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FACTORS AFFECTING EMPLOYEE ENGAGEMENT: A STUDY IN THE FOOTWEAR INDUSTRY IN KOZHIKODE DISTRICT

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ABSTRACT

The intention of this article is to identify the role of employee engagement in the development of the footwear industry in the Kozhikode district. The study identifies the key determinants of employee engagement and its impact on employee performance. The sample footwear manufacturing units selected were VKC Group of Companies, Cubix and Campus-Dreams India Footwear Company. Fifty employees were chosen as sample respondents from each unit. A questionnaire was prepared which consist of 25 statements to grade the responses of employees ranging from strongly agree to strongly disagree using a 5- point Likert Scale. The statistical tools used were Independent Sample t-test, ANOVA, Factor Analysis and Correlation under SPSS software. The period of the study was from January to October 2020. The result of the Independent Sample t-test revealed that the female gender working in organisations has more engagement to the organisation than male employees. The result of ANOVA showing that demographic factors like age, income, period of employment, educational qualifications and the department of employees do not influence employee engagement. Factor analysis has identified 5 drivers of employee engagement like employee commitment, team spirit and organisational communication, work environment, job satisfaction and employee motivation. Correlation analysis revealed a positive correlation between the engagement drivers and employee engagement in the development the organisations in the district.

KEYWORDS

co-worker relationship, employee engagement, employee retention, job satisfaction and organisational environment.

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INTRODUCTION

In recent times, due to rapid globalization, organisations have realized that their talent is the key to their growth, and the Human Resource is the strategic resource that any enterprise truly needs. As a result, the Human Resource Manager has made the transition from behind-the-scenes support to become a strategic leader in the business. Every organization knows the importance of engaging and motivating its employees to perform and this has gained more prominence with time. Employee engagement has emerged as a critical driver of business today. Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization and put discretionary effort into their work. It practically affects employee morale, productivity and reasons for retaining in the organisation. Hewitt, (2005) describe engagement as the measure of an employee's emotional and intellectual commitment to his/her organization and its success. The various drivers of employee engagement are the organization, management, superior, career development, reward and recognition, performance appraisal, training and monetary benefits.

PROFILES**VKC Group of Companies**

VKC Group is a footwear manufacturing and marketing company located in the Kozhikode district of Kerala state. It is considered to be one of the biggest in the organised footwear sectors. It is also the largest branded PU footwear manufacturer in India. It was registered as a Joint Stock Company. The Head Quarter of the VKC group is in Kozhikode. "Quality at an affordable price" made the VKC group's products popular in the market day by day.

The Group was established on 17 August 1984 with venturing into a Hawaii Sheet manufacturing unit. Later on, Hawaii straps were also introduced to the production line in 1986. In 1987, the group initiated the floating of the first RPVC (Rigid Polyvinyl Chloride) footwear manufacturing unit. In 1994 the group ventured the first unit in Kerala to manufacture footwear from virgin PVC. This resulted in a drastic change and the multinational brands confronted competitions from the local brands. In 1998 the group ventured into the first Micro Cellular PVC footwear in Kerala with the help of imported plant and machinery. In 2001 the group introduced the first Air Injected PVC DIP footwear manufacturing unit in South India. In 2003 the group missioned the first Injected EVA manufacturing unit in South –Central India. In 2006 the group started backward integration to produce EVA compound for Injection and initiated the first EVA compounding plant in the South –Central India. The unit went in 2007 to the manufacturing of PU DIP footwear. Now the products offered from VKC Group are VKC Pride, VKC Trends, VKC Stile, VKC Lite, VKC Hawaii, VKC Junior, VKC Slipons, VKC AmArtak, Walkaroo, Skalino and Vestire

Cubix Group of Companies

Cubix is one of the biggest footwear manufactures in India. It is registered as a Partnership firm under the Indian Partnership Act 1932. The competencies in manufacturing quality footwear and their ability to cater to the needs of clients enable to curve of the niche of trust and confidence in the industry. The firm focuses to manufacture high-quality products and acquire the utmost customer satisfaction helps to achieve new heights of business success. Now Cubix is one of the leading footwear manufactures in Kerala, with all imported machinery, with a wide range of products and a large number of the customer base. The Company has a vast and efficient distribution network coverage all over Kerala.

The Company was established in 1996 to meet the growing demand for branded high-quality PVC footwear. In 2008, the company introduced P U technology in production to expand the production capacity and to produce a wide range of trendy models in every category of customers without compromising the style, quality and durability of the product. The company has a wide and efficient distribution network including more than 1000 dealers all over Kerala, Tamilnadu, Karnataka, Andra Pradesh, Telangana, Maharashtra, Madhya Pradesh, West Bengal, Odisha, Rajasthan, Gujarat and Chhattisgarh. Now the products are also available in almost all of the Middle East countries like Dubai, Qatar, Saudi Arabia and Oman. Products offered by Cubix are Cubix. Dot, Cubix.School Days, Cubix. Palm, Cubix. Orthocare and Cubix.Vachappai

Campus - Dreams India Footwear Company

It is a leading Footwear company established in Feroke, in Kozhikode district. It functions as a sole proprietorship business. The product name of the company is 'FASTRO'. It is established in the year 2018. It manufactures PU chappals for ladies, gents, kids etc. The products of it are sold all over Kerala. The employees working here are near to 125 and its annual turnover is Rs. 1.35 crores.

REVIEW OF LITERATURE

Some of the previous studies relating to the topic of employee engagement are discussed below:

Robison (2007) classified employees into one of the following three categories: engaged, not engaged, or actively disengaged. Engaged employees work with passion and feel a profound connection to their organization. They drive innovation and move the organization forward. Not-engaged employees are employees who are at work but are making no active contribution to the success of the organization. They are putting in their time, but no energy or passion into their work. Actively disengaged employees are not just unhappy at work, but also act out their unhappiness. These workers undermine the efforts of engaged workers.

Thomas, Kenneth W. (2009) explained the popularity of intrinsic rewards and how these rewards can be used to build a high engagement culture. The study emphasized the sense of meaningfulness, sense of choice, sense of competence and sense of progress. The results show that the intrinsic rewards create a strong, win-win form of motivation for both the organization and its employees. Intrinsic rewards are also considered to be a strong predictor of retention.

Priya Shanmugam & Dr. R. Krishnaveni (2012) in their study it is highlighted that there is a strong link between employee engagement and organisational performance. Organisations around the globe are measuring their employees' level of engagement in the attempt of improving productivity, profitability, turnover and safety. A clear and concise definition of employee engagement can give human resource development practitioners and managers powerful tools to develop workplace strategies that can greatly improve employee satisfaction, fulfillment, and loyalty. Hence, the scope for continued research on Employee Engagement is immense.

Tintumol.P. Joseph et al. (2019) conducted a study to identify the significance of demographic factors like age, gender, marital status, experience, education and income on employee engagement in the Telecom Industry in India. Data collected from 293 employees were statistically analyzed using appropriate quantitative analytical tools and found that employee engagement having substantial relation with education, experience and age.

From the above review, it can be seen that the studies were conducted in organisations other than the footwear manufacturing sector; therefore, the present study is considered relevant.

STATEMENT OF THE PROBLEM

Employees are the backbone of every organization as they are vital to their spirit and competitiveness. Engaged employees must be considered as the most valuable asset for every organization. Engaged employees may be more likely to commit to staying with their current organization (Vance, 2006). Employee engagement is the energy, passion or fire that employees have towards their work and to the employer. The challenges today are not just retaining talented people but fully engaged them, capturing their minds and hearts at each stage of their work performance.

SIGNIFICANCE OF THE STUDY

The present study is conducted among selected leading footwear manufacturing companies in the Kozhikode district. The study will help to understand the influence of employee engagement in the development of footwear industries in the district. The companies are competing for talent people who are having high performance and high competence in workplace (Berger and Berger, 2004). It will also help to provide awareness to the companies relating to the components of employee engagement which contributes to job satisfaction, employee motivation, team spirit and organisational commitment. Employee engagement strategies implemented by business organisations result in higher levels of employee engagement, customer satisfaction, productivity, and profit and lower levels of employee accidents and turnovers (Blattner & Walter, 2015). The results of this study will provide insight and information for administrators, practitioners, and researchers in the human resource management field.

