જોખમ સ્થાનિક રોકાણકારથી વિદેશી રોકાણકાર તરફ ખસેડે છે.

(બ) પ્રત્યક્ષ વિદેશી મૂડીરોકાણની બાબતમાં પરત ચુકવણી એ રોકાણની નફાકારકતા સાથે સંકળાયેલી હોય છે, જયારે બીજી તરફ વિદેશી લોનની બાબતમાં તો નફો થયો હોય કે ન થયો હોય, હપ્તાની પરત ચુકવણી અને વ્યાજની ચુકવણી તો અનિવાર્ય રીતે કરવી જ પડે છે.

(ક) એવું પણ જણાયું છે કે ૧૯૭૦ પછી કુલ ઘરેલુ પેદાશમાં વૃદ્ધિ એ પ્રત્યક્ષ મૂડીરોકાણને લીધે થતા મૂડીના પ્રવાહ સાથે ગાઢ રીતે સંકળાયેલી હોવાનું માલૂમ પડ્યું છે.

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પ્રત્યક્ષ વિદેશી મૂડીરોકાણની મર્યાદાઓ:

પ્રત્યક્ષ વિદેશી મૂડીરોકાણના ઉપરોક્ત લાભ હોવા છતાં તેની કેટલીક મર્યાદાઓ અને ભયસ્થાનો પણ છે :-

(૧) અનુભવ પરથી એમ જણાયું છે કે પ્રત્યક્ષ મૂડીરોકાણ અમુક ચોક્કસ પસંદગીના ક્ષેત્રોમાં જ કે જ્યાં વિશાળ અને ઝડપી નફો મેળવવાની શક્યતા હોય; આવા ક્ષેત્રો દેશના આર્થિક વિકાસ માટે અગત્યના અને રાષ્ટ્રીય હિતમાં છે કે નહીં તે બાબત ભાગ્યે જ ધ્યાનમાં લેવામાં છે. આમ, પ્રત્યક્ષ વિદેશી રોકાણ મહદંશે અગ્રીમ ક્ષેત્રોને બદલે નફાલક્ષી ક્ષેત્રો તરફ જ આકર્ષાય છે . મોટાભાગના કિસ્સાઓમાં, વપરાશી ચીજ - વસ્તુઓનું ઉત્પાદન કરતા ઉદ્યોગો કે જેમનો પરિપક્વનો ગાળો ટૂંકો હોય છે તેમને જ રોકાણ માટે પસંદ કરવામાં આવે છે. સિંગલ બ્રાન્ડ અને મલ્ટી બ્રાન્ડ છૂટક વેપાર આનું જ્વલંત ઉદાહરણ છે.

(૨) આગળ કહ્યું તેમ પ્રત્યક્ષ વિદેશી મૂડીરોકાણ સાથે વિદેશી ટેક્નૉલોજી પણ આવે છે, પરંતુ ઘણી વખત એવું બનતું હોય છે કે આયાત કરેલી ટેક્નૉલોજી સ્થાનિક પરિસ્થિતિને અનુકૂળ આવતી નથી તથા દેશની જરૂરિયાતો સાથે સુમેળ સાધી શકતી નથી. આને પરિણામે સાધનોનો દુવ્યર્ય થાય છે અને સ્થાનિક ટેક્નૉલોજીનો વિકાસ અવરોધાય છે. તદ્દપરાંત આને કારણે વિદેશી ટેક્નૉલોજી પરનું પરાવલંબન વધતું જાય છે, જે બધા જ કિસ્સાઓમાં ઇચ્છનીય કે સલાહભર્યું હોતું નથી. વળી, આવી વિદેશી ટેક્નૉલોજી ની જાળવણી અને પુન: સ્થાપન માટે આયાતો જરુરી બને છે અને તેને લીધે દેશની લેણદેણની તુલા પર દબાણ આવે છે .

(૩) તદ્દપરાંત, એમ પણ કહેવાયું છે કે વિશાળ પાયા પરના પ્રત્યક્ષ વિદેશી મૂડીરોકાણને લીધે હરીફાઈમાં ઘટાડો થાય છે. વિરાટ કદની બહુરાષ્ટ્રીય કંપનીઓની સામે સ્થાનિક કંપનીઓને હરીફાઈમાં ટકી રહેવું બહુ મુશ્કેલ થઈ પડે છે. આ પ્રકારની સ્થિતિ અંતે તો ઈજારા અને અલ્પહસ્તક ઈજારામાં પરિણમે છે. જેના દુષણો અને અનિષ્ટોથી આપણે સુપરિચિત છીએ.

(૪) કેટલીક વખત એવું પણ બન્યું હોવાનું જણાયું છે કે વિદેશી કંપનીઓને નફો, ડિવિડન્ડ, રૉયલ્ટી વગેરે સ્વરૂપમાં કરવામાં આવતી ચુકવણીઓ અને તેને પરિણામે વિદેશી હૂંડિયામણનો તેમની તરફનો પ્રવાહ તેમણે આપણા દેશમાં કરેલા કુલ મૂડીરોકાણ કરતા અનેકગણો વધારે હોય છે, જેની પ્રતિકૂળ અસર આપણી લેણદેણની તુલા પર પડતી હોય છે.

(૫) વિદેશી રોકાણકારો ઘણી વખત જૂની -પુરાણી અને કાલાતીત થઈ ગયેલી ટેકનોલોજી જે દેશના અર્થતંત્રને અનુરૂપ હોતી નથી તેવી ટેક્નોલોજી પ્રયોજે છે, જે સરવાળે દેશના હિતમાં હોતી નથી.

(૬) એ જ રીતે વિદેશી કંપનીઓ ભારતમાં પ્રવેશવા માટે દેશના બજારોમાં વેચાણ કરવા પ્રત્યક્ષ મૂડીરોકાણ કરે છે, પરંતુ તેઓએ ભારતમાં જે કંપની સાથે સહયોગ કર્યો હોય તેવી કંપનીને પોતાના બજારોમાં વેચાણ કરવા પર અંકુશાત્મક શરતો લાદે છે. આવા કરારો ભારત માટે ખાસ લાભદાયી હોતા નથી .

(૭) વિદેશી રોકાણકારો અમુક વખત અનેક પ્રકારની ગેરરીતિઓ અને અનૈતિક પ્રવૃત્તિઓ આચરતી હોવાનું જણાયું છે; તેમની કેટલીક પ્રવૃત્તિઓ રાષ્ટ્રના હિતમાં હોતી નથી. વળી, કેટલીક વખત આ કંપનીઓ આપણા દેશના રાજકારણીઓ, અધિકારીઓ, અમલદારો, મોટા ઉદ્યોગપતિઓ વગેરેને લંચ-રૂશ્વત આપી અર્થતંત્ર પર તેમનું પ્રભુત્વ જમાવવાનો પ્રયાસ કરે છે.

(૮) બહુરાષ્ટ્રીય કંપનીઓ તેમની પાસેના નાણાં-સત્તાના જોરે દેશના રાજકારણમાં પણ દરમિયાનગરી કરવાનો પ્રયાસ કરે છે, અને એ રીતે રાજકીય સત્તાધીશો પર અનેક પ્રકારના દાબ-દબાણ લાવતા હોવાનું જણાયું છે.

