

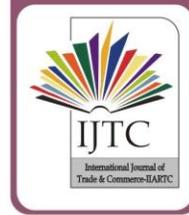
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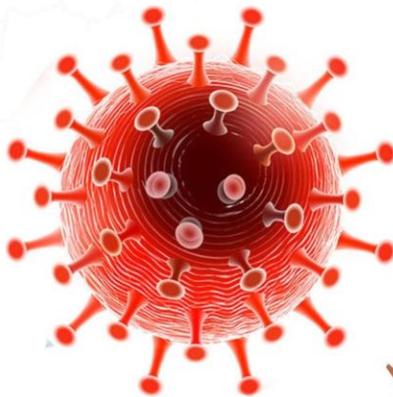


**Special Issue: Effect COVID-19 on Economy**

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## FROM EDITOR'S DESK

The economic impact of the 2020 Coronavirus (COVID-19) pandemic in India has been mostly tumultuous. India's growth within the fourth quarter of the year 2020 went all the way down to 3.1% in line with the Ministry of Statistics. The Chief Economic Consultant to the Government of India aforementioned that this drop is especially because of the Coronavirus pandemic impact on the Indian economy. Notably, India had additionally been witnessing a pre-pandemic delay, and in line with the World Bank, the present pandemic has "magnified pre-existing risks to India's Economic Outlook." The World Bank and rating agencies had *ab initio* revised India's growth for FY2021 with very cheap figures India has seen in 3 decades since India's economic easement within the 1990. But when the announcement of the economic package in the period, India's value estimates were downgraded even additional to negative figures, signaling a deep recession.

The ratings of over 30 countries are downgraded throughout this era. On 26<sup>th</sup> May, 2020 CRISIL declared that this might be India's worst recession since independence. Banking company of India analysis estimates a contraction of over four-hundredth within the value in Q1 FY21. The contraction won't be uniform; rather, it'll disagree in line with numerous parameters like state and sector. Unemployment rose from 6.7% on 15th March, 2020 to 26% on 19th April so back off to pre-lockdown levels by mid-June. During the lockdown, an estimated Rs 15 Crore (140 million) people lost employment, whereas salaries were cut for several others. Supply chains have been put under stress with the lockdown restrictions in place. A large number of farmers around the country who grow perishables also faced uncertainty. Vendor of greens, essential offer chains, and supply. Life below internment. Bangalore spring 2020. Major firms in India like Larsen & Toubro, Asian country Forge, UltraTech Cement, Grasim Industries, Aditya Birla Group, BHEL, and Tata Motors have quickly suspended or considerably reduced operations. Young startups are compact as funding has fallen. Fast-moving commodity firms within the country have dramatically reduced services and area unit specializing in necessities. Stock markets in India denote their worst losses in history on twenty-three March 2020. On 17th April, the Government declared additional measures to counter the economic impact of the pandemic together with Rs 50,000 crore (US\$7.0 billion) special finance to NABARD., SIDBI, and NHB. The use of digital technology is decentralizing decision-making, bridging communities with local governments across cities and towns. Using technology and digital tools, these innovative solutions are having an impact across various spheres of life, be it livelihoods, access to services or education. For instance, using aggregator apps, hyper-local vendors like those selling vegetables in neighborhoods or plying e-rickshaws are now able to provide door-to-door services while receiving consolidated payments on a monthly basis - thus providing a stable source of income. Similarly, in education, many schools have shifted to online classrooms while students and educators with limited internet connectivity are also learning via mobile phones. Better hope for all is well. Wait for vaccine which will reduce the fear of COVID-19 and protect from this pandemic.

We are pleased to release the First Issue of Volume Ninth of the **International Journal of Trade & Commerce-IIARTC**. The Journal establishes an active communication channel between decision and policy-makers in Industry, trade, business, government agencies, academic and research institutions to recognize the implementation of important role effective systems in organizations. **IJTC-IIARTC** aims to be an outlet for creative, innovative concepts, as well as practical research methodologies and emerging technologies for effective business management. We would like to remind you that the success of our Journal depends directly on the number of quality articles submitted for review. **IJTC-IIARTC** provides authors with high quality, helpful reviews that are shaped to assist authors in improving their manuscripts.

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**SECTION : A**

**PAPER BASED  
ON  
COVID-19**



## Mainstreaming Human Rights in Emergency Management: Views from the COVID-19 Pandemic Management in Nigeria

Ngboawaji Daniel Nte<sup>a\*</sup>, Oluka Nduka Lucas<sup>b</sup>, Michael C. Uzorka<sup>c</sup>, Baba-Ahmadu Abdulaziz<sup>d</sup>

<sup>a</sup>Department of Intelligence and Security Studies, Novena University, Ogume, Delta State, Nigeria.  
E-mail Id: ngbodante@gmail.com

<sup>b</sup>Department of Political Sciences, Novena University, Ogume, Delta State.

<sup>c</sup>Department of Sociology, Ignatius Ajuru University of Education, Rumuolumeni, Port Harcourt.

<sup>d</sup>Department of Intelligence and Security Studies, Novena University, Ogume, Delta State, Nigeria.

### Abstract

Globally periods of emergencies, disasters and crises require desperate responses from the state no matter the type of government. However, the most widely accepted democratic order has in it, some inalienable rights and principles no matter the prevailing situation. Whilst advanced democracies the world over have made concerted efforts to ensure the protection of the rights of the entire citizenry in the course the management of the current rampaging Covid 19 pandemic, the same can't be said about such transitional democracies like Nigeria. The preponderance of gory images of arrant brutality by security personnel in India, Nigeria etc. speaks volumes. The paper therefore seeks to provide a useful and working paradigm to ensure that the inalienable rights of citizens during the management of global pandemics such as the current Covid 19 must be respected and guaranteed as the hallmark of modern society.

**Key Words:** Mainstreaming, Pandemic, Emergency, Nigeria, Human Rights

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## **1. INTRODUCTION**

States and governments all over the world have responded in diverse ways across the globe to the current rampaging COVID 19 pandemic ravaging the world. More often than not, these emergency responses have impacted negatively on civil rights and liberties the world over. This trend has a pattern in realistic terms bearing in mind that the extent of human rights infractions varies from country to country. More so, it is conjectural to determine the duration of this pandemic fully and, by extension, the length, and extent of the pandemic-induced emergency response and the accompanying negative on global human rights records in times of emergency. This trying period in human history has generated plausible excuses for a litany of human rights abuses in several ways ranging from the invasion of privacy as part of tracing contacts and infection patterns to massive restrictions of movements for weeks and even months on end.

Within the first two weeks of the outbreak in Nigeria and the follow-up lockdown, Nigeria's National Human Rights Commission (NHRC, 2020) had documented over 100 grave human rights violations in the country. These range from severe police brutality to barbaric extrajudicial killings. This trend has continued unabated until now. As part of an asphyxiated Nigerian state, the gulf between the government of the day and the citizens keep widening to levels that agents of the country see citizens as competitor and indeed enemies whose real and imagined resistance must be brutally crushed. The much-touted return to transitional democracy is yet to erode the deep-seated militaristic sub-culture that dominated Nigeria's political landscape. Proponents of the democratization progress of the country appear to have lost sight of the nature and character of the postcolonial Nigerian state. This work will, therefore, evaluate the quality and integrity of the Nigerian state in its response in tackling the COVID 19 pandemic vis- a- vis the rights of Nigerian citizens. It has been established that Human rights violations do not affect only Nigeria's elite political classes and those involved in protests against military rule. Nigerian citizens with no political involvement are subjected to arbitrary and brutal actions of the Nigerian government in various forms daily. Police and soldiers are better known for extortion, torture, and summary executions than for keeping law and order (Human Rights Watch, 1996).

## **2. RESEARCH QUESTIONS**

This study seeks to provide evaluative answers to the following research questions:

- a. To what extent has COVID 19 impacted on the world?
- b. How has COVID 19 impacted on the state's capacity to handle emergency public health crisis?
- c. What is the nature of the Nigerian state?
- d. How has the nature of the Nigerian state influenced the protection or otherwise of the rights of Nigerian citizens during the current management of COVID 19 pandemic?
- e. How can Nigeria tackle issues of human rights abuses during this COVID 19 pandemic?

## **3. METHODOLOGY**

The study design is historical, which is qualitative, explorative, and explanatory. This means that the instrument used for the sourcing of data in the study is the secondary source. Secondary sources of data are research materials that initially not from the researcher but already existing literature. It implies that secondary data consist mainly of information obtained from textbooks, magazines, journals, newspapers, government publications, and internet materials.

### **COVID-19 and the Global Pandemic**

A detailed review of the origin or rather the clinical review of the vicious Covid-19 pandemic is necessary for this study since the study focal point is to unveil the implications of the cultivation and spread of the Virus, which its viciousness was first recorded in Wuhan in December 2019. Razu (2020) argued that the outbreak of the vicious Covid-19 that first recorded its viciousness in Wuhan, the capital of Hubei Province in the Peoples' Republic of China (P.R.C.) in 2019, and subsequently ravaging virtually all parts of the world including Europe, U.S.A., and Africa, has no doubt changed the contours or structures of globalization. As a consequence, the usual unregulated market economies, free movement of labor and goods across national borders, as well as the general economic formula, all of which are the hallmark of globalization, have been distorted since the outbreak of COVID-19. Undeniably, firms, businesses, and domestic affairs of the most affected states of the global system have been deceived in the outbreak of the pandemic. In short, national governments and their citizens are now struggling to familiarise themselves with the lockdown predicated by the outbreak of the epidemic. These factors made a lot of observers speculate that globalization is on edge and that the W.H.O., on the other hand, is now marginalized.

The Wuhan coronavirus infection occurs in a straightforward manner, which is through close contact with already infected persons. It merely occurs in a neural way (involving nervous system) through the par- psychological, psychic phenomena, psi (or power) fields of an individual with the same level of brain development. Laboratory investigations revealed that the incubation period of the Covid-19 Virus lasts for a maximum of 10 to 14 days, after which its viciousness diminishes or dies off. During its incubation period, the symptom is often not noticeable until the Virus develops ultimately. When contacted, it is capable of being transmitted from one person to another, making it very difficult to control (Shkrudnev, 2020; Heather, 2020). By implication, taming the outbreak of the Virus is not the responsibility of the Peoples' Republic of China alone, neither is it that of the United States, but for the entire world. Without a doubt, the Virus has spread far and fast, an unfortunate circumstance that requires immediate response from all the nations in the global system.

With limited medical literature about the Covid-19 Virus at the initial outbreak, the name "Corona" was named as such under an electroscope, which shows a strain radiated from an aura only seen during a total solar eclipse. In other words, the probable cause of the character is phosphorus molecules in the Virus. This is what turned everyone's attention to the *Wet Markets of Wuhan*, a Seafood hub. There was no evidence that Sea fishes and crustaceans are responsible for Coronavirus pandemic; unfortunately, also, no one knows who the *Patient Zero* is or what happened up to date (Doyle, 2020). On November 17, 2019, a 55-year-old man from Hubei Province in the Republic of China was discovered to have been infected with a new strain of Influenza. He was hospitalized as a patient with the severe acute respiratory syndrome (SARS) until December 1, 2019, when a team of medical researchers discovered that he was infected with a strange disease that was later named Coronavirus. On December 31, the *Patient Zero* was officially declared to be infected with Coronavirus, a situation that attracted a lot of criticisms.

Following several types of research conducted privately and independently by institutions, national governments, and private individuals, to mention but a few, Madagascar became the first nation to declare that they have a cure. On April 20 this year, President Andry Rajoelina, in a press conference, announced a breakthrough in the fight against Covid-19. He urges school children and the entire citizens to take daily. To prove the safety of the herbal tea remedy labeled

*COVID-Organics*, he picked up a bottle placed on the table and took a sip from it. Despite its demonstrated effects in the country, W.H.O has declared that there is no specific cure for the Covid-19 yet (Baker, 2020; Salem, 2020). It was revealed that a German biotechnology company, BioTech, has the vaccine for Covid-19 and will be ready in a year. A recent development reported that the authorities had approved the first human test of the vaccine on volunteers (Simsek, 2020). Until such a discovery, health experts all over the world have been treating patients with the Virus with anti-malaria drugs, including hydroxychloroquine and chloroquine, both of which have shown positive results.

### **The World on its Knees**

The problem confronting the global system in recent times is not because the world for the first time is experiencing the outbreak of an epidemic or the first of its kind with the explosion of COVID-19. Still, the manners at which the disease was managed in the first instances, was the major problem. Beijing, U.S.A., and the W.H.O have been asked by national governments and international agencies to accept responsibilities and blame for the spread of the virus Covid-19. Washington and Beijing's unnecessary display of *Realpolitik* and *Realecononik* (i.e., power politics and economic politics) have been linked to the reasons why Covid-19 was cultivated in China. It was, however, alleged that the Virus was intentionally developed in a Chinese laboratory by the *Communist Party in China* to get back at Beijing's major enemy and rival, *the United States*, in its ambitions in South Asia and the rest of the world.

This standpoint was supported by Razu (2020) when he argued that the seemingly effortless spread of the Wuhan Covid-19 virus is nothing but the consequence of the rivalry between Washington and Beijing. He opines that Washington's suspicion and distrust towards everything Chinese are now deeply entrenched in modern American political thought, the consequence of which is the plague, *Coronavirus*, that is not only unleashing mayhems and impairs economic activities in the U.S.A. and China, but to the rest of the world. Furthermore, the rivalry between Washington and Beijing was demonstrated by President Donald Trump of the U.S.A. while responding to the outbreak of the Virus at Wuhan, a capital city of Hubei Province in the Republic of China at first. International observers and critics alike have argued that President Trump's response at first was unnecessarily slow, immature, and shambolic. His negligence and lack of leadership both at the U.S. national front and in global affairs has left the entire world in this terrible mess occasioned by the spread of the vicious Virus. Rather than confronting the challenges envisaged by the outbreak of the Wuhan outbreak, he referred to it as the *Chinese Virus* (Razu, 2020).

In recent time, the pandemic has not only crippled U.S. economy but also that of the global system, and at the same time complicating the already weak global economy occasioned by a drastic drop in crude oil price at the international market, the consequence of which is another regime of the *worldwide recession*. Virtually all human endeavors, including businesses, colleges, and institutions of higher learning, as well as social events, including sports activities, etc., have been paralyzed globally since the outbreak of the Virus. Unarguably, virtually all the countries experiencing the outbreak of the Virus Covid-19 are now familiarizing themselves with economic self-distancing and individuals' social distancing that has changed our world as we know it. This problem has been complicated by the inability of some national governments, especially those of Africa, Nigerian Central Government, to be precise, to provide palliatives before and after the total lockdown that lasted for over a month and a couple of weeks. Rather than giving palliatives to the most vulnerable in Nigerian towns and villages to cushion the hardship entrenched by the

immediate and unexpected event, government officials enriched themselves with the available resources.

Most observers have argued that in states like Nigeria, hunger and starvation confronting the masses or populace is worse than the spread of the pandemic. The enforcement of the government orders is also a perturbing issue of concern in some parts of the world, particularly in Africa where there are instances of extrajudicial killings, violations of human rights and abuses by security personnel, including the police and the army. Our major challenge today is the recalcitrant posture of Xi Jinping's and his *Communist Party* ambition towards the rest of the world. Most pathetic is Beijing's attempt to conceal the detailed source of the Virus. This follows several unlawful arrests and illegal detention of innocent citizens alleged to have committed dissident acts against the Chinese state in recent times. However, they are only concerned about the Virus that began in Wuhan, *the ground zero* of COVID-19 pandemic.

Other instances abound in the death of Dr. Li Wenliang, an ophthalmologist, and another Wuhan Covid-19 whistleblower. He was said to have been killed by the Virus at the age of 34. Before his death, he was accused by the Chinese authority of spreading false rumors and for telling the truth, arrested and detained by the police in Wuhan. He was later compelled by the body to sign a document that he gave false information about the Virus online (Meitto, 2020). There is also the case of Chen Qiushi, a citizen journalist who reported from Wuhan. He was alleged to have been missing since February this year. Before his disappearance in February he was quoted to have expressed his worries precisely on January 30 when he said:

*I'm scared; I have the Virus in front of me and behind me China's law enforcement. But I will keep my spirits up, as long as I'm alive and in this city, I will continue my reports. I'm not afraid of dying. Why should I be frightened of your Communist Party?*

These and several other incidences revealed Beijing's resilience and hidden agenda following the outbreak of the Virus that was never expected to have dealt with the Chinese economy. The perturbing question in everyone's lips and that needs an urgent answer or to be unraveled is that *what is Beijing's intention for cultivating the Virus?* Another evident and perturbing issue here is the alleged politicization of the pandemic scenarios that have been noticed domestically and internationally. There have been instances in some countries like Nigeria, etc., that the pandemic situation has been hijacked by some *government officials, politicians, and gluttonous bourgeoisies*. According to Arogbonlo (2020), the Kogi state Governor, Mr. Yahaya Bello, alleged that there was an attempt to declare fake Covid-19 cases in his state by officials of the Nigerian Centre for Disease Control (NCDC) that visited the country. What informed the saga is the refusal of NCDC officials on the insistence of Governor Bello to observe protocols in line with the containment of the Virus and subject themselves for a test under the supervision of officers of the state before the commencement of duties in the country that is yet to record a single case.

In another development, the Commissioner for Health in the state, Dr. Saka Haruna Audu, alleged that Governor Bello administration is under immense pressure to announce novel coronavirus cases in the country (Egbas, 2020). The Speaker of Kogi State House of Assembly, Mr. Matthew Kolawole, in an interaction session with journalists in Lokoja, the State capital, called on the Federal Government to end the lockdown imposed to control Covid-19. Aligning himself with the position of the Governor on the pandemic, he argued that, "the Covid-19 saga is more political than reality because the symptoms of Covid-19 such as fever, catarrh, and pneumonia which we are all familiar with and which we have our way of treating them" (Gbenga, 2020). This simply means that the Federal Government is not sincere in its campaign against the spread and

containment of the Virus in the country, hence creating suspicion in addition to what has been inferred by the conspiracy theorist and apocalyptic thought. The apparent ignorance and weak infrastructural base in Africa is also a perturbing problem. Indisputably, this has put Africans preparedness to contain the spread of the Virus in doubts.

All of these issues, no doubt, have bedeviled the global collective fight against the containment of the Virus. This study, therefore, is posed to ascertain the extent to which these factors, notably: realpolitik, arrogance, ignorance, behavioral decadence, and infrastructural decay, contributed to the spread of Covid-19 Virus across the world. It, therefore, becomes imperative to ascertain the extent to which the war of microbes of the World War II (WWII) replicates itself in the outbreak of Coronavirus, the extent to which global intelligence failure, Europe's complacency, and American arrogance contributed to the spread of the Virus.

#### **COVID-19 and the Vulnerable in Nigeria**

This global scourge has negatively impacted a large portion of the worldwide population. These are also people already battling the challenges of bare survival –toiling to eat daily. This segment of the world's vulnerable population is put at about 2.2 billion. While this figure is too conservative, experts put it at over 3billion in realistic terms with a lot of linkages therein. This vulnerable group would rather risk getting food at all costs. It would be impervious to the much-touted basic hygiene of hand washing and social distancing in line with Maslow's proposition. In Nigeria, close to a hundred million people fall within this socio-economic bracket. They have no food to eat, no proper shelter, no access to Medicare, and the necessities of life in a country that is rated as one of the poverty capitals of the world.

In addition to the preceding, the poor and vulnerable in Nigeria are not only at exponential risk but are also at the severe receiving end of government's emergency efforts to contain the spread of the disease in the country. The very vulnerable, i.e., the old, women, and children, are mostly caught up in this deadly pandemic web within a vicious poverty circle and heavily prone to all manner of human rights abuses. The axiom that the government has genuine intentions to protect citizens does not preclude the myriads of negative fallouts of joblessness, frustrations, poverty, and, indeed, harassment from security personnel in Nigeria. It is therefore instructive that given this social reality, further subjection to the repressive nature of the Nigerian state is a burden magnified on her citizens.

#### **Marx and the Allegory of Postcolonial Nigerian State**

Proponents of Marxism and dependence theories in their analyses of postcolonial states were superfluously entrapped in the different variants of Marxian analogies from the 1960s before they became irrelevant in the 80s. The lacuna created by this academic void prompted neo-Marxists to attempt to re-introduce the state back in their treatise of political economy (Evans, Rueschemeyer & Skocpol, 1985). This new attempt touched on the role of the military and other security branches in the character and formation of the modern state as part and parcel of the country. Though it appears Marx didn't quite capture this in his original essays on the state, the likes of Louis Bonaparte had made conscious effort to elucidate what could be regarded as an appropriate situation of the relevance of the security sector within a state. He had built an analysis of militarism into his multi-layered and far from the deterministic account of the country: including the growth of an immense (or in more recent parlance overdeveloped) state machine "clogging the pores" of civil society; the state's relative autonomy from class determination; and the paradoxical way that as "long as the rule of the bourgeois class had not been organized.

Literature is replete with the fact that postcolonial Nigerian state since independence has developed into a socio-political society that supports and sustains liberal democratic ideas comparable to those of the advanced democracies of the world. The bulk of these countries were the imperial and colonial powers at a time all over the world. The colonial penetration impacted and altered the entire social fabric of the lives of the colonized people, including Nigeria, massively. Politics, economy, religion, and indeed the whole of the social lives of the colonized and post colonized were held together (into the modern state). Hitherto cooperative relationships became competitive, and the level of social cohesion crumbled under the new wave of individualism and alien colonial culture. (Nzimiro, 1999, Mere, 1987).

The colonial experience engraved in our psyche the desire to sustain the survival of the state through force and repression. Part of it was to ensure the unhindered flow of resources from the peripheral colonial enclaves and to ensure that the entire economy was monopolized by the metropolitan institutions controlled by the conquering capitalist class of the mother country.

The driving forces of two political control to ensure a hold on the economy became a cardinal objective in the colonial enclaves. Economic sustenance of metropolitan Europe was at the root of the colonial enterprise, and unfettered capitalist expansion was rooted in the continuous creation of the social surplus and entrenching a materialistic society that must be stable with the use of apparent force. The politicians that fought the British wanted to assume political power as a means of controlling the economy. (Nzimiro, 1999). Subsequent political scenarios in Nigeria provided the state as a juicy one. Politics became lucrative, and access to political power translated to access to the overdeveloped state in Africa and indeed Nigeria (Alavi, 1974; Ihonbvere, 1991). Political patronage became a passport to state power. It remained a veritable means to appropriate the social surplus generated by oil, which has emerged as the prominent pivot of the economy.

Misappropriation of public funds by public offices became rife. Cohen noted that where finance on any scale was available to Nigerian, it was closely linked to the capture of political power by the elite group. State corporations were indeed run as an extension of political parties. In contrast, unreserved access to political power, particularly at the regional level, was used as a means to finance private investments or, more usually, private consumption (Cohen, 1974). The "Juicy Nigerian State, which has created a lot of money bags, military adventures, and the epileptic political transition in Nigeria so far, has institutionalized corruption and accentuated conflicts between the different classes, subclasses, and regions. All the struggles in the various regions of the nation inherent in the dialectical relationships are based on the scramble to appropriate the surplus generated by oil. The net effect of this scramble is an extremely violent socio-political culture in Nigeria (Nte, 2001.) The series of military coups and counter coups, electoral fraud, and institutionalized corruption succeeded in stamping a violent culture on our national psyche and also legitimize the axiom that "Might is right." The long period of about three decades of military rule out of our forty-five years of existence as a nation caused the unconscious internalization of military ethos and excesses. The military mentality has, therefore, perverted all areas of society. The total disorganization of the power structure in our polity, strong command - and - obey attitude decapitated the social fabric. The glorification of violence, sadistic belief in power albeit intimidation through violence, belief that grass materialism is a blessing, all combine to reinforce and sustain the replication of security brutality in our body polity (Nzimiro, 1999.) Security brutality and unbridled assaults on human rights in Nigeria can conveniently be attributed to the inherently violent nature of our society caused by the glorification of materialism and the

unfettered pursuit of social surplus in the country. In the same vein, the corrupt nature of the Nigerian State has drained the economy through institutionalized corruption, leaving the country economically decapitalized and life hellish for the poor and vulnerable in the country.

### **Militarism, State Repression, and Human Rights Abuse in Nigeria**

Postcolonial Africa was entangled in the paranoia of losing power to competitors, and this ultimately made politicians rely extensively on their military and other security apparatuses. This produced a rather dialectical scenario of a weakened state sustained by over-reliance on the instruments of fear (Army, Police and Intelligence Agencies). In reality, the over-reliance on suppressive security forces in postcolonial Africa eventually became unsustainable as mere despotic reliance on brute force was not sufficient in the face of lack of technical, infrastructural, and financial resources needed to retain state power. This created room for the coups and counter-coups and the emergency of 'warlordism' in some countries like Renamo in Mozambique, the L.R.A. in Uganda, and UNITA in Angola.

Researchers have asserted that the accumulation and the Material Foundations of Military Force Historical studies of precolonial Africa document showcases an orderly presentation of an arrangement between modes of production and methods of destruction or domination (Goody 1971; Bazin and Terray 1982). The bulk of precolonial states relied on the use of the military to extract the social surplus, which is, in turn, invested in weapons and expansion of the army and other security agencies of the state. Yet the latter at the same time tended to interfere with the further creation of wealth: both by removing surpluses from the hands of those who could make productive use of them and through the constant devastation of warfare. "Seen in this light, the underdevelopment of productive forces was a consequence of those destructive ones required by the predatory accumulation" (Reyna 1990).

In Tilly's presentation, historical facts showed that European states started as what he referred to as "protection rackets" based on the forcible extraction of surpluses in exchange for the (sometimes crafty) benefits of protection. These arrangements changed when there was a capitalist accumulation created surplus wealth that could be invested in the industrialization of war and b) when rulers learned that their ability to extract wealth and invest it in the means of war required that they should not overtax its creators. Ultimately it was "the very changes that permitted states to wage war on a previously unimaginable scale and to extend their conquests throughout the world" that created "armies subordinate to the holders of land and capital. Within limits, large-scale war civilianized Western states" (Tilly 1985, 75).

Yet, at the same time, imperialism and military conquest extended predatory accumulation to fields of the empire to far-flung regions: including Africa, where colonial authorities used extra-economic manipulation to extract labor and resources from unwilling natives and to bring the latter in reach of the compulsions of the market (Lonsdale 1989; Mbembe 1990). In present-day advanced industrial states, military spending at home and the use of military force abroad have become complexly linked to capital accumulation-although economists differ between those contending that such spending motors economic expansion, especially during recession or crisis, and those arguing that it diverts technology and resources from more productive uses, thus depressing economic growth over the longer term. In Africa, both theoretical arguments and empirical evidence highlight the latter, that is, the contribution of military spending to budget and foreign exchange imbalances and the squeezing of investment and social welfare. However, the issue is far broader than the inputs absorbed by military and security establishments. It is how African rulers have appropriated the letters' output of organized force to re-institutionalize

predatory accumulation, with governments deploying their military establishment to establish their grip on power for economic benefits.

#### **What the Law Says**

Legally, the Constitution of the Federal Republic of Nigeria makes a provision for the power of the President to declare an emergency, where there is imminent danger or disaster or natural calamity affecting a community, or any other public danger constituting a threat to the country. The rampaging Corona Virus and the devastating public health crises caused by it is by no means a global emergency and disaster that warrants prompt attention and action. A Declaration of an emergency, in this case, would require the passing of a resolution by the National Assembly after the President's proclamation. Otherwise, such a declaration would expire in 10 days.

However, the President chose a different vehicle to impose restrictions. Instead of passing a proclamation of emergency, which would have required the input of the National Assembly, he issued regulations under the Quarantine Act. This 1926 law allows the President to declare a place within the country an "infected local area." The President is empowered based on such a declaration to make relevant regulations.

Under the COVID-19 Regulations, 2020, the President required two states – Lagos and the Ogun States - and the Federal Capital Area to be locked down, and prohibited mass gatherings throughout the country. By the Quarantine Act, states can only make regulations where the President fails to do so (Onyemelukwe, 2020).

It must be noted. However, quarantine and labor are "exclusive matters" under the Constitution, and only the Federal Government has the authority to make laws relating to them. The implications, therefore, are that in effect, states could not make regulations where the President had done so. If states had already passed laws, they ceased to have any validity (Onyemelukwe, 2020). In reality, this was tested and found to be ineffectual as some states like Rivers state went further to implement deeper and draconic measures to ensure the lockdown. In some of these cases, however, there an overt clash of interests between the federal and some states government with regards to the national interest, security, and safety versus political and other primordial undertones that played out.

Compliance with the lockdown was cautiously substantial as citizens keyed into this global reality of public safety. Unfortunately, the aggressive and draconic enforcement of the restriction of movements manifested in gross human rights abuses across the country. Scores of Nigerians have been killed; extrajudicial incarcerations have been copious and, in some cases, outright imperial demolition of buildings. In the north, alma-jiris were brazenly deported from one state to another under the most savage and divisive manner without adequate child rights protection safeguards.

All over the country, the truth remains that killings, detentions, and all forms of brutality pervade the national landscape. More so, notorious cases of extortion by security personnel are rife. Security agents of the Nigerian state wilfully extort money from citizens without recourse to safety measures put in place by the federal government. This accentuates the risk factors of the spread of the pandemic. In some other cases, vulnerable citizens who brace the risk to go out to eke a living and can't settle the security personnel are usually the ones brutalized and dehumanized in disgraceful showmanship of COVID 19 lockdown enforcement. The litany of the

abuse of human rights during the current pandemic management is endless and a reinforcement of the brutal nature of the Nigerian State,

#### **4. SUMMARY AND RECOMMENDATIONS**

Framing bad state practice as a health emergency response presents a new type of challenge for activists and advocates. Invoking the mantra of "public health" and "public safety" to curtail human freedoms allows State actors to secure quick buy-ins and approving nods from large swathes of the population, making it difficult for civil society advocacy against them to gain traction. Again, courts and judicial bodies—in compliance with the lockdown directives—have remained shut, equally obstructing attempts by activists and legal professionals to use the instrumentality of the law to challenge overreaching state conduct. The civil society itself derives legitimacy from the constituencies it serves and, as such, does not want to be seen as "enemies of progress," frustrating official efforts to contain the pandemic. [Source: [https://www.justsecurity.org/70226/covid-19-and-the-shrinking-civic-space-in-nigeria/.](https://www.justsecurity.org/70226/covid-19-and-the-shrinking-civic-space-in-nigeria/)]

To becoming Fearful from backlash and reputation harm, civil society responses to executive misbehavior have been overly measured and, sometimes, inconsistent.

The apparent challenges of flagrant human rights abuses that characterized the management of COVID 19 in Nigeria following the enforcement the restriction of movement, social distancing rules and the wearing of face masks /washing and sanitizing of hands in public arena calls for concerted efforts by the National Assembly to swing to sustainable action to provide an enduring legal framework and sound foundations. The ongoing legislative move to pass into law the Health Emergency Bill should consolidate Nigeria's Public Health Institute, the Nigeria Centre for Disease Control, and other allied health and disaster management institutions in ways that the rights and welfare of the Nigerian citizenry are not unnecessarily compromised.

The government should learn from this pandemic and refocus on ending poverty, redistribution of income, and enlarge social safety nets to ensure social inclusion. This will improve human rights abuses and empower the vulnerable populace to be fully integrated into a more inclusive and sustainable national development template for the country.

Mitigate the rapacious impacts of the COVID 19 crisis on women and girls, with particular focus on their access to sexual and reproductive health/rights, and insulate them from all forms of oppressive domestic and gender-based violence devoid of inherent patriarchal predispositions in the country in ways that their full and equal representations in decision making are guaranteed. (Source: <https://unsdg.un.org/download/2094/30683>). In times of emergency, people are expected to comply with the rather harsh and extraordinary rules, most times severely restricting their human rights. (Source: <https://unsdg.un.org/download/2094/30683>) Worldwide, people have shown a substantial willingness to cooperate, despite the positive consequences these measures are having on their lives. Cooperation may become harder to maintain if the Virus continues to spread unabated, and bills need to be extended in time and scope. [Source: <https://unsdg.un.org/download/2094/30683>]

It is, therefore, incumbent on the government to operate an open and transparent engagement of people in the process of decision making. Clear and unambiguous information on the nature and scope of the threat of the pandemic should be communicated to citizens. The keyword is building trust between the government and the citizens. Securing compliance depends on building trust, and trust depends on transparency and participation.

It is needful for the Nigerian state to respect and protect the freedom of expression, freedom of information, association, and assembly. At the same time, anti-democratic measures such as cracking down dissenting voices, repression of the press, arrests, and detention of political opponents, journalists, medical personnel, activists should be discouraged.

Indeed the threat is the Virus and not the citizens of the country. At this time of national emergency, all citizens must work collectively to ensure that there is an adequate promotion of public safety to provide the containment of this deadly Virus ravaging humanity with the framework of international democratic best practices on human rights protection during an emergency. Nigeria cannot be an exception.

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## Impact of COVID -19 Outbreak on SSIs: A Study of Jamnagar District of Gujarat

Bhavik Panchasara<sup>a\*</sup>, Heena Bharadia<sup>2</sup>

<sup>a</sup>Department of Commerce, Govt. Arts & Commerce College, Lalpur, Dist. Jamnagar, Gujarat, India  
Email Id: bhavikpanchasara@gmail.com

<sup>b</sup>Department of Economics, Govt. Arts & Commerce College, Khambhaliya, Dist. Deobhumi Dwarka, Gujarat.  
Email Id: heenabharadia@gmail.com

### Abstract

Covid 19 pandemic has affected entire world. Many countries, including India have adopted the safest and easiest way of lockdown as an emergency step to prevent the pandemic. Lockdown has worse impact over almost every sectors of the economy. One of the most critical impact of lockdown is on small scale industries (SSIs) and Small and Medium Enterprises (SMEs) in India. SSIs and SMEs are the sector providing maximum employment as well as considerable share in GDP of the country. This paper analysis the impact of Covid 19 pandemic over SSIs operating in Jamnagar District of Gujarat. A structured questionnaire is prepared to get the response from the owners of the SSIs to map the financial impact, production impact, cost impact etc. for their enterprises. The result of the study reveals that the SSI sector is considerably affected due to lockdown and that will take a long time to recover.

**Key Words:** Covid 19, Outbreak, Pandemic, SSIs, SMEs, economy, India.

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## **1. INTRODUCTION**

COVID 19 pandemic has affected the entire world. Many countries, including India, have adopted the safest and easiest way of lockdown as an emergency step to prevent the epidemic. Since there are no medical remedies available until now, the only way to stop the spreading of the COVID 19 virus was lockdown. This way, lockdown is the fast, safest, and cheapest way to fight against the pandemic, but on the other hand, the lockdown has a worse impact economy. It has impacted almost every sector of the economy and has also affected the GDP of India. The estimated GDP growth rate in union budget 2020-21 was 6 to 6.5 percentage, which is now declined by approx. 2 discount and now revised growth rate expected to 4 to 4.8 portion (Economic Times, 2020). Being one of the fastest-growing economies of the world, India has to face a worse impact on every aspect of the economy. Especially micro, small, and medium enterprises (MSMEs) play an essential role in the marketplace, and they are estimated to affect more due to COVID 19 pandemic (Mishra, 2020). This paper is an attempt to determine the impact of the COVID 19 epidemic for the SSIs operating in the Jamnagar District of Gujarat.

## **2. REVIEW OF LITERATURE**

Though the COVID 19 pandemic is recent, so there are no detailed researches available on the impact of various sector of the economy. Still, multiple authors have estimated and calculated the results based on the available data in a short time. In his article, Mr. Rajat Mishra rated the trade impact on Indian MSMEs due to COVID 19 pandemic around Rs. 380 lakhs based on data received from the Confederation of All India Traders (CAIT) (Mishra, 2020). Whereas, Mr. Udit Mishra said that MSMEs had been the worst casualty of COVID 19 induced lockdown. He also focused on the steps taken by the central government regarding the bailout package for the industry, but according to him, even if this relief package, a long time will require to recover from the impact for the sector (Mishra, 2020).

In the report by Kredex, a survey of 5,000 MSMEs is used to say the impact. It is said that around 71 percent of the enterprises were not able to pay to their workers or employees in March 2020; almost 43 percent of MSMEs shut their business in the first three weeks. The COVID 19 has stopped the industrial supply chains, and due to that, the majority of the MSMEs are chocked, and this will take a long time to recover (KredX Editorial Team, 2020). Apart from this, there are so many articles, and surveys are available, which are estimating the worst situation of COVID 19 pandemic over the MSME sector in India. But hardly there is any grassroots level survey available. Perhaps this is the first survey for the SSIs of Jamnagar district of Gujarat to make an idea about the impact of COVID 19 outbreak over the entire sector.

## **3. OVERVIEW OF SSI SECTOR**

Undoubtedly, the MSME sector plays a vital role as a growth engine of the nation. It has a considerable contribution to every aspect of the economy. As per the Annual Report 2018-19 available in the web site of Ministry of Micro, Small and Medium Enterprises, over 51 percentage of SSI sector units located in the rural area. The first five states with having the maximum number of SSIs are Uttar Pradesh, Andhra Pradesh, Maharashtra, Madhya Pradesh, and Tamil Nadu, respectively, which combinedly have the 47 percent of total registered units in India (Ministry of MSME India, 2020). MSME sector has a considerable role in employment with over 11 crore people.

Jamnagar is one of the industrially developed districts of the state of Gujarat. The world's most significant manufacturing unit and refinery – Reliance Industries Limited (RIL) is situated in the

area, and apart from that, many other companies are also located. Jamnagar is also known as the Brass City of India, because of Asia's largest cluster with the manufacturing of thousands of brass items and its supplies worldwide. Thousands of people are directly and indirectly getting employment from this cluster. The purpose of this study is to examine and study the impact of COVID 19 pandemic on the brass part and other related SSIs.

#### 4. METHODOLOGY

For studying the impact of COVID 19 pandemic over SSIs in Jamnagar, a structured questionnaire was prepared to collect the response from the owners of the SSIs. By observing the lockdown environment, a survey was developed in digital form (with the help of google form) and distributed through social media as a precautional step. Due to the sharing of questionnaires through social media, it is difficult to estimate its reach to respondents. Still, the researcher got the answer from a total of 62 respondents in the given time limit of 20 May 2020. Table 1 shows the analysis of respondents based on demographic details.

**Table1: Demographic details of Respondents**

Sr. No.	Demographic Factor		Number of Respondents	Percentage of Respondents
1	Age of the owner	18 to 30	30	48%
		31 to 50	24	39%
		51 to 65	07	11%
		Above 60	01	2%
		School-level	10	16%
2	Education of the owner	High School Level	18	29%
		Graduate/ Certificate/ Diploma	25	40%
		Post-Graduation and Higher Level	9	15%
3	The yearly turnover of the SSI unit (Approx.)	Up to Rs. 10 lakhs	28	45%
		Rs. 10 lakhs to 20 lakhs	18	29%
		Rs. 20 lakhs to 50 lakhs	12	19%
		Above Rs. 50 lakhs	4	7%
4	Age of SSI Unit	Up to 5 years	22	36%
		5 to 10 years	15	24%
		10 to 20 years	13	21%
		More than 20 years	12	19%
5	Type of SSI Unit	Production	42	68%
		Trading	12	19%
		Service	8	13%
6	Type of Ownership	Proprietorship	44	71%
		Partnership	15	24%
		Other [HUF]	3	5%

Source: Respondent Data Analysis by Researcher.

#### 5. DATA ANALYSIS

Apart from six questions of demographic details, a total of five other items were asked to respondents to know the impact of the COVID 19 pandemic. Analysis of the response of answers

from each respondent is shown here. The first question was about to give rank to the most impacted area, from the given option. The impacted regions given as options were manufacturing or purchase for trading units, sales or annual turnover, working capital, retention of workers or employees, and brand image/ reputation. Table 2 shows the response of the most impacted area chosen by the respondent category wise as well as total.

**Table 2: Analysis of Response of Most Impacted Area for Enterprise**

Rank, and it's meaning		Manufacturing / Purchase	Sales/ Turnover	Human Resource	Working Capital	Brand Image/ Reputation
1	WorstImpact	3 (5%)	<b>55 (88%)</b>	0 (0%)	4 (6%)	0 (0%)
2	Bad Impact	<b>41 (66%)</b>	3 (5%)	1 (2%)	17 (27%)	0 (0%)
3	AverageImpact	2 (3%)	1 (2%)	22 (35%)	<b>34 (55%)</b>	3 (5%)
4	Little Impact	1 (2%)	3 (5%)	<b>35 (57%)</b>	6 (10%)	17 (27%)
5	Minimal/No Impact	15 (24%)	0 (0%)	4 (6%)	1 (2%)	<b>42 (68%)</b>

Source: Respondents' Data Analysis by Researcher

As shown in Table 2, out of the total five most impacted areas to select, the first rank is given to the Sales/ Turnover as most as the worst affected area by a maximum of 88 percent of the respondents (55). Whereas the second most impacted area is manufacturing or purchase for trading units is selected as an area with an adverse impact, with 66 percent of respondents (41). The city with the average result is working capital as chosen by 55 percent of respondents (34) at the third rank. The area with little impact is the retention of human resource, which is selected by 57 percent of the respondents (35), and the city with minimal or no effect is a brand image or goodwill or reputation of the enterprise according to the maximum 68 percent of the respondents (42).

Another interesting question was related to human resources, as addressed by the Prime Minister of India in his speech. However, it is very tough to follow this decision for small organizations and units where working capital is one of the most critical issues. The questions were asked that have you retained your workers/ employees during lockdown with salary/ wages? The table shows the response from respondents about the retention of workers/ employees.

**Table 3: Analysis of Response of Retention of Worker/ Employees**

Have you retained your workers/ employees with salary/ wages	Type of Enterprise			Total
	Manufacturing (Total 42)	Trading (Total 12)	Service (Total 8)	
YES	25 (69%)	3 (25%)	2 (25%)	30 (48%)
No	12 (29%)	4 (33%)	2 (25%)	18 (29%)
Not Applicable/ Don't want to response	5 (12%)	5 (42%)	4 (50%)	14 (23%)

Source: Respondents' Data Analysis by Researcher

As shown in Table 3, out of total 62 respondents, maximum 48 percent of respondents (30) said that they had retained their workers/ employees with salary during the period of lockdown, whereas 29 percentage respondents (18) said that they had not kept their workers/ employees during the period of lockdown. On the other hand, the remaining 23 percent of respondents (14) avoided giving an answer, or maybe they do not have any workers or employees in their enterprises. If we analyze further, from the SSIs related to manufacturing, 69 percentage

respondents (25) said that they had retained their workers/ employees with salary during the period of lockdown, 29 percent of respondents (12) said that they had not kept their workers/ employees during the period of lockdown and 12 percentage of respondents (5) avoided to answer or maybe they do not have any workers or employees in their enterprises. From the SSIs related to trading activities, maximum 42 percentage respondents (5) avoided to answer, or maybe they do not have any workers or employees in their enterprises, 33 percent of respondents (4) said that they had not retained their workers/ employees during the period of lockdown and 25 percent of respondents (3) said that they had kept their workers/ employees with salary during the period of lockdown. Same way in the service sector also, maximum 50 percentage respondents (4) avoided to answer, or maybe they do not have any workers or employees in their enterprises, 25 percent of respondents (2) said that they had not retained their workers/ employees during the period of lockdown and 25 percent of respondents (2) said that they had kept their workers/ employees with salary during the period of lockdown. Thus, the sector which maintained the maximum number of employees or workers during the lockdown is the manufacturing sector.

The next question was related to the most practical matter for the respondents. The problem was about the approximate total loss combined from every view, from the date of starting of lockdown - 25 March 2020 to 24 May 2020 - for two months. The table shows the response of expected loss for two months, given by the respondents.

**Table 4: Analysis of Response of Expected Loss**

What is your total expected loss from the starting of lockdown 25 March 2020 to 24 May 2020? [Approx. for two months]	Type of Enterprise			Total (Total 62)
	Manufacturing (Total 42)	Trading (Total 12)	Service (Total 8)	
Up to 1 Lakh	14 (33%)	2 (17%)	2 (26%)	18 (29%)
1 to 2 Lakh	12 (29%)	5 (42%)	1 (12%)	18 (29%)
2 to 5 Lakh	5(12%)	2 (17%)	1 (12%)	8 (13%)
More than 5 Lakhs	2 (5%)	0 (0%)	1 (12%)	3 (5%)
No Idea/ Don't want to response	9 (21%)	3 (25%)	3 (38%)	15 (24%)

*Source: Respondents' Data Analysis by Researcher*

As shown in Table 4, out of total 62 respondents, 29 percent of respondents (18) each, said that they had expected approximate loss up to Rs. 1 lakh and Rs. 1 to Rs. 2 lakhs respectively, whereas 24 percentage respondents (15) either had no idea or deny to answer. The respondents who are expecting loss between Rs. 2 lakhs to Rs. 5 lakhs were 13 percent of total respondents (8), whereas the respondents with loss of more than Rs. 5 lakhs were only five percent of total respondents (3). If we analyze further, based on the type of enterprises, 33 percentage of manufacturing units expecting loss up to Rs. 1 lakh, followed by 29 rates for loss of Rs. 1 to Rs. 2 lakhs, 21 prices deny to answer or had no idea, loss of Rs. 2 to 5 lakhs to 12 percentage of respondents (5) and the least five percent of respondents (2) expected the loss more than Rs. 5 lakhs. In trading enterprises, 42 percent of respondents expecting loss up to Rs. 1 lakh to 2 lakhs, followed by 25 percentage respondents (3) who deny answering or had no idea, loss of up to Rs. 1 lakh and Rs. 2 to 5 lakhs were estimated by an equal number of respondents 17 percentage each (2). There were no respondents related to trading with a loss of more than Rs. 5 lakhs. If we see the service-related units, a maximum of 38 percent of respondents (3) denies to answer or had no idea about loss, followed by the loss up to Rs. 1 lakh by 26 percentage of respondents (2). In contrast, loss of Rs. 1

lakh to Rs. 2 lakhs, Rs. 2 lakhs to Rs. 5 lakhs and more than Rs. 5 lakhs were estimated by equal 12 percentage of respondents (1) each. Thus, we can say from the responses that the manufacturing sector is the highest loss suffering sector.

The next question asked to the respondents was about the estimated recovery time after completion of the lockdown period. The response given for this question by respondents is shown in the table below.

**Table 5: Analysis of Response of Expected Period of Recovery**

According to you, after completion of lockdown, what time will require to recover the loss due to lockdown for your enterprise? [Approx.]	Type of Enterprise			Total (Total 62)
	Manufacturing (Total 42)	Trading (Total 12)	Service (Total 8)	
Up to 6 months	16 (39%)	6 (50%)	2 (25%)	24 (39%)
7 to 12 months	18 (43%)	3 (25%)	4 (50%)	25 (40%)
1 to 2 years	4 (9%)	2 (17%)	2 (25%)	8 (13%)
More than 2 years	1 (2%)	0 (0%)	0 (0%)	1 (2%)
No Idea/ Don't want to response	3 (7%)	1 (8%)	0 (0%)	4 (6%)

Source: Respondents' Data Analysis by Researcher

Table 5 shows that the response about estimated recovery time for a loss during the period of lockdown. As per the schedule, a maximum of 40 percent of respondents (25) believes that the recovery time will be 7 to 12 months from the completion of lockdown, followed by 39 percent of respondents (24) who are more positive and estimating recovery period of only up to 6 months. On the other hand, 13 percent of the respondents (8) rated recovery time from 1 year to 2 years, followed by 2 percent of respondents (1) who are quite harmful and determined the most extended period for more than two years. Out of total respondents, six percent of them (4) have no ideas or deny to the response. If we analyze sector-wise, in the manufacturing sector, maximum 43 percent of respondents (18) expecting recovery time of 7 to 12 months, followed by 39 percent of respondents (16) estimated time up to 6 months, 9 percent of respondents (4) estimated 1 to 2 years, 7 percent of respondents have no idea or deny to the response. Only two percent of respondents (2) assessed the most extended time in more than two years. In the trading sector, a maximum of 50 percent of the respondents estimating recovery period up to 6 months (6), followed by 25 percentage respondents (3) for 7 to 12 months and 17 percent of respondents (2) for one year to 2 years. Whereas eight percent of respondents (1) either have no idea or deny to give the response. If we see the service sector, a maximum of 50 percent of the respondents (4) assumed a recovery period of 7 to 12 months, followed by 25 percent of respondents (2) each for estimated time up to 6 months and 1 to 2 years. There were no respondents for an estimated time for more than two years and respondents with no idea.

The last question of the questionnaire was about the usefulness of the economic package declared by the honorable finance minister of India Smt. Nirmala Sitharaman on 13 May 2020. (Bora, 2020) The purpose of this question is to understand the usefulness of an economic package to the owner of the SSIs. However, it may be possible that many of them may not be aware of the recommendations made by the finance minister in the package. The following table shows the analysis of responses to the usefulness of the economic box.

**Table 6: Analysis of Response of Usefulness of Economic Package**

Do you think that the economic package declared by the Govt. of India for MSMEs will be helpful to you?	Type of Enterprise			Total (Total 62)
	Manufacturing (Total 42)	Trading (Total 12)	Service (Total 8)	
YES	13 (31%)	7 (58%)	3 (38%)	21 (34%)
No	17 (40%)	4 (34%)	4 (50%)	27 (43%)
No Idea/ Don't want to response	12 (29%)	1 (8%)	1 (12%)	14 (23%)

Source: Respondents' Data Analysis by Researcher

As shown in Table 6, out of total 62 respondents, maximum 43 percent of respondents (27) believe that the package is not useful for them, whereas 34 percent respondents (21) are positive about the economic package and remaining 23 percent of respondents (14) have no idea about the financial package or they do not want to answer. If we analyze further, from the SSIs related to manufacturing, 40 percentage respondents (17) are negative, 31 percent of respondents (13) are positive, and 29 percent of respondents (12) either have no idea or do not want to share their opinion. In the SSIs related to trading activities, a maximum of 58 percent of respondents (7) positive about the package, 34 percentage of respondents (4) are cynical about the box, and eight percent of the respondents (1) have no idea or do not want to share their response. Same way, in the third category of SSIs related to service providing, maximum 50 percentage of respondents (4) negative about the package, 38 percentage of respondents (3) are positive about the box, and 12 percent of the respondents (1) have no idea or do not want to share their response.

## 6. FINDINGS AND CONCLUSION

COVID 19 pandemic has changed the views and thoughts of the entire world. It has affected everywhere, especially the growing economies like India. This paper was an attempt to find out the impact of this pandemic on SSIs of the Jamnagar district of Gujarat. From the analysis of the responses given by a total of 62 respondents, it has been observed that maximum impact is considered on the revenue or turnover of the units. Due to that, all entrepreneurs are in the worst situation about further expansion and operation of their units. Apart from the sales or turnover, the pandemic has also impacted the worst in the process of manufacturing and purchase in trading units.

Further, it has also changed the employment, because due to working capital and financial issues, very few groups can retain their employees or workers. It is also noted that the expected recovery time after completion of lockdown is a minimum of up to six months, so it is difficult to operate during this period for the units. Further, the government of India has declared a high amount of bailout, but to avail it to the grass-root level is a challenge for the government and the entire banking system. Many owners of the SSIs even have no idea about the availability of the process to avail of this package. So, at this moment, it is a massive challenge for the entire sector as well as the government to come out of the impact of this pandemic as early as possible. As per the opinion of many economic experts, the future after COVID 19 pandemic will be very positive for the Indian corporate world, so from that point of view also, the sector has to prepare themselves and have to be more competitive.

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## Economic Epidemics in India and Its Negative Effects through the COVID-19

**Kanak Lata\***

*Km. Mayawati Govt. Girls P.G. College, Badalpur, Noida  
Email Id: kanakviveka12@gmail.com*

### Abstract

The world economy is going through an unprecedented global recession due to the outbreak and lockdown of the coronavirus epidemic in the corona period. It is feared that in the coming time the world may go into a worse state than the resolution of 1929. In this sequence, this economic epidemic in India is also causing a double crisis in the country. Due to this epidemic, the demand and supply chain in India has deteriorated badly. The decline in demand for food items and other essential items shows that the purchasing power of the common man of the country has decreased. Normally the cycle of economic activity starts with production and the producing people are paid in salary and with that money they buy goods from the market which promotes the economic activity of the market which leads to the sale of the product from which the sale Impressed entrepreneurs produce more as a result, there is an increase in employment and purchasing power.

The lockdown has caused a major loss to the supply chain in the country, the transportation shutdown has disrupted the movement of goods from production to the market, leading to an increase in black marketing and inflation so that the closure of freight, vegetables, fruits and other crops from the fields Are getting wasted The farmers are facing a big crisis if they do not get the right price for the crop.

The economic epidemic caused by Coronavirus where urban poverty, migrant labor crisis, declining employment of unorganized sector, closure of production cycle, pathetic condition of areas like hotels, tourism, airlines, real estate, The weakening stock market and finance sector and the increasing health challenges of the government etc. have created a long-term crisis before the Indian economy; On the other hand, India also provides an opportunity for proper management of its rural economy and self-reliance of young population benefits.

**Keywords:** global recession, coronavirus epidemic, economic epidemic, unorganized sector, production cycle, self-reliance.

\*Corresponding Author  
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## 1. INTRODUCTION

The world economy is going through an unprecedented global recession due to the outbreak and lockdown of the coronavirus epidemic in the corona period. It is feared that in the next time, the world may go into a worse state than the resolution of 1929. In this sequence, this economic epidemic in India is also causing a double crisis in the country. It may be noted that even before this epidemic, the coronavirus attack on the Indian economy was going through an economic slowdown, and the high unemployment rate has proved to be a double whammy.

A nationwide lockdown has been announced by the Government to prevent coronavirus infection. Due to this, the spread of the epidemic has reduced in a limited way. Still, on the other hand, economic activity has diminished across the country, and product demand and supply chain have been affected. Today, snatching employment has created a threat of livelihood in front of crores of people, so there is a danger of starving in front of a large population. Economic activities like farming, trade, commerce, industry, business, and Government's income and expenses were all reported to be drastic.

Although the economic activity is now relaxed with certain conditions in the lockdown, this exemption is insufficient. Therefore, the severe financial crisis has knocked into the country like an epidemic. Given these concerns further, we try to see what are the challenges facing the Indian economy today region-wise and what the Government is trying to overcome and what other significant steps or efforts need to be taken.

In the same sequence, we first try to understand what the statistics related to economic epidemics in the context of India said.

- Many rating institutions of the world have expressed the possibility of a massive decline in the growth rate of the Indian economy due to the epidemic.
- Estimates of India's G.D.P. growth rate for the financial year 2021 are expressed by the following entities as follows: -
- *Confederation of Indian Industry (CII)* = -0.9%
- *Fitch Rating Agency* = 0.8%
- *International Monetary Fund (IMF)* = 1.9%
- *World Bank* = 1.5% TO 2.8%

According to a report by the *International Labor Organization (I.L.O.)*, 40 crore workers working in the unorganized sector will be affected by unemployment and poverty due to this epidemic; Also, they are likely to go below the poverty line, especially in rural areas of India, this poverty is more likely to be killed. An estimate is also being expressed that this year 19.5 crore people of the world may lose their full-time job.

According to a recent study by researchers at United Nation University, 104 million people in India can fall World Bank-determined *below the poverty line* (3.2 \$ / DAY). At present, already 812 million people (60% of the total population) of India are living below the poverty line. In such a situation, this increase can lead India to starvation.

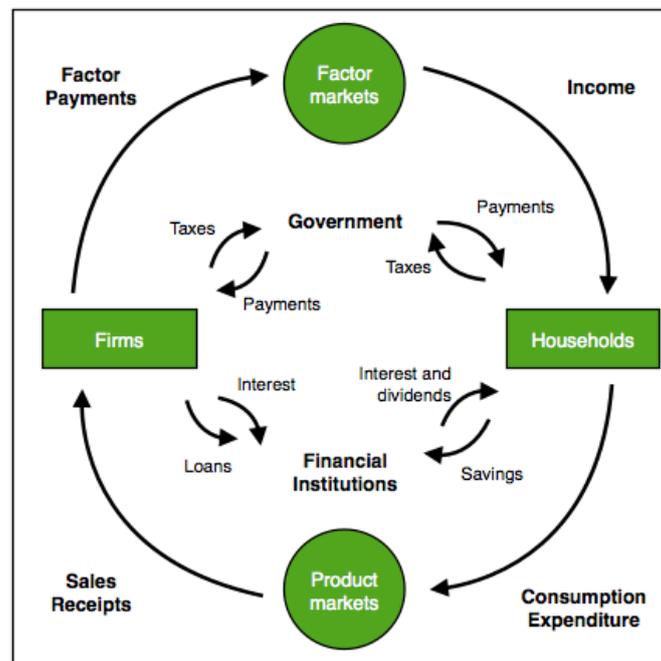
It is in this context that the United Nations World Food Program has warned that the number of people facing severe food security is expected to double in the world, due to which India is already at the of the *World Hunger Index (103 POSITION)*bottom. In such a situation, due to poverty, unemployment, health crisis, etc., the possibility of great hunger can be expressed.

According to the Food and Agriculture Organization(F.A.O.) report: *The state of food security and nutrition in the World-2018*, 195.9 million people in India suffer from starvation.

According to *The Economics Times 2018* report, 333 million tonnes of food grains are required to be produced each year for the growing population in India. In contrast, currently, 284 million tonnes of food grains are produced.

Now the question is, which are the most affected sectors of the Indian economy:

Due to this epidemic, the demand and supply chain in India has deteriorated badly. The decline in demand for food items and other essential items shows that the purchasing power of the common man of the country has decreased. *Usually, the cycle of economic activity starts with production, and the producing people are paid in salary. With that money, they buy goods from the market, which promotes the economic activity of the market, which leads to the sale of the product from which the sale Impressed entrepreneurs produce more. As a result, there is an increase in employment and purchasing power. This production circle can be understood from the following diagram.*



But the production process has been interrupted due to the lockdown. Production is closed at this time; the worker is not getting a salary due to which economic activities are close. As a result, the demand in the market is almost zero. At the same time, the cuts in salaries of government and private salaried employees have irritated the hands of the people. Due to which people are spending less on essential commodities. A large part of the country's population is dependent on daily wages, whose condition is hazardous. More than 90% of the country's workers work in unorganized sectors; this has led to the employment of street vendors working in small jobs, which has reduced demand. Millions of workers are struggling with unemployment and poverty due to the closure of work in the manufacturing sector.

*The lockdown has caused a significant loss to the supply chain in the country; the transportation shutdown has disrupted the movement of goods from production to the market, leading to an increase in black marketing and inflation so that the closure of freight, vegetables, fruits and other crops from the fields Are getting wasted. The farmers are facing a big crisis if they do not get the right price for the plant.*

In the current era, employment in sectors like airline, travel, tourism, hotels, hospitality, and real estate has stopped. This is showing adverse effects on them. Also, the stock market and the financial sector have weakened. There are several restrictions on import and export which have affected the income of domestic producers and Government. During this time, the health of financial institutions is also likely to deteriorate, if a financial institution is submerged, then it will harm other companies, in such a situation, the banking sector already facing bad loans and N.P.A. may come under further pressure. On the other hand, due to less economic activity, there will be a massive decline in the amount received from G.S.T. and other taxes in the government exchequer; While on the other hand, the Government's expenses for dealing with the Covid-19 will increase.

## **2. THE GOVERNMENT TOOK SIGNIFICANT STEPS FOR THE PREVENTION OF ECONOMIC EPIDEMIC**

- The Government of India announced an economic package of 2000000 crores to deal with this financial epidemic. Under this, cash was provided as 1.7 lakh crore D.B.T. so that the poor and deprived section of the society can meet their minimum requirements during the lockdown and thereby increase the demand.
- For the promotion of M.S.M.E. industries by the Modi government, it has been targeted to provide loans of 300000 crores without any guarantees that the working capital of these industries can be increased and used for employment and production activities.
- The Reserve Bank of India has reduced its repo rate by 4.0% while changing its monetary policy to overcome the liquidity problem and provide cheaper credit facility and announced CRR RATE to 3%, bringing it to the lowest level ever has gone.
- In recent times, the Reserve Bank of India has provided financial assistance of Rs 50000 crore due to increase in cash demand of the mutual fund.
- Under the Prime Minister's public address, several economic concessions were provided to strengthen the local economy to establish a self-reliant India Mission.

## **3. NEW CHALLENGES BEFORE THE INDIAN ECONOMY ARISING DUE TO ECONOMIC EPIDEMIC**

- Immediate emergency relief to the poor, hungry, unemployed, and sick workers, under which maximum effort should be made to use Indian Railways to reach them to their home district and then to provide food security.
- The primary challenge is to provide the challenge of bringing migrant laborers back to the village with confidence in the labor markets due to the lockdown, as well as the problem of providing them employment locally.
- The rising unemployment due to the epidemic has made the condition of the rural economy worrying. Today, due to the increasing mass migration burden in the rural economy, manure security, employment and law, and order problems have arisen.
- Likewise, due to the coronavirus epidemic, big industries can compete with the economic crisis. Still, small and medium enterprises (M.S.M.E.) can overcome this great crisis, and if this industry can not get rid of this crisis, then its existence and the people employed in it. May be unemployed.
- Prolonged unemployment, poverty, disease, and starvation can lead to social unrest in India, which may lead to a law and order crisis.

- Today, the global recession is giving rise to economic protectionism, which is expected to increase the risk of employment in the overseas Indians and B.P.O. Industry, which may result in a considerable reduction in remittances.

#### 4. FUTURE POLICY STRATEGY FOR THE PREVENTION OF ECONOMIC EPIDEMIC

- The Government needs to make new policies by making necessary changes in the plans to get rid of the current economic crisis. Also, to increase liquidity demand, more economic relief packages need to be given for cash flow.
- The Indian economy today needs to be protected from *stagflation*; for this, a demand-driven economy will have to be promoted, as well as a strategic change in *fiscal policy*.
- There is a need to universalize the ration card and public distribution system (P.D.S.) in today's era for *food security* of the immense population of India.
- Schemes like D.B.T. under *Ujjwala*, *M.G.N.R.E.G.A.*, and P.D.S. should be provided by every state to help the migrant laborers.
- To control poverty and unemployment, building a self-reliant India will have to focus on *sustainable employment programs* at the local level and small and cottage industries.
- The Government needs to provide direct relief money for the promotion of employment in the unorganized sector; So that production dependency develops at the local level, and the *M.S.M.E. industry* remains the backbone of India's economy with the help of innovative technology.
- The Government needs to make serious efforts to restore employment in the *retail trade, hotel industry, and the construction sector*. Relief amount should be provided in the form of an interest-free loan to save working capital.
- The Government needs *fiscal stimulus* measures to re-regulate demand and supply. Policy steps should be taken to fix the same agriculture and allied sectors. At the same time, the Government must also cut its expenses.
- The Government should also arrange finance for needy banks, *N.B.F.C.*, and other financial institutions, given the poor condition of banking sectors.
- *India should increase the discount rate of DUTY DRAWBACK for export promotion, and foreign investment* will have to be boosted; this will increase domestic employment and production, due to which the use of the labor force is possible.

#### 5. CONCLUSION

Thus in the economic epidemic caused by Coronavirus where urban poverty, migrant labor crisis, declining employment of unorganized sector, closure of production cycle, the pathetic condition of areas like *hotels, tourism, airlines, real estate*, The weakening stock market and finance industry and the increasing health challenges of the Government, etc. have created a long-term crisis before the Indian economy; On the other hand, India also provides an opportunity for proper management of its rural economy and *self-reliance* of young population benefits.

In the same context, several steps have been taken by the Government to make India's rural system self-reliant like doubling farmers' income by 2022, *Mudra Health Card Scheme, Prime Minister Agricultural Irrigation Scheme, Prime Minister Crop Insurance Scheme, Kisan Sampada Yojana, E- N.A.M.*, increasing the number of *A.P.M.C. mandis* for improving agricultural marketing and growing *the M.S.P. by 50% in 2018-19*.

Therefore, to combat the economic epidemic, India needs to be self-sufficient with high investment in all sectors of agriculture, industry, and service for inclusive growth. On the other

hand, there is a need for *economic liberalization, export promotion, and increasing foreign investment*. Finally, where else can it be understood that the present Coronaera will also be buried in the pages of history like other negative epochs and the hope and faith will be born again; With which the Indian economy will regain its pinnacle as our culture tends to find opportunities in disaster.

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## Effects of Covid-19 on the Economy

Daya Mary Mathew<sup>a</sup>, S. Ancy<sup>b\*</sup>, J. Aruna Jasmine<sup>c</sup>

<sup>a</sup>Dept. of Information Technology, Jeppiaar Institute of Technology, Chennai, India

<sup>b</sup>Dept. of Information Technology, Jeppiaar Institute of Technology, Chennai, India

<sup>c</sup>Dept. of Information Technology, Jeppiaar Institute of Technology, Chennai, India

Email Id: sancyit@gmail.com

### Abstract

A health hazard is a condition of a premises, a substance, thing, plant or animal other than man, or a solid, liquid, gas or combination of any of them, that has or that is likely to have an adverse effect on the health of any person. With the steep increase in COVID -19 cases not only in India but all over the world, this disease caused by the novel corona virus has been declared a pandemic by the World Health Organization. Such a situation was last faced by the humans on earth more than a 100 years ago during the Spanish Influenza. It has brought our life to a halt and forced us to ponder about a lot of things. It has brought several industries to a standstill and has also brought substantial trade deficit for India.

**Key Words:** Covid-1, Economy, Aviation sector, Agriculture, the hospitality and tourism

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## **1. INTRODUCTION**

This pandemic has made us rethink many things in life. Our priorities, our consumption, and the destruction of natural resources have to be redefined. It has made us long for the things that we took in life for granted, like meeting relatives, friends for lunch or a cup of coffee or going out and having fun with family, eating at restaurants, watching movies, etc. The very logical question that is on most people's minds today is, how has this pandemic affected our economy? With several industries being adversely affected by the epidemic. Factories shut down, those that are reopening are doing so with less than 50% workforce. This paper is an analysis of the extent to which industries are affected by this pandemic.

Our Indian economy was expected to lose over ₹32000 crores every day during the first 21 days of complete lockdown. Under the complete lockdown, less than a quarter of India's \$2.8 trillion economic movements were functional. About 53% of businesses in the country were projected to be significantly affected. The ones that are most under risk are the daily wage earners and migrant workers whose regular earnings were affected due to the lockdown, and they were forced to vacate their city of work and move to their native towns due to lack of food and money. This led to reverse migration and the deaths of many migrants in the process. A large number of farmers who grow perishables have also faced massive uncertainty with the lack of laborers to perform the tasks. Many industries are cutting salaries and laying off jobs. Stock Markets in India posted their worst losses in history on 23 March 2020.

## **2. AVIATION SECTOR**

With no signs of government money helped set up, India's now-grounded aviation sector lies hazardously getting ready for bankruptcy as a result of the COVID-19 pandemic. There's still no clarity if a number of these airlines can survive within the returning months. unsteady fuel costs and price-wars at intervals the world are a part of the explanation of why once-leading airlines like Jet Airways and coraciiform bird Airlines folded. (Source: <http://mangalorediary.in/news/national-news/aviation/>) As per the Centres for Asia Pacific Aviation (CAPA), that closely monitors civil aviation within the country, "Most Indian airlines haven't structured their business models to be able to face up to even regular shocks, like elevated fuel costs or economic downturns, not to mention once-in-a-century events." Given the massive holdup across the country and plummeting growth rates, the govt. could, however, solely be in an exceeding position to supply useful relief, that may embrace "waivers and moratoriums on liabilities," says CAPA. "Given the large structural dislocation long-faced by the aviation sector, this could not be sufficient to rescue operators, notably weaker firms. (Source: <http://mangalorediary.in/news/national-news/aviation/>)

## **3. AGRICULTURE**

In a study throughout the first fortnight of might, created by the general public Health Foundation of Asian nation, Harvard T H Chan College of Public Health and therefore the Centre for property Agriculture found that "10% of farmers couldn't harvest their crop within the past month and hour of these United Nations agency did harvest rumored a yield loss" which a majority of farmers face the issue for the ensuing season. Because of problems supplying following the imprisonment, tea estates were unable to reap the first flush. The impact of this on the second flush isn't notable. The full Darjeeling tea-based tea business can see a significant fall in revenue. Tea exports may visit up to eight as a result. within the imprisonment, food wastage accrued because of affected offer chains, poignant tiny farmers

#### **4. MANUFACTURING SECTOR**

The ongoing imprisonment has placed heaps of strain on the producing sector that contributes nearly two-hundredth of the gross domestic product. Of this, five-hundred is provided by the automobile business. Even before the imprisonment, the automobile business wasn't in a beautiful form, with sales down by over 50% and production cuts of the order of five to 100 percent or more. The producing sector has been hit in several directions thanks to the COVID-19 result. To start with; lower production is needed thanks to lower off take. It takes a touch longer to surface, as some distributors, sensing a chance to earn profits in an exceedingly developing shortage scenario, tend to hold on with the sales, however with associate degree extended schedule of postponed payments. Longer credit days are given by the producer, the World Health Organization is keen on continued with operations before a complete ending. A lot of and a lot of workers stop returning in to figure, thanks to government directives, thereby reducing the dimensions of operations, with the resultant result on quality, cost, and production volumes. Over the amount of your time, this adversely affects the turnover, which slows right down to a trickle.

#### **5. FOOD INDUSTRY**

Restaurants, today are facing one of the biggest challenges during this pandemic. For them, even with the relaxation of rules, people would think twice before going to restaurants for their safety and their families. They would have to closely monitor the supply chain to ensure the merchants are also maintaining the utmost hygiene standards when delivering the produce to our restaurants. Also, we may have to rethink some of our suppliers where we know the produce exchanges more hands to reduce exposure and source directly from local markets. The packets would be sanitized outside of our premises and then be brought into the sterile environment of the kitchen.