OBJECTIVES AND HYPOTHESES

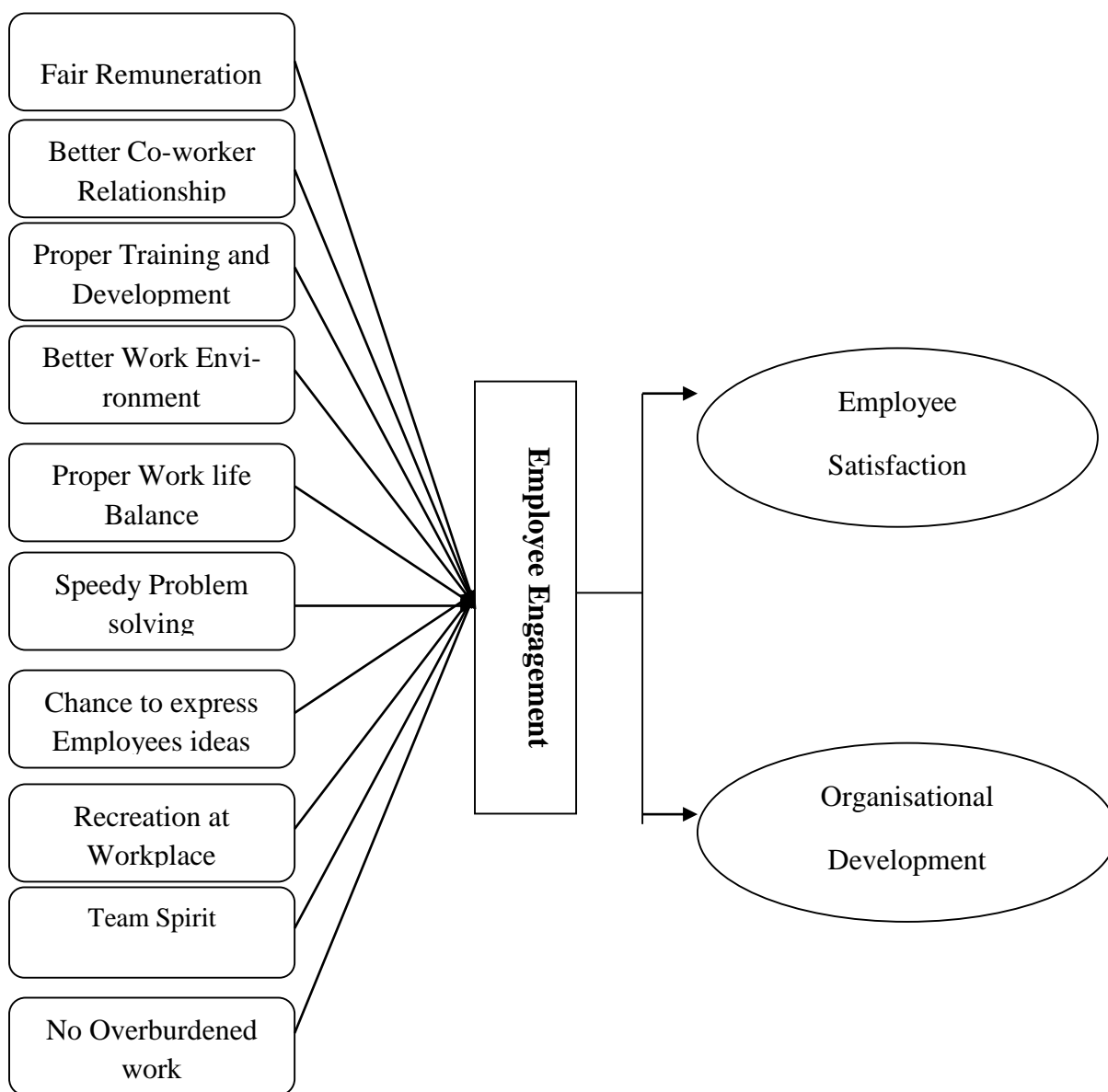
The objectives of the study are to identify the factors which influence the employee engagement of the footwear manufacturing units and the role of the human resource department to achieve the engagement effectively. The hypotheses of the study are demographic factors have an influence on employee engagement significantly and engagement drivers help to improve employee engagement positively.

OPERATIONAL DEFINITION

- (i) Employee Engagement: Employee Engagement is a concept that describes the level of enthusiasm and dedication a worker feels toward his/her job. Engaged employees care about their work and the performance of the company, and feel that their efforts make a change in the organisation.
- (ii) Employee Retention: Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period. It is the ability of an organization to retain its employees. Employees who work for long periods in an organization add significant value to the company.
- (iii) Employee Engagement Drivers: Employee Engagement Drivers are the factors that motivate the employees to lead an organisation success. It is the extent to which the organisation is concerned with employees' health and well-being. Better salary, good working conditions etc are examples.

CONCEPTUAL MODEL

The conceptual model describes the relationship of different variables that influences the employee engagement of footwear manufacturing units in Kozhikode district.



RESEARCH METHODOLOGY

The research design chosen for the study is descriptive. Both primary and secondary data were collected. Primary data were collected from 150 employees working in six divisions of footwear units belongs to Joint Stock Company, Partnership and Sole proprietorship in Kozhikode district. From among Joint Stock Companies, 'VKC Ltd', from Partnership firms 'Cubix' and from sole traders 'Campus – Dreams India Footwear Company' are selected. Employees working in different departments like cutting, clicker cutting, stitching, soling, quality checking and packing and forwarding are the respondents of the study. A questionnaire was designed so as to grade the responses of the employees based on the degree of their agreement. In designing the questionnaire, a 5- point Likert scale (strongly disagree to strongly agree) was used to reduce the statistical problems of extreme skewness (Fornell, 1992). The questionnaire consists of 25 statements. The reliability of the questionnaire was tested using Cronbach's alpha test and the Cronbach alpha value was found as .816(>.7), which shows that the instrument is reliable. Kaiser-Meyer-Olkin and Bartlett's tests were performed to verify if the data is suitable for Factor analysis. Factor analysis was performed to indicate the convergent and discriminant validity. Data was collected by using a convenience sampling technique. Quantitative data analysis has been done with the help of the statistical tools viz., Independent Sample t-test, ANOVA, Factor Analysis and Correlation

RESULT AND DISCUSSION

INDEPENDENT SAMPLE t-TEST AND ANOVA

Independent sample t-test and ANOVA are the tools used to find out the statistical significance of demographic variables. Gender, age, monthly income, the period of employment, educational qualification and sections of the organisations are the demographic factors supposed to affect employee engagement. The result is shown in Table No. 1 and 2 below.

TABLE 1: EMPLOYEE ENGAGEMENT BETWEEN MALE AND FEMALE EMPLOYEES

Gender	N	Mean	SD	t value	p value
Male	122	94.09	7.572	7.585	.007
Female	28	95.82	5.888		

Source: Survey Data

As per table 1, the mean score of employee engagement of the male employees of footwear industries in Kozhikode District is 94.09 with a standard deviation of 7.572 and that of female employees is 95.82 and 5.888 respectively. Further, the calculated p-value (.007) is less than the significant level of 0.05, which indicates that there is a significant difference between male and female employees concerning employee engagement. From the statistical values, it was understood that the employee engagement of female is greater than male employees among footwear industries in Kozhikode district.

TABLE 2: COMPARISON OF EMPLOYEE ENGAGEMENT AND OTHER DEMOGRAPHIC VARIABLES

Demographic Variables	No. of Respondents	Employee Engagement				
		Mean	SD	F	Sig	
Age	20-25	34	93.47	7.246	.799	.528*
	26-30	32	94.28	6.892		
	31-35	37	93.51	7.545		
	36-40	23	96.30	6.938		
	Above 40	24	95.50	7.962		
Monthly Income	Below 15000	37	91.51	6.870	9.849	.070*
	15000-30000	87	94.18	7.386		
	Above 30000	26	99.31	4.954		
Period of employment	Below 5 years	24	92.50	6.821	6.897	.101*
	5-10 years	50	92.14	7.714		
	Above 10 years	76	96.51	6.608		
Educational qualification	School level	126	94.11	7.524	.680	.508*
	Higher secondary	18	95.89	5.497		
	Graduation	6	96.33	7.474		
Section in the organisation	Cutting	29	94.28	8.163	.210	.958*
	Clicker	29	93.55	7.376		
	Stitching	29	94.52	6.139		
	Soling	28	94.39	9.378		
	Quality Checking	8	96.38	5.290		
	Packing and Forwarding	27	94.81	5.785		

Source: Survey Data

*Significant at 0.05 level

To know the influence of the demographic factors on employee engagement, ANOVA has been used and the results have been summed up in the above table. Considering the significant level, it can be said that no demographic factors like age, monthly income, period of service, educational qualification and sections in the organisation (p- values 0.528, 0.070, 0.101, 0.508 and 0.958 respectively) influence the employee engagement significantly since p-value greater than 0.05 at 5% significant level.