પ્રત્યક્ષ વિદેશી મૂડીરોકાણને અસર કરતાં પરિબળો :

પત્યક્ષ વિદેશી મૂડીરોકાણને અસર કરતાં મુખ્ય પરિબળો નીચે પ્રમાણે દર્શાવી શકાય :-

(૧) **રાજકીય સ્થિરતા**: એક સુદ્રઢઅને સ્થિર સરકાર જે દેશનું રક્ષણ કરવા માટે સક્ષમ હોય તથા દેશની અંદર કાયદો - વ્યવસ્થાની જાળવણી તથા નાગરિકોના જાન-માલની સુરક્ષા કરી શકે એમ હોય તે દેશમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણ વધુ પ્રમાણમાં આકર્ષાશે. સરકારમાં થતા અવારનવાર ફેરફારો એ રાજકીય અસ્થિરતા અને અરાજકતા પેદા કરે છે. વધુમાં, શાસક પક્ષ એ વિરોધ - પક્ષોનો કેટલા પ્રમાણમાં સહકાર મેળવી શકે છે તેમ જ અન્ય વિવિધ પક્ષો સાથેના તેના સંબંધ કેવા છે તેમ જ અન્ય દેશો સાથેના સુમેળભર્યા રાજદ્વારી સંબંધો વગેરે બાબતો પણ પ્રત્યક્ષ ખાનગી મૂડીરોકાણને અસર કરતું મહત્ત્વનું પરિબળ છે.

(૨) **વિદેશી મૂડીરોણ અંગે સરકારની નીતિ**: વિદેશી મૂડીરોણ અંગે સરકારનો અભિગમ સકારાત્મક અને ઉદારપૂર્વકનો હોય તથા નફો, ડિવિડન્ડ, રૉયલ્ટી વગેરેને પોતાના વતન દેશમાં તબદલી કરવા માટેનો રચનાત્મક અભિગમ હોય તો ખાનગી મૂડીરોકાણ જે તે દેશમાં આવવા માટેનું પ્રોત્સાહન મળે છે. આ બધી બાબતો અંગેનો નકારાત્મક અભિગમ વિદેશી રોકાણકારો માટે અવરોધક પુરવાર થાય છે. એ જ રીતે સરકારની નાણાકીય નીતિ, રાજકોષીય નીતિ, આયાત-નિકાસ સહિતની વેપાર નીતિ વગેરે પણ પ્રત્યક્ષ ખાનગી મૂડીરોકાણને અસર કરતાં પરિબળો છે.

(3) **દેશની આર્થિક સ્થિતિ**: પ્રજાની આવકની સપાટી, બજારોની શક્યતા, વસ્તીનું કદ અને તેનું વય બંધારણ, માળખાકીય સવલતોનો વિકાસ વગેરે પરિબળો પણ વિદેશી મૂડીરોકાણને અસર કરે છે.

(૪) **વ્યાજના દર**: જુદા જુદા દેશોમાં પ્રવર્તતા વ્યાજના દરો પણ વિદેશી મૂડીરોકાણને અસર કરે છે. વ્યાજ એ મૂડીના ઉપયોગ બાદલ ચૂકવવી પડતી કિંમત છે અને તેથી જે દેશોમાં વ્યાજ દર નીચા હશે ત્યાંથી મૂડી એ દેશો તરફ જવાનું વલણ ધરાવશે કે જ્યાં વ્યાજ દર ઊંચા હોય.

ભારતમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણનો પ્રવાહ :

પ્રત્યેક વિદેશી મૂડીરોકાણ તથા વિદેશી સંસ્થાકીય મૂડીરોકાણને પ્રોત્સાહન આપવા માટે સરકારે લીધેલ અનેક પ્રકારના સકારાત્મક અને વિધેયાત્મક સ્વરૂપના નીતિવિષયક પગલાંને લીધે ૧૯૯૧-૯૨થી

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આવા મૂડીરોકાણના પ્રમાણમાં નોંધપાત્ર વધારો થવા પામ્યો છે જેનો ખ્યાલ નીચેના કોઠા પર થી સાવી શકશે.

ભારતમાં વિદેશી મૂડીરોકાણનો પ્રવાહ (અમેરિકન મિલયન ડોલરમાં)

ક્રમ	વર્ષ	પ્રત્યક્ષ વિદેશી મૂડીરોકાણ	વિદેશી પોર્ટફોલિયો મૂડીરોકાણ	કુલ વિદેશી મૂડીરોકાણ
1	1991-92	129	04	133
2	2001-2002	6,130	2,021	8,151
3	2007-2008	15,891	27,434	43,325
4	2008-2009	22,343	14,032	8,311
5	2009-2010	17,965	32,396	50,361
6	2010-2011	11,305	30,292	41,597
7	2011-2012	22,006	17,171	39,177

ઉપરોક્ત કોઠા પરથી સ્પષ્ટ થશે કે ૧૯૯૧-૯૨ માં કુલ વિદેશી મૂડીરોકાણ ૧૩૩ અમેરિકન મિલિયન ડૉલર જેટલું હેતુ, જે ૨૦૦૧-૨૦૦૨ માં વધીને ૮,૧૫૧ મિલિયન ડૉલર જેટલું થતું હતું, વિદેશી મૂડીરોકાણ પ્વાહમાં આ વૃદ્ધિ ચાલુ રહી અને ૨૦૦૭-૨૦૦૮ માં તે ૪૩,૩૨૫ મિલિયન ડૉલર જેટલી થવા પામી હતી. અલબત્ત, પ્રતિકૂળ વૈશ્વિક આર્થિક પરિબળોને લીધે ૨૦૦૮-૨૦૦૯ માં વિદેશી મૂડીરોકાણ ઘટીને ૮,૩૧૧ મિલિયન ડૉલર જેઠાળુ થઇ ગયું હતું, પરંતુ ૨૦૦૯-૨૦૧૦ માં તે વધીને ૫૦,૩૬૧ મિલિયન ડૉલર જેટલું થવા પામ્યું હતું, જયારે ૨૦૧૦-૨૦૧૧ માં તે ૪૧,૫૯૭ મિલિયન ડૉલર અને ૨૦૧૧-૨૦૧૨ માં તે ૩૯,૧૭૭ મિલિયન ડૉલર જેટલું અંદાજવામાં આવ્યુ હતું, આમ,આ બે વર્ષા, ૨૦૧૦-૨૦૧૧ અને ૨૦૧૧-૨૦૧૨ માં વિદેશી મૂડીરોકાણના પ્રવાહમાં સ્હેજ ઓટ આવેલી જણાય છે, જે અંગે જરૂરી સુધારાત્મક પગલાં લેવા ઘટે.

પ્રત્યક્ષ વિદેશી મૂડીરોકાણના સ્ત્રોતો:

ભારતમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણ અંગેના સ્ત્રોતોનો અભ્યાસ કરતા જણાય છે કે ૨૦૦૭-૨૦૦૮ થી ૨૦૧૧-૨૦૧૨ના પાંચ વર્ષ દરમિયાન મોરિશ્યસ, સિંગાપોર,બ્રિટન જેવા દેશો પ્રત્યક્ષ વિદેશી મૂડીરોકાણ ના મુખ્ય સ્રોતો રહ્યા હતા અન્ય સ્ત્રોતોમાં અમેરિકા નેપલેન્ડ જમેન ફ્રાંસ જાપાન અને સાઈપ્રસજેવા દેશોનો સમાવેશ થાય છે.

અત્રે એ નોસ્ક્યુ ધવું વિદેશી મૂડીરોકાણકારોને હજુ પણ ભારતમાં રોકાણ કરવાની કાર્યવિધી ઘણી જટિલ અટપટી અને વિલબકારી જણાય છે આંતરરાષ્ટ્રીય નાણા કોપોરેશન અને વિશ્વ બેકે તાજેતરમાં રજૂ

કરેલા ના શીર્ષક હેઠળન આધલમાં જણાવ્યા પ્રમાણે સરળતાથી કારોબાર થઈ શકે તેવા દેશોના સર્વેક્ષણના કરતા આગળના ક્રમે હતા . એવું પણ જણાય છે કે ભારત કરતા ચીનમાં વહીવટી વિધિ વધુ સરળ અને ઝડપી હોવાનું જણાય વળી ચીનમાં શ્રમધરા વધુ ફેરફારકસમ કે સ્થિતિસ્થાપક છે તથા રોકાણકારો માટે પ્રવેશ અને ભીગમન ની વિધિ વધુ સારી અને સરળ છે. આથી જ કદાચ ભારત કરતાં ચીન ઘણા મોત પ્રમાણમાં પ્રત્યક્ષ વિદેશી મૂડીરોકાણ ને આકર્ષી શક્યું છે. ભારત સરકારે આ અંગે યોગ્ય અને અસરકારક નીતિવિષયક પગલાં લેવાની તાતી જરૂરિયાત છે.