#### **6. HOSPITALITY SECTOR**

The COVID-19 pandemic has created a profound impact on the hospitality and tourism industry in the Nilgiris, with the hotel owners estimating that they may lose up to 70% of their average annual revenue as the district has remained closed from Mid-March 2020. The lockdown coincided with the April-May period when the tourism industry makes the highest profit. The sector has faced mass-scale cancellations for travel bookings and hotel accommodations and will continue to do in the months to come. In the Capital like Delhi, to continue making some revenue and in a bid to keep customer engagement, hotel chains like the Hyatt and Hilton have started to offer customers the opportunity of home delivery of food items. Both Hyatt and Hilton have partnered with Zomato and Swiggy and share their menus on WhatsApp. Both IHCL and ITC are offering clients the opportunity to order and have their food collected via contactless delivery. To tide over tough times, some hotels have also leased or licensed out spaces on a commercial basis and demand rentals and license fees from their in-house retail partners. On a positive note, some hotels are also offering their hospitality services to help those immediately affected by the COVID-19 crisis. Some hotels are also opening their doors for frontline workers who prefer to remain isolated from their families as they stay at a higher risk of contracting the disease.

#### **7. ELECTRONICS**

China is a significant supplier both for the final product as well as the raw material used in the electronics industry. India's electronics industry is facing supply disruptions, production

reduction, impact on product prices due to heavy dependence on electronics component supply-directly and indirectly-and local manufacturing. The spread of coronavirus could have pushed down the sales of top electronic companies and smartphone makers, which have significant supplies to India.

#### **8. SOFTWARE INDUSTRY**

The extended satellite New Year holidays in China has conjointly adversely wedged the revenue and growth of domestic info Technology firms in operation out of China. Info Technology firms square measure slowly obsessed with the personnel and aren't able to work thanks to restrictions within the movement of general individuals arising from internment and quarantine problems. Consequently, they're ineffective to complete or deliver the present comes in time and are declining new comes. Further, the worldwide customers for Indian info Technology firms in China have started trying to find different service suppliers in alternate locations like Asian nation, Vietnam, etc

#### **9. HEALTH SECTOR**

The health care sector is at the geographical point of this new world pandemic challenge, and therefore the non-public sector has up to the occasion by providing to the govt. All the support it wants, be it testing support, making ready isolation beds for the treatment of Covid-19 positive patients, or deploying instrumentation and workers in known nodal hospitals. Whereas the non-public health care sector is prepared for each occurrence, it's conjointly a reality that, in contrast to alternative areas, the trade is facing a twin-burden: (a) finance extra force, equipment, consumables, and alternative resources to confirm one hundred pc state for safety within the hospital(s) and ultimate treatment of patients if required. (b) Experiencing a pointy call OP footfalls, elective surgeries, and international patients seem that whenever the govt. Announces any business enterprise stimulant, this trade is checked out favorably. The world is additionally expected to profit from increasing awareness regarding health care, and therefore the additional government focus that this pandemic is probably going to lead.

#### **10. TECHNOLOGY INDUSTRY**

For the millions of individuals and businesses, the threat of COVID - 19 has financially ruined, but there are some parts of the technology industry that are benefiting from the considerable change forced on society

*i) Cloud Computing:* The cloud computing phase had been on the increase for years, though, as a lot of staff realize themselves restricted to their homes, a lot of workloads can have to be compelled to be migrated to the cloud to confirm the companies will operate as was common. For cloud firms, the coronavirus irruption is effectively forcing some organizations through a speedy digital transformation project to embrace the cloud and quality trends. From associate degree IaaS perspective, it means that more cash, from SaaS, which implies a lot of engagement and PaaS a lot of chance. Amazon internet Services, Microsoft Azure, and Google Cloud square measure the apparent beneficiaries as market leaders. However, for firms like Oracle, UN agency may well be operating with a lot of ancient industries that have resisted evolution so far, new conversations regarding sanctioning the force can have to be compelled to occur.

*ii) Video conferencing and collaboration:* Although there's no substitute for a face-to-face meeting to progress and complete sophisticated comes, alternatives have to be compelled to be wanted nowadays. Several businesses square measure encouraging a lot of sessions to be conducted via

video links instead of email not solely to guarantee effective communication; however, make sure the well-being of staff. Contact with colleagues via video link isn't good by any stretch; however, it would assist some UN agency square measure feeling the loneliness of remote operating. Microsoft is a plain beneficiary here; it declared last week the amount of daily active users for its group collaboration suite raised by twelve million. However, several others square measure financially happier conjointly. Zoom Video Communications, a foreign conferencing services company, headquartered in San Jose, has seen share increment a hundred and thirtieth since the start of the year. In contrast, a lot of marketers square measure turning to firms like ON24 to buy webcasting and webinar services to confirm lead generation comes will continue.

*iii) Electronic payments:* The likes of Visa, MasterCard, and Curb are already benefitting from long-standing trends wherever real money has been quickly changing into a factor of the past. However, the COVID-19 irruption might accelerate this. In the short-run, some retailers are currently solely accepted through digital payments, because the total variety of transactions are decreasing, thus can revenues. They said, within the long, it might force customers into adopting digital payments.

*iv) Ecommerce:* The new folks are reception bored; the additional probably their fingers are planning to venture towards the eCommerce apps to pay the cash that has been saved from not planning to the gin mill. Your correspondent's social unit has become a satellite Amazon room due to specific people within the flat.

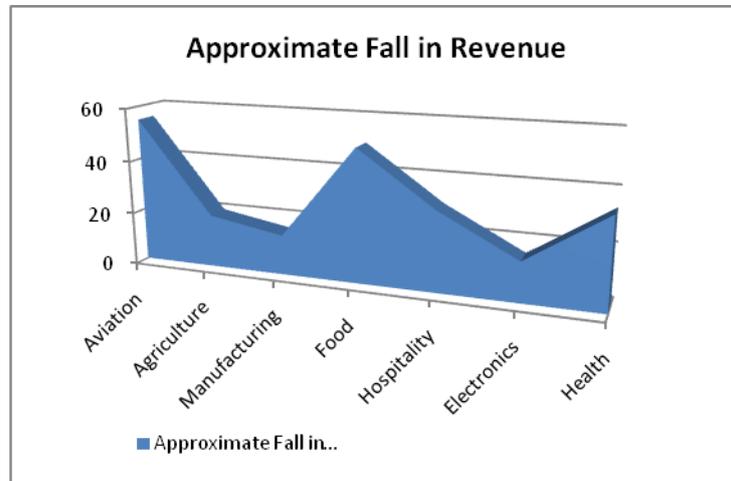
*v) Streaming,* vice, and video content platforms This is maybe the foremost obvious example of a useful section. In terms of video streaming, folks can get to occupy kids, whereas adults also will want fun as pubs, clubs, theatres, parks, beaches, holidays, and gigs all disappear. Netflix is already vastly well-liked, however with additional folks stuck reception within the evenings, it should well become additional thus, and yet, this profit isn't restricted to the content king. All streaming platforms may benefit, whereas Disney+ is launching at an ideal time to capture the eye of European shoppers. In terms of video platforms outside streaming, YouTube is enjoying explicit success. Not solely are their people who try to entertain themselves. However, there also are many hours of data (some way more correct than others) on the pandemic itself.

**Table 1: Industries and Impact**

S. No.	Industries	Factors Affecting	Approximate Impact in Revenue
1	Aviation	- Mass-scale cancellation of flights	55 % ↓
	Agriculture	-Lack of laborers - Lack of transport - Loss/ wastage of produce - Drop-in demand leading to a drop in prices	20% ↓
2	Manufacturing	- Lack of workers - Lack of raw materials	5-15% ↓
3	Food	- Lack of customers due to fear of contracting virus	40-50% ↓

4	Hospitality	- Mass-scale cancellation of bookings. - Lack of transport.	30% ↓
5	Electronics	- Supply of raw materials affected	5-15% ↓
6	Software Industry	- Workforce affected due to quarantine	
7	Health	- Lack of patients from other operations(international) - Entire workforce used to treat COVID -19 patients	24-34% ↓
8	Technology Industry		
	Cloud Computing	- Rapid digital transformation	12.5% ↑
	Video conferencing and collaboration	- Increase in online meetings and videoconferences due to lockdown.	130% ↑
	Electronic payments	- Increase in electronic payments due to lockdown.	20- 25% ↑
	Ecommerce	- Increase in eCommerce activities and online shopping.	23% ↑
	Streaming, gaming and video content platforms	- Increase in streaming and gaming in digital platforms to help ease stress and pass the time.	63% ↑

The highest impact is on the food industry as there will be a lack of customers due to fear of contracting viruses, and they may face a 40-50% fall in the revenue. It takes about approximately 2 to 5 years for the food industry to overcome this loss. The next highest impact on the health industry, which has fallen in revenue of up to 24-34% because of the lack of patients from other operations(international) as the entire workforce was used to treat COVID -19 patients. But this seems to overcome this fall in a dewy short span as this industry is one of the basic needs of the society and cannot be alternated. On the contract, the Video conferencing and collaboration industry will flourish, and their revenue will increase up to130%.



**Fig 1: Depicts the approximate fall in the revenue of a few sectors**

## 11. CONCLUSION

COVID 19 has shattered the economy of the nation. Above this, various state tussles have occurred during the COVID-19 pandemic like electricity production, the mass migration of vagrants. In the effects of the revenue fall, few organizations began arrangements for restarting activities. A few organizations have opened workplaces with the greatest allowed quality of 33%, while others adopted a progressively mindful strategy of as low as five for each cent.[13]. An examination by Elara Securities Inc. discovered that five Indian states, Kerala, Punjab, Tamil Nadu, Haryana, and Karnataka, are contributing 27% of India's GDP as India rises out of an absolute lockdown.[14][15].

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## Impact of COVID-19 on Defence Industry with Special Reference to India

Mohd. Rizwan<sup>a\*</sup>, Mohammad Saqib<sup>b</sup>

<sup>a</sup>Department of Defence Studies, Meerut College Meerut, U.P.

<sup>b</sup>Department of Defence Studies, Hindu College Moradabad, U.P.

### Abstract

This paper is an attempt to understand the impact of COVID-19 on Defence Industry. Starting with China's Wuhan, the coronavirus has caused havoc in India as well. This has led to a lock-down in India, this has significantly affected the industries and has weakened India's economy. Companies related to defence sector have also been affected and defence equipment manufacturing is almost closed. This research also studies what will happen to the defence industry after the lock-down ends. Because this area is not connected to the basic needs of humans, therefore its direct impact on humans is not visible but this sector has a huge contribution to the economy. The poor economy can be managed by enriching this industry.

**Keywords:** COVID-19, Defence Industry, Economic Crisis, Lockdown.

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## **1. INTRODUCTION**

The coronavirus disease (COVID-19) pandemic, which originated in the city of Wuhan, China, has quickly spread to various countries, with many cases having been reported worldwide. The Ministry of Health and Family Welfare of India has raised awareness of the recent outbreak and has taken the necessary measures to control the spread of COVID-19. The central and state governments are taking several steps and formulating several wartime protocols to achieve this goal. Besides, the Indian government introduced a lockdown across the country, which began on March 25, 2020, to reduce virus transmission. This outbreak is related to the nation's economy. After all, it has significantly impeded manufacturing sectors because people around the world are generally wary about engaging in business in the regions affected.

Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which causes coronavirus disease (COVID-19), was first identified in December 2019 in Wuhan city, China, and later spread to many provinces in China. On January 30, 2020, the WHO declared COVID-19 a Public Health Emergency of International Concern. The first SARS-CoV-2 positive case in India was reported in the state of Kerala on January 30, 2020.

The effect of the global coronavirus pandemic is every minute changing. Looking everywhere is almost impossible and not seeing a hint of the epidemic that has infected our lives, our places of work, our neighborhoods, and homes. With many unknown elements to this outbreak and the situation continuing to unfold, predicting what the future may bring is difficult. There were strong and immediate implications for the global aerospace and defence (A&D) industry. Widespread industry awareness is that commercial aerospace has had the longest growth streak in decades, and defence spending has been increasing globally in the years following The Great Recession. Historically, until a downturn in the market, commercial aerospace boom periods experienced an annual increase of 300 percent in revenue from the industry. After World War II, spending on defence has alternated over 20 years between 10 years of growth and ten years of decline. Inevitably, the A&D industry was heading for a reset early, and COVID-19 could very well have accelerated the change.<sup>1</sup>

India's aerospace and defence industry is a strategically important sector in the country. It has a total of over 1.3 million active personnel. This makes it the second-largest military force in the world, after China's People's Republic. Besides, it also has the most massive volunteer army in the world. The defense sector has expanded exponentially over the last few years. From 2008-2016, it rose at a CAGR of 9.7%, reaching current rates of USD 42.83 billion in 2017-18. India's aerospace and defence industry is expected to gross about \$70 billion by 2030. India's defence industry currently accounts for around 1.6 percent of GDP.

However, India has the world's fifth-largest defence budget. Defence allocation in India's 2017-18 Union Budget stood at USD 41 billion. Of all this, USD 13.3 billion is spent on capital purchases, i.e., 31.7% of the defence budget. Budget 2017-18 has seen a 5.3% rise in the allocation for defence relative to the 2016-17 bill. Also, the overall Indian military budget for the 2018-19 financial years stood at USD 62.8 billion. This represents 12.1 percent of the overall budget of the Union Government for 2018-19. India's military budget is around 1.49% of the total 2018-19 GDP. Imports meet approximately 70% of the security requirements. Imports account for a significant

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<sup>1</sup> CYIENT, "The Impact of COVID-19 on the Industry and Its Recovery and Regrowth", 2020, Retrieved from <https://www.cyient.com/blog/aerospace-defense/the-impact-of-covid-19-on-the-ad-industry-and-its-recovery-and-regrowth> (Accessed on 28 May 2020).

portion of defence-related conditions, and this gives international investors a tremendous opportunity. The government's goal in the coming years is to step up local procurement to that by a large number the defence budget. Currently, the government is following the target of a USD 25.5 billion turnover of military goods and services by 2025.<sup>2</sup>

## **2. IMPACT OF COVID-19 ON DEFENCE INDUSTRY**

At present, the focus of the Government of India is on improving athletic facilities. Still, at the same time, there is a need to pay attention to defence industries as this industry has a considerable contribution to the Indian economy. India supplies arms and defence equipment to many countries, which brings foreign money into India, but all trades are closed due to lockdown. If we compare India with its rival nation China, then we see that China has started all its industries and has started exporting defence equipment, medical equipment, and everything. This will strengthen China's economy day by day, and India will lag behind China in the economic war.

This is very important to remember that while the effect of the pandemic in the short term would be very pronounced for certain types of companies, the results that take longer to manifest for others. The latter is especially true of industries that are exposed to many externalities-political, cultural, and social. The Defence Industry falls into this category. The increase in the magnitude of the prevalent health crisis slowly compels governments across the globe to seriously introduce lockdowns. Few experts predict an imminent period of unsustainable recession. Not only is the adverse effect on the global economy, but the COVID-19 also has a negative influence on the common defence and security apparatus. The deployment of many troops with the main task of managing the modalities of pandemic relief has added more to their responsibilities.<sup>3</sup>

There are a few regions where output is steeply declining, especially economic output, as freight and deliveries are at a standstill. The aircraft manufacturing sector is already feeling the sun, as in the last few days, there has been hardly any demand for aircraft and fighter planes. Significant debates have taken place about the imminent burden on resources that may culminate in the form of defence budget deprioritization. In addition to this, the postponement of essential things on the list, travel bans resulting from social distancing and lockdowns, and transfers of products relevant to defence procurement effectively halted the cycle of aggressive growth.<sup>4</sup>

Business development insecurity is not quite the same as that of various other undertakings, characterized by lengthy exchange times, prolonged engagement, high risks, government to government (G2G) relations, comprehensive testing and evaluation, and intimate and informal meetings. Right now, the situation is not looking ideal for company advances. Remember that various high-value acquisition projects are being investigated and resolved in the process of safeguarding; with planned occasions, for example, EUROSATORY 2020 is still unclear, roads for improving business are being reduced. While meetings and conversations that continue to take place through remote coordination, ultimate conclusions regarding high-esteem achievements are not likely to be drawn via this technique. Another point to remember here is that unless an

<sup>2</sup> Maeir Vidorno, "Aerospace and Defence Sector Overview-2020", Retrieved from <https://www.maiervidorno.com/industry-expertise/aerospace-defence/> (Accessed on 30 May 2020).

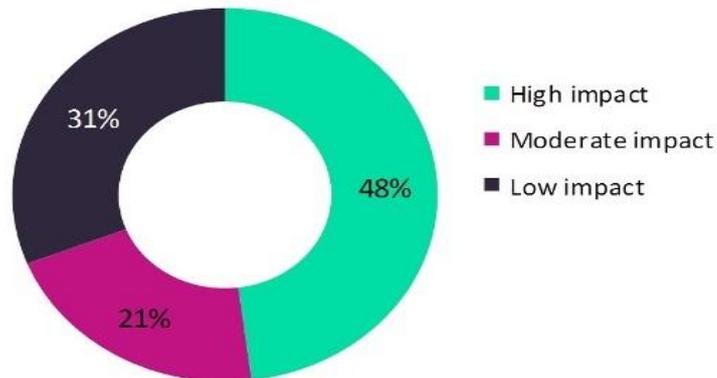
<sup>3</sup> Laxman Kumar Behera, "COVID-19 and India's Defence Spending", *IDSA Comment*, 2020.

<sup>4</sup> Manvi Hindwan, "India's War Against COVID-19: Impact on Defence and India's Emergence as a Global Manufacturing Hub", *Indian Defence Review*, 2020, Retrieved from <http://www.indiandefencereview.com/news/in-dias-war-against-covid-19-impact-on-defence-and-indias-emergence-as-a-global-manufacturing-hub/> (Accessed on 26 May 2020).

immunization or remedy is developed and driven, we can not prevent future COVID-19 resurgences and related trends of quantifying moderation or concealment that could crash business development throughout the defence sector. The dimension of unusual market growth in defence is military action. Such practices expose administrators and leaders of subsequent buyer countries to remote gear and their skills. In the off chance of the pandemic intensifying, it is difficult to prevent further severe retractions or rescheduling. As military forces, as a rule, are correlated with attempts to lower disease rates, the situation may be wrought by the thump on impact. Similarly, a suspension or decrease in military operation would further diminish the ideal opportunity for cooperation and casual testing and hardware evaluation, reducing the capacity for inert business development of an organization, particularly with the ongoing trend of using activities to diminish event acquisition courses.<sup>5</sup>

According to a survey conducted by a website, namely Army Technology, there will be a high impact of COVID-19 outbreak on the revenues of defence companies (See figure 1).

**How much of an impact will the COVID-19 outbreak have on the revenue of defense companies?**



[Figure 1]

(Source: <https://www.army-technology.com/news/covid-19-impact-defence-companies-revenues-poll-global-data-pwc/>)

Due to the spread of COVID-19 and related actions to curtail the contagion, the effects on the defence industry can be condensed into five major impact points:

- (a) It could affect production/manufacturing facilities and supply chains.
- (b) Efforts to grow company may be affected-some may fail, some will win.
- (c) The demand for equipment for the defence and related services could go down.
- (d) Companies may have to make tough choices that could affect finances and skills.
- (e) Declines in stock prices will bring side effects.<sup>6</sup>

Each of the above major impact points will have different effects based on the size of the defence companies, business nature, product portfolios, chain management dependencies, and business plans. Supply-side shocks are perhaps some of the most noticeable impacts on the defence sector

<sup>5</sup> Market Data Forecast, "Impact of Coronavirus on Defence Industry", 2020, Retrieved from <https://www.marketdataforecast.com/blog/impact-of-coronavirus-on-defense-industry> (Accessed on 26 May 2020).

<sup>6</sup> Arjun Sreekumar, "How COVID-19 Will Impact the Defense Industry", *The Diplomat (Online)*, 2020, Retrieved from <https://thediplomat.com/2020/03/how-covid-19-will-impact-the-defense-industry/>.

from the consequences of the pandemic. The immediate victims of the epidemic are companies that are located in countries severely affected by the virus or those dependent on supply chains located in the affected countries. Technological influences and paradigms of manufacturing also play a part in recognizing the extent of the effect. For example, social distance is likely to affect defence firms with highly automated plants less.

Similarly, those companies that have not completely transformed into certain manufacturing paradigms, such as just-in-time production, may just have a higher inventory level, and therefore may be capable of dealing with supply-side crises for an extended period. While the defence industry is not currently impacted as much as many other industries, we need to bear in mind that defence contracts are very high-value contracts and a potential loss of business due to a worst-case scenario linked to COVID-19 could result in companies losing out on hundreds of millions of dollars of anticipated sales. Industries will have to make difficult choices on how the company should be run in the future.<sup>7</sup>

### **3. IMPACT ON DEFENCE INDUSTRIES POST COVID-19**

Covid-19's unleashing on humanity is probably the case of the century. It has caused massive turbulence in the world. It has had a profound effect on how businesses are going to be operated after this time. The financial markets dived and acted in the most bullish way. There are a rise and fall every day, which leaves a growing investor confused. China has gained a bad name, and its prestige and reputation have been tarnished. The bribery is now an open secret. Nations are now hostile to China and filled with pain and rage and want to avenge themselves. In the scenario of multi-nationals moving their industries out of China, other nations are faced with a glorious opportunity to galvanize their political and economic efforts to make it conducive to transfer these investments to their countries. India is the front runner for these undertakings. India's government has also relaxed its FDI policy to ensure there are appropriate monitoring mechanisms in place.<sup>8</sup> So now is the time to shore up our so-called corridors of security that were set up with a lot of fanfare. India is currently the world's only vast country that is heavily dependent on outside sources for its defence requirements. According to the Stockholm International Peace Research Institute (SIPRI), the latest data on global weapons transfer shows that Indian weapons imports have fallen dramatically (by 32%) since 2015, suggesting that the 'Make in India' campaign is gaining ground, but the country is still ranked second most significant buyers of arms in the world, only behind Saudi Arabia. The silver lining for India was the entry into the list of exporters along with the 32% fall in imports. The exports shown are currently small – they represent just 0.2% of the global arms market – but the start is essential. India's largest customers are Myanmar, which accounts for 46% of exports, 25% of Sri Lanka, and 14% of Mauritius.<sup>9</sup>

<sup>7</sup> OMMCOM NEWS, "Indigenous Defence Industry Seeks Govt Help", 2020, Retrieved from <https://www.ommcomnews.com/india-news/indigenous-defence-industry-seeks-govt-help> (Accessed on 25 May 2020).

<sup>8</sup> Aaron Mehta, "How Coronavirus Could Impact the Global Supply Chain", *Defense News*, 2020, Retrieved from <https://www.defensenews.com/industry/2020/03/20/how-coronavirus-could-impact-the-defense-supply-chain/> (Accessed on 25 May 2020).

<sup>9</sup> Rajan Kochhar, "Preparing Defence Sector for Post COVID-19 World: Time to Treat Private Sector as Equal Partner", *ETGovernment.Com*, 2020, Retrieved from <https://government.economictimes.indiatimes.com/news/governance/opinion-make-in-india-a-dream-or-reality-for-the-armed-forces/75552970> (Accessed on 27 May 2020).

This dependency on weapons imports is a clear reminder of how little India has aspired to since the early days of independence from the goal of substantial self-reliance in defence production. India's government had established 25 sectors like defence manufacturing to continue its 'Make in India' program, which was launched nearly four years ago. Since 2014, the Indian government has actively supported the country's establishment of a Defence Industrial base. Many policy directives have been released to encourage Make in India and actively support the development of two corridors in Uttar Pradesh and Tamil Nadu for the Defence Industry. Yet, this initiative has to realize its full potential. The defence and aerospace industry, as is well known, is mostly based on government orders.

Moreover, the sector is characterized by long periods of growth and acquisition and substantial investments. The industry is also characterized by a tiered structure in which small and medium-sized enterprises form the backbone of the structure of Tier 1 and Tier 2 and sometimes, rarely, primary contractors. The Indian industry had just begun to develop as a result of some initiatives taken in recent years when COVID-19 gave it a body blow. A significant number of players in the industry may not survive the crisis unless any immediate measures are taken to rise "Make in India."

There are several 'Lockdown' consequences for the private security industry, and the private sector is likely to suffer higher losses and financial pressure due to:

- Responsibility to bear salaries of all workers during the lockdown and beyond, while there is no output (for both domestic as well as for exports).
- Discontinuity in the business cycle due to disruption of the contracting and tendering activities. There might be little business in the early stages of lockout post-lifting;
- Enhanced capital expenses, capital investment over extended project length, and LDs;
- Working capital problems are pressing for MSMEs (no significant surplus cash reserves to pay salaries and benefits, and the financial pressure of holding inventories).<sup>10</sup>

COVID-19 also provided many possibilities from the viewpoint of defence. One of the significant ones is that it has given great motivation for domestic innovation. Either developing pandemic equipment/devices or developing patient diagnosis or disease vaccine research, the pandemic has seen much higher adoption of new technology and solutions than ever before. Acceptance authorities have reacted tremendously to the positive approach by the innovation ecosystem in the country. Large numbers of projects are coming in from both sectors and start-ups. Defence secretary Dr. Ajay Kumar speaks to The Indian Express "Our efforts to promote indigenous production in defence and aerospace, both for the domestic market and exports, are ongoing and will also continue post-COVID-19. We have many ongoing measures." He also mentioned a few points as "(a) Transfer of technology from DRDO is available at zero cost for indigenous production. This is a great opportunity for the industry to come forward and start manufacturing for the domestic/export market. (b) The industry has free access to DRDO patents, which can help them with new technologies/products in India. (c) Department of Defence Production has approved a new scheme for the development of testing infrastructure, and the same is being implemented. This will provide dedicated testing infrastructure for the aerospace and defense industries. (d) Efforts are underway to promote investment in industrial corridors in the Defence Sector. Many expressions of interest, worth thousands of crores, were received during Defence Expo 2020. Those are likely to generate substantial investment in these defense corridors. (e) The

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<sup>10</sup> Nitin A. Gokhale, "What Indian Defence Industry Needs Post-Covid-19", *Bharat Shakti*, 20 April 2020.

order for 83 LCSs is in the pipeline and will give the domestic aerospace industry a major boost. Since the order goes to HAL, there are hundreds of businesses that support HAL by providing different components and parts, and this will give the industry a major boost. (f) DPSUs and OFB's indigenization initiative has received a boost based on Indigenization Policy 2019, and it is planned to indigenize at least 1000 components per year in five years to come."<sup>11</sup>

#### 4. CONCLUSION

The COVID-19 pandemic in today's context is defining the global health crisis and the world's biggest humanitarian challenge since the Second World War. The virus has spread widely, and the number of cases is increasing every day as governments work to slow its spread. India has moved swiftly, implementing a proactive, nationwide lockdown to flatten the curve and use the time to effective implementation and resource responses. As well as an unprecedented human toll, COVID-19 has triggered a profound economic crisis. The global economic effect may be broader than any after the Great Depression. Instant action is required to tackle the problem of short-term liquidity, but also to solve cost and profitability, and to generate funding to invest in new possibilities. Actions taken now can have an immediate impact on the survival of the company, how quickly it rebounds from the global downturn, and its financial health and sustainability are going forward. Actions taken now will have an enormous effect on the viability of the Defence Industry, how easily it recovers from the global downturn, and its financial stability and sustainability are going forward. Some state governments have allowed local defense manufacturers to restart manufacturing activities with immediate effect to counter the situation. The situation is less urgent on the defense side of the market, with demands assured by expected government expenditure and an inventory network with an insignificant presentation to hard-hit wards. The revelation of a vaccine or COVID-19 solution and successful control during personal time could make the business less influential. A few deals, barrier occasions, and market improvement initiatives may yet be pushed back. At the same time, the resistance segments may display a level line or even minor growth at the end of the year due to repressed interest.

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<sup>11</sup> Sushant Singh, "Defence Secretary Dr Ajay Kumar: COVID-19 Has Also Offered Several Opportunities From Defence Perspective", *The Indian Express (Online)*, New Delhi, 30 May 2020, Retrieved from <https://indianexpress.com/article/india/defence-secretary-dr-ajay-kumar-covid-19-has-also-offered-several-opportunities-from-defence-perspective-6410427/>.

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## A Study on Impact of Corona Virus (COVID - 19) on Education System in Reference of E-Education

Gaurav Goyal<sup>a</sup>, Vertika Agarwal<sup>b\*</sup>, Deepa Gupta<sup>c</sup>

<sup>a</sup>Department of Commerce, IP (PG) Degree College, Bulandshahr (U.P.)  
E-Mail Id: dr.gaurav121@gmail.com

<sup>b</sup>Department of Commerce, IP (PG) Degree College, Bulandshahr (U.P.)  
E-Mail Id: vertikaagarwal29@gmail.com

<sup>c</sup>Department of Commerce, GSK Degree College, Bulandshahr (U.P.)  
E-Mail Id: dr.deepa121@gmail.com

### Abstract

The petrifying and severe impact of COVID-19 has shaken the world to its core. Due to which most of the Governments around the world have temporarily closed educational institutions in an attempt to contain the spread of the COVID-19 pandemic. In India too, the government as a part of the nationwide lockdown has closed all educational institutions, as a consequence of which, learners ranging from school going children to postgraduate students, are affected. Therefore, the government has come up with e-learning program.

Nevertheless, Covid-19 has prompted experts to rethink the conventional mode of education. More importantly, it has also brought the hitherto peripheral issue of digital education in India to the centre stage. As well, it will provide an opportunity for educators to come up with customized learning solutions for every student.

Digital learning has many advantages in itself like digital learning has no physical boundaries, it has more learning engagement experience rather than the traditional learning, it is also cost-effective and students get to learn in the confines of their comfort zone. However, digital learning is not without its limitations and challenges, since face-to-face interaction is usually perceived as the best form of communication as compared to the rather impersonalized nature of remote learning.

**Key Words:** Online Education, Digital Learning Platforms.

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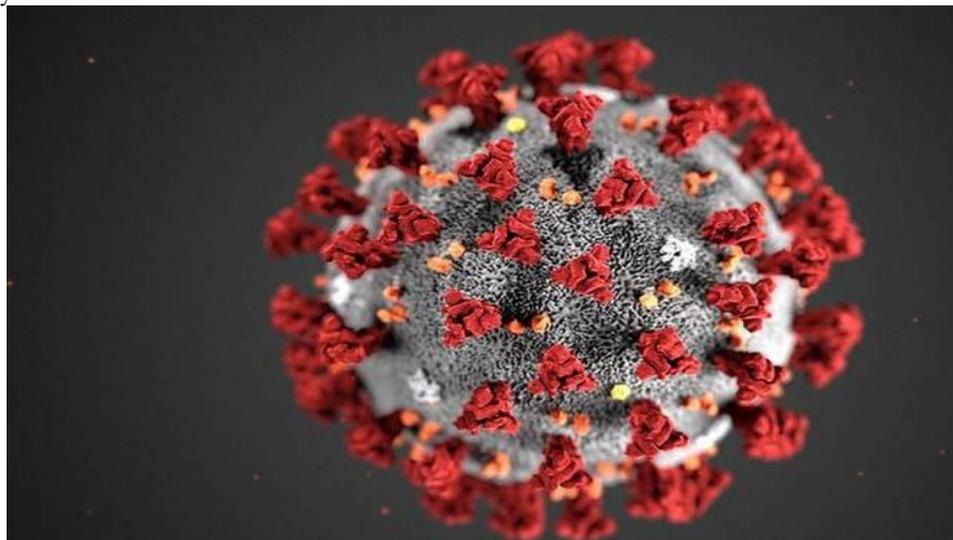
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## **1. INTRODUCTION**

The "CORONAVIRUS" eruption came to light on December 31, 2019, once China up on the "World Health Organization" of a (WHO) cluster of cases of respiratory disorder of associated unknown cause in Wuhan town at Hubei Province. Later on, the sickness unfolds to a lot of Provinces in China and, therefore, the remainder of the globe. The UN agency has currently declared it an endemic. The virus has been named SARS-CoV-2, and consequently, the sickness is presently referred to as COVID-19.



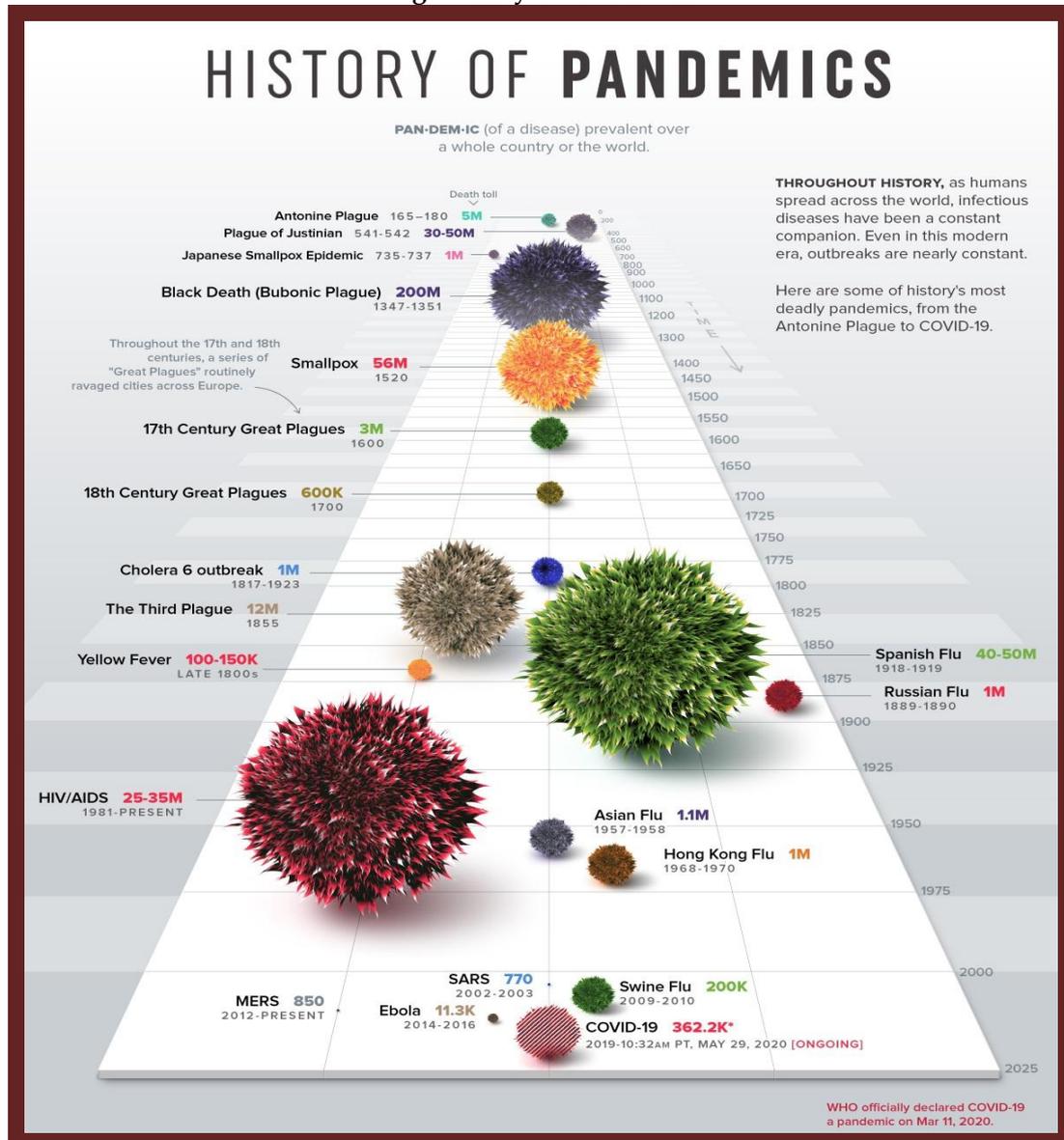
The petrifying and severe impact of COVID-19 has shaken the world to its core. Further, most of the Governments around the world have temporarily shut down educational institutions is an attempt to control the spread of the COVID-19 pandemic. In India, too, the government, as a part of the nation-wide Lockdown, has shut down all educational institutions, as a consequence of which, learners ranging from school going children to post-graduate students, are affected.

### ***A Timeline of Historical Pandemics***

Disease and ailments have plagued humanity because of the earliest days, our mortal flaw. However, it becomes now no longer till the marked shift to agrarian groups that the dimensions and unfold of those illnesses multiplied dramatically. The widespread exchange created new possibilities for human and animal interactions that sped as much as such epidemics. Malaria, tuberculosis, leprosy, influenza, smallpox, and others first regarded at some point in those early years.

The more civilized humans became – with larger cities, more exotic trade routes, and increased contact with different populations of people, animals, and ecosystems – the more likely pandemics would occur. Here are some of the major epidemics that have occurred over time:

**Fig: History of Pandemics**



The unfolding of this pandemic results in national closures, which affect more significant than 91% of the world's pupil population. Several different international locations have applied localized closures impacting tens of thousands and thousands of extra learners. UNESCO is assisting international locations of their efforts to mitigate the instant effect of college closures, specifically for more desirable prone and deprived communities, and to facilitate the continuity of schooling for in the course of faraway learning. The UNESCO record estimates that the "Coronavirus Pandemic" will adversely affect over 290 million college students throughout 22 international locations. UNESCO estimates that approximately 32 crores of college students are

affected in India, along with the ones in colleges and colleges. Therefore, the authorities have provided you with an e-getting to know the program. Many Edu-tech corporations have attempted to leverage the event with the aid of using supplying loose online instructions or appealing reductions on e-getting to know modules. These measures were met with overwhelming reaction with the assistance of using college students with a few startups witnessing as excessive as 25% uptick in e-getting to know. Remote getting to know appears a possible strategy to college students throughout this time as they provide convenient, on-the-move and low priced get admission to lessons. E-getting to know additionally comes as an exciting and interactive opportunity compared to school room teaching. Nevertheless, Covid-19 has brought about specialists to reconsider the traditional model of schooling. Digital schooling seems to be a possible strategy to fill within side the void for school room schooling for a length of 3 to 4 months while minimizing the possibilities of any contamination to college students till the instructions resume. More importantly, it has additionally delivered the hitherto peripheral difficulty of virtual schooling in India to the middle stage. To going forward, virtual literacy is possible to be included in mainstream education. This will allow inclusive education with the aid of using facilitating getting to know throughout numerous geographies in India. Moreover, it's going to offer a possibility for educators to provide you with custom-designed getting to know answers for each scholar. An entire revolution within side the manner we research nowadays has been delivered approximately with the aid of using technology. Each scholar receives in touch with global-magnificence schooling, which isn't always clean to impart with the assistance of using the conventional white chalk and blackboard technique of teaching. This new getting to know is extra exciting, personalized, and enjoyable. A vast open online direction (MOOC) is a web direction geared toward limitless participation and loose get admission to through the web. India is taken into consideration to be the largest marketplace for MOOCs within side the globe after the USA. Since the populace of India is vast, substantial open online direction (MOOC) is stated to open gateways for a whole lot of Indians in phrases of bringing an academic revolution. Online remote getting to know packages supply an excellent possibility to avail of super getting to identify with the assist of net connectivity. Digital getting to know has many benefits in itself, like virtual getting to know has no bodily boundaries, it has extra getting to know engagement revel in place of the current knowledge, it's also cost-effective, and college students get to research within side the confines in their consolation zone. However, virtual getting to know isn't always without its barriers and challenges because face-to-face interplay is usually perceived. After all, the beautiful shape of verbal exchange compared to the instead impersonalized nature of faraway getting to know. Another assignment is that e-getting to know comes throughout as extremely patchy and impersonal revel in. Also, e-getting to know is possible to witness an excessive dropout price because of the shortage of surroundings for studying. Students would possibly tend to get distracted with the aid of using gaming consoles, social media at domestic. They may not experience a feeling of the network while taking online instructions. Successful transport of schooling is likewise in query due to the fact getting to know at the extent of better education and getting to know on the kindergarten/college stage may be unique. Digital getting to know can't be implemented the equal at each step of the training. Due to the outbreak of the pandemic, the paintings from the domestic (WFH) way of life is booming in India. As social distancing is prescribed because of the excellent manner to shrink the unfold of COVID 19, corporations are confronted with an extraordinary assignment of making sure it's miles enterprise as usual, although anyone is operating remotely. Therefore, now not most effective corporation people or

startups in India have opted for an internet platform like Zoom App to stay related to their employees who are running from their homes. Still, additionally, the academic institutions have decided on for specific digital systems to facilitate gaining knowledge of for his or her college students. However, the handiest instructional establishments in city regions can offer one's facilities. Again the questions are raised for the rookies in the rural areas, the academic structures in the rural areas, and their growth. With such a lot of distinctive methods to outline e-gaining knowledge of and the academic strategies that may be taken in those are gaining knowledge of environments, many faculties and further curriculum pastime training have begun out utilizing the technology. Through programs consisting of Zoom, Skype, Google Classroom, etc., diverse faculties of India have undertaken the assignment of teaching college students via video conferencing. Despite the safety issues which such video conferencing programs may also pose, those programs are broadly used and feature proved to be useful and with several advantages. There is a picture, sound readability, which makes supplying expertise and gaining knowledge of beneficial for each the trainer and the student. But on the equal time, there may be an evident drawback as tests should be postponed. Examinations can't be performed online. It isn't always handiest simply the query of supplying non-stop and uninterrupted gaining knowledge of at some point of the outbreak of COVID 19 pandemic; however, additionally, the maximum essential project for the trainer is to recognition on the general factors of a well-advanced route. They are developing a useful and well-described online course, which helps the trainer and learner, approach devoting the ideal time and embedding the relevant route factors into the e-gaining knowledge of the environment.

## **2. THE RATIONALE OF THE STUDY**

This Study is designed for assessing the impact of Corona Virus (COVID - 19) on the education system. The purpose is to find out the pros and cons of E-Education, especially concerning students and teachers. Nowadays, conflict is generally in the discussion that E-Education can be a substitute for the traditional education system. This study is proposed to examine the effect of E-Education and to identify the satisfaction level among students and teachers.

## **3. STATEMENT OF RESEARCH PROBLEM**

In the past few months, the whole world has undergone an immense change in the education pattern as a result of Lockdown due to the pandemic of the Corona Virus. Recent downturns and increased demand of E-Education has put pressure on educational institutions, teachers, and students to adopt an unexpected change in education pattern. Notably, many students feel under pressure to read books in online mode, to be seated before mobile, laptops, etc. for long hours, network issues, lack of face-to-face interaction with teachers, depression due to Lockdown, etc.

## **4. THE OBJECTIVE OF THE STUDY**

- To study the effect of the Corona Virus on the education system.
- To study the effect of E-Education on the mental and physical health of students.
- To study the problems faced by teachers during online education pattern.

## **5. SCOPE OF THE STUDY**

The scope of Study revolves around two factors, i.e., one is positive results of e-education and secondly adverse effects of online education from education institutes, teachers, and students' perspective.

## 6. HYPOTHESIS

**H0:** There is no significant effect of online education on students and teachers.

**H1:** There is a significant effect of online education on students and teachers.

## 7. RESEARCH METHODOLOGY

### A) Data Source:

**Primary Data:** A questionnaire is the main tool for collecting primary data. To making the Study more practical, primary data were collected through a structured survey of 131 students (from primary to post-graduate standard) and 65 teachers (Primary School teachers to Principals of Schools and Colleges) by creating Google Forms.

Link of Google Form for Students:

[https://docs.google.com/forms/d/e/1FAIpQLSf6z8xYgNUm5Lm\\_NDIg9L8Zq2KS7i2F8sbC2RqosIVN\\_6MAMw/viewform?usp=pp\\_url](https://docs.google.com/forms/d/e/1FAIpQLSf6z8xYgNUm5Lm_NDIg9L8Zq2KS7i2F8sbC2RqosIVN_6MAMw/viewform?usp=pp_url)

Link of Google Form for Teachers:

[https://docs.google.com/forms/d/e/1FAIpQLSey081vxKaiut-hpnuyE0PB82yH1tTeilYiEbvZeF8hk6hqdw/viewform?usp=pp\\_url](https://docs.google.com/forms/d/e/1FAIpQLSey081vxKaiut-hpnuyE0PB82yH1tTeilYiEbvZeF8hk6hqdw/viewform?usp=pp_url)

**Secondary Data:** Secondary data were collected from related research works, published books and journals, reports of government, newspaper, and websites.

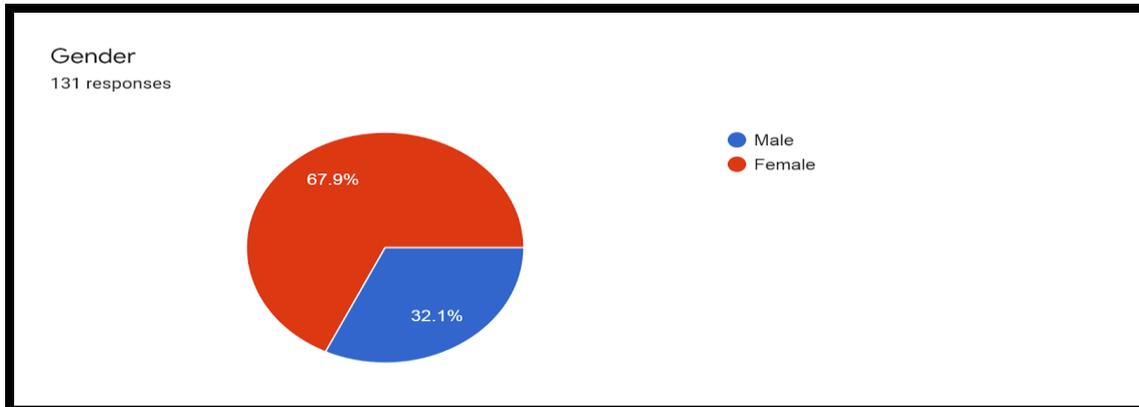
**Tools used for analysis:** Statistical tools used for the study analysis are percentage analysis and conventional method.

## 8. ANALYSIS OF DATA AND RESULTS

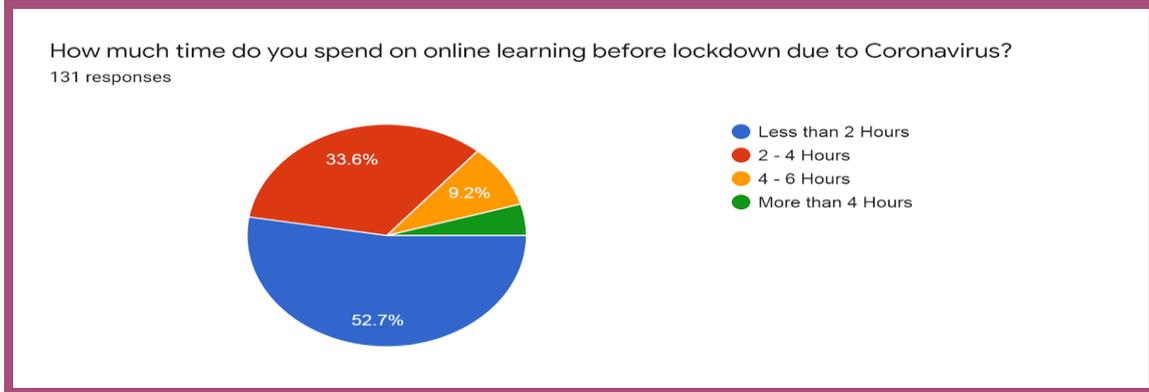
As mentioned above, the Study is based on seeking the impact of Coronavirus on the Educations system, which leads students and teachers towards E-Education or Online Education.

**Results of Survey of Student's opinion regarding online education through Online Google Form:**

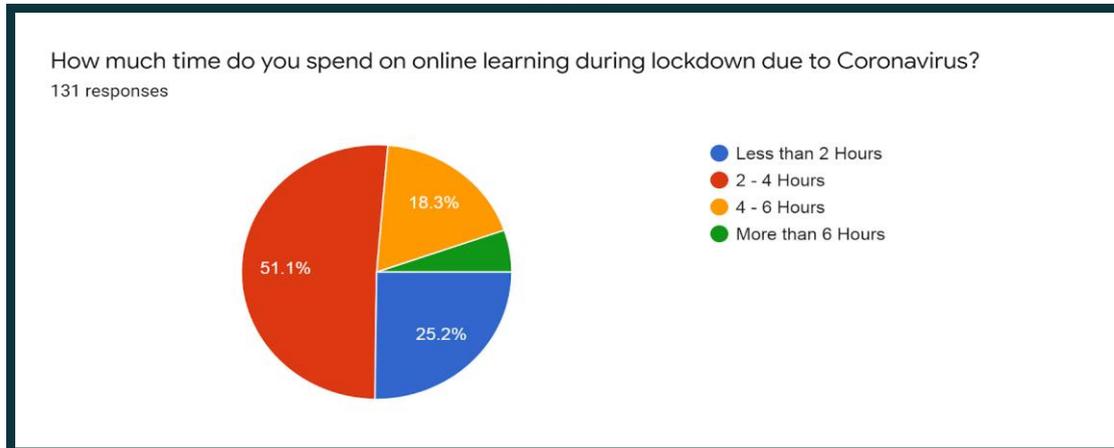
**Chart 1**



**Chart 2**



**Chart 3**



**Chart 4**

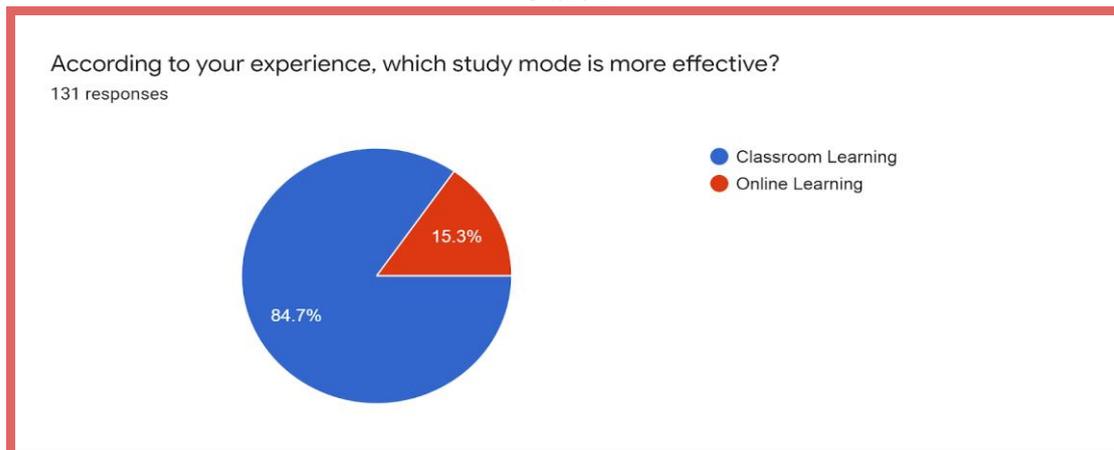


Chart 5

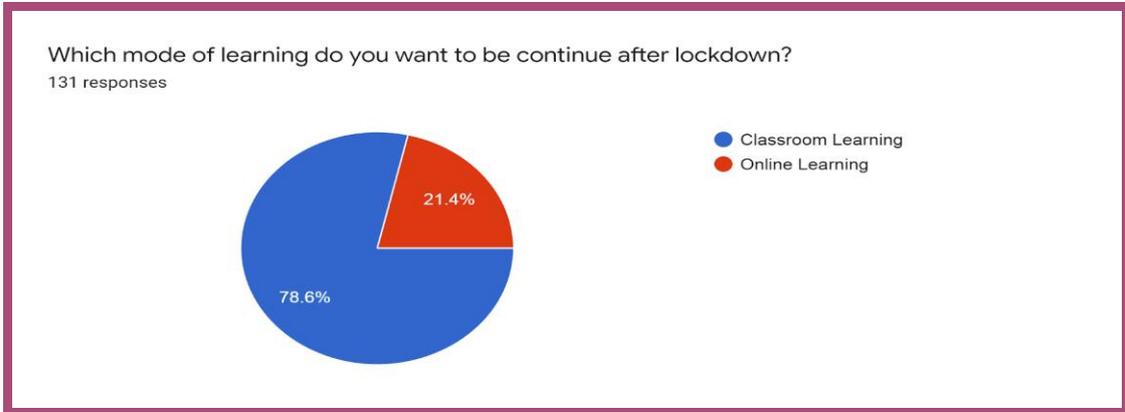


Chart 6

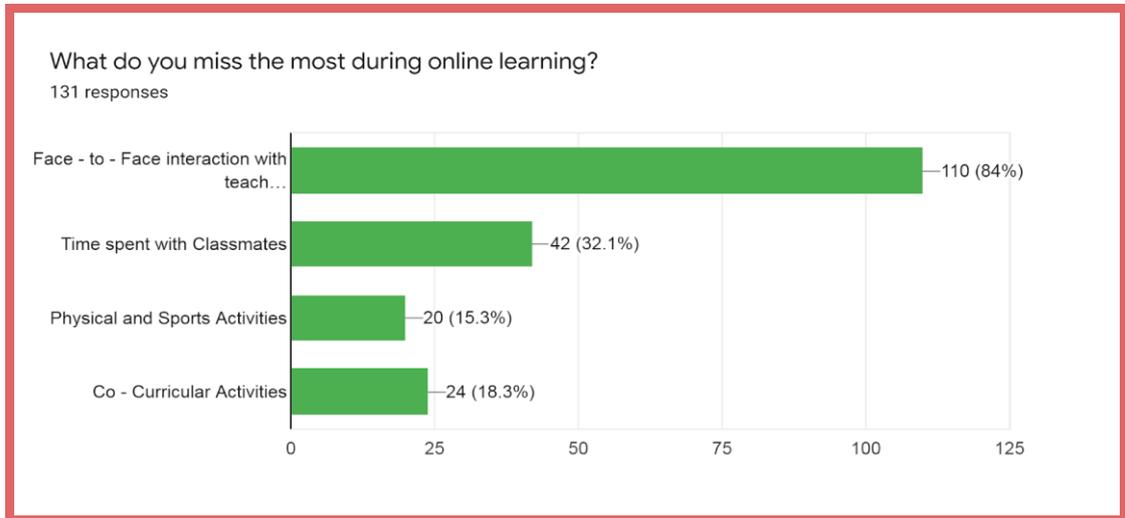
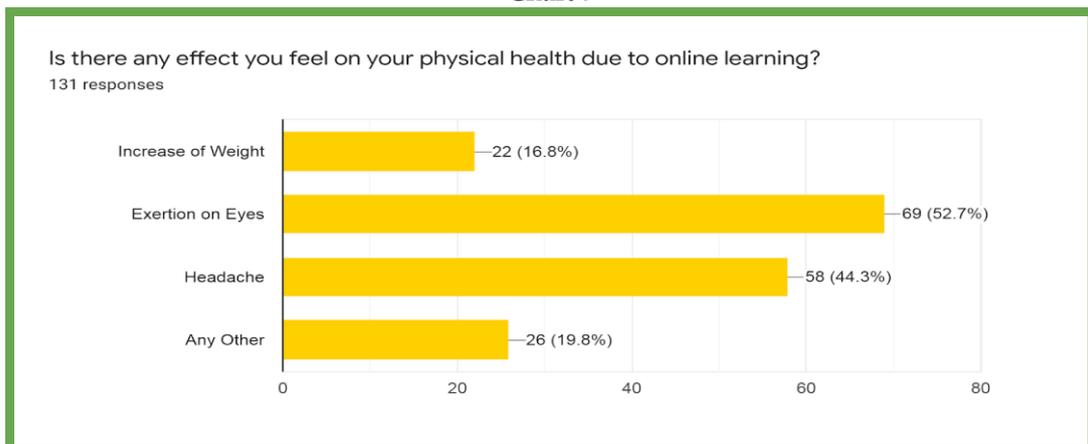
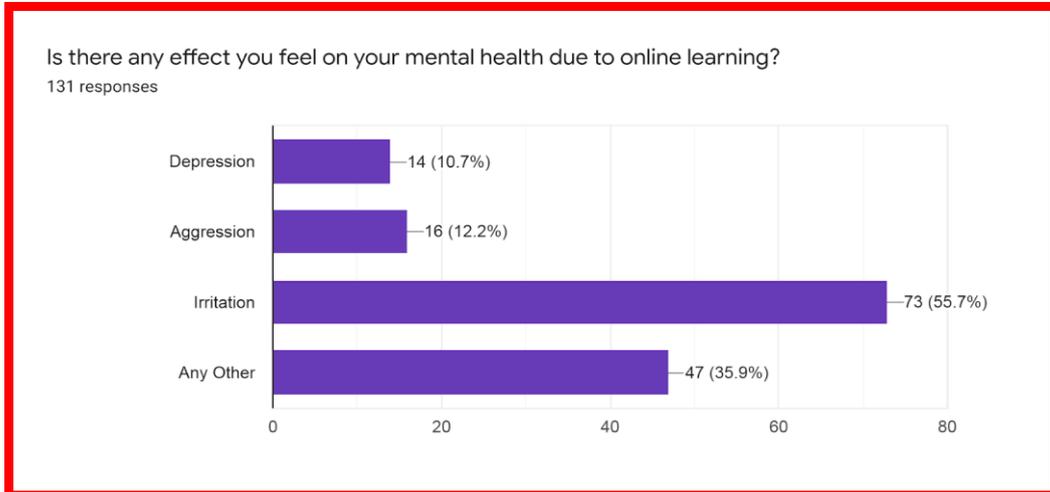


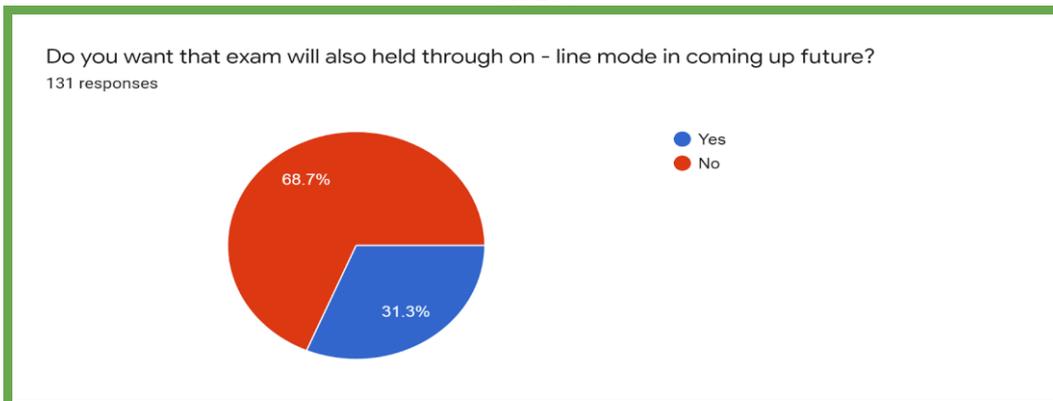
Chart 7



**Chart 8**

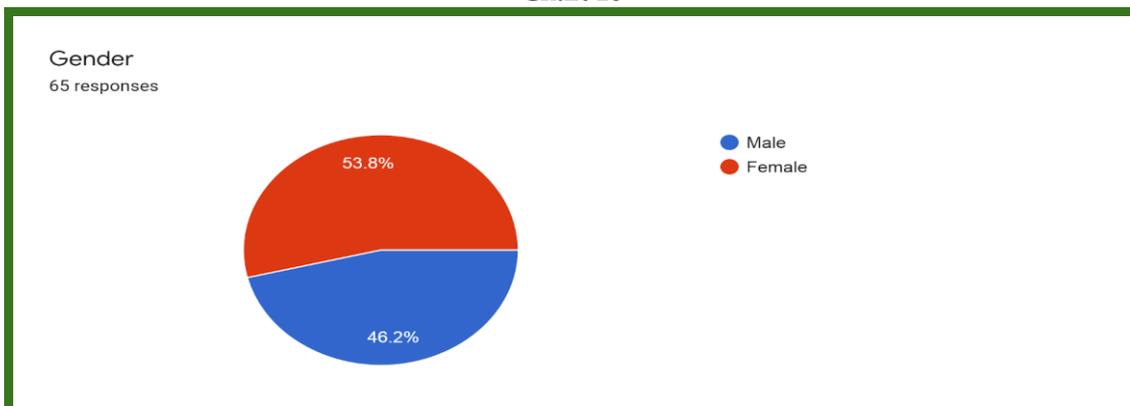


**Chart 9**

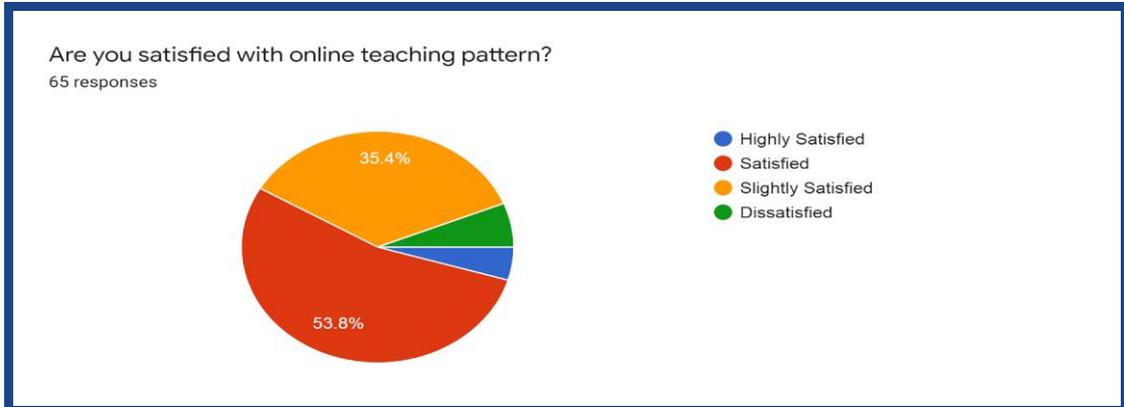


**Results of Survey of Teacher's opinion regarding online education through Online Google Form:**

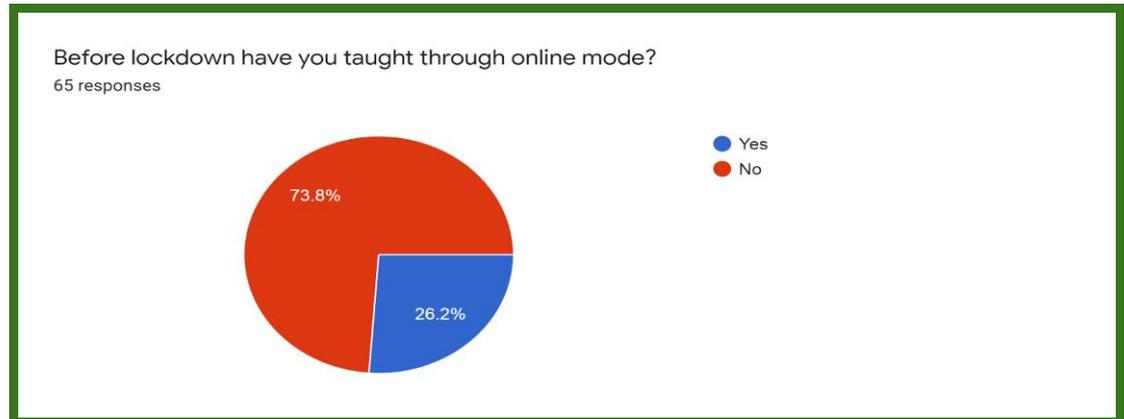
**Chart 10**



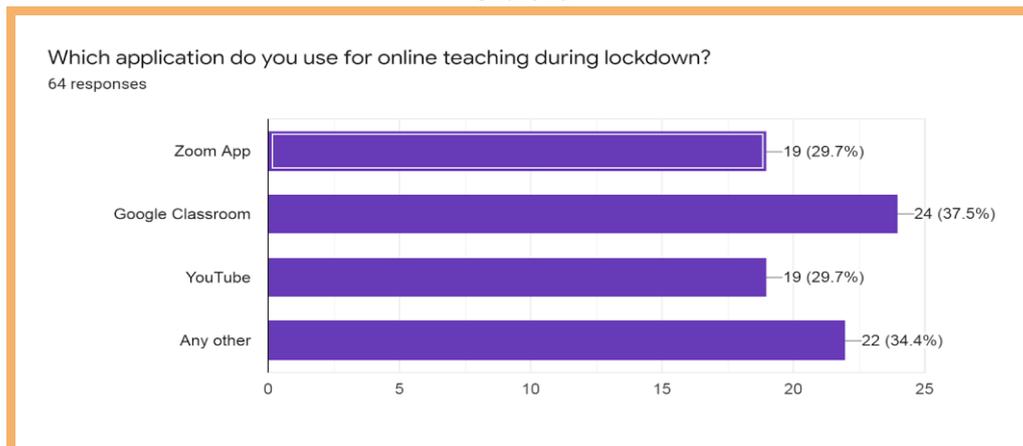
**Chart 11**



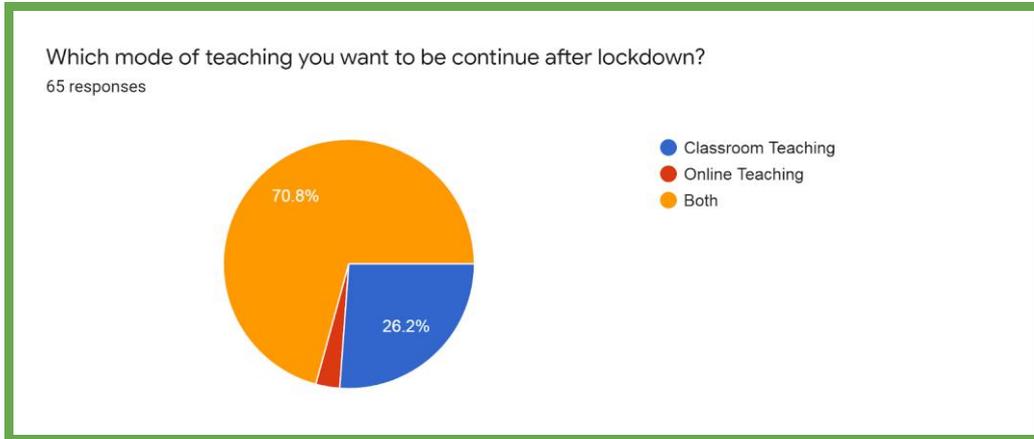
**Chart 12**



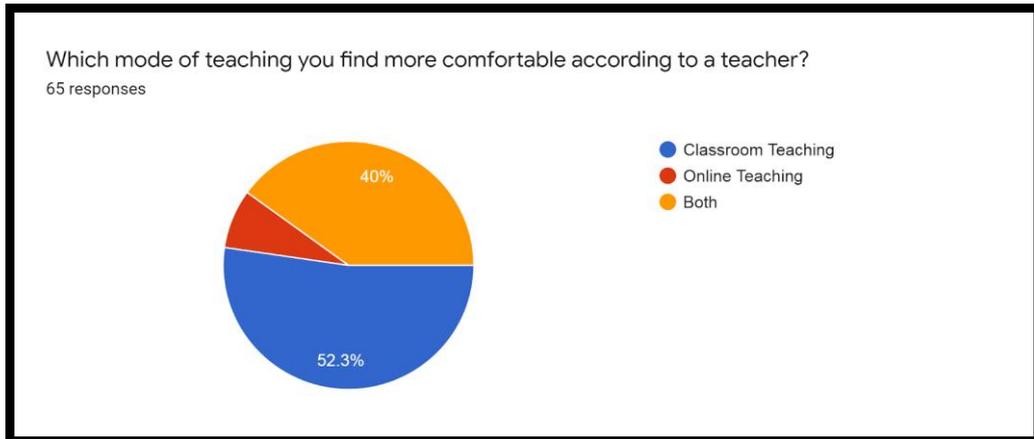
**Chart 13**



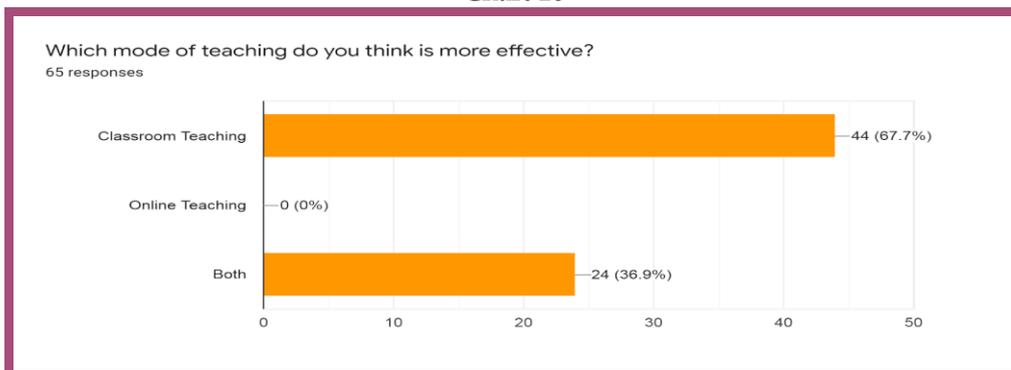
**Chart 14**



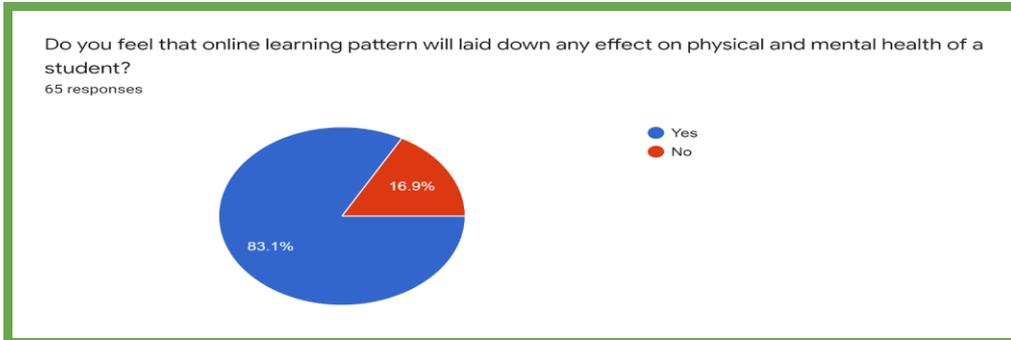
**Chart 15**



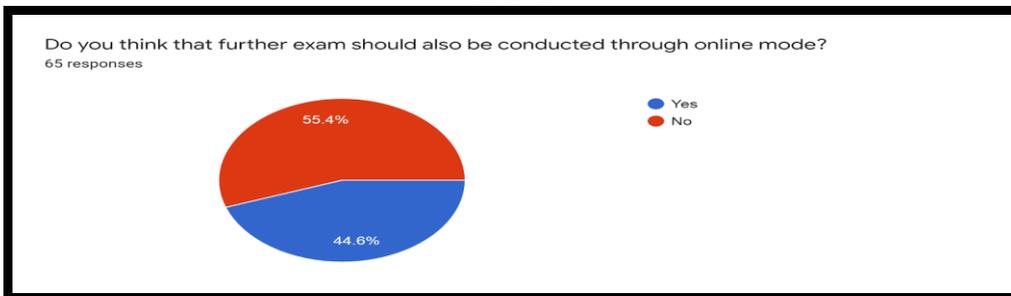
**Chart 16**



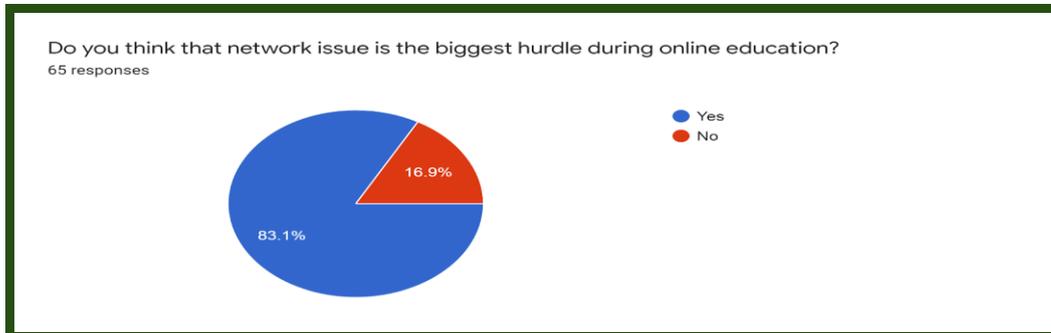
**Chart 17**



**Chart 18**



**Chart 19**



From the above survey responses, it is analyzed that online learning and online teaching can be only an option of classroom teaching during the time of trouble when it is not possible to continue the interaction between a teacher and a student. But, online modes of learning cannot substitute classroom teaching.