When the mean values of the demographic factors are compared, we can infer the highly engaged group of every factor. As far as the Age group is concerned, the 36-40 years group respondents are highly engaged (mean 96.30, SD 6.938) and they are followed by above 40 years (mean 95.50, SD 7.962), 26-30 years (mean 94.28, SD 6.892), 31-35 years (mean 93.51, SD 7.545), 20-25 years (mean 93.47, SD 7.246) respectively. Hence it may be concluded that when respondents' age increases the engagement also increases.

The mean of monthly income says that employees with income above 30,000 and income 15,000-30,000 are engaged at most with the mean 99.31, SD 4.954 and mean 94.18, SD 7.386 respectively, followed by monthly income 15,000 with a mean 91.51 and SD 6.870. The result reveals that when the monthly income increases the employee engagement also increases.

Employee engagement of above 10 years period of service has high with a mean of 96.51 and SD 6.608 while compared with other employees have below 5 years and 5-10 years service with a mean of 92.50, SD 6.821 and 92.14, SD 7.714 respectively. It can be inferred that employees having long years of service has more engagement.

The qualification has the arithmetic mean showing that Graduate employees are engaged higher than other groups (mean 96.33 and SD 7.474), higher secondary level employees reside at second place (mean 95.89 and SD 5.497) and secondary level employees (mean 94.11 and SD 7.524) stay last. Based on qualifications, employees with higher-level qualifications, engagement is higher.

When comparing the means of sections in which employees are working, the quality checking section (mean 96.38 and SD 5.290) is highly engaged followed by packing and forwarding (mean 94.81 and SD 5.785), stitching (mean 94.52 and SD 6.139), soling (mean 94.39 and SD 9.378), cutting (mean 94.28 and SD 8.163) and clicker section (mean 93.55 and SD 7.376)

FACTOR ANALYSIS

Factor analysis is carried out to distinguish the major contributing factors of employee engagement of footwear industries in the district.

TABLE 3: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.744	
Bartlett's Test of Sphericity	Approx. Chi-Square	1575.165
	DF	300
	Sig.	.000

Source: Survey Data

The number of samples that could be considered adequate for carrying out a factor analysis for the value of KMO was found to be 0.744. Further, the high value obtained in Bartlett's test and the value of p (0.000 < 0.05) indicated that the data is appropriate for factor analysis. Factor analysis was carried out for 25 different variables that have a profound impact on employee engagement that has resulted in five components. Factor Analysis was employed on the variables in each of the theoretical dimensions of the questionnaire in this study. The Principal Component Analysis method was used with Vari-max Rotation. Table 4 shows the Factor loadings of each item through the Rotated Component Factor Matrix for Factor Analysis. Hence the following factors, viz., Commitment to the organisation, team spirit and organisational communication, organisational environment, job satisfaction and employee motivation were considered for further study

TABLE 4: FACTORS CONTRIBUTING TO EMPLOYEE ENGAGEMENT

Factor	Variables	Score
Commitment to the organisation	Speed of settling personal grievances	.902
	Commitment to the organisation	.837
	Friendly and helping nature of Co-workers	.650
	Organisation is rewarding properly	.568
	Opportunities to express the ideas and thought of employees to the higher-level managers	.550
	Proper importance to employees' entertainments	.530
	Training and development programmes for employees	.480
Team spirit and organisational communication	Team spirit in the organisation	.828
	Professional and career growth	.803
	The effective communication system of the organisation	.772
	Praise and recognition of the supervisor's	.719
	Achieving the organisational goals effectively	.674
Organisational Environment	The environment that balances work and personal life	.873
	Confidence in the management of the organisation	.838
	Confidence in the management of the organisation	.838
	Relationship with superiors is warm, friendly and co-operative	.744
	Sharing of organisational problems	.633
Job satisfaction	Job satisfaction	.855
	Never over burned with work	.746
	The working environment of the organisation to perform better	.592
	Feedback of the superior	.459
Employee Motivation	Whether to accept a job in another organisation	.858
	Express your opinion in the decision-making process	.851
	Motivated you to contribute more towards the organisation	.624
	Opportunity for job promotion	.486

Source: Survey Data

Correlation

Pearson's correlation coefficient (r) measures the degree of relationship between the two variables. Here the variables under consideration were the factors leading to employee engagement and the intensity of engagement among different kinds of footwear units. The result is summarised in the following table.

TABLE 5: CORRELATION ANALYSIS

Factors	Company		Firm		Sole trader	
	Sig	Correlation	Sig	Correlation	Sig	Correlation
Commitment to the organisation	.000	.568** Positive	.000	.482**	.001	.461**
Team spirit and organisational communication	.000	.557** Positive	.001	.161**	.000	.489**
Organisational Environment	.000	.501** Positive	.000	.635**	.000	.499**
Job satisfaction	.002	.593** Positive	.000	.612**	.000	.486**
Employee Motivation	.020	.328* Positive	.008	.374**	.004	.512**

Source: Survey Data

* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

The result of correlation analysis reveals that there is a significant positive relationship between employee engagement drivers and employee engagement intensity among all types of organisations like joint stock companies, partnership firms and sole trader organisations. Since the p-value in all cases is less than 0.05. The correlation values of Employees' commitment to the organisation (r =.568), Team spirit and organisational communication (r =.557), Organisational Environment (r =.501), Job satisfaction (r =.593), and Employee Motivation (r =.328) are significant at 5% (p<0.05) level hence concluded that factors contributing employee engagement in a company form of footwear industry have a significant correlation with its overall development.

As concerned with partnership organisations also the result reveals a significant positive correlation between the components of employee engagement and employee engagement strength. The correlation values of Employees' commitment to the organisation (r =.482), Team spirit and organisational communication (r =.161), Organisational Environment (r =.635), Job satisfaction (r =.612), and Employee Motivation (r =.374) are significant at 5% (p<0.05) level thus concluded that the factors leading to employee engagement in a partnership form of footwear industry have a significant correlation with the general growth of the business. The result of a single owner footwear unit is also not different from a company or a partnership, the analysis reveals that there is a significant positive correlation between the employee engagement drivers and rate of employee engagement. The correlation values of Employees' commitment to the organisation (r =.461), Team spirit and organisational communication (r =.489), Organisational Environment (r =.499), Job satisfaction (r =.486), and Employee Motivation (r =.512) are significant at 5% (p<0.05) level, therefore, found that various factors leading to employee engagement in a single owner form of footwear unit have a significant correlation with its improvement.

FINDINGS

The study adopted SPSS Software to analyse employee engagement and organizational efficiency. The study attempted to understand the influence of demographic factors on employee engagement and the correlation between employee engagement and the intensity of engagement among different kinds of footwear units in Kozhikode district. The demographic variables considered for the study were gender, age, monthly income, period of service, education qualification and different sections of the organisation. The analysis of demographic variables and employee engagement reveals that the engagement of female is greater than male employees among footwear units in Kozhikode district even though the numbers of female employees are comparatively lower than male. As concerned with other demographic variables viz age, when employees' age increases, their engagement also increases. Related to monthly income, when monthly income increases the employee engagement also increases. While analysing the employee engagement and period of employment in the organisation, it was inferred that the employees having long years of service has more engagement towards the organisation. Based on qualifications, engagement is higher to those having higher qualifications. Concerned with the sections in which employees working, the employee engagement is higher to the employees of quality checking department.

Factor analysis helped to identify the most contributing factors of employee engagement in the footwear units in Kozhikode district. They have listed Commitment to the organisation first followed by Team spirit and Organisational Communication, Organisational Environment, Job Satisfaction and Employee Motivation respectively. While analysing the correlation of these drivers of employee engagement in the kinds of footwear organisations like company, partnership and a sole proprietorship, the result revealed that all contributing factors have positive relationships in these organisations because of the p-value in all the cases is below 0.05. Organizations that have highly engaged employees have greater profits than those that do not (Society for Human Resource Management [SHRM], 2014). It was inferred that employee engagement will be higher where the human resource manager must concentrate on the employees' matters positively and enthusiastically.