ક્ષેત્રવાર પ્રત્યક્ષ વિદેશી મૂડીરોકાનનો પ્રવાહ :

૨૦૦૭-૨૦૦૮ થી ૨૦૧૧-૨૦૧૨ ના પાંચ વર્ષના ગદ્ય દરમિયા પ્રત્યક્ષ મૂડીરોકાનનો પ્રવાહ મેન્યુફેક્ચરિંગ અને બાંધકામ ક્ષેત્ર,નાણાકીય સેવાઓનું ક્ષેત્ર , નાણાકીય સેવફાઓનું ક્ષેત્ર, વીજળી અને ઊર્જાના અન્ય સ્ત્રોતોનું ઉત્પાદન અને વહેનવચણીનું ક્ષેત્ર, સંચાર સેવાઓ, વ્યાપારી સેવાઓ, કોમ્પુટર સેવાઓ, રેસ્ટોરન્ટ અને હોટેલ, ફૂડ પ્રોસેસિંગ, છૂટક-જથ્થાબંધ વેપાર, પ્રવાસન ક્ષેત્રે વેગેરે જોવા મળે છે.

વિસ્તારવાર પ્રત્યક્ષ વિદેશી મૂડીરોકાનનો પ્રવાહ :

અત્રે આ નોંધવું રસપ્રદ થઈ પડસે કે પ્રત્યક્ષ વિદેશી મૂડીરોકાનનો પ્રવાહ દેશના અમુક જ રાજ્યોમાં કેન્દ્રિત થયેલ જાણે છે, જેમ કે, દિલ્લી અને ઉત્તરપપ્રદેશન આનું વિસ્તારો, પંજાબ, હરિયાણા, મહારાસ્ટ્ર , ગુજરાત, કર્ણાટક, તમિલનાડુ, પાંડુચેરી, દાદરા નગર હવેલી, દમણ અને દીવ વગેરે.

નવી FDI નીતિ :-

- નવી નીતિ અનુસાર, કોઈ દેશની એન્ટિટી, જે ભારત સાથે જમીનની સરહદ વહેંચે છે અથવા જ્યાં ભારતમાં રોકાણનો લાભાર્થી માલિક આવા કોઈ પણ દેશમાં સ્થિત છે અથવા તેનો નાગરિક છે, તે ફક્ત સરકારી માર્ગ હેઠળ જ રોકાણ કરી શકે છે.
- FDI સોદામાં માલિકીનું ટ્રાન્સફર કે જે ભારત સાથે સરહદ વહેંચતા કોઈ પણ દેશને લાભ આપે છે તેને પણ સરકારની મંજૂરી જરૂર પડેશે.
- જે દેશોના રોકાણકારો નવી નીતિમાં આવરી લેવામાં આવ્યા નથી તેઓએ સંબંધિત સરકારી વિભાગની પૂર્વ પરવાનગી માંગવાને બદલે માત્ર વ્યવહાર પછી RBIને જાણ કરવી પડશે.
- અગાઉની FDI નીતિ તમામ ક્ષેત્રોમાં સરકારી માર્ગ દ્વારા ફક્ત બાંગ્લાદેશ અને પાકિસ્તાનને જ મંજૂરી આપવા પૂરતી મર્યાદિત હતી. સુધારેલા નિયમમાં હવે ચીનની કંપનીઓને સરકારી રૂટ ફિલ્ટર હેઠળ લાવવામાં આવી છે .

ભારતમાં FDI :-

૧૯૯૧ જયારે સરકારે અર્થવ્યવસ્થા ખોલી અને LPG વ્યૂહરચના શરૂ કરી ત્યારે ભારતમાં રોકાણના વાતાવરણમાં ઘણો સુધારો થયો છે.

ISBN-978-81-971187-7-7
First Edition

૧. આ - સંબંધમાં સુધારો સામાન્ય રીતે એફડીઆઇના ધોરણોને સરળ બનાવવાને આભારી છે.

૨. દેશના આર્થિક ઉદારીકરણ પછી ઘણા ક્ષેત્રો આંશિક અથવા સંપૂર્ણ રીતે વિદેશી રોકાણ માટે ખુલ્યા છે.

૩. હાલમાં, ભારત વ્યવસાય કરવાની સરળતામાં ટોચના ૧૦૦ દેશોની યાદીમાં સ્થાન ધરાવે છે.

૪. ૨૦૧૯ માં, ભારત એફડીઆઇના ટોચના દસ પ્રાપ્તકર્તાઓમાં હતું , કુલ $૪૯ બિલિયનનો પ્રવાહ , યુએનના અહેવાલ મુજબ. આ ૨૦૧૮ કરતા ૧૬% નો વધારો છે.

૫. ફેબ્રુઆરી ૨૦૨૦ માં, વીમા મધ્યસ્થીઓમાં ૧૦૦% એફડીઆઇને મંજૂરી આપવા માટે નીતિને સૂચિત કરે છે.

૬. ૨૦૨૦ ની શરૂઆતમાં, સરકારે રાષ્ટ્રીય એરલાઈનની એર ઇન્ડિયામાં ૧૦૦% હિસ્સો વેચવાનું નક્કી કર્યું.

ભારતમાં FDI ના રૂટ

ભારતમાં FDIનો પ્રવાહ ત્રણ માર્ગો છે. તેઓ નીચેના કોષ્ટકમાં વર્ણવેલ છે :

શ્રેણી 1	શ્રેણી 2	શ્રેણી 3
ઓટોમેટિક રૂટ દ્વારા ૧૦૦% સુધી FDI ને મંજૂરી	સરકારી માર્ગ દ્વારા ૧૦૦% સુધી FDI ને મંજૂરી	ઓટોમેટિક સરકારી રૂટ દ્વારા ૧૦૦% સુધી FDI ને મંજૂરી

ઓટોમેટિક રૂટ FDI :-

ઓટોમેટિક રૂટમાં, વિદેશી એન્ટિટીને સરકાર અથવા આરબીઆઇની પૂર્વ મંજૂરીનીજરૂર નથી.

ઉદાહરણો :

૧. તબીબી ઉપકરણો : ૧૦૦% સુધી

૨. થર્મલ પાવર : ૧૦૦% સુધી

૩. નાગરિક ઉડ્ડયન સેવાઓ હેઠળની સેવાઓ જેમ કે જાળવણી અને સમારકામ સંસ્થાઓ વીમો: ૪૯% સુધ્રી

૪. સિક્યોરિટીઝ માર્કેટમાં ઈન્ફ્રાસ્ટ્રક્ચર કંપની : ૪૯% સુધી

૫. બંદરો અને શિપિંગ : ૪૯% સુધી

૬. રેલવે ઈન્ફ્રાસ્ટ્રક્ચર : ૪૯% સુધી

૭. પેંશન : ૪૯% સુધી

૮.પાવર એક્સચેન્જો : ૪૯% સુધી

૯. પેટ્રોલિયમ રિફાઇનિંગ (પીએસયુ દ્વારા) : ૪૯% સુધી

ISBN-978-81-971187-7-7
First Edition

સરકારી રૂટ FDI

સરકારી માર્ગ હેઠળ, વિદેશી એન્ટીટીએ ફરજિયાતપણે સરકારની મંજૂરી લેવી જોઈએ. તેણે ફોરેન ઇન્વેસ્ટમેન્ટ ફેસિલિટેશન પોર્ટલ દ્વારા અરજી દાખલ કરવી જોઈએ, જે સિંગલ-વિંડો ક્લિયરન્સની સુવિધા આપે છે. આ અરજી પછી સંબંધિત મંત્રાલય અથવા નકારી કાઢે છે.