In the above survey, we found that the biggest challenge in online learning faced by both students and the teacher is of network and the reach of smartphones, laptops, etc. in the hand of every person.

Secondly, the online mode of learning affects the health of students in a very disruptive way in the form of headache, exertion on eyes, an increase of weight, etc. as well it affects the mental health in the form of irritation, aggression, depression, etc.

Most of the students respond that they are more comfortable in face-to-face interaction with a teacher, and in the future, they want to continue their learning by online mode.

In the very same way, teachers also respond that 73.8% do not teach via online mode before coronavirus as well, according to classroom teaching is more comfortable and productive in comparison to online learning.

## **9. CONCLUSION**

This Study concludes that the pandemic of COVID - 19 shaken the arena to its core. Due to which maximum of the Governments around the field has briefly closed instructional establishments in an try to comprise the unfold of the COVID-19 pandemic. In India, too, the authorities, as part of the national Lockdown has closed all instructional establishments, attributable to which beginners starting from college-going youngsters to postgraduate college students, are affected. Therefore, the authorities have given you an e-mastering program. The Covid-19 has precipitated specialists to reconsider the traditional model of schooling. Digital schooling seems to be a feasible approach to fill withinside the void for school room schooling for a duration of 3 to 4 months, even as minimizing the probabilities of any contamination to college students till the lessons resume. Online remote mastering applications supply an extraordinary possibility to avail of excellent mastering with the assist of net connectivity. Globally, online schooling has met with a few successes. In the case of India, we nevertheless have a protracted manner to head earlier than virtual mastering is visible as mainstream schooling, due to the fact college students residing in city vicinity have the centers to choose virtual literacy, however, rural vicinity college students do now no longer have the specified infrastructure nor are financially robust to avail the essential sources for virtual schooling. The constructing of the virtual schooling infrastructure via way of means of the Government of India currently seems to be tough because of a loss of budget. Further, although the virtual infrastructure is built, education has to take delivery of to the lecturers to apply the virtual machine to offer actual and proper, uninterrupted, and seamless schooling to the scholars. Remote mastering more and more is based on the dependable electricity deliver and ubiquitous Internet connectivity, which is probably a far-fetched issue for Tier 2 and Tier three towns in India.

If we, in addition to the mild on the academic fabric, virtual schooling can have a restricted scope in comparison with the written and on hand content material that's furnished in an academic institute. Moreover, the authentication of the educational fabric is at stake. E-mastering will continually supply scholars with one-of-a-kind statistics in one-of-a-kind ways. So, the authenticity of the institutional structure ought to be examined earlier than those substances are circulated with the scholars. Creation of content material, dissemination of content material, and assessment of content material ought to be done. Blended schooling has to return face to face, and distance schooling ought to move hand in hand currently. Educational statistics circulated online ought to be correctly maintained. Because ultimately, those virtual informative route lessons will even cause hacking structures and intruders coming in. The virtual protection venture will stay at high, even as supplying schooling. Through using technology, we can, if now, no longer offer a wholesome opportunity to the traditional schooling machine, mitigate and catch up on the impediments posed, and inconvenience brought on because of COVID 19 pandemic to

the schooling machine and beginners via way of means of extension. Learning, as they say, is a non-stop and ever-evolving system. The instructional establishments in India, from colleges to universities, can use this gift adversity as a blessing in conceal and make virtual schooling a significant a part of the mastering system for all beginners within side the future.

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## A Critical Analysis of Covid-19 Impact on Unorganized Sector in Indian Economy

Saleha\*

Dept. of Commerce, DAV Degree College, Muzaffarnagar U.P., India.  
Email id: salehasiddiqui2002@gmail.com

### Abstract

The coronavirus pandemic arises as huge shock to the labour market in India, hitting the employment situation and threatening the existence and survival of millions of workers and their families. In India there are so many small and big industries comprising unorganized sectors in which large portion of total work force is engaged, but it is very difficult to organize them, nor can their data be collected related to how many people are working in these sectors in India and how much they have income and how they live their lives, despite the Government of India providing financial help to millions of laborers and farmers, these people could not get financial help because there is no systematic data for their identification of these people in India. Absence of job security, no paid leave, or improper job contract makes them exposed to severe difficulties of the labour market. Unorganized sector shall lead to a state of destitution, hunger, starvation and even death, if not protected with an immediate social safety net. According to the latest investigation of the Centre For Monitoring Indian Economy (CMIE), the inclusive rate of unemployment has increased from 8.4 percent to 23.8 percent in the week ending 29 March 2020. Covid-19 has not proved to played havoc as health crises but also as a financial crises in all over the world. In India the number of unemployed people has risen from 32 million to 38 million in total, in which 30 percent comprises from urban and 21 percent from rural areas. The objective of this paper is to focus attention on the vulnerability of the unprivileged workers from the unorganized sectors of the country.

**Key Words:** Covid-19, corona virus, unorganized sector, unemployment, CMIE, Labour market and migrants.

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## **1. INTRODUCTION**

India is a developing country moving on the path of continuous growth and development of the economy. Industries are being gradually strengthened and systematized in the marketplace. The Indian enterprises are continually being innovated through constant labor and industrial laws and other measures by the Government of India. Regular directions are being given, but despite these efforts taken by the Government, all these industries in unorganized sectors have not been fully systemized, nor there exists a proper system of recording and adequate data management for the people working in them in an appropriate and well-designed manner. This is the reason the Government of India, even after so much effort and policymaking, continuously facing failures in providing direct assistance and financial aid to the migrants from unorganized sectors during this lockdown period due to COVID-19 pandemic. The sudden declaration of continuous lockdown has resulted in poor policies management especially for these people working in unorganized sectors which are shown in the migration of these people from their workplace, and their suffering from starvation are the live examples of complete arrogance of policymakers from these unprivileged people belongs from unorganized sectors. The Government has no stable policies, no platform for their health security and their employment records, the existence of these people got destroyed at the time of the down, and these people were dying of starvation. The laborers registered in the village through MNREGA and other schemes are still within reach of government assistance and financial aid in the form of various protective and promotional policies. Yet, these people are not registered due to which they could not reach financial aid resulting in complete deprivation and starvation and migration to their native places back to their homes where they belong, with a hope to get at least basic survival there. In these industries such as people working in hotels, people working on dhabas, Tourist guides, Tourists, Car drivers, Horses, Camels and Horses, People on Boats, Boats, People, Rickshaw drivers, Freelancers, Shoe polishing procession People working at home, people at weddings, horses, band-lights, light-lifting, pollinating flowers, etc., people who do not have a regular place of their own, and those who work on the road. The help the Government of India to such people could not reach, and it is not easy to provide support to these people due to a lack of complete records. The Government of India should take such steps so that the data of these people can be collected so that in case of such calamity in the future, these people can be given government financial and promotional assistance and attention. At the time of the Lockdown in India, the migration problem of migrant laborers came before all the states, and a considerable number of laborers went to the streets to go to their homes from one place and these laborers in an attempt to return home. Why this happened, why the Government made such a big mistake of India, if the reason is seen, the biggest reason for this is due to the problem of livelihood in front of the workers, due to the loan, the factory owners closed their factory which results in the shutdown of work.

## **2. THE OBJECTIVE OF THE STUDY**

The primary aims of the paper are to critically analyses the most severely affected migrants' worker from unorganized sectors and to provide a reasonable solution for their betterment.

### **3. RESEARCH METHODOLOGY**

The study has been concluded based on secondary data provided by the newspapers, TV channels, and government publications and sites.

### **4. EFFECTS OF COVID -19 ON UNORGANIZED SECTORS IN INDIA**

The unorganized sector comprises the majority of the workforce. It consists mostly of people working in organizations or in industries where there are no laws, unions, and measures of social security. Men who work as vegetable sellers, rickshaw pullers, load carriers, transport workers, fishermen, farmers, construction workers, and women, who work in these sectors and as domestic workers, all fall in this category. A majority of the mare also people, who have moved out from their villages in search of better livelihoods. They have often left their families and homes, hence may be classified as migrants.

In 2018 as per the report released by the NITI Ayog, India's 85 percent of the total workforce comes from the unorganized sector, which increases to 93 percent of the entire workforce of the nation according to the Economic Survey of 2019. As per The Periodic Labour Force Survey, 2017-18, workers from the non-agriculture sector, at least 71 percent of the regular and salaried employees in the informal sector do not have a properly written job contract defining their rights and employment security. About 49.6 percent of them do not even apply for social security schemes, and 54.2 percent do not get paid leave. India's vast informal sector is likely to be the worst hit and badly effected due to coronavirus pandemic and lockdown situation in the country.

In almost all over the country, the usual markets have been fallen silent as the regular noisy surrounding of business on the roads have been disappeared due to lockdown situations in the country. The small shops and food vendors on the sidewalks have gone, and almost every shop except the odd grocery store or pharmacy usually is crowded shopping areas have been closed down and where the situation is quite liberal which are exempt from the lockdown, very fewer people who run venture out maintain distance from each other in queues at grocery shops,

**Informal or unorganized enterprises** – In India, unorganized sectors, so-called parallel economy, provide approx. 85% of overall employment and contribute around 40% of total GDP. Our nation is facing a big crisis right now when Covid-19 has had a significant impact on government services and business. The pandemic has already exposed the health vulnerabilities facing India, especially its rural poor and urban slum dwellers. From the sector which accounts for at least 60 % of Indian's economy, millions are reduced to subsistence living, and even worse, in some cases, consumption is set to spiral lower. There is no separate published data for the unorganized sector as a whole. During this lockdown period of more than two-months, almost all economic activities have come to a standstill, factories are not running, establishments are closed, and most markets are shut, there is a disruption in work, loss of wages and income and starvation due to the scarcity of food. All these issues are interconnected and created miserable situations for crores of people in India.

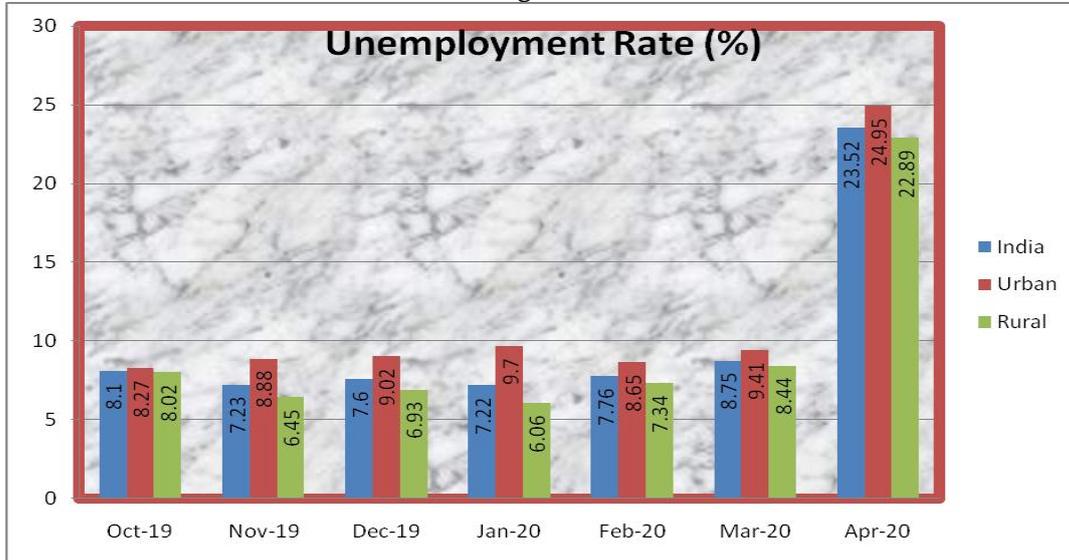


According to the latest survey of the Centre For Monitoring Indian Economy (CMIE), Before the commencement of lockdown, the number of working populations was 404 million. During the first lockdown week period, around one-fourth of the total working-age population, i.e., 285 million people out of 1,003 million were working. It means the rest 119 million people lost their jobs within the starting week of the lockdown. The impact of this continuous lockdown shows that around one-third of India's households could be facing a relentless livelihood crisis. If we compare the rate of employment in January 2016, which was 40.7 percent, it remains unchanged till February 2020, with speed at 40 percent. Drastically this figure changed in March 2020 after the first week of lockdown and reached 29.9 percent and further declined to 27 percent in April 2020. This sudden increment in the unemployment rate is an alarming situation that is to be deeply considered by the Government of India.

**Table 1**

Month	Unemployment Rate (%)		
	India	Urban	Rural
Apr 2020	23.52	24.95	22.89
Mar 2020	8.75	9.41	8.44
Feb 2020	7.76	8.65	7.34
Jan 2020	7.22	9.70	6.06
Dec 2019	7.60	9.02	6.93
Nov 2019	7.23	8.88	6.45
Oct 2019	8.10	8.27	8.02

Figure 1



If the situation continues like this, the workers from unorganized sectors will be exposed to extreme difficulty in arranging the food and other necessities. When interviewed some of these people, they told us that they are facing such hardship, which they never expected in their life; some of them were somehow depending on food such as khichdi distributed in their nearby localities during the lockdown. Most of them have lost their livelihood due to the shutdown. There seems to be no plan for dealing with issues of these underprivileged and unorganized workers from various informal sectors. However, the Government is continuously announcing multiple schemes of assistance to these people, but these have not been executed on the ground. Despite various efforts to provide food and help to these sectors, they are still deprived of these aids because of no particulars record about their employment contracts and security and statistical data about these workers due to which assistance cannot be directly related to these unprivileged.

The issue of employment security will be a limited privilege to the labor aristocrats, i.e., permanent and skilled workers, and unemployment will be much higher than around 24% estimated by the CMIE. The labor sector under the MGNREGA, 2005 are worst impacted as they are not provided jobs due to lockdown, most of the labor sectors are associated with the construction companies and daily wage earners. The various restriction imposed on travel due to lockdowns and forced quarantines to the travelers and migrants has critically affected hundreds and millions of people, which resulted in Indian factories facing problems of short of labor and parts, just-in-time supply chains and triggering sales warnings across technology, automotive, consumer goods, pharmaceutical, and other industries.

#### 4.1 Impact on various sectors

1. **Online Business/Internet Business sector:** It contributes 10 % to the GDP of India and plays a significant role in the economy with a market share of USD 950 billion. It showed a drastic fall in employment due to a COVID impact during the lockdown duration. Its significant

- segments are the household and personal care products (50 %), healthcare segment (31%), and the food and beverage sector (19%).
2. **Workers from Construction and other sectors-** the worker from these sectors are highly effected and suffer most in the form of lost employment and no job security. They are so severely affected that situation makes them migrants and compels them to suffer from starvation. Other workers include casual workers, handloom and power loom workers, beedi and cigar workers, sweepers and scavengers, and workers employed in shops and commercials establishments.
  3. **Restaurants Services.** This impact of the pandemic has forced closures of operations of thousands of dine-in restaurants, pubs, bars, and cafes due to the shutdown of mining operations.
  4. **Food and Agriculture:** The food and agriculture sector contributes the highest in GDP, i.e., 16.5% and 43% to the employment sector. The significant portion of the food processing sector deals with dairy (29%), edible oil (32%), and cereals (10%).
  5. **MSME:** Micro, Small, and Medium Enterprises contribute around 35% of the total GDP of India, dividing in micro (99%), small (0.52%) and medium (0.01%) enterprise During this period, they are facing liquidity constraints and loss of purchasing capacity. If we see the sectorial distribution of MSMEs, it shows 49% from rural and 51 % from the semi-urban and urban areas. Consumer goods, garments, logistics are facing a sharp drop in the business, and the MSMEs engaged in the service sector are still operating.

**4.3 The shrinking of unorganized sector is a positive indicator of development:** In a way to fulfill the dream of Prime Minister Narendra Modi of doubling the size of the economy to \$5 trillion by 2024, the Government has announced cash support for informal sector workers and Modi has even made a rare apology for the hardships they face. Friendly firms have insufficient access to formal finance and can go into distress quickly when cash flow becomes irregular, which leads to a reduction of labor.

**4.4 Various measures taken to give protection to these sectors:** The central bank of India has come with extraordinary measures that included lowering of borrowing costs to the customers, providing around \$50 billion of liquidity to banks to expand credit and providing the freedom to some extent to lenders in the form of suspension of some loan repayments for three months. As a measure to fund the deficit, it has been proposed to let the Reserve Bank of India directly buy bonds from the Government. Further, some economists have suggested for reducing more rate of interest, support programs for small and medium scale businesses and handing out cash to the poor under a universal basic income program. While others are of the view that various measures by the Government are forcing the farmers and small business people to take more loans, which further will throw them into the net of suffering if their expected earnings do not increase as per their expectations. This situation will also enhance their difficulties and loss of employment to many people. The Government should, at this time of financial distress instead of providing easy loans, should help them in providing cash assistance in the form of their loss of earning during this lockdown period. If we refer to the recent measures announced by the Government and the RBI to mitigate the impact of the pandemic, as said by the RBI governor, these are only for short term and may not deliver the desired results as the problem is severe and has been further aggravated by the lockdown.



The eruption of the coronavirus has any supplementary to the matter of the weak business enterprise state of affairs already prevailing the economy of the country, production can suffer, and most policy initiatives square measure doubtless to return to cypher if this internment is sustained to any amount. For India, it was the development amount from the beginning of the year, since the signs of recent growth were changing into visible in Asia's third-largest economy. Closed production and stoppage of alternative money and economic activities also will have prospective to inflate the ranks of the pink-slipped, that consistent with the middle for observation Indian Economy Pvt. rose to 7.8% in February from seven. 2% a month earlier. An extra ten million hit the task market once a year, which means that variety is about to swell on the far side what some economists say is already the worst job market in forty-five years. The unorganized sector in our country accounts for the ninety-three workforce, as per the newest Asian country 2020 publication, which provides ministry-wise data concerning numerous programmers. The unorganized sector anticipated to suffer a significant collapse within the coming back days as a result of the speed of job generation is unceasingly falling at a sinister rate because of this prolonged internment and weak GDP. With the commencement of the 2020-21 yr, the results of coronavirus have affected the steadiness of the economy of a hundred and fifty countries. COVID nineteen impacts have taken with no consideration and have entirely modified their modus vivendi, economy, impacting business, and assumption of collective welfare. The internment because of COVID -19 effects has severely affected the service sector like banks, transports, schools, beauty salons and parlors, bars, restaurants, food vendors, and food delivery suppliers within the method of providing health safety and medical sustenance. It's time we must always even have to trust the health of the noisome economy by mobilizing the resources and build plans for job creation and job continuity.

##### **5. VARIOUS POLICIES OF GOVERNMENT TO SUPPORT THE SEVERELY AFFECTED THE DURING COVID -19 IMPACT ATMANIRBHAR GUJARAT SAHAYYOJNA' FOR SMALL TRADERS**

Under the theme, loans up to Rs one large integer are given at two interest to tiny traders while not security for three years with no equated monthly installment (EMI) for the first six months. The theme aims to supply monetary help to tiny business individuals, consummate staff, autorickshaw homeowners, electricians, and barbers, etc. to induce back to business, that was

noncontinuous by the COVID-19 internment. This theme is useful from could 21; the regime can bear 2020 Under this scheme; the beneficiaries can have to be compelled to pay interest of twenty-two once a year and therefore the balance out of the total rate of interest of {8 may one945 | V-E Day | 8 May 1945 | V-day} on unsecured loans up to Rs 1 large integer. These loans are provided by the Co-operative banks and Credit Co-operative Societies within the state. It's expected that over ten significant integer individuals can get Associate in a Nursing investment of Rs. 5 thousand crores underneath the independent theme. The loans are provided for three years. And no installment and interest can have to be compelled to be purchased for the first six months. However, the loan ought to be paid in thirty equal payments from consecutive months ahead. Further, no tax on these loans is charged. Neither price is charged for Associate in Nursing form, and these forms will be received from Co-operative banks or Credit Co-operative societies.

Pradhan MantriShram-Yogi Maandhan (PMSYM) –It is that the sponsored pension theme for unorganized sector staff proclaimed within the Budget. Team up to forty years and with a monthly financial gain of but Rs fifteen,000 are ready to enroll underneath the theme. A 40-year-old can have to be compelled to contribute Rs two hundred a month to avail Associate in Nursing assured monthly pension of Rs three,000 upon completion of sixty years underneath the program.

## 6. SUGGESTIONS

The informal sector has been the worst hit by COVID-19. Therefore cash-starved businesses have either shut search or delayed workers' salaries. An attempt ought to be created to form information of migrant employees is most important. The infoought to record the complete details, like the whole variety of migrants, urban-rural migrants, gender division in such information, and then forth. However, our recent expertise with the migration of employees to their native places was a forbidding lesson in focusing additional on maintaining holistic records that square measure updated often with crucial details that embody, inter-alia, current areas of labor, bank accounts, residence, and place of nativity. Such information may additionally make sure the delivery of targeted economic advantages. Eventually, convergence around this might produce a framework of health, banking, microfinance, insurance networks focused around employees and migrants in urban areas. Workers teams might be created as a supported business profile and financial gain brackets. Regular engagement with them at the municipal level will instill confidence within the administration. The govt policies ought to be upgraded with real import entirely targeted to produce health and economic advantages to them. Among the unorganized labor category, the additional vulnerable ones, like maids, cooks, the aged and unwell employees, might be targeted higher. Labour Ministry had, within the recent past, exploring the chance of launching an Associate in Nursing Unorganized employee indicator Card to produce Social Security protect unorganized employees. Ultimately, it had been determined to use the Aadhar variety rather than that. It can be geared toward utilizing resources from the projected Social Security Fund underneath the Code on Social Security, 2019. This effort can offer a way of economic security and act as a tool to observe this section of the population higher.

## 7. CONCLUSION

We all tend to come together when faced with an external challenge and put our differences aside, resolving all common and territorial issues and this will be presumably the essential element for emerging more reliable and better, a time all nationals coming together around common goals: alleviating distress, protecting the population, and creating better futures for every Indian. Modi Ji has supported indirectly to these unorganized sectors in the form of a 20 lakhs crores package.

But the situation is worst for these sectors; they need direct and immediate support in the form of cash assistance. Instead, this package has motivated the small businessmen and self-reliant areas to take more loans on easy terms and reduced rate of interest with delayed premium payments. But in today's scenario problem is worst, they need assistance for fighting current situation, if they would be unable to face current challenges, how they can expect a prospect of the business and secondly the Government department should be streamlined and expanded to reach out to the unorganized sectors and bring such workers under the code purview. The Government should announce carefully targeted stimulus packages for specific areas like MSME, NBFCs, unorganized labor, and traders to cover a large section of the population and to provide relief to sectors that generate employment and stability.

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## Impact of Covid-19 Pandemic on Indian Agriculture

Poonam Chaudhary<sup>a\*</sup>, Satyandra Kumar<sup>b</sup>

<sup>a</sup>Department of Geography, Meerut College Meerut- 250001, U.P., India  
Email Id: drpoonam.geography@gmail.com

<sup>b</sup>Department of Toxicology, Ch. Charan Singh University, Meerut-250004, U.P., India  
Email Id: drsatyandra.zoology@gmail.com

### Abstract

India is the country of villages and major part of the population lives in rural areas. Agriculture and its related services are the major source of livelihood of this population. In the past few decades agriculture sector was reduced and it became a hidden unemployment of farmers and its dependent workers. The price hike in agriculture equipments, pesticides and other essential things, low price of crops, cost of living of villagers are some major problems of farmers. The income of farmers and working labours is unorganized and with very slow growth rate. The cultivation of crops and income of workers depend on seasonal regimes and natural disasters. There are many examples of natural disasters and various types of pandemics had destructed the life of these workers in last decades. All these problems caused migration of workers from rural areas to urban centers in search of better employment. This increases the load of unorganized workers or population in cities. Recently Covid-19 pandemic affected the life of each and every person in most of the part of globe. It was very severely affected the life of unorganized labour in urban areas and caused a large scale migration of workers from urban to rural areas. This migration increased the population load and unemployment in rural areas. Present study reveals the post covid-19 pandemic effect on agriculture related unorganized workers and farmers during 2019-2020.

**Key words:** Agriculture, unorganized workers, migration, seasonal regimes, agriculture equipments, pesticides.

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## 1. INTRODUCTION

The COVID-19 pandemic is the 1st and foremost human disaster. Over two hundred countries and territories have confirmed active medical cases caused by a coronavirus. At the presentation of this study, there square measure of 216919 corona positive cases detected until the fourth Gregorian calendar month 2020, in India. Throughout this challenging time, however, will Indian Agriculture reply to the crisis, and the way do government measures affect one hundred forty million farm households across the country and, after that, impact the economy of a big country within the developing world? We tend to assess the immediate challenges that COVID19 has to exposure to the farm sector and counsel mitigation measures to confirm a property food system within the post-crisis amount. With the increasing cases of corona cases, the govt imprisonment transport services, all public and personal offices, factories, and restrictions on every kind of activity except solely several like medical, milk, and groceries. Some reports are aforesaid that there was employment loss of forty million folks within the country, principally within the unorganized sector. In India, agriculture staff square measure operating to feed the entire nation; several of them square measure unable to raise themselves bent poorness and food security. As a pestilence spreads, the continued offer of food is critical to preventing food crises, and to cut back the negative impact on the economy of the country, coordinated policy responses square measure has to support business and sustenance and dealing conditions of a lot of agriculture staff. The fast unfold of the coronavirus within the rural population affected the operating of agriculture workers; they're illegal from acquiring imprisonment. In such kinds of conditions, the operation of agricultural activities suppressed. This was the precious time of wheat crop that's the most crop on that our food security depends. Agriculture needs day to day operating within the fields, the leap of your time in practices affect the yield production, and its quality additionally. It's not solely operating mayhem on the stock market; it's inflicting a big worsening within the general economy. Imprisonment interrupted the availability of agricultural merchandise to wholesale markets, and it caused holdup the costs of vegetables, fruits, grains, pulses, etc. to the farmers. It created a significant loss in the financial gain of farmers—the labor-related to farming additionally affected because of the holdup within the business economy.

Agriculture staff additionally full of coronavirus infection because of a lack of special protection (sanitizers, soap, masks, and residential disinfectants) and awareness. The old-age staff et al. littered with some diseases lost their lives. Even among the various segments of the economy, the agriculture sector of different regions of the country is variable among producers and agriculture wage laborers. Some business crops square measure drastically hit as they rely on migrant labor has resulted in a very sharp increase in daily wages for harvest crops in several areas, the growth is as high as half, creating it remunerative for producers since costs have folded because of either lack of market access and as well as the stoppage of transportation and shutting of borders. This is often in distinction to areas wherever migrant laborers have come home from urban areas, and this has semiconductor diode to a pointy decline in agriculture wages—Lockdown in COVID-19 transferral transportation, agriculture market (mandis), and different retail market demand. Farmers were setting out to face difficulties harvest their rabi crops. Per the last printed census information, there square measure as several as forty eight. 2 crores staff in the Asian country. Out of those, there square measure eleven.9 large integer farmers, 14.4 large integer landless agriculture staff, and 21.9 large integers nonagricultural staff. Nearly none of them get any mounted monthly financial gain.

## **2. MIGRATION OF AGRICULTURE WORKERS**

When federal imprisonment was declared in Bharat, whereas the rain-fed regions of the country failed to have standing crops, the areas blessed with irrigation facilities either had standing crops of wheat, vegetables, oilseeds, or pulses able to be harvested. The regional variation within the cropping pattern as a result of the inequality in the development of agricultural systems and wage rates contributes to the movement of migrant farm laborers in search of employment. Within the northern states of geographical area and Haryana, it's a busy season of wheat gather, which employs massive numbers of migrant laborers from the jap states of Bihar and Jharkhand UN agency are used in each the sector operations also because of the loading and unloading activities at the govt. Run acquisition centers. It's calculable that geographical area involves a million migrant employees and Haryana concerning zero.6 million employees throughout this rabi season, of whom belong to the state of Bihar. Within the wake of this pandemic, on the one hand, there has been a shortage of labor in these northern states to hold out harvest and post-harvest operations, whereas on the opposite side within the countries from wherever the employees couldn't migrate the agricultural wages have fallen because of oversupply of labor. The migrant employees in their home states have conjointly been adversely full of the absence of all nonfarm work throughout this era of imprisonment.

Some migrant employees, though, had been able to trip different states for work.

The shameful death of a twelve-year previous group girl, Jamla Makhdam, attributable to exhaustion, as she walked for three days to her home state, Chhattisgarh has thrown some light-weight on the multitude of deprivation that the migrant agricultural employees need to suffer. Jamla had migrated to Telangana state as Associate in Nursing associate agricultural worker to reap chilies beside others from her village. Child labor continues as a result of the miserable condition of the families and communities they belong to, conjointly attributable to the caste-ridden vision of policymakers. The Census of 2011, according to the presence of 10 million child laborers in an Asian country, of whom 62 % were employed in agriculture. The despicable work and living conditions that the migrant agricultural laborers square measure subject to are not distinctive to the Asian country. This pandemic crisis has created the policymakers confront with the essential work of the migrant farmhand's United Nations agency keep agricultural production running. The Food and Agriculture Organization noted in one among its policy briefs, "Migrants play a substantial role at intervals the agri-food systems. Measures poignant the movement of people (internally and internationally), and succeeding labor shortages will have control over agricultural worth chains, poignant food convenience, and market prices globally."

## **3. POST COVID CHALLENGES IN AGRICULTURE**

Despite these measures and visible of constant restrictions on movements of individuals and traffic, issues are raised relating to negative implications of COVID19 pandemic on the farm economy. This is often the height of rabi season in Bharat, and crops like wheat, gram, lentil, mustard, etc. are at the harvestable stage or nearly reaching maturity. This is often conjointly the time once the farm harvests reach the mandis for certain acquisition operations by selected government agencies. Moreover, any severe disruption to the provision of destructible fruits and vegetables, dairy farm products, fish, etc. having mobilized to fulfill the increasing demand from a bulging class also as urban and rural customers, might produce irreparable injury to any or all actors within the provide chain. The migration of employees from few elements to their native

places has conjointly triggered panic buttons, as they're crucial for each gathers operations and post-harvest handling of turn out in storage and promoting centers. The Union Home Ministry has notified to exclude the movement of farmers, farm laborers, and gather and sewing-related machines from the orbit of imprisonment.

As the current imprisonment coincides with the rabi gather season, farmers across the country hunt to the govt. To make sure uninterrupted gather of the crops also as swish acquisition operations. The Union Home Ministry's circular waiving restrictions on the Inter-State and Intra-State movements of farmers/laborers, also as gather and connected farm machines, ar so a step in the right direction. Whereas guaranteeing the convenience of laborers for significant farm operations, their safety (from pandemic) and welfare should be prioritized by the govt. Systems. The sale of dairy farm products, fish, poultry, etc. has conjointly been hit throughout the imprisonment amount because the uptake by the organized business players has been affected because of a shortage of workforce and transport problems. As weather has been erratic over the past few months in several elements, harvested turn out should even be shielded from such risks.

#### **4. RELAXATION IN AGRICULTURE CROP LOANS/DEBTS**

Agriculture in Bharat could be a State subject, and as has been discovered in past years, policies and programs vary from one state to the opposite. However, agricultural activities, being interconnected in neighboring areas, agri-soaps, or advantages, should not distort the market situation. The release of farm loans, evidence recommends, hasn't benefitted the bulk of tiny and marginal farmers. Instead, it affects the long run credit behavior of the borrowers and so negatively impacts the agricultural credit culture altogether. Because the Kharif (rainy/wet) season is quick approaching, institutional disposal of crop loans ought to be enlarged and expedited for a swish and adequate flow of credit to borrowing farmers. Agri-inputs - seeds, fertilizers, agro-chemicals, etc. - ought to be pre-positioned for pure convenience. The personal sector should play a significant role in the necessary policy When federal imprisonment was proclaimed in an Asian nation.

In contrast, the rain-fed regions of the country didn't have standing crops; the dowered areas with irrigation facilities either had standing crops of wheat, vegetables, oilseeds, or pulses able to be harvested. The regional variation within the cropping pattern as a result of the inequality in the development of agricultural systems and wage rates contributes towards the movement of migrant farm laborers in search of employment. Within the northern states of geographic region and Haryana, it's a busy season of wheat gathering, that employs massive numbers of migrant laborers from the Japanese lands of Bihar and Jharkhand World Health Organization square measure utilized in each the sector operations also because of the loading and unloading activities at the govt. Run procural centers. It's calculable that geographic region involves 1,000,000 migrant employees and Haryana concerning 0.6 million employees throughout this rabi season, of whom belong to the state of Bihar. Within the wake of this pandemic, on the one hand, there has been a shortage of labor in these northern states to hold out harvest and post-harvest operations, whereas on the opposite side within the countries from wherever the employees couldn't migrate the agricultural wages have fallen thanks to an oversupply of labor. The migrant employees in their home states have conjointly been adversely littered with the absence of all nonfarm work throughout this era of imprisonment. Some migrant employees, though, had been ready to visit completely different states for work. The shameful death of a twelve-year previous social group lady, Jamla Makhdam, thanks to exhaustion, as she walked for three days to her home state

Chhattisgarh has thrown some light-weight on the multitude of deprivation that the migrant agricultural employees ought to suffer. Jamla had migrated to Telangana state as associate degree agricultural employee to reap chilies beside others from her village. Kid labor continues as a result of the miserable economic condition of the families and communities they belong to, also, because of the caste rode vision of policy manufacturers. The Census of the Year 2011 indicated the presence of 10 million kid laborers in Asian nations, of whom sixty-two percent were utilized in agriculture. The despicable work and living conditions that the migrant agricultural laborers square measure subject to don't seem to be distinctive to Asian nations. This pandemic crisis has created the policy manufacturers confront with the essential work of the migrant farmhand's World Health Organization to keep agricultural production running. The Food and Agriculture Organization noted in one amongst its policy briefs, "Migrants play a considerable role within the agri-food systems. Measures touching the movement of individuals (internally and internationally) and ensuing labor shortages can have control over agricultural worth chains, touching food handiness and market costs globally."

#### **5. POST COVID CHALLENGES IN AGRICULTURE**

Despite these measures and insight of constant restrictions on movements of individuals and traffic, issues are raised concerning negative implications of COVID19 pandemic on the farm economy. This is often the height of rabi season in Asian nations and crops like wheat, gram, lentil, mustard, etc. square measure at the harvestable stage or virtually reaching maturity. This is often conjointly the time once the farm harvests reach the mandis for assured procural operations by selected government agencies. Moreover, any severe disruption to the availability of biodegradable fruits and vegetables, dairy farm merchandise, fish, etc. having mobilized to satisfy the increasing demand from a bulging socio-economic class also as urban and rural customers, might produce irreparable harm to all or any actors within the offer chain. The migration of employees from a few components to their native places has conjointly triggered panic buttons, as they're crucial for each gathering operation and post-harvest handling of manufacture in storage and selling centers. The Union Home Ministry, in a {very, a} significant move, has notified to exclude the movement of farmers, farm laborers, and gathering and sewing-related machines from the orbit of imprisonment. As the in progress imprisonment coincides with the rabi gathering season, farmers across the country search to the govt. To confirm uninterrupted gathering of the crops also as swish procural operations. The Union Home Ministry's circular waiving restrictions on the inter- and intra-State movements of farmers/laborers, even as gathering and connected farm machines, square measure so a step in the right direction. Whereas guaranteeing the handiness of laborers for essential farm operations, their safety (from pandemic) and welfare should be prioritized by the government systems. The sale of dairy farm products, fish, poultry, etc. has conjointly been hit throughout the imprisonment amount because the uptake by the organized trade players has been affected thanks to the shortage of men and transport problems. As weather has been erratic over the past few months in several components, harvested manufacture should even be shielded from such risks.

#### **6. RELAXATION IN AGRICULTURE CROP LOANS/DEBTS**

Agriculture in Asian nations may be a State subject, and as has been determined in past years, policies and programs vary from one state to the opposite. However, agricultural activities, being interconnected in neighboring regions, agri-soaps, or edges, should not distort the market state of affairs. Relinquishment of farm loans, evidence recommend, hasn't benefitted the bulk of little

and marginal farmers. Instead, it affects the longer-term credit behavior of the borrowers and so negatively impacts the agricultural credit culture altogether. Because the Kharif (rainy/wet) season is quick approaching, institutional loaning of crop loans ought to be enlarged and expedited for a swish and enough flow of credit to borrowing farmers. Agri-inputs - seeds, fertilizers, agro-chemicals, etc.-ought to be pre-positioned for straightforward handiness. The non-public sector should play a significant role in necessary policy support.

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## Covid-19 and Its Impact on Indian Economy

**Shubhi Agarwal<sup>a\*</sup>, Archna Singh<sup>b</sup>**

<sup>a</sup>Economics Dept, Meerut College, Meerut, C.C.S. University, Meerut, U.P., India  
Email Id: shubhiagarwal1001@gmail.com

<sup>b</sup>Economics Dept, Meerut College, Meerut, C.C.S. University, Meerut, U.P., India  
Email Id: drarchnasingh@yahoo.com

### Abstract

COVID-19 is a disease caused by a new strain of Coronavirus. CO stands for corona, VI for virus and D for disease. This research paper focuses on impact of the outbreak of pandemic Covid-19 on Indian Economy. Covid-19 makes adverse impact on many sectors of Indian Economy. This paper depicts the impact of Covid-19 on different sectors of Indian Economy. This paper also furnishes the policy framework of government in this regard. This paper also gives a light on those sectors which see a boost due to outbreak of covid-19.

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## 1. INTRODUCTION

*The global economy is expected to shrink by over 3% in 2020 – the steepest slowdown since the Great Depression of the 1930s.* -----**IMF Report**

Coronavirus was first reported in Wuhan, China, in December 2019. Let us first consider what Coronavirus is??? COVID is a large group of viruses that creates illness. It ranges from the common cold to more severe diseases like Severe Acute Respiratory Syndrome and Middle East Respiratory Syndrome. The new Coronavirus is a special kind of virus that has not been identified in humans so far.

I have been pondering many questions in my mind like will COVID-19 change the way world works, will things go back to normal as before COVID-19, what will be the fundamental change take place in common public, business people, industrialists, and economies. The next few months will be very crucial. We have to alter the concept of normal in this pandemic.

In this research paper, I will explore and describe the impact of Covid-19 on the Indian economy. If past trends of similar infections are analyzed, it can be helpful to bring any conclusion as to what we should do to move forward. How can we overcome this pandemic? Either through mass vaccination or social distancing. What type of life are we expecting in the time of Covid-19?

In simple words, I can express that liquidity is expected to reduce as the borrowing cost in real terms will be increased. Though, RBI is continuously making an effort to soften interest rates. Commercial banks and financial institutions are tensed due to the fear of insolvency, NPAs and bankruptcies increase very much. The focus and stress of government will be to meet out the hyper demand for necessity goods. In contrast, business owner of luxurious and comforts goods will stress on covering their outstanding money amount due from debtors. Mergers and partnerships will not take place in this pandemic period when everyone is bearing enormous losses.

## 2. OBJECTIVE OF RESEARCH

1. To focus on the impact of a pandemic on different sectors of the economy.
2. To reflect the need for policy intervention.

## 3. RESEARCH METHODOLOGY

This part of the research furnishes the research methodology used in this study. This study considers December 2019 to May 2020 as its study period. The review uses secondary data. The data is collected through various magazines, newspapers, and government websites for this study. This study focuses on descriptive research design. The sample design chooses for this study is illustrative.

## 4. IMPACT OF PANDEMIC ON INDIAN ECONOMY

This pandemic has created new issues for the Indian economy that leads to a severe disastrous impact on the demand and supply side.

**Impact on Demand Front:** Aviation, Hospitality, and Tourism are the worst sufferers sectors that are bearing the maximum brunt of the present pandemic Covid-19. Due to the lockdown effect, the closing of shopping malls and cinema theatres has severely affected the retail sector by reducing the consumption of essentials and entertainment purposes items. There is a decline in the level of income, particularly daily wage earners due to slow economic activities in many sectors like retails, constructions, transport, and entertainment, etc. that ultimately leads to fall in consumption front. There is a postponement of buying decisions by consumers due to

widespread fear and panic. The transportation sector is severely affected due to the lockdown effect, which causes a restriction in traveling as all schools, colleges, universities, and private firms are opting for work from home culture approach. Hotels and restaurants are seen as significant sufferers as there is the cancellation of leisure trips, business trips, conferences, seminars, workshops, internships, etc.

**Impact on Financial Market:** Financial market is seen extremely volatile that leads to colossal wealth erosion, huge crashes due to uncertain conditions regarding future prediction, and results of Covid-19. The wreck of the stock market is responsible for declining consumption levels. March 12, 2020, was the black day as there were significant slides in domestic equity markets. Both BSE and NSE slipped more than 8% in a single day. There was 2919 points drop in the BSE Sensex, and 868 points fall in NSE Nifty. This drop has regularly taken place till date as stock investors resorted to continuous selling amid increasing cases of Covid-19. Indian stock markets again jumped to a new low level on March 19, 2020. BSE Sensex closed 581 points low at 28,288, and NSE Nifty closed 205 points lower at 8236. Volatility and wealth erosion of investors are expected in equity markets during Covid19.

**Impact on Supply Front:** If I focus on the supply front, delay in the supply chain of goods from China due to the shutdown of factories has adversely affected many Indian manufacturing sectors, which depend on China for their raw material and final products. The problem of a shortage of raw material is faced by some crucial areas like electronics, automobiles, chemical products, and pharmaceuticals, etc. Business sentiments, investment, and production schedules of firms get hampered due to the spread of Covid-19. Exports of India have affected adversely due to the slowdown in manufacturing activity in China and other markets like Asia, the US, and Europe.

**Impact on International Trade:** China has been a game-changer for Indian markets dealing in many commodities like gems and jewelry, seafood, petrochemicals, etc. The outbreak of Covid-19 had made a negative impact on the exports of China. For example, the fishing sector is predicted to bear a loss of more than 1300 crores due to a reduction in exports. Even India exports 36 percent of its diamond to China. Jaipur incurred significant losses of 8000-10000 crores due to the cancellation of four major trade events between February and April. India exports 34 percent of its petrochemicals to China. Because of export restrictions to China, petrochemical commodities are expected to furnish a reduction in prices. Due to Covid-19, the impact on India's trade is about US dollar 348 million as per the report of UNCTAD. As a result of a manufacturing slowdown in China that is adversely affecting world trade, India has become the top 15 economies that are adversely affected. If I talk of India, the overall impact on business is given below:

Chemical Sectors	129 Million Dollars
Textiles and Apparel	064 Million Dollars
Automobile Sector	034 Million Dollars
Metals and Metal Goods	027 Million Dollars
Wood Products and Furniture	015 Million Dollars
Electrical Machinery	012 Million Dollars
Leather Goods	013 Million Dollars

Source: Report of UNCTAD, 2020

**Let's have a definite look of Covid-19 on some sectors of an economy-**

1. Digital and Internet economy forms a new platform that is playing vital role everywhere which are described below: Online Education and online skills, webinars, conferences,

training programs, etc.; Online groceries, essential goods; Sudden increase in digital content like PPTs, PDFs, audio and video lectures, etc

2. Fast Moving Consumer Goods and the Retail sector will boost up immensely
3. With continuous fear of Covid-19, food outlets, chain stores, malls catering to low consumer demand, so digital platform to purchase the goods will lead a shoot up
4. Firms selling chemicals will feel a big jump due to increased consumer demand for sanitizers, drugs, disinfectants, and medicines, etc.
5. Pharmaceuticals firms are set to observe growth prospects shortly.

Many lives will be lost, and millions more get adversely affected. There is an immediate need for introspection within countries to make realignment of businesses. It's a common saying when life offers you a lemon, make it lemonade. The same is required to be followed in this situation of Covid-19. There may be a silver lining in this too. We all may have to wait patiently for the rain clouds to depart. If we look deeply, so we find that China is coming back to normal even though it too has faced the wrath of Covid-19. China is still a dominant exporter of raw material and final products.

In this scenario of COVID 19, Technology will now come on the frontline need in most corporations, whether it is the corporate world or education field or purchasing of online products, etc. Before Covid-19, Technology was taken as a support function tool as a means to get an end. *Work from home culture will be the new normal. Many corporations had realized that employees working from home are equally efficient and productive as compared to when they were working from the coming to their departments. I suppose it will reduce infrastructural costs.*

Cities now are more focusing on sustainable development models. Environment, social, and governance will be a new way forward by non- environmentally friendly business units. Extra mediators are given a backward push with the introduction of new and compact value chains. It will help to improve the efficiency and productivity of labor. The best strategy to survive in this Covid-19 is to focus on sales without profit by business owners. The survival of business will become a new standard and more essential than claiming massive valuation based on sales growth.

Data and data analysis will become an original path to explore in this Covid-19. Everything in this new ordinary world is based on data, so misuse of data through artificial intelligence will become a popular trend. We are well known that government and private entities are not very prompt and efficient in rolling out contact tracing tools that have poor implementation and pose severe privacy and data security problems. As per my common understanding, data can play a lead role in eliminating the impact of any viral news, information, etc. like any protests, false charges to someone, misinformation, diseases...Data and IT security will lead to a significant aspect for the industrial units and business owners. It will become a tough task for traditional businesses to survive in the present era without access to information that ultimately will become a lifeline.

There is a shift from a heavy asset model to an asset-light model where economic activities will be undertaken through public trusts, real estate investment trusts, infrastructure investment trusts. The last two are innovative vehicles that allow developers to monetize revenue-generating real estate and infrastructure assets while enabling investors or unitholders to invest in these assets without actually owning them. Equity financing will become a popular tool instead of debt financing.

Indian economy stands to take advantage of a fall in crude oil prices, but the population in the age group of 15-35 years can create an issue of low consumer demand. These days the world

market is dominated and controlled by right-wing politicians who focused on Make Local, Consume Local. In the post-COVID-19 era, curtailment and reduction of trade restrictions and free markets can be seen and expected to bloom.

The success mantra in this Covid-19 period is "**You need to live, to be in the game.**" Those businesses that can have the capability to survive financially will be victorious in the coming times. Once the world overcomes with this pandemic, there will be an increase in the aviation sector, travel and tourism, hospitality, entertainment, and rental demand. Construction, cement, bricks, metals, cloths, cosmetics, waste management, hair salons, minerals, transportation will also seem to increase endlessly. On the other hand, a paper business can be wiped out from the world full as everyone has started to choose an environmentally friendly way to read and study. Electronic media will be the new normal after Covid-19.

### 5. GROWTH PROJECTIONS OF INDIA

The Indian economy is experiencing slow growth during the last quarter of the current fiscal. The outbreak of Covid-19 may lead to stagnant growth even in the first quarter of FY 2020-21. Many credit rating agencies have revisited and revised the growth path of India in particular reference to the impact of Covid-19 that create travel restrictions, supply chain disturbances, the decline in consumer demand, and investment rate.

The economic growth of India has been reduced by *Fitch Ratings* from 5.1% projected earlier to 4.9% for 2019-20. It did so because it predicts low domestic demand and supply chain disturbances because of Covid19, which badly makes an impact on manufacturing industries.

Standard and Poors have also lowered the economic growth of India from 5.7% projected earlier to 5.2% for 2020.

*OECD* has revisited and revised down forecast of economic growth of India to 5.1% for 2020-21 and 5.6% for 2021-22. *OECD* has also given a warning about global growth in 2020 could come down by 50 basis points as compared to what was projected in November last year.

Moody has also dropped the economic growth of India from 5.4% estimated earlier in February to 5.3% for 2020.

Indian economy can bear a considerable cost due to the outbreak of Covid-19, which ranges between US\$ 387 million and US\$ 29.9 billion in lower consumption demand predicted by the *Asian Development Bank*.

### 6. COVID-19 AND GLOBAL GROWTH

The global economy is growing at 3 percent in the year 2020, which depicts far worse situations if compared to the global financial crisis of 2008 as per the IMF Report. Many first countries are expected to shrink by the following percent in this year 2020.

<i>ITLAY</i>	<i>SPAIN</i>	<i>FRANCE</i>	<i>GERMANY</i>	<i>UK</i>	<i>US</i>	<i>JAPAN</i>
9.1%	8%	7.2%	7%	6.5%	5.9%	5.2%

Source: IMF Report

Developed countries have poorly affected, and they are seemed to grow by -6% in 2020 on the one hand, and the other hand, developing countries are seemed to shrink by -1%. The growth rate story will become worse if China is excluded from this list of countries because the growth rate is seemed to be -2.2% in this year of 2020. GDP figures for China reduced by 36.6% in the first quarter of 2020. On the contrary, output in South Korea dropped by 5.5% even though the country did not follow lockdown but practiced the methodology of aggressive testing,

quarantining, and contact tracing. If we are talking and focusing on Europe, the figures for GDP in France, Spain, and Italy dropped by 21.3%, 19.2%, and 17.5%.

#### **7. NEED FOR RELEVANT POLICIES ON GOVERNMENT FRONT**

There is an urgent need to form a combination of monetary, fiscal, and financial markets measures to help businesses and the common public to cope with this spread of virus and crisis environment. For framing appropriate action plans and policy, it is significant to know the specific issues that businesses and the public, in general, are facing recently. At this juncture, it is necessary to provide support to Indian industries and economies by the Indian Government and RBI.

1. There is a need to reduce the cost of funds through a reduction in policy rates.
2. There is a need to increase credit limits for all banking accounts by 25 percent.
3. There is a need to provide relaxation in the factory compliances to enable the industries to continue operation even in fewer laborers over longer work keeping in mind the healthier and safe environment. Social distancing is followed in this and can bring a positive outcome. If required, health concerns and lockdown decisions must be followed strictly.
4. There is a need to raise expenditure on public health to maintain adequate supplies to manage the problem of COVID-19: medicines, medical kits for the medical professionals, masks, gloves, more health clinics, more hospitals, etc.
5. Compliances under Companies Act: There is a need to extend the deadlines for declaration of financial results (May 31), filing of returns with ROC & others, etc.
6. There is a need to allow for 30-60 days grace period in utility, statutory, and GST payments for affected areas and industries without impacting credit history.
7. Government and RBI should direct all banks not to reduce and eliminate the offering of loans under project delays situation because of Covid-19.
8. All pending payments to vendors are required to be passed immediately by the government departments. GST refunds should be cleared at the earliest.
9. There is a need to provide reasonable and more straightforward terms for credit to those sections of businesses that are adversely affected and to those who will stop production activities due to lockdown decisions of government.
10. GST Returns/Procedures: The deadlines for paying taxes every month need (i.e., 20th) to be deferred, and filing of returns is expected to be extended. All show-cause notices/inquiries may be suspended, including those relating to excise.
11. There is a need to follow leniency in levying of penalties for late filings or payments like late filing of Bill of Entries, late filing of Import General Manifest (IGM), etc.
12. There is an urgent need to increase overdraft facilities to state governments from the RBI. It is required to pay the pending GST compensation immediately.
13. There is a need to provide income support to low-income families through Direct Benefit Transfer. PM Kisan Yojana is already doing it for farm households. Farmers should be supported by giving Minimum Support Prices for their harvests. There is a need to provide relief programs to those farmers who have lost their output due to unseasonal rains and weather harshness.
14. Ensure liquidity to surplus levels and give individual liquidity facilities to those banks, companies, NBFCs that are bearing financial strain because of risk factors in the financial market or due to massive demand shock.

15. Direct Taxes: Carry forward period of MAT may be increased from 15 to 17 years.
16. Personal Tax: Additional deduction facilities may be provided to salaried classes at a flat rate so that they can spend additional expenditure on the Corona preventive measures.
17. As we all know, there are large numbers of people who will lose their jobs in many sectors like the retail, hospitality, travel and construction industry, etc., so the government is required to provide some incentives to employers to keep the five workers until coronavirus problem.
18. There is a need to shut down shops in many cities, but there should be a proper time announcement to open these shops to ensure sufficient accessibility of essential goods to consumers.
19. Shipments from China have started to arrive though the ships are not being allowed to unload their products in India due to fear of Covid-19. The government should find ways to facilitate the safe and fast unloading of shipments in India. Work out a mechanism to reduce quarantine delays at ports.
20. Regular planning is needed for planning at the district level, so constant communication is required to be maintained. Any early discussion of planned measures and joint planning with industries will help to avoid shock to supply chains at a local level.
21. There are no guidelines, so far, for exchanging cash currency, which can be the main route of spreading of Coronavirus.
22. There is a problem of illiquidity in the corporate bond and commercial paper market. RBI needs to take steps either directly or through the commercial banking system to ensure a sufficient flow of funds in the market.
22. Other services: The governments imposed restrictions on the opening of malls, gyms, clubs, salons, restaurants, hotels, educational institutions, nonessential products shops, etc. There is a need to provide particular incentives to those people who are employed in these sectors as well as to the companies. But certain services like banking and hospitals are not under lockdown effect.
23. The employers need to pay salaries continuously for this period. These salaries are required to be adjusted either in overtime working or in working on Sunday. While changing, holidays of 10 days given to workers will not be taken into account.
24. Simple rules for the buy-backing of shares. There is a need to provide flexibility in minimum floor rule to give a boost in the primary market for QIPs (Qualified Institutional Placement)

## **8. CONCLUSION**

This is high time to reset everything as the world has become standstill for a few months due to the outbreak of Covid-19. We all are allowed to rethink, redesign, and restructure everything. If we involve in doing the right things, we may be able to fix challenges in new platforms that can face and bear humankind's environmental damage, maybe it pollution, self-centered growth or inequality, or concentration of economic power and wealth....

I think the most significant point is that we must ensure and make the best of efforts that this black phase of life should never happen with all of us again. I am sure that humankind has never taken lessons and wisdom from history. Let's hope for the better, healthy, safe, prosperous, and, of course, sustainable future ahead.

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## Covid-19 and Financial Markets of Indian Economy- A Review

**K.R. Jain<sup>a\*</sup>, Nimisha Verma<sup>b</sup>**

<sup>a</sup>Department of Commerce, D.A.V. P.G. College, Dehradun, India,  
Email Id: drkrjain@gmail.com

<sup>b</sup>Department of Commerce, D.A.V. P.G. College, Dehradun, India,  
E-mail Id: nimisha744@gmail.com

### Abstract

This research paper focuses on the effect of corona pandemic on the financial markets of Indian economy. The pandemic has created unpredictable situation for stock markets globally. Business performances have been adversely affected. Absence of proper vaccination to this contagious disease has created havoc worldwide. To control the death rates rising out of this virus, social distancing and self quarantine methods were adopted so as to have least possible contact with the disease. All the states and the central government have issued the orders to stay at home leading to the slowdown of the Indian financial market and temporary closure of the establishments till the lockdown period. It has turned to a disruptive financial condition which demands government and regulatory bodies for policies which can help to overcome financial loss. This paper highlights the uncertain situation and macro factors affecting the economy. Literature has been reviewed in order to provide insights to the effects of pandemic on economy. It has also highlighted various packages adopted by the Central government in order to cope up with such an alarming situation.

**Key Words:** Covid-19, Financial Markets, Pandemic and WHO

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## 1. INTRODUCTION

India is the second-largest populated country in the world. More than half of the population belongs to rural India or non-metro cities. Many people from rural areas are working in different metro cities for their earning and livelihood. The outbreak of Coronavirus disease has brought unexpected shock to the entire nation. It has impacted financial markets severely. The spread of deadly Coronavirus has affected all the economies of the world, which has led to poverty, unemployment, labor migration, etc. The world has witnessed various epidemics in previous decades, such as HIV, Spanish flu, SARS, MERS, and Ebola. In December 2019, Wuhan province in China got few cases of Coronavirus and gradually spread to different countries of the world. It was declared as the COVID-19 pandemic by the World Health Organization (WHO)<sup>[1]</sup>. Coronavirus was given the name of the Novel Corona Virus. It is a highly contagious virus that belongs to the SARS virus family. Novel Coronavirus started at Wuhan, the capital city of Hubei province in China. After that, it spread to South Korea and European countries.

The outbreak of this deadly virus also created a dangerous condition in India, and the first case got confirmed on 30 January from Kerala. It was so infectious that it was spreading by touching, sneezing, and even by the articles on which it could stay for many hours. The Government of India adopted social distancing as the prevention of disease. The main challenge was how to control such a large population during this pandemic, as this was contagious. Initially, public curfew was announced on 22 March, and the federal of India supported the Government. Subsequently, as the condition started deteriorating Government decided lockdown. Initially, the first period of lockdown was determined till 31 March, which later got extended thrice until 31 May. The total number of cases in India as of 26 May 2020 went up to 1, 45,380, which included 80,722 active claims, 60,490 cured or discharged. Among all other states in India, Maharashtra emerged as the worst affected state with over 50,000 patients. Other countries and territories such as Delhi, Gujarat, Rajasthan, Tamil Nadu, and others are also registering many positive cases of COVID-19 on a day-to-day basis. As the vaccine is not available for this disease, stay in isolation and social –distancing are the steps adopted by the Government. Due to total lockdown, factories are unable to run their business due to which labors were not paid, and it became difficult for them to survive in big cities where they shifted to work. As a result, they began to migrate from metro cities such as Delhi, Gurugram, Hyderabad, and Mumbai to their villages and towns, which created another havoc to handle the contagious pandemic. Travel also got shut down. There were no buses or flights to prevent the spread of the virus.

## 2. REVIEW OF LITERATURE

**(COVID-19 potential implications for the banking and capital markets sector, 2020)**, this article stated the continuous shocks brought by the pandemic to the supply and demand side, has been forecasting further market disruption. This could further imbalance the liquidity of money and access to credit. It could have a probability of defaulters and increase the number of NPA's with the bank also. Capital markets and banking institutions of different countries around the globe are taking steps to counter the after-effects of a pandemic. Enterprises and firms are coming up with contingency plans to keep the pace of the market in such an alarming period. Allowing work from home and rotating shifts by following social distancing method.

**(Dayong Zhanga, 2020)** in their paper, "**Financial markets under the global pandemic of COVID-19**" provided the analysis based on the statistics. The outbreak of pandemic kept the stock market out of predictions. It has made stocks highly volatile. The patterns of particular

country markets have affected the exchange of other countries due to global lockdown and pandemic. Researchers also forecasted the consequence of the epidemic. Due to prolonged shut down of the business could result in unemployment and business failure [4].

**(India under COVID-19 lockdown, 2020)** This article stated the primary threat to India with the response to COVID-19, which is the result of miscommunication and ambiguousness of information-driven out of fear, stigma, and rumors [8].

**(Jha, 2020)** in his paper entitled, "**COVID-19: A nightmare for the Indian Economy**" noticed through their study that the developing countries such as China, America, and European countries hit the hardest because of the large number of population and higher population density and high level of poverty. The absence of the vaccine made the situation uncontrollable [5].

**(RAJESH, 2020)** in his paper entitled "**Impact of COVID 19 Virus Cases and Sources of Oil Price Shock on Indian Stock Returns. Structural VAR Approach**" found that initially there was no adverse effect of a pandemic on the stock returns of oil sector; however, the shock of COVID -19 on oil exports hurt stock returns. It shows that the stock returns got indirectly affected [2].

**(S. Mahendra Dev, 2020)** in their paper entitled "**COVID-19: Impact on the Indian Economy,**" stated that after the financial crisis of 2008 and demonetization, the Indian economy was still facing different inflationary pressures, and the outbreak of COVID -19 has brought another set of predicament. Lockdown with its extensions and slow down of economy resulted in turmoil in demand and supply [6]

### **3. STATEMENT OF THE PROBLEM**

The global crisis has resulted in the financial and stock markets due to the Coronavirus pandemic. Every country was facing problem to tackle the growing number of deaths. Without a vaccine, the situation was getting worse, and the Government came up with the idea of lockdown to save lives, but on the other hand, this was adversely hitting the source of finance and markets.

### **4. THE OBJECTIVE OF THE RESEARCH**

- To review the effects caused by COVID -19 pandemic on Indian financial markets.

#### **4.1 Financial Markets**

Reserve Bank of India has played a crucial role in the development of the financial market in India. There are different types of financial markets, such as the money market, foreign exchange market, and the government securities market [3]. The fusion of financial markets took place during the late 1980s and 1990s. The vital aspect of this was the new economic policy, which brought globalization, privatization, and liberalization in India. It allowed investments with higher rates of returns. It encouraged and enabled investors from other countries to invest in the Indian market. There has been transformed in the money market, government securities market, and capital market [7]. Financial markets aim towards the economic growth and development of a nation. They focus on the efficient utilization of funds and resources. It manages interest rates, exchange rates, and liquidity. Well developed financial market adheres to the need and growth of the infrastructure of the nation.

#### **4.2 Effect on Financial Markets**

Corona pandemic has caused a sudden crash of the stock market, which was not even at the time of market meltdown during 2008. The nation-wide lockdown got prolonged after public curfew,

which disrupted the supply and demand chain in the market. The economy went into the slowdown phase. In March 2020, the G7 meet took place, and the concern was the sensitivity of the stock market concerning the COVID pandemic. There was no policy announced in the event, but it was observed a few days later that the stocks started falling and eroded the vast wealth of the investors.

On the other hand, for budding investors, it was the time to put money on the reduced amount of shares of big companies. SENSEX and NIFTY fall to the lowest unpredictably that the foreign investors started withdrawing their money from Indian markets. The pandemic COVID-19 outbreak has been referred to as a global health emergency. Globally, the number of positive cases were continued to grow with more suspect cases and death rates. It became one of the escalating situations, which furthermore affected all industries, whether financial markets, healthcare, and tourism. Imbalanced demand and supply resulted in financial loss.

#### **4.3 Economic Packages by the Government**

The Government of India announced various packages from 12<sup>May</sup> to 20 May 2020. On 12 May, Prime Minister of India announced an overall economic package worth 20 lakh crore (US\$280 billion). This Rs 20 lakh crore includes the previous government packages (Rs 1.7 lakh crore) as well as the RBI decisions (Rs 5-6 lakh crore). They make up about 40% of the box. This package was announced on 20 May 2020. After analyzing the contagious situation worldwide, policies have been published by the Central Government and the Reserve Bank of India to provide support against the economic shock.

#### **5. RESULTS AND DISCUSSIONS**

To recover with an alarming situation of the pandemic, the Indian economy has to adopt various measures to meet the demand and supply of the population. The money market or capital market has to be appropriately managed. Subsequent home quarantine measures have to be followed with the action of proper work schedules such as work from home and flexible work schedules to get an appropriate pace with economic growth. There should be an appropriate channel of communication with unambiguous information, which can help the economy to recover. Adequate financing should be done to the health care units so that they can also provide better medical facilities to the infected people. Short term and long term plans should be adopted to boost economic development. Money which has been allocated through the packages should be checked appropriately from time to time whether the actual is meeting the anticipated need nation-wide. There should be the adoption of proper corrective measures to bridge the gap of allocation of the financial package by the Government.

#### **6. CONCLUSION**

The fast spread of the Coronavirus has created adverse effects on the financial markets of the Indian economy and of the world at large. The study has revealed that even though demand and supply got affected due to slow down and lock down but as far as the stock market is concerned, for the time being, due to the fluctuations in the stock market, budding investors have invested in the stocks whose prices got reduced. Still, it could not be so in the future run. Promising investors got a chance to invest in the stock market; however, those who had already spent huge money on stocks were facing crisis kind of situation due to rigorous slipping of the shares of the companies.

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## Effects of Post COVID 19 on Indian Economy

**Rekha Garg\***

Faculty of Commerce, N.A.S College, Meerut, (U.P.) India  
Email Id: rekhagargnas2016@gmail.com

### Abstract

An outbreak of COVID-19 impacted the whole world. The outbreak is declared as a national Emergency by the World Health Organization. In India the three major contributors to GDP Namely private consumption, investment and external trade will all get affected. World and Indian economy are attempting to mitigate the health risks of COVID-19 with the economic risks and necessary measures needed will be taken to improve it. The government has put in place Restrictions on expenditure in a bid to save resources. Funds are being diverted towards the Fight against Covid-19. According to the survey, COVID-19 is having a 'deep impact' on Indian businesses, Over the coming month's jobs are at high risk because firms are looking for some Reduction in manpower. Further, it is added that already COVID-19 crisis has caused an Unprecedented collapse in economic activities.

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## 1. INTRODUCTION

COVID-19 is a pandemic declared by the world health organization. In the whole world, 7.8 billion humans beings are being affected by it. No one can help. In India, its impact goes on increasing day by day, and every no knows how to deal with this unforeseen pandemic. After the evolution of this virus, no one is safe, and it has a long-term impact, the society and every citizen under stress, and the government has the responsibility for anticipating risk and putting the country to aware of the consequences and the way to save. The Covid-19 pandemic shows no signs of going back. No vaccine has been found, and to take precautions remain the only way to slow its spread. However, the lockdowns are also pushing significant economies to slow growth.

## 2. RESEARCH METHODOLOGY

This Research paper depicts the present situation of the world with particular reference to India based on exploratory research. The content is prepared with thorough learning of each point, whether major or minor, and it is based on the secondary data, sourced from journals, magazines, articles, newspapers, and media reports.

### 2.1 Covid-19 Hit the Indian Economy

COVID 19 hit the economy very badly. This pandemic has pushed the Indian economy back approx ten years and into a worse situation called recession with a massive loss to the government of revenue to say of tax. *The Atmanirbhar Bharat Abhiyan package declared* by the government of India, Finance Minister Nirmala Sitharaman, provides relief to various industries. Many developed countries in the world have given huge boxes to help people to come out of this situation. At the same time, India's economic package is 20.97 lakh crore rupees, many countries like the UK, US, JAPAN, EUROPE, also announced their stimulus packages.

### 2.2 Trade between India and China

China is the world's largest exporter and second-largest importer. It accounts for 12.4% of world trade. The Indian industry harms trade with China. In imports, India depends on China to a large extent. The major products that India imports from China are animal feeding, apple juice, poppy seeds, etc. have a significant share in most of them.

China stop production due to COVID- 19, India's supply chain is adversely affected. China is the leading supplier of raw material and finished products in India. In 2019-20, China supplied goods amounted to 26.9% of total exports in various goods to India like machinery, including computers 316.7% furniture bedding lighting signs, prefab buildings are 4%. In 2019, the main products imported by India were mobiles, electronic gadgets, advanced technological products, valuable and cheap instruments, which accounts for 49% of total imports. India's total automatic imports include a 45% share of China. India purchases 33% of the machinery and 40% of organic chemicals from China. India's import auto parts and fertilizers from China. 90% of mobile phones of various companies like Xiaomi, Oppo, Vivo, Motorola, Honor come from China to India. Chinese software also captures a large area in the IT market. So it is evident that how Chinese products and users of them inspire us all.

### 2.3 Impact of Pandemic on Pharmaceutical Industry

India's imports medicines from China. Indian pharma industry imports around 85% of pharmaceutical products imported by Indian companies are from China. India depends upon China for its raw material requirements and price volatility. The Indian pharmaceutical industry does not utilize its full capacity. India has a capacity utilization between 30% and 40% as against 75% of China. Mankind Pharma and Granules, Glaxo, Hindustan lever, Cipla., Abbott are the

companies that depend upon China for manufacturing units. Immunity booster drugs and medicines demand increases with a shortage supply. Sanitary napkins, diapers of kids, gloyvati, honey, chavanprash, all are the products which are not available in the market due to high demand with less supply.

Due to a long period of lockdown almost three months, COVID-19 is having a '**deep impact**' on Indian businesses, as most of the people's jobs are at high risk because firms are looking for some reduction in workforce. Further, the COVID-19 crisis has caused an unexpected situation of unemployment, or we can say a job without salary with an increase in expenditure. The present situation is having a "**high to very high**" level impact on the business as during lockdown, all business units are closed, and the government faces the loss of revenue. COVID-19 affected both supply and demand of the Indian economy in 2020, and it goes up continuously. The GDP graph for India shows downwards of 0.3 % for the fiscal year 2020 to 4.9 % and by 6% for the fiscal year 2021 to 7%. Further, it is stated that the actual impact will depend upon the severity and duration of the spread of the coronavirus in the country and all over the world.

There are three main which have a significant impact on covid19, namely education, production, and revenue. Business activity is slow in the International market, which shows an adverse effect on the business of these companies, which are on the top. Sectors that are affected include the service sector, hospitality, manufacturing sector.