CONCLUSIONS AND LIMITATIONS

This study considered the opinion of 150 employees working in three different sectors of footwear manufacturing units. From their responses, it was concluded that the management provides all facilities to the employees for their retention and well-being. The age, monthly income, educational qualifications and long period of employment have a close bearing on the engagement of employees irrespective of the type of organisations. This study confirms the role of the human resource managers to improve the engagement drivers such as the team spirit, employee commitment, job satisfaction, employee motivation, work life balance, proper training to employees etc. Based on the result, majority of the respondents considered technological capabilities as the main indicator for improving performance. Struggling to improve their capabilities both management and employees observe technology as their saviour.

The study has its limitations. The first is the poor response rate of the employees of the organisations due to the time factors. The second limitation of this study was that the survey was conducted only in three organisations, one from each category.

RECOMMENDATIONS

Employee engagement is not something that simply just happens; it only develops in organization that cares for employees and their wellbeing (Bowen, 2016) Assessing and measuring employee engagement truthfully is important to identify what drives employee engagement in their organization. Identifying the areas on which organizations can focus to improve employee engagement will succeed in the future. Employees spend a major portion of their time and effort in the workplace. The practices in the workplace can affect their attitude and ultimately their performance. Therefore, organizations have to create a pleasant working environment where employees can enjoy their work life. Excellent work environment, good incentives and pay, frequent training and development, the involvement of employees in decision making (for that employees should be included in the grievance redressal forums), quick response system for all employee-related issues, cordial supervisor and co-worker relation and ethical image of the organisation is considered to be the key factors driving employee engagement. Companies can also include monthly or annual staff awards for well-performing employees, organizing cultural and sports day, giving scholarship for the higher studies of children of staff and annual tours for employees' families so that employees feel valued.

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**USERS PERCEPTION TOWARDS DIGITAL PAYMENT WITH SPECIAL REFERENCE TO MELAPALAYAM,
TIRUNELVELI CITY**

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ABSTRACT

India is moving forward along the path of the most significant digital revolution, and in the coming years, the digital payment system will be an important milestone in a cashless economy. A digital payment system is an electronic environment that allows consumers to make electronic commerce transactions for their purchases, financial transactions, making bill payments like mobile bill, land line service etc. The present study is restricted to know the users thought that make them to use digital payment and the experience of the users who are living in Melapalayam, Tirunelveli city. The researcher has selected convenience sampling technique and the total number of sample was 47. The structured interview schedule was used to collect the relevant data. The suitable statistical tools are Percentage Analysis, Garrett Ranking and Chi Square Test applied for analysis and interpretation.

KEYWORDS

UPI, AEPS, USSD, E-WALLET, digital payment, perception, mobile banking.

JEL CODES

M15, O32.

INTRODUCTION

A digital payment occurs when goods or services are purchased through the use of various electronic mediums. There is no use of cash or cheques in this type of payment method. In digital payments, payer and payee both use digital modes to send and receive money. The development of digital payments in India is expected to depend on digital payment service providers, an effective banking regulatory mechanism and consumer experience, as well as on factors driving the growth of digital payments in India. The digital payment system is gaining momentum, especially after demonetization in India. The Government of India has taken various steps to effectively use digital payment platforms to eliminate corruption and black money in the Indian economic system.

STATEMENT OF THE PROBLEM

Digital payment is used in various sector due to hard cash in supply. With the technology advancement and adoption in each sector digital payment gave a different approach to the currency handling. In the modern world smart phones are functioning as leather wallets. There is no need to carry hard cash while using digital payment. Since digital payment is used a lot now a days it is required to know the users perceptions so the present study will contribute in this regard and focuses to know the users preference, awareness, experience, benefits and risks faced by the users regarding the digital payment of Melapalayam, Tirunelveli city.

OBJECTIVES OF THE STUDY

1. To know about user's awareness towards digital payment.
2. To study the user's perception on adoption of digital mode of payment.
3. To know the users, purpose of using digital payment.
4. To know the impact of demographic factors on adoption of digital mode of payment.
5. To know the problems faced by users in using digital payment.

METHODOLOGY

This section describes the methodology which includes research design, collection of data, constructions of questionnaire and framework of analysis.

DATA PROCESSING AND STATISTICAL TOOLS USED

In this study Descriptive research and analytical design was implemented where the data source is primary and secondary. Self-administered questionnaire was implemented. The size of the sample used for this research was 50 out of which only 47 questionnaires were found fit to be used constituting 94 percent response rate. Moreover, convenience sampling method was utilized to collect the relevant data. The tabular analysis was done both manually and also with the 'Statistical Package for Social Science (SPSS)'. In analysing data, simple statistical techniques such as percentage, chi square test, garrett ranking technique were used to deduce the association among variables, in order to reach conclusions.

COLLECTION OF DATA

The study is based on both primary and secondary data. Primary data has been collected from the entrepreneurs through a structured questionnaire. After proper classification and tabulation of the collected data, suitable statistical tools and techniques have been applied for analysis and interpretation. The secondary data

were also collected from various leading journals, magazines, standard newspaper and books. Some of the information has been gathered from authorized web source.

CONSTRUCTION OF INTERVIEW SCHEDULE

Questionnaire is constructed relating the user's personal information, their perception, factors and problems faced by the users while using digital payments.

FRAME WORK OF ANALYSIS

After completion of the data collection, the filled up interview schedules were edited. A master table was prepared to sum up all the information contained in the interview schedules. With the help of the master table, classification table were prepared which were taken directly for analysis. Version 21.0 of Statistical Package for Social Science (SPSS) was used to analyse the data. The collected data was analysed by using appropriate statistical tools like percentage, garret ranking techniques, chi square test for arriving at conclusions.

LIMITATIONS OF THE STUDY

This study is mainly based on the data given by the respondents which may not be Cent percent correct besides some of the other limitations are:

1. This study was carried out only among the user's perceptions towards digital payment in Melapalayam, Tirunelveli city.
2. The sample size was restricted to 47 respondents due to time constraints.
3. The sample was taken on the basis of convenience; therefore, the shortcomings of the convenience sampling may also be present in this study.

DIGITAL PAYMENT MODE

There are various digital payment modes available. They are as follows:

UNIFIED PAYMENTS INTERFACE (UPI)

Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the "Peer to Peer" collect request which can be scheduled and paid as per requirement and convenience. Each Bank provides its own UPI App for Android, Windows and iOS mobile platform(s).

AADHAAR ENABLED PAYMENT SYSTEM (AEPS)

AEPS is an Aadhaar based digital payment mode. The term AEPS stands for Aadhaar Enabled Payment Service. Customer needs only his or her Aadhaar number to pay to any merchant. AEPS is a bank led model which allows online interoperable financial transaction at PoS (Point of Sale / Micro ATM) through the Business Correspondent (BC)/Bank Mitra of any bank using the Aadhaar authentication.

UNSTRUCTURED SUPPLEMENTARY SERVICE DATA (USSD)

USSD banking or *99# Banking is a mobile banking based digital payment mode. You do not need to have a smartphone or internet connection to use USSD banking. You can easily use it with any normal feature phone. USSD banking is as easy as checking your mobile balance.

BANKING CARDS (DEBIT/CREDIT/CASH/TRAVEL/OTHERS)

Banking cards offer consumers more security, convenience, and control than any other payment method. The wide variety of cards available – including credit, debit and prepaid – offers enormous flexibility, as well. These cards provide 2 factor authentication for secure payments e.g secure PIN and OTP. RuPay, Visa, MasterCard are some of the example of card payment systems. Payment cards give people the power to purchase items in stores, on the Internet, through mail-order catalogues and over the telephone. They save both customers and merchants' time and money, and thus enable them for ease of transaction.

E-Wallets

E-wallet or mobile wallet is the digital version of your physical wallet with more functionality. You can keep your money in an E-wallet and use it when needed. Use the E-wallets to recharge your phone, pay at various places and send money to your friends. If you have a smartphone and a stable internet connection, you can use E-wallets to make payments

MOBILE BANKING

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct different types of financial transactions remotely using a mobile device such as a mobile phone or tablet. It uses software, usually called an app, provided by the banks or financial institution for the purpose. Each Bank provides its own mobile banking App for Android, Windows and iOS mobile platform(s).

ANALYSIS AND INTERPRETATION

It deals with analysis and interpretation of data collected through questionnaire. Data processing is essential for a scientific study and for ensuring that we have all relevant data for making comparisons and analysis due to the nature of the data, the following tools are applied.