ઉદાહરણો :

1. બ્રોડકાસ્ટિંગ સામગ્રી સેવાઓ : ૪૯%
2. બેંકિંગ અને જાહેર ક્ષેત્ર : ૨૦%
3. ફૂડ પ્રોડક્ટ્સ રિટેલ ટ્રેડિંગ : ૧૦૦%
4. કોર ઇન્વેસ્ટમેન્ટ કંપની : ૧૦૦%
5. મલ્ટી-બ્રાન્ડ રિટેલ ટ્રેડિંગ : ૫૧%
6. ટાઇટેનિયમ બેરિંગ ખનિજો અને અયસ્કનું માઇનિંગ અને મિનરલ્સનું વિભાજન : ૧૦૦%
7. પ્રિન્ટ મીડિયા (વૈજ્ઞાનિક અને તકનીકી સામયિકોનું પ્રકાશન/પ્રિન્ટિંગ/વિશેષતા જર્નલ્સ/સામયિકો અને વિદેશી અખબારોની પ્રતિકૃતિ આવૃત્તિ) : ૧૦૦%
8. સેટેલાઇટ (સ્થાપના અને કામગીરી) : ૧૦૦%
9. પ્રિન્ટ મીડિયા (અખબાર, સામયિકોનું પ્રકાશન અને સમાચાર અને વર્તમાન બાબતો સાથે કામ કરતા વિદેશી સામયિકોની ભારતીય આવૃતિઓ) : ૨૬% સુધી

એવા ક્ષેત્રો જ્યાં FDI પ્રતિબંધિત છે

કેટલાક ક્ષેત્રો એવા છે જ્યાં કોઈપણ એફડીઆઈ સંપૂર્ણપણે પ્રતિબંધિત છે. તેઓ છે :

1. કૃષિ અથવા વૃક્ષારોપણની પ્રવૃતિઓ (જોકે બાગાયત, મત્સ્યોદ્યોગ, ચાના વાવેતર, મત્સ્યઉછેર, પશુપાલન વગેરે જેવા ઘણા અપવાદો છે).
2. એટોમિક એનર્જી જનરેશન
3. નિધિ કંપની
4. લોટરી (ઓનલાઇન, ખાનગી, સરકારી, વગેરે)
5. ચિટ ફંડમાં રોકાણ
6. TDR માં વેપાર
7. કોઈપણ જુગાર અથવા સટ્ટાબાજીના વ્યવસાયો
8. સિગાર, સિગારેટ અથવા કોઈપણ સંબંધિત તમાકુ ઉદ્યોગ
9. હાઉસિંગ અને રિયલ એસ્ટેટ (ટાઉનશીપ, કોમર્શિયલ પ્રોજેક્ટ્સ વગેરે સિવાય)

ISBN-978-81-971187-7-7
First Edition

FDI ના ફાયદા

1. આર્થિક વિકાસ માટે નાણાકીય સંસાધનો લાવે છે.
2. નવી ટેક્નોલોજી, કૌશલ્ય, જ્ઞાન વગેરે લાવે છે.
3. લોકો માટે રોજગારીની વધુ તકો ઊભી કરે છે.
4. દેશમાં વધુ સ્પર્ધાત્મક બિઝનેસ વાતાવરણ લાવે છે.
5. ક્ષેત્રોમાં ઉત્પાદનો અને સેવાઓની ગુણવત્તા સુધારે છે.

FDI ના ગેરફાયદા

1. તે સ્થાનિક રોકાણ અને સ્થાનિક કંપનીઓને પ્રતિકૂળ અસર કરી શકે છે.
2. દેશની નાની કંપનીઓ તેમના ક્ષેત્રમાં MNCs ના આક્રમણ સામે ટકી શકશે નહિ. એફડીઆઈમાં વધારો થવાને કારણે ઘણી સ્થાનિક કંપનીઓ દ્વારા દુકાન બંધ કરવાનું જોખમ છે.
3. FDI દેશના વિનિમય દરોને પણ પ્રતિકૂળ અસર કરી શકે છે.

ભારતમાં FDI વધારવા માટેના પગલાં

- ઇલેક્ટ્રોનિક્સ મેન્યુફેક્ચરિંગ માટે ૨૦૨૦ માં પ્રોડક્શન લિંક્ડ ઈન્સેન્ટિવ (PLI) સ્કીમ જેવી સરકારી યોજનાઓને વિદેશી રોકાણ આકર્ષવા માટે સૂચિત કરવામાં આવી છે .
- ૨૦૧૯ માં, સરકાર દ્વારા એફડીઆઈ નીતિ ૨૦૧૭ માં સુધારો, કોલસાની ખાણકામ પ્રવૃતિઓ માં સ્વચાલિત માર્ગ હેઠળ ૧૦૦% એફડીઆઇને મંજૂરી આપવા માટે, એફડીઆઈ પ્રવાહમાં વધારો થયો . મેન્યુફેક્ચરિંગમાં એફડીઆઈ પહેલેથી જ ૧૦૦% ઓટોમેડિક રૂટ હેઠળ હતું , જો કે , ૨૦૧૯ માં , સરકારે સ્પષ્ટ કર્યું કે કોન્ટ્રાકટ મેન્યુફેક્ચરિંગમાં રોકાયેલી ભારતીય સંસ્થાઓમાં રોકાણને પણ ૧૦૦% સ્વચાલિત રૂટ હેઠળ મંજૂરી છે, જો કે તે કાયદેસર કરાર દ્વારા હાથ ધરવામાં આવે .
- વધુમાં , સરકારે ડિજિટલ ક્ષેત્રો માં ૨૬% એફડીઆઇને મંજૂરી આપી છે. ભારતમાં આ ક્ષેત્ર ખાસ કરીને ઉચ્ચ વળતરની ક્ષમતા ધરાવે છે કારણ કે સાનુકૂળ વસ્તી વિષયક , નોંધપાત્ર મોબાઈલ અને ઈન્ટરનેટ પ્રવેશ ,ટેક્નોલોજીના ઉપયોગ સાથે મોટા પ્રમાણમાં વપરાશ વિદેશી રોકાણકારો માટે બજારની મોટી તક પુરી પાડે છે.
- ફોરેન ઇન્વેસ્ટમેન્ટ ફેસિલિટેશન પોર્ટલ (FIFP) એ FDIની સુવિધા માટે રોકાણકારો સાથે ભારત સરકારનું ઓનલાઇન સિંગલ પોઈન્ટ ઇન્ટરફેસ છે . તે વાણિજ્ય અને ઉદ્યોગ મંત્રાલય ના ઉદ્યોગ અને આંતરિક વેપારના પ્રમોશન વિભાગ દ્વારા સંચાલિત થાય છે .
- FDI ના પ્રવાહમાં વધુ વધારો થવાની ધારણા છે -
- કારણ કે વિદેશી રોકાણકારોએ ખાનગી ટ્રેનની કામગીરીને મંજૂરી આપવા અને એરપોર્ટ માટે બિડ કરવા સરકારના પગલામાં રસ દાખવ્યો છે.

- ડિફેન્સ મેન્યુફેક્ચરિંગ જેવા મૂલ્યવાન ક્ષેત્રો જ્યાં સરકારે મે ૨૦૨૦માં ઓટોમેટિક રૂટ હેઠળ FDI મર્યાદાને ૪૯% થી વધારીને ૭૪% કરી હતી, તે પણ આગળ જતા મોટા રોકાણો આકર્ષે તેવી અપેક્ષા છે.