**2.4. The World Bank, IMF, both** expected that India could grow 1.6 percent to 2.9 percent in 2020. It is the worst recession seen. All the sectors are affected, and the rates of commodities are high because the supply of raw material is not according to the demand, and production houses are closed due to total lockdown. So we can see that closing India will hurt the economy through which GDP is profoundly affected.

The whole country is disturbed in this period, and the price of essential commodities is raised due to a shortage of supply. A large part of individual savings expend on fulfilling their requirements with no source of income; there is no scope for investment, which further results in the slow growth of the country as all the development projects are set aside. The main focus at present is how to deal with the present situation.

In the era of post-COVID-19, some economies are expected to adopt different kinds of strategies and shift their manufacturing bases from China. This can create new opportunities for India to expand its exports. Chances will largely depend on how quickly the economy recovers and the pace at which the supply chain issues are addressed. A focus on ensuring job continuity and job creation will be imperative".

### **3. IMPACT OF CORONA VIRUS ON DIFFERENT SECTORS OF INDIA**

**Chemical Industry:** chemical plants stop production in China. So there will be a means to transport the goods which in turn restrict the supply of raw material and finished products to India.

**3.1. Shipping Industry:** Most of the trade-in India takes place through shipping. As it is the cheapest way and bulk goods are exported through water transport.

**3.2. Auto Industry:** Indian Auto Industry depends upon the exports from China. China is the major exporter of auto parts to the Indian industry. India has sufficient stocks of these auto parts which are needed, but this lockdown continues, then it means in 10%-12% contraction in manufacturing automobiles in 2020-21.

**3.3. Pharmaceuticals Industry:** INDIA is the primary drug exporters in the world, but the Pharma industry of India also depends on other countries to import bulk drugs. Because of this pandemic, it is not possible to introduce in such quantity as needed, so the Pharma industry is profoundly affected.

**3.4. Textiles Industry:** Due to COVID 19, various industries are closed during the lockdown period, which results that the labor starts migrating from their workplace. This creates problems in the supply of several garments, fabric, yarn, and other raw materials.

**3.5. Solar Energy:** India is the primary developer of solar energy. But due to COVID -19 outbreak, there is a shortage of raw materials needed in solar batteries as all these are exported from China as well. So solar power sector growth is restricted due to the non-availability of raw material.

**3.6. Electronics Industry:** China in electronics is at the top. The raw material required in the electronic equipment is imported from china industry. Production in the electronic commerce of India is interrupted. It causes delays in supply with the massive demand for electronic items like AC, coolers, as this is the time of summer when the temperature is very high.

**3.7. IT Industry:** COVID 19 delays all the proceedings, which give revenue and income to the government. When the whole world is locked, no business unit works, so no revenue is collected. No revenue means no income, which results in a loss of government income in the form of tax.

**3.8. Tourism and Aviation:** we all are aware that May and June both are fixed for tourism, but when all are locked in their houses during lockdown no one goes outside for tourism and aviation, which means that no revenue is collected and affected the people whose source of income is based on tourism. The inflow of tourists is banned everywhere, so the tourism sector generates negligible revenue.

#### **4. THE ECONOMY RESTARTS OPERATION**

Now companies started preparations for restarting operations. It is time to unlock and start working by ensuring health precautions by using sanitizer and wearing a mask. We cannot be in lockdown forever. Some business units grant permission to open with some restrictions and proper guidelines to follow. They reduce workforce availability at one time, and some shops are open at alternate days to develop social distancing. The global economy, trying to stand again with slow growth. It takes some time to gain the same position as before back. The virus has infected many people in India, and the death rate is increasing day by day. This scenario depicts the picture which we are facing today and how it impacts our future.

#### **5. STATE OF THE ECONOMY**

Today the problems faced by the poor, daily wage workers, and farmers do not come to an end. "**Pradhan Mantri Gareeb Kalyan Yojana.** Started by the central government provide some relief to the people who live below the poverty line. Their interests have also been taken care of while making the new guidelines. To provide assistance from this unwanted difficult situation, and to handle it properly the finance minister last announced a Rs 1.7 lakh crore rupees which benefitted the people that included free foodgrains and cooking gas to the poor for three months, and cash five hundred rupees per month for three months to women and poor senior citizens.

#### **Saving On Costs**

As we all know that savings form the base for capital formation. Capital formation generates investment, which is the key to the development of the economy. So the first step taken by the

government is to put restrictions on expenditure to save resources. Funds are being transferred towards the measures used to the fight against Covid-19. The Prime Minister Develop A Care fund to donate the amount which is entirely tax-free so that this amount is used to help the poor and affected people by this virus. There is a reduction of 30 percent cut in salaries and profits of Ministers for one year. The President of India, Vice President, and state governors have voluntarily decided to take a pay cut to donate in care funds towards concerted efforts to contain the pandemic. Various teachers, people of different sections, give their salaries or do jobs as volunteers to help others in one way or another.

## **6. CONCLUSION**

Now, it is time to restart again to boost up India's economy. People are trying to quickly and safely resume normal activities is social distancing, wearing masks, hand sanitization, and proper hygiene following government guidelines and health checkups from time to time. The quarantine period is of 14 days; no vaccine or treatment is there for it. The government starts to unlock things one by one so that economy starts breathing, and people can go back to their jobs by implementing the guidelines of the government. Due to lockdown, when everyone stays at home to break the chain of coronavirus, everyone learns how to deal with this pandemic. The motive of every human being is to stop the rapid spread of this virus and high death rates in the country. The government provides the best health systems.

Various measures are taken by the Government of India to face the situation and try to cash the opportunities. The people of India come across to fight with this. We know unity has the power to get success in every situation. We all are getting united to stop spreading the virus and win this fight against COVID.

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## Post Covid-19: Effects on Automobile Sector in India

Vaishali Siddhu\*

Department of Commerce, Meerut College, Meerut, U.P., India  
Email Id: vaishalisiddhu6@gmail.com

### Abstract

The pandemic Covid-19 has hard hit the global economy and its after effects are distressing as expected. Every major country of world has suffered in multiple ways, India also suffered a lot. Automobile sector of India has witnessed heavy losses owing to the outbreak of novel corona virus and the resultant lockdown. It was even before covid-19, the automobile industry of India is going through a tough phase due to new BSVI norms enforced by the government of India. And now when the whole world is under the influence of the pandemic Indian automobile market is facing slump situation. Economy as a whole is in crises, automobile sector which is already battling for its revival, has faced a lot of challenges like complete shutdown of manufacturing, disrupted supply, a major reduction in imported inputs, significant downfall in domestic and export demands etc. It is quite obvious that the effect of this pandemic will be severe and long lasting. A study shown with the whole nation being under a lockdown throughout April, automotive sales for the month came to a grinding halt. Leading companies, Maruti Suzuki and Mahindra have reported zero sales for the opening month of FY2020.

**Key Words-** automobile, pandemic, coronavirus, auto sales, lockdown.

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### 1. INTRODUCTION

India has emerged as a significant player in global car-making, but the impact of coronavirus has contracted the market of the automotive industry. Customers have now returned to their essential lives and shrinking their hands before spending on luxuries. In earlier times, when it meant that vehicles with advanced features and highest consumer value would be valued and bought, regardless of their price. Now is the time when the amount will determine the future of vehicles. Maintaining liquidity and conserving cash for the future has become immensely crucial after facing the situation of lockdown. Considering this, customers might fetch those vehicles that would be offering great value in price and the lowest operating cost. Luxury, flash, and features would not be prioritized, and it will be essential mobility, which would be considered as the base of choosing a particular vehicle. In the Indian market, sweet deals and discounts have been the favorite flavor of consumers, especially in the case of automobiles. They are standard and peak during festivals. More than 40% of the total vehicle sales occur during the festive seasons across India. In times of coronavirus pandemic, the purchase done by potential customers would surely be downsized. Customers would be looking at smaller cars with lower price. It will lead to downgrading the purchase decision of buyers.

### 2. CHANGE IN CUSTOMER PREFERENCES

The impact of coronavirus on the car market will lead to a change in customer preferences. Quality would become the second parameter after the price of buying decisions. Earlier quality had been the sole base of the purchase decision for potential customers. They were ready to pay any price for quality and luxury. As the present scenario is quite different, consumers are now very conscious of conserving their resources. The value of money and necessities has increased more and saving habits has become the latest trend. All luxuries lost their value up to some extent, as this pandemic turned our lives to its elementary version. Amid these conditions, entry-level cars like Alto, Kwid, Celerio, Santro, WagonR, Tiago, and few others might be on the top of the customers' list. In this case, Maruti Suzuki could be the segment leader as it has the broadest portfolio of small and compact cars. As customer preferences might go for a toss about prices and transaction costs, there is a high probability that big SUV &MPV might lose luster and face a significant challenge on consumer's future choices.

"The 10-20 lakh price bracket might be a challenge to sell, while the 20 lakh price upwards would be facing some shrinkage in demand. Indian customers would be looking at affordable mobility with safer means to travel. The cost would supersede brands and categories across the market", says Amit Kaushik, Managing Director at Urban Science, a US-based consultancy.

### 3. SEGMENT: READERS ARE TRUSTWORTHY

It's evident from history that in the tough times or crises, it's the segment leader that becomes the first choice of the customer over other brands and companies. There are no such rules or law that establishes a company's market leader. But the confidence and trust which a company gains with this kind of situation become risk-averse and stick with these brands.

According to experts, it's time to repeat history. In the past, be it the ASEAN financial crises that took over much of East Asia and Southeast Asia in 1997 or the Lehman Brothers crises in 2008, Hero Motocorp in two-wheelers, Maruti Suzuki for passenger vehicles and Tata Motors in the commercial vehicle segment have captured the market and gained in the historical crises situation. These segment leaders have managed to gain consumer belief, and their buying decision went in favor of these evergreen brands.

Shashank Srivastava, executive director of Maruti Suzuki India, says, "It's normally the high belief set by top leaders that attract customer's trust and confidence, especially in any crisis. These could be related to brand assurance, post-sales service experience, or their ability to be risk-averse. Amid these times when the market is dull, and sales are virtually eroding in lockdown, it's time for the top brands and companies to reap the discretionary purchase quotient and generate rich yields on their years of slogging".

It's a high time for segment leaders to gain again. Amid coronavirus impact "old is gold" philosophy will work for the automobile sector as it is being adopted in other dimensions of life like food and clothes.

#### **4. MARUTI SUZUKI-THE BIGGEST GAINER AND LEADER**

Undoubtedly Maruti Suzuki is the most reliable and attractive car making brand in India. It is estimated that in the time of this pandemic, Maruti will gain hugely. While other companies like Hyundai Motor and its premium and sibling brand Kia has come up with an SUV Seltos, which a big size and expensive car, Maruti has been attentively focusing on smaller cars and making the best of compact cars as its competitors have shifted their focus to bigger cars. Within a few days, Maruti has delivered over 5,000 vehicles to its customers following a set of comprehensive standard operating procedures for its dealerships across the country amid lockdown. Maruti has also extended warranty and free services that were set to expire between 15 March and 31 May. The company has also offered easy finance and EMI options to its customers. It has introduced new hygiene guidelines that will be followed at all dealerships. All these efforts of the company will surely gain the trust and confidence of customers.

#### **5. THE BOOM IN DEMAND FOR A USED VEHICLE**

Post the pandemic; consumer preference will be more towards personal health and hygiene. After lockdown, there will be a considerable change in the buying behavior of customers. Cleanliness and hygiene will become more important than earlier. We can expect that consumers will prefer personal/individual mobility, and shared mobility will take a backseat. Considering their health and hygiene, outstanding individuals would like to travel alone on private vehicles. But an aversion to higher discretionary spending like buying new cars, it is expected that demand for used vehicles will increase in the next 3-6 months. Lease rentals and service-based models may also splendor in the Indian market. Traveling in public transport would not be preferred for at least one year. As most of the consumers belong to middle-class families in which household income barely keeps pace with expenses, they won't be able to spend more on vehicles, slightly used cars will be preferred more in this time of crisis.

#### **6. IMPACT ON EMPLOYMENT**

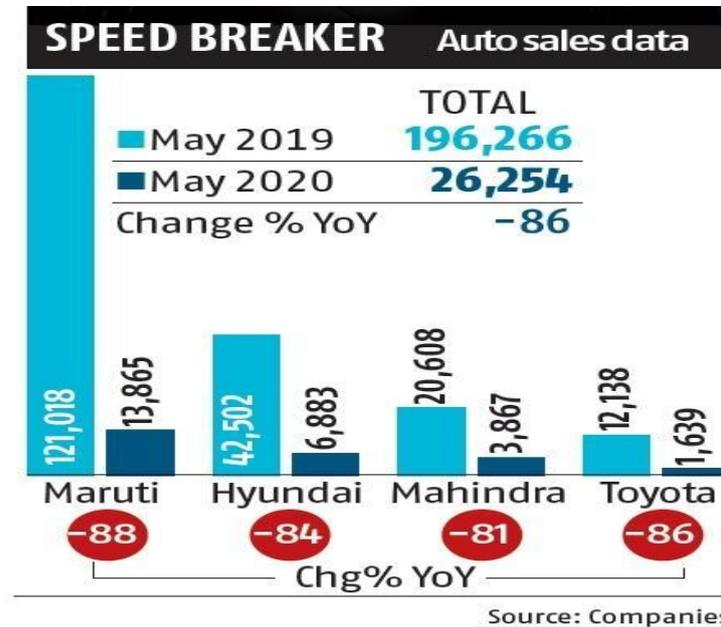
Amid corona and its resultant lockdown salary cuts, and layoffs have increased exceptionally in every sector and notably in the automobile sector. Covid-19 has badly hit the Indian auto sector, causing disruptions. CarDekho has laid off employees and cut down the salaries of its employees. The company has not disclosed the number of employees laid off, but the reports suggest the number as high as 200.

Girnarsoft cluster that runs CarDekho aforementioned "Covid-19 has light-emitting diode to disruptions across industries and motorcar is one among the worst-hit sectors. We tend to were unnatural to appear at rightsizing AND wage cuts during a few businesses given amount of slow recovery and, in some cases, permanent amendment in the pattern of shopper spends" in an

emailed statement to the days of Asian country. Additionally, the corporate aforementioned that within March groups across the board took measures to manage prices, the leadership team is making voluntary wage cuts active Gregorian calendar month. Per the reports, salaries are slashed by a 12-15 % pay cut. It aforementioned, "To facilitate this transition, we tend to not solely cowl the wedged staff financially; however, have conjointly set up AN go-between network to guide them towards opportunities within and outdoors the organization. We tend to also {are|are} encouraging and are providing comprehensive support for entrepreneurial opportunities with the organization. These square measure testing times {and we have a tendency to |and that we} hope we start this abundant stronger than before". Ola, one of the largest taxi collectors in the Asian country, has set off 1400 of its workers because the Covid-19 pandemic badly hits the revenue of the corporate. The income of the corporate has fallen a thumping ninety-fifth in a Gregorian calendar month. It will thank the irruption of the coronavirus pandemic; news organization PTI rumored citing a note by chief executive officer Bhavish Aggarwal. The layoffs of workers square measure from rides, monetary services, and food business, the report aforementioned. In his email to the workers, Aggarwal created it clear that the impact of this pandemic is undoubtedly about to stay for a protracted time. "The fallout of the virus has been robust for our business, above all. Our revenue has come back down ninety fifths over the past two months. Most significantly, this crisis has affected the livelihoods of many of our drivers and their families across Asian countries and our international geographies," the writing paper chief executive officer aforementioned. Similarly, Uber, one among the world's prime taxi collector, has set off 600 of its staff in the Asian country to chop prices amid the continuing COVID-19 pandemic. Uber is the biggest rival of writing papers in the Asian region. Uber has supported this lay off with a press release that these reductions square measure a part of its antecedently declared world job cuts. Uber aforementioned that it's provided a minimum of ten weeks of payout, medical amount of money for ensuing six months, outplacement support, be allowed to retain their laptops and given a choice to hitch the Uber talent directory. Uber has a dropping of vi,700 staff globally because the coronavirus has severely affected its business. 7. substantial Decline in Sales After coverage near-zero sales in a Gregorian calendar month, automobile firms resumed their deliveries in could. However, the reports square measure very unsatisfying with sales of traveler vehicles has declined to eighty-six for leading players. Maruti Suzuki, a leader within the automobile market, sold 13,865 units domestically once resuming its despatches. This was a decline of half of 1 mile. R C Bhargava, Chairman of Maruti Suzuki, aforementioned "So way, the advance in demand, production, and sales appearance quite cheap, however, it'll be a gradual increase. It'll not jump to the previous levels anytime soon". Volumes at Hyundai Motor, Mahindra & Mahindra, and Toyota Kirloskar have massively born by eighty-four, eighty one and eighty-six % severally throughout the month over the year agone amount, firms rumored. Ashok Leyland domestic sales have reportedly declined by ninetieth at one,277 units amid Covid-19.

Credit rating agency CRISIL is also expecting demand to pick up in the second half of FY21. It said, "A recovery in demand is expected only from the festival season in the third quarter of this fiscal- and largely for two-wheelers and tractors, which have a higher rural share." Compared to last year, other manufacturers also saw a drop in their sales volumes.

Vijay Nakra, chief executive, M&M, said, "our performance during May has been muted due to the challenges the industry is facing." Ninetieth at one,277 units amid Covid-19.



Hetal Gandhi, director, CRISIL Research, expects job loss and pay-cut fears dampening consumer sentiment. "Automobile sales are running out of steam as urban income sentiment wilts under the pandemic.

**7. AUTOMOBILE COMPANIES TAKE SOME PLAUSIBLE DECISIONS**

1. Flipcart and Mahindra-owned Meru cabs have teamed up to provide people access to grocery and essential items during the lockdown in Bengaluru, Delhi NCR and Hyderabad regions.
2. Fiat Chrysler Automobiles has pledged an amount of 2 crores towards COVID-19 relief measures in India. FCA employees have voluntarily made contributions from their salaries towards relief efforts.
3. Ola has launched the 'Ola Emergency' feature in many cities so that people could book trips to hospitals for all non-COVID related requirements.
4. Mahindra & Mahindra has begun producing face shields at its two-wheeler manufacturing plant at Pithampur, Madhya Pradesh.
5. Skoda Auto Volkswagen India Private Limited has donated one crore to the Sassoon General Hospital in Pune towards the establishment of a dedicated COVID-19 facility with 1,100 beds.
6. Ratan Tata, Chairman of Tata Trusts, has earmarked 500 crores to protect affected people from the COVID-19 outbreak.
7. MG Motor India has partnered with Vadodara-based MAX Ventilators to assist in the manufacture of life-saving medical equipment.
8. Yamaha Bharat has declared that its workers have given a day's pay to assist COVID-19 relief efforts, with the full quantity having reached to ₹ sixty-one.5 lakh.
9. Ford Bharat introduces a new Dial-A-Ford service that permits new customers to book a take a look at drive or book a brand new automobile and acquire it delivered.

10. Audi Bharat has introduced a unique initiative. Under this, Audi customers UN agency are fighting against coronavirus at the forefront will avail of complementary medical care and cabin cleanup, exterior cleanup, and a general check-up of their luxury vehicle.

## 8. DISCUSSION

In discussion with Team Times Drive, Tarun Garg, Director- Sales, Marketing, and repair, Hyundai Motor Bharat, mentioned that there's a decent likelihood that a lot of shoppers can take subscription plans whereas shopping for a brand new vehicle. Subscription set up permits a client to shop for an automobile by paying monthly or yearly subscription charges rather than an ancient funding methodology that has a deposit and monthly EMI. Tarun Garg, any same "we believe that subscription-based possession model can interest those that ar avoidance shared quality and public transportation for cheap personal mobility." Gaurav Gupta, chief industrial officer, MG Motor Bharat, said, "As an innovative whole, we tend to perpetually look at innovation and technology to drive higher client experiences. Within the new era, digital and contact-less experiences play a fair additional crucial role. Shield+ could be an umbrella sales and repair program geared toward the complete convenience of our clients within the new traditional and is a testimony of our commitment to the protection of our customer expertise at the core and is driven by the innovation and technology, a core pillar at MG."

Rohit Suri, president & decision-maker, cat Land Rover Bharat, said: "At cat Land Rover Bharat, our aim has invariably been to supply a hassle-free and updated purchase and repair portals, we tend to are currently ready to provide the extra advantage of a contactless and safe atmosphere during which our customers will relish the cat Land Rover expertise. Prakash Javadekar, Minister of dangerous Industries and Public Enterprises of Bharat, has remarked, "The automotive vehicle sector could be a mass leader and contributes the full GST amongst all sectors. Last year, the business suffered owing to a planned migration from BS-IV to BS-VI grievance vehicles. This was one amendment that created the shoppers defer their purchases."

According to the Society of Bharat Automobile makers (SIAM), traveler vehicle and two-wheeler vehicle sales, both declined by eighteen percent in March-April 2020 as compared to identical amounts last year. However, a recent survey offers a glimmer of hope to the auto business.

The report, dynamic Gears: The impact of Covid-19 on the auto business, by carandbike.com, has forecast a doable V-shape recovery- a pointy economic decline followed by a fast and sustained improvement. This report advised that repressed demand and first-time consumers might facilitate the auto sector rebound within the post-COVID era. Moreover, the survey conjointly suggests a shift within the preferences, with shoppers doubtless to travel for a private vehicle than go past conveyance. YS Guleria, director (Sales and Marketing), Honda motorbike and Scooter Bharat same "There is a discussion regarding realigning and reviewing each setup. this might be regarding the launch of recent models, development of network infrastructure, or maybe assessing the capacity utilization for the longer term." A report by credit rating agency ICRA regarding the severe and medium industrial vehicle the same that, "The outlook for FY21, particularly the primary 0.5, remains weak given the economics headwinds seeable of recent pandemic occurrence, let alone great value hikes owing to transition to the new emission norms. Any recovery within the latter 0.5 hinges on pick-up in construction activity."

## 9. CONCLUSION

There is no doubt that Covid-19 has severely and seriously affected the automobile industry. Supply is badly affected than demand. Lockdown and complete shutdown of manufacturing

units has disrupted the supply chain. India imports auto components from China, and then manufacture automobiles. But due to the outbreak of novel coronavirus and stringent rules of government supply of auto parts has been resisted. We can say that it is the worst phase for the automobile industry. COVID-19, coupled with new BS-VI emission norms, has created an unfavorable climate for manufacturers. India's automobile industry is the fourth-largest by volume and from the past few quarters experiencing a constant decline in sales, and now is another year of significant reductions as lockdown impacted production and consumer demand. Partial operations were started in May, but it became an uphill struggle.

Due to permissions and approvals from concerned state authorities, safety protocols such as body temperature scanning, social distancing, and high standards of sanitization are new things to follow. But these are "new normal" for all of us. We can expect good demand during the festival season, i.e., the last quarter of the year. More than desire, supply will be a challenge as the labor problem will arise. Workers are not willing to come back from their hometowns. Shutting down operations was easier than reopening factories as companies need to manage complex synchronization issues. The lack of government policy and intervention for the automobile sector is disappointing. But we should remain positive and hopeful. Demand for two-wheelers- especially motorcycle will take a jump as the shared mobility will take a backseat. The government scrapping schemes and lower interest rates for vehicle loans could accelerate recovery. Combined with a young population, better road infrastructure, growth in rural demand, and the introduction of user-friendly compact cars could boost consumer demand.

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## Covid-19 Impact on the Indian Economy: A Review of Uttarakhand's Travel, Tourism and Hospitality Sector

K.R. Jain<sup>\*a</sup>, Anuja Dhyani<sup>b</sup>

<sup>a,b</sup>,Department of Commerce, D.A.V.(P.G.) College, Dehradun, UK, India  
Email Id: drkrjain@gmail.com

### Abstract

*This study examines the impact of COVID-19 on the Indian Economy with reference to travel, tourism and hospitality sector in Uttarakhand. The outbreak of corona virus in China shook the world due to its adverse impact on the global economy. The corona virus pandemic is leading a massive disruption in the economy of the country. Key sectors continue to be spooked by the outbreak. Supply chain disruptions apart, lack of demand is affecting sales of mobile phones, electronics and automobiles. India went through elongated country-wide lockdown to combat the pandemic by restricting movement of its people. These lockdown directly affected the travel industry like aviation, rail and road transport. This further adversely affected the hospitality sector. From big hotel to small businesses like restaurants, SPA's, beauty parlors and street food vendors have been shattered by the double blow of the pandemic and the lockdown. This research paper highlights the measures taken by the Government of India to tackle the set-back on travel, tourism and hospitality sector.*

**Key Words:** COVID-19, Corona virus, Economic Downturn, Hospitality, Indian Economy, Lockdown, Outbreak, Pandemic, Social Distancing, Supply Chain, Tourism, Travel.

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## **1. INTRODUCTION**

World Health Organization (WHO) has declared COVID-19 as a pestilence, following the necessary conditions; the government of the Republic of India and authorities has close to require precautionary measures to stop this from spreading. Many industries are adversely wedged because of the unfold of COVID-19 globally. News reports are painting a dysemic image of an enormous range of offer chains that are affected. The worldwide economy is grinding to a halt. At intervals a month, state rose from 7% on March 15, 2020, to 26 on April 19 throughout internment approx 15 large integers (140 million) folks have lost their job. Lots of companies subtracted up to five-hundredths of their employees' pay. Quite forty-fifths of houses across the state have reported associate degree financial gain drop as compared to the previous year. With over 80,239 cases worldwide and 2700 deaths (as of February 26), the human value of 2019-nCoV has been creating headlines since Gregorian calendar month 2019, and no country desires to require the threat gently. The virus was 1st known as nCoV within the town of the metropolis (China), so modified to Severe Acute metastasis Syndrome Coronavirus two (SARS-CoV-2), and at last, named Coronavirus malady (COVID-19) by the planet Health Organisation. COVID-19 is probably going to possess a social, economic, and political impact. The international organization Conference on Trade and Development (UNCTAD) estimates a dollar one trillion black eyes to the worldwide economy. This might be the worst depression since the 2008 worsening. It can be possible to possess enormous consequences for the Indian economy that has already been within the thick of retardation, with a recession in exports and producing, even before the virus struck. The airlines and cordial reception sectors are already on the brink. In such a state of affairs, UNCTAD's estimate of a \$ 348 million hit on the Indian economy seems to be extraordinarily conservative.

Uttarakhand's scenic beauty and iconic tourism, culture, and heritage also attract travelers, tourists, as well as a business person to invest in any field. But after the global outbreak of coronavirus, the economic growth of Uttarakhand has also suspended. Due to prolonged lockdown, the entire market, overall production demand, selling, and purchasing get suspended. Due to the shut down in every sphere of government as well as the private sector, revenue, income, and all other types of expenditures are at a loss. Along with this, the government is also responsible for providing everything to its people, such as food, shelter, sanitation, medical facilities, and also investing in required medical treatments, medicines, and equipment used in the eradication of corona virus pandemic disease, directly affecting the country's economy. Because of prohibited transportation and improper circulation, the supply chain is also affected, which results in a shortage of raw material and finished goods. Demand in every sphere is not satisfied. For the present crisis in Uttarakhand, the state government has divided its region into two zones of Green and Red. Green zone has a district that does not have any corona virus-positive cases, and others have been included under the Red zone. On March 15, 2020, Uttarakhand had reported its first novel Coronavirus case when a trainee forest service officer of the Indian Forest Service (IFS) who returned from an international study tour to Spain tested positive for COVID-19. Till then, the total number of COVID-19 cases in Uttarakhand surged to 802 after 53 more people tested positive for the disease on May 31, 2020. Out of these 102 patients have so far recovered from the infection, five have died, and three have been migrated out of the state. With the unfold of COVID-19, in conjunction with the Central Government, the government has additionally declared many policy choices to contain and stop the reveal of the virus. During

this context, to provide the unfold of COVID-19, the govt of Uttarakhand took the subsequent measures for proscribing the movement of individuals within the state.

## **2. REVIEW OF LITERATURE**

(Mr. Girish Jadhav, 2020) in their paper "impact of COVID-19 on Indian Industry: Challenges and Opportunities" stated that with the prolonged country-wide internment, global economic downswing and associated disruption of demand and provide chains, the economy is probably going to face a large amount of holdup. His study additionally discovered the potential impact of the shock on varied sectors like producing, monetary services, banking, infrastructure, property, and services and hints a collection of policy recommendations for specific areas. (Peterson K Ozili, 2020) their article "Spillover of COVID-19: Impact on the worldwide Economy" reveals that the increasing range of internment days, financial policy choices, and international travel restrictions severely affected the extent of economic activities. (Frederic Boissay and Phurichai Rungcharoenkitkui, 2020) in their paper, "Macroeconomic effects of COVID-19: associate degree early review" expressed that past epidemics had long-lasting effects on economies through health problems and, therefore, the loss of lives, whereas widespread containment measures mark COVID-19 and comparatively fatalities among children. The low prices of COVID-19 can, in all probability, dwarf those of past epidemics, because of the new and synchronal international sharp stop in economic activity induced by containment measures. This measurable impact on global gross domestic product growth for 2020 is around -4%, with substantial drawback risks if containment policies area unit prolonged. Production losses area units are longer for major economies. (Mishra, Mukesh Kumar, 2020) in their paper "The World once COVID-19 and its impact on international Economy" stated that necessary and daring policy measures area unit required, not solely to contain the pandemic and save lives, however additionally to shield the foremost vulnerable in our societies from financial ruin and to sustain the economic process and monetary stability. Per him, Coronavirus pandemic unwellness could be a human, economic, and social crisis. The COVID-19 pandemic can cause a dramatic drop by FDI flows. MNEs, native businesses, and investments are severely affected, with so much reaching social and economic repercussions. The Coronavirus crisis is 1st and foremost a public health threat; however, it's additionally, and progressively, associate degree economic threat.

## **3. STATEMENT OF PROBLEM**

The COVID-19 has a profound impact on Indian business AND has already caused an unprecedented collapse in economic activities over the previous few months. The increasing range of confirmed Coronavirus cases and death rate inspired social distancing that crystal rectifier to the closure of companies, instructional establishments, etc. internment has created an adverse impact on daily wagers' life.

## **4. OBJECTIVES OF THE STUDY**

To assess the consequences of COVID-19 pandemic on the Indian economy with relation to travel, touristy, and welcome sector of Uttarakhand.

## **5. TRAVEL, TOURISM AND HOSPITALITY SECTORS HIT HARD BY LOCKDOWN IN UTTARAKHAND**

Travel, touristy, And Hospitality Sectors hit laborious by internment in Uttarakhand. The Coronavirus pandemic has been terrible for many businesses; however, touristy is among the foremost affected sectors.

The direct and indirect economic impact of the pandemic and, therefore, the internment on the touristry business in Asian countries is calculable concerning 100 percent of India's value.

Travel agencies everywhere the country is suffering, most have opted either for pay cuts or sent their workers on unpaid leave. The virus eruption has had a devastating impact on the whole touristry scheme in Uttarakhand, as well as the welcome sector, travel agencies, tour operators, and different sorts of transport. This pandemic unwellness continues to bring disturbance to the Uttarakhand touristry business. Touristry in Uttarakhand has been dealt a blow with immeasurable individuals for this sector are currently facing the strength as there's nationwide internment to halt the unfold of the deadly virus. All the holidaymaker spots and additionally Char Dham Yatra have suffered first losses this year thanks to the unfolding of the fatal infection. Several hotels are on the verge of closing thanks to the internment that incurred losses of around Rs.400-Rs.500 crore.

**5.1. Positive result Of Covid-19 internment On welcome business** During varied stages of detention to prevent coronavirus unfold, one excellent news that we've been witnessing is from the setting. Thanks to confinement, the air outside the house has become far better, and therefore the water of holy stream Ganga has become cleaner. On the idea of this internment outcome from the environmental perspective, the welcome business is expecting kick-start from the Ganga touristry within the Northern-Indian components. The water of the holy stream Ganga has become drinkable and has additionally reincarnated to its Old Glory, that may be a once during a period chance to expertise. This may cause an AN flow of many thousand travelers to knowledge this development in Haridwar and presumably be the most significant trigger for driving the eco-tourism within the Uttarakhand region.

## **5.2 Government Announcements To Support Travel, Tourism, And Hospitality Sector**

The Government of Uttarakhand has announced to provide Rs.1000 aid to two and a half lakhs people involved in travel, tourism and hospitality business. Vehicle's new permit date has been extended by the government till March 31, 2021, and has also provided relaxation on road tax till June. For such relief, the government will pay Rs. 14.23 crores. The government has also announced an additional budget for employment generating schemes such as the Veer Chandra Garhwali Yojna to promote travel, tourism, and hospitality sector in the state. The programs will offer microcredit to sustainable employment opportunities and establish facilities to run taxis, buses, restaurants, and tourism information centers.

## **6. RECOMMENDATIONS**

To overcome the outbreak of COVID-19, long, short, and medium-term planning is needed to offset the impact of the lockdown on the state's economy, especially on tourism. Stress should be laid on the revival of the micro economy and taking the help of banks for the purpose. For the longer term, if the government builds on from the benefits which have accrued naturally and sustain efforts to maintain the river Ganga's cleanliness, tourism will bloom around the river. The government should set up an immediate COVID-19 tourism relief fund.

## **7. CONCLUSION**

COVID-19 has posed an unprecedented challenge for India. Despite this, in the future, the state government would follow the social distancing norms and other rules to run the tourism sector. The Indian government is considering offering a six-month package for the hospitality and aviation industry. The package being found could include a six-month suspension of GST

payments. Various measures, such as making it mandatory for passengers to wear protective gear, are being explored to make travel safe. Masks and face covers will become part of the lives of people.

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## Effect of COVID 19 on Various Sectors

Asha Rathi<sup>a</sup>, Ashok Kumar<sup>b\*</sup>

<sup>a</sup>Deptt.of Business Administration, FCMS, Jai Narain Vyas University, Jodhpur (Raj.), India

<sup>b</sup>Deptt.of Business Administration, FCMS, Jai Narain Vyas University, Jodhpur (Raj.), India

Email Id: ashokkumarhatwal@gmail.com

### Abstract

As we as a whole realize that, the Novel Coronavirus (COVID-19) has tainted many individuals as scourge standing up to the entirety of mankind, affecting ways of life, organizations, economies, and the supposition of basic prosperity that we all have to a great extent underestimated. Indeed, even before the beginning of this pandemic, the worldwide economy was standing up to choppiness because of interruptions in exchange streams and debilitated development. The circumstance has now been inciting by the interest, gracefulness and liquidity stuns that COVID-19 has dispensed. When the pandemic is controlled, the shape and speed of the recuperation in India will be key factor deciding the nature and footing of worldwide financial recuperation.

It is our desire as of now that the course of financial recuperation in India will be smoother and quicker than that of numerous other propelled nations. To be sure, the UNCTAD in its most recent report 'The COVID-19 stun to Developing Countries' has anticipated that significant economies least presented to downturn would be China and India. While we are currently concentrating in India on making sure about the populace from wellbeing dangers and on giving help, exceptionally to poor people, we likewise need to think long haul measures - to make sure about the strength of the economy, the suitability of organizations, and the employments of individuals. Aside from giving security nets to the helpless, guaranteeing work congruity and employment creation is critical and there is an earnest need to prepare assets to animate the economy. This article is an endeavor to investigate the present COVID-19 pandemic circumstance and its impacts on different segments of India with the assistance of optional information.

**Key Words:** COVID-19, Global Economy, Pandemic, Impact, Long-Term Measures, Indian Economy.

\*Corresponding Author  
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## **1. INTRODUCTION**

Coronavirus episode was first detailed in Wuhan, China, on December 31, 2019. Before perusing insight concerning the effect, first, let us concentrate on coronavirus. Coronavirus ailment (COVID-19) is an irresistible sickness brought about by a newfound coronavirus. Crown infection sickness has no particular disorder; most individuals contaminated with the COVID-19 infection will encounter mellow to direct respiratory ailment and recuperate without requiring different treatment. More seasoned individuals and those with fundamental clinical issues like c diabetes, incessant respiratory sickness, and malignancy are bound to create genuine ailment. The COVID-19 infection spreads principally through beads of salivation or release from the nose when a contaminated individual hacks or sneezes. At this time, there are no particular immunizations or medicines for COVID-19. Be that as it may, many progressing clinical preliminaries are assessing possible medication. World Health Organization will keep on giving refreshed data when clinical discoveries become accessible. The ideal approach to forestall and hinder transmission is to be all around educated about the COVID-19 infection, the sickness it causes, and how it spreads. Shield yourself as well as other people from contamination by washing your hands or utilizing a liquor-based rub now and again and not contacting your face.

## **2. IMPACT OF CORONAVIRUS ON THE INDIAN ECONOMY**

The economic effect of the 2019-20 coronavirus pandemic in India has been colossally troublesome. World Bank and FICO assessment offices have downsized India's development for the financial year 2021 with the most minimal figures India has found in three decades since India's economic progression during the 1990s. In any case, the International Monetary Fund projection for India for the money related to the year 2021-22 of 1.9% GDP development is the most elevated among G-20 countries. Inside a month, joblessness rose from 6.7% on March 15 to 26% on April 19. During the lock-down, an expected 14 crore (140 million) individuals lost business. Over 45% of families the country over have announced a pay drop when contrasted with the earlier year.

As of late, an industry overview that is mutually directed by industry body FICCI and expense consultancy Dhruva counsels and took reactions from around 380 organizations over the parts. It is said that organizations are battling with "enormous vulnerability" about their future. As indicated by the overview, COVID-19 is having a 'profound effect' on Indian organizations; over the coming month's employments are at high hazard since firms are searching for some decrease in labor. Further, it is included that, as of now, the COVID-19 emergency has caused an uncommon breakdown in financial exercises in the course of the most recent couple of weeks. The current circumstance is having a "high to extremely high" level effect on their business, as indicated by just about 72 percent of respondents. Further, 70 percent of the reviewed firms are expecting a de-development deal in the fiscal year 2020-21.

FICCI said in an announcement, "The overview unmistakably features that except if a meaningful monetary bundle is reported by the legislature promptly, we could see a lasting disability of an enormous area of the business, which may lose the chance to return to life once more."

The study found:

- Regarding the endorsed development plans, around 61 percent of the respondents hope to defer such extensions for a time of up to 6 or a year, while 33 percent anticipate that it should for over a year.

- Surveyed firms of around 60 percent have deferred their gathering pledges plans for the following six a year. Additionally, about 25 percent of the organizations have chosen the equivalent.
- Surveyed firms around 43 percent have announced that they don't foresee an effect on sends out. Further, 34 percent said that fares would endure a shot by more than 10 percent.

As indicated by Dun and Bradstreet, COVID-19 no uncertainty disturbed human lives and worldwide gracefully chain. Yet, the pandemic is a severe interest stun, which has balanced the green shoots of recuperation of the Indian economy that was noticeable towards the finish of 2019 and mid-2020. The reconsidered Gross Domestic Product (GDP) gauges for India downwards by 0.2 rate focus for the financial year 2020 to 4.8 percent and by 0.5 percent for the fiscal year 2021 to 6 percent. Further, it is expressed that the degree of the positive effect will rely on the seriousness and span of the flare-up. There are three critical channels of influence for Indian organizations, as indicated by the report to be specific linkages, gracefully chain, and macroeconomic components. The information of Dun and Bradstreet shows that in any event, 6,606 Indian substances have lawful ties with organizations in nations with an enormous number of affirmed COVID-19 cases. What's more, business movement in the foreign markets is moderate, which infers a negative effect on the top line of these organizations. Parts that would be tremendously influenced incorporates coordination's, auto, the travel industry, metals, drugs, pharmaceuticals, electronic merchandise, MSMEs and retail among others

Further, as indicated by the World Bank's evaluation, India is required to become 1.5 percent to 2.8 percent. Furthermore, IMF anticipated a GDP development of 1.9 percent for India in 2020 because the worldwide economy is influenced by the COVID pandemic, the most exceedingly awful downturn since the Great Depression during the 1930s. Additionally, we can't disregard that the lock-down and epidemic hit a few segments, including MSME, neighborliness, ordinary flight, farming, and the united sector.

As indicated by KPMG, the lock-down in India will largely affect the economy primarily on utilization, which is the most significant part of GDP. A decrease in urban exchange can prompt a fall in the use of extra merchandise. It tends to be dangerous if disturbance causes by the 41-day lock-down and influences the accessibility of original items. Because of powerless residential utilization and shopper estimation, there can be a postponement in speculation, which further includes pressuring the development. We can't overlook that post-COVID-19, a few economies are relied upon to embrace de-gambling techniques and move their assembling bases from China. This can make open doors for India.

As indicated by a report, "It is normal that the course of financial recuperation in India will be smoother and quicker than that of numerous other created nations." As far as an exchange, China is the world's biggest exporter and the second-biggest shipper. It represents 13% of world fares and 11% of world imports. Up to an enormous degree, it'll affect the Indian business. In imports, the reliance of India on China is gigantic. The most straightforward 20 items that India imports from the planet, China represents an exciting offer during a large portion of them. India's total electronic imports represent 45% of China. Around 33% of apparatus and almost two-fifths of natural, synthetic substances that India buys from the planet originate from China? For car parts and manures, China's offer in India's import is over 25%. Around 65 to 70% of dynamic pharmaceutical fixings and about 90% of individual cell phones &their adornments originate from China to India.

In this way, we will say that due to the present episode of coronavirus in China, the import reliance on China will significantly affect the Indian business.

## **2.1 Sector-Wise Impact on Indian Industry**

**Concoction Industry:** Some synthetic plants are closed down in China. So there'll be limitations on shipments. It had been discovered that 20% of the creation had been affected due to the disturbance in crude material gracefully. China may be a significant provider of Indigo that's required for denim. Business in India is perhaps getting to get influenced, so individuals are ensuring their provisions. Be that because it may, it's an opportunity. US and EU will plan to enhance their business sectors. Some of the businesses are often occupied in India, which may likewise be exploited.

**Transportation Industry:** Coronavirus flare-up has affected the matter of load development specialist organizations. Consistent with the sources, a day per vessel has declined by quite 75-80% in dry mass exchange.

**Automobile Industry:** Its effect on Indian organizations will differ and believe the degree of the business with China. China's trade, no uncertainty, is influenced. In any case, current degrees of the stock appears to be adequate for the Indian market, on the off chance that the shutdown in China proceeds, at that time, it's relied upon to cause an 8-10% constriction of Indian car fabricating in 2020.

**Pharmaceuticals Industry:** Despite being one among the essential details of medication exporters on the earth, the pharma business of India depends intensely on import as of mass medications. Thanks to the coronavirus flare-up, it'll likewise be affected.

**Materials Industry:** thanks to coronavirus flare-up, a couple of pieces of clothing/material processing plants in China have ended activities that are like this influencing the fares of texture, yarn, and other crude materials from India.

**Sun-powered Power Sector:** Indian designers may confront some deficiency of crude materials required in sun-based boards/cells and restricted stocks from China.

**Hardware Industry:** The significant provider is China in gadgets being the last item or crude material utilized in the electronic business. India's electric industry may confront disturbances, creation gracefully, decrease sway on item costs because of substantial reliance on hardware part flexibly legitimately or in a roundabout way, and nearby assembling.

**IT Industry:** The New Year occasions in China have been reached out due to coronavirus flare-up that unfavorably affected the income and development of Indian IT organizations.

**The travel industry and Aviation:** Due to the coronavirus episode, the inflow of vacationers from China and from other East Asian areas to India will lose that will affect the travel industry segment and income.

An episode of COVID-19 affected the entire world and has been felt across businesses. The flare-up is pronounced as a national crisis by the World Health Organization. In India, the three significant supporters of GDP, specifically private utilization, venture, and outer exchange, will all get influenced. World and Indian economy are endeavoring to relieve the wellbeing dangers of COVID-19 with the financial risks and essential estimates required will be taken to improve it

**Farming Industry:** Due to strategic issues following the lock-down, tea bequests couldn't gather the first flush. The effect of this on the subsequent flush isn't known. The whole Darjeeling tea-based tea industry will see a noteworthy fall in income. Tea fares could drop up to 8% subsequently.

From April 20, under the new lock-down rules to revive the economy and loosen up the lock-down, farming organizations, for example, dairy, tea, espresso, and elastic estates, just as related shops and businesses, will revive.

**Assembling Industry:** Major organizations in India, for example, Larsen and Toubro, Bharat Forge, Ultratech Cement, Grasim Industries, the design and retail wing of Aditya Birla Group, Tata Motors and Thermax have briefly suspended or fundamentally decreased tasks in various assembling offices and processing plants the nation over. Almost each of the bike and four-wheeler organizations has ended creation until further notification. Numerous organizations have chosen to stay shut till the lock-down time frame, for example, Cummins, which has incidentally closed its workplaces across Maharashtra. Hindustan Unilever, ITC and Dabur India have closed assembling offices expect for processing plants delivering basics. Foxconn and Wistron Corp, iPhone makers, have suspended creation following the 41 days lock-down orders.

**Web-based business Industry:** In the third seven day stretch of March, Amazon declared that it would stop the offer of trivial things in India so it can concentrate on fundamental needs. Amazon has followed a similar methodology in Italy and France. On March 25, Walmart-possessed Flipkart incidentally suspended a portion of its administrations on its online business stage and might be selling and appropriating basics. Big Basket and Gofers additionally run confined administrations, confronting disturbances in administrations because of the lock-down. Delhi Police started giving conveyance specialists check-in time goes to make it simpler for them to keep the flexible chain open. Online business organizations likewise search for lawful lucidity identified with what are "basics."

On April 20, Telangana stretched out the lock-down to May 7. Swiggy and Zomato won't be permitted to work during this expansion period.

**Barrier Sector:** The Department of Military Affairs drove by the Chief of Defense Staff has deferred every single capital procurement until the coronavirus pandemic subsides. No new significant barrier arrangements will be made at the start of the money related to the year 2020-21. While the conveyance of S-400 rocket frameworks won't be influenced, the transfer of Rafael contender planes may be.

**Securities exchanges:** On March 23, 2020, financial transactions in India post most exceedingly terrible misfortunes in history. SENSEX fell 4000 focuses, and NSE NIFTY fell 1150 centers. However, on March 25, one day following a total multi-day lock-down was reported by the Prime Minister, SENSEX posted its most significant gains in 11 years, including an estimation of ₹4.7 lakh crore for speculators.

### 3. LIVES VERSUS LIVELIHOOD

**Jaan hai toh jahaan hai (only if there is life there will be livelihood):** On March 24, Prime Minister Modi announced the first 21 days of India's lock-down. During this address to the nation, he had said, "JaanHaiTohJahaanHai (only if there is life there will be livelihood)."

**Jaan bhi jahaan bhi (both lives and livelihood matter equally):** On April 11, in a meeting with the Chief Minister of India, he said, "Our mantra earlier was jaan hai toh jahaan hai" but now it is "jaanbhijahaanbhi (both, lives and livelihood matter equally)." On April 14, another address to the nation was made by Modi in which he extended the lock-down, with adjustments, to May 3.

### 4. GOVERNMENT ACTIONS

- On March 21, 2020, the Union Cabinet endorsed motivations worth ₹40,995 crores for electronic assembling.



- Various state governments have reported monetary help for the poor in the un-sorted out of the segment.
- On March 21, the Uttar Pradesh government chose to give an immediate cash move of ₹1,000 to all day by day wage workers in the state, and the next day, Punjab declared ₹3,000 each for all enlisted development laborers in state.
- On March 23, it was reported that Haryana workers, road merchants, and cart pullers would be given the help of ₹1,000 every week straightforwardly stored into their ledgers. Underneath Poverty Line families will be given proportions (counting rice, wheat, mustard oil, sugar) liberated from cost for the long stretch of April.
- On March 24, in his location to the country, the Prime Minister reported a ₹15,000 crore finance for the social insurance segment. Leader likewise made various declarations identified with the economy, for example, broadening last dates for documenting GST returns and personal expense forms. The due dates for the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, traditions clearances, and for consistency matters under the Customs Act and related laws have been stretched out to June 2020.
- On March 25, the Central government declared the world's biggest food security plot for 80 crore individuals the nation over.
- On March 25, the Uttar Pradesh government prohibited the assembling and offer of dish masala, expressing in the request that "Spitting container masala can help in spreading Covid-19". Following this, different states, for example, Andhra Pradesh, Rajasthan, and Gujarat, additionally restricted spitting in broad daylight places.
- On March 26, the Finance Minister declared various monetary help measures for poor people. ₹170,000 crores will finance the Pradhan Mantri Garib Kalyan Yojana, which will give both money move and food security, with the point that nobody goes hungry amid the lock-down. Pradhan Mantri Ujjwala Yojana recipients will get free chambers for at any rate three months. This will profit more than eight crores beneath neediness line families. The legislature will facilitate the installation of the principal portion (₹2,000) due in 2020-21 in April itself under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). For the composed division laborer, the legislature will pay the Employees' Provident Fund (EPF) commitments of the two sides for 80 lakh workers of little organizations who acquire up to ₹15,000 per month. The rise in the edge from ₹1lakh to ₹1crore for activating indebtedness procedures under the Insolvency and Bankruptcy Code (IBC) will help MSMEs. State governments were given different directions and rules, for example, occupying area mineral assets for wellbeing needs identifying with the pandemic.
- On March 27, the Reserve Bank of India (RBI) Governor Shaktikanta Das made various declarations, including EMIs being required to be postponed for a quarter of a year and diminishing repo rates. Different measures presented will make accessible an absolute ₹374,000 crores to the nation's money related framework.
- On March 28, the Prime Minister propelled another store called PM CARES to subsidize for battling such circumstances.
- On April 2, the World Bank affirmed \$1 bn crisis financing for India to handle coronavirus named 'India COVID-19 Emergency Response and Health Systems Preparedness Project'.
- On April 3, the focal government discharged ₹17,287 crores to various states to help battle coronavirus. The Ministry of Home Affairs endorsed ₹11,092 crores for states as alleviation under the State Disaster Risk Management Fund.

- On April 6, a 30% compensation cut for one year was declared for the President, Vice President, Prime Minister, Governors, Members of Parliament, and Ministers. It was additionally chosen to suspend the MPLADS for a long time and move the cash, about ₹7,900 crores, into the merged reserve of India.
- On April 10, the Asian Development Bank guaranteed India of ₹15,800 crore help with the COVID-19 episode battle.
- On April 14 at 10.00 AM, the Prime Minister gave an open discourse wherein he declared the expansion of the across the nation lock-down, just as an adjusted reviving. "From the economy's perspective, the lock-down without a doubt looks expensive at this moment; however, contrasted with the lives of Indian residents, it is nothing."
- On April 15, as a component of the new lock-down 2.0 rules, the Ministry of Home Affairs declared, in addition to other things, that all rural and plant exercises will remain completely utilitarian. Data innovation organizations can work with half staff. The fractional lift of limitations will happen from April 20.
- On April 17, RBI reported more measures to counter the economic effect of the pandemic, including ₹50,000 crores exceptional fund to NABARD, SIDBI, and NHB.
- On April 18, India changed its FDI strategy to shield Indian organizations from "entrepreneurial acquisitions" during the COVID pandemic.

#### **5. MIGRANT WORKERS AND LABOUR FORCE**

Because of the lock-down, there out of nowhere was no work for some everyday laborers (the urban poor and transient laborer's). Simultaneously the lock-down limitations put a stop on the development of transports and prepare. Vast quantities of temporary specialists wound up strolling back to their towns, a few excursions many kilometers long. Analysts remarked on how the entire motivation behind social removing was crushed. Not long after a focal government mandate in late March, state governments set up 21,000 camps to house more than 660,000 transients and stop the mass migration. Delhi government is without giving food to 400,000 individuals consistently. The Delhi government has sent more than 500 yearning help focuses. By April 5, 75,00,000 individuals were being given food the nation over in government and NGO food camps. For taking into account the necessities of the transients and keep them from leaving the fields, the legislature of Kerala changed the food being given by adding north Indian dishes to the menu, giving carrom loads up and energize offices for telephones, just as give other clinical fundamentals, for example, covers, sanitizers, and medications.

#### **6. COVID-19 ECONOMIC RESPONSE TASK FORCE**

Prime Minister Narendra Modi reported the arrangement of the COVID-19 Economic Response Task Force on March 19, 2020, during his live location to the country. The fund drives the team to serve Nirmala Sitharaman. Even though not officially established or no official date for alleviation bundles being made, the discussion procedure with concerned gatherings has started right away. There were worries concerning where will the administration discover the assets to battle coronavirus and keep the economy alive. Experts state the team should glance into NPA standards, charge installments, and salary backing to those in the disorderly segments. An immediate money move conspires for the most defenseless is additionally being thought of, as has occurred in different nations. The Ministry of Finance promptly began conferences with the RBI and services to assess most influenced divisions like flying, neighborliness, and MSMEs. On March 24, the Finance Minister made various declarations identified with the economy as to the

effect of COVID-19. On March 26, the Finance Minister reported increasingly monetary alleviation measures for the poor among different notifications.

#### **7. THE GAUGE OF ECONOMIC LOSSES**

The Indian economy is required to lose over ₹32,000 crores consistently during the initial 21 days of the lock-down, as indicated by Acute Ratings, an RBI affirmed FICO score organization. Barclays said the expense of the initial 21 days of a shutdown just as the past two shorter ones will be aggregate to around ₹8.5 lakh crore. On March 27, Moody's Investors Service downsized its gauge of India's GDP development for 2020 from 5.3% to 2.5%. Fitch Ratings reexamined its measure for India's growth to 2%. India Ratings and Research likewise downsized the FY21 gauge to 3.6%. On April 12, 2020, a World Bank report concentrating on South Asia said that India's economy is relied upon to become 1.5% to 2.8% for FY21. This will be the most reduced development for India in 30 years.

The World Bank report said the pandemic "amplified previous dangers to the monetary point of view of India." Confederation of Indian Industry (CII) have assessed that India's GDP for FY21 will be somewhere in the range of 0.9% and 1.5%. Confederation of Indian Industry (CII) has looked for a monetary financial improvement bundle of 1% of India's GDP, adding up to ₹2 lakh crore (US\$28 billion). The monetary bundle and financial strategies approach is being contrasted with what has occurred in different nations, for example, Germany, Brazil, and Japan. Jefferies Group said that the administration could burn through ₹1.3 lakh crore (US\$18 billion) to battle the effect of coronavirus. Bloomberg's market analysts state, at any rate, ₹2.15 lakh crore (US\$30 billion) should be spent.

It is assessed that the misfortune to the travel industry will be ₹15,000 crores (US\$2.1 billion) for March and April alone. CII, ASSOCHAM, and FAITH gauge that a large lump of the workforce associated with the travel industry in the nation faces joblessness. "As India heads into a wider total shutdown to fight the rising number of COVID-19 cases until May 3, the monetary effect seems more regrettable than we had anticipated before," the financier said.

#### **8. MONETARY RECOVERY SUGGESTIONS**

On April 23 Confederation of Indian Industry (CII), in a paper named "An arrangement for monetary recuperation," laid out three estimates that the legislature should accept, for example, money moves to JAM account holders, credit security conspire for Micro, Small and Medium Enterprises (MSMEs) and the making of a particular reason vehicle (SPV/SPE) to restrict "Government introduction while giving satisfactory liquidity to industry."

On April 24, Bina Agarwal, an Indian advancement financial analyst, has recommended that the legislature "make green laborer pools, not green zones" as a feature of lock-down re-adjustment endeavors.

On April 25 officials give economy-restoration tips to the administration of India, That raising annual expense rate to 40 percent for the individuals who win over Rs 1 crore a year, representation of riches charge, affecting a one-time Covid-19 cess of 4 cents on an available salary of over Rs 10 lakh, right money move of up to Rs 5,000 per month for poor people, a three-year charge occasion for all corporates and organizations in the medicinal services division – these are a portion of the suggestions made by more than 50 officials of the Indian Revenue Service (IRS) to enable the economy to recuperate from the lock-down.

## 9. CONCLUSION

The expanding across the board of COVID-19 has changed the world's hustle into fluctuating degrees of vulnerability. One of only a handful hardly any things that appear to be genuinely sure is that the current downturn is, in a general sense, not the same as downturns we have found previously. This isn't merely one more turn of the business cycle, however a purge of the world financial request. While nations and organizations keep on fathoming the size of this pandemic, it is positively correct that we are gazing at progressively lasting, fundamental changes to how we live, work and play. The Collective experience of experiencing this regular emergency will prompt addressing of crucial presumptions and needs, which will be both a test and a chance. In entirety, this emergency is a story with a dubious closure. Nonetheless, what is clear is COVID-19 has acquainted new difficulties with the business condition, which requires a deliberate, reasonable, and educated methodology from political and business pioneers. We additionally need to acknowledge that COVID-19 is probably going to prompt another ordinary -monitoring and planning for these movements will support organizations and economies explore in the post-COVID-19 world.

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**SECTION : B**

**PAPER BASED  
ON  
TRADE AND COMMERCE**





## Creativity and Entrepreneurship: Complementing each other to Create Success Stories

**P.N. Tiwari<sup>a\*</sup>, Namita Verma<sup>b</sup>**

<sup>a</sup>Department of Commerce, Government Post Graduate College, Rudrapur, Udham Singh Nagar, (Uttarakhand), India

<sup>b</sup>Department of Economics, Uttarakhand Open University, Haldwani, Nainital (Uttarakhand), India  
Email Id: drpntiwarirudra@gmail.com

### Abstract

*A creative idea can change the world but to do this it will have to be nurtured by an entrepreneur who can judge the potential of the idea and assess the risks involved. It will have to be groomed. It will have to go through trials. It will have to be implemented by some managers who will guide the team handling the implementation of the idea so that it can see the light of the day. In a nutshell the idea will always require finance, investment, research and management to become a success.*

**Keywords:** Creativity, Entrepreneurship, business, investment, risk.

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## 1. INTRODUCTION

Change is inevitable. Today, when the world is facing the wrath of the novel coronavirus, change is sure to shift gears and speed up to match the speed of revolution. Innovation will be the new 'mantra.' With innovation, creativity will seep in as a necessary ingredient. Creative minds will innovate, but the changes will not see the light without a person who takes the risk of funding the expenditure involved in the research, trial, and marketing of these innovations. Entrepreneurship will thus be an essential part of this creative revolution.

The creative innovator will come up with an idea and look for resources to develop, implement, and commercialize the idea. The entrepreneur will judge the plan, assess the risk, and create a new enterprise and embrace every challenge for the development and implementation of this creative idea. Creativity and entrepreneurship, as they have always done, will go hand in hand.

Creativity is one of the things that every leader and entrepreneur needs. Infract, people, rarely laud entrepreneurs for their creativity in problem-solving processes. Creativity is often seen as, therefore, of those in both the writing and design domain.

## 2. WHY CREATIVE THINKING AND ENTREPRENEURSHIP SHOULD CO-EXIST

Creativity and Entrepreneurship go hand-in-hand. Creative thinking is an essential tool for any businessperson. Creative thinking isn't concerning arising with concepts. It's concerning having the ability to adapt to new circumstances, navigate uncertainty, and notice solutions as issues arise. All start-ups ought to evolve because of the landscape changes. Perhaps your whole isn't communicating the proper emotions, and you would like to regulate it. Maybe your U.I. isn't performing arts to an adequate degree, and it desires a makeover. Perhaps you even got to come back up with new ways in which to secure funding.

## 3. DOING ALL OF THOSE THINGS NEEDS CREATIVE THINKING

- i. **A start-up's success is predicated on its ability to pivot.** Creative thinking is the key to manufacturing new concepts and processes. Typically entrepreneurs get trapped within the success of their initial plan. They feel it's thus beautiful that they ne'er ought to be artistic once more. The entrepreneur's World Health Organization extremely thrive and succeed area unit that World Health Organization will use their creative thinking over and over – those World Health Organization will pivot to scale the corporate or survive a competition. The 1st plan you come back up with is usually simply a transition into another program. In an exceeding start-up, things modification all the time. Adapting to circumstances and moving on to a successive plan is simply a part of the business. But years agone, a start-up was simply a tiny low business. It'd break or 10 years to grow a solid foundation; then, the corporate might scale upwards. Today, start-ups still begin tiny; however, currently, they take associate degree injection of capital that compresses that scaling time-frame. 5 or 10 years turns into one or two. Which compressed time-frame ensures the corporate can change, usually terribly quickly. You've got to create sure that you're artistic enough to rise to the challenge once that happens.
- ii. **Inventive entrepreneurs bring unique concepts to the table.** If most are doing one thing constant method, conventional thinking leads you to continuous practice. You've got to assume creatively and challenge the quality procedures if you wish to succeed. Disruption is bred from that creative thinking. Verify the method Apple modified; however, we expect concerning phones. Before the iPhone, everybody had an analogous internal representation of a phone. You knew what a phone gave the look of and what it did. Then Apple came on and

adjusted that idea forever. Once you hear "phone," you think that of one thing formed sort of a screen. That's the kind of creative thinking I'm talking concerning. I believe most entrepreneurs are artistic naturally. They're interested in however things area unit did, and what they will do to boost on the method.

- iii. **Standing out from the group takes an inventive approach.** Success as a start-up needs you to point out folks that you're different than your competitors in how. You've got to square outback once I was coming up with for Crashlytics; they were simply a start-up attempting to assist app developers in fathoming once and why their apps crashed. Then they went associate degree fully modified the method individuals loaded associate degree SDK for an app. within the past; it was a fancy and frustrating method. However, the Crashlytics team created a problem and dropped terrific expertise. Individuals began tweeting concerning what proportion they admired the technique, what percentage higher it was than the established order, and what a relief it was to own this feature. It was revolutionary, and Crashlytics was eventually noninheritable by Twitter. Their artistic answer to a widespread downside was the premise of their success.
- iv. **creative thinking is concerning pushing your potential and never subsidence.** Loads of entrepreneurs find yourself obtaining a bit too snug with their everyday business. They get distracted by the daily routine. And that's dangerous. Only because your business is doing fine, that doesn't mean it can't do higher. Typically sitting back permits a competition to introduce and place you out of business with a lot of artistic answers. Invariably keep brooding about; however, you'll improve your method, your product, your data. Keep your eyes and ears open for brand spanking new concepts, new ways in which to run your business.
- v. **Once applied to a haul, creative thinking is unbeatable.** However, creative thinking isn't merely a flash of inspiration. It's associate degree plus, and typically it'll fail even the foremost artistic designers, artists, or writers. The answer is to continue acting on the matter – to repeat until you've got it right. Typically it should solely take some tries. Different times it'll take days of struggle. However, you can't settle. If you recognize you'll do higher, you've got to continue acting on it. Even though which means redoing an emblem fifteen to twenty times or payment days are electing the proper whole color combination. Start-ups of that area unit versatile concerning their product, that area unit hospitable modification – those area unit those that succeed. That's why having the ability to adapt and work creatively to seek out openings and continue up is essential for any businessperson.

#### **4. THE ROLE OF CREATIVENESS IN ENTREPRENEURSHIP**

Creativity eliminates the boundaries to the mind-set associated ability set of a capitalist. However, heaps of individuals associate creativeness with a lack of restraint and believe it will cause chaos. Conversely, leadership is all concerning management and order. As such, entrepreneurship and creativeness kind an ideal combination. It no long retakes number-crunching skills and utility to run a palmy business. Overtime, creativeness has become an associate integral element of excellent business acumen. Lack of creativeness might simply drag your business into the stagnation mode.

#### **5. WHY IS CREATIVENESS IMPORTANT TO ENTREPRENEURS?**

- a) **High overall success.** There is an idea that individuals solely want intelligence to attain everything they have in life. However, it takes time for aspiring entrepreneurs to understand

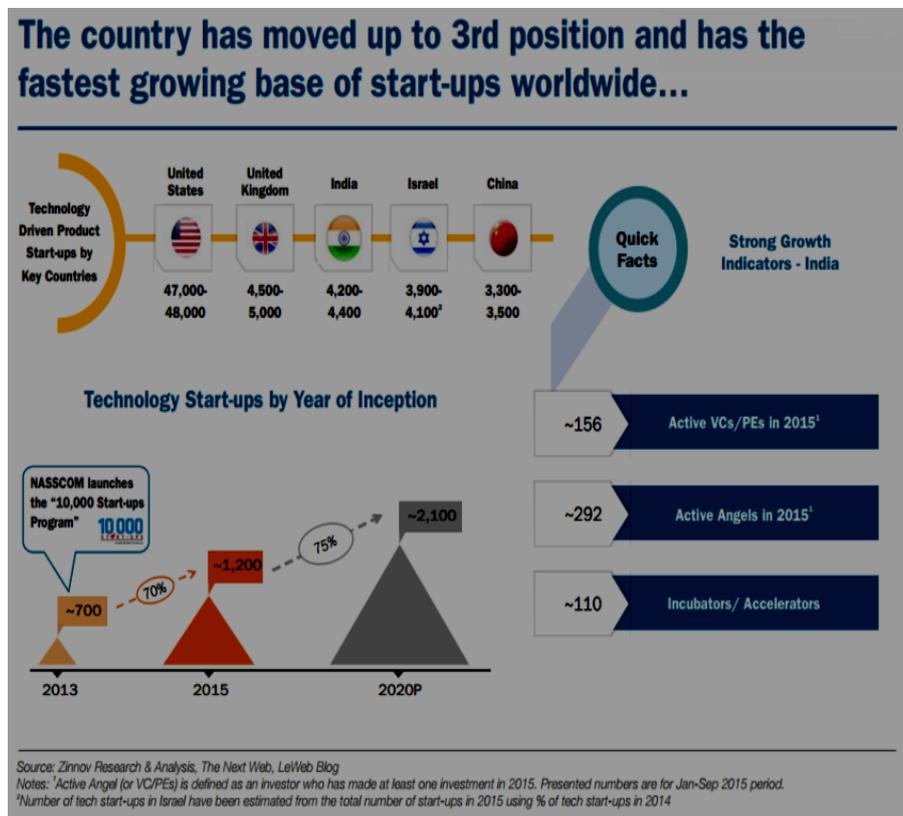
that creativeness plays an integral role further. Unfortunately, heaps of learning establishments stress a lot of on intelligence than power; It might maybe be as a result of intellectual information is measurable wherever as creativeness is challenging to identify. None the less, dynamics are dynamical, and entrepreneurs are setting out to notice the importance of transfer inventive individuals on board. Creative staff is a game-changer in your company if you harness and form their skills adequately.

- b) **Increase productivity.** Creativity permits an enterpriser to disconnect from the accustomed associated move into chartless territories to pick out distinctive and helpful solutions. It has, therefore, become essential for each leader and worker to develop creative skills. Entrepreneurs are providing the necessary technological resources like visual collaboration, which is usually confused with video conferencing to assist their staff in discovering innovative solutions and ideas. This is often a very efficient strategy to extend workplace productivity. Innovation associated creativeness brings an enterpriser to the success path.
- c) **Exploit worker potential.** You are in all probability utilizing solely 1/2 your employee's spot entails by not encouraging workplace creativeness. Fortunately, entrepreneurs progressively notice the ocean of inventive ideas that stay untapped and dormant. The sound of these opportunities may result in improved money methods, exaggerated profit, and fast deciding. Creativeness conjointly permits the associate enterprise to remain earlier than the curve.
- d) **Transcend boundaries** creativity permits entrepreneurs to seek out several path-breaking discoveries. As such, it's essential to allow collisions and blur to require a place to transcend boundaries set by disciplines. That way, it's easier for associate enterprisers to induce new views towards finding money or operational drawback. Creativeness lets an associate enterpriser connect distinct aspects and extrapolate possible solutions from unrelated ideas.
- e) **Encourage important thinking.** Creativity is slowly coming up to be one in every of the most effective ways to alleviate issues plaguing today's enterprises. Problem-solving works best once, let alone extraordinarily disciplined and targeted thinking. Entrepreneurs will assume in either different or celebration mode. The celebration involves in-depth associate analysis and permits an enterpriser to seek out the first possible answer to social control or money drawback. It allows entrepreneurs to use numerous information sources like accounting packages and pc systems. In distinction, intellection encourages creativeness by sanctioning business homeowners to explore attainable solutions for identical drawbacks. Whereas entrepreneurs will mix each thinking mode, intellection ensures an associate enterprise gets the most effective resolution.
- f) **Foster innovation.** Manufacturers produce a unique product not solely to meet client expectations; however, they exceed them further. As such, entrepreneurs got to take care to confirm their product is relevant and helpful to the users. Whereas it's going to be exhausting to identify this from the start, things begin to induce a lot of evidence as your plan turns into a reality.

This is often the time an associate enterpriser begins to understand; however, innovation and invention disagree. The design refers to a replacement, distinctive thought, whereas change is a plan that is as distinctive and helpful because of the origin alone. You would like to be inventive and think about a plan otherwise to be innovative. That way, it's easier to show an idea into a reality.

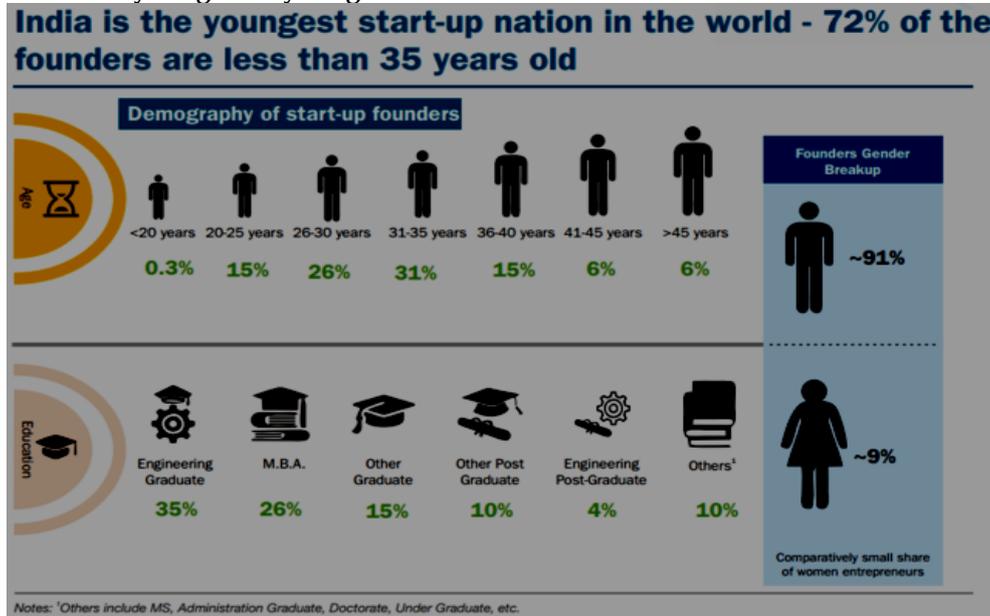
## 6. INDIA'S ASTONISHING START-UP BOOM

The Prime Minister Mr. Narendra Modi has declared that this disaster has got to be turned into a chance. This is often a state of affairs ne'er seen before, a challenge being Janus-faced for the first time. Faithful can have different necessities and can offer a chance to the folks that ar enterprising enough to creatively rummage around for ways to cater to those necessities. India has concerning fifty,000 start-ups in India in 2018; around eight,900 – 9,300 of that ar technical chronology LED start-ups 1300 new technical school start-ups were born in 2019 alone implying there are 2-3 tech start-ups born a day. India is that the third-largest specific school start-up location globally India has affected to 3rd on the worldwide list, and currently has a lot of tech-driven start-ups than Israel and China. Solely the U.K. and us stand earlier than it. Then a variety of recent start-ups is rising per annum. By the end of 2020, there are projected to be around a pair of 100 within the country altogether.