TABLE 1: GENDER WISE CLASSIFICATION

S. No	Gender	No. of Respondents	Percentage
1	Male	27	57.45
2	Female	20	42.55
	Total	47	100.00

TABLE 2: AGE WISE CLASSIFICATION

S.No	Age	No. of Respondents	Percentage
1	Between 18 to 24	06	12.77
2	Between 25 to 35	25	53.19
3	Between 35 to 50	11	23.40
4	More than 50	05	10.64
	Total	47	100.00

TABLE 3: EDUCATIONAL QUALIFICATION

S. No	Qualification	No. of Respondents	Percentage
1	HSC	07	14.89
2	Degree	18	38.30
3	Diploma	08	17.02
4	Others	14	29.79
	Total	47	100.00

TABLE 4: OCCUPATION OF THE RESPONDENTS

S. No	Occupation	No. of Respondents	Percentage
1	Homemaker	05	10.64
2	Professional	13	27.66
3	Student	07	14.89
4	Employee (Govt./Pvt.)	16	34.04
5	Others	06	12.77
	Total	47	100.00

TABLE 5: MARITAL STATUS

S. No	Marital status	No. of Respondents	Percentage
1	Married	19	40.43
2	Unmarried	28	59.57
	Total	47	100.00

TABLE 6: TYPE OF FAMILY

S. No	Family Type	No. of Respondents	Percentage
1	Joint	18	38.30
2	Nuclear	29	61.70
	Total	47	100.00

TABLE 7: RESIDENTIAL STATUS

S. No	Area of residence	No. of respondents	Percentage
1	Rural	08	17.02
2	Urban	14	29.79
3	Semi -urban	25	53.19
	Total	47	100.00

TABLE 8: MONTHLY INCOME OF THE RESPONDENTS

S. No	Monthly Income (Rs)	No. of respondents	Percentage
1	Less than 10,000	10	21.28
2	10,001 to 30,000	15	31.91
3	30,001 to 50,000	13	27.66
4	More than 50,001	09	19.15
	Total	47	100.00

TABLE 9: PREFERENCE OF DIGITAL PAYMENT

S. NO	Preference of digital payment	No. of respondents	Percentage
1	Time saving	21	44.68
2	Ease of use	16	34.04
3	Security	10	21.28
	Total	47	100

TABLE 10: CHOICE OF DEVICE

S.No	Choice of device	No. of respondents	Percentage
1	Smart phone	26	55.32
2	Computer	14	29.79
3	Both	07	14.89
	Total	47	100

TABLE 11: RANKING OF DIGITAL PAYMENT

S.No	Ranking	No. of respondents	Percentage
1.	Excellent	13	27.66
2.	Good	15	31.91
3.	Fair	12	25.53
4.	Poor	07	14.89
	Total	47	100

TABLE 12: VICTIM OF DIGITAL PAYMENT

S. No	Victim of digital payment	No. of respondents	Percentage
1	Yes	14	29.79
2	No	33	70.21
	Total	47	100.00

TABLE 13: CHOICE OF UPI APP

S. No	Choice	No. of respondent	Percentage
1.	Google pay	21	44.68
2.	Phone Pe	11	23.40
3	Pay tm	10	21.28
4.	Others	5	10.64
	Total	47	100.00

TABLE 14: EXPERIENCE ON DIGITAL PAYMENT

S.No	Experience	No. of respondents	Percentage
1	Less than one year	06	12.77
2	2-4 years	25	53.19
3	5-9 years	09	19.15
4	Above 10 years	07	14.89
	Total	47	100.00

TABLE 15: AWARENESS REGARDING THE FUNCTIONALITY

S. No	Awareness	No. of Respondents	Percentage
1	Fully aware	17	36.17
2	Partially aware	21	44.68
3	Not aware	09	19.15
	Total	47	100.00

TABLE 16: OFFERS OF DIGITAL PAYMENT

S. No	Offers	No. of Respondents	Percentage
1	Available discount	15	31.91
2	Premium offers	09	19.15
3	Cash back	23	48.94
	Total	47	100.00

TABLE 17: RISKS ON DIGITAL PAYMENT

S. No	Risks	No. of Respondents	Percentage
1	Fraud	16	34.04
2	Low network	13	27.66
3	Fake	08	17.02
4	Unaware	10	21.28
	Total	47	100.00

TABLE 18: OPINION ABOUT PROMOTION OF DIGITAL PAYMENT

S. No	Promotes to next level	No. of respondents	Percentage
1	Yes	28	59.57
2	No	19	40.43
	Total	47	100.00

TABLE 19: PURPOSE OF USING DIGITAL PAYMENT

S. No	Purpose	No. of Respondents	Percentage
1	Money transfer	12	25.53
2	Recharge	10	21.28
3	Utility and bill payment	17	36.17
4	All the above	08	17.02
	Total	47	100.00

TABLE 20: INFORMATION ABOUT DIGITAL PAYMENT

S. No	Information source	No. of Respondents	Percentage
1	Social media	19	40.43
2	Friends	15	31.91
3	Magazine/Television	13	27.66
	Total	47	100.00

TABLE 21: REFERENCE ON DIGITAL PAYMENT

S. No	Refer	No. of Respondents	Percentage
1	Yes	28	59.57
2	No	19	40.43
	Total	47	100.00

TABLE 22: GARRETT RANKING METHOD

S. No	Benefit Factors	Mean Score	Rank
1	It saves my time and cost for using an electronic payment system.	55.66	3
2	Electronic payment system is convenient for me.	55.53	4
3	Speed of Electronic payment system flow is faster than traditional payment system.	57.45	1
4	The billing and transaction process are accurately handled.	55.30	5
5	I find that it is easier to conduct my financial transaction.	56.80	2

From the above table, the researcher had given first rank to speed of Electronic payment system flow with the Garrett mean score of 57.45, second rank was given to easiness of financial transaction with the Garrett mean score of 56.80, third rank was given to the benefit factor of time and cost saving of Electronic payment with the Garrett mean score of 55.66, fourth rank was given to the convenience of Electronic payment with the Garrett mean score of 55.53 and Fifth rank was given to the accurate handling of billing and transaction with the Garrett mean score of 55.30.

TABLE 23: OPINION ABOUT SECURITY

S. No	Security	No. of Respondents	Percentage
1	Yes	28	59.57
2	No	19	40.43
	Total	47	100.00

TABLE 24: USERS PERCEPTION OF DIGITAL PAYMENT

S. NO	Perception	No. of Respondents	Percentage
1	Increase	21	44.68
2	Decrease	16	34.04
3	No change	10	21.28
	Total	47	100.00

Hypothesis I

H₀ There is no significant difference between the gender and user’s perceptions towards digital payment.

TABLE 25

S.No	Gender	Opinion Level			Total
		Increase	Decrease	No Change	
1.	Male	13	8	7	28
2.	Female	8	6	5	19
	Total	21	14	12	47

Calculated value = 1.416

Table Value =5.99

Inference

Hence the calculated value (1.416) is less than the table value (5.99). So the null hypothesis should be accepted.

Conclusion

Hence there is no significant difference between the gender and user’s perceptions towards digital payment.

Hypothesis II

H₀ There is no significant difference between the monthly income and user’s perceptions towards digital payment.

TABLE 26

S.No	Monthly Income	Opinion Level			Total
		Increase	Decrease	No change	
1	Less than 10000	5	2	3	10
2	10001 to 30000	3	9	4	16
3	30001 to 50000	4	6	2	12
4	More than 50001	2	4	3	9
		14	21	12	47

Calculated value =12.01

Table value =12.59

Inference

Hence the calculated value (12.01) is less than the table value (12.59). So the null hypothesis is accepted.

Conclusion

Hence there is no significant difference between the gender and user perceptions towards digital payment.

FINDINGS

- Majority of the respondents are male.
- Majority of the respondents age are between 25 to 35.
- Majority of the respondent’s education qualification are upto degree.
- Majority of the respondents are Govt. or Private employees.
- Majority of the respondents are unmarried.
- Majority of the respondents are nuclear family.
- Majority of the respondents are living in semi-urban area.
- Majority of the respondent’s income lies between Rs. 10,001-30,000.
- Majority of the respondents prefer digital payment for time saving over other modes of payment.
- Majority of the respondents are using digital payment are using smart phone for digital payment.
- Majority of the respondents are ranking digital payment as good.
- Majority of the respondents are not victim of digital payment.
- Majority of the respondents use Google Pay app for digital payment.
- Majority of the respondents had enjoyed the digital payment for 2-4 years.
- Majority of the respondents are partially aware about the digital payment.
- Majority of the respondents think of cash back while using digital payment.
- Majority of the respondents feels the risk of fraud while using digital payment.
- Majority of the respondents says that digital payment promotes cashless payment to next level.
- Majority of the respondents use digital payment weekly.
- Majority of the respondents are using digital payment for the purpose of utility and bill payment.
- Majority of the respondents gets information about digital payment from social media.
- Majority of the respondents like to refer digital payment to their friends.
- Majority of the respondents gave first rank to speed of Electronic payment system flow faster than traditional payment system according to Garrett Ranking method.
- Majority of the respondents believe that the transactions of the digital payment are secured.
- Majority of the respondents thinks that the usage of the digital payment is increased.