ભારતમાં FDI માટે નિયમનકારી માળખું :-

૧. કંપની એક્ટ

૨. સિક્યોરિટીઝ એન્ડ એક્સચેન્જ બોર્ડ ઓફ ઇન્ડિયા એક્ટ, ૧૯૯૨ અને સેબી રેગ્યુલેશન્સ

૩. ફોરેન એક્સચેન્જ મેનેજનેન્ટ એક્ટ (FEMA)

૪. વિદેશી વેપાર (વિકાસ અને નિયમન) અધિનિયમ , ૧૯૯૨

૫. સિવિલ પ્રોસિજર કોડ,1908

૬. ભારતીય કરાર અધિનિયમ, ૧૮૭૨

૭. આર્બિટ્રેશન એન્ડ કોન્સીલિએશન એક્ટ, ૧૯૯૬

૮. સ્પર્ધા અધિનિયમ , ૨૦૦૨

૯. આવકવેરા અધિનિયમ, ૧૯૬૧

૧૦. ફોરેન ડાયરેક્ટ ઇન્વેસ્ટમેન્ટ પોલિસી (FDI પોલિસી)

સંદર્ભસૂચિ:

૧. ધંધાકીય પર્યાવરણ

૨. મલ્ટીબ્રાન્ડ રીટેઈલમાં વિદેશી રોકાણ : માહિતી અને પ્રસારણ મંત્રાલય, ભારત સરકાર.

૩. ભારત વિકાસના પંથે : સપ્તેમ્બેર-૨૦૧૧-૧૨

૪. ગુજરાત સમાચાર, કુલછાબ દૈનિક, ૨૦૧૩-૨૦૧૪-૨૦૧૫

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ગુજરાતના વિવિધ જિલ્લાઓમાં મીઠાનું ઉત્પાદન અને તેની સમસ્યાઓ

Goswami Paresh Jagdishgiri

Department of Economics, Saurashtra University, Rajkot

સારાંશ

ભારત દેશમાં અને તેમાં પણ ખાસ કરીને ગુજરાત રાજ્યમાં આવેલા જુદા જુદા જિલ્લાઓમાં મીઠા અને મીઠા ઉત્પાદન સંલગ્ન વિવિધ પ્રવૃતિઓ ખુબ વિશાળ વિસ્તારમાં પથરાયેલ જોવા મળે છે. જે ત્યાંની ભૌગોલિક પરિસ્થિતિને અનુરૂપ કામ કરે છે. જેમાં કરછ અને ભાવનગર જિલ્લામાં મીઠા ઉત્પાદન સંલગ્ન વિવિધ પ્રવૃતિઓ ખૂબ મોટા પાયે થતી જોવા મળે છે. જ્યાં કુદરતી સાધન સંપતિનો યોગ્ય ઉપયોગ કરી મોટા પાયા પર મીઠાનું ઉત્પાદન કરવામાં આવે છે અને તેની મોટા પાયા પર નિકાસ પણ કરવામાં આવે છે. જેમાં ભારતે વિશ્વનાં તમામ દેશો કરતાં ગર્વ લેવાની વાત છે.

મહત્વના શબ્દો: મીઠું, ઉત્પાદન, સરેરાશ, ગુજરાત

પ્રસ્તાવના

વિશાળ ભારત દેશમાં એક અધભુત રાજ્ય એટલે કે ગુજરાત આવેલ છે. ગુજરાત રાજ્યનું નામ ગુર્જર જાતિ પરથી ઉતરી આવ્યું છે. 1 મે, 1960ના રોજ બૃહદ મુંબઈ રાજ્યનું ભાષાવાર વિભાજન થતાં મહારાષ્ટ્ર અને ગુજરાત એમ બે અલગ અલગ રાજ્યો અસ્તિત્વમાં આવ્યા હતા. ગુજરાતનું ક્ષેત્રફળ 1'96'024 ચોરસ મીટર છે. ગુજરાતના મૂળ વતનીઓ આદિવાસી તરીકે ઓળખાય છે. ગુજરાત અન્ય રાજ્યો કરતાં વધુ ખેતી ધરાવતું રાજ્ય હોવાથી તે ખેતીપ્રધાન રાજ્ય તરીકે પણ ઓળખાય છે.

હેતુઓ

- ગુજરાત રાજ્યના સંદર્ભમાં મીઠા ઉત્પાદનનો અભ્યાસ કરવો.
- ગુજરાત રાજ્યના જુદાં જુદાં જિલ્લાઓનો મીઠા ઉત્પાદનમાં ફાળો તપાસવો.

સંશોધન પદ્ધતિ

- પ્રસ્તુત સંશોધન વર્ણનાત્મક સંશોધન પદ્ધતિ પર આધારિત છે તથા ગૌણ માહિતીનો ઉપયોગ કરવામાં આવ્યો છે.

સંબંધિત સાહિત્યની સમીક્ષા

1. **Kanaiyalal D. Dave (2016) A Study On the Development and Trend of Salt Industry in Gujarat.**

પ્રસ્તુત સંશોધન પેપરમાં ભારતમાં આવેલ ગુજરાત રાજયમાં થતાં મીઠા ઉત્પાદન અંગેની મહત્વની કામગીરી અને બાબતોનો અભ્યાસ કરવામાં આવે છે. જેમ કે કોઈ પણ રાજ્ય કે દેશનો ઝડપી આર્થિક વિકાસ કરવા માટે ત્યાંની કુદરતી સાધન સંપત્તિનો શ્રેષ્ઠ ઉપયોગ કરવો પણ જરૂરી છે. ભારતને

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પણ ઘણી કુદરતી સાધન સંપત્તિ પ્રાપ્ત થઈ છે. તે પૈકી 7,516 કિલોમીટર જેટલો વિશાળ દરિયો કિનારો પણ ધરાવે છે. મીઠા ઉદ્યોગના વિકાસ માટે અનુકૂળ આબોહવા હોવી એ પણ એક મહત્વની બાબત છે આથી ગુજરાતના મીઠા ઉદ્યોગના વિકાસ માટે ભારતમાં આવેલ કુદરતી સાધન સંપત્તિનો કાચામાલ તરીકે શ્રેષ્ઠ ઉપયોગ કરતા મીઠાના ઉત્પાદનમાં મોટા પ્રમાણમાં વધારો કરી શકાશે અને વધારાના મીઠાની નિકાસ કરીને અન્ય વિદેશી લાભ પણ મેળવી શકાશે. આ રીતે મીઠા ઉદ્યોગનો વિકાસ કરી મીઠાનું ઉત્પાદન અને તેની ઉપપેદાશોનું ઉત્પાદન કરી મીઠા ઉદ્યોગની કાર્યક્ષમતા વધારી શકાશે. જે ભારતની આગવી વિશેષતા ગણી શકાય. આ રીતે ગુજરાતમાં મીઠા ઉત્પાદન અને ઉદ્યોગમાં વધારો કરી ભારતમાં રોજગારી અને આવક વધારી શકાશે. આમ, પ્રસ્તુત સંશોધન અભ્યાસમાં ગુજરાતમાં મીઠા ઉદ્યોગનો વિકાસ તપાસી તેનો વધારે વિકાસ કરવા માટેના કેટલાક ઉપાયો સૂચવવામાં આવ્યા છે. તેથી આ અભ્યાસ ભારતમાં આવેલા મીઠા ઉદ્યોગનો વિકાસ જાણવામાં અને તેને વધારે વિકસાવવાના ઉપાયો સૂચવવામાં અમુક અંશે ઉપયોગી બની શકશે.

2. Mark Kurlansky (2002) Salt: A World History

પ્રસ્તુત પુસ્તકમાં મીઠા અંગેની સામાજિક, રાજકીય, અને આર્થિક બાબતોનું વર્ણન કરવામાં આવ્યું છે. જેમકે ખોરાક માટેનો સ્વાદ છે મીઠુ, કિંમતી ચીજવસ્તુની ગુણવતા છે મીઠુ અને વેપાર-વાણિજ્ય માટે ધબકતું એક ઘટક છે મીઠુ. આ ઉપરાંત પ્રસ્તૂત પુસ્તકમાં સમાજે કરેલ મીઠાની માંગ તેમજ મીઠા ઉદ્યોગ દ્વારા પર્યાવરણને થતા નુકસાનને કારણે સર્જાયેલા રાજકીય સંઘર્ષ પણ ધ્યાનમાં લેવામાં આવ્યાં છે. મીઠા અંગેની સામાજિક અને આર્થિક બાબતોનું વર્ણન પણ આ પ્રમાણે કરવામાં આવે છે કે વ્યક્તિઓનું અસ્તિત્વ મીઠાં પર આધાર રાખતા માનવ સંસ્કૃતિ પણ આ ખનિજ દ્વારા જ ઘડવામાં આવી છે. જે એક સ્થિર ખાદ્ય સંયોજન તરીકે આર્થિક વ્યવહારમાં અને આપણા જીવનમાં મહત્વનું સ્થાન ધરાવે છે.