- Funding is concentrated in just three urban areas:** In the first half of this year, well over three-quarters of financing was towards just three urban areas—Bengaluru, the National Capital Region (NCR), which includes Delhi; and Mumbai—saw over \$2 billion in the first six months of 2016.

- Founders are young - the youngest in the world:



### *Success Stories: Creative ideas complementing Entrepreneurship*

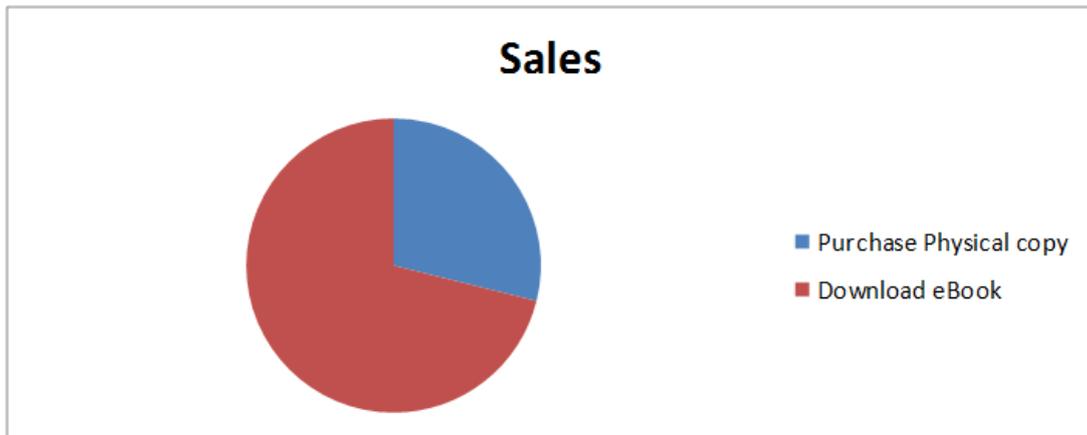
A very classic example of this necessary combination is the motion picture business. It all starts with the idea of a writer. The writer develops the plan with his(his, as per majority, to depict both in further mentions) imagination and research if required. A story is created. It now has to be converted into a screenplay. Often the writer does it on his own but mostly expert steps in to do the job. He prepares the screenplay. A director is now required who can convert the story into a film. The film to be made requires an investment, and here is when an entrepreneur steps in. In this case, the entrepreneur is known as the producer. He, after going through the screenplay, assesses the amount of investment to be made and whether this investment will be able to generate profits. He is considered to be an expert in the assessment of risk. This entrepreneur will produce the film on his own or will need one or more financiers. The production depends upon the capability of the producer.

It also depends on the canvas size of the film in question after the assessment of investment and risk comes to the task of engagement. A cinematographer, Light Director, lyricist, singers, choreographer, sound recordist, actors, and scores of other experts are hired. The film is shot in various locations looping in the transport industry. Now comes in the role of an Editor who puts all the footage together and carves out the required scenes. Dubbing and color corrections are made in a studio, and now the film is ready to be released.

Does the producer release the film in theatres? Not always. Most of the time, a premier show is held for the distributors. The distributors watch the movie. It is now their turn to assess the risk in buying the film rights. Once they are done, they buy the rights to showcase the film in theatres located in a specified geographical area. In our case, this area could be the state territories. Other than this, there are overseas rights to showcase the film in foreign countries. The film exhibitors show the movie in their theatres and collect revenue in the form of ticket sales. There are rights to television broadcasts and the internet streaming of the video.

In this case, there is more than one creative side involved and more than one entrepreneur to implement and showcase the whole idea. The writer, cinematographer, light Director, lyricist, singers, choreographer, sound recordist, and actors are part of the creative side. At the same time, the producer, financier, distributor, exhibitor, television channels, and internet streaming websites form the entrepreneurial team.

Facts show that Epics like Sanskrit literature, sacred writing, and also the Upanishads were primarily narrated. It had been later that they got written and written. And here once more history is repetition itself. It's repetition itself during a vice-versa manner. The written words square measure currently being narrated. It all started with the medical aid of books. Beginning back in 1971, Michael S. Hart launched project pressman and digitized the U.S. Declaration of Independence, turning into the first eBook within the world. Long at that time in 1998, four important events happened: 1) Rocket eBook and Soft book were launched. 2) the primary ISB range was issued to associate degree eBooks. 3) U.S. Libraries, through their websites, currently provided free eBooks to the general public, and 4) Larry Page and Sergey Brin based Google. In 2000, Stephen King offered his novel 'Riding the Bullet' as an alone digital file, and 2 years later, Random House and HarperCollins began to sell digital versions of their publications. In 2004 Sony free its Sony Librie e-reader, so it was Sony Reader in 2006. 2007 modified the globe of reading forever with Amazon's launch of the Kindle eBook reader within the U.S. and also the launch of the iPhone by Apple. In 2009, Barnes & Noble introduced the Nook, and Sony connected with libraries via the Overdrive digital network to change library patrons to borrow eBooks from their native library.



Source: <https://www.statista.com/>

This is just a step towards what I want to point out. eBooks have given way to Audiobooks. Yes, the books which can be heard. Audiobooks are voice recordings of a book that you listen to in place of reading. Audiobooks can be abridged versions, or they can be exact versions of printed books. Smartphone, Tablet, Computer, Home speaker system, or in-car entertainment system. You can listen to audiobooks on any of these mediums.

Audiobooks can be purchased and downloaded like digital music and videos. They can also be bought from online bookstores or downloaded free from public domain sites. Many public library systems now offer audiobook downloads online.

Today's world is short of time. Every second of our daily-routine, right from waking up to lying down, is scheduled. Where is the time to read? One can ask. Well, this question ought to be asked by people who are not in the business of reading and writing, of course, but on the serious side, the subject provided an opportunity to a creative mind. He thought of converting the books into audio files. Now they don't need space to be stored; they don't require you to sit in one place and devote yourself to reading. These audio files can quickly be hired or bought at an affordable price. They can be listened to while exercising or while doing things that do not require devoted attention. Students can now listen to their lessons on their earplugs while walking to school. The people who are visually challenged can now listen to the books of their choice. That is a bright, creative idea!

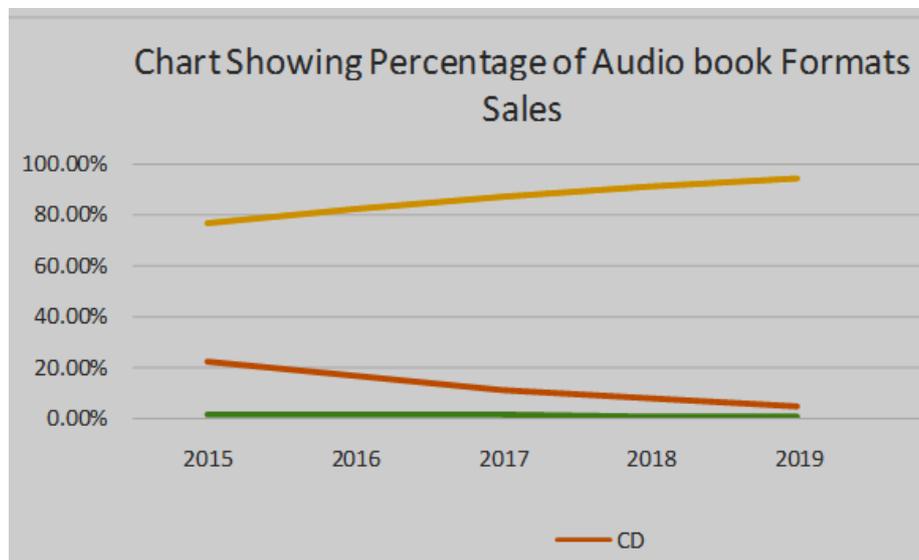
To make the idea work, we need an entrepreneur who can convince the writers to allow converting their books into audiobooks. He will find a person who can read aloud and record the album in a voice which keeps the listeners tied up. A sound editor and recordist will be roped in. A recording studio will be required. A company that distributes the audiobook on various online platforms will be needed. A digital marketing company that reaches potential customers and makes them aware is also required.

This is what happens once the inventive mind and entrepreneurial ability be part of hands. Journalist Katz launched the audiobook company edible in 1995 before it was bought over by Bezos for \$300 million in benefit 2008. within the decade since, loud has dominated the audiobooks market within the North American country. Now, Wal-Mart and Google area unit coming into the sphere. The Audiobook business continues to boom, in line with recent information from the Audio Publishers Association's latest: North American country Publishers rumored Audiobook sales in 2018 that destroyed \$ 940million, a revenue figure that has full-grown a full twenty four.5% year-over-year since 2017. Unit sales area unit up even a lot of, rising 27.3% over 2017. These numbers mark the seventh year in a row that the Audiobook business has seen double-digit growth, marking this latest survey to verify what we tend to understand the rapid already- fireplace success of Audiobooks in recent years. Audio consumption is far up, and publishers all over the area units see revenue growth to match.

**Percentages of Audiobook Formats, in Sales/Dollars, (from 2015 to 2019)**

Year	2015	2016	2017	2018	2019
CD	21.80%	16.20%	11.30%	7.80%	4.80%
Digital	76.80%	82.40%	87.50%	91.40%	94.50%
Other (pre-loaded devices, MP3-CD, apps, book and CD sets)	1.40%	1.40%	1.20%	0.80%	0.60%

Source: InterQ spring 2020 annual survey.



Source: InterQ spring 2020 annual survey.

## 7. CONCLUSION

"The analysis confirms that audio business enterprise continues its upward flight. Seven consecutive years of double-digit growth in really extraordinary." Chris kills CoChair of the APA's analysis Committee and President & Publisher, Simon & Schuster Audio, aforesaid in exceeding promulgation. "More Audiobooks area unit being created and additional individuals area unit listening than ever." Audible is reaching intent on Indian producers, creators, and artists to broadcast their work on its platform. Its parent, Amazon, owns a library of books of Indian authors like Mennonite Tripathi, Ashwin Sanghi, Rashmi Bansal, DevduttPatnaik, and Ravi Subramanian through its acquisition of Westland Ltd, an area publisher, in 2016. The fifty-year-old publisher had books within the high ten of the highest fifty charts within the country. The corporate additionally has books in Hindi. Audiobook sales globally totalled \$2.5 billion in 2017, the first recent year that knowledge area unit out there, in step with the Audio Publishers Association. That's concerning nineteen higher from the previous year and virtually thrice the market size once Amazon bought audibly. Storytel is another success story during this field. YogeshDashrath, the Country Manager Republic of India at Storytel, told that Storytel is presently operational in Sweden, Denmark, Finland, Norway, European nation, Poland, Russia, and Espana, additionally to the Republic of India. it's the foremost common streaming service in an exceeding majority of those countries. we've got over [\*fr1] 1,000,000 paying subscribers. individuals love our service, with ninety-seven news to be glad. In Sweden this year, the entire proportion of audiobooks listened to is obtaining near to sixty-fifths of total physical books oversubscribed. So overall, the response to Storytel has been vastly positive.

Not only these, but many start-ups like Pratilipi, Matrubhumi, etc. have started working in India with the backing of venture capital from prominent venture capital houses.

Examples like these are enough to prove that ideas born in creative minds only when they meet the entrepreneurial minds which develop the concept after proper assessment of potential and risk. A business can thus be said to be an amalgamation of creativity and entrepreneurship.

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## A Case Study of Performance of ICICI Pru. Life Insurance Co. Ltd.

**Rupa Gupta\***

Department of Management Studies, GLA University, Mathura, U.P. India  
Email Id: drrupagupta20@gmail.com

### Abstract

Till 1999, the LIC of India has a monopoly in the insurance sector, but after the constitution of IRDA, many private Insurance companies came into this field. ICICI Pru. Life Insurance Co. Ltd. is a giant co. I am working in the private sector. It was set up by 24 Nov. 2000. Since 2000, it has been performing well and maintaining the No. 1 position as a private insurer in the insurance sector. In this research paper, the Performance of ICICI Pru. Life Insurance Co. Ltd. has been analyzed through a measure of technical insolvency and growth to check out the reason behind its successful journey.

**Keywords:** ICICI Pru. Life Insurance Co. Ltd, IRDA.

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### 1. INTRODUCTION

Many private players came into the insurance business after the constitution of IRDA. IRDA (Insurance Regulatory Development Authority) was formed after the recommendations of the Malhotra Committee, headed by R. N. Malhotra, who was the governor of RBI in 2000. It regulates the insurance sector all over the world. The first private player, ICICI Prudential Life Insurance Co. Ltd., was the first individual player in the insurance sector of India, has been maintaining excellent popularity amongst its clients. The company offers a muster of policies to suit all sorts of needs of insurers and has a good claim settlement ratio of over 96%.

### 2. OBJECTIVES OF THE STUDY

1. To check the growth analysis of ICICI Pru. Life Insurance Co. Ltd.
2. To check the technical insolvency of ICICI Pru. Life Insurance Co. Ltd.
3. To check the liquid position of ICICI Pru. Life Insurance Co. Ltd.

### 3. RESEARCH METHODOLOGY

Secondary data has been used to measure the performance with the help of annual reports published by ICICI Pru. Life Insurance Co. Ltd. regularly. The data has been taken from 2013-2014 to 2019-20. Data has been analyzed, tabulated, and personalized and widely used the geometric mean to calculate the annual compound growth rate.

**Table-I: Premium received by ICICI Pru. Life Insurance Co. Ltd.:2013-14 to 2019-20.**

Year	Amount('000)	Percentage
2013-14	124286495	100
2014-15	153066175	123
2015-16	191643909	154
2016-17	223540020	180
2017-18	270687692	218
2018-19	309297742	249
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-I shows the premium received by ICICI Pru. Life insurance co. Ltd is continuously increasing over the years. In absolute terms, the premium received by ICICI is 124286495 thousand in 2013-14 within India, which is growing continually and reaches up to 309297742 thousand in 2018-19. Its geometric growth rate is 16.3% due to its better performance and its goodwill. It has maintained no. 1 position due to its increasing revenues.

**Table-II: Commission paid by ICICI Pru. Life Insurance Co. Ltd.:2013-14 to 2019-20.**

Year	Amount('000)	Percentage
2013-14	6274850	100
2014-15	5531723	88
2015-16	6199768	99
2016-17	7589160	121
2017-18	14032736	224
2018-19	15512890	247
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-II indicates that the commission paid by ICICI Pru. Life Insurance Co. Ltd. is worth Rs. 6274850 thousand in 2013-14, which has been decreased up to 5531723 thousand in 2014-15. It is

an indicator of the down situation of the business, but it was improved in 2015-16. After that, it had continuously increased by 21% in 2016-17. In 2018-19 it was recorded a very high upward ratio by 147%, which is an indicator of its growing business.

**Table-III: Operating Exp. Related to Insurancebusiness:2013-14 to 2019-20.**

Year	Amount('000)	Percentage
2013-14	16168605	100
2014-15	16520225	102
2015-16	18883489	117
2016-17	23571961	146
2017-18	20299312	126
2018-19	26053211	161
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-III indicates the operating Exps of ICICI Pru. Life Insurance Co. Ltd. is continuously increasing over the years. In 2013-14, it was 16168605 thousand, which were reached in 23571961 thousand in 2016-17. It was not a good sign of business because increasing operating expenses is the reason for decreasing profitability, but this situation was under control in 2017-18. In 2017-18 the ratio of operating expense. Is decreasing up to 20%, which shows effective management control over operating expenses. Again 2018-19, it has been increased by 35%.

**Table-IV: Benefits Paid by ICICI Pru. Insurance Co. Ltd.: 2013-14 to 2019-20.**

Year	Amount('000)	Percentage
2013-14	121573359	100
2014-15	123525545	102
2015-16	125419812	103
2016-17	151351253	124
2017-18	174908162	144
2018-19	145558270	120
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-IV indicates that benefits paid by ICICI Pru. Life Insurance Co. Ltd is continuously increasing up to 2017-18. It has been recorded an annual compound growth rate of 7.5%. It shows that it is paying its obligations timely, which is an indicator of its technical insolvency. But It was decreasing by 24% in 2018-19.

**Table-V: Claims Paid by ICICI Pru. Life Insurance Co. Ltd. 2013-14 to 2019-20"**

Year	By Death('000)	Percentage	By Maturity('000)	Percentage
2013-14	3660541	100	2034296	100
2014-15	4019561	110	3150613	155
2015-16	4792017	131	4907362	241
2016-17	5912549	162	22829969	1122
2017-18	8641145	236	33584374	1651
2018-19	10939284	299	22735868	1118
2019-20	NA	NA	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-V indicates that claims paid by ICICI Pru. Life Insurance Co. Ltd is continuously increasing over the years. Claims paid by death accounted an annual compound growth rate by 20% upto

2018-19& claims paid by maturity accounted a yearly compound growth rate by 75.2% upto 2017-18.but maturity claims has been decreased in 2018-19 by 533% It is paying claims by maturity more than claims paid by death. It also shows its technical insolvency, which is a remarkable component of its goodwill. It shows another fact also that people have increased their death age due to growing medical facilities, effective solutions given by the govt. of poor people.

**“Table-VI: Annuities paid by ICICI Pru. Life Insurance Co. Ltd.: 2013-14 to 2019-20.”**

Year	Amount('000)	Percentage
2013-14	952368	100
2014-15	1126588	118
2015-16	1270916	133
2016-17	1389762	146
2017-18	1522440	160
2018-19	1769109	186
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-VI indicates that annuities paid by ICICI Pru. Life Insurance Co. Ltd is continuously increasing over the years. Pensions accounted for an annual compound growth rate of 10.09%. Annuities mean yearly payment, which has been paid regularly besides claims and other obligations. It also shows its technical insolvency, which is a remarkable component of its goodwill.

**“Table-VII: Surrender Paid by ICICI Pru. Life Insurance Co. Ltd.:2013-14 to 2019-20.”**

Year	Amount('000)	Percentage
2013-14	113065833	100
2014-15	113096640	100
2015-16	112067294	99
2016-17	117940746	104
2017-18	127606473	112
2018-19	106115264	94
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table -VII indicates that surrenders paid by ICICI Pru. Life Insurance Co. Ltd. is a constant upto 2015-16. After that, it has been increased by 117940746 thousand in 2016-17 and reached up to 127606473 thousand in 2017-18, which is not a good sign for the company because it shows the distrust of policyholders regarding ICICI Pru. Life Insurance Co. Ltd. Many other reasons can also be existed to surrender their policy, such as financial problems, the increasing competition of other private insurers. It has been declined upto 106115264 thousand in 2018-19.It is a suitable remark for its efforts.

**“Table-VIII: Reserve & Surplus: 2013-14 to 2019-20”**

Year	Amount('000)	Percentage
2013-14	33663847	100
2014-15	34320453	102
2015-16	36415012	108
2016-17	46996096	140
2017-18	51408643	153
2018-19	54353450	161
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table -VIII indicates that reserve & Surplus of ICICI Pru. Life Insurance Co. Ltd is continuously increasing over the years. It is a good indicator of its financial strength. Its geometric growth rate is 8.2%, which shows its power. The company is maintaining reserve & surplus besides paying their liabilities. It is a good sign of its profitability. Company plans are more comprehensive for their expansions.

**"Table-IX: Fixed Assets of ICICI Pru. Life Insurance Co. Ltd.: 2013-14 to 2019-20."**

Year	Amount('000)	Percentage
2013-14	2015439	100
2014-15	2149900	107
2015-16	2195346	109
2016-17	2137759	106
2017-18	4220622	209
2018-19	4757022	236
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-IX shows ICICI Pru. Life Insurance Co. Ltd. has invested a significant amount in fixed assets. It has invested worth Rs 2015439 thousand in fixed assets in 2013-14, which has been increased up to 2195346 thousand in 2015-16. In 2016-17 it was declined up to 2137759 thousand, but next year it has been increased rapidly by double growth rate. It is an excellent signal of its successful journey.

**Table-X: Current Assets of ICICI Pru. Life Insurance Co. Ltd.: 2013-14 to 2019-20.**

Year	Amount('000)	Percentage
2013-14	9642058	100
2014-15	12328015	128
2015-16	12750803	132
2016-17	26483897	275
2017-18	25102587	260
2018-19	26760967	278
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table -X shows the current assets of ICICI Pru. Life Insurance Co. Ltd. has been continuously increasing over the years. In 2013-14 it was 9642058 thousand, which were reached up to 26483897 thousand in 2016-17. But in 2017-18, it has recorded a slightly downward slope by 15%. But in 2018-19 it is increased by 18%. Overall its liquidity position is good.

**"Table-XI: Cash & Bank Balances of ICICI Pru. Life Insurance Co. Ltd.: 2013-14 to 2019-20."**

Year	Amount('000)	Percentage
2013-14	1934384	100
2014-15	2554800	132
2015-16	2002062	103
2016-17	2136956	110
2017-18	2037435	105
2018-19	6610406	341
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-XI shows that the location of the cash and bank balances of ICICI Pru. Life Insurance Co. Ltd is fluctuating between 100 to 341. In 2013-14, its cash & bank balances were 1934384 thousand, but in 2018-19 it was reached up to the highest level worth Rs. 6610406 thousand. It shows its better performance.

**“Table-XII: Loan of ICICI Pru. Life Insurance Co. Ltd.: 2013-14 to 2019-20.”**

Year	Amount('000)	Percentage
2013-14	119076	100
2014-15	201121	169
2015-16	442718	372
2016-17	806448	677
2017-18	1450588	1218
2018-19	2701858	2269
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-XII shows the Loans of ICICI Pru. Life Insurance Co. Ltd has been continuously increasing by an annual compound growth rate of 68.2%. It is not a good signal for its liquidity. It indicates that the company is working under the high pressure of loan burden, whereas its profitability is increasing by 16.3%. It shows that the company is working with tall gearing.

**“Table-13: Current Liabilities of ICICI Pru. Life Insurance Co. Ltd.: 2013-14 to 2019-20.”**

Year	Amount('000)	Percentage
2013-14	16066435	100
2014-15	17781603	111
2015-16	18213785	113
2016-17	28157262	175
2017-18	34254125	213
2018-19	36388912	226
2019-20	NA	NA

Source: Annual reports of ICICI Pru. Life Insurance Co. Ltd. Due to the pandemic situation, annual statements of 2019-20 has not been audited, so it is not published and allowed to research Table-XIII shows that current liabilities of ICICI Pru Life Insurance Co. Ltd. have been continuously increasing by an annual compound growth rate of 14.6%. It is not a good signal for its liquidity. It indicates that the company is working under the optimal balance of its growth and its liabilities because its profitability is increasing by 16.3% and its debt is growing by 14.6%.

#### 4. LIMITATIONS OF THE STUDY

Due to a shortage of time and certain restrictions, the comparison of ICICI Pru. Life Insurance Co. Ltd. with other Insurance Companies could not be done. Already ICICI Pru. Life Insurance Co. Ltd is the largest company working in the private sector in the Insurance Industry. Since the study is based upon secondary data, hence the result will depend on these data.

#### 5. FINDINGS AND SUGGESTIONS

ICICI Pru. Life Insurance Co. Ltd. has remarked the annual compound growth rate by 16.3% within India. It is spreading its business through its agents, brokers. It is continuously paying commission for direct business and reinsurance business. Any organization can increase their profitability by curtailing their operating expenses. ICICI Pru. Life Insurance Co. Ltd. has not

been maintaining reasonable control over its operating expenses for 2016-17. Its operating cost is continuously increasing. It is not a good indicator of their better performance. It has been paying its obligations such as claim paid by maturity, demand paid by death, annuities, etc. correctly, which shows that its technical insolvency is very high. Its financial strength is also good. It has not been maintaining its customer retention ratio because of surrender values given by ICICI. Now LIC of India and other Private insurers are giving more emphasis on advertising and building brand awareness through different modes of communication in comparison to ICICI Pru. Life Insurance Co. Ltd. ICICI Pru. Life Insurance Co. Ltd. should come up with new innovative products to offer a greater variety of choices to the customers and also make improvements in the quality of services and sell products through appropriate distribution channel to face the increasing situation of competition. The upcoming products having features with high-risk cover, more return and low insurance premium will be helpful to attract more number of customers.

ICICI Pru should consider another feature. Life Insurance Co. Ltd. is that the terms and conditions of the product should be transparent to the public. Giving Relaxation in the formalities to renew lapsed policies will play an essential role in reducing their surrender ratio, and it will capture the market again from those policyholders who have switched in another investment option. For this, a Periodical review about the service quality is required to maintain and improve the service quality.

## **6. Conclusion**

ICICI Pru. Life Insurance Co. Ltd. has proved that its financial position is perfect, technical insolvency is also better because it is paying their obligations timely. It should curtail its operating expense. To increase their profitability. No doubt, its future is so bright due to its financial strength, better technical insolvency, ethical behavior, and dedication towards their policyholders. Service quality can be used as a strategic tool to get a competitive advantage over challenging insurance providers. ICICI Pru. Life Insurance Co. Ltd. should focus on assurance and tangibility to further strengthen the level of service quality. ICICI Pru. Life Insurance Co. Ltd. competes with other private players as well as LIC of India in the market very aggressively. Still, the low score in the reliability dimension is a contra indicator.

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## A Study of Investment Behaviour about Middle-Class Group Families towards Different Types of Opportunities

Riyazuddin

Department of Commerce & Business Administration, C.C.S. University, Meerut, India  
Email Id: profriyazuddin@gmail.com

### Abstract

Economy of our country is increasing rapidly among the countries of world where 1.3 Billion people and middle group covers 45% of the population. The remaining 59% people come under poor category and 1% in rich category. The middle group is divided into lower and higher. Lower middle group family income is less than 25000 per month and the upper middle class earn 50k to 150k monthly (As on 2018-19). Middle group population is the vital component for Indian economic development. They effect demand and supply of need and comfort products at a great extent. Their saving and investment shape gets influenced by their predicted needs for future; provide extensive scope for researchers due to larger impact on the investment bazaar. Through this research paper, researcher throws the light on investment behaviour adopted by middle group families, included groups associated in either service or business, whose income exist between two lakhs to five lakhs p.a. main purpose of selecting certain income group is to know that how to manage their investment avenues with small or limited income after spend their all expense. The reason of this study is to find out answer of some genuine questions for their choices of investment's instruments in money market and capital market, real estate, commodity market, derivatives market etc., investment pattern implemented in a definite manner and objectives behind selecting a certain investment's instrument. Investment is one the main key issue for middle group families as they have small saving today are to meet their needs for future expenses. As a conclusion, this research paper study helps to examine that how they manage their savings and expenses, risk facing capacity and other elements which influence their investment decision.

**Keywords:** Income, Commodity Market, Money Market & Capital Market, Real Estate.

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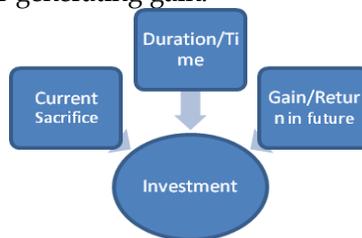
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**1. INTRODUCTION**

Logically, an investment is an asset or item acquired to generate income or appreciation. In another term-an investment is a future agreement of the current outflow of money for the next inflow of return after some specified period. In the sense of economic, if Investment is the procure of commodities that are not consumed today, but may be used in the future to generate wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit. An investment in today's assurance of money for a specific duration to grow future payments that will refund anticipated inflate rate, the improbability of the next amount, and the time the funds are delivered. Above definitions include three dimensions to Investment; the following diagram shows the investment process for generating gain:

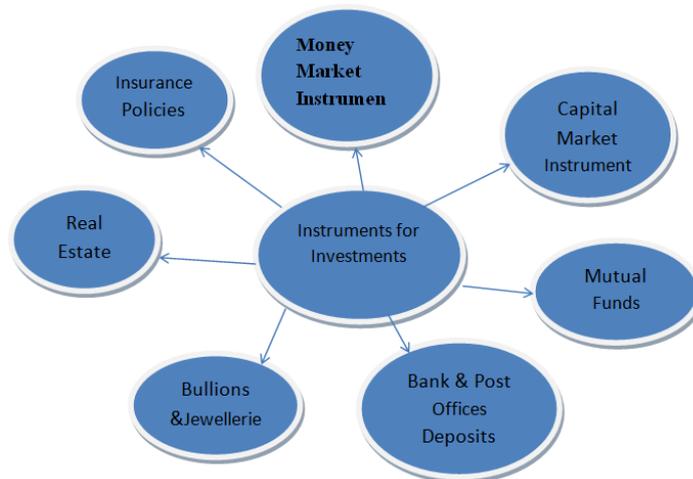


**Figure: 1 Dimension in Investment**

*Source: Self Prepared*

**I. Investment Alternatives**

There is a verity of investment instruments available in financial markets; some of these are marketable and liquid able. In contrast, others are non-marketable, and some of these are classified into highly risky, moderate risk, or low risk. Investors can select a suitable any one instrument or more depending on their priority, risk bearable condition, needs, and future gains. Investment alternatives can affect categories broadly under the following heads



**Figure: 2 Instruments for Investments**

*Various Kinds of Investment Avenue,*

*Source: Self Prepared*

### **Investment alternatives in India**

#### **1. Financial Investment**

Non Marketable Financial Instruments

Marketable Financial Instruments

#### **2. Real Investment**

- **Non-marketable financial instruments:** Following are the financial instrument which provides a moderately high return, but there is a restriction on trading in the market.

- \* Company F.D.s

- \* Public Provident Fund

- \* Bank Deposits

- \* Post Office Schemes

- **Equity shares:** Equity shares can be traded in the financial market on the secondary level. Investors can get the benefit due to the fluctuations in the price of share and dividend rendered by companies. An equity shareholder has ownership in the company. These shares can be classified into following broad categories as per the stock market:

- \* **Growth shares-**These types of shares generally do not pay dividends, as the companies seriously wish to re-invest any earnings to accelerate growth in the short term.

- \* **Blue-chip shares-** Shares of large, well-recognized, financially stable organization with an impressive record of earnings and dividends.

- **Bonds:** Bonds are known for safe zone Investment Avenue. Different kinds of relationships are given below:

- \* Government Security (G sec bonds)

- \* GOI relief funds

- \* Govt. agency funds

- \* Public sector undertakings (PSU Bonds)

- \* RBI Bond

- \* Debenture of private sector co.

- **Money market instrument:** It is used for short-term needs for the company. These instruments are those instruments, which have less than one year maturity period.

- \* Treasury-Bills

- \* Commercial Paper

- \* Certificate of Deposit

- **Mutual Funds-** A mutual fund is a reliance that pools together the savings of several investors who share the same financial aim. The fund managers do invest this pool of money in financial instruments of schemes. The different kinds of projects are given below:

- \* Balanced Funds

- \* Sector Fund

- \* Index Funds

- \* Equity Oriented Funds

- **Life insurance:** Today, life insurance has become a vital investment avenue. Various schemes are available in this sector for a certain sum and other benefits. Followings schemes are given below:



- \* Endowment assurance policy
- \* Whole life policy
- \* Money back policy
- \* Term assurance policy
- **Real estate:** This is also the most crucial portfolio for investors in a residential house. It is also the significant assets in the selection of investors is a residential house. In addition to a residential home, the investments can be made in the following types of real estate:
  - \* Agricultural land
  - \* Semi-urban land
  - \* Farm House/Flats
- **Commodity Instruments:** Investors can also invest in the following instruments:
  - \* Silver
  - \* Gold
  - \* Precious stones
  - \* Crops
- **Financial Derivatives:** These are such instruments of finance that derive their value from some underlying assets or instruments. The following types of devices for derivative can be used:
  - \* Options
  - \* Futures
  - \* Swap

## II. Process of Investment

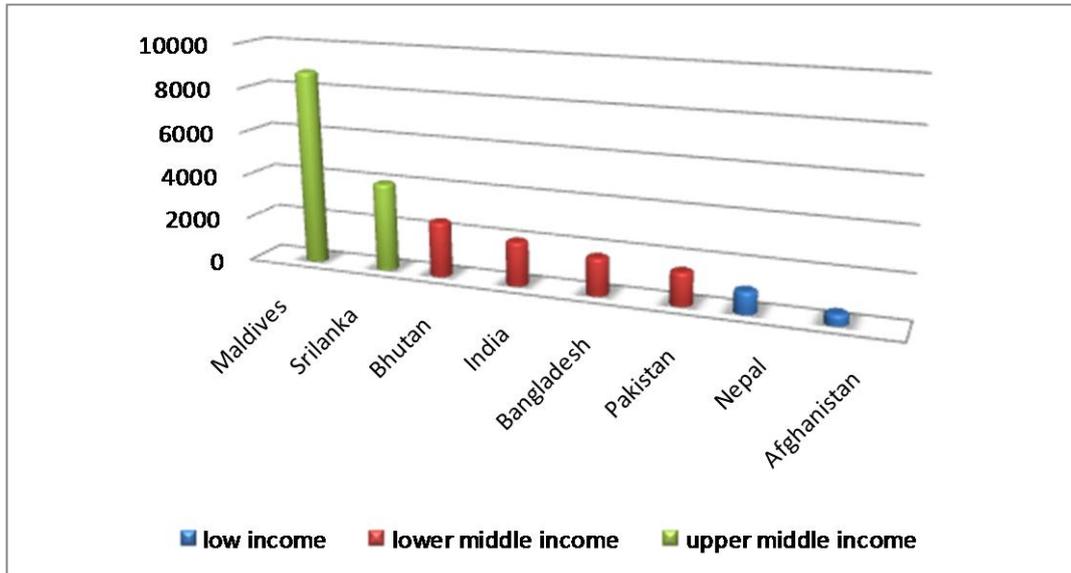


**Figure: 3 A Study of Investment Behaviour of Middle Income Group towards Different Kinds of Investment Avenues**

## **1. Identify1.**

### **III. Status of Middle Income Group**

According to a 2017 report by McKinsey World Institute (MGI), Indian households are classified into five economic teams supported by annual income. These are: underprivileged (less than government agency ninety,000 or but USD one,11969), Aspirers (INR ninety,000 – government agency ), Seekers (INR two hundred,000 – government agency five hundred,000 or USD four,376 – \$ 10,941), Strivers (Rs. 500,000 – government agency one million or \$ ten,941 – \$ 21,882) and therefore the world Indians (more than government agency one million or quite \$ twenty-one,882). The National Council for Applied Economic analysis (NCAER) categorizes the middle-Group on the idea of the annual financial gain of Indian households between Rs. 340,000 to Rs. 1.7 million. The present position of middle-group houses in Bharat is thirty-one .4 million, which interprets into a hundred and sixty million folks. The NCAER gave a current report that renders the suggestions that the country can house fifty-three .3 million middle-group households, i.e., around 267 million people during this category by 2015-16. Further, the middle-group population is anticipated to succeed in 547 million by 2025. A typical Indian materialistic unit spends concerning fifty % of the entire financial gain on daily expenses, and therefore, the rest is saved [3]. As per the report of times of Bharat (July five, 2019), of 218 economies, eighty square measure within the high-income cluster, sixty within the upper-middle, forty-seven within the lower-middle, and thirty-one within the low-income group. The classification is updated on the first day of July once a year. Richest 100% of Bharatns own over  $\frac{3}{4}$  of wealth in India. The wealthiest 100% of Indians own seventy seven.4% of the country's wealth, says credit Svizzera in their 2018 world Wealth Report. The lowest hour, the bulk of the population, down 4.7%. The wealthiest 1 Chronicles own fifty-one .5%. India doesn't have a middle-income lure drawback. It's a retardant of wooly thinking on the policy. Bharat wants deep reforms and steady growth to even get into the higher middle-income class, which is wherever the middle-income lure drawback generally arises. Finally, a lure of Our Own India may be a low middle-income country with a GNI per capita of around \$2,000. Albeit Bharat reaches \$5 trillion in the gross domestic product by 2024-25 – Govt. of Bharat explicit and commendable objective – it'll still be a lower-middle-income country. Finance Minister Nirmala Sitharaman has aforesaid that \$5 trillion gross domestic product is merely AN intermediate goal – on the thanks to probably changing into a \$9-10 trillion economy, at that purpose India's GNI per capita is going to be around \$6,000, on the point of wherever Thailand is nowadays and far below today's China or Malaya. At that stage, we tend to might ought to worry concerning the middle-income lure. For now, our challenge is to avoid the muddled-policy lure we tend to appear to be stepping into to succeed in \$5 trillion.



**Figure: 4 Classification of South Asian Countries By Income Levels, 2019-20.**

*Source: Self Prepared*

**2. REVIEW OF LITERATURE**

**Khare and Chaturvedi (2012)**, there are two main phases of Investment's preference and pattern. Gain is likely expected in the future, which is uncertain. In a few investments, i.e., stocks options or security options, where risk is a dominant attribute while in government's securities, time is a dominant attribute like govt. Bonds. Various factors are there, which affect investor's portfolios, such as annual income, government policy, economic deviations, natural disasters, etc.

**Dr. Vanita Tripathi (TAXMANN, December-2015)**, A text Book Security Analysis & Portfolio Management stating as Investment is considering that it is a rational decision-making process where an investor tries with the hopping for better return reducing risk. There are many investment tools available such as equity share market, bills, mutual funds, derivatives, real-estate, etc. instead of making Investment all money in one device, the investor should spread out his wealth in various securities to avoid maximum risk.

**Kaur and Sharma (S. Chand-2019)**, A book Fundamentals of Investment focusing the various types of investment avenues for the mind-set of fixed income with nil risk and profit with moderate or high risk. It also depicts the real picture of traditional and trend investment avenues in the financial market.

**Niranjan and Hosamane (2010)**. Knowing the behavior of Investment provides a vital perception of the process of economic development. Economic growth unfavorably depends on capital accumulation, and it stems from Investment. The economy's productive capacity can be expanded by investment outlay as a vibrant variable on long-life capital goods that represent technical advance.

**3. PROBLEM/OBJECTIVES OF THE STUDY**

- a. To make a study, the investment priority amongst people comes in seekers (annual disposable income- INR 200,000 – INR 500,000) economic group.
- b. To make examines the management and risk-bearing capacity between expenses and saving and other elements that affect their outlay decision.
- c. To know the perception and behavior of investors towards different- different investment tools.

**4. RESEARCH METHODOLOGY**

Research methodology for the proposed research is the following:

1. **Type of Research**-This research is based on descriptive.
2. **Definition of the Population** - The study narrates to the investment shapes of included both groups involved in either business or service, whose per annum disposable income lies between INR 2,50,000 to INR 5,00,000.
3. **Sample Size**- The sample size of 150 respondents was taken for the research work among in Greater Noida, U.P. This sample will be measured suitable to represent the features of the entire population.
4. **Sampling Procedure** - The sampling procedure followed in this study is non-probability suitable sampling
5. **Primary Data**- The primary data were collected through a well-structured questionnaire using the survey method.
6. **Secondary Data**- Referred investment management textbooks, websites, newspapers, magazines, research papers, and journals.
7. **Analysis of Data** - The collected data were used to analyze, Simple percentage analysis tools were used to calculate the same. It tells the frequency of the respondents' attitude, profile, and income opinion regarding different variables. The calculated and analyzed data is shown systematically by using various tools.

**5. RESULTS AND DISCUSSION**

1. **Investor Choice for the investment avenues:** Table1.provide the information about the preference of sample investors in percentage towards various investment products as bank deposits, insurance schemes, share market, real estate, and billions, etc.

**Table 1: Investor Preferences for Investment Avenues**  
**Respondents investing in various avenues**

S.No.	Investment Avenues	Respondents	Percentage
1	Fixed Deposit & Saving Account	87	18.8
2	Insurance Policy	58	12.5
3	Public Provident Fund	43	9.3
4	National saving Certificate	34	7.3
5	Mutual Fund	27	5.8
6	Stock Market	23	5.0
7	Bond	12	2.6
8	Investment in Gold & Silver	84	18.1

9	Real Estate	41	8.8
10	Post Office Savings Schemes	34	7.3
11	Commodity Market	16	3.4
12	Investing in Art	0	0
13	Chit Fund	2	0.4
14	Forex Market	30	0.6
	Total	464	100

**Source: Primary Data**

The following observation may be made from the data provided in table 1.

- 18.8% investor preferred Bank Deposits, as their first choice of Investment.
  - 18.1 % investor chose Investment in gold and silver as a second-most excellent avenue.
  - Insurance was preferred by 12.5 % of respondents as the third choice for their Investment.
  - Real estate, Bullions and share market are least preferred investment avenues among investors
2. **The objective of Investment:** - Based on the survey, many intentions create a passion for Investment to achieve these goals or motives; an investor makes Investment of his savings in different avenues, according to his choice, capacity, and risk-bearing power. These objectives can be classified into various kinds of priority such as high priority (Own property/house), long term top priority goals (For old age/retirement plan), low priority goals (Plan for visit anywhere) and to commence own concern based on the way investor approach them. The following table shows the responses of investors towards a different kind of objective

**Table 2: Objectives of Investment**

S. No.	Variables	% of Respondents
1	Wealth Creation	17%
2	Education	23%
3	Tangible Assets Dream (Own house, Property, etc.)	19%
4	Future Uncertain need (Future diseases)	21%
5	Planning for retirement	15%
6	Others (Tour, Marriage, etc.)	05%

The following observation may be made from the data provided in table 2.

- 23% of investors invest their money for the higher education of their children.
  - 21% investor invests their money for future uncertain needs or diseases or accidental loss.
  - 19% of investors invest their money to fulfill their tangible dream as owning a house or car.
  - 17% of investor invests their money to maximize their wealth.
  - 15 % investor invests their money for old age or retirement.
  - 5% invest their money for marriage or tour purposes.
3. **Risk Bearing Capacity:** The middle-income class family could hardly save a small amount of their annual income due to the toast expenses of daily. So table 7 characterizes their risk-bearing capacity as high, moderate, and low for making Investment in investment tools.

**Table 3: Risk Bearing Capacity**

S.No.	Variables	% of Respondents
1	High-risk taker	05%
2	Moderate risk taker	30%
3	Low-risk taker	65%

*Source: Primary Data*

The following observation may be made from the data provided in table 7.

- 65% of investors don't want to have any risk in any investment
  - 30% investment can tolerate risk at a specific limit, but
  - 5% of investors can bear any type of threat at the maximum level.
4. **Source of information about investment planning:** Mostly decisions of investors are based on available reports through advertisement: publish data on print media or electronic media, relatives, friends, financial advisors, etc. which have been shown in the below table.

**Table 4: Source of Information about Investment Planning**

S.No.	Variables	% of Respondents
1	Financial Advisors	10%
2	By Self	20%
3	Advertisements	25%
4	Friends or Relatives	15%
5	Internet	30%

*Source: Primary Data*

The following observations have been received from the above table.

1. 10% of investors make Investment on the advice of financial advisors.
2. 20% of investors invest by using their own decisions and 25% on advertisement basis.
3. 15% of investors invest in the advice of friends and relatives, and 30% taken data from the internet.

#### 6. FINDINGS

1. Most investors prefer to invest in bank deposits or post office because of less risk with a fixed rate of return. It also provides a withdrawal facility whenever they required. Therefore it is more preferable for middle-class income families.
2. Silver and gold or precious metal are the second desirable investment avenue for middle-class income families as they think that this is to liquidate Investment because it can be converted into cash based on requirements.
3. Insurance is also a vital part of Investment for this group as it provides segments of policies as per investor's choice.
4. Investment or saving for the education of their children is on a priority basis.
5. The risk-bearing capacity of middle-class families is deficient; therefore, it affects the choice of investors.
6. The middle group class investment decision is affected by their friends, relatives, family members to a great extent.
7. This group also has a choice of Investment in real estate due to less risk.

8. Share market is least preferable by the income class due to a lack of knowledge and misconception about the share market.
9. This group prefers to invest annually rather than prompt Investment.

#### **7. CONCLUSION & SUGGESTION**

Based on the current survey and various reports show that the Indian economy is growing, but still, it is prolonged at present. The Middle group class is getting higher per capita. But the inflation rate is also increasing at a higher rate than the increasing rate of per capita income of the lower and middle-class families. Therefore it is tough for the middle-class group to invest after deducting huge expenses of routine life. The middle-class family looks for a more safe investment avenue with very less risk-bearing capacity. That is why they always keep the fixed deposit in banks, post office, public provident fund, and life insurance policies on a priority basis. But based on the survey, they do not look satisfied with their investment choice in such investment tools due to low return. With this low, they are not able to fulfill their future needs. So it is suggested that Govt. and investment schemes maker should make schemes or policies, as per their requirements and choice, on which they may get higher returns with less risk.

Traditional investors keep sufficient knowledge about different investment tools as a post office, banks, bullions, etc. but they are aware of derivatives financial market, share market, forex market, etc. The reason is behind that these markets are full of risk, which cannot be borne. So here, this is a requirement of awareness and sufficient knowledge about these markets. The workshop, T.V. Channels programs, should be run to make aware and encourage them to invest. Free broker's facility, consultancy for Investment, and the latest happening information in the financial market should be arranged for them.

Real estate is one of the right options to invest in middle-class families, but they are not able to spend a massive amount as they have low income. Hence government and Policymakers should make policies for trouble-free housing finance with the low-interest rate on housing loans.

The middle-class family is also more interested in investing in precious metals such as gold, silver, etc. in the forms of biscuits or coins. So these types of options for investments should be promoted by banks and post offices to attract people to make investment more.

The tax benefits also come in an investor's mind to save tax. It shows the tax concessions given by the government are less attractive. Therefore, the tax benefits on long term saving for Investment are needed and should be promoted by the government and policymakers.

#### **8. FUTURE SCOPE OF THE STUDY**

This study is centering on the priority of Investment tools by particular income class (investigators), and it will be helpful to ascertain the better investment opportunities in the market for the income group.

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## Role of Entrepreneurial Activities to Accelerate Socio-Economic Development: A Study on Small Scale Shoe Industry at Bhairab in Bangladesh

Sara Tasneem\*

Department of Entrepreneurship Economics, Dhaka School of Economics  
(A Constituent Institution of the University of Dhaka)  
Email Id: saraeconodu2006@gmail.com

### Abstract

Bangladesh has been able to achieve socio-economic development during the last few decades. Industrialization is one of the driving forces of development process. Entrepreneurial activities play a crucial role in this regard. The present study highlights the contribution of entrepreneurs to socio-economic development. Conducting field survey and discussion with the entrepreneurs, the study reveals that remarkable socio-economic development has occurred in the study area for the efforts of entrepreneurs. The study recommends social and financial support for entrepreneurs to set up small scale industry in other regions of the country.

**Key Words:** Entrepreneurial Activities, Socio-Economic Development, Small Scale Shoe Industry, Bhairab (Bangladesh)

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## **1. INTRODUCTION**

Bangladesh has been able to achieve socio-economic progress in the last few decades. Since independence, Bangladesh has been trying to implement development projects to overcome socio-economic obstacles. The socio-economic indicators prove the macro-economic efforts for development. Industrialization is one of the critical drivers of the development process. Sustainable socio-economic development calls for rapid industrialization. Entrepreneurial activities play a crucial role in this regard. Entrepreneurs pave the way to socio-economic improvements as well as the enhancement of people's economic wellbeing. Entrepreneurial activities are the lifeline for industrial growth in the private sector. Long-run economic growth and development can only be achieved by promoting entrepreneurial activities. Bangladesh is trying to achieve double-digit GDP growth and sustainable development goals by 2030. Therefore, the government has taken several initiatives to encourage entrepreneurs. In this circumstance, the present study aims at focusing on the contribution of entrepreneurial activities to accelerate socio-economic development.

## **2. LITERATURE REVIEW**

Rahman et al. (2011) analyze the socio-economic development of Bangladesh. The study views some socio-economic issues of the economy. The study considers the indications such as poverty, employment status, output growth, health and education services, and the expiation of business activities to measure the level of development. The study discovers the contributory role of IBBL (Islami Bank Bangladesh Limited) to improve the socio-economic condition. IBBL helps to minimize the unemployment problem by recruiting a large number of educated people each year. By providing loans to business entities, IBBL indirectly promotes employment opportunities. IBBL encourages SMEs to grow. It becomes easier to collect remittance through IBBL. IBBL provides facilities for industrial growth both in rural and urban areas. As a part of corporate social responsibility, the bank is taking initiatives to boost up the economic development of Bangladesh.

Temple (2003) assesses the development achievement of Bangladesh since its independence. Enrollment in primary education has increased remarkably. The parents become aware of girls' literacy; child and infant mortality rates, along with population growth, have shown a declining trend. Immunization coverage proves better health services. Bangladesh keeps a good record of human development. GDP (Gross Domestic Product) growth rate is increasing. The study addresses some initiatives and reforms behind the achievements. Appropriate resource allocation, foreign assistance, the participation of non-government organization, community support, liberalization policy, and prudent macroeconomic management has contributed. For further development, some other reforms such as a change in election pattern, improvement of law and order, modernized civil services, and independence of local government are required.

Sarker and Islam (2018) illustrate the significance of remittances for socio-economic progress. Remittance assists households to make current consumption and saving for the future. Households' saving creates national savings. Payment makes family members aware of children's education. It is possible to start a new business with remittance. Improvement of the standard of living takes place due to payment. The study implicates government initiatives to expand the overseas labor market.

Population policy has a significant impact on the economic development of a developing country like Bangladesh. Khan (1984) deals with population growth and policy issues for the Bangladesh economy. The population is not considered as a factor in the planning process. The study analyzes the significance of the community as a variable in the development process. The rural socio-economic scenario recognizes the role of family planning programs to reduce the fertility rate.

There are heterogeneous barriers/obstacles to undermine economic development. Ahmed (2011) analyzes the walls, along with the steps taken to mitigate the issues. The study identifies the inefficient government policies; faulty administration and managerial situations impede the development process. An unethical practice at a different level of the public sector is a mentionable impediment. To eradicate the obstacles, education is necessary to raise awareness of people. The study advises strict laws to solve the unethical practices. The research also focuses on the importance of tax revenue for infrastructural improvement. The study opines that Bangladesh can reduce dependency on foreign aid by revenue generation.

Helal and Hossain (2013) assess the improvements in economic scenarios from independence to 2010. The study finds mentionable progress in economic indicators. GDP is growing at an increasing rate. The performance of the GDP growth rate is satisfactory compared to other developing countries like Bangladesh. Although the amount of cultivable is decreasing, Bangladesh has achieved dependency on the production of food grain. Poverty alleviation has taken place due to various government and non-government efforts. As poverty is counted as a major socio-economic problem, the declining trend of poverty rate is significant socio-economic progress. The study reveals the different measures taken to combat inequality. As GDP is growing, national income, saving, and investment have shown an upward trend. There is progress in social indicators also. The study suggests taking measures to control population growth rate, increase skills and abilities to the labor force, minimize environmental degradation. After all, good governance is mandatory for improvements in all aspects.

Asaduzzaaman et al. (2017) opine that industrial growth is a prime determinant of economic growth for a developing country like Bangladesh. The study sheds light on the role of industrialization on socio-economic development. Bangladesh can operate leather, textile, fertilizer, footwear, pharmaceutical industries that have a direct relationship with socio-economic issues. Bangladesh is known as an importing country. But, the trend is showing that Bangladesh becomes an exporting country. Industrial growth is promoting bilateral trade and minimizing trade deficit. The study recommends controlling environmental problems and risks resulting from industrialization.

To investigate the role of the agriculture sector in Bangladesh economy, Rahman (2017) illustrates the contribution of the industry to sustainable economic growth and development. The industry creates employment opportunities for the rural poor, makes a contribution to GDP, provides raw material to the industrial sector, and earn foreign currency through exporting agricultural product. Rural socio-economic status is determined by agrarian performance. The study recommends restricting the use of cultivable land for non-agricultural purposes.

### 3. ENTREPRENEURIAL ACTIVITIES AND SOCIOECONOMIC DEVELOPMENT

Entrepreneurial activity is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes, or markets. Entrepreneurship is a phenomenon associated with the entrepreneurial activity (<https://www.oecd.org/sdd/business-stats/39651330.pdf>). Entrepreneurial activities accelerate socio-economic development (Fig.-1)

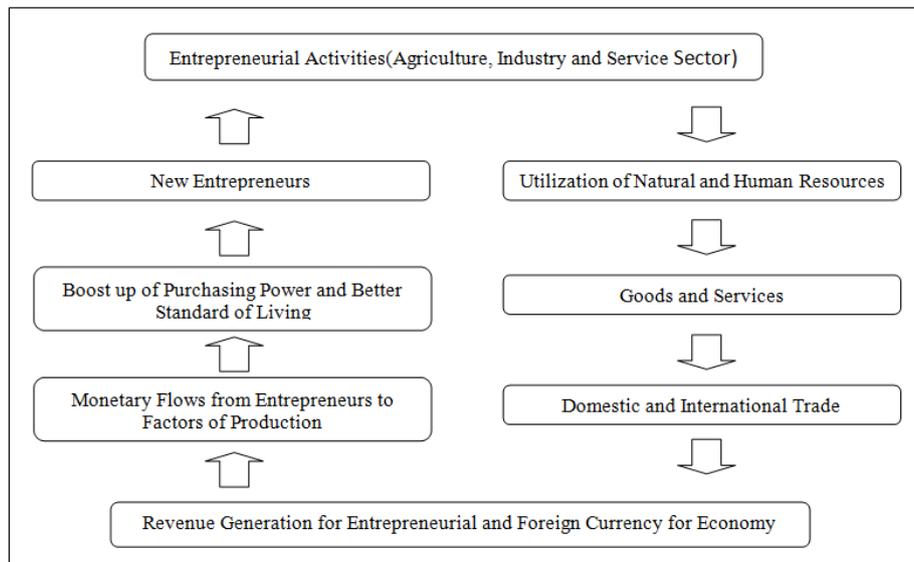


Fig.-1: Effects of Entrepreneurial Activities on Socio-economic Development

### 4. OBJECTIVE

The objective of the study is to assess the role of entrepreneurial activities to accelerate the socio-economic development of the study area.

### 5. METHODOLOGY

The aim of the study is achieved using an exploratory mixed-method approach (Creswell, 2003; Mc Murray et al., 2004; Babbie, 1990). The study is descriptive and qualitative. Field visit at *Bhairabis* conducted in December 2019. Data collection was qualitative, where data was collected via semi-structured interviews with stakeholders who were directly involved in the industry. Discussion with the workers, managers, and entrepreneurs is documented. The entrepreneurs express their experience with their efforts, and the changes occurred due to shoe manufacturing. Managers share knowledge on the impacts of entrepreneurial activities on the social transformation of the area. The workers inform their improved standard of living resulting from the small scale shoe industry. The analysis is made on the documented discussion and observing the study area. *Bhairab* is selected as a study area as it is a famous business zone of the Dhaka Division.

## 6. SELECTION OF THE STUDY AREA

PKSF (Polli Karma-Sahayak Foundation) introduced the PACE project in January 2015. PACE aims at enhancing livelihoods through self-employment, entrepreneurial activities, and agricultural development.

*Bhairabis* selected for small scale shoe industry development under the partner organization of PKSF name POPI (People's Oriented Program Implementation). The targets of the shoe industry are to increase the income of entrepreneurs and create employment opportunities. *Bhairab* is known as the footwear producing region. Approximately 8000 factories are operating over the last few decades. Among the enterprises, near 40 percent has been established by micro-entrepreneurs. Micro enterprises employ three to ten workers. The enterprises are mostly labor-intensive. At the outset, the factories use inferior materials and manufacture shoes with manual labor. To improve the quality of the shoe, POPI under PACE project assists entrepreneurs to increase labor productivity. The trained entrepreneurs, along with the workers, are now capable of producing shoes by the machinery process. The entrepreneurs are now manufacturing different types of footwear, such as sandals, slippers, sports shoes, rubber shoes, and casual shoes, which can compete in local, domestic, and international markets.

## 7. ANALYSIS AND FINDINGS

### Economic Growth

The entrepreneurs are adding value to GDP. The shoe is being produced with modern machinery along with the efforts of skilled labor. Labor productivity has increased due to training programs and workshops. The use of machines has accelerated the production process. The production of shoes now exhibits an increasing return to scale. Following the Cobb-Douglas production function is observed in shoe manufacturing.

$$Y = AL^{\beta}K^{\alpha}$$

Where, Y = total production of the shoe in the study area

L = labor used in shoemaking

K = capital used in shoe manufacturing (equity indicates the use of tools, machinery, and equipment)

$\alpha$  and  $\beta$  are the output elasticity of capital and labor used in shoe manufacturing.

The observation and discussion with entrepreneurs reveal that shoe manufacturing is showing increasing returns to scale ( $\alpha + \beta > 1$ ). Before the use of modern machinery ( $\alpha + \beta$ ) was less than one ( $\alpha + \beta < 1$ ) indicating decreasing returns to scale (Fig.-2). The entrepreneurs have initiated to convert profits to scale from decreasing to the increasing stage.

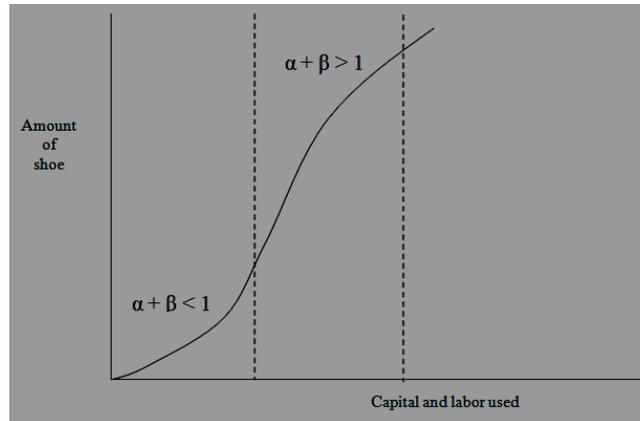


Fig. 2: Production Function in the Shoe Industry

### Employment Creation

The entrepreneurs have created employment opportunities for local people. The industry has absorbed local skilled, semi-skilled unemployed people in the different manufacturing stages. Both male and female workers are employed in nine types of manufacturing operations. The operations are composed of upper cutting, pasting, sole making, fitting, finishing, screen printing, and coloring. The less educated skilled workers are engaged in the manufacturing process. Educated employees are providing managerial services. The following figure (Fig.-3) depicts the composition of the workforce.

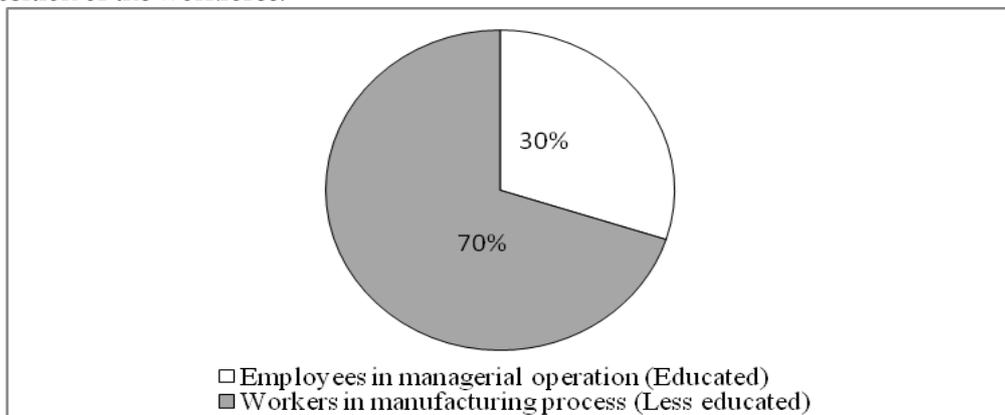


Fig.-3: Composition of Workforce

### Female Participation

In the manufacturing process, both male and female workers are working. The numbers of female workers are approximately equal to male workers (Fig.-4)

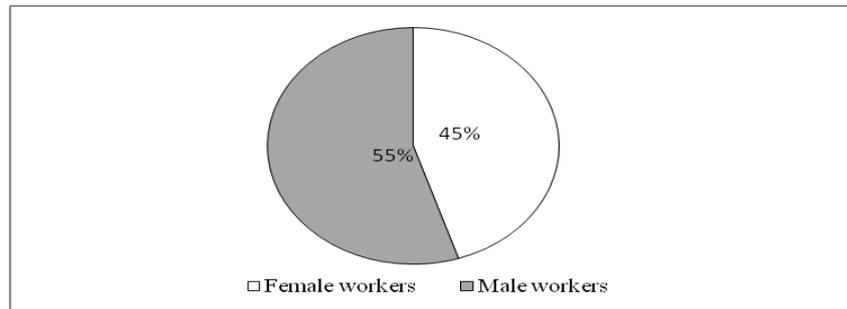


Fig. 4: Participation of Female Labor Force

### Women Empowerment

Women become empowered through the motivational training of PACE projects. Women had no monetary contribution to the family before employment in the shoe industry. Now they gain self-sufficiency, decision making strength in family, and status in society.

### Entrepreneurship Development

The shoe industry creates an opportunity to increase the number of entrepreneurs. In the industry, thousands of workers are working and learning how to manufacture shoes. After gaining experience and completing learning, many of them (both male and female) become entrepreneurs within five to ten years.

### Business Expansion

The shoe produced in the study area has an increasing demand in the domestic and overseas markets. The number of factories and showrooms are increasing. The trade center has been developed. Backward linkage industries to support shoe manufacturing are expanding their business activities. The business of intermediate products such as raw leather, rexine, paper boxes, buttons, foams, and heels are growing. The shoe based printing and color industry is emerging due to keeping pace with the change in taste and preference of the consumers. A linear relationship has been observed between the shoe industry and supporting industries (Fig.-5)

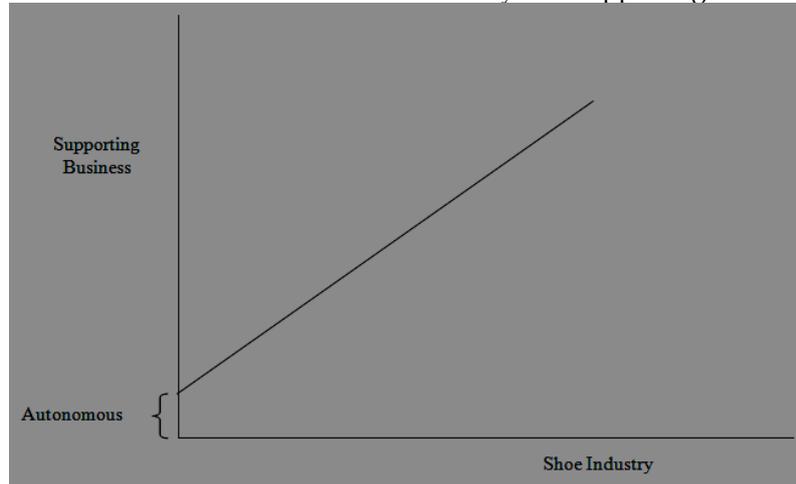


Fig.-5: Relation between Shoe Industry and Supporting Business

### **Foreign Currency**

The demand for shoes manufactured in the study area is an increasing demand in Middle-east, Asian and European countries. Bangladesh's economy earns foreign currency. The Reserve of foreign currency is a socioeconomic indicator.

### **Education Awareness**

The operating employees in shoe manufacturing are aware of children's education. Enrollment in primary and high school is showing an upward trend.

### **Infrastructural Development**

Infrastructural development promotes entrepreneurial activities. The entrepreneurs have taken initiatives to improve the local physical infrastructure.

### **Consumption and Saving**

The entrepreneurs have created employment opportunities for local people. These income-generating activities boost up purchasing power. People satisfy basic needs, along with personal savings.

### **Standard of Living**

The workers of the shoe industry are enjoying a better living standard than before. They are happy as children are getting an education. They are free from poverty. Health services are available. Now they are becoming financially empowered.

## **8. CONCLUSION**

Socio-economic progress is essential for a country like Bangladesh. Since independence, several measures have been taken for economic growth and social development. In the late 1970s, policymakers recognize industrial development as a pre-requisite for economic growth. Economic growth promotes socio-economic development through a trickle-down effect. Along with extensive industry, small scale industries are contributing to economic growth and development. Industrialization in the private sector is the result of entrepreneurial activities. Small scale industries are more promising to ensure the survival and growth of the business. To support the entrepreneurial activities and small scale industry, the government has taken different steps and initiatives. The entrepreneurs have to face social barriers when they conduct business activities. The financial system is not always in favor of small entrepreneurs. To promote regional and national development, social and economic support to entrepreneurs is indispensable.

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## Inventory Control Policy for Imperfect Production Process on Various Demand and Fuzzy Nature: Latest Trend

Kamal Kumar<sup>a</sup>, Ashok Kumar<sup>b\*</sup>, and Promila<sup>c</sup>

<sup>a</sup> Department of Mathematics, Baba Mastnath University, Rohtak, India  
Email Id: kamalkumar4maths@gmail.com

<sup>b</sup> Department of Mathematics, Meerut College, Meerut, India  
Email Id: drakkashyap@hotmail.com

<sup>c</sup> Department of Mathematics, Baba Mastnath University, Rohtak, India  
Email Id: promichahal2@gmail.com

### Abstract

We learn about reviews of some inventory models for imperfect objects with various demands and fuzzy nature. During manufacturing, firstly, there produce a perfect object. We can say that production is an in-control state. But after some time it provides imperfect objects we can say that production change from in-control state to out of control state but there ignored of defective items. If the faulty items reached the customer, there are refunds and due to which extra cost suffered. To protect this, some researchers work on it. For this few of the researchers, take demands the triangular fuzzy number. Shortages are acceptable and partially backlogged. Demand is proportional to time. Production and repair rate is a function of order, due to which repair rate and production both depend on the time. Some of the researchers take costs in fuzzy nature – the repair process used on imperfect objects. For discovering the imperfect quality, all purposes are screened before they sent for ingesting.

All defective objects are peddled at discount prices. The old idea of fuzziness of the fuzzy parameters was the same always, but due to the real-life human experience, the fuzziness activated to eliminate from the system over time. Mostly researcher firstly takes the non-fuzzy model (crisp model) and then fuzzification the model to find the decision. They fuzzification holding cost, shortage cost, and set up the price by the triangular and trapezoidal fuzzy numbers to find the overall price. The complete profit function is defuzzify by the graded mean integration method.

**Key Words:** Inventory, Imperfect, Triangular fuzzy, Trapezoidal, Partially backlogged, Graded mean integration method.

\*Corresponding Author  
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## 1. INTRODUCTION

Operations research is the assembly of present methods which are used to solve the problem face in the management of large system men, machine, goods, and money in the industry, business, and protection. Operations research is very crucial in the industry, management, production any other things. Inventory system plays a vital role to conserve and verifies product quality and electively challenges connections related to consumer goods. The inventory system is an essential condition that simplifies the smooth operation of occupational lairs in selling stores, storerooms, and production systems. In inventory, demand plays a vital role in maintaining it, and manufacturing planning is another phase that scholars are concerned about improving oversupplies and shortages of any object, the corporation carefully improves the manufacturing system. The manufacturing system has not to guarantee of full perfection; in real states, it also produces some imperfect quality object. For flawed production, there are many reasons like bad quality raw materials, uneducated labor, and machinery problem. Defective quality items are divided into two ways, like rework intelligence and scrap. Our aim of the research, develop the inventory models for flawed production processes with various demands in fuzzy nature.

Firstly, operations research was introduced during the Second World War. In the Second World War, the wrestling organization in England called a group of scientists to learn the strategic and wily difficulties linked to air.-and land in defense of the nation. At that time, the military resources were minimal; it is essential to decide the most operative consumption. The team of scientists allocating with an inquiry on the operations, the work of scientists, was termed as operations research in England. After winning the war, the group of scientists of England defines services research, according to which operations research is the art of winning battles without actually fighting the war. After completing the war, and winning the war by England, the method was attracted by the industrial management to solve their managerial type problems.

The first mathematical method in the field was developed by American mathematician Dantzig G.B. in 1947 and give this technique name the simplex method of linear programming. After which define operations research according to which operations research is the art of finding wrong answers to the problems to which otherwise worse answers are given. Usually, the fundamental inventory control model was firstly introduced by Harris in 1913. Harris announced an Economic Order Quantity model, which tells about how much have to be ordered and when to order would be placed accordingly that the total costs will be minimized. Also, we say that Harris gave the concept of value. He says that as the lot size increases, the carrying cost increases, and ordering cost decreases, and if the lot size decreases, the carrying cost also decreases, and ordering cost decreases. This ideal is used to find out the optimal order quantity that minimizes the inventory cost. In 1934 Harris model is extended by the Wilson and applied it widely and gave a method to find economic order quantity. This model played an essential role in the fundamental understanding of the requirement of an effective inventory system.

In 1933, the theory of imperfect was offered by Mrs. Joan Robinson in England and by E.H. Chamberlin in America. It is a fundamental market class where the different companies do work to control the price to least or more degree. It is being defined as the process in which some different buyers and sellers can affect price and production, where there is no full confession about the products and prices, where there are high blocks to entry and exit in the market.

Rosenblatt and Lee 1986 studied an economic production quantity model with imperfect quality items.