SUGGESTIONS

- Digital payment can be made user friendly.
- Marketing and promotion programs can be conducted to create awareness among non-users.
- Discount offers and reward points on making digital payment can increase its popularity.
- Users can be educated about benefits of digital payments to motivate them to make more transactions using digital payment.

CONCLUSION

Demonetization has presented a unique platform for adoption of digital payment, as an alternative to cash for Indian users. With the increased penetration of internet connectivity and smart phones has led to an increase in number of digital payment users. Digital payment is getting more and more trendier among the users. Digital payment system should be strengthened to improve safety and security of financial transactions of users and make it user friendly. In addition, digital payment system should minimize risk associated with transactions of users and it must adopt appropriate measures to overcome undue delay in its processes.

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INDIA'S DEVELOPMENTAL CHALLENGES

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ABSTRACT

India is facing many challenges to hike economic growth, being a fast-moving economy during 2016-17 and 2017-18 at 7% - 7.5% growth rate per annum. It fixed a target of 8% per annum though having potential to grow at 10% annually. Indian economy showed fast recovery in Industrial Production (IIP), Gross fixed capital formation (GFCF), and consumer demand indicators reflecting a positive economic growth rose at 12% in the third quarter (2018-19) from 6.92% in the previous quarter. Later India's Gross Domestic Product (GDP) speed got reduced as found from each quarter in 2018-19 due to decline in domestic demand, fall in savings from 30.5% in 2017-18 to 28% in 2018-19, rise in inflation beyond 4%, slow growth in manufacturing, decline in agriculture growth, rising unemployment in both urban as well rural areas, declining contribution from labour force, fall in exports, unfavourable foreign capital flows etc. These challenges are to be tackled effectively by government of India as it aims to attain \$5 trillion economy by 2024-25. The study used secondary data from various published reports from Economic survey of India -2019 & 2020, NITI Aayog reports, Ministry of Statistics and Program implementation, Government of India, Reserve Bank of India -Handbook of Statistics, World Bank and IMF reports and Experts opinion published in leading newspapers, published articles in journals. The study focuses on growth achieved during 2014-15 and 2018-19, rate of interest, industrial production, growth impact on job creation, unemployment rate factors to present the challenges and revival measures for economic growth in India.

KEYWORDS

growth rate, challenges, gross domestic product (GDP), index of industrial production (IIP), gross fixed capital formation (GFCF).

JEL CODES

O40, O47.

INTRODUCTION

A country's level of human and economic development is closely related to its levels of achievement in economical, physical and social infrastructure. While physical infrastructure is an important determinant of domestic production, good social infrastructure is vital for human development as well as economic progress through better educated, better skilled, and healthier citizens. Education and health are the main constituents of social infrastructure. Many studies document the contribution of education and health to economic development in which they are considered investments in human capital comparable to physical means of production, such as factories and machines.

The economic attainments of Europe, North America, Japan, and East Asia are inconceivable without their attainments in human capital; hence, the importance of social infrastructure. Therefore, it can be surmised that investment in human capital through education, training, health, and medical facilities yields additional output and economic returns. Economic growth theory also sees human capital as an important source of economic growth. Further, to achieve rapid economic growth, it is essential that the population should be well educated and trained to be able to work effectively. It is also essential to reduce poverty. No amount of welfare measures can help a poor illiterate person the way education can by enabling him to become more productive and skilled. Therefore, effective education for the masses is crucial for reducing poverty and sustaining high rates of economic growth over long periods by providing a well-skilled labour force. The role of physical infrastructure in promoting economic development has been well-documented in the literature.

Physical infrastructure not only contributes to enhance productivity, it also assists in the realisation of the potential ability of human capital and creates situations in which the potential can fully function. It also directly and indirectly contributes towards improving the quality and safety of people's lives. Within the scope of infrastructure, roads, railways, air transportation, seaports, electric power, and telecommunications and information technology (IT) are often used as services and intermediate goods essential for the productive processes of the manufacturing, agriculture, and services sectors.

In spite of some improvements in infrastructure in recent years, India still ranks 89 in basic infrastructure as per the Global Competitiveness Report 2011-12. This indicates poor development compared to other countries of the world. The poor state of infrastructure, stretched to limits by the growing population and increasing regional and rural-urban disparities, implies that major improvement in physical and social infrastructure is absolutely essential to sustain further progress and high rate of economic growth. To meet this need for infrastructure improvement, the Government of India raised the investment in infrastructure from 4.7 per cent of GDP to around 7.5-8 per cent of GDP in the Eleventh Five Year Plan, and further plans to double the investment in infrastructure from INR 20.5 trillion to INR 40.09. Three trillion during the Twelfth Plan period, raising the share of infrastructure investment in GDP to more than 10 per cent. If these infrastructure investment plans are properly implemented.

RESEARCH OBJECTIVES

1. To study the Economic development, Social Equity, and Environmental Protection in India.
2. To analyse sustainable development, during the latter half of 20th century for a better standard of living.
3. To examine unemployment, underemployment and Illiteracy condition in last decade in India.
4. To analyse decreasing capital receipts and increasing budgetary deficits in India's annual budget.

METHODOLOGY

The study used secondary data from various published reports from Economic survey of India -2019 & 2020, NITI Aayog reports, Ministry of Statistics and Program implementation, Government of India, Reserve Bank of India -Handbook of Statistics, World Bank and IMF reports and Experts opinion published in leading newspapers, published articles in journals.

DISCUSSION

HOW SOLID IS INDIA'S ECONOMY?

Rapid growth over the last decade and a half has placed India among the ten largest economies in the world and it is not inconceivable that it will be among the top three in another decade or so. Herein lies India's key strength: being counted among the major country groupings such as the G20 and BRICS. Its demographic profile as a country with a large number of young people has attracted attention. At a time when most countries are grappling with the problems of an ageing population, India has the asset of a large working-age population and a lower dependency ratio.

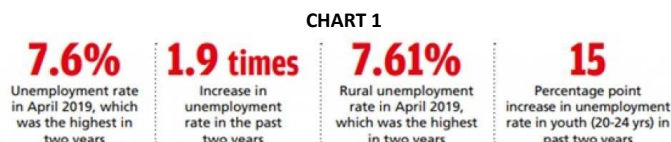
Of course, the youth bulge comes with its own set of problems – with many of them not able to find productive jobs, they are often a destructive force rather than the driver of growth that conventional economic literature expects them to be. In other words, there is no automatic translation from having a young population to experiencing higher growth. The government faces the tough challenge of educating the workforce and creating appropriate jobs.

While the share of agriculture in GDP has been declining, the manufacturing and services sectors have not been able to adequately absorb the workforce employed on the farms. After the liberalisation measures taken in 1991, India has had a market economy, which successive governments have tried to encourage and support. Economic reforms implemented to promote a more open and market-based economy include opening the market to domestic and foreign private investment, across many sectors that were earlier protected, a business-friendly taxation and regulatory regime and growing of financial markets. Perhaps the biggest change is apparent in the relaxation of restrictions in the foreign exchange market. India’s currency is now widely traded with many of the restrictions on current and capital account transactions now lifted.

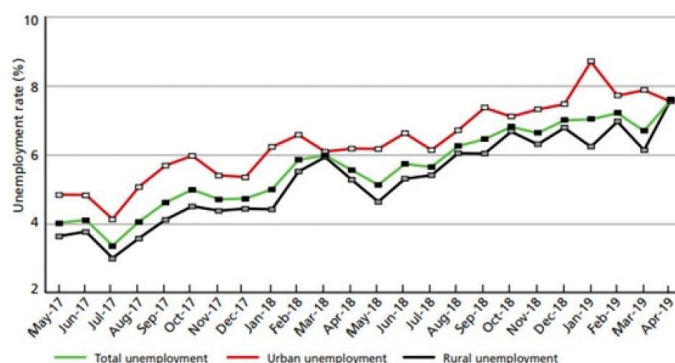
The top ten economic and development challenges for India

Unemployment, underemployment and Illiteracy: It is painful to observe that even after close to 70 years of independence India still struggles for these basic necessities. Adequate employment for its population is still a major concern as 40 percent of the employable youth is unemployed and of the employed lot 60% are under-employed. In spite of the government policies to promote self-employment opportunities to youth, the policies and programs fail miserably. There are many factors responsible and needs immediate intervention.