3. Andrew Philip Fielding (2008) The Salt Industry

પ્રસ્તુત પુસ્તકમાં મીઠુ જે એક પ્રદાર્થ તરીકે ગણવામાં આવે છે તેવી સામાન્ય અને આર્થિક બાબતોનું અહીં વર્ણન કરવામાં આવેલ છે. જેમ કે ઐતિહાસિક કાળથી અત્યાર સુધી મીઠું એ માનવજાત માટે મહત્વની પ્રાથમિક ચીજવસ્તુમાની એક વસ્તુ માનવામાં આવે છે. મીઠુ એ માંસ, માછલી, ડેરી ઉત્પાદન, ખોરાકની જાળવણી વગેરે માટે ખૂબ ઉપયોગી એક ઘટક છે. મીઠુ વિવિધ ઔદ્યોગિક પ્રક્રિયાઓમાં કાચામાલ તરીકે મહત્વની કામગીરી બજાવે છે. મીઠું નામનો પ્રદાર્થ દરિયાના પાણીમાંથી બાષ્પીભવન દ્વારા, ખારા પાણીના ઝરણા દ્વારા, લહેરોની અંદર અનેક પ્રક્રીયાઓ દ્વારા, ખડકાઉ વિસ્તારમાં ખાણકામની પ્રવૃતિઓ દ્વારા વગેરે રીતે મીઠું મેળવવામાં આવે છે. પ્રસ્તૂત પુસ્તકમાં વિવિધ પ્રક્રિયાઓની છનાવટ વિગતવાર કરેલ છે આ ઉપરાંત પ્રસ્તૂત પુસ્તકમાં બ્રિટનના મીઠા ઉદ્યોગ અંગેની ઐતિહાસીક બાબતોની સ્પષ્ટતા પણ કરવામાં આવી છે.

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ગુજરાત રાજ્યની રચના પછી વહીવટી દ્રષ્ટિએ સરળતા માટે રાજ્યના કેટલાક વિસ્તારની પ્રજાઓની જિલ્લાઓની પુનઃ રચના માટેની માંગણી હતી. રાજ્યના કેટલાક જિલ્લાઓની પુનઃ રચના કરવામાં આવી હતી તેની સાથે મળી કુલ જિલ્લા 33 કરવામાં આવ્યા અને તાલુકાઓ બધા જ મળીને કુલ 250 જેટલા કરવામાં આવ્યા હતા. તો હવે પ્રસ્તુત સંશોધન અભ્યાસમાં ગુજરાતના વિવિધ 14 જિલ્લાઓમાં મીઠાનું સરેરાશ ઉત્પાદન કેટલું હશે તેની તપાસ નીચે મુજબના કોષ્ટક દ્વારા કરી શકાય.

ક્રમ	જિલ્લાઓના નામ	સરેરાશ ઉત્પાદન
1	કચ્છ	7775819
2	ભાવનગર	3302681
3	રાજકોટ	2050000
4	દેવભૂમિ દ્વારકા	2309338
5	જામનગર	1196330
6	ભરૂચ	1932952
7	સુરેન્દ્રનગર	1258474
8	અમરેલી	917530
9	પાટણ	756059
10	સુરત	105642
11	જૂનાગઢ	60290
12	પોરબંદર	43223
13	આણંદ	21268
14	વલસાડ	37388
કુલ ઉત્પાદન		21767044

Source: Annual Report 2015-2019 of Department of Salt, Government of India

અર્થઘટન:

ઉપરોક્ત કોષ્ટક અનુસાર ભારત સરકારના મીઠા વિભાગના વાર્ષિક અહેવાલ પ્રમાણે ગુજરાતના કુલ 33 જિલ્લાઓમાંથી કુલ 14 જિલ્લાઓમાં મીઠાનું સરેરાશ ઉત્પાદન દર્શાવવામાં આવ્યું છે જેમાં કચ્છ જિલ્લામાં 7775819 સરેરાશ ઉત્પાદન, ભાવનગર જિલ્લામાં 3302681 સરેરાશ ઉત્પાદન, ભાવનગર જિલ્લામાં 3302681 સરેરાશ ઉત્પાદન, રાજકોટ જિલ્લામાં 2050000 સરેરાશ ઉત્પાદન, દેવભૂમિ દ્વારકા જિલ્લામાં 2309338 સરેરાશ ઉત્પાદન, જામનગર જિલ્લામાં 1196330 સરેરાશ ઉત્પાદન, ભરૂચ જિલ્લામાં 1932952 સરેરાશ ઉત્પાદન, સુરેન્દ્રનગર જિલ્લામાં 1258474 સરેરાશ ઉત્પાદન, અમરેલી જિલ્લામાં 917530 સરેરાશ ઉત્પાદન, પાટણ જિલ્લામાં 756059 સરેરાશ ઉત્પાદન, સુરત જિલ્લામાં 105642 સરેરાશ ઉત્પાદન, જૂનાગઢ જિલ્લામાં 60290 સરેરાશ ઉત્પાદન, પોરબંદર જિલ્લામાં 43223 સરેરાશ ઉત્પાદન,

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આણંદ જિલ્લામાં 21268 સરેરાશ ઉત્પાદન, વલસાડ જિલ્લામાં 37388 સરેરાશ ઉત્પાદન વગેરે જોવા મળ્યું હતું.

મીઠા ઉત્પાદન સંલગ્ન ઉદભવતી સમસ્યાઓ

- સ્ત્રી અને પુરુષના વેતન વચ્ચે તફાવત
- પીવાના પાણીની સમસ્યા
- મહિલાઓ અને બાળકોમાં કુપોષણ
- શિક્ષણ વ્યવસ્થાનો અભાવ
- કઠોર પરિશ્રમ અને કાળી મજૂરી વચ્ચે અગરિયાઓ
- વીજળીનો અભાવ
- અનેક અસાધ્ય રોગો થવાની શક્યતામાં વધારો
- ધિરાણ અને રહેઠાણનો પ્રશ્નો
- અલ્પકાલીન રોજગારી અને બધું બેકારી
- પરંપરાગત વ્યવસાય હોવાથી તમામ કુટુંબનો આધાર
- યોજનાકીય લાભોનો અભાવ
- વેપારીઓ અને માલિકો દ્વારા શોષણ
- અન્ય આવડતનો અભાવ જોવાથી આજીવીકાનું માત્ર એક સાધન
- વાહનવ્યવહાર અને સંદેશાવ્યવહારની સુવિધાઓનો અભાવ
- ગરીબી અને આવકની અસમાનતાનું વધતું જતું પ્રમાણ
- સ્થળાંતર અને સ્થળાંતરના સાધનોનો અભાવ
- જાતિ જ્ઞાતિમાં વધું પડતા વિવાદ અને વ્યવસાય સંલગ્ન ભાગલા
- સ્વાર્થવૃત્તિના કારણે આર્થિક રીતે પછાત

તારણો

- ✓ ભૌગોલિક પરિસ્થિતિ અનુસાર ગુજરાતના જુદાં જુદાં જિલ્લાઓમાં તેનું ઉત્પાદન જુદી જુદી માત્રામાં જોવા મળે છે.
- ✓ ગુજરાતની સાધન સંપતિમાં તફવત હોવાથી મીઠા ઉત્પાદનમાં તફાવત જોવા મળે છે.
- ✓ મીઠા ઉત્પાદનની દ્રષ્ટિએ ગુજરાત રાજ્યમાં ભાવનગર અને કરછ જિલ્લો મહત્વપૂર્ણ સ્થાન ધરાવે છે.
- ✓ સરેરાશ ઉત્પાદનની દ્રષ્ટિએ મીઠા ઉત્પાદનમાં કરછ જિલ્લો મહત્વનુ સ્થાન ધરાવે છે.
- ✓ ગુજરાત એ ભારતના જુદાં જુદાં રાજ્યોમાં મીઠા ઉત્પાદનમાં અગસ્થાન ધરાવે છે.
- ✓ ગુજરાતમાં મીઠા ઉત્પાદનમાં સંલગ્ન સમસ્યાઓ જોવા મળે છે.

