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Winter Research Journal

KRITYANAND UNESCO CLUB JAMSHEDPUR Research Journal on International Relations & Economic Development

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Editorial Notes………………

The initiative arose from a series of meetings held between academics and members involved in the field. The major motivation stemmed from the realization that, particularly in the International Relations and Economic Development, scholars tended to conduct their work in an isolated fashion, with a very meager interchange among researchers of the concerned involved. Our Journals aims to operate as a network that will deepen and strengthen bonds between scholars concerned with the subject of International Relations, Political and Economic Development, International Law and Human Rights, Science and Technology for future Development, magnifying their voices and participation in UN agencies, international organizations and universities. Within this framework, the Organization now offers a specific journal, **KNUC – Research Journal on International Relations & Economic Development**, with the purpose of consolidating a channel that will publicize and promote groundbreaking research.

At the Forum **KNUC – Research Journal on International Relations & Economic Development**, we will discuss and research foreign affairs and global Economic development issues among states within the international system, including the roles of states, inter-governmental organizations (IGOs), non-governmental organizations (NGOs), and multinational corporations (MNCs). We will focus on geopolitical analysis, globalization, and international policy issues and apply qualitative and quantitative analysis. Our focuses will analyzing, as well as formulate new solutions to issues with foreign policy and economic development.

1. International Environmental Policy

Mitali Bhattacharya

Research Scholar in Krityanand UNESCO Club (2017), Currently, She Pursuing her Master's degree in English from GGSIPU, Main campus, New Delhi and Content Writer.

Abstract:

The paper/project would delve deep into the relationship between International Environment Policy and Sustainability Development. This would comprise explanation of the former and the latter with the help of examples. It would also interrogate as to how important an entity Environment is and how it has become a global issue to be addressed. Environment is an essence of Nature and has been affected due to the use and misuse of mankind. The repercussions have been rampant in the form of various natural disasters in the past and the increasing number of endangered species who are not able to adapt to the changing climate.

Keywords- Environment and Sustainability Development, International Environmental Policy, Environment, regulations and laws

Introduction

Every action has equal and Environment is not just the natural space that we inhabit or the geographical area that we cover; it is an essence to be taken care of in the best possible manner. Environment comprises everything that surrounds us. Be it air, water, soil, wildlife, each and every component has a role to play in order to sustain Nature as a whole and also sustain life on the planet Earth. It is as a living entity as humans are. It is as delicate and as tender as we humans are. And, hence it requires equal attention as we require else would retaliate as retaliate if not given proper attention. In fact, it is such an important entity that our existence is indispensable of it. The level of sensitivity that it requires is of utmost consideration as humans entail their existence to it. It has been recently noticed that humans who ought to remain indebted to Nature for its magnanimity, has gradually began to pose threats to it by either exploiting it physically or by being completely indifferent and opposite reaction. The reaction to the apathy of human beings towards the environment has resulted in the various kinds of natural disasters, increasing number of endangered species, various kinds of diseases encroaching the physical space and causing immense loss to human life. There is certainly an imbalance that has been created due to which both the entities that the environment and the humans are getting affected.

In order to combat such an imbalance, there are certain regulations and policies that are being designed by various organizations which aim at establishing protecting the various facets of the environment. It is highly imperative to know the value of the environmental resources. Only then, can the importance of the respective policies can be understood. An environmental policy/ policies can be defined as the commitment of an organization to certain laws, regulations and other such mechanisms related to environmental issues. The relationship between man and environment is a symbiotic relationship wherein the former as well as the latter depend on each other for sustenance. It is here that the various policies concerning issues like water pollution, air pollution, waste management, biodiversity management and etc. play a vital role. These can be directly taken to the humans for them to remain vigilant about their environment and also takes into consideration the prevention of any kind of environmental havoc in order to protect the mankind.