Illiteracy is another bug eating up the nation’s promising future gradually. Although there are states with 100 percent literacy rates still a huge part of the population has never seen the face of school. Child labour, short of infrastructure and hygienic atmosphere and poverty is somewhere responsible.

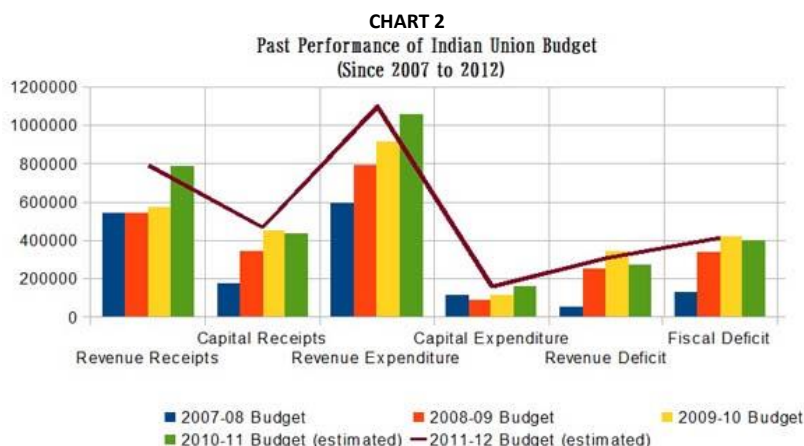


Rise of the unemployed | Both rural and urban unemployment rates have risen in the past two years



In above figure we can see that unemployment rate is continuously increasing in urban as well as rural area too. In youth [under age 20-24 years] there is 15% increase in unemployment during last two years. There is a need of compulsory and forcible education till school level at least secondary education. The programs like mid- day meals and RTE have seen a change but we cannot deny the facts and figures of cases of drop-outs and absenteeism that had only seen an increase.

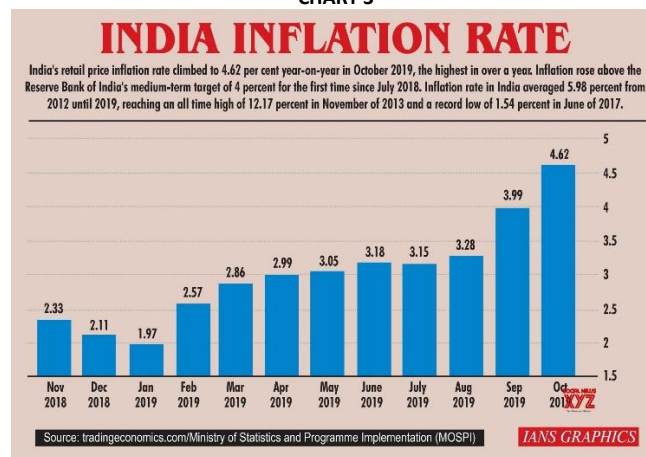
Decreasing Capital Receipts and increasing Budgetary Deficits: Money laundering, counterfeit currency, black and grey marketing and tax- larceny and of course bribe is a concern for the nation, we are already facing enormous budgetary deficits and challenges to overcome the same and the fiscal crimes are adding up to it all the more. When we talk of budget deficit, we know that the public revenue is far less than public expenditure and fiscal crimes are affecting even the common people’s life.



As per the World Bank’s GDP ranking, 2018, India’s ranking was in seventh place (\$2.73 Trillion) compared to 2017 which stood at fifth place (\$2.65 Trillion). In 2018, UK and France rose by 6.8% and 7.3% respectively pushing India to Seventh Place. Fall in consumption and Investments in new projects dropped to a 15 year low in June 2019, the drop in value of new projects was due to fall in both private and government investments. The government of India’s aim of making India \$5 Trillion Economy by 2024-25 may not succeed with this GDP growth. Increasing fiscal deficit is also an important factor for considering the economic growth and stability.

Inflation: Ahead of the 2014 elections, the issue of high inflation was the uppermost in the minds of politicians, policymakers and the people. Consumer prices in India have risen at an average annual pace of 10 per cent during the past five years, and Indian households are bracing for another increase in the coming year. To check inflation, the Reserve Bank of India has raised interest rates and is continuously reviewing India’s monetary policy framework in line with recommendations from various fiscal committees. It is also essential to manage artificially induced national and international mechanisms. The central bank and Ministry of Finance are working together to analyse and understand the reasons and find ways to encourage investment and curb inflation.

CHART 3



RBI should reduce key rates of interest, besides correctly assessing inflation rates in India to hike GDP. Government should concentrate on significant structural reforms to rise the economy's current growth trajectory of 6.5%-7% to 7.5% to 8%.

According to Raghuram Rajan, former RBI governor, India needs a reenergized reform that focuses on liberalising capital, land and labour markets. Agriculture, power and construction sectors which are in trouble can become engines of growth with right attention by government. Many reforms undertaken—Goods service Tax(GST), Insolvency and Bankruptcy Code (IBC) has led to current slowdown in Indian economy. India has to be more predictable on tax and regulatory changes to attract more investment. Sectors like real estate, construction and infrastructure are in deep trouble and also nonbank finance companies (NBFCs) because of lending to these sectors. Business sector will cope and reinvent itself if India brings down trade barriers. Massive new reforms are critical for economic growth.

Socio-Political despondency: It has been observed that the youth and working class is involved a lot in public smacks and strikes these days, sometimes to demonstrate the discontent and sometimes just because of political influence. On one hand the political and social turbulence affects the working, on the other the repetitive electronic media-coverage on the same is affecting adverse. The youth cannot remain unaffected by the negative approach towards everything and even if it is a political conspiracy at times by the fund-fed media. It creates disturbance.

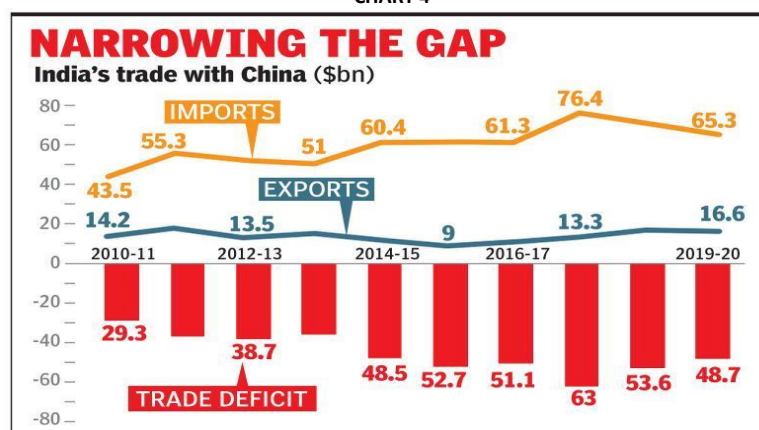
Sustainable growth and Inclusive growth: Sustainable growth is a process that “fulfils the needs of the present without compromising the ability of future generations to meet their own needs.” The academics working on India questioned whether Indian growth was truly sustainable, or whether the country had failed to utilize the resources generated by investing much more in education and healthcare and developing infrastructure in an environmentally responsible way. It is time to assess how to enhance economic growth together with development initiatives including ways to improve food and water security while being in sync with the environment.

For Indian growth to be sustainable, it must be inclusive to cover issues related to inequalities including accessibility, race, disability, gender, regions, caste, religions and more. While the gender gap in employment and political participation has been narrowing, there is much more to be done for the health and safety of girls and women. India needs to do more to ensure inclusive growth, particularly by improving social protection policies. The gap between the financial classes ought to be reduced.

Trade Relations with neighbouring nations: The border disputes and cross-border trade play an important role in the development of any nation. On one hand trade relations with China and Pakistan have seen growth an improvement, on the other the border disputes claim many lives every year leaving the people disturbed an apprehensive about the real intentions.

India-China trade: Despite various diplomatic standoffs in 2013, governments of both India and China remain eager to boost bilateral trade to US\$100 billion in the next few years. No doubt, trade with China is a significant component of India's economy. But trade relations remain one-way, with more Indian consumers buying Chinese goods than the other way around.