First of all, the concept of fuzzy given by the Zadeh in 1965. He tells about the fuzzy set. He says the fuzzy set is a collection of things with a field of scores of association, which is categorized by a characteristic function which gives to each object scores of membership going value between zero and one. Also, inclusion, union, intersection, complement, relation, convexity different types of these ideas in the setting of fuzzy sets are developed. In 1967 J.A. Goguen extended the fuzzy set, and he tells about the L fuzzy set. According to which, a fuzzy set is said to L fuzzy set if a fuzzy set is a set with a role of transitive partially order set.

## **2. AN INVENTORY MODEL FOR IMPERFECT MANUFACTURING METHOD WITH VARIOUS DEMAND RATE: LATEST TREND**

Inventory problems were developed many years ago. The review describes some of the important roles in this field. It consists of the inventory model for imperfect manufacturing processes for various demands. Most of the inventory models are under the assumption that demand is linear. But in real life state the demand for products like fashion goods, air seats decreases with time. So for the extensions of the models, many researchers studied the imperfect production process with various demands. **Hartley and Whiten (1963)** gave a superb account of the uses of inventory. **Silver and Meal (1969)** studied the realistic solution for time changing demand arrangement. **Donaldson (1977)** developed a mathematical model to find optimal order quantity when demand is changing linearly over the finite limits, and the shortage is not permissible. **Mitra et al. (1984)** studied a fundamental process for shifting the E.O.Q. model for the instance of changing linear demand. **Rosenblatt and Lee (1986)** investigated a model to learn the outcome of a process of imperfect production on the optimum production cycle time. **Cheng (1991)** proposed a model of Economic order quantity with production cost, which depends on demand and imperfect production processes. **Chang (2004)** developed a model for imperfect quantity under fuzzy environment. In this model, the imperfect fuzzy rate and fuzzy annual demand are included. The detached of this model is to determine the optimal lot size to maximize the total profit. **Goyal et al. (2007)** proposed a model to study the two choices of quality, for the imperfect quality objects which one is retail them to insignificant market as an only one group and minor price to that of original ones, or revise them at a specific cost and then custom them as original to fulfill demand rate. **Panda et al. (2008)** studied a model with a single period multi-product working group of stochastically imperfect substances. There is constant stochastic demand under economic and shortage limits are used. **Parveen and Rao (2009)** studied the optimal collection sizing quality for imperfect production processes with deterministic demand. **Chauhan et al. (2011)** developed an economic lot model for a manufacturing system that produces perfect and not perfect objects. A single period of several item volume springy manufacturing models is used for worsening objects. The demand rate is taken as random. Random, imperfect manufacturing is used. Deterioration is assumed to be known. Carrying cost is taken as linear. The shortage is permitted in inventory with partial backlogging. The technique is used to maximize profit. **Singh et al. (2011)** established a model with an exponential demand rate, and the production rate depends on demand under the inflation follow Weibull distribution. The shortage is allowed at the seller part only. Unfilled demand is not completely (partially) backlogged. **Liu and Zheng(2012)** learned a fuzzy E.O.Q. a model with imperfect class objects with a shortage. In the inspection, there are two types of error. This model is used to find the optimal solution. **Shah et al. (2013)** produced a combined manufacturing inventory model from the manufacturer and seller point of view when the demand for the product is growing with time. **Aggarwal and Jain(2013)** learned about a

model for volume flexible industrial system. The production rate depends on stock. The system produces both qualities perfect and imperfect, for the perfect quality item demand is known or constant. For the imperfect quality object, demand is a function of discount offered at the selling price. **Platelet et al. (2013)** gave a model for Weibull deteriorating items in inventory. Demand is a function of time under permitted delay in payments, and price rises. Holding cost is a linear function. The shortage is allowed and fully backlogged. **Chakrabarty et al. (2014)** gave a model for inventory manufacture with the setup costs. In this model, the price rises, and the time value of money assumed to be an imperfect production process. The demand rate depends on advertisement cost and selling price. The model provides a logical solution to maximize the total profit function. **Shah et al. (2014)** gave an economic production model with an imperfect production process with time declining demand form. The impartial of this function is to maximize the total profit in a single item effect. **Widianto et al. (2014)** developed joined model involving single-Vendor and single-buyer system. The manufacturing process is imperfect, and the demand rate is deterministic for buyers. The model produces an optimum solution for possible joined the total annual cost of the "vendor and buyer." **Kumar and Goswami(2015)** gave a model of Economic production quantity. In this model, we studied the passion-demand rate and the units that have an unbroken rate of worsening. Changing the demand rate and the worsening rate have a major effect on the decision variables and the total cost of inventory. **Ritha et al. (2016)** formatted an economic production model to fulfill the demand in the right proportion and at the right time. **Majumder et al. (2016)** gave a model for economic production for breakable items. Demand is a linear function of time. Manufacturing rate and carrying costs are depending on time, and unit manufacturing is a function of manufacturing reliability and manufacturing rate. Ordering cost is not completely dependent on the production rate. A shortage is allowed. **Uthayakumar and Kumar (2016)** developed a single buyer united production inventory with stochastic demand for the imperfect production process. The lead time is a linear function of the lot size. **Patel (2017)** provided a deterministic inventory model of imperfect quality. For an economic order quantity, all items received order is perfect quality is not always fulfilled. Some of the items can be defective. Also, there are some other assumptions that as soon as items are received, payment is made. The demand rate is a function of time and price. **Saget al. (2017)** produced an inventory model that involves a single buyer and a single vendor. Its inventory was achieved by the buyer periodically, and products are ordered from the vendor to fulfill the demand rate where the annual demand and set up cost are in fuzzy nature. The process of the vendor is imperfect. The purpose of this model is to find the optimum value for the review period. **Astanjin and Sajadieh(2017)** gave a united production model with price dependent demand for the damaged items. This model is developed to find the optimal solution. **Kurdhi et al. (2017)** made a collaborative vendor buyer production model for imperfect quality items with inspection error and stochastic demand. This model is used to determine the least inventory total cost as compare to separated inventory. **Saha and Chakrabarti(2018)** learned about two-echelon supply chain models for breakable items in imperfect manufacturing procedures involving single manufacturers. In this single retailer, the customer demand for the retailer depends on the advertisement and displayed a stock level of the retailer. This model is developed to find the cost function. **Shah et al. (2018)** developed a model with quadratic demand. The objective of this model is to optimize the total cost of the inventory system concerning screening time cycle time and investment for the protection technology. **Khedlekarand Tiwari(2019)** gave a model to discuss the effect of concession prices on demand and profit in the falling market. The process is

an imperfect production process. Demand is taken to be price sensitive. Demand is a negative power function of marketing price. This model is developed to determine the optimum expected average profit, optimal marketing price, concession rate, backorder level, and lot size.

### 3. AN INVENTORY MODEL FOR THE IMPERFECT PRODUCTION PROCESS IN FUZZY ENVIRONMENT: LATEST TREND

**Zadeh (1965)** proposed a fuzzy set, which is a collection of things with a field of scores of association. Such a set is categorized by a characteristic function that gives each thing a score of membership ranging the value between zero and one. Inclusion, union, intersection, complement, relation, convexity, various types of these concepts in the situation of fuzzy sets are developed. **Mizumoto and Tanaka (1976)** gave the arithmetical arrangements of fuzzy scores with the operations of intersection  $i$ , union  $m$ , and complement  $-c$ , which is well-defined by the addition opinion, convex fuzzy scores form Belgiansemiring. Normal convex fuzzy scores form a distribution law under  $i$  and  $m$ . The arithmetical properties of fuzzy scores with the operations  $+$ ,  $-$  and  $\setminus$  which are a little different from  $i$  and  $m$ . **Vujosevic et al. (1996)** studied the Economic order quantity (E.O.Q.) formula in the occurrence of roughly valued parameters. Carrying cost and set up costs, which are not exactly well-known and are regularly carried by language terms such as: "Carrying cost is around of value  $C_c$ , or: "set up cost is about value  $C_0$  or more." These are assumed to be fuzzy numbers, defined on a restricted interval on the axis of real numbers. **Roy and Mati (1997)** proposed a fuzzy Economic order quantity model with partial storage ability. The demand rate depends on unit price and the ordering cost proportional to the quantity produced. **Buckley and Feuring(2000)** studied about to solve the problem of fuzzy first-order initial value problem. We find the solutions with fuzzy initial value problems for linear and non-linear fuzzy first-order differential equations. **Chang(2004)** gave the inventory problem for imperfect quality item Fully screening process is performed when order is the arrival, and the imperfect class objects are traded as an only one group at a reduced price, previous to getting the next shipment. This model is developed to find the optimum order lot size to exploit the total profit. This model contains the imperfect fuzzy rate and fuzzy annual demand. For determining an estimation of gross profit per unit time in the fuzzy logic, the signed distance method is used. **Chen et al. (2005)** learned about a model for fuzzy E.P.Q. with imperfect objects that can be refurbished. Also, we study a fuzzy occasion cost, trapezoidal fuzzy costs, and amounts into the old-style manufacture stock model. **Maiti et al. (2006)** gave a stock held model for the multi items. There are two types of storage services with trailer, price, and demand dependent displayed inventory in a fuzzy nature. In this model, buying cost, investment amount, and warehouse capacity are rough. **Chen et al. (2007)** studied a model for imperfect objects which model is Fuzzy Economic Production Quantity (F.E.P.Q.) model. The imperfect objects can be sold at a reduced price. In this model, costs and amounts are trapezoidal fuzzy numbers. **Bera et al. (2009)** studied a manufacturing inventory model for fading objects with imperfect production process above a finite time limit. The demand rate is proportional to selling cost and mark-up to the manufacturing cost. This ideal is developed to exploit gross profit, which contains backorder cost, carrying cost, worsening cost, manufacturing cost, ordering cost, and selling cost. The demand rate is defined in fuzzy nature. Triangular fuzzy numbers are used for fuzziness. **Hu et al. (2010)** developed an economy making run-time difficulty. The imperfect making processes and acceptable shortages are used. In the past time, making process changes in a fuzzy random

variable and construct a model for a fuzzy random total cost per unit time. The belief theory and “ranking method” is used to change the fuzzy random model into a nonfuzzy model. **Ameli et al. (2011)** study about the stock held model to find the setup policy for imperfect objects with a fuzzy environment. The objective function is fuzzy. The signed distance method is used to estimate the current value of total profit during the preparation time horizon. **Nagoorgani and Ponnalagu (2012)** gave a division operation of Triangular Intuitionistic Fuzzy number (T.I.F.N.) using  $\alpha, \beta$  – cut, and a scoring function to rank T.I.F.N.s. An exactness function of defuzzify T.I.F.N. is also announced. This model is used to determine the solution of Intuitionistic Fuzzy Linear Programming. **Liu and Zheng(2012)** developed a fuzzy economic order quantity engineering problem for imperfect quality and with shortages. There are two kinds of errors for screening the well-known lot and a defective screening process. The portion of defectives in the ordered lot is considered to be a “fuzzy number.” **Singh et al. (2012)** studied a model for two-store house manufacturing for defective objects. Manufacture rate is a linear combination of on-hand inventory and demand. Demand depends on time. The manufacturing rate is a function of demand, and Shortages is permitted and not completely backlogged. The backloging rate depends on time. For conservation facilities, the worsening rate depends on time in its storehouse and Weibull distribution worsening in the rented storehouse. Carrying cost in rent storehouse is more than in own storehouse. We proposed a model for fuzzing costs of the model as fuzzy triangular numbers. **Mahata(2013)** studied an inventory model. The objects received are defective. The shortage is backordering, and also the nature of the shortage is fuzzy. A fully screening process is performed for arrival orders. This model is proposed to find the optimum lot size and the optimum shortage quantity to maximize the total annual profit. There are several kinds of fuzzy models where the first model with fuzzy incomplete rate and a second model with fuzzy incomplete rate and fuzzy yearly demand rate. To find the gross profit per unit time in the fuzzy nature ranked method is used. **Ritha and S.S.A. (2013)** developed an outdated economic production/order quantity (EPQ/EOQ) model. There are take some assumptions to form a closed-form solution for the optimum lot size in a manufacturing facility. The model is settled to determine the optimal order lot size to maximize the total profit by employing the type of fuzzy triangular numbers. There are few kinds of fuzzy inventory models in the first model, the fuzzy reliability level is used, and the second model with fuzzy reliability and fuzzy economic manufacturing quantity (E.P.Q.) is obtainable. The ranked method is used to determine the approximation of gross profit per unit time in the fuzzy nature and then derive the equivalent optimum lot size. **Manaa et al. (2014)** investigated a model for inventory with an imperfect production process. The Product reliability and reworking of defective items in the three-layer supply chain in fuzzy rough nature. **Mondal et al. (2014)** studied “homogeneous ordinary differential equation in a fuzzy environment of first order where the initial condition of the differential equation of first order” is a triangular fuzzy number. **Kazemi and Olugu (2015)** proposed a model for the incomplete class object in a fuzzy nature. The wisdom occurs in the locale of the fuzzy parameters. In this model, we proposed a complete profit function with a fuzzy parameter. For making it fuzzify the parameter, a Triangular fuzzy number is used, and wisdom bend is combined into the fuzzy model to the justification for the knowledge in fuzziness. **Kurdhi et al. (2015)** gave a model for fuzzy joint vendor-buyer manufacturing inventory with deal level restraint. Vendors use the imperfect production process. Ordering cost

and cycle time can be decreased financing costs. Cycle time demand has a normal distribution and distribution-free. This model is developed to optimize the lot size, cycle time, rearrange point, ordering cost, and several consignments in one making cycle, reserved on a service level, such that to minimize the total combined cost. We use a minimax distribution free process to find the optimum solution in case of free distribution. **Kumar and Goswami(2015)** learned about the result of the unit manufacture time on the best lot size for the inexact and indefinite defective manufacturing procedure. Shortages are allowed and not completely backlogged. We propose the fuzzy chance of manufacturing procedure changing from a 'good' state to a 'not good' state and reliability of the poor quality of making objects. The passed the time when the procedure change is assumed to be fuzzy. Fuzzy expectation and ranked method are used to change the fuzzy arbitrary price function into a nonfuzzy function. **De and Mahata(2016)** studied the traditional backorder economic order quantity inventory model in a cloudy fuzzy environment. For this, firstly, we take the crisp model, then fuzzification the model to find a result under the cloudy fuzzy, and demand is tracked by its real-world application. **Shekarian et al. (2016)** developed a model for an economic order quantity for imperfect quality objects, Which depends on two different carrying costs and knowledge concerns. The fuzzy technique is used to solving an Economic order quantity problem. Both parameter and decision variables are fuzzy triangular numbers. Fuzzy arithmetic operations are used to find the complete profit per unit time. **Khatua and Maity (2016)** gave a multi-objective production control inventory problem. There are two objective functions where the first objective function is for economic profit in maximizing form, and the second objective function is used to calculating the amount of polluting gases in minimizing form in the fuzzy-rough environment. Inaccurate problem is converted into a similar crisp multi-objective problem by using fuzzy- rough mathematics. **Rajalaksmi and Rosario(2017)** formatted a fuzzy inventory model. The shortage is allowed, and it is completely backlogged. Costs like carrying cost, backorder cost, and ordering cost are in fuzzy nature using triangular, trapezoidal, pentagonal fuzzy numbers to find the fuzzy total cost. The signed distance method is used for defuzzification to approximate the total cost. **Kumar (2018)** gave a model for an inventory with defective quality objects in fuzzy nature. Shortages are permitted and also backlogged. For classifying the objects with poor quality, all objects are partitioned before they are guided for ingesting, and all defective quality objects are sold at bargain-basement prices. Demand will be expected exactly, because demand rate change with many indeterminate and worrying market events, it is considered to be a type-2 fuzzy variable. **Jain et al. (2018)** studied about joined inventory model for defective production procedures. Demand depends on time in an inflationary environment. The production rate is changing with demand. And therefore it also depends on time. The reconstruction rate is a function of time. The cost orders, production, reproduction, checkup, and carrying costs are in fuzzy nature. The main impartial of this joint with the stock held model is to find the optimum value of total cost. **Liu et al. (2019)** developed the supply chain returning policy and quantity discount coordination for imperfect quality objects. In this model, we consider that the demand rate is a triangular fuzzy number. The fuzzy set is used to learning the producer's quantity discount and the vender's coordination of coming back procedure. The ranked method is used to find the optimum order quantity in the supply chain, and the optimization theory is used to maximize the contributors' profits. **De et al. (2019)** learned about an E.O.Q. a model with defective quality objects. The screening process is

performed. To cancel out the matters of non-random doubts of demand in the occupational state cloudy fuzzy method to be used.

#### 4. CONCLUSION

In this paper, we studied the reviews of inventory models for imperfect objects. Thus, we observed that mostly production rate and repair rate dependent on time and demand. The parameter is not equally loyal to the improvement of the earnings curve. Superior of perfect order quantity and exact cycle time can transform the entire decision of an inventory process. All the costs like set up fees, holding value, selling value are in a fuzzy environment. Keeping cost discloses that less holding cost authorizations to store more items in the shop. With increased holding costs, the selling price of items also increased.

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## Use of Technology by Teacher Trainees in Self-Financed Institutions

Umendra Singh\*

Department of Teachers' Education, D.S. College, Aligarh, U.P.  
Email Id: usds1979@gmail.com

### Abstract

Education is very important for the progress of both the individual and the society. The unique contribution of education lies in making life progressive, cultural and civilized. Use of technology plays an important role for promoting relevant and interesting education. Educational technology implies the use of all modern media, methods and materials for maximizing the learning outcomes. All these methods, media and materials need be utilized in an integrated manner for ensuring optimization of learning. It would be very helpful for teachers in teaching. Now a days there are many institutions for training of elementary and secondary school teachers. But a large number of these institutions suffer from inadequate facilities – human, physical and academic to provide good professional education. Besides improving these facilities, it is necessary to provide modern media, materials and methods for accelerating the teaching-learning process.

**Key Words:** Technology, Teacher Trainees, Self-financed Institutions.

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### **1. INTRODUCTION**

As we know that education is not limited to the classroom teaching only. It has been broad-based and multi-dimensional. It is life-long, universal, free, and open. Education is learning, and learning is life. Learning, living, and working should go together. Education is not only life-long but also life-wide. Hence, there is no end to learning and no frontiers of learning. School is not the only institution of learning. It has ceased to monopolize the sources of knowledge. School is not the only education, and education is not the only schooling. The traditional curricula, methods, organization, and examination are found irrelevant to the modern age. Therefore, flexibility and multiplicity of media and materials are to be encouraged. Since the children of today are the citizens of tomorrow, they have to be provided with all kinds of facilities and techniques for practical as well as efficient learning.

In this context, education technology has been playing an essential role in promoting relevant and exciting education.

Educational technology implies the use of all modern media, methods, and materials for maximizing the learning outcomes. All the educational resources, men and materials, methods and techniques, means, and media need to be utilized in an integrated manner for ensuring optimization of learning. These include various methods of teaching audio-visual aids and materials for the effective and efficient teaching-learning process.

It is hoped that all these methods, media and materials which constitute 'Educational Technology,' would help teachers in teaching. So, educational technology has great importance for teachers.

### **2. THE NEED FOR THE STUDY**

We belong to the high-tech society of the twenty-first century. The industrial age that most of us are familiar with is gradually fading away ushering in an era of information. An increase in information technology has negated the traditional notion of content mastery. The future learners will need to acquire critical thinking, decision making, and communication skills with an emphasis on the cognitive process of inquisitiveness and problem solving rather than knowledge acquisition and recall of facts. The teacher is now no longer considered as a transmitter of knowledge; instead, he is regarded as a catalyst and facilitator of learning. The dull stereotype pattern of 'Chalk, talk and teach' no longer holds any value. It is a need to switch over to dialogue, brain-storming, and more interaction between the teacher and learner from the mere verbal exposition. But are our future teachers well equipped with the methodologies of utilizing various sophisticated technologies to its maximum extent? Are they trained enough to bear the 'Future Shock'? The teacher is conceived as a change agent who can do wonders in transforming the society into an enlightened one, but is our teacher training institutions well equipped with necessary curricular and infrastructural facilities to prepare teachers for the future? These are some questions that raise the problem of the present study.

### **3. OBJECTIVES OF THE STUDY**

The present study aimed to achieve the following specific objectives:

- To identify the availability of technical equipment in self-financed teacher training institutions.

- To identify whether the knowledge is given to the teacher trainees of using this equipment.
- To identify whether teacher trainees use this equipment in their teaching-practice.
- To identify the situations of future planning for using technical equipment by teacher trainees in their teaching.
- To identify whether the facility is provided for using this equipment to the trainees by self-financed institutions.

#### **4. DELIMITATIONS**

The present study had been delimited on the following lines:

- The study was confined to the teacher trainees who were undergoing B.Ed. Course in self-financed institutions.
- It was confined to only six self-financed institutions of M.J.P. Rohilkhand University, Bareilly, which are running B.Ed. Course.

#### **5. METHODOLOGY**

The methodology is a sound, systematic, and coherently organized treatment of the techniques of scientific research. The present study had been dealt with significantly by using the survey method.

##### **5.1. Population**

This study has a broader range and scope but keeping in view the limited time and economy. The researcher had restricted it to the affiliated self-financed institutions of teacher education at M.J.P. Rohilkhand University, Bareilly.

Teacher trainees of these institutions were the population of the present study. There were 20 self-financed teacher training institutions in M.J.P. Rohilkhand University, Bareilly. Each institution had 100 teacher trainees except one. So the total population of the present study was about 2000 teacher trainees.

##### **5.2. Sample**

In the present study, a random sampling technique had been used. First of all, eight institutions had been selected from the total twenty institutions. After the selection of the institutions, the researcher decided the sample of 25 teachers trainees from each of these chosen institutions. So, the example was about 200 teacher trainees.

##### **5.3. Tools Used**

For finding out the solution to the problem, the use of technology by teacher trainees in self-financed institutions, the researcher used a 'Check-List.' This check-list was constructed by the researcher under the supervision and guidance of his supervisor. Prof. N.N. Pandey, Dean, Faculty of Education & Allied Sciences, M.J.P. Rohilkhand University, Bareilly.

#### **6. MAJOR FINDING**

- a. The student-teachers above reported that technical equipment is available in self-financed teacher training institutions. Fifty percent of future teachers said that Radio, Tape-recorder, and Over Head Projector are available. Above forty percent reported that T.V. and slide

- projectors are available, whereas twenty-nine percent of pupil teachers said that VCR is also available. Eighty-five percent of prospective teachers said that a computer is available.
- b. A significant part, which was eighty-five percent of the teacher trainees, said that the knowledge was provided for using this equipment.
  - c. Above forty percent of teacher, trainees reported that the knowledge of Radio, T.V., and Tape-Recorder was provided them by their teachers. Only twenty-seven percent said about VCR. Sixty-two percent said that the understanding of Over Head Projector and Computer was also offered them.
  - d. Only forty-two percent of future teachers said that this equipment was used by them in teaching practice, while fifty-eight percent of prospective teachers had denied.
  - e. Twelve percent of teacher trainees used radio, T.V., and slide-projector in teaching-practice, whereas twenty-nine percent of future teachers used Tape-recorder. Only eight percent said that they used VCR. Nearly twenty percent reported that they used Over Head Projector and Computer also. Only two percent of teacher trainees used other equipment.
  - f. Only eleven percent of future teachers had no future planning to use this equipment, while eighty-nine percent of student teachers wanted to use this equipment in the future.
  - g. In self-financed teacher training institutions, thirty-eight percent of teacher trainees had done future planning for Radio and Slide-Projector. Forty-seven percent of student teachers said that they would use tape Recorder and Over Head Project in the future. At the same time, T.V. will be used by thirty-two percent. Only twenty-six percent of student teachers did future planning for VCR. Sixty percent of prospective teachers reported that they would use computers, and only six percent will use other equipment.
  - h. Sixty-eight percent of teacher trainees in self-financed institutions accepted that the facility for using this equipment is available, whereas thirty-two percent had denied in this matter.
  - i. Forty-two percent of student teachers reported that this facility had been provided them by the permission of 'Head of the Department' while twenty-six percent of future teachers said that the consent of the Principal as necessary.

## **7. EDUCATIONAL IMPLICATIONS**

The present study has the following educational implications to ascertain the problems of education:

- a. The present study may be used by the National Council of Teacher Education (NCTE) to improve the quality of education.
- b. This study may also be used by the State Government to do future planning in the field of teacher education.
- c. This study is helpful to give affiliation to the institutions by the affiliated Universities.
- d. Teacher Training Institutions may also use the present study to provide teacher trainees effective education. They can use this study to give them knowledge of technological equipment so that the teacher trainees may use this equipment in teaching practice and real teaching also.
- e. Our future teachers may be well equipped with the methodologies of utilizing various sophisticated technologies to its maximum extent by this study.

- f. Technical equipment can do nothing in itself if the teacher trainees do not use this equipment. Therefore, the present study emphasizes the use of technology by teacher trainees in teaching so that they may be trained enough to bear the 'future shock.'

#### **8. SUGGESTIONS FOR FURTHER STUDIES**

Hindrances from time, economy, and available resources made the study limited to this extent. But there is an excellent scope of elaboration on the present topic in the course of further researches:

1. Due to a lack of time and resources, this study had been conducted only at M.J.P. Rohilkhand University, Bareilly. New researchers may take various universities of Uttar Pradesh.
2. This study is related to the use of technology by teacher trainees in self-financed institutions. In the next Study, Government aided institutions/ colleges may also be included.
3. This study is based on student teachers. In the next survey, teacher educators may also be included.
4. The present study was undertaken with a small number of samples. Therefore, the sample size may be enlarged to have specific generalizations.
5. A similar study may be conducted to verify and validate the results of the present investigation.

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## Advertising Strategies and Their Influence and Impact on the Perception and Interactive behavior of Women Consumers

U.C. Sharma<sup>a</sup>, Swati Sharma<sup>b\*</sup>

<sup>a</sup>Faculty of Commerce and Business Administration, MMH College Ghaziabad, U. P., India

<sup>b</sup>Department of Commerce and Business Administration, MMH College Ghaziabad, U. P., India

Email Id: swatisharma.ipem@gmail.com

### Abstract

Advertisement has a very significant role in current era as it decides the attitudes and insights of individuals and society which outstandingly effects the customer buying behavior. In any business success when it attracts and retains the Women Consumers with profit and this goal is achieved when company builds a strong Women Consumer perception for its product or service. All the big guns have made significant attempts to ensure quality advertisement and fabrication of strong Women Consumer perception through suitable ways that positively affects the Women Consumer buying behavior because people get knowledge about product through advertisement and other promotional tools and develop perception through company's activities and his previous experience with that company and past purchase accordingly.

The purpose of this paper is to cover the gap from the previous literature with regard to the cognitive and the behavioral component of attitude of consumers. The literature was scant in examining the influence of the mostly used traits on the purchase behavior and the switching behavior of consumers. Therefore, this research paper examines the impact of different marketing strategies used by the advertisers on the components of the attitude of the consumers.

**Key Words:** Advertisement, Buying behavior, Women Consumer, Impact, Attitude.

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## **1. INTRODUCTION**

Advertising is a form of marketing communications used to promote or sell something, usually a business's product or services. Advertising is considered to be a significant and vital element for the economic growth of the marketer and different company in competition Advertising is usually a paid form of publicity by some sponsors and reach through various traditional media such as televisions, commercial radios advertisement, outdoor advertising, newspaper, magazine mail or modern media such as blogs, website and text message. Furthermore, the developments and technological advancement have turned advertising to a more pervasive and powerful in its impact and affect.

First of all, the perception of the consumers towards the traits was measured by the factor analysis approach. Second, the impacts of the character on the purchase behavior of consumers were studied using regression analysis. Then descriptive statistics approaches were used to analyze the switching behavior and the most crucial tactic used in the advertisement.

The study of Women Consumer behavior assumes that Women Consumers are actors in the marketplace. The perspective of role theory thinks that Women Consumers play various roles in the market. Starting from the information providers, from the user to the payer and the disposer, Women Consumers play these roles in the decision processes. According to Engel, Blackwell, and Mansard, Women Consumer behaviors is the action and decision processes of people who buy goods for their personal use. "According to Louden and Bitta," Women Consumer behavior is the decision process and physical activity, which individuals engage in while evaluating, acquiring, using or disposing of goods and services.

## **2. REVIEW OF LITERATURE**

Various studies have been examined the effectiveness of advertising within the past decade. The standard measures of advertising effectiveness embrace ad recall, ad recognition, full awareness, clicks or click-through rate, perspective towards the ad and therefore the whole, and buy thought. Of those standard measures, attitudes toward the ad, click an advertisement, and talent to recall ad area unit, the main focus of this study. The effectiveness of those three measures was assessed by their ability to predict purchase calls. Advertising, publicity, and packaging area unit mass communication tools obtainable to marketers. As its name suggests, mass communication uses constant message for everybody in Associate in Advertisement audience. Today, advertising is also outlined in an exceedingly different means. We tend to could describe it as a method of communication with the users of a product or service. Advertisements area unit messages procured by people who send them and area unit meant to tell or influence folks that receive them. Thus they outline it as a paid, non-personal communication through various media by business companies, a non-profit organization, and people World Health Organization area unit in how known within the advertising message and World Health Organization hope to tell or persuade members of a specific audience thinks that advertising is employed to ascertain a necessary awareness of the merchandise or service within the mind of the potential client and to create up information concerning it. The perspective toward the ad is outlined because the predisposition to reply in a very favorable or unfavorable manner to a specific advertisement and has two completely different elements: an affection element reflective the emotions induced by the ad and a psychological feature component thoughtful however well created and helpful the

message and the knowledge in it's thought-about to be. The studies conducted by Mitchell and Olson (1982) were among the first to demonstrate that the way consumers assess an ad provides an impact on brand attitude above the ability of the ad to communicate information on brand attributes. Both the attitude toward the brand and the purchase intention are influenced, according to the above authors, not only by beliefs about the brand but also, to a considerable extent, by the attitude toward the ad.

The main objective of this paper is to identify the mechanisms through which the thoughts and feelings evoked by an ad lead to a favorable attitude toward the ad and how (and under what conditions) this attitude leads, in turn, to a pleasant brand attitude. Thus, MacKenzie, Lutz, and Belch (1986) developed a model, supported by considerable empirical evidence, using which to explain the impact of advertising on consumers' attitudes. According to their model, the Consumer's exposure to a particular ad trigger affective (feelings) and cognitive (thoughts) responses. These feelings and beliefs influence the Consumer's attitude toward the ad and the cognitions that relate to the brand, which also affect attitude toward the brand. Thus, the attitude toward the ad affects attitude toward the brand both directly and indirectly through shaping brand cognitions. The reasoning is as follows: consumers with a favorable attitude toward an ad are more receptive to arguments in favor of the brand. For example, a consumer who likes the commercial for the Milka chocolate is less likely to consider the disadvantages of the brand (higher price), but rather, she will only have in mind its advantages as the ad contains humor and originality.

In the analysis that LeRoux makes concerning the influence of the attitude toward the ad on brand attitude, he proposes a model in which the attitude toward the ad can be explained using three categories of reactions: reactions triggered by the execution of an ad, emotional responses and cognitive reactions triggered by arguments presented in the ad. Concomitantly, LeRoux elaborated a matrix with results triggered by advertisements, by identifying for each type of response a series of specific perceptual factors: positive cognitive reactions (relevance, credibility, realism, creativity, imagination, familiarity), adverse cognitive reactions (confusion, hate), positive affective responses (entertainment, humor, vitality, activity, liking, empathy, sensuousness), negative emotional responses (irritation, sluggishness) (Dobre, 2005, p.172).

Concerning the period during which the effect of the favorable attitude is manifested, some studies claim that this effect persists over time while other studies show that it is short-lived. Thus, it has been suggested that in the case of a likable ad, which draws so much attention to itself that brand attributes in the ad are not processed by the Consumer, after a time lag, the ad liking decays. The Consumer has weaker attitudes to the brand than if the announcement had not taken away attention from brand attributes (Chattopadhyay, Nedungadi, 1992).

The effect of ad liking on brand attitude varies according to the nature of the promoted product. According to several studies by Brown and Stayman (1992), the effects are more significant for novel and unfamiliar brands than for well-known ones. At the same time, the impact of ad liking on brand liking is also significantly reduced after the Consumer has tried the brand (Smith, 1993). On the other hand, brand cognitions, shaped as a result of exposure to the ad, play a deciding role in determining the brand attitude in the case of natural products. The Consumer's level of

involvement in the purchasing decision is another factor that bears on the influence exerted by the ad attitude on the brand attitude.

According to the elaboration likelihood model, the effect of peripheral cues on brand attitude is much higher under low-involvement conditions. Consequently, one can infer that the impact of view to the ad on brand attitudes is more significant under low-involvement conditions since the feelings that play a vital role in shaping attitudes to the announcement are considered to be peripheral cues (Homer, 1990). The results of the studies conducted on this subject are different, which means that the attitude to the ad often contributes to brand positions under both high and low involvement on the part of the Consumer. It is explained through the fact that the different components of view to the ad (evaluation of the ability to entertain and inform the Consumer) require both central and peripheral processing of the message (MacKenzie, Lutz, 1989). Thus, while under low-involvement conditions the feelings evoked by the ad are a significant contributor to ad liking, under high involvement conditions both senses and the ad's usefulness jointly contribute to ad liking (Miniard, Bhatla, Rose, 1990).

To better understand how the ad attitude affects brand attitude, it is essential to see what kind of attitude consumers develop toward the ad itself. If the feelings that the ad create are positive and if the way the announcement is made and the information in it is evaluated favorably, then the ad should elicit a favorable attitude toward itself (Greene, 1992). An ad can be liked either because it is entertaining or because it is considered useful, or both. According to Greene's model, the attitude to the ad is influenced by the following factors: attitude toward advertisements in general, attitude toward the source of the message (advertiser), the mood of the viewer and the feelings evoked by the announcement, the evaluation of the execution characteristics of the ad (the format of the message), the viewer's perceptions of the credibility and believability of the ad. On the other hand, Solomon lists the following determining factors which affect the ad attitude: attitude toward advertiser, evaluation of the ad's execution characteristics (the message format), the Consumer's mood and the feelings evoked by the announcement, the ability of the ad to trigger reactions on the part of the Consumer (Solomon, 2003, p. 230).

The character of the execution delineates one of the critical factors shaping the angle of the ad. Different artistic ways might cause an equivalent overall level of perspective on the part of the customers. During this context, the identification of aesthetic characteristics that create a poster to be likable becomes essential. The analysis of advertising's impact on consumers' attitude toward different product and service categories (household products, private use products, long term use products, luxury products, banking, and financial services, tourism and entertainment services) reveal insignificant differences among statistical averages (more results are available on request). According to the answers given, over 40% of interviewees stated that they seldom or very seldom take ads into account when they adopt an attitude toward different product and service categories.

### **3. RESEARCH METHODOLOGY**

Secondary sources of data have been used.

### **4. RESEARCH LIMITATIONS/IMPLICATION**

This research paper has some limitations. The research area is restricted to the urban population of three districts of Punjab only, e.g., Amritsar, Jalandhar, and Ludhiana; because of this, the

results cannot be generalized for other areas. Due to the changing behavior and the attitude, income level, and media, the responses of the Consumer in the present studies may not be relevant in future periods. The study was confined for working women consumers only and did not represent the whole full population.

## **5. NATURE OF WOMEN CONSUMER BEHAVIOR**

### **1. Influenced by various factors:**

**The multiple factors that influence Women Consumer behavior are as follow:**

- A. Marketing factors such as product designs, prices, promotion, packaging, positioning, and distributions.
  - B. Personal factors, viz., as age, gender, education, and income levels.
  - C. Psychological factors such as buying motive, perception of the products, and attitude toward the products.
  - D. Situational factors, e.g., physical surroundings at the time of purchases, social surroundings, and time factors.
  - E. Social factors, for example, social status, reference groups, and families.
  - F. Cultural factors, like faith, social class—caste, and sub-castes.
- 2. Undergoes a constant change:** Women shopper behavior is volatile. It keeps on ever-changing over an amount of your time reckoning on the character of the product. For example, children like colorful and fancy footwear; however, as they grow old as teenagers and young adults, they like fashionable footwear. As mature and senior voters, they want a lot of sober footwear. The amendment in shopping for behavior could turn up because of many different factors like an increase in financial gain level, education level, and selling elements.
- 3. Varies from Women Consumer to Women Consumer:** All Women Consumers do not behave in the same manner. Different Women Consumers behave differently. The differences in Women's Consumer behavior are due to individual factors such as the nature of the Women's Consumers, lifestyle, and culture. For example, some Women Consumers are technophilic. They go on searching and pay on the far side. Their means that. They borrow cash from friends, relatives, banks, and from time to time, even adopt unethical ways to pay on searching for advanced technologies. However, there are different girls shoppers World Health Organization, despite having surplus cash, don't go even for the regular purchase and avoid use and get of advance technology.
- 4. Vary from region to region and counties to county:** There is a considerable variation in Women Consumer behavior vary across states, parts, and countries. For example, the action of the urban Women Consumers is different from that of the rural Women Consumers. A good number of rural Women Consumers are conservative in their buying behaviors. The rich rural Women Consumers may not be liberal to spend money on extravagances despite having sufficient funds. In contrast, the urban Women Consumers are more inclined to lead a beautiful life and may even take a bank loan to buy luxury items such as cars and household appliances. The variation in Women Consumer behavior across the states, regions, and countries is the impression of their upbringing, lifestyles, and level of development.

5. **Information on Women Consumer behavior is relevant to the marketers:** Marketers need to have a good knowledge of the Women Consumers' behavior. They need to study the various factor that influences the Women Consumers behavior of their target customer.

**The knowledge of Women Consumer behavior enables them to take appropriate marketing decisions concerning the following factors:**

- a. Product design/model
  - b. Pricing of the product
  - c. Promotion of the product
  - d. Packaging
  - e. Positioning
  - f. Place of distribution
6. **Leads to purchase decision:** A positive Women Consumer behavior leads to a purchase decision. A Women Consumer might take the choice shopping for a product on the idea of various buying motives. The acquisition call results in higher demand, and also the sales of the marketer's increase. Therefore, marketers ought to influence Women's Consumer behavior to increase their purchases.
7. **Varies from products to products:** There is a variation in women's Consumer behavior for different products. Some Women Consumers may be quantitative while buying individual items or no amount of different things. As an example, teenagers could pay slowly on merchandise like cell phones and branded wears for unpleasant personal attractiveness; however, they might not pay on general and educational reading. A middle-aged person could spend less on wear; however, they could invest cash in savings, insurance schemes, pension schemes, and so on.
8. **Improves standard of living:** The shopping for behavior of the ladies customers could cause higher normal of living. A lot of an individual buys the products and services; the upper is that the normal of life. However, if an individual spends less on merchandise and services, despite having a decent financial gain, they deprive themselves of the upper standard of living.
9. **Reflects status:** The Women Consumer behavior is not only influenced by the state of a Women Consumer, but it also indicates it. The Women Consumer Behavior: Meaning and Nature - theintactone.com. <https://theintactone.com/2019/10/27/pom-u2-topic-1-consumer-behavior-meaning-and-nature/> (PDF) impact of social media on the buying behavior of the Consumer.  
Source:[https://www.researchgate.net/publication/330618244\\_impact\\_of\\_social\\_media\\_on\\_buying\\_behaviour\\_of\\_consumer](https://www.researchgate.net/publication/330618244_impact_of_social_media_on_buying_behaviour_of_consumer)  
Consumers who own luxury cars, watches, and other items are considered belonging to a higher status. The luxury items also give a sense of pride to the owners. (PDF) impact of social media on the buying behavior of consumers.  
Source:[https://www.researchgate.net/publication/330618244\\_impact\\_of\\_social\\_media\\_on\\_buying\\_behaviour\\_of\\_consumer](https://www.researchgate.net/publication/330618244_impact_of_social_media_on_buying_behaviour_of_consumer)

## 6. EFFECT OF ADVERTISEMENT ON WOMEN CONSUMER BUYING BEHAVIOR

**Increased awareness:** -Advertising and promotion offer a news function to Women Consumers. The Viewers of ads learn about new products and services available to them, much as they learn

about events in the original. (Source: <https://www.slideshare.net/25Mksp/advertising-and-brand-management>) These information functions have a neutral role. However, it provides facts without approval or disapproval from Women Consumers. Customer behaviors at this stage encompass expressions of curiosity.

**Analysis of Features:** - Women shoppers tend to possess a balanced response to advertising after they inspect the options of a product or service. These responses focus on a logical listing of all the useful aspects of the provision. This is often a rational response instead of an emotional one.

**Evaluation of Benefits:** -When customers weigh benefits, they become emotionally involved with advertising and promotion. The way Women Consumers identify the product or service can make them happier, improve their lives, or give them pleasure. This part of the Women's Consumer response is illogical and can lead to impulse buying and competition to obtain the product.

**Reminders:** -Repeated advertising messages affect Women's Consumer behavior. This repetition serves as reminders to the Women Consumers. General behavior that stems from reminders includes suddenly thinking of products while shopping and making decisions to be bought as if it had been on the Women Consumer's "to-do" list.

**Promotion of Loyalty or Alienation:** -Women Consumer behavior splits between loyalty and alienation depending on how well the product lives up to its advertising benefit. Corporate action – such as scandal or charity works – can also affect alienation and loyalty responses. Once the Women Consumer makes this choice, advertising and promotion are not likely to undo that decision.

- Advertising creates demand.
- It promotes the marketing system.
- It makes customers aware of the prices and attributes of the product leading to higher sales.
- It brings awareness to the masses.
- Marketing researchers and advertising research can assess women's Consumer demand.

**Social dimensions of advertising:** It informs the society of assorted merchandise offered, their technology, uses, and the way the community will enjoy innovations, like credit cards, debit cards, golden cards, world cards, mobile phones, travel offers, etc. Advertising conjointly educates the individuals and, therefore, society against the hazards of life. Cancer, Smoking is injurious to health, risky driving, higher late than never. Similarly, we've driven against pollution, against population explosion, etc. Advertising shouldn't deceive society. It shouldn't manipulate the ladies' customers against their can. They will get exploited by desirability Psychological facets: One aspect of psychological advertising is that drinking of Alcohol, Beer, Wine shouldn't be targeted on the kids or those below the age of twenty-one. Girls in society are essential concerning obscene ads and promoting sexual disposition within the advertising, i.e., fashion designer. There's heaps of criticism on advertising against sexual appeals and status. They abase girls as being sex objects. Such ads may be for cosmetics, intimate apparel, and different merchandise employed by girls. Once a girl's client tries to shop for a product. He features a ton of decisions before him. He gets target-hunting by the family, my friends, by advertisements, by the employee, and therefore, the girl's client gets confused and infrequently feels that he has

created a wrong alternative. He undergoes each pre and post-purchase dissonance, and consequently, the vender attempt to take away his anxiety by reinforcing his option.

**Communication task:** - Advertising interconnects and captures the attention of the buyer. It communicates through stories, through episodes, through tables and charts. The communication must be interpreted in the same manner that it is intended. It also brings attitudinal changes and changes the faiths and beliefs of the Women Consumer.

## 7. CONCLUSION

The study reveals that advertising on the behavior of Women Consumer plays a significant role in selling products. Women Consumer behavior and advertising are active fields, in terms of practice and scientific training. For example, the television commercials that appear in the year 2019 have little in common with those from the 1970s. Advertising research styles have involved and advanced, partly through the influence of improved technology and access to advanced theories and methods. Consumers who state they are often affected by ads when forming opinions about household current use products view advertising as an information source on products and services and, to a certain extent, a source of entertainment, with a favorable attitude toward demonstration, testimonial, or life scene ads. The preferred endorsers in the ads are experts, TV stars, and regular consumers.

The results shows that frequent exposure, evaluation of products, and sexual appeals have a significant impression on the mind of consumers, which governs the impact of advertising tactics. Further, the results assessed that information, pricing element, the image of the company, and sexual appeal are the other vital trait influencing the cognitive attitudes of consumers. The consumers switch to advertising products, which indicates the behavioral change with the impact of advertisement.

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## Board Structure and Agency Cost

Shubhi Agarwal<sup>a\*</sup> and Archana Singh<sup>b</sup>

<sup>a</sup>Department of Economics, Meerut College, Meerut, C.C.S. University, U.P. Pin code: 250002,  
Email Id: shubhiagarwal1001@gmail.com

<sup>b</sup>Department of Economics, Meerut College, Meerut, C.C.S. University U.P. Pin code: 250002,  
Email Id: drarchnasingh@yahoo.com

### Abstract

*This research paper focuses to examine the role of board structure and corporate governance in eliminating agency cost in a sample of 30 firms selected from National Stock Exchange and Bombay Stock Exchange during the time period of 2007-19. This study uses return on assets to measure agency cost. This study applies multiple fixed effect of regression to analyze the data. The result findings also conclude that there is a positive impact of small board size, firm size, growth, independent directors and frequent board meetings on return on assets and helps in reducing agency cost but non-independent director does not make any impact and women director makes a negative impact on agency cost. (113WORDS).*

**Key Words:** Agency cost, board size, corporate governance, directors and firm structure.

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## **1. INTRODUCTION**

Corporate governance has attracted attention to the forefront of research because of the globalization of business practices and financial crises. The extraordinary interest in mechanisms of corporate governance and standards started because of failures in corporate firms around the global world. The United States Senate Permanent Investigation Sub-committee provided main findings of the leading role and liability of the Enron board of directors in the collapse of Enron and other cases. The leading cause liable for the failure of Enron includes excessive remuneration to company executives, lack of board independence, and indecorous conflict in the interests. Due to the collapse of Enron and other firms, this time duration has been called a historical period of corporate greed, extraordinary fraud, universal gatekeeper failure, and misgovernance of organization. The importance of corporate governance on the world economy has been recognized and acknowledged by the world with the starting of corporate scandals. In the corporate world, stakeholders have now followed all regulations of corporate governance when it is revealed managers performed fraudulent actions and self-interested behavior at the cost of principals, caused by the separation of ownership from management. Now, developing countries such as India have come to consider the importance of sound corporate governance. Domestic and international investors are unwilling to invest in companies that don't follow excellent corporate governance principles. The enhanced attention towards corporate governance has been influenced by the collapse of great corporations like WorldCom and Enron. To strengthen corporate governance practices, disclosure levels and transparency have made essential by countries. Lack of transparency, weak corporate governance practices, and corruption led to the collapse of financial institutions. Shareholders' confidence got reduced totally in both Public and Private corporations in the country because of weak governance practices. There should be an efficient system of corporate governance, which is considered as an essential component in running of day to day functioning of the company for the best interest of the shareholders. It helps to control the performance of the board members incorporated firm. The board of director has an important part to perform in the corporate governance system as their primary duty and responsibility is to supervise the management that ensures proper accountability to shareholders and other stakeholders. Since the board of directors is liable with the responsibility of monitoring the best interest of shareholders, they ought to have a higher interest in the appointment of directors to ensure that qualified, experienced, and educated directors are appointed. Individual firms have specified the profile requirements expected of their directors. Now the question arises whether characteristics of the board will influence the performance of the firm. Many researchers have depicted that corporate governance can be estimated through the size of the board, board women, CEO duality, education of board, working experience, outside directors, compensation, and block holders[1]. This research study will try to provide more to the existing literature by focusing on empirical evidence to the link between board structure and agency cost in India.

Corporate boards are the primary internal mechanism of corporate governance. It plays a significant role in monitoring the management and aligning the interests of principals with agents. Boards are accountable for control and ensure that financial controls are robust. Boards also point out the problems if anyone can implement a whistleblower function in a corporate firm. Boards may provide to the management practical guidelines and may even act to revise and endorse management proposals. Following the collapse of the Maxwell Publishing Group, BCCI, and Poly Peck in the UK, the ability of the corporate board has attracted the attention for monitoring of management. The boards are unable to monitor management due to insufficient

tracking because of the consolidation of power by the administration. It has attracted the attention of reforms regarding the boardroom. Several global corporate governance codes of best practices such as the Cadbury Committee Report, 1992; the Higgs Report, 2003 and the Smith Report of the same year in the United Kingdom; the 2000 NACD Blue Ribbon Commission Report and the 2002 Sarbanes-Oxley Act in the United States; the Toronto Stock Exchange Corporate Governance Guidelines of 1994 in Canada; and Australia's 1995 Bosch Report, the Australian Stock Exchange's (ASX) Principles of Good Corporate Governance and Best Practice Recommendations and CLERP advocated for boardroom reform in favor of independent board members[2]. The board of directors represents the internal mechanisms of governance, whose main objective to ensure that the interests of principals and agents are closely aligned and to remove or provide discipline to ineffective management. The most empirical literature depicts that the board plays a crucial role in conditions where agency costs between principals and agents may be intense. Still, there seems less evidence that overall performance is influenced by board composition. In recent times, several ways of increasing corporate governance are debated on the international platform. These ways of raising corporate governance have become the subject of discussion to academicians and the common public at large. It mainly focuses on the board characteristics, i.e., size of the board, diversity inboard, independence of the board, remuneration committee, and audit committee and ownership pattern of corporate firms.

## **2. LITERATURE REVIEW**

This section will provide a review of the literature on agency cost and board structure. The corporate governance mechanisms stress on the wealth maximization by mitigating agency problems existing in the corporate firms between principals and agents arising because there is a separation of ownership from management. There are mainly three approaches to board size. The first approach is concerned with the Agency Theory approach, which depicts a giant board is reasonable as compared to small board size as it is easy to monitor the management activities since more members will be able to review the actions of the management. The second approach is focusing on the Resource Dependency Theory, which shows a giant board that brings more chances for more connections to other organizations and, thus, access to external resources such as legitimacy, advice, and counsel. Despite this, there are certain severe limitations for having larger boards in corporate firms. Larger boards are less feasible and practical. Other significant limitations of having more members in the boards involve slow decision making, lack of communication and coordination, conflict of views, and lack of harmony among them that affect the efficacy and effectiveness of the board. The third approach is concerned with Stewardship Theory that favors the small size of boards. Small board size brings efficiency in making decisions at the appropriate time at the reasonable return of the projects. Small size boards usually have lesser conflict in opinions and ideas in making decisions of corporate organization. The small size of commissions is more efficient and effective. There is a definite link between the small size of the board and firm performance. The highest market value is attained easily with a small quantity of the board. Stock returns make a negative impact when the boards are more significant and positive effects when the boards reduce their size[3]. On an average basis, the board size of the corporate firm declined. Large active investors of corporate firms create a partial reason for the decline of board size. The market seemed more confident and worked efficiently if small boards are performing the monitoring work in an organization [4]. Theories of corporate governance were contrasting when applied for Australian's experience. There were three simple correlations

between board demographics and firm performance, i.e., the proportion of outside directors, CEO duality, and several interlocks. There is a significant impact of board composition on corporate performance [5]. There is a positive and meaningful relationship between management ownership and assets turnover ratio but does not exist any significant relationship between ownership concentration, board composition, and agency cost, as shown by taking Australian companies' sample [6].

The theoretical basis of board meetings frequency estimates the intensity of activities that board members perform and their monitoring quality and efficacy. Higher rates in board meetings can lead to qualitative monitoring and helps in improving firm performance, *ceteris paribus*. Frequent board meetings make board members better informed about the critical problems and aspects of the corporate firm so that they can make prompt decisions. Regularity in board meetings can become a hallmark for the efficient and robust director. On the other hand, there are opposite views on the frequency of board meetings. It is contended that these are not necessarily served in the best interests of principals. Time spent on regular meetings will not be used for healthy and meaningful discussions and opinions among themselves. Various formalities of meetings will absorb the precious time of debate and reduces the monitoring time by outside directors. These meetings are costly in terms of directors meeting fees, traveling expenses, and refreshment expenses that can directly make an inverse impact on corporate performance and thereby increases agency cost. There is a positive relationship between board meeting frequency and firm performance. Regular meetings of board members increase the capacity of the board for consultation, supervision, and management. Regular meetings of committees positively contribute to the sound financial performance of firms [7]. There is a negative relationship between the size of the corporate board and firm value, but there is a positive relationship between promoter ownership and firm value. If promoter ownership exceeds 40 percent, it can have a positive impact on firm value, and it will contribute towards interest alignment with that of the principal of the company [8]. There is a negative relation between board size and earning management but a positive relationship between CEO duality and drawing management. Large boards are more effective in monitoring a CEO's action, and the role of CEO and the Chairperson of the committee should be combined as to enhance the management's earning because CEO can reduce the effectiveness of the board and can create conflict between management and board that will reduce the earnings of management. There is a definite link between board activity and earnings of management, and it is reflected that the board meeting contributes positively towards increasing the profits of control [9].

### **3. DATA AND METHOD**

This section reflects the research methodology, the research design, and sample design. This section also furnishes the study model, how it is estimated, and how it can be used to project the relationship between agency costs (return on assets) and board structure.

**3.1. Research Design:** This research study has an experimental research design.

**Sample Design:** Random sampling is used for the selective nature of corporate firms in this study, i.e., Information Technology companies. The lottery system method is used for the selection of Information Technology companies.

**3.2. Target Population:** The target population is all the listed companies in NSE and BSE. There are 30 companies.

**3.3. Study Period:** 2007-2019.

**3.4. Data Collection Method:** This research uses secondary data obtained from annual reports through websites of corporate firms. Panel data is used in this research work.

**Diagnostic Test:** Correlation and regression model is used. Multiple variates of fixed-effect regression are used. STATA software is used for analyzing the results. In this study, the dependent variable is agency cost, and independent variables are the size of the board, several independent directors, non-independent directors, and women director about total board members, firm size, firm growth, and board meeting frequency.

**3.5. Dependent Variable-** Agency cost is the dependent variable. I use return on assets for measuring agency costs in this study because it is a sound firm economic performance indicator. It is an excellent accounting performance measure. Return on Assets is defined as the ratio of Earnings before Interest and Taxes (EBIT) and the book value of total assets. A higher return on assets ratio tells that companies are efficient in using their assets, whereas a low return on asset ratio tells poor asset management. Return on asset ratio is the best indicator to depict the relationship between principals and agents as they have conflict in their interests, and it measures how efficiently agents are using the assets of the company to increase shareholder's value. It is defined as

**Return on Asset Ratio = EBIT/ book value of total assets.**

**3.6 Independent Variables-** The variables are the chief estimator of agency cost that can quickly reflect board structure and corporate governance mechanisms with the following: Board Size: It is the natural logarithm of total number board members; Independent Directors: An independent director can be called as a non-executive director of a company. Independent directors help increase the corporate credibility and governance standards; Non- Independent Directors: A non-independent directors are the ones who are not an independent director; Women Directors; Firm size: is measured by the natural logarithm of total closing assets; Firm Growth: is regulated by the percentage of annual change in sales and board meeting frequency: total number of board meetings held during the period.

#### 4. HYPOTHESIS

**H1:** Increase in firm size reduces agency cost.

**H2:** Agency costs will be reduced with an increase in firm growth. **H3:** Small board size reduces agency costs.

**H4:** An inverse relationship exists between the proportion of independent directors and agency costs.

**H5:** Higher non-independent directors on the board reduces agency costs.

**H6:** Higher women director in the board cuts agency cost.

**H7:** Increase in the frequency of board meetings reduces agency costs.

#### 5. MODEL

To examine the link between agency cost and all independent variables, a multivariate fixed effect regression model is applied. The model can be explained here:

**Agency cost (ROA) =  $\alpha$  +  $\beta_1$  (NLTA ROA) +  $\beta_2$  (GROWTH ROA) +  $\beta_3$  (NLBM ROA) +  $\beta_4$  (ID/TBM ROA) +  $\beta_5$  (NID/TBM ROA) +  $\beta_6$  (WD/TBM ROA) +  $\beta_7$  (BMF ROA) + e ROA,**

**where** agency cost ROA = the **dependent variable** of the study, ROA represents return on asset ratio for firm *i* at period *t*,  $\alpha$  = the intercept, **Independent variables** include NLTA depicts natural log of total closing assets that tells firm size, GROWTH depicts firm growth, NLBM represents natural log of board members, ID/TBM depicts number of independent directors / total board

members, **NID/TBM** depicts the number of non- independent directors / total board members, **WD/TBM** depicts the number of women director/ total board members and **BMF** represents board meeting frequency

## 6. ANALYSIS AND RESULTS

**Descriptive Statistics (Table- 1)**

	Mean	Median	Standard Deviation	Minimum	Maximum
<b>NID/TBM</b>	0.642	0.625	0.2761	0.090	2
<b>WD/TBM</b>	00.077	0.0769	0.086	0	0.333
<b>Growth</b>	14.313	9.677	25.922	-40.226	182.89
<b>NLTA</b>	07.212	7.010	01.738	03.901	11.573
<b>NLBM</b>	02.208	2.197	00.261	01.609	2.708
<b>ID/TBM</b>	0.5597	0.545	0.126	00.25	1
<b>BMF</b>	06.308	6	01.746	4	12
<b>ROA</b>	0.1535	0.132	00.173	-0.789	1.339

**Correlation Matrix (Table 2)**

	NID/TBM	WD/TBM	Growth	NLTA	NLBM	ID/TBM	BMF	ROA
<b>NID/TBM</b>	<b>1</b>							
<b>WD/TBM</b>	0.042	<b>1</b>						
<b>Growth</b>	0.015	-0.087	<b>1</b>					
<b>NLTA</b>	-0.165	0.175	0.027	<b>1</b>				
<b>NLBM</b>	-0.374	-0.038	0.046	0.439	<b>1</b>			
<b>ID/TBM</b>	0.226	0.318	0.088	0.104	-0.176	<b>1</b>		
<b>BMF</b>	0.031	0.143	-0.025	0.0242	-0.108	0.190	<b>1</b>	
<b>ROA</b>	-0.000	-0.110	0.123	0.128	0.120	0.117	-0.02	<b>1</b>

**Table 3**

Multiple R	R Square	Adjusted R Square	Standard Error
0.6905	0.4768	0.4650	0.1692

**Table 1** above provides detailed statistical results on the dependent and independent variables that were used in the empirical analysis of this study. The research findings show that the mean value of the ratio of **non- independent directors** to total board members is 0.6429 with a maximum of 2 and a minimum of 0.0909, standard deviation, and median 0.27611 and 0.625, respectively. The table also shows that the mean value of the ratio of **women directors** in the total board members is 0.0770 with a minimum of 0 and a maximum of 0.3333, standard deviation, and median 0.0860 and 0.0769, respectively. The findings depict that on average **firm growth** (measured by taking a percentage of annual changes in sales) in the Indian IT companies is 14.31 with a maximum of 182.89 and a minimum of -40.22, standard deviation, and median are 25.92 and 9.67 respectively. The mean value of **firm size** (measured by taking the natural log of total assets) is 7.21, with a minimum of 3.90 and a maximum of 11.57, its median is 7.01, and the standard deviation is 1.73. The findings indicate that, on average, **board size** (measured by taking the natural log of board members) in the Indian IT companies is 2.20 with a maximum of 2.70 and a minimum of 1.60, standard deviation, and median are 0.2619 and 2.19, respectively. The mean value of the number of **independent directors** to total board members is 0.5597 with a minimum of 0.25 and a maximum of 1, its median is 0.5454, and the standard deviation is 0.1268. The mean

value of **frequency of board meetings** is 6.308, with a minimum of 4 and a maximum of 12, its median is six, and the standard deviation is 1.746. The **agency cost** is measured by return on assets having average value, median, standard deviation 0.1535, 0.1324, 0.1738, respectively, with a minimum of -0.7890 and a maximum of 1.3394.

As per the **table 2**, there is a slight degree of positive correlation relationship between dependent variable which is measured by return on assets that depicts agency cost and independent variables which are regulated by firm growth, firm size (NLTA), size of board and number of independent directors, non-independent directors and women directors to a total number of board members and board meetings frequency. It is depicted in the table mentioned above that there exists a negligible relationship between agency cost and all independent variables.

The results of multivariate regression analysis are presented in **table 3**, with return on assets as the dependent variable and firm growth, firm size, board size, frequency of board meetings, and several independent directors, non-independent directors, women directors to total numbers of board members as independent variables. This model depicts that there is a moderate degree of a positive correlation between return on assets (dependent variable) and all independent variables as multiple R is 0.6905. The model as a whole is significant in explaining variation in the dependent variable. R-square is 0.4768, which means that the independent variables explain 47 % variation in the dependent variable, i.e., return on assets. It depicts that growth of the firm, size of the firm, size of board and number of independent directors, number of non-independent directors, women director, and frequency of board meetings explain the 47% variation in return on assets. As per the results depicted, there is a positive correlation among them. Increase in all independent variable except non-independent and women director impact positively to the reduction in agency cost measured by return on assets up to 47 percent.

## 7. SPECIFIC VARIABLE DISCUSSION

- a. **Board Size:** The coefficient of board size is -1.6584. It shows that the board size and return on assets are negatively linked. The results show that  $t = -2.3088$  and  $p=0.04$  are statistically significant. Hence the research concludes that board size has a negative and significant impact on return on assets. It depicts that if there is a decline in return on assets, then agency costs will be increased. The hypothesis is accepted. The result findings are consistent with the Stewardship Theory but discards Agency and Resource Dependency Theory. It gives stresses on smaller board size that brings lesser clashes between principal and agents and helps in making prompt decisions in the organization as several opinions and ideas providing members are lower on the board. If the size of the board is big, individual directors will be less concerned with the monitoring of management. Large board size also adds to cost to the corporation in terms of fees and remunerations. If these costs are not matched with profit-generating ideas, plans, efficient monitoring of management, and fraud prevention, the financial performance of corporate firms will decline as the board size increases.
- b. **Firm Size:** The coefficient of firm size is 1.7892. The result tells the link between firm size and returns on assets is direct with  $t=2.3545$  and  $p=0.02$  that are statistically significant. This research concludes that there exists a positive relationship between firm size and return on assets, and it will contribute positively to reduce agency cost. If the size of the firm is large, it starts generating economies of scale. It improves efficiency in the achievement of organizational goals. It will lead to the division of labor and specialization in IT companies. It

helps in capturing the market share, and the large size of firms also develops brand image and creditability.

- c. **Firm Growth:** The coefficient of firm growth is 2.4562. It depicts that there is a positive relationship between firm growth and returns on assets. The results describe that  $t= 3.258$  and  $p=0.005$  indicate that the link between firm growth and return on assets is statistically significant. This study concludes that firm growth is helpful in mitigating agency costs.
- d. **Independent Directors:** The coefficient of the ratio of independent directors to the board (0.500040) shows that there is a direct relationship between the number of independent directors to board and return on assets. It implies that there is a positive relationship between independent directors and returns on assets, or we can say independent directors play a crucial role in eliminating agency costs and improving the financial performance of corporate firms. The results tell that  $t=0.8843$  and  $p=0.0065$  are statistically significant. This result finding supports the Agency Model that focuses on monitoring function by agents. Agency Model stresses that more independent director on the board will be included to increase monitoring of management and makes them accountable to act in the best interest of the principal. Hence, it can contribute to improvements in the financial performance of the corporate firm. Those boards having a large number of independent directors are considered to be more dynamic, diverse about skills, expertise, nationality, experience, and contribute positively towards the attainment of organizational goals more efficiently and effectively of the company and hence improves performance. The independent directors also serve as a 'watchdog' and monitor every function and minutely measure every decision and take actions at the appropriate time that adds to the financial performance of IT companies in India
- e. **Non- Independent Directors:** The coefficient of the proportion of independent directors to total board members is -0.0137. The result tells that  $p= 0.67$ , which means the hypothesis is rejected. This study concludes that a portion of non-independent directors on the board does not make a positive impact on reducing agency costs. Decisions of non-independent directors are influenced by the principals or owners of corporate firms. They can't freely monitor and can take investment projects related decisions promptly and on due time as they are non-independent directors of the company.
- f. **Women Director:** The coefficient of the proportion of women director to total board members is -0.3342. The study tells that  $t= -2.93$   $p=0.003$  means that the hypothesis is accepted. This study concludes that the proportion of women directors on the board makes a negative impact on return on assets. It also implies that women directors on the board do not reduce agency costs. There is a negative relationship between financial performance and gender diversity. The reason behind the negative correlation between them could be furnished in the performance measurement argument and the limited number of women directors on the board of a corporate firm. The appointment of women director in the commission of corporate firms is a formality to create an image of women empowerment and tries to furnish the copy of gender sensitivity in the company. The appointment of women is merely for window dressing in the company to maintain and lead a good reputation in the global environment[10].
- g. **Board Meeting Frequency:** The coefficient of the proportion of the frequency of board meetings is 0.1500. The study tells that  $p=0.0003$  means that the hypothesis is accepted. This study concludes that the increase in the rate of board meetings make a positive impact on increasing return on assets and thereby helps in reducing agency cost. This result supports

the proponents who state that frequent board meetings make them better informed about the critical problems and aspects of corporate firms so that they can make prompt decisions. Regularity in board meetings can become a hallmark for the efficient and robust director.

## **8. CONCLUSION**

This research study focuses on investigating the relationship between board structure and agency cost. The result findings depict that IT companies are moving towards effective governance mechanisms for reducing agency costs. This study gave recommendations about the proper size of the board to enhance board effectiveness. The result shows that there is a negative relationship between the size of the board and the return on assets. Smaller size boards perform better when compared with large size boards. The small size of the board will make better strategic decisions as it can make prompt decisions without any delay, reduction in the difference of ideas, strategies, and interest among them[11]. The research study also stresses the appointment of more independent directors into board members so that independence of the board can be increased easily. The result findings also depict that more independent directors will contribute positively to enhance the return on assets. This study also furnishes that more independent directors on the board will monitor the management more efficiently. The results conclude that women director makes a negative impact on reducing agency cost. Still, firm size and firm growth help in reducing agency costs of IT corporate firms, but non-independent directors don't make any impact on agency costs. The result also furnishes that the frequency of board meetings has a positive influence on firm performance and helps in mitigating agency costs.

## **9. LIMITATIONS OF THE STUDY**

The availability of literature in India on corporate governance, board structure, and agency cost is limited. Those which are available have certain shortcomings in terms of the size of samples used and the number of corporate governance mechanisms used. As data is collected through annual reports, it may not be an accurate representation of the company's state of affairs and performance. It is a matter of common understanding that accounting profits are subject to manipulation. This research study includes the study period from 2007-2019, so it takes into account some global recessionary impact on the overall variables which are taken into consideration. I, therefore, recommend that more intensive study can be conducted for further research purposes.

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## Modern Empowerment in the Workplace

**Kanika Maheshwari\***

Department of Commerce, CCS University, Meerut, U.P., India  
Email Id: kanika.mh31@gmail.com

### Abstract

*Empowering your employees is a great way to improve employee engagement and retain your top talent. Employers and employees both have unrealistic perceptions about what empowerment is and how it's supposed to work in real-time. Empowerment is the process of enabling or authorizing an individual to think, behave, take action, and control work and decision-making about their job in autonomous, independent, self-directed ways. It is the state of feeling self-empowered to take control of your destiny.*

**Key Words:** *bestowing, embrace, foster, empowerment, work in real-time, unrealistic perceptions*

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## 1. INTRODUCTION

Empowerment is predicated on the thought that providing staff with the resources, authority, chance, and motivation to try and do their work, likewise as holding them in control of their actions, can create staff happier and more adept. In different words, permitting staff to require leadership of their roles ends up in high impact and long positive effects for the corporate and its people. Empowerment is often understood as knowledge-sharing, improvement of intellectual talents, and autonomy in decision-making—however, some researchers counsel to understand it as a stimulating issue instead of mere delegation. Employees' authorization is seen as a psychological feature observe to boost potency by facilitating opportunities for collaborating and interesting in decision-making. It's associated primarily with the event of trust, motivation, participation in decision-making, and bridging gaps between staff and high management. Empowerment is feeling control | on top of things | up to speed | up to the mark | au fait } of your work atmosphere which you've got permission to form selections within the square measures you control and are chargeable for in your job. When wondering authorization in human relations terms, try and avoid thinking of it as one thing that one individual will for an additional. This attitude is one of the issues organizations have with the authorization construct. Individuals believe that somebody, typically the manager, must bestow authorization on the folks that report back to them.

Consequently, the reportage employees members await the giving of approval, and therefore the manager asks why individuals will not act in authorized ways that. This bestowing and waiting has light-emitting diode to general unhappiness, largely unmerited, with the construct of authorization in several organizations. Do not let that happen in your organization. Your best success can result from authorized staff taking action— not expecting permission.

Importance of authorization within the Workplace:

- Go the additional mile to succeed in the company's goals
- Follow best practices for up collaboration within the geographical point
- Improve their performance
- Drive effective communication within the geographic point
- Embrace changes like digital transformation or mergers and acquisitions
- Spread a positive perspective throughout the geographical point
- Provide higher client service
- Drive innovation
- Advocate for the whole Levels of authorization within the Workplace:

**Structure Level** - a company that cultivates worker authorization, will better:

- Embrace amendment like digital transformation
- Recognize employees' contribution to the business
- Reward accountable possession within the geographical point
- Support collaboration, together with cross-departmental cooperation within the geographic point
- Foster a culture of worker engagement
- Retain high talent

**Social control Level** - authorized team leaders can:

- Better support the team and facilitate every team member to reach their targets
- Provide the data the groups would like once they would like it
- Inspire and inspire staff

- Help higher connect staff, together with those operating remotely
- Facilitate work processes
- Spread shared aims within the geographical point
- Better communicate the business goals and long vision
- Make the groups a lot of palmy 3. Individual Level - once staff feel authorized and trustworthy, they:
  - Are a lot of willing to travel the additional mile for the team and therefore the business
  - Take possession over their work
  - Generate concepts
  - Know the way to take prudent risks to require the company to the following Level
  - Find that means and purpose at work
  - Feel pleased with the corporate they are engaging at
  - Feel a lot of actuated and engaged Empowerment on the structure and social control levels ought to exist by default. However, achieving individual authorization needs way more work and energy, and it involves many functions within the organization.