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

The concept of 'needs', in particular, the essential needs of the world's poor, to which overriding priority should be given

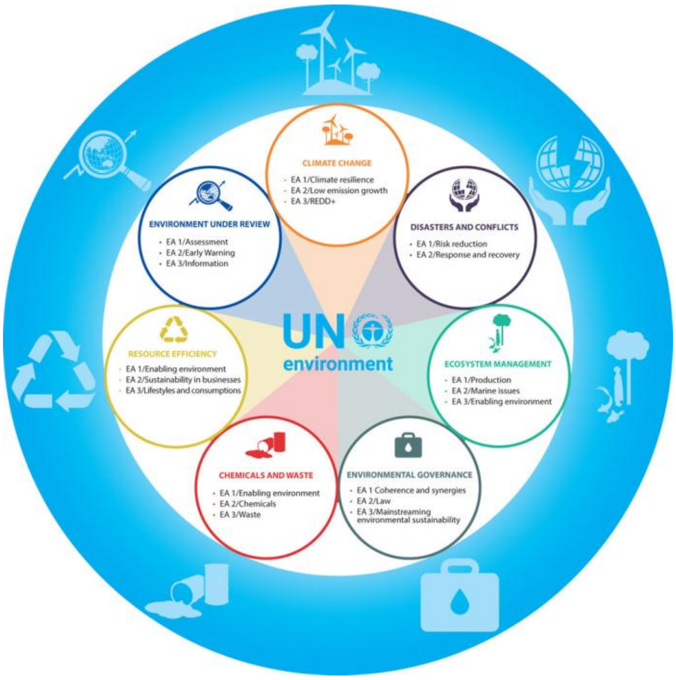
The idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs

Hence, it is clearly visible that whenever certain policies are made they ought to be channelized towards sustainability.

INTERNATIONAL ENVIRONMENTAL ORGANIZATIONS

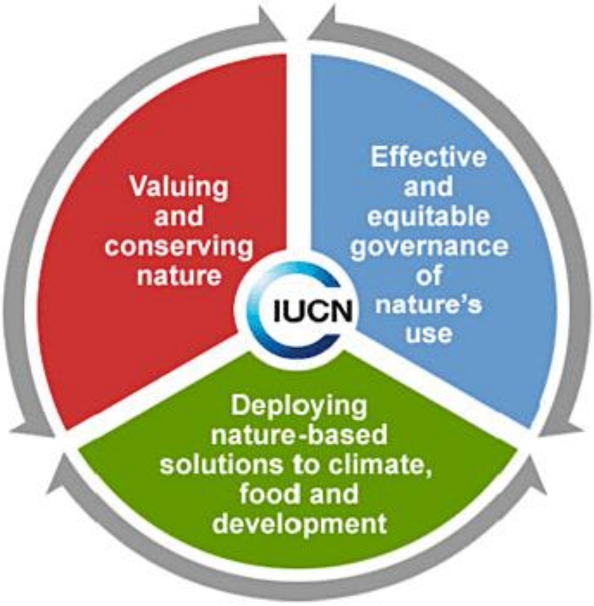
In order to combat the various kinds of environmental issues, there are different kinds of organizations which aim towards the efficacy of maintaining proper standards in the regulation of the interaction between man and environment. It is true that when everything works well with self-imposed rules, it is best. However, in real life, self-regulation is not enough. Certain amount of authority and control is needed. It is the fulfillment of this surveillance that is done by such organizations. Herewith, there are three important international organizations which are explained along with their roles and are further critiqued with respect to their scope, merits and demerits.

1**. United Nations Environment Program** (UNEP**) -**This is one of the major organizations which takes into consideration the implementation of sound environmental policies across developing nations. It is the main body within which various kinds of policies are build example. For example, its role is to monitor global environment effects, to develop programs for environment sustainability, to advice organizations to remain vigilant towards natural occurrences and events. However, the matter to be critiqued here is as to what extent UNEP succeeds in its approach towards a balanced relationship between man and environment. UNEP is highly successful in its approach. The **Montreal protocol Agreement** was one of the most successful endeavors of UNEP wherein the issue of depletion of ozone layer was brought into focus and was combated effectively. More recently, the **Paris Agreement** in 2016 took place under UNEP on climate change for fast track ratification of greenhouse gas emissions. And the agreement by working globally with nations to bring down the level of such harmful gases below 2 degree celcious. This is the program performance overview of UNEP.