સમાપન

આમ, ભારત દેશના જુદાં જુદાં રાજ્યોમાં ગુજરાત એ મીઠા ઉત્પાદનની દ્રષ્ટિએ અગત્યનું સ્થાન ધરાવે છે. જે ભારતની રાષ્ટ્રીય આવક, રોજગારી, સ્વરોજગારી, આત્મનિર્ભરતા, વગેરે બાબતોમાં મહત્વનુ સ્થાન ધરાવે છે. કહેવાય છે કે આખા વિશ્વમાં જેટલી કુદરતી સંપતિ નથી તેનાથી અનેકગણી કૂદરતી સંપતિ ભારત દેશને મળી છે. જેમાંની એક પ્રવૃતિ તરીકે મીઠું ઉત્પાદન કહી શકાય. ભારત પોતાની કૂદરતી સંપતિનો કરકસર અને યોગ્ય ઉપયોગ કરે તો વિકસિત દેશોની હરોડમાં પ્રવેશ કરતા ભારતને વિલંબ નહી લાગે.

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ભારત અને ચીનના વિદેશ વેપાર પર એક નજર

ડૉ. અલ્પેશકુમાર કે. પટેલ

અર્થશાસ્ત્ર વિભાગ

શ્રી & શ્રીમતી પી. કે. કોટાવાલા આર્ટ્સ કોલેજ, પાટણ

મનુષ્યની ઈચ્છાઓ અમર્યાદિત છે. મનુષ્ય માટે આવશ્યક બધી વસ્તુઓ દેશમાં ઉત્પાદન થતી નથી, આથી કેટલીક વસ્તુઓ માટે અન્ય દેશ પર આધાર રાખવો પડે છે. જે કારણોથી વિદેશ વ્યાપારનો જન્મ થયો.

વિશ્વની ત્રીજી સૌથી મોટી સૈન્ય ખર્ચ , બીજી સૌથી મોટી સશસ્ત્ર દળ , જીડીપી નજીવા દરો દ્વારા પાંચમી સૌથી મોટી અર્થવ્યવસ્થા અને ખરીદ શક્તિ સમાનતાની દ્રષ્ટિએ ત્રીજી સૌથી મોટી અર્થવ્યવસ્થા સાથે, ભારત એક અગ્રણી પ્રાદેશિક શક્તિ છે, એક અણુશક્તિ, એક ઉભરતી શક્તિ છે. ભારત વધતા જતા આંતરરાષ્ટ્રીય પ્રભાવ અને વૈશ્વિક બાબતોમાં અગ્રણી અવાજ ધરાવે છે. આ બાબત આપણને સારી કલ્પના શક્તિમાં મૂકે છે. પરંતુ વાસ્તવિક પરિસ્થિતી કઈક અલગ હોય તેવું લાગે છે. આપણે કલ્પના શક્તિમાંથી બહાર આવવાની તાતી જરૂરિયાત છે. જેની ગંભીરતા ચીન સાથેની સરખામણી કરવાથી આવી શકે એમ છે.

ભારતની આર્થિક સ્થિતિ એક સમયે ચીનની સ્થિતિ કરતાં સારી હતી. હકીકત એ છે કે 40 વર્ષ પહેલા ચીન ભારત કરતા ઘણું ગરીબ હતું. તેની આર્થિક સ્થિતિ ખૂબ જ નબળી હતી. વ્યવસ્થા પડી ભાંગેલી હતી. દેશમાં ગરીબી હતી. મોટી વસ્તી ખરાબ પરિસ્થિતિમાં રહેતી હતી. વૈભવ ત્યાં વિચારી શકવો પણ શકાયો ન હોત.

વર્લ્ડ બૅંક **(world bank report)**ના અહેવાલમાં કહેવામાં આવ્યું છે કે તે સમયે ચીન ભારત કરતાં 26 ટકા ગરીબ હતું. પરંતુ 1978 પછી ચીન ઝડપથી બદલાવા લાગ્યું. હવે તે દુનિયાનો સૌથી સમૃદ્ધ દેશ માનવામાં આવે છે. ચીનનાં લોકો ભારત કરતાં અનેક ગણા વધુ સમૃદ્ધ બન્યા છે. 1978 પછી, ચીને એક સાથે અનેક ક્ષેત્રોમાં સુધારા કાર્યક્રમો શરૂ કર્યા હતા, જે હેઠળ ચીને જમીન સુધારવા, શિક્ષણ પ્રણાલીને વિસ્તૃત કરવા અને ઉત્પાદન અને ઉદ્યોગમાં ઝડપી વૃદ્ધિ શરૂ કરવી વસ્તીને નિયંત્રિત કરવા પગલાં લીધા હતા.

જ્યારે ચીને 1978માં આર્થિક સુધારા શરૂ કર્યા ત્યારે માથાદીઠ આવક 155 અમેરિકન ડોલર હતી, જ્યારે ભારતની માથાદીઠ આવક તે સમયે 210 ડોલર હતી. સ્પષ્ટ છે કે, ત્યારે ભારતમાં વધુ સમૃદ્ધિ હતી, પરંતુ આજે ચિત્રમાં ધરખમ ફેરફાર થયો છે.

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ભારત સાથે સૌથી મોટા વેપારી ભાગીદાર દેશો:

ભારતે નાણાકીય વર્ષ **2021-2022**માં લગભગ **$422** બિલિયન મર્ચેન્ડાઇઝની નિકાસ કરી હતી અને તે જ નાણાકીય વર્ષમાં લગભગ **$250** બિલિયન સેવાઓની નિકાસ કરી હતી. નાણાકીય વર્ષ **2021-22** માટે અબજો યુએસ ડોલરમાં તેમના કુલ વેપાર (આયાત અને નિકાસનો સરવાળો) સાથે ભારતના સૌથી મોટા વેપાર ભાગીદારો નીચે મુજબ હતા

ભારતનો વિદેશ વેપાર (બિલિયન ડોલર)