## **2. THE ROLE OF COMPANY CULTURE**

Worker authorization Your company culture plays an essential role in worker authorization. If you would like to support your employees' performance, facilitate them to realize that means at work, and perceive. However, their jobs impact the business; you would like to foster the "right" company culture for that. And by the "right" company culture, I mean a corporate culture that supports innovation within the geographical point, employees' well-being, and helps them take initiatives at work. But confine mind that building a corporate culture that supports worker authorization does not come back nightlong. First, we'll have to incorporate worker authorization in your business goals. Think about it: if we would like to empower our staff, we'll have 1st to form it one amongst your high priorities! Making authorization within the geographical point, one amongst our business goals is one amongst the most effective ways that to one. Decide to it a pair of. Certify that everybody understands that work authorization could be a high priority for the corporate. Then, we'll have to make an enclosed communication that enhances worker authorization. And to succeed in this goal, we'll have to form positive that your I.C. strategy involves H.R. and I.C. functions; however, line managers likewise. Indeed, the approach we speak to our staff and, therefore, the initiatives we are taking to motive and encourage them incorporates a direct impact on however staff's feelings regarding their jobs, their managers, and consequently the company overall. When it involves authorization within the geographical point, managers and team leaders play an essential role. That is not stunning that communication skills square measure sound unit of the foremost in-demand soft skills.

- I. How To Empower Employees: to provide authority associated possession by handing out responsibility- Let a worker war a replacement project – and run with it. Once you delegate different (even small) tasks to associate workers, it empowers her to urge the work done and done well.
- II. Build tips and best practices clear- once staff perceives the directions, they must work inside and that boundary they will push, they can do their job a lot of effectively and feel a lot of support.
- III. Encourage communication to extend levels of trust and show that every one ideas area unit welcome and valued.

- IV. Provide individual or team coaching job to spot roadblocks, realize solutions, so take action.
- V. permit opportunities for growth- Foster internal development and growth across departments with cross-department job shadows and transitions.
- VI. offers structure support for workers to make and drive their development plans with their managers.

**Ways to spice up directly within the Workplace:**

1. **Delegate work and responsibility:** Delegation and direction within the geographic point go hand in hand. Once associate degree worker clearly understands what tasks they're liable for, they take possession of their work. This enables you to manage their progress less as a result of you've got already shown that you simply trust in their ability to induce the duty done. Whereas this could seem to be a little thought to you, it suggests that everything to your staff. Our surveys have shown that solely five-hundredths of staff trust their leaders. Once you believe your team, it encourages them to trust you.
2. **Set clear boundaries and expectations:** several employers hesitate to empower their geographic point as a result of it will seem to be giving staff play to try and do no matter what they require. To stop this, ensure to outline project boundaries and also the results you expect your staff to supply. This can facilitate your commonplace of quality.
3. **Guarantee staff have correct resources:** simply because you've got shown them the pool, it doesn't suggest they will swim simply nonetheless. Develop a well of resources and tools— and show them the way to use those resources—for your staff to access whenever they have it. To boot, you ought to forever encourage open communication and let your team understand that you are offered for group activity sessions.
4. **Be flexible:** currently that you've got delegated work and established ground rules, you'll be able to begin cultivating a lot of relaxed, casual geographic point. If an associate degree worker must work from home, or needs a lot of versatile schedules, work with them to accommodate those desires. This helps your staff feel that you simply worth their lives outside work entirely; you worth pettifogging the principles.
5. **Specialize in the results, not the process:** Nothing kills worker direction quite like micromanaging. You've got already set the guidelines—let your staff select the way to work inside them. This can empower staff to figure {in a|during a|in associate degree exceedingly|in a very} means that is ideal for the individual instead of following an impersonal method. After all, the finished product is a lot of necessary than the steps it took to create it.
6. **Embrace staff in special projects:** Recent survey results show that staff World Health Organization feels a way of happiness at work area unit five.3 times a lot of doubtless to feel sceptor to allow their best performance. Together with staff in distinctive could be a fantastic thanks to facilitating them feel appreciated, which their insight is valuable. It conjointly rejuvenates the work ethic by introducing the team to new folks and concepts. Our polls have conjointly found that staff World Health Organization participate in particular comes area unit seventieth a lot of doubtless to believe their job is getting ready them for his or her future career—and, as a result, sixty-seven of staff World Health Organization participate in particular comes to need to remain with their organization.
7. **Be receptive input and innovation:** Once your staff area unit was given the liberty to explore their work, you may be stunned by the insight they gain. Encourage staff to be open with their ideas concerning problem-solving ways, processes, and solutions. You will find that

their distinctive "ground-level" perspective directly informs their innovation and creative thinking.

8. **Offer cross-training and learning opportunities:** folks wish to want they are moving forward in their careers. Encourage your staff to change and take a lively interest in different departments. This allows staff to develop and hone their skills—and offers you diverse team members the World Health Organization area unit wanting to utilize their abilities in their work.
9. **Offer feedback and acknowledge excellence:** Our survey results have shown that seventy-nine of individuals World Health Organization quit their jobs offer "lack of appreciation" because the reason for his or her resignations—this is extraordinarily distressing as a result of, in one study, sixty-fifths of North Americans rumored that they weren't recognized even once in a whole year. Do not be back concerning recognition. If you show your sincere appreciation for above-and-beyond work, your staff can repay you by repetition or perhaps up to their performance. They're going to conjointly feel sceptered as a result of they were rewarded for achievements they accomplished while not substantial oversight.
10. **Be consistent: direction isn't an award associate degree leader will offer or exclude on a whim.** Whereas tiny changes area unit okay, your staff will not feel genuinely sceptered if they understand their autonomy may well be revoked at any moment. And whereas exceptional performance ought to be rewarded, each worker ought to fancy the same necessary privileges to take care of a way of unity and inclusivity in your geographic point.

### 3. RESPONSIBILITIES OF H.R. PROFESSIONALS

**3.1. Participate in designing and Development** In the trendy marketplace; human resource executives function strategic partners. They participate in the identification, development, and execution of company objectives. During this capability, H.R. executives align the work of their business unit to realize company goals. Participation in company designing permits human resource leaders to achieve a profound understanding of the structure activities required to help within the property growth of the enterprise.

**3.2. Offer staff with Career Assistance.** Periodically, human resource leaders conduct employee evaluations. Today, H.R. professionals take an active role in serving to staff advance their careers. Rather than merely grading staff on a list of performance points, fashionable human resource specialists facilitate team establish areas for improvement and develop specific action steps. By serving to staff with career development, modern H.R. professionals gain a lot of in-depth insight into offered human capital and also the availableness of internal candidates for potential role succession. This enables organizations to be told a marked advantage in filling future roles and meeting future market demands.

**3.3. Realize and Recruit staff.** That Advance Company Objectives-Today's human resource executives do entirely post ads and interview job candidates to fill open positions. Modern H.R. executives formulate leader brands designed to draw in the correct job candidates. During this responsibility, human resource leaders work to push their several corporations as extremely favorable workplaces. H.R. executives usually earn this sort of honor for organizations by making a positive culture and providing satisfactory compensation and edges as ways in which to draw in ideal work candidates.

**3.4. perform Leaders of Change.** Modern human resource leaders frequently lead modification initiatives for his or her organizations. As a result, current H.R. executives yield strong project management skills in their company toolboxes. The professional's square measure consummate at serving to structure stakeholders create the affiliation between modification initiatives and strategic desires, minimizing modification resistance and worker unrest. Shaping structure culture, managing employee satisfaction, and deliberation the success of modification initiatives square measure all an area of the human resource professional's scope of responsibility within the current work.

**3.5. Advocate for Employees.** While fulfilling their roles as worker advocates, H.R. executives play AN integral half within the success of organizations. During this regard, human resource professionals contribute to putting together a piece setting wherever workers feel happy and driven. To push this outcome, H.R. leaders deploy effective practices like worker authorization, goal setting, and open communication, leading to a positive culture that results in the personnel delivering higher client experiences.

**3.6. offer Support for violence Victims.** The Centers for sickness management (CDC) forecasts that violence will affect one in four ladies and one in seven men within you. S.. the difficulty has full-grown, therefore prevailing that employers will now not afford to think about violence as a matter best left to the native authorities. As a result, today's H.R. professionals encourage those who've skilled force to hunt facilitate within the work. To promote this, human resource professionals promote AN structure culture wherever employees members don't feel intimidated or dishonored to approach to H.R. workers with violence issues.

**3.7. guarantee No Cyberbullying At Work.** Traditionally, work intimidation came about only within the Workplace. Today, however, the property of the web extends the influence of bullies to victims' workstations and houses, AN activity known as cyberbullying. Workers and supervisors apprehend that this may happen within the work, nevertheless addressing Workplace cyberbullying might prove difficult. Despite this, up to date, human resource executives attempt to eliminate this type of harmful activity within the work.

**3.8. Examples of Employee Empowerment:**

- Management Support
- Focus On The Customer
- Front line Decision Making
- Ongoing Training
- Access To Data
- Managers Trust Employees
- Boundaries Are Clearly Defined
- Employees Have Mentors
- Employees receive positive reinforcement
- Align compensation with customer needs
- Consider social style
- Give employees the tool they need
- Plan for Empowerment

#### **4. CONCLUSION**

Since the 1980s and the 1990s, Empowerment has been attracting significant interest on the part of both practitioners and theoreticians. Its popularity results from challenges faced by modern organizations. Companies are forced to restrict their control, make their structures more flexible, react swiftly to changes emerging in their surroundings, and utilize the knowledge and skills of their employees.

To include subordinates in decision-making and taking responsibility, it is necessary to view Empowerment from the perspective of an individual – psychological Empowerment, or the standpoint of an organization – organizational Empowerment.

Modern H.R. professionals are leaders in their organizations. The specialists sponsor the organizational mission, vision, values, and goals among staff members, and they monitor and adjust corporate activities to ensure the success of various initiatives. Human resource specialists contribute to enterprises by managing the most crucial asset of any organization, the people who complete the daily tasks that result in productive outcomes – their work aids in the global success of their organizations.

Organizations need to empower their employees or the entire human resources to achieve the actual reality of goals and objectives of 'Make-in-India' vision of the current govt. Of India.

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## Literature Review and Survey of Inventory Control Policy with Various Demand Parameters

**Kamal Kumar<sup>a</sup>, Ashok Kumar<sup>b\*</sup>, and Meenu<sup>c</sup>**

<sup>a</sup>Department of Mathematics, Baba Mastnath University, Rohtak, India  
E-mail Id: kamalkumar4maths@gmail.com

<sup>b</sup>Department of Mathematics, Meerut College, Meerut, India  
E-mail Id: drakkashyap@hotmail.com

<sup>c</sup>Research Scholar, Baba Mastnath University, Rohtak, India  
E-mail Id: sigrohameenu@gmail.com

### Abstract

Inventory is the stock of goods and items in any business for the basis of sales and future production. The list may remain in the type of raw material, spare parts, and finished goods. Inventory management assists in many gains in the stock. It helps in sustain the list in a suitable quantity and supplying the same at the right timings. The managers of the firm try to develop different inventory policies to increase the profit of the firm. Different type of demands is the key policies from which manager increases the market and hence make the profit for the structure. In this paper, the latest work in the area of inventory control for various applications is presented.

**Key Words:** Inventory, Increasing demand, Price dependent demand, Stock dependent demand, and Time-dependent demand.

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## 1. INTRODUCTION

Operations research is the implementation of the scientific methods and a way of carrying out a particular task to the problem involving the operations of the set-up to distribute those in control of the organization with the best result of the problem. Operations research aims to provide a scientific basis to the decision-maker for problem-solving. Operations research is widely used in defense, industry, agriculture, planning, and LIC. Operations research study generally in one the judgment phase, the research phase, and the action phase. A model in OR may be defined as the representation of reality. It describes a problem with some logical and systematic approach. While designing a model, two different goals usually effect in our judgment:

- a. The model may be as definite as realizable.
- b. It may be as simple as feasible in solving.

Models may be simplified by changing the nature of variables, modify constraints changing the relationship between variables. The advantages of an operations research study in business may be classified as better control, better structure, better conclusion, and better correlation. It helps to reduce the carrying cost of the stock.

## 2. INVENTORY

Inventory may be described as the stock of products. The list includes raw material, work- in-process, finished goods, and spare parts. For any business, the stock is kept in existence to reduce the ordering and penalty costs. The aim of maintaining inventory has been regulatory of the considerable cost of set- up, holding, and storing goods. Its paused opportunity cost, additional charge, and storehouse cost. Hence, it is essential to retain an inventory.

### Types of Inventory:

- a. **Fluctuation Inventory:** It is produced to reach any emergency of stock.
- b. **Anticipation Inventory:** It is perpetuated to make confident that no client keeps upset by not obtaining the required items.
- c. **Transportation Inventory:** It is necessary for the shipment of products from one location to another and fathers to the consumers.
- d. **Cycle Inventory:** It happens that the rate of consumption as the rate of purchasing of production.
- e. **Decoupling Inventory:** It is a safety stock of sorts. It is used in work-in-process goods.

Inventory control is the activity to determine what and how much of different goods are kept in stock. It also controls the time and amount of different products to be obtained. The main conclusion of inventory control is to decrease speculation in the record and establishing that manufacturing does not suggest at that time.

## 3. DEMAND

Demand means the desire of clients or consumers for a particular object or thing. Demand is defined as the number of goods required per unit time. Demand may go annoyed because of the shortage. Demand is divided into dependent and independent. When the demand size is known and fixed is said to be deterministic, and when it is supposed to be a random variable is said to be probabilistic. It depends on different parameters. The demand may be represented as

- Quadratic demand: In a market, when an item started, its demand increases linearly for sometimes, and new items added in the place of this available demand decreases. This form of demand is quadratic demand. The demand

$$D(t) = a + b t + c t^2 \text{ where } a, b, c > 0 \text{ and } a, b, c \text{ are constants and } t \text{ is time.}$$

- Cubic demand: The demand rate is based on the time-dependent cubic function. The order is given by  
 $D(t) = a + b t + c t^2 + d t^3$ ,  $a \geq 0$ ,  $b \neq 0$ ,  $c \neq 0$ ,  $d \neq 0$  and  $a, b, c, d$  are constants and  $t$  for time.
- Exponential demand: The demand rate is either an exponentially increasing function of time or exponential decreasing function of time. The exponentially growing demand rate is  
 $D(t) = a e^{bt}$ , where  $a$  and  $b$  ( $a > b$ ) are constants, and  $t$  is time.  
The exponential decreasing demand rate is  
 $D(t) = a e^{-bt}$ , where  $a$  and  $b$  are constants, and  $t$  is time.
- Linear demand: Indirect order, order may be increase or decrease. A demand equation expresses need as a function of the unit price. The demand  
 $D(t) = a + b t$ ,  $a > 0$ ,  $b < 0$  and  $t$  is time.
- Multivariate demand: In this demand is the distinctive combination of time and on-hand inventory level. The demand is  
 $D(t) = a + b t + c I(t)$ ,  $a > b$ ,  $a, b, c > 0$  and  $t$  is time.
- Stock dependent demand: The demand is taken to be based on the seller's stock level. Without cooperativeness, the seller establishes its order to increase its gain, which is commonly less than the manufacturer's economic production quantity. The demand is  
 $D(t) = a + b I(t)$ ,  $a, b > 0$  and  $I(t)$  is inventory level at time  $t$ .
- Ramp type demand: In this type of application, the cost of items runs with the time up to the distinct point in time and then wholly steady and yield to be constant, and at last demand, function declines to zero and the items depart from the market in their life cycle. The demand is  
 $D(t) = \{f(u) \text{ if } t_i > u \text{ and } f(t_i) \text{ if } t_i < u \text{ for } i = 1, 2, 3, \dots\}$  where  $t_i$  is time of deterioration.

#### 4. INVENTORY MODELS FOR DEMAND WITH VARIOUS PARAMETERS: THE LATEST TREND

The commonly known reality that the need for any items depends upon its selling price. In a supermarket, it is observed that the display of customer goods attracts more customers and produces higher demand. Inventory experts have discussed the ELS with different needs and came into results with definite exciting facts. Baker and Urban (1988) formulated a deterministic inventory system with stock dependent demand rate. **Datta and Pal (1990)** worked on decaying items and presented a model with an inventory level. Shortages are permitted in this model. Demand is a linear function. The order is subject to the stock level. Shortages are backlogged for the cases of finite and infinite perceptions. **Padmanabhan and Vrat (1995)** studied an EPQ model for unresistant and delicate products. Demand is stock dependent. The selling price is based on the stock level. **Bhunia et al.** give an inventory model with lot size for decaying items in **1998**. This model is a lot-size subject to replenishment cost. Demand has a linear tendency. **Bhunia et al.** again studied on inventory model and extended his work with two levels of storage in **2001**. For a fixed time, demand is a linear function. It is based on time-dependent demand. **Benkherouf et al. (2004)** proposed a note on an inventory model. This model is used for deteriorating items. The rate is subject to stock level and varies with time. **Zhou and Yang** established an inventory model with two-warehouse in **2005**. The level of good influenced demand. Shortages were not permitted. The process and movement cost for shifting products from RW to OW were subject to transported costs. The average gain of the result should be decreased by obtaining the best replenishment schedule. **Gor and Shah (2006)** have proposed an EOQ model under the impact of inflation on decline items. The permissible delay in payment is allowed. The price of goods

determines the rate. Disgusted a simple way of the algorithm to find the best result. **Palet et al. (2007)** formulated a genetic algorithm for the best policy on partly integrated manufacturing and marketing for a firm that makes only one product. The rate is controlled by selling cost, quality of the item, and marketing price. **Soni and Shah** explored an inventory model to find the best ordering policy and the following payment schedule in **2008**. The rate is conditional on the stock level. **Shah and Pandey (2009)** developed an inventory model to find the perfect policy for ordering. The price is based on several advertisements and presentations of goods. **Jaggi et al.** discussed an inventory model with two warehouses for deteriorating goods in **2010**. The rate of deterioration of products is separate in the warehouses. The demand is subject to price sensitivity. They have a junction that good were released into a tremendous amount from RW to OW. This model is appropriate for both the selling cost and ordering quantity. **Yang et al. (2010)** formulated a model for deteriorating products under the effect of inflation. The assumed rate is dependent on stock. It is developed that the penalty cost increases, a gain of organization reduce. **Singh et al.** developed an inventory model for deteriorating items where demand is based on the present stock level in **2011**. The market is a linear function and depends on immediate stock—this model used for electronic components, domestic goods, and fashionable clothes. The effect of permissible delay in payments was taken into account. Bhunia and Shaikh established an inventory model for single deteriorating products with two different storage conditions in **2011**. The rate of the item is based on constant time, selling cost, and some advertisements. The replenishment rate is infinite. Shortages are permitted and partially backlogged. The demand for items increases with the increase in the number of ads that are directly proportional to the number of ads. **Yadav et al. (2012)** applied the genetic algorithm in a fuzzy environment (purchase cost, investment amount, and storehouse capacity) to a model for decaying items. Demand is based stock available in the store. Shortages are not permitted. The demand for details is linear, dependent on the inventory level at the OW warehouse. An inventory model for time-varying deterioration with increasing demand rate was established by **Goswami et al.** in **2012**. This model is derived with finite replacement rate and unequal length of the cycle time. The associated cost of the system is minimized. Demand is increasing quarterly quadratically with time and production rate. The assumption of shortages is not permitted. Increasing values of parameter find more applications in the market, which shows the reduction of the total cost of the whole system. **Singh and Dem (2012)** studied a two-warehouse manufacturing model for decline items. Demand is determined by time. The objective of this work is to determine the maximum total profit and the corresponding optimum decision variables. **Yang and Chang (2013)** developed an inventory model for decline items under partial backlogging. The supplier offers a permissible delay in payments. The demand rate is deterministic at a constant rate of units per unit time. Shortages are permitted. The complete replenishment cycle is reactive to set-up and selling costs. **Kumar et al.** projected an inventory model under the impact of inflation for deteriorating items in **2013**. Shortages are permitted and partial backlogged. Demand is subject to linear time parameters and stock levels. In OW, time-varying linear deterioration and RW Weibull distributed deterioration was studied. This study applies to food grains. The demand for food items rises with time for a finite time. Singh and Pattnayak develop an EOQ model for deteriorating items with linear demand patterns and variable deterioration rate in **2013**. In this study, there is an assumption of shortages and partial backlogging. The concept of the work is to propose an excellent policy that minimizes the average cost.

**Kumari et al.** again proposed an inventory model with two different warehouses under the result of inflation and the time value of money in **2014**. Deteriorating items have different demand rates. This work is done for both with or without shortages. The price of things is a combination of both time and on-hand stock. **Jaggi et al.** proposed an inventory model with two different warehouses having different preserving facilities in **2014**. A single deteriorating item will be taken in this paper. The location of keeping stock has a different preserving policy. Demand is to be continuously considered. **Khurana (2015)** projected a two-warehouse model for a deteriorating item under the impact of inflation.

The demand rate is deterministic – the price based on time. The present study of the paper found out total gain per unit time is found to be a boost for the first cycle. **Dutta (2015)** developed a two-warehouse fuzzy inventory model considering cubic demand as a function of time, holding cost, ordering cost, and back-ordering cost to be blurred in nature. Shortages are allowed in the owned warehouse. **Sharmila and Uthayakumar** explored an inventory model with a fuzzy parameter for degenerate products in **2015**. The concept of shortages and fully backlogged is taken in this work. The demand rate is an exponential function of time. The deterioration rate was constant. The optimum solutions of the fuzzy model were defuzzified into the signed distance method will increase the total gain. **Tayal et al.** established an EPQ model with an exponential demand rate for non-instantaneous decaying elements in **2015**. It is an integrated production inventory model. Holding cost is based on time. The demand rate is exponential, and the production rate is a function of the demand rate. Shortages are not allowed. This study gives assistance to minimize the total cost. **Singh et al.** proposed an economic order quantity model for deteriorating products with trade credit period in **2016**. The demand is based on the current stock. The aim of this paper has been the development of a high-power set to control the optimal preservation cost, shortage period, and best total cost under the nature of trade credit and variable ordering cost in which the products are deteriorating in quality. The preservation technology is used for keeping the items. **Kumar and Kumar (2016)** developed an inventory model with the effect of learning and salaries worth on deteriorating items with capability constraints under partial backlogging. The demand rate is based on current stock. We are in favor of giving shortages and backlogging demand rates determined by the period of stock out.

The price of learning impact increases, and the total inventory cost decreases because the variety of shipments will increase. **Singh and Rathore (2016)** presented an inventory model for worsening items in a fuzzy environment with a non- instantaneous deterioration rate. This model can be used in cases of fruits, vegetables, cosmetic products. The demand rate is a linear function of the instant stock level. Shortages are allowed and partially backlogged under the result of inflation. The brief of the study is to observe the best solution for the total amount function.

**Palani and Maragatham (2017)** proposed an inventory model in a fuzzy environment for time-dependent worsen items. The lead time is non-zero. The paper presents retailers in structure to decide their EOQ and the cycle time for products having inventory dependent demand rate. The demand rate is an essential function in the total carrying cost and determining the optimal ordering quantity. **Saha and Chakrabarti (2017)** developed a model for deteriorating products in a fuzzy environment with supply chain production. Demand is taken as a linear price dependent. The signed distance method and graded mean integration method have been formulated for defuzzification. We find out the total amount decreases with the corresponding worth of cycle length by using the signed distance method. The cycle time is to reduce accord to the total amount by using a graded mean integration method for defuzzification.

**Rastogi et al. (2017)** developed an inventory model for deteriorating items with two-warehouse. Shortages are supported to be partially backlogged. Cycle time is also fluctuating. The study aims to determine the quantity and time of order, which can maximize the average cost of the structure. The demand rate is a function of selling price **Reddy, and Venkateswarlu(2018)** studied the optimum inventory policies under the time-dependent quadratic demand rate for two-warehouse. The total cost of inventory system increase (decrease) with the increase (decrease) in initial demand, set-up cost, and carrying value of own- warehouse. **Rathore and Singh (2018)** proposed a two-warehouse model with preservation technology investment and advertisement dependent demand over a finite time horizon. The maximized period, number of advertisements, cost associated with preservation technologies, and the total cost function is well explored to present perfect inventory control system. This study is ideal for organization trading women's apparel, jeans, leather bags. A two -warehouse model with partially lost sales is again developed by **Singh and Agarwal (2018)** for lifetime deterioration and inflation with Weibull distribution with an increase. Demand rate is an exponential and increasing function of time.

In our model, stored product value will decay after some time, not immediately. This model is instrumental in cloth business, real state, marts, or any large scale and marketing of electronics. A fuzzy two-warehouse model for a single deteriorating product is proposed by **Indrajitsingha et al. (2019)**. Demand is based on selling price. Shortages are allowed and partially backlogged with subject to the condition on the duration of waiting time up to the arrival of next lot. We observed that an uncertain nature of the system parameters, the total average cost decreases in the fuzzy model as compared to the crisp model. A credit policy approach in a two- warehouse model for deteriorating items is presented by **Panda et al. (2019)**. Demand is based on some advertisements, prices, and goods.

Shortages are partially backlogged. The numbering of advertisements is fixed for a year. The proposed work is highly non- linear. **Bishi et al. (2019)** proposed a two-warehouse inventory model for non- instantaneous decay items with an exponential rate under different dispatching policies. Shortages are permitted and fully backlogged. The sale, the low-cost storage, a large amount of demand under such a condition one may choose to obtain huge products that occur the problem of keeping.

## 5. CONCLUSION

In this paper, we work with the various demand that affects the inventory level. So, some researchers suggest that the distributor may show each item in large amounts to make higher demand. But this emerges no problem of capacity helping for every product and investment requirements effecting from the enlarged stock quantity. Here most of the aspect of application has been expressed, and related literature survey has been presented. Both crisp and fuzzy models are reviewed in this study. From the above analysis, a model with various demand surcharge stock dependent demand, selling price demand, ramp type demand has scope in supermarkets; however, success depends on the accuracy of the evaluation of the input variables.

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## Marketing System of Plastic Door in Bangladesh: A Study on Aziz Pipes Limited

Md. Zahir Uddin Arif<sup>a\*</sup>, Mohammad Amzad Hossain Sarker<sup>b</sup> and Mir Semon Haider<sup>c</sup>

<sup>a</sup> Department of Marketing, Faculty of Business Studies, Jagannath University, Dhaka-1100, Bangladesh  
Email Id: mjarif2004@yahoo.com, mjarif2006@gmail.com

<sup>b</sup> Department of Marketing, Faculty of Business Studies, Comilla University, Kotbari, Cumilla-3506, Bangladesh  
Email Id: emailtoamzad@yahoo.com, amzadbba@yahoo.com

<sup>c</sup> College of Business Administration, International University of Business, Agriculture and Technology (IUBAT), 4 Embankment Drive Road, Sector-10, Uttara Model Town, Dhaka-1230, Bangladesh  
Email Id: semonhaider77@gmail.com

### Abstract

**1. Purpose:** The purpose of the study is to analyze the marketing system of plastic door of Aziz Pipes Limited in Bangladesh.

**2. Design/methodology/approach:** Exploratory research design has been used for the study. The study has collected data from primary and secondary sources. The study has obtained primary data from manufacturers, dealers, developers, architectural firms and individual consumers selected through purposive sampling technique. Opinions of the respondents about marketing system of plastic door have been gathered through face to face interview using separate sets of semi-structured (open-ended and closed-ended) questionnaires for each category of respondents. However, secondary data have been gathered and analyzed for the study from company annual reports, books, journals, and websites.

**3. Findings:** The findings of the study indicate about the existing marketing system and channels of distribution used, sources and kinds of raw materials, PVC profile manufacturing process, the pricing policy, opportunity and threat analysis and marketing functions faced by the company. There is a major limitation, especially in promotional efforts. Therefore, the company should take effective measures to create favorable brand image towards markets and attain relatively better performance of this industry following market driven strategy.

**4. Practical implications:** The study has practical implications for the manufacturers, dealers, developers, architectural firms, individual consumers, investors, policymakers, industry experts and media to discuss and create a sustainable marketing practice for plastic door in Bangladesh.

**5. Originality/value:** The study will help to originate the value to the manufacturers, dealers, developers, architectural firms and individual consumers of plastic door if the effective and efficient marketing system can be practiced more rigorously for better proliferation of the segmented markets. As a result, marketers can incorporate the convenient marketing mix structure in order to provide an insight for the plastic door industry in Bangladesh to evaluate the effectiveness of their marketing strategies and tactics.

**Key Words:** Channels of distribution, Market information, Marketing mix, Marketing system, Plastic door, PVC profile.

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## 1. INTRODUCTION

Aziz Pipes Limited has been incorporated in 1981 in Bangladesh to manufacture PVC rigid pipes and has started its commercial production in 1985 with the yearly installed capacity of 1,200 metric tons. With the passage of 12 years from 1985 to 1996, the company has increased its total production capacity of 7,500 metric tons. In 1995, the company diversified its production line of manufacturing PVC flexible corrugated conduit pipes. Aziz Pipes Limited is a pioneer in the plastic door production of Bangladesh (<http://www.azizpipes.com/about-us/>). The company started its plastic door production in 1998. After that, United Plastic Wood Industries (Pvt.) Limited introduced a plastic door in the market in 2000. Besides this, Super Door, Prime Plastic Door, Alam Plastic Door, Premier Plastic Door, Euro-Asia Multipurpose Profile Limited, etc. also have started to produce the plastic door in Bangladesh. PVC (Polyvinyl chloride) profile means different sections and sizes of pieces, which are used as the main components for making doors and windows for the house and office decoration, exhibition stand construction, shop fittings, dividing walls, working tables, etc. But this is one of the innovative products in Bangladesh instead of wooden made furniture. In recent years, people's views have been changed toward the use of plastic doors, windows, and related furniture. Competition among different plastic door producing companies has also been increased at a faster rate, but this sector is one of the least research sectors in Bangladesh. Minimal studies have been conducted earlier in the plastic door industry of the country. Therefore, the present research on the marketing system of the plastic door of Aziz Pipes Limited is an attempt to fill this gap.

## 2. CONCEPTUAL DEFINITION AND LITERATURE REVIEW

PVC stands for polyvinyl chloride, which is a synthetic resin prepared by the polymerization of vinyl chloride ([http://wiki.answers.com/Q/What\\_does\\_PVC\\_stand\\_for\\_in\\_PVC\\_pipe#ixzz2CTj6Jw92](http://wiki.answers.com/Q/What_does_PVC_stand_for_in_PVC_pipe#ixzz2CTj6Jw92)). PVC (Polyvinyl chloride) is used extensively in sewage pipe due to its low cost, ease of jointing, and chemical resistance. In the world, PVC is the third-most widely manufactured plastic after polyethylene and polypropylene. (<http://www.americanchemistry.com/Jobs/EconomicStatistics/Plastics-Statistics/Production-and-Sales-Data-by-Resin.pdf>). PVC can be produced softer and more flexible by the addition of plasticizers, the most commonly used being phthalates. It is widely utilized in construction because it is more durable and cheaper than more traditional alternatives such as copper or ductile iron. In this form, PVC is used in electrical cable insulation, clothing and upholstery, inflatable products, and many other applications in which it replaces rubber (Titow, 1984). Pure polyvinyl chloride without the addition of any plasticizer is a white and brittle solid. It is insoluble in alcohol, but soluble slightly in tetrahydrofuran ([http://en.wikipedia.org/wiki/Polyvinyl\\_chloride](http://en.wikipedia.org/wiki/Polyvinyl_chloride)).

Marketing can be defined as a broad term, and it includes all resources and a set of functions necessary to direct and facilitate the flow of products and services from producer to consumer in the process of distribution (Sherlekar, 1997:4). According to Kotler (2002: 9), marketing is a societal procedure by which individuals and groups people acquire what they need and want through making, offering, and freely exchanging goods and services of significant value with others.

The American Marketing Association (1995) has portrayed marketing as the route toward arranging and executing the origination, valuing, advancement, and dissemination of thoughts, merchandise, and services to make exchanges that fulfill individual and institutional objectives. Paul Mazur has also characterized marketing as the creation and conveyance (delivery) of a standard of living to society. It underscores the significant function of marketing viz., the satisfaction of the client, and the social demand for material goods and services (Sherlekar, 1997:5).

Modern marketing system utilizes the marketing mix which is the blending of 4Ps model (product, price, place, and promotion) developed by McCarthy and it controls among all other classifications, e.g., the goods and services mix, the distribution mix and the promotion mix (**Lazer et al., 1973**). The elements of the marketing mix seem to cover with each other when used as an integral part of the interrelated way of marketing activities, yet it is to be essential for product marketing (**Dickson and Ginter, 1987; Rafiq and Ahmed, 1995**).

Product is anything that can be offered to a market (a set of actual and potential buyers) for consideration, procurement, use, or utilization that can fulfill a need or want of a customer (**Kotler and Armstrong, 2006**).

Price is considered as better value to the customers in the general circumstances since low price presumably pulls in customers (**Fleischmann et al., 2004**).

Place or distribution indicates the placement of products by which the customers can buy the product and the product contacts that place through various channels, like dealers, wholesalers, retailers, and the internet (**Booms and Bitner, 1981**). The place also includes company functions or activities that make the product accessible to its target customers (**Kotler and Armstrong, 2006**).

Promotion indicates the activities which convey the benefits or utilities of the product and allure target customers to purchase it (**Kotler and Armstrong, 2006: 50**). Promotion consists of a particular mix of advertising, sales promotion, personal selling, and public relations (**Kotler and Keller, 2006**).

**Khan (2003)** has revealed the production and sales pattern of plastic doors, purchasing pattern of private users & apartment companies, dealers' & architects' opinions and impressions regarding plastic doors, and increasing demands of plastic doors day by day in his study.

As the UPVC windows (un-plasticized polyvinyl chloride windows) are the new entrance to the Indian market, there have no significant studies conducted in India. Improvement of product quality is one of the critical product-related marketing strategies in the doors and windows market of India. Advertisements to increase the brand image and exhibitions are the two crucial promotional strategies that influence the consumers in their purchase decision of plastic doors and windows. However, price and timely service are also the two more important factors that need to be focused (**Subram, 2018**).

There are very few scholarly articles published on the marketing aspects of the plastic doors of Bangladeshi companies. As an innovative product in Bangladesh, more competition among various plastic door manufacturing companies is growing day by day. So there is a potentiality to conduct more systematic studies in the marketing aspects of the plastic door in Bangladesh. As a result, the present research on the marketing system of the plastic door of Aziz Pipes Limited has been conducted to fill up this research gap in the context of Bangladesh.

### **3. OBJECTIVES OF THE STUDY**

The broad objective of the study is to analyze the marketing system of the plastic door of Aziz Pipes Limited in Bangladesh. To optimize the general aim of the study, the specific goals are as follows:

- i. To determine the marketing system of the plastic door of Aziz Pipes Limited and the channels of distribution used for the purpose.
- ii. To identify the marketing functions which are performed in plastic door marketing by Aziz Pipes Limited.
- iii. To find out the problems (if any) which are faced by Aziz Pipes Limited in the marketing of its plastic door.
- iv. To recommend measures for improving the present marketing system of the plastic door of Aziz Pipes Limited.

#### **4. THE METHODOLOGY OF THE STUDY**

Exploratory research design has been used for the study. To attain the objectives, the study has been confined to analyze the marketing system of the plastic door of Aziz Pipes Limited in Bangladesh, and relevant data & information has been collected from previous records of the company and the responsible personnel concerned of the company. Primary data have been collected from the executives of Aziz Pipes Limited with the help of a semi-structured (open-ended and closed-ended) questionnaire prepared beforehand for the purpose. Similarly, an attempt has been made to draw a sample from as diversified groups as possible to make the survey representative. To supplement the information, the discussions have been made with the executives of different plastic door manufacturing companies such as United Plastic Wood Industries Limited, Super Door, Prime Plastic Door, Alam Plastic Door, Premier Plastic Door, Euro-Asia Multipurpose Profile Limited, etc. Besides, 25 dealers of Aziz Pipes Limited, ten developers, ten architectural firms, and 55 individual consumers have been selected purposively. They have been interviewed with the help of separate sets of semi-structured questionnaires for each category of respondents. As a sampling frame, Yellow Pages, a business directory published in Dhaka, Bangladesh, has been used to extract the names of manufacturers, developers, and architectural firms, and the names of dealers have been collected from the sales department of Aziz Pipes Limited. However, secondary data have been gathered and analyzed for the study from the annual reports of Aziz Pipes Limited (2016, 2017, and 2018), books, journals, and websites. The data and information have been analyzed in the narrative form and also presented in the table and diagram. The data redundancy has been avoided after cross-checking, cleaning, and compilation of the data necessary for the study.

#### **5. FINDINGS AND ANALYSIS OF THE STUDY**

The study has revealed the following information:

**5.1. The Product:** The brand name of the product of Aziz Pipes Limited is 'Aziz Plastic Door.' Theoretically, the product is a set of benefits that the companies offer to customers to satisfy their needs or wants (Kotler, 2002). In other words, the product is the solution to any problem felt by any customer. In this study, it has been found that plastic door has the different title of sections which include door sash, sliding frames, sliding sash, sliding interlock, sliding coupling, partition frame and mullion (shown in Appendix-II). However, this plastic door consists of some features, which include excellent fire retardant, excellent weather-resistant, superior soundproofing, corrosion-resistant, excellent thermal efficiency, and electricity insulated.

Properties of profiles are impervious to insects, optimum surface finishes, strong and durable, low-density corresponding to very lightweight, easily nailable and screwable, easy to cut with a saw, resistant to scratches from regular use, and quickly bonded to another material set, etc. After attaching the profiles with PVC sheets, the finished products will be used in the making-

- i. Doors and windows for home and office decoration.
- ii. Exhibition stand construction, shop fittings, dividing walls.
- iii. Bathroom and kitchen furniture shelves, coup boards, false ceilings.
- iv. Containers and tank liners, working tables, cover-sheets, etc.

The company produces a standard size PVC profile, which is usually 10-12 feet. Aziz Pipes Limited has the highest market share (35%) and the lowest market share gained by Euro-Asia Multipurpose Profile Limited (7%).

The assembling/manufacturing process followed by the company is stated below:

At the first stage of production, it is needed to supply raw materials. The primary raw material is PVC resin; others are stabilizer, filler calcium carbonate, and so on. In this process, different steps pass through weighing equipment, heating mixture, cooling mixture, and so on. Finally, after inspection, successful products are packed, and wastage products are crushed. The following Diagram-1 shows the different stages of production of the PVC profile (PVC profile manufacturing process).

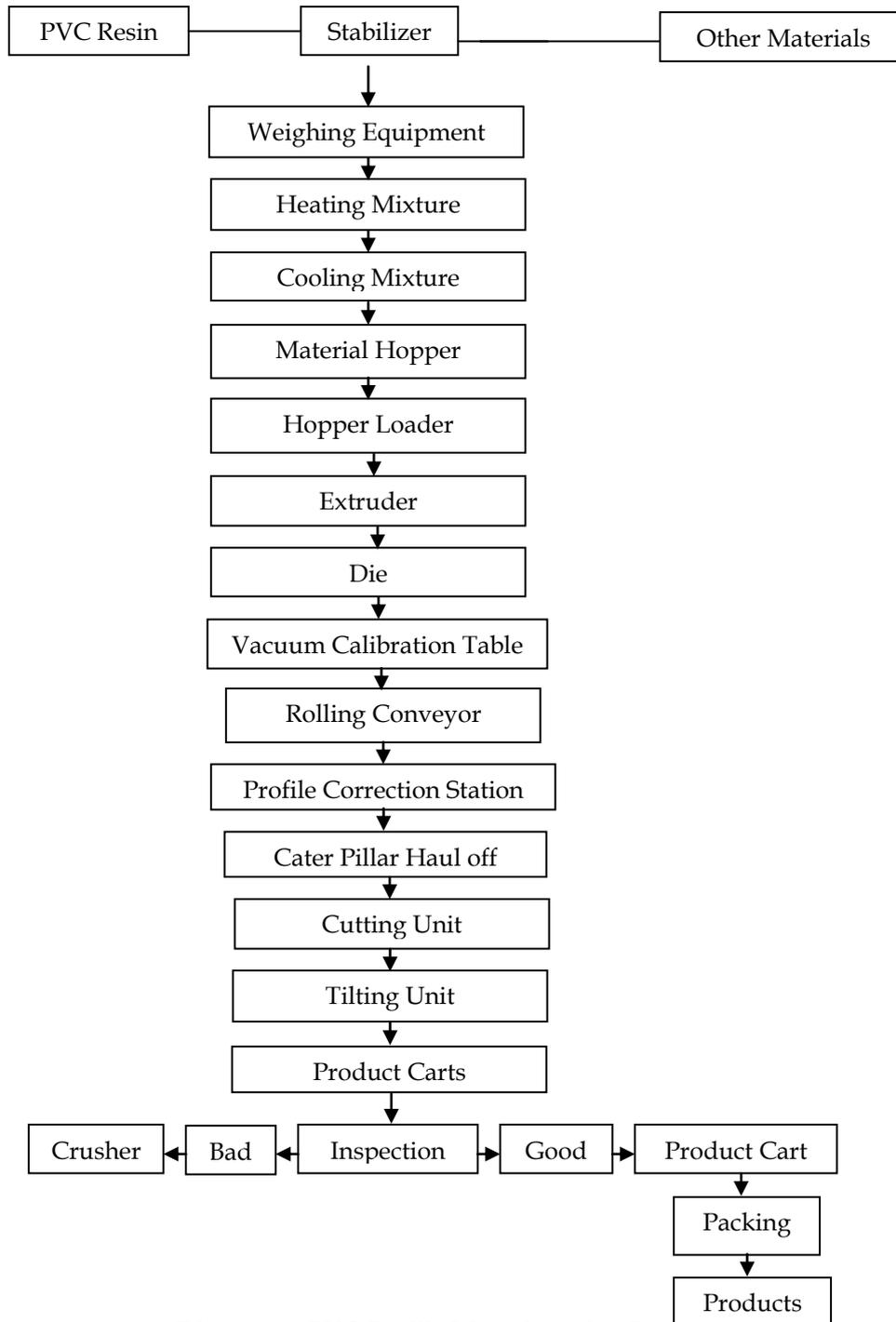


Diagram-1: PVC Profile Manufacturing Process

Source: Aziz Pipes Limited

**5.2. Raw Materials:** All raw materials are imported from abroad, such as China, India, Austria, France, Singapore, etc. on a cash basis against L/C. Raw materials used in producing profiles are resin (original content), stabilizer, filler calcium carbonate, import modifier (for strength), etc. The color used in producing patterns is delirium oxide for white color, pigment gray for gray color, pigment pitch for wooden color.

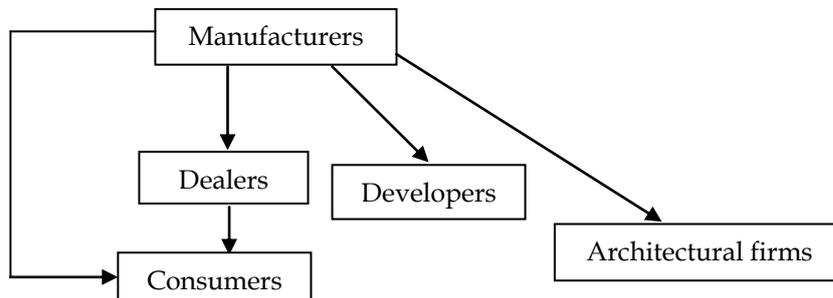
In the production process, overall functions are very much interdependent. In the following Table-1, it is found that input (raw materials) of one stage is transferred to another step as output (powder mix). This output (powder mix) is treated as an input for another level, and so on. Thus, the following Table-1 shows machinery and its functions in producing PVC profile:

**Table-1: Machinery and Its Functions in Producing PVC Profile**

Sl. No.	Name of Machine	Origin	Function	Input	Output
1.	Mixture Machine NEOPLAST	India	The function of this machine is to mix up the raw materials with color.	Raw Materials	Powder Mixture
2.	Actual Type: TITA N-45-P M-15-7157	Austria	Here mixture powder is again mixed up and then is cooled down with the help of sufficient water.	Powder Mixture	Pulp
3.	Actual-First Cooling Machine Type: AKT-321-M-15-7658 Second Cooling Machine	Austria	The first cooling machine helps to cool the profile through cold water. The second cooling machine helps to calm the pattern only.	Pulp	Shape of Profile
4.	Take-up/Haul off Machine Type: AP*-2000 M-15-7660	Austria	Take-up/Haul off machine helps to pull the profile. It has a padded rubber around its body.	Shape of Profile	Final Profile
5.	Cutter Machine Type: APS-400 M-15-7661	Austria	Cutter machine helps to cut the profile in a specified limit switch.	Final Profile	10-12 feet Profile

*Source: Aziz Pipes Limited*

**5.3. The channel of Distribution:** Aziz Pipes Limited uses only ‘dealers’ as a member of the chain of distribution. This is because the buyers usually visit different dealers’ showrooms and choose a particular profile for making a complete useable door. The dealers procure the entries directly from the manufacturers and sell this to the customers regarding the mode of payment by the dealers, usually on cash. During this payment, dealers get a 10% cash discount. Aziz Pipes Limited uses the following channel of distribution (Diagram-2) for its products:



**Diagram-2: Channel of Distribution of Aziz Pipes Limited**

*Source: Aziz Pipes Limited*

**5.3.1. The manufacturer:** As a manufacturer, Aziz Pipes Limited distributes its products through the legal dealers. Dealers are selected based on trial and error, and in the process, those dealers are chosen who can attain a higher volume of sales and are useful in payment. However, Aziz Pipes Limited also sells the products directly to individual consumers, developers, and architectural firms.

Aziz Pipes Limited supplies the products mainly to Dhaka Stadium Market, Outer Stadium Market, Old Dhaka, Panthapath Road, Kawranbazar Road, Mailbag Market, and about 60% of the products produced by the company are marketed in Dhaka city alone. Since the manufacturer has no vehicle of its own to deliver the products, the dealers themselves take the responsibilities of the delivery of these products from the manufacturer.

**5.3.2. The dealer:** At present, Aziz Pipes Limited has 25 dealers all over the country. Out of these, seven dealers are located in Dhaka city alone, and the rest 18 dealers are located in different districts of Bangladesh.

**5.3.3. The consumer/user:** Developers and architectural firms are the primary user of plastic doors and windows. Individual consumers often purchase these products for their use. The users (the respondents) expressed that the gates of Aziz Pipes Limited are relatively cheaper; properties are acceptable, quality is better, and they are satisfied with the company's after-sale service.

**5.4. Marketing Functions:** The following functions are involved in the marketing of plastic doors of Aziz Pipes Limited:

**5.4.1. Buying/procurement:** All raw materials and machinery are purchased from abroad. To import raw materials and machinery (parts and components), Aziz Pipes Limited first of all procure samples through indent. The quality of the sample is then tested in the quality control department of the factory. After the approval of the quality control department, consideration of different terms and conditions, and permission by the production and marketing department and sanction by the finance department, the initiative is taken for import of required items (Raw materials and machinery) through the opening of L/C in the bank.

**5.4.2. Selling:** Aziz Pipes Limited sells its finished products to dealers and the ultimate users. After production, products are stored at factory godown and distributed to dealers by given order from them. It also delivers products directly to developers and architectural firms according to their requirements. The prices of different sizes of doors (with profile) are given in the following Table-2:

**Table-2: Prices of Different Sizes of Doors (with Profile) of Aziz Pipes Limited**

Color of Door	Size of Door (Width X Length)	Price of Door (BDT approx.) Per Piece
Wooden	3'5" X 6'	2800
	3'5" X 6'5"	3500
	3' X 6'	2500
White	3'5" X 6'	2500
	3'5" X 6'5"	3000
	3' X 6'	2200
Grey	3'5" X 6'	2600
	3'5" X 6'5"	3200
	3' X 6'	2300

Source: Aziz Pipes Limited

- 5.4.3. Transportation:** Aziz Pipes Limited has a limited transport facility for distributing its products. Hence, the dealers arrange transport for themselves. The dealers outside Dhaka city use any type of vehicle as they like. Nevertheless, trucks are the most convenient vehicles used by the dealers.
- 5.4.4. Warehousing:** Aziz Pipes Limited uses its godown for storing the products. Storage is done at the following functions:
- The imported raw materials are stored at the factory godown.
  - The finished products are stored at the factory godown.
  - Finally, the stored products are delivered to the dealers according to their order.
- The warehousing arrangement of the factory is satisfactory, and therefore, no damage of the products occurs there. Besides, storing the finished products at its godown involves almost no cost.
- 5.4.5. Standardization and grading:** Quality control of PVC profile and sheet, which are the elements of making of the plastic door is done with the help of most modern machinery under the supervision of skilled professional engineers. There are three categories of production extruder (shown in appendix-I) Shift-A, Shift-B, and Shift-C. Quality control of 'A' shift operation is done with the help of different types of machinery such as Cylinder, Adapter, Die, Vent. V. Pump, and so on. For this purpose, test results about quality must be certified by the production manager.
- 5.4.6. Packing and labeling:** Aziz Pipes Limited procures necessary packing materials from a local supplier. It supplies plastic packing materials according to the standard profile or sheet size. It also uses labels on packed product items.
- 5.4.7. Advertising and sales promotion:** In marketing the products, Aziz Pipes Limited did not follow the proper methods and techniques of advertising. It uses the only signboard, which is hoarding on roadsides, essential buildings, and stickers on important office doors, traveling office gates, etc. as promotional tools. For sales promotion, the company participates in different trade fairs and exhibitions. The company prefers personal contact with developers and architectural firms for better sales. It also gives various incentives to dealers for more deals to individual consumers.
- 5.4.8. Market information:** Aziz Pipes Limited collects information about the market through individual buyers, dealers, developers, and architectural firms located in different towns and cities of Bangladesh. The company always keenly observes prices, quality, demand, sales rate, promotional program, etc. followed by its competitors.
- 5.4.9. Risk-taking:** To face a particular risk in the shipment of imported raw materials from abroad, the company undertakes insurance policies.
- 5.5. Pricing Policy:** The most simple pricing method is to add a standard markup to the cost of a product. The price of the PVC profile depends on different sections and sizes. Generally 10-12 feet profiles are available at the dealers. The company follows two pricing methods to sell their finished products. One is product costs that set a floor to the price, and another is competitor's prices and the price of substitutes, which provide an orienting point that the company has to consider in setting its prices.
- 5.6. Opinions of Manufacturer, Dealers, Architectural Firms, and Consumers:** Opinions have been obtained from the dealers, the consumers/users, and the relevant executives of developers and architectural firms regarding the quality, price, most demandable color,

sales and mode of purchase. The company renders the attitudes of customers, prospects, promotional efforts, and services. A comparative analysis of these is given below:

- 5.6.1. Quality of the product:** The manufacturer has considered that the quality of its product is satisfactory. Most of the dealers (the respondents) have expressed positive attitudes about the quality of the product. The majority of respondents (80%) of the consumers (individual, developers, and architectural firms) have considered that the quality of the product is up to the mark. In contrast, the rest have thought that its performance is entirely satisfactory.
- 5.6.2. Price:** The general dealers have opined that the cost of the plastic door and door frame may fluctuate due to change in market conditions, competition, prices of raw materials, etc. The majority of respondents (75%) of the consumers believe that the prices of the products are quite reasonable while the rest consider that the costs of the plastic doors of different sizes and colors are higher compared to their competitors, especially in wooden color doors. But the management of Aziz Pipes Limited has considered that the prices of products are competitive and reasonable.
- 5.6.3. Promotional efforts:** Aziz Pipes Limited uses its dealers and maintains a relationship with the developers and architectural firms. The majority (about 80%) of the individual consumers have opined that the company should increase the volume and quality of advertising as a promotional tool to make it more frequent and imaginative. The dealers have also emphasized on promotional efforts given the competition in the market. But the company has a limited budget for allocation for promotional programs.
- 5.6.4. Opportunities and Threats Analysis:** Opportunities and threats of Aziz Pipes Limited are shown in the following Table-3:

**Table-3: Opportunities and Threats of Aziz Pipes Limited Identified for the Study**

Opportunities	Threats
i. PVC profile is non-corrosive and entirely weather resistant.	i. There is a negative attitude about the use of plastic doors because people think that it is harmful to health.
ii. It is easy to clean, and it can be used with or without a coating of paint or varnish.	ii. If suddenly scratch is made on the PVC profile, this scratch is not possible to remove.
iii. It can also be planned, drilled, and sawn, just like profile.	iii. After a certain period, the PVC profile may be disconnected from each other.
iv. It also absorbs sound and has very lightweight.	

Source: Authors' Compilation from Primary data

## 6. MARKETING PROBLEMS IDENTIFIED FROM THE STUDY

The study revealed the following problems that are hampering the efficient marketing of plastic door produced by Aziz Pipes Limited:

- i. Almost entire raw materials are imported from different countries of the world, such as China, India, Austria, France, Singapore, etc. Hence, delay in shipment or supply of raw materials hampers production for which the company cannot supply the products in time to its customers.

- ii. Due to budgetary limitations, the company did not use enough promotional tools. Notably, only advertising is not useful to fulfill the requirement compared to those of most of the competitors.
- iii. In financing, the company depends mainly on bank loans. So, a shortage of capital hampers marketing functions.
- iv. Due to the absence of a continuation of customer demand, the company cannot fully utilize the installed capacity.
- v. The shortage of dealers is the prime problem of the proper distribution of products all over the country.

Besides the above, the company also has a problem with the shortage of efficient laborers. Insufficient electric supply also hampers its production and increases its wastage product. However, the lack of own transport facilities creates a significant problem in the distribution of products to the dealers.

## **7. RECOMMENDATIONS**

As measures to increase the present efficiency of marketing of plastic door manufactured by Aziz Pipes Limited, the following suggestions can be recommended:

- i. The company should run a promotional campaign to make the people aware of the usefulness of the plastic door and inform them about its benefits.
- ii. The company should take the necessary steps to make a long-term marketing plan to capture significant market share.
- iii. Manufacturers can improve market performance through improving product quality and reliability, ensuring the regularity of supply, ensuring the health and safety of consumers, and protecting the environment.
- iv. The company should expand its distribution channel by increasing the number of dealers and by providing more credit facilities to them.
- v. The company should take the necessary steps to build good relationships with developers and architectural firms.

## **8. CONCLUSION**

The study has identified some problems in marketing of the plastic door of Aziz Pipes Limited in Bangladesh that is related to the whole process of marketing such as buying (procurement), selling, transportation, warehousing, quality control, advertising, packing, collection of market information, etc. But the main problem is revealed that the maximum number of people in Bangladesh do not know about the benefits of the plastic door. Because of the users' illiteracy, the producer is getting a chance to exploit them. Hence, the company needs to take steps to import better quality raw materials, reduce the cost of production, take effective promotional programs, expand the channel of distribution, and improve power (electricity) supply. To achieve these goals, the company may be granted the required freedom of decision-making in the financial, managerial, and promotional efforts. The government should take the necessary steps to improve the infrastructure of the plastic door industry in Bangladesh. From this study, it has been realized that there is a lot of opportunities for manufactures to expand its business in the plastic door industry of Bangladesh. However, there is a scope for conducting more qualitative and quantitative researches in the future by interested researchers in this field of study.

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APPENDICES

Appendix-I: Extruder/Operations/Production for Profile

Machine	A Shift	B Shift	C Shift
Syn%	65%	65%	60%
Screw%	22.7	22.0	21.7
Feeder%	10.8%	10.1%	10.0%
Load%	78	75	70
Screw Tempo	155 c.g	152 c.g	150 c.g.
Cylinder-1	195 c.g	192 c.g	190 c.g.
Cylinder-2	198 c.g	195 c.g	192 c.g
Cylinder-3	190 c.g	188 c.g	185 c.g
Cylinder-4	198 c.g	195 c.g	190 c.g
Adapter	185 c.g	182 c.g	180 c.g
Die-1	195 c.g	192 c.g	190 c.g
Die-2	200 c.g	195 c.g	190 c.g
Die-3	200 c.g	195 c.g	195 c.g
Die-4	225 c.g	200 c.g	200 c.g
Vent. V. Pump	600	550	500
Manf. Off Speed	1.88	1.85	1.80
Manf. Off Load	4.9	4.5	4.0
Breaker/ Ring	---	---	---

Source: Aziz Pipes Limited

Appendix-II: Plastic Table, Doors & Windows and its Different Title of Sections

Usage	Title of Sections	Speed M/ min	Output Kg/hr.	Weight Gm/m
Table	Partition Mullion	1.3	78.6	1008
Door	Partition Frame	1.3	68.9	883
Door	Sliding Frame	1.3	78.9	1011
Window	Sliding Glass Bead	2.5	21.7	145
Window	Sliding Coupling	1	20.6	343
Window	Sliding Interlock	1.5	17.0	189
Window	Partition Glass Bead	2.5	29.6	197
Door	Sliding Sash	1.4	68.7	818
Door	Door Frame/ Sash	1.5	65.0	1800

Source: Aziz Pipes Limited

**Appendix-III: Product Specification of Aziz Pipes Limited**

<b>SPECIFICATION (As Per British Standard BS 3505/BS 3506)</b>							
NOMINAL SIZE		OUTSIDE DIAMETER		W A L L T H I C K N E S S			
INCH	M. M.	M. M.	M. M.	CLASS-B	CLASS-C	CLASS-D	CLASS-E
½"	16	21.2	- 21.5	0	0	0	1.7 - 2.1
¾"	20	26.6	- 26.9	0	0	0	1.9 - 2.5
1"	25	33.4	- 33.7	0	0	0	2.2 - 2.7
1 ¼"	30	42.1	- 42.4	0	0	2.2 - 2.7	2.7 - 3.2
1 ½"	40	48.1	- 48.4	0	0	2.5 - 3.0	3.1 - 3.7
2"	50	60.2	- 60.5	0	2.5 - 3.0	3.1 - 3.7	3.9 - 4.5
2 ½"	65	75.0	- 75.3	0	3.0 - 3.5	3.9 - 4.5	4.8 - 5.5
3"	75	88.7	- 89.1	2.9 - 3.4	3.5 - 4.1	4.6 - 5.3	5.7 - 6.6
4"	100	114.1	- 114.5	3.4 - 4.0	4.5 - 5.2	6.0 - 6.9	7.3 - 8.4
5"	125	140.0	- 140.4	3.8 - 4.4	5.5 - 6.4	7.3 - 8.4	9.0 - 10.4
6"	150	168.0	- 168.5	4.5 - 5.2	6.6 - 7.6	8.8 - 10.2	10.8 - 12.5
7"	175	193.5	- 194.0	5.2 - 6.0	7.7 - 8.9	10.1 - 11.7	12.4 - 14.3
8"	200	218.8	- 219.4	5.3 - 6.1	7.8 - 9.0	10.3 - 11.9	12.6 - 14.5
10"	250	272.6	- 273.4	6.6 - 7.6	0	0	0

Source: Aziz Pipes Limited

([http://www.azizpipes.com/index.php?option=com\\_content&view=article&id=41&Itemid=90](http://www.azizpipes.com/index.php?option=com_content&view=article&id=41&Itemid=90))

**Appendix-IV: Dimensions of U-PVC Pipes of Aziz Pipes Limited**

<b>DIMENSIONS OF U-PVC PIPES AS: ISO-161/1, ISO DIS - 4422, IS-4985:2000</b> (All dimensions in millimeters)															
Size		Nominal Outside Diameter		Class - 1		Class - 2		Class - 3		Class - 4		Class - 5		Class - 6	
Ins.	MM	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1.5"	40mm	40.0	40.30	-	-	-	-	1.40	1.60	2.20	2.70	2.80	3.30	3.40	3.30
2"	50mm	50.0	50.30	-	-	-	-	1.70	2.10	2.30	2.80	2.80	3.30	3.40	4.00
3"	75mm	75.0	75.30	-	-	1.80	2.80	3.10	3.70	4.0	4.60	5.00	5.70	6.10	7.10
4"	100mm	110.0	110.40	1.60	2.00	2.50	3.00	3.70	4.30	4.90	5.60	6.10	7.10	7.50	8.70
5"	125mm	125.0	125.40	1.80	2.20	2.90	3.40	4.30	5.00	5.60	6.40	6.90	8.00	8.50	9.80
6"	150mm	160.0	160.50	2.30	2.80	3.80	4.30	5.40	6.20	7.20	8.30	8.80	10.20	10.90	12.60
8"	200mm	200.0	200.60	2.90	3.40	4.60	5.30	6.80	7.90	8.90	10.30	11.00	12.70	13.60	15.70
10"	250mm	250.0	250.80	3.60	4.20	5.70	6.50	8.50	9.80	11.20	12.90	13.80	15.90	17.00	19.60

Source: Aziz Pipes Limited

([http://www.azizpipes.com/index.php?option=com\\_content&view=article&id=41&Itemid=90](http://www.azizpipes.com/index.php?option=com_content&view=article&id=41&Itemid=90))



## Reasons for Tourism Destination: A Conceptual Study on Young Generation in Bangladesh

Sabnam Jahan\*

\*Department of Management, Faculty of Business Studies, University of Dhaka, Bangladesh  
Email Id: sabnam\_jahan@yahoo.com

### Abstract

Tourism has been proved as a major income driving industry in many middle income countries. In terms of income, employment opportunities and foreign exchange, tourism industry has contributed positively in Bangladesh. This research work is a conceptual study and dimensions related to social, travel, destination and miscellaneous aspects were considered to identify their influence on destination choices. The study depicted that decisions were generally influenced by aspects relating to safety, economics, infrastructural facilities and environment. The exogenous variables such as political instability and the level of crime rate in each destination are not vital determinants of tourist's choice of youngsters. Therefore, it can be implied that a uniform strategy for every age group will not be effective. There is a scope for future studies as a part of roadmap development of probable future promotion strategies for tourism in Bangladesh which can be done on customer perception to identify the decision-making path of domestic tourists of different age groups through in-depth research work.

**Key Words:** Tourism, young generation, Bangladesh, safety, infrastructure, economics.

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## **1. INTRODUCTION**

Expression of natural human instinct for experience, learning, and enjoyment can be defined as tourism. Tourism can be considered as one of the fastest-growing sectors in the economy employing around 225 million people and responsible for 11% gross domestic product (GDP) worldwide. Domestic tourism is rising rapidly now a day and predicted to be much higher than international tourism in the coming days. Many factors are accountable for this increase in the volume of the tourist flow, the surge in the number of high spending tourists, accelerated spread in the name of tourists geographically, pro-active government policies, and growing interest from investors. Domestic, outbound and inbound – call of the three kinds of tourism are facing

Appreciable positive growth and acting as catalysts in the socio-economic development of the country. Therefore, it would not be wise to underestimate the role of domestic travellers in the development process of tourism. As the key to the future of tourism in Bangladesh is held by local tourism, it is essential to evolve a development model for tourism accordingly. This is not only because of the sheer volume and revenue generation but also for its reliability, consistency, resilience, less volatility, and lower cultural impacts in contrast to international tourism.

For decades, the reasons for choosing a travel destination have been an essential area of study in the literature of tourism. "Push and pull" model (Crompton, 1979) is a well-known typology for understanding travel motivation. The breakdown of an individual's choice of a travel destination into two forces is the main logic of this model. Push factors are those that push an individual away from home and attempt to develop a general desire to go somewhere else, without identifying where that may be. Pull factors are those that pull an individual toward a destination due to a region-specific enticement or perceived attractiveness of a target (Lam and Hsu, 2006). These are the two forces of the famous model. According to Tribe (2004), while choosing between a range of destinations, goods, and services, tourists would like to maximize satisfaction. While, as per se of Stabler et al., (2010), tourists' preferences and their expenditure budgets are the critical determinants in the decision making process. Expenditure budgets are not as hard to analyze as tourists' preferences from an economic point of view.

Additionally, social psychologists or geographers have analyzed the decision-making process more often. Focus on studies of motivation, tourist segmentation, and push and pull factors are followed by these researchers, while economists study tourists' preferences (Stabler et al., 2010). During deciding about their holiday and destination, many factors remain active that influence tourists. Horner and Swarbrooke (2007) stated that these factors could be internal, e.g., hobbies and interests, lifestyle, attitudes, past experiences, personality, etc. and external, e.g., word-of-mouth, promotions and offers, the climate, availability of suitable products, etc. it is essential for destination marketing and management to understand and analyze the decision-making process (Pearce, 2005). Law (1993) said that there could be several motives behind people visiting cities, and the probable reasons can be: visiting friends and relatives, business, exhibitions, cultural attractions, sightseeing, entertainment, shopping, evening activities, sports, and special events, etc. In the decision-making process, there are several alternatives for fulfilling a wide range of tourists' experience expectations. This is why Kolb (2006) has mentioned the importance of creating promotional strategies that communicate the benefits of visiting a city during the second phase of the decision-making process. The needs and desires of a specific visitor group or segment must be the primary focus of the promotion of a city.

The purpose of this paper is to find out which factors influence young people during the decision-making process. The motive of analyzing tourist motivation and activities is to explore visitors'

desires, wants, and needs. Destination developers will be benefited from the analysis result to understand target markets and improve the products, services, and activities arranged for the tourists. These kinds of tourist motivation studies should be rigorously used in developing products, promotions, and marketing strategies. Destination marketing and development is playing an essential role in both theoretical and practical tourism business. As global tourism markets become more and more competitive, improved quality of their products and services by many tourism destinations enhance competitiveness.

## **2. LITERATURE REVIEW**

A variety of merchandise and services is obtainable by every destination to draw in tourists. From the destinations' purpose of reading, it's vital to understand why tourists select or not select this destination and also the tourists' feelings concerning the place they visited. The theoretical and empirical proof on the causative relationship among the push and pull motivations, satisfaction. Destination loyalty is extended in many attempts to analyze traveller motivation (Yoon & Uysal, 2005). Tourists' choices square measure advanced varied options wherever the alternatives of various necessities square measure reticular. Dellaert, Etterma, and Lindh (1998) over that this relation evolves in a very call method over time. The crucial part of the travel decision-making method is traveller destination alternative, known in most studies of tourists' travel alternatives. A variety of psychological (internal) and non-psychological (external) variables influence the decision-making method. Specific actions in numerous stages of square measure enclosed during this method. A comprehensive qualitative review of the traveller decision-making literature has been provided by Sirakaya and Woodside (2005) that have integrated the most abstract and empirical work that has been revealed within the touristy literature thus far. They found that the destination alternative set model developed by Um and Crompton (1990) is less complicated and additional in theory and methodologically sound than the others in touristy call analysis. Here a 3-stage successive and funnel-like method is employed to work out a tourist's destination alternative. The composition of awareness set is formed of the initial associate set of destinations that a traveller is alert to at any given time, associate elicited set called late thought set, and final destination alternative. The elicited set generated from the notice set, and it consists of different destinations that individuals actively ask for info concerning other options to best meet their desires. Consistent with the selection set model, the goal ought to be enclosed in every alternative set stage to be eligible as a final destination. The standards that affect this method embody personal (push) factors, destination attributes (pull factors), and constraints.

Crompton and Ankomah (1993) prompt that one may use two or three criteria to scale back the number of alternatives from the notice set to the elicited set; otherwise, there may be too several attributes to check. Additionally, Lam and Hsu (2006) mentioned that the advanced decision-making method resulting in the selection of a travel destination, had not been well researched. Past studies associated with destination alternatives primarily specialize in characteristic vital attributes moving destination choice; skilled judgment square measure the most ways (Goossens, 2000; Heung, Qu, & Chu, 2001; Kim & Prideaux, 2005; Kozak, 2002; Mutinda & Mayaka, 2012). These studies have contributed to several specific issues; the 5-point (or 7-point) Likert scale was used for rating the importance of every factor, and also the elements extracted square measure organized so as of decreasing variance, however very little has been learned concerning the relative importance of everyone by pairwise comparison. Nicolau and Más (2006) identified {the alternative | the selection} of traveller destination that distinguishes between varied approaches to

the definition of traveller destination; they showed an outline of the empirical proof of destination choice with unconcealed and declared preference probabilistic models severally, as incontestable in Tables one and a couple of of their paper. Either the multinomial logit model or nested multinomial logit model is employed to research the selection of destination in most of these papers. Additionally to the on top of, the literature of destination alternative is targeted on the direct impact of destination attributes like costs and distance (Nicolau&Más, 2006), climate (Hamilton & Lau, 2004), quality, and rating (Goossens, 2000).

What is more, a variety of studies were involved with personal pleasure motivations that influence the destination choice; but, empirical alternative literature has devoted very little attention to the impact of traveller motivations on the choice of destinations (Nicolau & Más, 2006). During this study, destination alternative is conceptualized as a Tourist's choice of a goal from a collection of other options; varied psychological feature factors set that choice. Determining the factors that influence people 's alternative destination is crucial in developing applicable promoting ways.

Age, income, gender, temperament, education, cost, distance, status, risk, and motivation, etc., square measure factors that affect alternative destinations (Hsu et al., 2009). of those factors, travel motivation has been a crucial space of study within the touristry literature for many years. As motivation may be a dynamic idea, it should vary from one person to a different, from one market section to a different, from one destination to a different, moreover as from one decision-making method to subsequent (Uysal& Hagan, 1993). it's thus not stunning that the idea of motivation is taken into account as a component of market segmentation in touristry in several empirical investigations (Kozak, 2002; Yavuz, Baloglu, &Uysal, 1998; Zhang & Marcussen, 2007). Kozak (2002) offers an associate analysis of traveller motivations by examining British and German tourists WHO have visited Mallorca and Turkey. The findings show that non-public motivation and destination attributes ought to be used for destination positioning studies. Efforts to know the factors motivating tourists to go to a specific goal and the way seemingly it's to vary from those of different visiting other destinations might facilitate destination planners to line promoting approaches. It'll conjointly facilitate the goal to make a personality for promoting and differentiating its merchandise and services from those of competitive goals. One well-liked assortment for understanding travel motivation is that the push and pull model by Crompton (1979).

The push motivations are thought helpful for explaining the need for travel, whereas the pull motivations are considered useful for explaining the particular alternative of destination. Crompton actor seven socio-psychological (push) motivations (escape, self-exploration, relaxation, prestige, regression, kinship-enhancement, and social interaction) and two cultural (pull) motivations (novelty and education). Uysal and Jurowski (1994) summarized internal (push) and external (pull) motivators to travel. Internal motivators embody the need for escape, rest, relaxation, prestige, health and fitness, adventure, and social interaction. External motivators were supported the attractiveness of the destination, as well as tangible resources (beaches, recreational activities, and cultural attractions) and travellers' perceptions and expectations (novelty, profit expectations, and promoting image). In additional recent studies, researchers have more searching as a psychological feature characteristic of the destination (Hanqin& Lam, 1999; Sirakaya, Uysal, & Yoshioka, 2003). Oh, Uysal, and Weaver (1995) noted smart searching was thought-about as a pull item, associate attribute of the destination. There square measures still different vital factors like destination image, food, and safety. Milman and Pizam (1995) identified

that destination image is that the visual or mental impression of a place control by the overall public. Goossens (2000) mentioned full the role representational process plays within the content of the pull force. Feeding is one of the foremost gratifying activities that tourists undertake throughout their holidays (Ryan, 1997). Quan and Wang (2004) found that food will act as either a primary or secondary trip motivation and adds price to the image of a destination. Safety is a primary concern for tourists (Middleton, 1994). Heung et al. (2001) found that security gave the impression to be the highest priority for each Hong Kong and Taiwan travellers. Travel motivation may be a multi-motive dimensional. Tourists typically have over one motive for selecting an exact destination; for instance, individuals will choose one goal with a purpose of relaxation in a charming, safe place combined with visiting a neighborhood historical heritage.