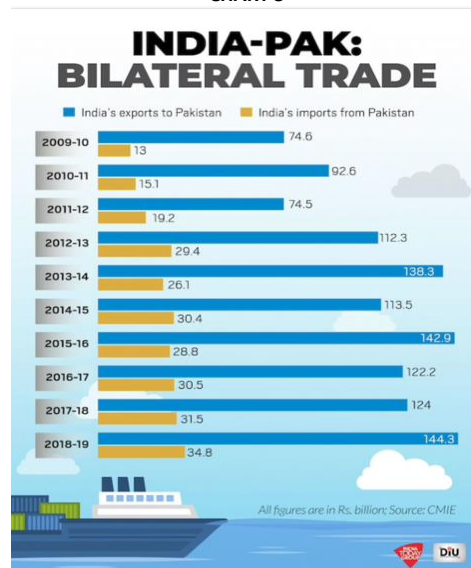
CHART 4



India will have to address this trade deficit in the coming time by improving its export competitiveness and identifying more goods, services and policies to enhance balanced trade with China. In above graph it is clearly showing that trade deficit is continually increasing, where it was 29.3 % during the year 2010-11 its increased up to 48.7% in the year 2019-20.

India-Pakistan trade: In the past decade, India-Pakistan trade has increased from US\$370 million per year to US\$2.4 billion. But this is just a start: according to some estimates, the volume of a normalised bilateral trade regime could be as high as US\$40 billion.

CHART 5



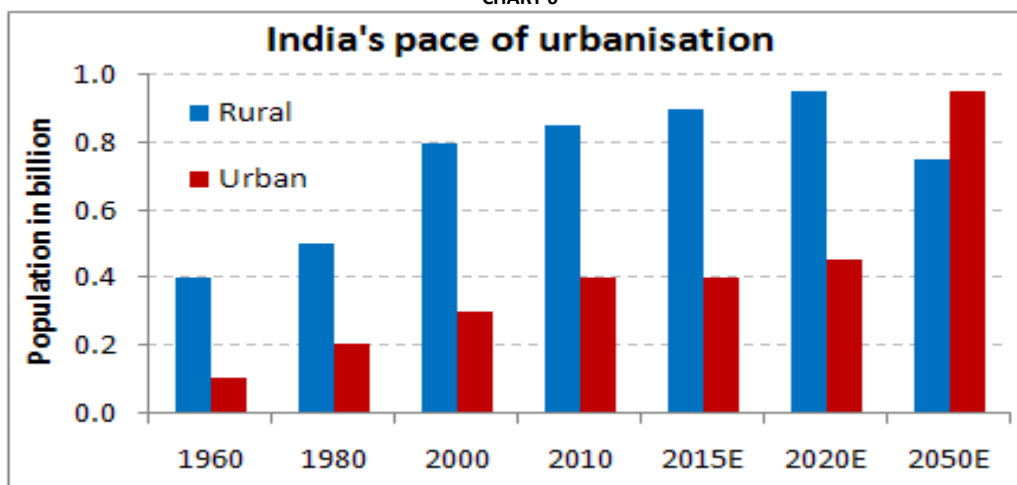
The onus for progress on bilateral trade relations currently rests with Pakistan: despite repeated calls for improved India-Pakistan ties while there is little India can do to boost up the trade until Pakistan takes this key step, central government should continue its support for increased bilateral trade, as it would be for the benefit of the economies of both India and Pakistan while also helping to improve the political relations between the two countries.

Demographic dividend and increase in number of senior citizen: Approximately 210 million Indians are between the ages of 16 and 28 and India is well positioned to make the most of a growing population of working age. However, to reap the demographic dividend, India will have to manage the demand and supply of skills and labor carefully. While the government has introduced policies to improve access to education, much more needs to be done to improve the quality of education, standards of teaching, methods of examination, development of skills, vocational programmes, etc. In order to make the policies effective, the country should also address the challenges of bridging the gaps between children from disadvantaged and advantaged backgrounds being able to study together and better understand, respect and befriend each other. India should look to develop public-private partnerships and social entrepreneurship programmes that can ensure livelihoods for its young population.

While India seeks to yoke its young population to drive growth, it must also start planning for increased expenditure on health and welfare services for the elderly. As life expectancy increases: there will be more than 300 million Indians over the age of 60 by 2050. 'Indians never seem to retire' has been said of people in various sectors, particularly in urban areas, as many continue to work for several years after retirement. The shifting demographics will add to requirement of healthcare, welfare services, and families. Elderly women, who will outnumber men, are expected to be the most vulnerable. In addition, the challenges of elderly parents remaining in India while their children have migrated and single elderly citizen will be required to be addressed. It is required to develop policies to ensure that its older citizens too have healthy and happy lives.

Rapid urbanization and overlooked villages: The cities are growing at an unprecedented rate— on one hand the country's urban population is increasing and expected to grow to 590 million people by 2030. This rapid urbanization is also expected to drive economic growth: according to some estimates, cities could generate up to 65 per cent of new jobs created until 2030 and produce 80 per cent of Indian GDP.

CHART 6



On the other the villages and the agro based industries are endangered. India is still dependent upon rains and agriculture to a great extent but the villages being left out is a cause of concern. Agriculture needs to be focused upon and the people should be encouraged to take up agriculture as their main occupation to reap the economic advantages of urbanization as well as rehabilitation of the villages. Indian government must develop better policies to meet urban infrastructure needs through sustainable means and address growing urban poverty and inequality. While balancing the rural markets as well.

Infrastructure and Land reforms: The Land Acquisition Act passed recently received mixed reviews. There are concerns that the new law will drive up costs across the economy and make several industrial and real estate projects unviable, without necessarily delivering justice to farmers and landowners whose lands are acquired. These and other challenges related to land reform – particularly in the context of urbanization and the growing need for low-income urban housing – mean that India will have to continue drafting land-related legislation to ensure sustainable and equitable growth. Also infrastructural growth of the rural places is the need of the hour, tourism and agriculture can be promoted better if the infrastructure is balanced and improvised. The natural calamities affect the rural and left out areas leading to heavy losses of human and natural resources this needs immediate attention and action. Preparedness is the need of the hour.

Centre-state dynamics: The evident role of states in influencing economic growth, governance and policies has increasing become more prominent. States are driving localized growth, enhancing their own investments, and developing models that are being replicated across the country. But the centre needs to do more to facilitate state to state interaction and a centralized and shared control; the states should also be proactive in sharing of knowledge of best practices among

themselves. The central government should also seek to do more to balance the uneven growth between states. Also opportunities should be searched for to make the states self-sufficient and least dependent on the central government for assistance.

CONCLUSION

This paper has argued that good social and physical infrastructure facilities are crucial for rapid economic growth, rapid human development, poverty reduction, and improvement in living conditions for the people. A comparison with other emerging and developed economies shows that India's physical and social infrastructure is much poorer and requires major improvement. Formal schooling per adult in India is appallingly poor, at only 4.4 years on average, while other emerging economies average at about 7 to 9 years.

The condition of higher education is also quite A major expansion in education facilities at all levels, along with a significant improvement in the institutional structures to better deliver the promised education, is urgently needed. This has to begin with a system of regularly measuring the actual educational attainment at various levels and, then, careful monitoring and experimentation with institutional design to achieve far better performance. In the health sector, the facilities for the vast majority of population are very poor and require urgent attention in both expansion and improvement in institutional mechanisms.

In the sphere of physical infrastructure, India's performance (for its level of per capita income) in the development of roads, railways, and telephony is reasonable though significantly behind China and other emerging economies. However, in the sphere of electricity access and consumption per capita, Internet access, level of air travel, and quality of seaports, India's performance is quite poor compared to other emerging economies. So, once again, major efforts need to be made to expand and improve the quality of the physical infrastructure and improve the institutional mechanism for faster delivery and less leakage.

This is compounded by the poor quality of education—survey studies show that Indian elementary school students are typically about three years behind the standard in which they are studying. bad. Vocational training, which could create productive jobs for so many with limited education, has simply not received the attention it deserves. Land acquisition for infrastructure and industrial projects has been made too cumbersome by the new law of 2013; it needs to be revised. Regulatory and environmental clearances also delay infrastructure projects; these need better governance. If proper effort is made in expanding education, health facilities, and physical infrastructure and improving their quality by increasing budgetary allocation and improving governance, it will go a long way in reducing poverty, improving human development, and reviving and sustaining high rates of economic growth in India.

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With sincere regards

Thanking you profoundly

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Sd/-

Co-ordinator

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