ક્રમ	દેશ	નિકાસ કરે છે	આયાત કરે છે	કુલ વેપાર	વેપાર સંતુલન
1	યુનાઈટેડ સ્ટેટ્સ	**76.11**	**43.31**	**119.42**	**32.80** છે
2	ચીન	**21.25**	**94.16**	**115.41**	**-72.91**
3	સંયુક્ત આરબ અમીરાત	**28.1**	**44.8**	**72.90**	**-16.7**
4	સાઉદી અરેબિયા	**8**	**34**	**42**	**-28**
5	રશિયા	**1**	**21**	**22**	**-20**
6	જર્મની	**8.21**	**13.69**	**21.9**	**-5.48**
7	હોંગ કોંગ	**13.7**	**20.34**	**34.04**	**-6.64**
8	ઈન્ડોનેશિયા	**4.12**	**15.06**	**19.18**	**-10.94**
9	દક્ષિણ કોરિયા	**4.85**	**15.65**	**20.5**	**-10.8**
10	મલેશિયા	**3.71**	**9.08**	**16.93**	**-5.3**
11	સિંગાપુર	**7.72**	**9.31**	**16.93**	**-1.59**
12	નાઇજીરીયા	**2.22**	**9.95**	**16.36**	**-11**
13	બેલ્જિયમ	**5.03**	**8.26**	**16.33**	**-5.29**
14	કતાર	**0.9**	**9.02**	**15.66**	**-13.55**
15	જાપાન	**4.66**	**9.85**	**15.52**	**-4.75**
16	ઈરાક	**1**	**10.84**	**15.08**	**-13.42**
17	કુવૈત	**1.25**	**4.97**	**14.58**	**-12.18**
18	યુનાઇટેડ કિંગડમ	**8.83**	**5.19**	**14.34**	**4.3**
19	ઈરાન	**2.78**	**6.28**	**13.13**	**-4.78**
20	ઓસ્ટ્રેલિયા	**3.26**	**8.9**	**13.03**	**-7.47**
21	વેનેઝુએલા	**0.13**	**5.7**	**11.99**	**-11.47**
22	દક્ષિણ આફ્રિકા	**3.59**	**5.95**	**11.72**	**-3.4**
-	બાકીના દેશો	**126.78**	**104.92**	**231.7**	**21.86**
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અહી આપણે જોઈ શકીએ છીએ કે ભારતની વેપારની સૌથી મોટી ભાગીદારી અમેરિકા સાથે છે. અમેરિકા સાથેનો ભારતની વેપારની શરતો અનુકૂળ છે, પરંતુ બાકીના દેશો સાથે ભારતની વેપારની શરતો પ્રતિકૂળ છે. ભારતની ચીન સાથેની વેપારની શરતો સૌથી વધારે પ્રતિકૂળ છે. જે ભારતનું ચીન સાથેનું સૌથી વધારે અવલંબન બતાવે છે.

ભારતનું ચીન પરનું વધતું જતું અવલંબન એક ચિંતાનો વિષય છે, કારણ કે તે ભારતની સ્વતંત્રતા અને સ્વ-પુરવઠાની ક્ષમતા માટે જોખમ ઊભું કરી શકે છે.

ભારતનું ચીન પરનું વધતું જતું અવલંબન નીચેના કારણોસર છે :

- ચીનએ વિશ્વનો સૌથી મોટો ઉત્પાદક છે. ચીન વિશ્વમાં વિવિધ પ્રકારના ઉત્પાદનોનો મુખ્ય નિકાસકાર છે, જેમાં ઇલેક્ટ્રોનિક્સ, ઓટોમોબાઇલ્સ અને રાસાયણોનો સમાવેશ થાય છે. ભારત આ ઉત્પાદનોના મોટા પ્રમાણમાં ખરીદદાર છે.
- ભારત અને ચીન વચ્ચે વેપાર સંબંધો વધી રહ્યા છે. ભારત અને ચીન વચ્ચે વેપારની કિંમત છેલ્લા દાયકામાં નોંધપાત્ર રીતે વધી છે. 2022માં, ભારત અને ચીન વચ્ચેના વેપારની કુલ કિંમત $135.98 બિલિયન હતી.
- ચીન ભારતમાં મોટા પ્રમાણમાં રોકાણ કરી રહ્યું છે. ચીન ભારતમાં રોકાણ કરવા માટે ભારતીય સરકારને વચનો આપી રહ્યું છે. ચીન ભારતમાં ઇન્ફ્રાસ્ટ્રક્ચર, ઉત્પાદન અને સેવાઓમાં રોકાણ કરવા માટે ઉત્સુક છે.

ભારતનું ચીન પરનું વધતું જતું અવલંબન નીચેના જોખમો ઊભું કરી શકે છે

- ભારતની સ્વતંત્રતા પર નિયંત્રણ. ચીન ભારત પરના તેના અવલંબનનો ઉપયોગ ભારતની સ્વતંત્રતા પર નિયંત્રણ મેળવવા માટે કરી શકે છે.
- ભારતની સ્વ-પુરવઠાની ક્ષમતામાં ઘટાડો. ભારત ચીન પર વધુ આધાર રાખે છે, તેની સ્વ-પુરવઠાની ક્ષમતામાં ઘટાડો થશે.
- ભારતની સ્થિરતા માટે જોખમ. ભારત અને ચીન વચ્ચેના સંબંધોમાં કોઈ તણાવ અથવા તકરાર થાય તો, તે ભારતની સ્થિરતા માટે જોખમ ઊભું કરી શકે છે.
- ભારતને તેના ચીન પરના અવલંબનને ઘટાડવા માટે પગલાં લેવાની જરૂર છે. ભારત તેની ઉત્પાદકતામાં વધારો કરીને, તેના ઉત્પાદનોને વધુ સ્પર્ધાત્મક બનાવીને અને અન્ય દેશો સાથે વેપાર સંબંધો વિકસાવીને તે કરી શકે છે.

ચીન પરનું અવલંબન ઘટાડવાના ઉપાયો

ચીન એ વિશ્વનો સૌથી મોટો ઉત્પાદક છે, અને તેની ઉત્પાદકતામાં ભારત કરતાં ઘણી વધારે છે. ભારતે ચીન જેમ ઉત્પાદન વધારવા માટે નીચેના પગલાં લઈ શકે છે:

- **વૈશ્વિક ટેક્નોલોજી અને પદ્ધતિઓને અપનાવવી** :

ભારતે ઉત્પાદનમાં વૈશ્વિક ટેક્નોલોજી અને પદ્ધતિઓને અપનાવવા પર ધ્યાન કેન્દ્રિત કરવું જોઈએ. આમાં ઔદ્યોગિક મશીનરી, ઓટોમેશન, અને ડિજિટલીઝેશનનો ઉપયોગ કરવાનો સમાવેશ થાય છે.

- **કાર્યકરોની કુશળતા અને કાર્યક્ષમતામાં સુધારો કરવો** :

ભારતે તેના કાર્યકરોની કુશળતા અને કાર્યક્ષમતામાં સુધારો કરવા પર ધ્યાન કેન્દ્રિત કરવું જોઈએ. આમાં તાલીમ અને તાલીમ પ્રોગ્રામોમાં રોકાણ કરવાનો સમાવેશ થાય છે.

- **ઉત્પાદકતા માપદંડો અને પ્રક્રિયાઓને સુધારવી** :

ભારતે તેની ઉત્પાદકતા માપદંડો અને પ્રક્રિયાઓને સુધારવા પર ધ્યાન કેન્દ્રિત કરવું જોઈએ. આમાં ઉત્પાદન પ્રક્રિયાઓને વધુ સુસંગત અને અસરકારક બનાવવા માટે સુધારાઓ કરવાનો સમાવેશ થાય છે.

- **ઉત્પાદન માળખાને સુધારવું** :

ભારતે તેના ઉત્પાદન માળખાને સુધારવા પર ધ્યાન કેન્દ્રિત કરવું જોઈએ. આમાં ઉત્પાદન ઇન્ફ્રાસ્ટ્રક્ચર, પરિવહન અને વિતરણ સિસ્ટમ્સમાં રોકાણ કરવાનો સમાવેશ થાય છે.

આ ઉપરાંત, ભારતે ઉત્પાદનમાં સરકારની ભૂમિકા વધારવા પર પણ ધ્યાન કેન્દ્રિત કરવું જોઈએ. આમાં ઉત્પાદન ઉદ્યોગોને સમર્થન આપવા માટે નીતિઓ અને પ્રોગ્રામો વિકસાવવાનો સમાવેશ થાય છે. આ પગલાં લેવાથી ભારત ચીન જેમ ઉત્પાદન વધારી શકે છે અને તેના આર્થિક વિકાસને પ્રોત્સાહન આપી શકે છે. અહીં કેટલીક વિશિષ્ટ નીતિઓ અને પગલાં છે જે ભારત લઈ શકે છે. ઉત્પાદન ઉદ્યોગો માટે વિશેષ ટેક્સ છૂટો અને સબસિડીઓ આપવી. ઉત્પાદન ઉદ્યોગો માટે ટેક્નોલોજી અને પદ્ધતિઓમાં રોકાણ માટે ગ્રાન્ટ્સ અને લોન્સ આપવી.

સંદર્ભ

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