Ali and Mohsin (2008) commented that the touristy trade ought to be comprised of accumulating all courses of action that potency and effectiveness within the strategic promoting are being needed. Ali and Parvin (2010) represented that motivation may be a dynamic and versatile variable. The people's republic of Bangladesh ought to be a beautiful traveller destination composed of various factors for touristy like scenic beauty, archaeological, historical, cultural, business, spiritual and medical facilities, etc. The design of a motivation list should be versatile enough to include only changes across the life-span and take into account the results of broad cultural force on traveller motivation (Pearce, 1993). for instance, someone could modification his travel preferences as he moves through the family life cycle from a single-career person to an additional family-oriented person; his motives for selecting destinations could also be modified consequently. ILO(2020) represented that COVID-19 has dramatically altered the touristy sector, and square measure currently in a very significantly vulnerable position as governments have mandated the closure of all non-essential businesses, and plenty of firms have had no alternative, however, to minimize theirs in operation prices briefly. The impact on touristy enterprises and staff, the bulk being young girls, is new, as mentioned within the ILO sectoral temporary.

### **3. METHODOLOGY**

In this paper, young people are defined as students between 18 and 35 years old who are currently studying. The research question is 'reasons for the young generation to decide their travel destination?' This study is mainly conceptual nature based on subjective judgment and used as a tool to collect, analyze, and interpret different secondary sources. The research is done during the pandemic situation in Bangladesh along with the globe due to COVID March 19 15, 2020, to June 10, 2020, for which we did not do any survey. Exact secondary sources will be mentioned.

### **4. ANALYSIS OF THE FINDINGS**

The main goal of this study was to explore which reasons influence young people from Bangladesh, and the results revealed some factors among which safety seems to be the most influential factor. In connection with this, the most dominant item is Good and cheap accommodation. This is mostly related to the difficult economic situation in the entire country and especially among students who have a minimal travel budget as it was mentioned before. Accommodation costs represent a large portion of travel expenses, so, understandably, this item is the most dominant.

One of the essential items is also Hospitality, which can perhaps, in this case, be related also to Good food and drinks. Hospitality has always been highly valued throughout the history and tradition of the Serbian people as they always treated guests and visitors kindly and with

pleasure. Most people in the past and also today were raised and taught since they were children to be polite and kind to guests and visitors and treat them with the utmost respect and make them feel as comfortable as possible during their stay. This always implied plenty of good food and drinks and a pleasant company from the host. Hence, there is no wonder that people from Serbia give this so much meaning as they were raised in an environment that values these elements very highly and considers them as usual and expected.

Destination attractiveness and infrastructural facilities are ranked as the second most popular factor for a visit. This factor is somewhat related to the city destination ambiance and environment as well as its offer of natural and cultural heritage attractions. The most dominant item here is Weather, meaning that young people prefer visiting cities during spring and summer when it is warmer and with less rain which gives them more possibilities for various activities. This coincides with the fact that most city-break tours are organized during the spring and summer months. The other two items, Nature and Cultural heritage, are related to the city ambiance and surrounding environment as well as cultural heritage attractions and such elements as architecture, monuments, museums, and similar cultural institutions. Both items have very identical mean values. This can mean that most young people would prefer a more sophisticated city destination with a variety of attractions, both natural and cultural, over a goal with less or only one type of magnetism.

Finally, the results show that available and low-cost vacation is that the issue with significant influence on the visit of town destinations. This issue is usually associated with transport and also the chance to book everything online. The flexibility to book everything online is somewhat vital as a result of most of the youngsters in Bangla Desh typically still like travel agents and avoid re-booking. Most youngsters area unit a touch passive and don't wish to take a while and explore transport and accommodation potentialities by themselves and like this to be done by professionals even though it should price a touch additional however it saves them a while and offers them {a better|a far better|a much better|a higher|a stronger| an extra robust|an improved} sense of security as most of them typically have more trust in travel agencies than themselves. However, this is often slowly dynamic, and e-booking is obtaining more and more fashionable here because it is within the remainder of the planet. The reasons that have the smallest amount influence on the young generation area unit political instability and rate that indicates that they're least dominant things. With relevancy the decision-making method we tend to see that: In the selection of destination the motivations thought of most vital area unit the invention of latest cultures, the discovery of latest landscapes, contemplation of natural and inventive heritage, contact with area people, contact with nature; In the selection of accommodation value is that the most influential cause-issues additional relevant to property, just like the actual come back and profit to the area people from business, area unit thought of very little importance by the bulk of respondents; In the selection of a tour operator value is that the most critical issue (over sixty-seven think about it essential); the security of the journey and also the organization also are incredibly important; most respondents think about support for native development comes and environmental protection and even the involvement of native guides, to be quite vital. Most young tourists like native food, adapt the maximum amount as they'll to the traditions and customs of the place during which they're holidaying, attempt to study their destination before motion, would be willing to be concerned in events organized by the area people and to act with it, demonstrate interest within the protection of the credibility of the destination, notwithstanding this implies going while not sure comforts, resolve the way to shield

the native surroundings and scale back waste, and area unit involved to make sure that their defrayal advantages the native population. However, ILO's (2020) 's observation concerning the business sector is below lock down the state of affairs in Bangladesh.

#### 5. LIMITATIONS AND IMPLICATIONS

The main limitation of the analysis relates to abstract discussion solely attributable to the pandemic state of affairs. Future works ought to take away this disadvantage by investigating, an honest range of sample sizes at entirely different locations when the pandemic state of affairs is over. Besides, a form has to be improved to raised answer the analysis queries. In terms of analysis implications, this paper may be a place to begin for additional studies by providing AN understanding of traveling patterns of Bangladeshi youth supported relevant articles. Findings from this study will aid to each travel operators and repair suppliers at traveller destinations. For travel operators, they need AN understanding of what tourists concern about once buying a business package. They'll base on this info to style appropriate packages that higher meet customers' necessities. Therefore, travel agencies ought to specialize in satisfying customers rather than defrayal an excessive amount of effort on promoting as a result of once their customer's area unit is happy; their status can mechanically be improved through word-of-mouth assisting. For service suppliers, they ought to guarantee an exact level of security as a result of safety is that the most involved issue by tourists. If they do, therefore, they'll be ready to attract additional and additional young travellers visiting the destination wherever they are doing business. Overall, there ought to be in-depth cooperation between travel operators and repair suppliers at the goals if they require creating a long-run relationship with customers.

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## Promoting Agro-Based Industry in India (Issues and Challenges)

Chatar Singh Negi<sup>a</sup>, Sanjay Kumar<sup>b\*</sup>

<sup>a</sup>Department of Commerce, Pt. L.M.S. Govt. P.G. College, Rishikesh (Uttarakhand)  
Email Id: Negics7@rediffmail.com

<sup>b</sup>Department of Commerce, Govt. Degree College, Narendra Nagar, TehriGarhwal (Uttarakhand)  
Email Id: drsanjay.kumar55@gmail.com

### Abstract

The development of agro-based industries has the propensity to stabilize and create agriculture acceptable and moneymaking. Given the thrust on doubling farmer's financial gain, the govt agencies are enjoying a polar role in promoting agro-based industries across the country through the implementation of varied schemes and policies starting from providing collateral-free credit and access to incubation centers to providing higher instrumentality and employment opportunities for entrepreneurs. Agro-based industries give a competitive advantage, each among and out of doors the country. They absorb surplus rural labor and address the matter of excellent scale unemployment/disguised employment in rural areas. Agro-based industries give promotional/profitable occupation And activity diversification in villages that ensure balanced industrial growth in rural areas. It's time that the policymakers and trade leaders acknowledge agriculture about business as a competitive, value-adding sector and facilitate the event of agri-based industries.

**Key Words:** Agro-based Industries, Entrepreneur, Employment, Farmer's Income, Exports.

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## **1. INTRODUCTION**

The demand for food and agricultural merchandise is dynamic in new ways in which. Will increase in per capita incomes, higher urbanization, and therefore the growing numbers of ladies within the personnel engender higher demand for high-value commodities, processed merchandise, and ready-prepared foods. A clear trend exists towards diets that embody additional animal merchandise like fish, meat, and farm merchandise, that successively will increase the demand for feed grains (F.A.O., 2007). there's additionally a growing use of agricultural commodities, notably grains and oil crops, as bio-energy production feedstock. International trade and communications square measure fast changes in demand, resulting in the convergence of dietary patterns further as growing interest in ethnic foods from specific geographical locations. The nature and extent of the changing structure of agri-food demand provide new opportunities for diversification and price addition in agriculture, significantly in developing countries like the Asian nation. As a mirrored image of adjusting client demand, the Nineteen Nineties witnessed a diversification of production in developing countries into non-traditional fruits and vegetables. The share of developing countries in world trade of non-traditional fruits and vegetables has hyperbolic speedily within the recent past. The prospects for continuing growth in demand for added food associate degreed agricultural merchandise represent an incentive for hyperbolic attention to agro-industries development among the context of the economic process, food security, and poverty-fighting methods. Agro-industries, here understood as a part of the producing sector wherever the price is supplementary to agricultural raw materials through process and handling operations, square measure better-known to be economic engines of growth and development.

The Government is promoting Agro-based industries through several schemes as they play a crucial role in boosting the country's economy. These industries are full of high potential as employment generators, especially in rural India, and also perform several critical functions that support development and poverty alleviation. Agro-based sectors consist of the processing, preservation, and preparation of agricultural production for intermediate and final consumption. The development of agro-based industries has the propensity to stabilize and make agriculture acceptable and lucrative. Given the thrust on doubling farmer's income, the government agencies have been playing a pivotal role in promoting agro-based industries across the country through the implementation of various schemes and policies ranging from providing collateral-free credit and access to incubation centers to providing better equipment and employment opportunities for entrepreneurs.

The Textile and Clothing Industry has the potential to grow significantly and to contribute to the Government's ambitious target of achieving USD 5 trillion economies by 2024-25 by shifting surplus labor from the agriculture sector to more productive industrial activities. The dairy industry in the country that includes milk production, collection, processing, and marketing has come a long way over the years, and the present Government is taking many steps to promote this sector. The National Bamboo Mission (N.B.M.) provides a new impetus and direction to enable the realization of bamboo's considerable potential. With its multidisciplinary and multidimensional approach, N.B.M. is trying to promote Bamboo production, handicrafts, marketing, export, and establish a bamboo wholesale and retail market. Similarly, the Indian Jute industry is also expanding fast. The sector supports around 40 lakh farm families and provides direct employment to 2.6 lakh industrial workers and 1.4 lakh in the tertiary sector. It contributes to Rs. 1,000 to Rs. 1,200 crore annually to the export earnings of the country. Turning the agro and

food process business into a significant export business may also produce substantial employment opportunities for employees since it's an effortful business. Agro-food process industries have the potential to come up with directly meaningful employment in production activities and even indirect employment through its forward and backward linkages. This employment is in rural areas wherever these industries need to be settled close to the supply of raw materials, particularly decayable agricultural merchandise. Agro-based sectors have high potential as being employment generators and foreign exchange-earners. To supply tier taking part in the field within the domestic market, generally, it becomes necessary for the govt. To intervene, so they don't fall victim to unfair trade practices, like selling or Subsidies, of alternative countries. The board General of Trade Remedies (DGTR) may be a quasi-judicial body that works to guard Indian businesses against such unfair practices by forming laws and policies against such activities. Agro-based industries offer a competitive advantage, each at intervals and outdoors in the country. They absorb surplus rural labor and address the matter of excellent scale unemployment/disguised employment in rural areas. Agro-based industries offer promotional/profitable occupation ANd activity diversification in villages that ensure an all-around industrial growth in rural areas. It's time that the policymakers and business leaders acknowledge agriculture about business as a competitive, value-adding business and facilitate the event of agri-based industries.

## **2. OBJECTIVES AND RESEARCH METHODOLOGY**

- To know the nature and characteristics of the agro-based industries.
- To examine the impact of agro-based industry on the Indian economy.
- To examine the Issue, Problems, and challenges faced by the Agro-based Industry in India.
- To observe the recent initiatives of Govt. for promoting Agro-based Industries in the country.

This study is descriptive. Available secondary data from reports issued by the Ministry of Agriculture & Farmers Welfare, G.O.I., Annual Survey of Industries, central Statistical Organisation were extensively used for the study. Different news articles, books, and authorized internet sources were used, which were enumerated and recorded. A straightforward percentage method has been used for analyzing the secondary data to show the contributions of the Agro-based Industry towards total output and employment generation over the past few years.

## **3. AGRO-BASED INDUSTRY – DEFINITION AND TYPES**

The development of agro-based industries has the propensity to stabilize and create agriculture acceptable and moneymaking. Associate in Nursing omnibus expression 'agro-industry' covers a spread of business, processing, and producing activities supported agricultural raw materials, and additionally, those activities and services that return to agriculture as inputs. Agriculture provides knowledge to the trade, and industrial outputs area unit utilized in agriculture to expand its production and productivity base. Thus, the agro-industry encompasses not solely the activities that use raw materials sourced from agriculture; however, additionally, people who offer inputs for contemporary science practices. Supported the input-output linkages and also the interchange between agriculture and trade, agro-industries is of 2 sorts – (a) process industries or agro-based industries and (b) input offer industries or agro-industries. The agencies supporting agriculture by the approach of planning and producing inputs for production and productivity growth of the first sector area unit termed as agro-industries whereas agro-based industries method and add price to such agro resources that contain ground and tree crops, fruits and vegetables, etc., still as placental for his or her day to day operations. As per the International

customary Industrial Classification (ISIC) framework, the agro-based trade consists of the manufacturing/processing of food and beverages, textile, footwear and attire, animal skin rubber, paper and wood, and tobacco product.

### 3.1. Present Scenario

The Industrial statistics of organized manufacturing units, as reported in the Annual Survey of Industries of Central Statistical Organization (Table 1), indicate that there was less number of factories in rural areas vis-à-vis urban areas in 2017-18. However, their contributions towards total output and net value addition in the sector were somewhat identical. It shows that the establishment of more rural industrial units would go a long way in not only absorbing surplus labor but also contributing mainly to the total industrial output and value addition.

**Table 1: Rural-Urban Break up of Industries in India**  
(Value Figures in Rs. Lakh & Others in Number)

Sector	Factories	Workers	Total Persons Engaged	Total Output	Net Value Added
	1	2	3	4	5
Rural	98,177	55,55,120	69,82,408	40,34,65,937	6,20,03,250
Urban	1,39,507	66,69,282	86,32,189	40,47,01,178	6,18,09,605
% Rural to Total	41	45	45	50	50
<b>TOTAL</b>	<b>2,37,684</b>	<b>1,22,24,402</b>	<b>1,56,14,598</b>	<b>80,81,67,115</b>	<b>12,38,12,856</b>

Source: Annual Survey of Industries, central Statistical Organisation, 2017-18(Provisional)

### 3.2. Exports of Agro-Based MSMEs -

Data collected from Directorate General of Commercial Intelligence and Statistics (DGCI&S) points to the fact that micro, small and medium scale agro-based industries have been contributing to about one-fifth of India's total exports, with exports remaining in the range of U.S. \$ 56,000 to 59,000 million in the past four years shown by table -2. These are primarily exports of textiles, ready-made apparel, etc.

**Table 2: Exports of Agro-Based MSMEs**  
(Figures in US\$ million)

Sub Sector	Year			
	2014-15	2015-16	2016-17	2017-18
Animal Or Vegetable Fats And Oil And Their Products	973	877	893	1,264
Prepared Food Stuffs, Beverages, Spirits And Vinegar, Tobacco And Manufactured Tobacco Substitutes	5,918	5,837	6,010	6,205
Rubber And Articles Thereof*	7,808	7,619	7,787	9,311
Raw Hides And Skins, Leather, Fur skins & Articles Thereof; Saddlery And Harness; Travel Goods, Handbags And Similar Containers; Articles of Animal Gut (Other than silkworm gut)	3,872	3,442	3,233	3,312
Wood & Articles of Wood; Wood Charcoal; Cork And Articles of Cork, Manufactures of Straw, Of Esparto or other Plaiting & Materials; Basketware And Wickerwork	353	456	415	428

The pulp of wood or other Fibrous Cellulosic Material; Recovered (Waste and Scrap) Paper or Paper board, Paper and Paper board and Articles Thereof	1,430	1,447	1,464	1,702
Textiles & Textile Articles	37,654	36,728	36,477	36,738
Sub Total	58,009	56,405	56,290	58,959
India's Total Exports	3,10,338	2,62,291	2,75,852	3,03,376
Agro-based MSME Exports as a proportion of India's total exports (%)	18.7	21.5	20.4	19.4

Sources: DGCI&S and Ministry of Micro, Small & Medium Enterprises.

\*Includes plastic products.

### 3.3. Govt. Schemes to Promote Agro-Based Industry

India was not able to sustain economic growth because the farmer's purchasing power has not improved much. If there is no purchasing power, there will be no demand for consumer goods. The Government is implementing many schemes to encourage agro-based industries. Govt. Plans to Promote Agro-Based Industry range from providing collateral-free credit and access to incubation centers to providing better equipment and employment opportunities for entrepreneurs in various corners of India.

Foreign Direct Investment has been permitted 100 percent in multi-brand retail. Foreign Direct Investment has been put on an automatic route in the seed sector, dairy, animal husbandry, and controlled atmospheric poly houses.

Pradhan Mantri MUDRA Yojana is a scheme launched on April 8, 2015, for providing loan options. 10 lakh to the non-corporate, non-farm small/micro-enterprises.

The Standup India Scheme facilitates bank loans between 10 lakh and one crore to at least one Scheduled Caste (S.C.) or Scheduled Tribe (S.T.) Borrower and at least one woman borrower per bank branch for setting up a Greenfield enterprise.

GraminBhandaranYojana aims to meet the requirements of farmers for storing farm produce, processed farm produce, and agricultural inputs.

The scheme's objective is to prevent distress sale immediately after harvest by providing the facility of pledge financing and marketing credit by strengthening agricultural marketing infrastructure in the country. It promotes grading, standardization, and quality control of agricultural produce to improve their marketability.

The Scheme of Fund for Regeneration of Traditional Industries (SFURTI) aims to organize traditional industries (such as bamboo, khadi, and honey) and artisans into clusters to make them competitive and provide support for their long term sustainability, sustained employment, and enhanced marketability of products.

The Credit Linked Capital Subsidy Scheme (CLCSS) is a facilitator of technology up-gradation of small scale industries, including khadi, village, and coir industrial units, by providing a 15% upfront capital subsidy (limited to a maximum of Rs. 15 lakh).

The Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE) facilities credit to MSME units through collateral-free loans up to a limit of Rs. 100 lakh for invidious MSMEs on payment of a guarantee fee to the Bank by the MSME.

Besides CGTMSE, the Government's focus lies on schemes such as Prime Minister's Employment Generation Programme (PMEGP), Pradhan MantriKisanSampadaYojana (PMKSY), system of

Cold Chain, Value Addition and Preservation Infrastructure, Modernization of Abattoirs scheme, and more.

### 3.4. Issues, Problems, and Challenges of Agro-Based Industries

Despite its high potentiality to ensure equitable income and employment opportunities in rural areas, the agro-based industrial sector has remained underdeveloped. A review of available literature indicates that the agro-based units have to address impending issues viz., Finance, Industrial Policy, Research and Development, Infrastructure Facilities, Marketing, Production, and Human Resource-related concerns. Table 3 maps significant problems with the types of issues faced by Agro-Based Industries in India.

**Table 3: Issues and Types of Problems**

Issue	Types of Problems
Financing agro-based units	<ul style="list-style-type: none"> <li>• Underfinancing/inadequate/non-availability of bank finance</li> <li>• Inappropriate project appraisal</li> <li>• Delay in getting bank finance</li> <li>• Cost overrun due to high-interest rates and project completion delay</li> </ul>
Industrial Policy, Research & Development	<ul style="list-style-type: none"> <li>• Lack of implementation of industrial policy</li> <li>• Stringent regulatory provisions, environmental, tax, Labour policy/act/rules</li> <li>• Lack of industrial research&amp; development</li> <li>• Non-availability of Right Consultancy Services</li> <li>• Lack of Accredited Research Laboratory for total quality control</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• * Lack of warehouse, cold chain facilities</li> <li>• Expensive Logistic support</li> <li>• Location disadvantages</li> <li>• Wastage management</li> <li>• Distance from the warehouse, cold chain facilities</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>• * Lack of national/international market access along with inappropriate market research</li> <li>• Competition with Multi-National Companies</li> <li>• Dependence on government subsidy and other support</li> <li>• Inconsistent quality of processed products</li> <li>• Weak and nonexistent market development</li> </ul>
Production	<ul style="list-style-type: none"> <li>• Backward, forward linkage issues relating to production</li> <li>• Inappropriate and obsolete process and ancillary equipment\Underutilization of capacity</li> <li>• Shortage or inconsistent raw materials supply</li> <li>• Seasonality of crops</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>• Labor shortages in rural areas Unskilled labor</li> <li>• Low investment in skillset up-gradation</li> </ul>

The challenges highlighted on top of counsel that a national strategy for agro-industrial development is probably going to be wide-ranging. However, a number of the essential problems such a policy may cowl square measure as follows:

- Work with agro-industries at the sub-sector and sector levels to outline plans to boost aggressiveness in domestic and international markets.
- Work with giant agro-industries to help tiny farms and producers in meeting their needs.
- Work to eliminate institutional barriers to entry that inhibit entrepreneurial dynamism.
- Guarantee effective competition between enterprises within the agro-industrial sector to confirm alternative for primary producers and customers and 'fair' costs.
- Work towards the improvement of general and sector-specific infrastructure, operating with the personal sector wherever applicable.
- Lay down a restrictive framework that facilitates business investment, promotes competition between agro-industrial enterprises, and ensures 'fair treatment of customers and first producers.
- Build a strategic investment in analysis and development that, instead of being broad-based, a square measure directed at known areas of competitive advantage.
- Hash out with international commercialism partners for market access and technical help directed at competitors in markets wherever a competitive advantage has been known.

In developing such ways, there's no want for developing countries like India to every begin from scratch and to 'reinvent the wheel.' Developing countries, and therefore the sectors and companies in this, ought to be inspired to share experiences. Bilateral and quadrilateral donors and development organizations will play a job in facilitating expertise sharing and in supporting processes of technology transfer. In contrast, FDI and, therefore, the trade relations that companies in developing countries have with international patrons are going to be of skyrocketing importance to capability development at the enterprise level.

### **3.5. Potential of Agro-Based Industries**

The unsteady and decelerating agricultural growth, if not inactive, can have severe consequences for the livelihoods of the population that depends on agriculture, significantly the producing sector that has robust backward and forward linkages with agriculture. The liberalized food-producing sectors, similarly as alternative types of agribusinesses, may play an essential role in stimulating agricultural growth. Amongst numerous agro-industries, food production is a lot of material intensive, and so possesses a lot of vital potential to revitalize agricultural growth by strengthening forward and backward linkages with farmers, and speed up the method of exploitation and diversification of agricultural production. Further, food process industries, to cut back their dealings prices, typically tend to be placed nearer to the supply of material, and so will produce financial gain opportunities for the rural folks. Hence, fast agricultural growth through diversification and development of agro-processing could be a vital policy challenge. Unfortunately, the economy is nonetheless to appreciate the total potential of those industries within the general and food-producing sectors, especially. The demand for processed food and alternative agro-based merchandise is increasing thanks to sustained financial gain growth, increasing urbanization, an aggressive middle-income category, increasing entry of ladies within the workforce, the nuclearization of families, enhancements in accomplishment, and exposure to western foods. The share of processed diet merchandise associate degreed beverages within the food basket has shown an increasing trend over the last three decades.

Demand for processed foods is a lot of attention to financial gain and value changes and can grow quicker than the other food item. By 2020, processed food merchandise and beverages square measure went to account for regarding V-day share within the food basket. Rising demand, in

conjunction with enhancements in transportation, logistics, communication, technological innovations, logistics, communication, technological innovations, adequate legal and restrictive arrangements, and alternative favorable economic policies in food and alternative agro-processing of these provide vast scope for the expansion of process business. The domestic, similarly because the international market, is gigantic. Solely with production assisted by trendy technology and intensive selling will the native market similarly because the export market should be exploited to the fullest extent. The event of the Agro-Industry will facilitate to stabilize and build agriculture a lot of remunerative and create employment opportunities each at the assembly and selling stages. The food process sector in India has the supply of potential attracting investments and generating employment. The broad-based development of the agro-products business can improve each of the social and physical infrastructures of India.

#### 4. CONCLUSION

This paper has wanted to stipulate the promotion of agro-industry within the country and, therefore, the challenges being baby-faced, most notably because of the international agro-food economy changes in response to a series of pervasive megatrends. Indian planners and policymakers have perpetually inspired rural and Agri- industrial enterprises. The inherent blessings of Agri- industries square measure optimum utilization of native Agri- resources, Mobilisation of investment on an oversized scale, creation of job chance, hindrance of distress rural-urban migration, and reduction of inequality across sectors and regions. Agri-based industries adapt to the notion of competitive blessings each inside and outdoors the country. They'll play the role of a security valve to soak up surplus rural labor and may address the matter of serious scale unemployment/ disguised employment in rural areas. The critical challenge here is, however, effectively the govt. Implements its schemes and policy interventions to confirm balanced industrial growth in rural regions while not undermining the identity of the towns and villages; its socio-economic structure Agri- production systems and, therefore, the essential agri-manufacturing characteristics.

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## Budgetary Trends of Uttarakhand Government: An Analysis of Almora District

Shivani Shah<sup>a\*</sup>, K.C. Joshi<sup>b</sup>, B.P. Singhal<sup>c</sup>

<sup>a</sup>Department of Commerce, Kumaun University, SSJ Campus Almora, Uttarakhand, India  
E-mail id: shahshivani112@gmail.com

<sup>b</sup>Department of Commerce, Kumaun University, SSJ Campus Almora, Uttarakhand, India  
Email Id: kcjosshi1957@gmail.com

<sup>c</sup>Faculty of Commerce, Kumaun University, SSJ Campus Almora, Uttarakhand, India  
Email Id: bpsinghal\_com@refiffmail.com

### Abstract

COVID-19 has shown us the need to review our budget allocation. Budget Analysis is a tool used to build public accountability and marginalize focus on public expenditure management and budget processes. It aims at influencing the distribution of federal funds and making them transparent. In this paper, budgeted allocations towards various sectors of a district economy are assessed. Objectives of the study are- 1. To find out the distribution of funds to different areas of the economy 2. To assess deficiency/sufficiency/ over-sufficiency of funds for various heads, particularly in the COVID-19 Pandemic situation. Data for the last four years i.e., 2016-17 to 2019-20, is collected from government departments and other secondary sources for comparative and trend analysis. The study concludes that there is an uneven distribution of funds in the district. Some sectors like Medical and Health are underdeveloped still unable to utilize its funds entirely Other industries like Education and Energy can use their funds yet need an addition in allocation for development In the course of a pandemic it seems that rural development needs an increase in allocation to retain migrants back in the district and populate abandoned villages.

**Key Words-** COVID-19, Budget Allocation, District Economy, Trend Analysis

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## 1. INTRODUCTION

With the 73rd and 74th amendments of the Constitution of India, decentralization of planning is emphasized, and the methodology of the district plan was changed. The Uttarakhand District Planning Committee Act, 2007 was passed by the Uttarakhand Legislative Assembly and assented by the Governor on July 13, 2007. The primary objective of the act is to constitute the District Planning Committee at the District Level for consolidation of plans prepared by the Panchayats and the Municipalities in the district and preparation of draft development plan for the community as a whole or the matters connected in addition to that or incidental to it.

The sequencing of the preparation of the district plan is as follows:

- Preparation of district vision, block vision, and gram panchayat level vision.
- Preparation of participatory plan involving Gram Sabha from Gram Panchayats to ZillaParishad.
- Preparation of plans by Urban Local Bodies.
- Consolidation of plans prepared by local bodies by District Planning Committees.<sup>1</sup>

Almora District, in the Kumaon region, is a district of Uttarakhand state, India, with its administrative headquarters located at Almora city. The area is the most suitable organizational unit for decentralized planning below the state level as it possesses the required heterogeneity and is small enough to undertake people in planning and implementation. To improve productivity, district planning is an essential tool. The district-level fund-flow and expenditure analysis is aimed at developing a comprehensive picture of resource flows and requirements at the district level.

## 2. LITERATURE REVIEW

**Annual plans of Uttarakhand state** for many years have been reviewed for the grouping of expenditure heads and construction of significant leaders for analysis.

**District Budget Analysis Study Including Funds Sources and DADPs Allocations in Kilosa and Chamwino District Councils (June 2014)**-*This report gives the findings for the study conducted in Kilosa and Chamwino districts in the respective regions of Morogoro and Dodoma in Tanzania. The study aimed at conducting District budget analysis for the district councils of Kilosa and Chamwino and identify funding sources for the district budget and its utilization, including DADPs allocations for the 2012/2013 and 2013/2014 financial years.*

**Jasmina, Thia. (2017).** In her paper finds that, despite the increased government spending on education, the capacity of the local governments to manage and transform the financial resources into education outcomes is crucial. The education outcomes depend on not only the amount of spending but how well the money is spent.

**Emmanuel Skoufias, Eric Strobl, and Thomas Tveit (March 2018)** in their paper titled *The Reallocation of District-Level Spending and Natural Disasters: Evidence from Indonesia* stated that that district government spending is quite sensitive to the incidence of natural disasters at the local level.

**Sharma Seema (May 2020)** in her article 'Free power, easy loans: How Uttarakhand is trying to hold back locals who have returned from cities' has described reverse migration as an

<sup>1</sup>Manual for integrated district planning, New Delhi, Planning Commission, 2008 PP 51 - 132

opportunity for Uttarakhand state. According to the article, As of April 23, a total of 59,360 people had returned to the ten hill districts in the country, according to government records and officials. Of these, 12,039 are from Pauri Garhwal and 9,303 from Almora – the two regions most affected by migration, according to an interim report released by the state's Rural Development and Migration Commission, or RDMC, on April 23.<sup>2</sup>

### **3. STATEMENT OF THE PROBLEM**

The paper carries out the analysis of budgetary trends over time to illustrate the Government's commitment to addressing various issues in different sectors of the economy. The study will influence the allocation of public funds and make them transparent. The review will be useful to government /s, government officials, planners, researchers, academicians, etc.

### **4. OBJECTIVES OF THE STUDY**

- a. To find out the allocation of funds to different sectors of the economy
- b. To assess deficiency/sufficiency/ over-sufficiency of funds for various heads, particularly in the COVID-19 Pandemic situation.

### **5. SCOPE OF THE STUDY**

The research is confined to the analysis of the Government allocations and actual spending by the various departments in district Almora for the last four years, i.e., FY 2016-17 to FY 2019-20.

### **6. METHODOLOGY ACCEPTED**

#### **a. Source of Data:**

The research is mainly based on secondary data, i.e., Financial Progress Report of various departments for the financial year 2016-17, 2017-18, 2018-19 and 2019-20 collected from Directorate of Economics and Statistics Planning Department, Government of Uttarakhand and other official publications of budget documents.

#### **b. Tools For Analysis**

Data collected is edited, summarized, and presented in suitable, tabular, and pictorial form. For analysis, percentage and trend analysis are done.

#### **c. Limitations Of The Study**

This study is limited to the Almora district in Uttarakhand. Hence the findings cannot be generalized.

### **7. ANALYSIS**

The **sources of funds** are district plans (zilayojana), state plan (Rajyayojana), funds announced by central Government, and external grants. State plans and the central Government are the primary sources. Funds received under the above methods have been allocated under the following heads in the Financial Progress Report of various departments prepared by the Directorate of Economics and Statistics Planning Department, Government of Uttarakhand –

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<sup>2</sup>[http://www.uttarakhandpalayanayog.com/pdf/Inputs\\_for\\_supporting\\_reverse\\_migrants\\_after\\_covid-19\\_\(Hindi\).pdf](http://www.uttarakhandpalayanayog.com/pdf/Inputs_for_supporting_reverse_migrants_after_covid-19_(Hindi).pdf)

**TABLE 1-Table showing all the minor heads used by the Government for budget allocation**

1	Roads And Bridges /PMGSY/ADB/CRF	12(4)	DRDA Administrative Head (UBBDF)	17(5)	Minority Welfare	28	Tourism
2	Jal Nigam	12*5)		17(6)	Handicapped Welfare	29	Economics And Statistics
3	JalSansthan	12(6)	MLA Fund	17(7)	AtalAwaasYojana	30	Sports
4	Forest	12(7)	Pradhan MantriAwaasYojana	17(8)	SCP/TSP	31	Youth Welfare
5	Electricity/RGGVY	12(8)	MP Fund	17(9)	Women Welfare	32	Information Department
6	Alternate Energy	12(9)	Credit Card Subsidy/New Simplified Loan Grant Scheme	17(10)	Gaura Devi KanyadhanYojana	33	Urban Development
7	Private Minor Irrigation	12(10)	Rural Pond Scheme	18	Agriculture	34	Art And Culture Department
8	State Irrigation (Canal)	12(11)	DeenDayalUpadhya yGraminAwaasYojana	19	Horticulture	35	Total Sanitation Campaign(SWAJAL)
8(1)	Minor Irrigation (Laghudaal)	13	Community Development/ Grant To Blocks	20	Animal Husbandry	36	Decentralized Watershed Development Project (Rural)
9	Medical And Health	14	Primary Education	21	Pisciculture / Fisheries	37	Child Development And Nutrition
10	Ayurvedic/Yunani Treatment	15	SarvaShikshaAbhiyaan	22	Dairy Development	38	Pooled Residence
11	Homeopathic Treatment	16	Secondary Education	23	Co-Operative	39	Natural Disaster
12	Rural Development	17(!)	SC Welfare	24	Panchayati Raj	40	Employment
12(1)	Indira Awaas Yojana	17(2)	Backward Class Welfare	25	Rural And Micro Industries	39	Natural Disaster
12(2)	RashtriyaGraminYojana Guarantee	17(3)	S.T. Welfare	26	Khadi Village Industry	40	Employment
12(3)	NRLM	17(4)	Old Age Pension/Family Benefit Scheme	27	Silk Industry		

For the sake of clarity and compactness, the above heads have been reduced as follows-

1	Transport	5	Health and Family Welfare	9	Industry, Agriculture and Allied Activities
2	<b>Water supply, Sanitation, and Housing</b>	6	<b>Rural development</b>	10	<b>Miscellaneous</b>
3	<b>Energy</b>	7	<b>Education, Sports, Art, and Culture</b>	11	<b>Urban development</b>
4	<b>Irrigation</b>	8	<b>Social Welfare</b>		

The above heads have been used for analysis.

The allocation under various heads over the last four years, i.e., from 2016-17 to 2019-20 has been done as follows-

**TABLE 2:-Table showing increase/decrease percentage in actual expenditure  
(all amounts in Lakhs rupees)**

	HEADS	2016-17	2017-18	% increase/ decrease	2018-19	% increase/ decrease	2019-20	% increase/ decrease
1	Transport	13434.04	29896.19	122.54%	20404.62	51.89%	20416.41	51.98%
2	Water supply , Sanitation and Housing	6276.563	10403.71	65.75%	8641.65	37.68%	8811.76	40.39%
3	Energy	112.9738	138.11	22.25%	430	280.62%	536.00	374.45%
4	Irrigation	1551.52	951.55	-38.67%	1108.51	-28.55%	1118.95	-27.88%
5	Health and Family Welfare	1474.077	1778.08	20.62%	1829.33	24.10%	1927.02	30.73%
6	Rural development	5371.51	5853.921	8.98%	6869.459	27.89%	5579.84	3.88%
7	Education,Sports ,Art and Culture	5814.138	7457.77	28.27%	6467.463	11.24%	3791.36	-34.79%
8	Social Welfare	11279.39	11371.69	0.82%	11880.38	5.33%	12996.16	15.22%
9	Industry,Agriculture and Alied Activities	2977.549	3645.668	22.44%	5690.545	91.12%	5256.91	76.55%
10	Miscellaneous	3933.201	5319.37	35.24%	6286.98	59.84%	7824.25	98.93%
11	Urban development	-	-	-	-	-	1285.92	-
	<b>GRAND TOTAL</b>	<b>52224.96</b>	<b>76816.06</b>	<b>47.09%</b>	<b>69608.93</b>	<b>33.29%</b>	<b>69544.57</b>	<b>33.16%</b>

(Source -Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**TABLE 3:- Table showing share of each sector in the total outlay for each year  
(All amounts in Lakhs rupees)**

	HEADS	2016-17	% of total	2017-18	% of total	2018-19	% of total	2019-20	% of total
1	Transport	13434.04	25.72%	29896.19	38.92%	20404.617	29.31%	20416.41	29.36%
2	Water supply , Sanitation and Housing	6276.563	12.02%	10403.7096	13.54%	8641.65	12.41%	8811.76	12.67%
3	Energy	112.9738	0.22%	138.11	0.18%	430	0.62%	536.00	0.77%
4	Irrigation	1551.52	2.97%	951.55	1.24%	1108.51	1.59%	1118.95	1.61%
5	Health and Family Welfare	1474.077	2.82%	1778.0799	2.31%	1829.33	2.63%	1927.02	2.77%
6	Rural development	5371.51	10.29%	5853.92102	7.62%	6869.45877	9.87%	5579.84	8.02%
7	Education,Sports ,Art and Culture	5814.138	11.13%	7457.77	9.71%	6467.463	9.29%	3791.36	5.45%
8	Social Welfare	11279.39	21.60%	11371.6864	14.80%	11880.376	17.07%	12996.16	18.69%
9	Industry, Agriculture and Allied Activities	2977.549	5.70%	3645.6684	4.75%	5690.54505	8.18%	5256.91	7.56%
10	Miscellaneous	3933.201	7.53%	5319.37	6.92%	6286.98	9.03%	7824.25	11.25%
11	Urban Development	-	-	-	-	-	-	1285.92	1.85%
	<b>GRAND TOTAL</b>	<b>52224.96</b>	<b>100.00%</b>	<b>76816.0553</b>	<b>100.00%</b>	<b>69608.9298</b>	<b>100.00%</b>	<b>69544.57</b>	<b>100.00%</b>

(Source -Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.1 Transport-** Central Government has announced funds under Pradhan Mantri Gram SadakYojana (PMGSY) and Central Road Fund (CRF) to provide connectivity to unconnected habitations. The external grants are being received from the Asian Development Bank, which has funded various projects focusing on the development and maintenance of road infrastructure. The head transport includes expenses related to Road and bridges, PMGSY, ADB, CRF. The expenditure on this head is highest throughout the study period being 25.72%, 38.92%, 29.31%, and 29.36% of the total spending in the years 2016-17, 2017-18, 2018-19 and 2019-20 respectively. Considering the expense of 2016-17 as the base year, there is a 122.54%, 51.89%, and 51.98% increase in 2017-18, 2018-19, and 2019-20 respectively, as shown in TABLE 2. The reason behind the significant growth in 2017-18 is that the central Government has increased the funding under PMGSY and also the increase in grants by ADB. Uttarakhand has been ranked the best among states in the country for the construction of the maximum number of roads under the PMGSY during 2017-18. The state constructed a maximum of 1839 km roads under the PMGSY against the target of 1500 km set for the year 2017-18 under PMGSY, the connectivity roads also being built, due to which routes are constructed to all villages.<sup>3</sup>

**7.2 Water Supply, sanitation, and Housing** –This head includes Expenditure on Jal Nigam, JalSansthan, Swajal, AtalAwaasyojana, Decentralized Watershed Development Project (DWDP). The sources of funds are district plan, state plan, central govt, and outside grants. The overall expenditure in this head is 12.02%,13.54%,12.41%, and 12.67%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20 respectively (shown in TABLE 3). Taking 2016-17 as base year there is a 65.75% increase in the actual expenditure in 2017-18, But further, in 2018-19 the investment falls showing only 37.68% increase in real spending from the base year 2016-17 and.in 2019-20 there is an increase of 40.39% in 2019-20 as depicted by TABLE 2.

**TABLE 4:- Table showing % of actual expenditure out of budget allotted to Water Supply Sanitation and Housing head in each year (all amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%	Allotted	Spent	%	Allotted	Spent	%	Allotted	Spent	%
1	Jalnigam	2846.87	2618.51	91.98%	3752.47	3752.47	100.00%	3565.50	3301.10	92.58%	5867.84	4962.78	84.58%
2	JalSansthan	867.84	812.29	93.60%	949.45	937.29	98.72%	1151.71	1067.60	92.70%	1195.75	1174.23	98.20%
3	Total	1395.86	1394.97	99.94%	3425.89	3344.72	97.63%	2146.78	1521.00	70.85%	1103.39	946.84	85.81%
4	Sanitation Campaign (Swajal)												
4	D W D P (rural)	1463.08	1441.44	98.52%	2355.85	2355.82	100.00%	2734.29	2734.29	100.00%	1727.91	1727.91	100.00%
5	AtalAwaasYojana	15.00	9.36	62.40%	13.41	13.41	100.00%	17.66	17.66	100.00%	0.00	0.00	#DIV/0!
	Water supply, Sanitation and Housing	6588.64	6276.56	95.26%	10497.07	10403.71	99.11%	9615.94	8641.65	89.87%	9894.89	8811.76	89.05%

(Source –Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

<sup>3</sup><https://economictimes.indiatimes.com/news/economy/infrastructure/uttarakhand-ranked-best-among-states-in-pmgsy-official/articleshow/65810820.cms>

**7.3 Energy-** This head is inclusive of spending on Rajiv Gandhi GrameenVidyutyojna(RGGVY) and alternate energy sources. The allocation of funds towards energy is the lowest in all four years. The overall expenditure in this head is 0.22%,0.18%, 0.62%, and 0.77%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. However, there is an increasing trend in the expenditure, i.e., 22.25% increase in 2017-18, 280.62% hike in 2018-19, and 374.45% rise in 2019-20 as compared to the base year 2016-17 as shown in TABLE 2. The share of spending on energy in the total budget is also increasing year by year. The major part of the expenditure is on alternative energy. The state government is focusing on solar power projects for the economic development of hilly regions of the state. The spending on alternate energy has not fluctuated much. The drastic hike in 2018-19 and 2019=20 is due to the fund announced by the center for RGGVY.

**TABLE 5:- Table showing % of actual expenditure out of budget allotted to energy head in each year (all amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%									
1	Electricity/RGGVY	0.02	0.02	100.00%	0.00	0.00	#DIV/0!	240.00	240.00	100.00%	344.00	344.00	100.00%
2	Alternate Energy	112.95	112.95	100.00%	138.11	138.11	100.00%	190.00	190.00	100.00%	192.00	192.00	100.00%
	<b>Energy</b>	<b>112.97</b>	<b>112.97</b>	<b>100.00%</b>	<b>138.11</b>	<b>138.11</b>	<b>100.00%</b>	<b>430.00</b>	<b>430.00</b>	<b>100.00%</b>	<b>536.00</b>	<b>536.00</b>	<b>100.00%</b>

(Source –Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.4 Irrigation-** This is one of the lowest spending sectors. The sector includes spending on minor private irrigation, state irrigation (canal), and laghudaal (minor flooding). The overall expenditure in this head is 2.97%,1.24%, 1.59%, and 1.61%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. The expenditure on irrigation was decreased by 38.67% in 2017-18, 28.55% in 2018-19, and 27.88% in 2019-20 when compared to the base year 2016-17, according to TABLE-2. Almora district has the maximum rain-fed area (i.e., 73576 ha) in the state<sup>4</sup>. It may be the reason why the Government is not spending much on irrigation schemes in the district.

**TABLE 6:- Table showing % of actual expenditure out of budget allotted to Irrigation head in each year (All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%	Allotted	Spent	%	Allotted	Spent	%	Allotted	Spent	%
1	Pvt. minor Irrigation	577.84	577.84	100.00%	114.00	114.00	100.00%	123.36	123.36	100.00%	155.19	118.98	76.66%
2	State Irrigation (Canal)	1282.36	917.68	71.56%	866.87	783.44	90.38%	936.67	927.60	99.03%	1244.04	931.97	74.91%
3	Minor Irrigation	56.00	56.00	100.00%	54.11	54.11	100.00%	57.55	57.55	100.00%	68.00	68.00	100.00%
	<b>Irrigation</b>	<b>1916.20</b>	<b>1551.52</b>	<b>80.97%</b>	<b>1034.98</b>	<b>951.55</b>	<b>91.94%</b>	<b>1117.58</b>	<b>1108.51</b>	<b>99.19%</b>	<b>1467.23</b>	<b>1118.95</b>	<b>76.26%</b>

(Source –Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

<sup>4</sup> Report on state specific action plan for Water sector Uttarakhand, page no. 32, [http://nwm.gov.in/sites/default/files/Report\\_Draft-SSAP\\_Uttarakhand.pdf](http://nwm.gov.in/sites/default/files/Report_Draft-SSAP_Uttarakhand.pdf)

**7.5 Health and family welfare** - The head includes spending on medical and health, ayurvedic/Yunani treatment, and homeopathic treatment. Out of these three sectors, the last two have spent their funds to the fullest in all four years, but due to the medical and health Industry, the TABLE 7 shows that 77.48%, 86.85%, 78.71% and 78.23% of the total allotted funds were spent. The overall expenditure in this head is 2.62%, 2.31%, 2.63%, and 2.77%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. This sector has an increasing trend. There is a 20.62% increase in 2017-18, a 24.10% increase in 2018-19, and 30.73% increase in 2019-20 as per TABLE 2.

**TABLE 7:- Table showing % of actual expenditure out of budget allotted to health and family welfare head in each year (All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%									
1	Medical and Health	1837.71	1409.28	76.69%	1969.04	1702.09	86.44%	2258.45	1763.61	78.09%	2380.96	1844.81	77.48%
2	Ayurvedic/Yunani Treatment	54.90	54.90	100.00%	59.06	59.06	100.00%	62.67	62.67	100.00%	72.21	72.21	100.00%
3	Homeopathic Treatment	9.90	9.90	100.00%	16.93	16.93	100.00%	3.05	3.05	100.00%	10.00	10.00	100.00%
-	Health and Family Welfare	1902.51	1474.08	77.48%	2045.03	1778.08	86.95%	2324.17	1829.33	78.71%	2463.17	1927.02	78.23%

(Source - Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.6 Rural development** - This includes expenditure on all the development schemes like Indira AawaasYojana, RashtriyaGraminYojgaar Guarantee Yojana (RGYGY), DRDA administrative head, Uttarakhand Border and Backward Area Development Fund (UBBDF), Pradhan MantriAawaasYojana(PMAY), etc. and funds grants to mp and MLA for rural development. The overall expenditure in this head is 10.29%, 7.62%, 9.87%, and 8.02%, of the total expenditure in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. The actual expenditure on rural development shows an increasing trend of up to 2018-19 and a fall in 2019-20. There is an 8.98% increase in 2017-18, a 27.89% increase in 2018-19. It reduces to a 3.88% increase in 2019-20 as per TABLE 2. The reason behind this seems to be the decrease in funds allotted towards RGYGY and no allotment towards PMAY. Only 32.49%, 31.16%, 42.90%, and 37.45% were spent out of the MLA fund in 4 years, respectively. Similarly, the M.P. fund was not even spent out fully, as shown in TABLE 8 below. In 2016-17 68.16%, in 2017-18 only 28.72%, 2018-19 85.27% and in 2019-20 85.48% of the allotted amount was spent. A large amount of budget allotted towards rural development remained unspent in all four years (TABLE 8).

**TABLE 8:- Table showing % of actual expenditure out of budget allotted to Rural Development head in each year  
(All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%									
1	Indira awaas	108.79	108.79	100.00%	10.20	10.20	100.00%	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
2	RGYGY	3567.61	3561.40	99.83%	3957.07	3950.18	99.83%	3557.96	3551.48	99.82%	2805.50	2805.50	100.00%
3	NRLM	15.86	14.36	90.56%	82.55	79.86	96.74%	145.15	143.59	98.92%	152.69	133.07	87.15%
4	DRDA	24.38	16.83	69.03%	0.03	0.03	100.00%	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
	Administrative Head												
5	(UBBDF)	72.60	49.98	68.84%	22.82	8.33	36.49%	14.93	0.05	0.34%	58.02	15.39	26.53%
6	MLA Fund	4177.71	1357.35	32.49%	5070.35	1580.04	31.16%	5740.69	2462.90	42.90%	5528.38	2070.63	37.45%
7	PMAY	17.80	17.80	100.00%	82.00	82.00	100.00%	113.50	113.50	100.00%	0.00	0.00	#DIV/0!
8	MP Fund	228.15	155.50	68.16%	322.65	92.65	28.72%	528.16	503.16	95.27%	525.00	448.75	85.48%
9	Credit Card Subsidy/New Simplified Loan Grant Scheme	2.35	2.30	97.71%	0.53	0.53	100.00%	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
10	DeenDayalUpadhyaGramin AwaasYojana	20.14	15.86	78.78%	4.51	3.95	87.53%	0.59	0.59	100.00%	0.00	0.00	#DIV/0!
11	Community development/Grant to Blocks	82.19	69.69	84.79%	44.48	44.48	100.00%	91.84	91.84	100.00%	104.00	104.00	100.00%
12	Employment Rural Pond Scheme	1.65	1.65	100.00%	1.68	1.68	100.00%	2.35	2.35	100.00%	2.50	2.50	100.00%
	Rural development	63.94	0.00	0.00%	63.96	0.00	0.00%			#DIV/0!			#DIV/0!
		8383.16	5371.51	64.08%	9662.84	5853.92	60.58%	10195.17	6869.46	67.38%	9176.09	5579.84	60.81%

(Source – Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.7 Education, sports, arts, and culture** - This head comprises of the expenditure related to primary education. Secondary Education, Sarva Shiksha Abhiyan, youth welfare/ provincial guard group (PRD), art and culture department, and sports. The overall expenditure in this head is 11.13% (FIGURE 1), 9.71% (FIGURE 2), 9.29% (FIGURE 3), and 5.45% (FIGURE 4), of the total expenditure in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. The spending on SarvaShikshaAbhiyan is more than primary and secondary education. The actual spending is fluctuating every year, as shown in TABLE 2. It is highest in 2017-18 (Rs.7457.77 lacs) and lowest in 2019-20 (Rs. 3791.36 lacs).

**TABLE 9:- Table showing % of actual expenditure out of budget allotted to education, sports, arts, and culture head in each year  
(All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%									
1	Primary Education	1254.87	1162.57	92.64%	1336.26	1280.26	95.81%	1045.97	984.28	94.10%	1087.63	1076.05	98.94%
2	SarvaShiksha Abhiyaan	3386.49	3386.49	100.00%	5313.83	5251.21	98.82%	4496.91	4448.32	98.92%	1679.07	1548.09	92.20%
3	Secondary Education	878.47	878.47	100.00%	501.21	501.21	100.00%	664.43	647.60	97.47%	861.46	765.72	88.89%
4	Sports	106.34	106.34	100.00%	80.67	80.67	100.00%	75.95	75.95	100.00%	79.50	79.50	100.00%
5	Youth Welfare	263.86	259.40	98.31%	287.28	287.28	100.00%	290.74	290.74	100.00%	300.00	300.00	100.00%
6	Art and culture Department	20.86	20.86	100.00%	57.14	57.14	100.00%	20.57	20.57	100.00%	22.00	22.00	100.00%
	<b>Education, Sports, Art and Culture</b>	<b>5910.89</b>	<b>5814.14</b>	<b>98.36%</b>	<b>7576.39</b>	<b>7457.77</b>	<b>98.43%</b>	<b>6594.57</b>	<b>6467.46</b>	<b>98.07%</b>	<b>4029.66</b>	<b>3791.36</b>	<b>94.09%</b>

(Source – Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.8 Social welfare** – This sector is the second-highest spending sector after transport. The Industry is inclusive of various welfare schemes relating to multiple sections of society, namely scheduled castes, scheduled tribe, backward classes, minorities, old age people, handicapped, soldiers, women, and children. It also includes schemes like Gaura Devi Kanyadhan Yojana and disaster management. The overall expenditure in this head is 21.60%, 14.80%, 17.07%, and 18.69%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20, respectively (TABLE 3). Also, this sector is showing an increasing trend from Rs 11279.39 lacs in 2016-17 to Rs 12996.16 lacs in 2019-20, which is a 15.22% increase (TABLE 2).

**TABLE 10:- Table showing % of actual expenditure out of budget allotted to Social welfare head in each year (All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%									
1	SC Welfare	431.11	247.95	57.51%	406.13	398.68	98.17%	478.36	452.02	94.49%	941.06	556.86	59.17%
2	Backward Class Welfare	68.29	5.17	7.57%	42.64	42.62	99.95%	21.17	17.21	81.29%	32.48	32.40	99.75%
3	S.T. Welfare	0.00	0.00	#DIV/0!	19.85	17.41	87.71%	10.01	1.87	18.68%	5.52	1.11	20.11%
4	Old age Pension/Family Benefit Scheme	5109.92	5049.81	98.82%	6088.85	5595.67	91.90%	5635.48	5635.42	100.00%	6319.85	6292.86	99.57%
5	Minority Welfare	274.47	274.43	99.99%	0.87	0.79	90.80%	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
6	Handicapped Welfare	878.96	661.03	75.21%	692.58	690.60	99.71%	784.98	784.95	100.00%	755.17	754.51	99.91%
7	soldier welfare	1.87	1.85	99.19%	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!			#DIV/0!
8	SCP/TSP	253.03	253.03	100.00%	266.69	133.34	50.00%	419.12	419.12	100.00%	196.04	196.04	100.00%
9	Women Welfare	1540.35	1537.75	99.83%	1496.15	1496.08	100.00%	1919.34	1835.58	95.64%	1843.58	1842.42	99.94%
10	Gaura Devi Kanyadha Yojana	645.00	645.00	100.00%	103.50	103.00	99.52%	210.50	210.50	100.00%	0.00	0.00	#DIV/0!
11	Child Development and Nutrition	2436.51	2166.42	88.91%	2491.32	2227.80	89.42%	2712.61	2137.80	78.81%	3063.66	2658.19	86.77%
12	Natural Disaster Social Welfare	800.00	436.95	54.62%	700.00	665.70	95.10%	700.00	385.91	55.13%	750.00	661.77	88.24%
		<b>12439.50</b>	<b>11279.39</b>	<b>90.67%</b>	<b>12308.58</b>	<b>11371.69</b>	<b>92.39%</b>	<b>12891.57</b>	<b>11880.38</b>	<b>92.16%</b>	<b>13907.36</b>	<b>12996.16</b>	<b>93.45%</b>

(Source -Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.9 Industry, Agriculture, and allied activities-** This sector includes spending relating to agriculture, horticulture, animal husbandry, pisciculture, dairy development, cooperative, rural and micro industries, khadi village industries, silk industries, tourism industries, and forest department. The overall expenditure in this head is 5.70%, 4.75%, 8.18%, and 7.56%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. The expenditure was highest in 2018-19, i.e., Rs.5690.545 lacs and lowest in 2016-17, i.e., Rs—2977.549 lacs (TABLE 2). The horticulture department is unable to utilize the budget to its fullest, as shown in TABLE 11 below.

**TABLE 11:- Table showing % of actual expenditure out of budget allotted to Industry, agriculture and allied activities head in each year (All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%									
1	Agriculture	1448.66	1364.83	94.21%	1303.83	1219.32	93.52%	1814.84	1622.30	89.39%	1605.60	1551.31	96.62%
2	Horticulture	296.65	252.85	85.24%	226.28	171.64	75.85%	278.17	221.77	79.72%	342.97	292.98	85.42%
3	Animal Husbandary	215.56	206.23	95.67%	349.65	348.82	99.76%	341.06	340.38	99.80%	436.88	414.45	94.87%
4	Pisciculture / fisheries	22.92	22.92	100.00%	15.81	8.99	56.85%	28.09	28.09	100.00%	41.45	41.45	100.00%
5	Dairy Development	209.81	209.81	100.00%	239.81	239.81	100.00%	417.45	416.67	99.81%	454.25	442.96	97.52%
6	Co-operative	107.00	107.00	100.00%	90.00	90.00	100.00%	100.00	100.00	100.00%	90.00	90.00	100.00%
7	Rural and micro industries	161.14	161.12	99.99%	25.85	25.85	100.00%	21.42	21.42	100.00%	7.00	7.00	100.00%
8	Khadi Village Industry	33.66	33.66	100.00%	28.95	28.95	100.00%	20.55	20.55	100.00%	25.00	25.00	100.00%
9	silk Industry	19.26	19.26	100.00%	17.74	16.14	90.98%	19.88	19.88	100.00%	21.47	21.47	100.00%
10	Tourism	196.64	196.64	100.00%	1151.27	1151.27	100.00%	1313.36	1313.36	100.00%	1042.72	1042.72	100.00%
11	Forest Department	405.23	403.23	99.51%	351.98	344.88	97.98%	1586.13	1586.13	100.00%	1606.78	1327.56	82.62%
	Industry, Agriculture and Allied Activities	3116.53	2977.55	95.54%	3801.17	3645.67	95.91%	5940.95	5690.55	95.79%	5674.11	5256.91	92.65%

(Source - Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.10 Miscellaneous-** The miscellaneous head contains departments like economics & statistics, information, Panchayati Raj, and pooled residence. The overall expenditure in this head is 7.53%, 6.92%, 9.03%, and 11.25%, of the total spending in 2016-17, 2017-18, 2018-19 and 2019-20 respectively. Spending shows an increasing trend. It has increased 98.93% from 2016-17 (Rs. 3933.201 lacs) to 2019-20 (Rs 7824.25 lacs) as per TABLE 2

**TABLE 12:- Table showing % of actual expenditure out of budget allotted to Miscellaneous head in each year (All amounts in Lakhs rupees)**

S. No.	Heads	2016-17			2017-18			2018-19			2019-20		
		Allotted	Spent	%	Allotted	Spent	%	Allotted	Spent	%	Allotted	Spent	%
1	Economics and Statistics	33.96	33.96	100.00 %	11.57	11.57	100.00 %	14.00	14.00	100.00 %	16.00	16.00	100.00 %
2	Information Department	12.50	12.50	100.00 %	15.51	15.51	100.00 %	16.50	16.50	100.00 %	16.50	16.50	100.00 %
3	Pooled Residence	37.10	26.52	71.48%	101.61	101.61	100.00 %	88.73	88.73	100.00 %	182.12	173.81	95.44%
4	Panchayati Raj	3860.22	3860.2	100.00 %	5190.68	5190.6	100.00 %	6167.75	6167.7	100.00 %	7617.94	7617.9	100.00 %
	Miscellaneous	3943.78	3933.20	99.73%	5319.37	5319.3	100.00 %	6286.98	6286.9	100.00 %	7832.56	7824.2	99.89%

(Source – Directorate of Economics and Statistics Planning Department, Government of Uttarakhand)

**7.11 Urban development** - In 2019-20, Rs.1697.78 lacs was allocated towards urban growth, out of which Rs 1285.92 lacs was spent, i.e., 75.74%. It constituted 1.85% of total actual Expenditure (TABLE 3). The budget was allocated from the state plan, and the Central Government also announced a sum for the same.

## 8. CONCLUSION AND SUGGESTIONS

The analysis has indicated that some sectors have spent fewer amounts compared to the amount received, while others have managed to pay 100% of the released budget. The overall; trend of funds allocated to the district is fluctuating. It is highest in 2017-18, as shown in TABLE 2. Transport and Social Welfare are significant sectors that are getting almost half of the total funds allocated, as shown in TABLE 3. Thus, it can be concluded that budgetary trends of the district are fluctuating. The budget is sufficiently allocated towards Transport, Water Supply, Sanitation and Housing, Irrigation, Social Welfare, and Miscellaneous sector. Budget utilization is inefficient by sectors like Rural Development, Medical and Health, Urban Development, and Education sector. The budget allocated towards Energy and Industry, Agriculture, and Allied activities seem to be insufficient.

The present study puts forward the following recommendations as to the necessary steps in filling the gaps experienced in the district budget allocation and utilization:-

- The transport sector has been receiving the highest resources out of all the other areas. Still, the roads and bridges in the district are not in excellent condition. It is suggested that the Government should allocate funds towards the maintenance of existing roads and bridges and also for proper quality control of new road constructions to reduce further maintenance costs
- The energy sector has been utilizing its funds to the fullest. This sector has a lot of potentials to explore, for this budget should be sufficiently increased.

- Due to COVID-19 reverse migration is witnessed in the district, the Government should provide opportunities for the locals in the rural areas by increasing the budget allocations for rural development schemes and also for the industries, agriculture and allied activities in the district to strengthen the local suppliers to resolve the pandemic crisis. The funds can be used for strategic promotion for encouraging the locals to be self-reliant and investing time and resources in this sector.
- The fund Allotted for rural development should be fully utilized by the representative of the Government (M.P. and MLA), or the said funds should be reduced and allocated to Industry, agriculture and allied activities on the energy sector
- Like natural disasters, there should also be a fund for a pandemic to reduce uncertainties in economic conditions and to effectively and efficiently cope with COVID-19 and similar situations in the future.
- Also, the medical and health department should focus on developing better health facilities in the district by fully utilizing their allotted funds and demand for additional funds for the development of adequate, efficient, and cost-effective health practices in the area. Medical and yoga tourism should be heavily promoted, and medical centers should be developed in the area as the provision of cost-effective medical care in collaboration with the tourism industry.
- Activity mapping should be done while policymaking by the Government because role clarity between levels of Government is essential both for efficient delivery of services and also for people to hold the different levels of governments accountable for their performance.
- The Government should also include the telecommunication sector while allocating funds at the district level so that the communication technology could reach to villages as soon as possible.
- Today in this lockdown period school education is also dependent on the technology, so the Government should sufficiently increase the budget for primary and secondary education to equip the schools as well as students with the modern ways of Education Extra funds should be allotted for the training of teachers to get along with the technological advancements.

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[2] "Three Letter Acronyms That Mean Business," (April 2007) Benef of Business- I.T. Magazine, SFY Group Vol-1 Issue 4

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(+91) 09415813184

## ABOUT THE AUTHORS

- Ngboawaji Daniel Nte**, Department of Intelligence and Security Studies, Novena University, Ogume, Delta State, Nigeria  
**Oluka Nduka Lucas**, Department of Political Sciences, Novena University, Ogume, Delta State.  
**Michael C. Uzorka**, Department of Sociology, Ignatius Ajuru University of Education, Rumuolumeni, Port Harcourt.  
**Baba-Ahmadu Abdulaziz**, Department of Intelligence and Security Studies, Novena University, Ogume, Delta State, Nigeria.  
**Bhavik Panchasara**, Department of Commerce, Govt. Arts & Commerce College, Lalpur, Dist. Jammagar, Gujarat, India  
**Heena Bharadia**, Department of Economics, Govt. Arts & Commerce College, Khambhaliya, Dist. Devbhumi Dwarka, Gujarat.  
**Kanak Lata**, Km. Mayawati Govt. Girls P.G. College, Badalpur, Noida  
**Daya Mary Mathew**, Dept. of Information Technology, Jeppiaar Institute of Technology, Chennai, India  
**S. Ancy**, Dept. of Information Technology, Jeppiaar Institute of Technology, Chennai, India  
**J. Aruna Jasmine**, Dept. of Information Technology, Jeppiaar Institute of Technology, Chennai, India  
**Mohd. Rizwan**, Department of Defence Studies, Meerut College Meerut, U.P.  
**Mohammad Saqib**, Department of Defence Studies, Hindu College Moradabad, U.P.  
**Gaurav Goyal**, Department of Commerce, IP (PG) Degree College, Bulandshahr (U.P.)  
**Vertika Agarwal**, Department of Commerce, IP (PG) Degree College, Bulandshahr (U.P.)  
**Deepa Gupta**, Department of Commerce, GSK Degree College, Bulandshahr (U.P.)  
**Saleha**, Dept. of Commerce, DAV Degree College, Muzaffarnagar U.P., India.  
**Poonam Chaudhary**, Department of Geography, Meerut College Meerut- 250001, U.P., India  
**Satyandra Kumar**, Department of Toxicology, Ch. Charan Singh University, Meerut-250004, U.P., India  
**Shubhi Agarwal**, Economics Dept, Meerut College, Meerut, C.C.S. University, Meerut, U.P., India  
**Archana Singh**, Economics Dept, Meerut College, Meerut, C.C.S. University, Meerut, U.P., India  
**K.R. Jain**, Department of Commerce, D.A.V. P.G. College, Dehradun, UK, India  
**Nimisha Verma**, Department of Commerce, D.A.V. P.G. College, Dehradun, India,  
**Rekha Garg**, Faculty of Commerce, N.A.S College, Meerut, (U.P.) India  
**Vaishali Siddhu**, Department of Commerce, Meerut College, Meerut, U.P., India  
**K.R. Jain**, Department of Commerce, D.A.V.(P.G.) College, Dehradun, UK, India  
**Anuja Dhyani**, Department of Commerce, D.A.V.(P.G.) College, Dehradun, UK, India  
**Asha Rathi**, Deptt. of Business Administration, FCMS, Jai Narain Vyas University, Jodhpur (Raj.), India  
**Ashok Kumar**, Deptt. of Business Administration, FCMS, Jai Narain Vyas University, Jodhpur (Raj.), India  
**P.N. Tiwari**, Department of Commerce, Government Post Graduate College, Rudrapur, Udham Singh Nagar, (Uttarakhand), India  
**Namita Verma**, Department of Economics, Uttarakhand Open University, Haldwani, Nainital (Uttarakhand), India  
**Rupa Gupta**, Department of Management Studies, GLA University, Mathura, U.P. India  
**Riyazuddin**, Department of Commerce & Business Administration, C.C.S. University, Meerut, India  
**Sara Tasneem**, Department of Entrepreneurship Economics, Dhaka School of Economics (A Constituent Institution of the University of Dhaka)  
**Kamal Kumar**, Department of Mathematics, Baba Mastnath University, Rohtak, India  
**Ashok Kumar**, Department of Mathematics, Meerut College, Meerut, India  
**Promila**, Department of Mathematics, Baba Mastnath University, Rohtak, India  
**Umendra Singh**, Department of Teachers' Education, D.S. College, Aligarh, U.P.  
**U.C. Sharma**, Faculty of Commerce and Business Administration, MMH College Ghaziabad, U. P., India  
**Swati Sharma**, Department of Commerce and Business Administration, MMH College Ghaziabad, U. P., India  
**Shubhi Agarwal**, Department of Economics, Meerut College, Meerut, C.C.S. University, U.P. Pin code: 250002  
**Archana Singh**, Department of Economics, Meerut College, Meerut, C.C.S. University U.P. Pin code: 250002,  
**Kanika Maheshwari**, Department of Commerce, CCS University, Meerut, U.P., India  
**Meenu**, Research Scholar, Baba Mastnath University, Rohtak, India  
**Md. Zahir Uddin Arif**, Department of Marketing, Faculty of Business Studies, Jagannath University, Dhaka-1100, Bangladesh  
**Mohammad Amzad Hossain Sarker**, Department of Marketing, Faculty of Business Studies, Comilla University, Kotbari, Cumilla-3506, Bangladesh  
**Mir Semon Haider**, College of Business Administration, International University of Business, Agriculture and Technology (IUBAT), 4 Embankment Drive Road, Sector-10, Uttara Model Town, Dhaka-1230, Bangladesh  
**Sabnam Jahan**, Department of Management, Faculty of Business Studies, University of Dhaka, Bangladesh  
**Chatar Singh Negi**, Department of Commerce, Pt. L.M.S. Govt. P.G. College, Rishikesh (Uttarakhand)  
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### **Dr. S.K.S. YADAV, M.Com, C.A. Inter, Ph.D., FDP**

*Dr. S.K.S. Yadav* at present Associate Professor in Faculty of Commerce & Business Administration, Meerut College, C.C.S. University, Meerut, U.P., India. He is having about 30 Years of Teaching Experience at UG and PG Level. His several research papers have been published in National and International Journals. He has contributed many papers in National and International seminars. Nineteen candidates have been awarded Ph.D. under his supervision. He has also completed a major Research Project sponsored by UGC, New Delhi. He has authored four books on Corporate Accounting, Hindi and English Editions, Cost Accounting, Hindi and English Editions, Published by Kedarnath Ramnath & Sons, Meerut. He was Programme officer of NSS for 5 years in Meerut College, Meerut. He organised 5 camps of NSS. He is also editors of many reputed Journals published in India. He is Coordinator of Computer Lab. of Commerce Department. He is Examiner of different Universities of India. He has served in IPM Lucknow as Assistant Director, Associate Professor in IMS, Roorkee, Sr. Research Associate in Indian Institute of Finance, New Delhi, Lecturer in A.K. P.G. College, Shikohabad, He has also audited many companies during his article ship in C.A. study.



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*Dr. Dharmendra Yadav* is a Assistant Professor in the Department of Mathematics at Vardhaman (P.G.) College, MJP Rohilkhand University, Bijnor, U.P. (India). He received his PhD degree in Inventory Management from C.C.S. University. His major research fields include production and operation management, supply chain and logistics management, inventory management etc. His articles have appeared in journals such as OPSEARCH, International Journal of Systems Sciences, Asia-Pacific Journal of Operational Research, International Journal of Operational Research, Control and Cybernetics, International Journal of Mathematics in Operational Research, International Journal of Procurement Management, Yugoslav Journal of Operations Research, International Journal of Operational and Quantitative Management.



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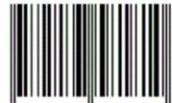
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