2. **World Nature Organization (WNO)-** this organization is a quite recent one and was given shape in 2010 and was started with the support of countries surrounding Pacific Ocean, Caribbean Ocean and the African countries primarily which were threatened by droughts and rising sea levels. Although it is great initiative, it could not be as fruitful as the other organizations. However, being a permanent platform, it tries to bridges between business interests and development of environmental protection.

3. **International Union for Conservation of Nature (IUCN)-** It is the world's oldest and the largest conservation organization. It mainly focuses on valuing Nature by ensuring effective governance of its use and by providing solutions to global challenges in climate, food and development. The role of the IUCN Council is to build strategic direction and guidance for the work of the Union. Also, it provides oversight on the performance of the components of the Union as a whole and of the Director General in particular, fulfills its responsibilities to the Members of the Union and render account to them, and support the Director General in communicating IUCN's objectives, policy and Program to the world community. The diagrammatic representation of its major functions is as follows-



CRITIQUE OF INTERNATIONAL ORANIZATIONS AND THEIR POLICIES

Until now, there have been general discussions as to what an international environmental organization is and what its role through examples is. However, the matter of the fact to be pondered here is that to what extent these are successful in achieving their respective goals. We all know that Nature is highly unpredictable and is as spontaneous as a flowing river which cannot be tamed. It is very difficult to set limits to the functioning of environment in a regulated manner. However, it is an act of huge appreciation that organizations are managing to control environment to an extent of saving human existence as well. When it comes to policies, governance is the first step that should be up to the mark. It acts as the base upon which the whole superstructure of regulating environment gets built up. That is why; the base has to be highly strong in order to give shape to a successful endeavor. A common observation among those people concerned with solving environmental problems and more generally, promoting sustainability in human–environment relations is that governance systems work relatively well at the national level but poorly or not at all in efforts to solve international, transnational, and especially, global problems. The two major agencies which are important in the formation of international policies are the respective states and the essence of the respective international society. What proves to be unmanageable in this case is the vastness of the societies. In other words, it is difficult to coordinate with each of the states in order to maintain coherence at the global level. An example to substantiate this point is **the Case for United Nations Environment Organization (UNEO) by Frank Bierman** wherein he has talked about Stakeholder Forum which is an international organization working to advance sustainable development and promote stakeholder democracy at a global level. It aims at enhancing open, accountable and participatory international decision-making on sustainable development. He argues that human species is not just a spectator that merely needs to adapt to the natural environment. Humanity itself has become a powerful agent of earth system evolution. In particular global warming is proceeding rapidly. The snowfields on the Kilimanjaro might melt within a few decades, and the ice cover on the Arctic Ocean has shrunk by over 30 percent since satellite observations begun in 1979.

In such a condition, it is difficult to govern or make a base for such problems. Policy-makers in the twentieth century gained much experience in managing confined ecosystems, such as river basins, forests, or lakes. In the twenty-first century, they are faced with one of the largest political problems humankind has had to deal with: protecting the entire system earth, including most of its subsystems, and building stable institutions that guarantee a safe transition and a co-evolution of natural and social systems at planetary scale. Here, the three major roles that of creation, support and norm-building processes is carried by international organizations. They help countries to implement agreements. However, recent research also indicates that the overall system of international organizations in this domain falls short of its potential. For one, the community of international organizations and programs in earth system governance is highly fragmented, with most major international agencies running their own environmental programs, along with several hundred larger or smaller convention secretariats, with little effective coordination. In addition, earth system governance is not accountable to one international bureaucracy that is solely devoted to supporting international governance processes in this area. This situation has led to a debate in academia and policy circles on the need for a larger integrated organization, such as a “world environment organization” or a “UN environment organization.” The views of Frank Biermann establish the fact that governance challenge is a core task for governments and civil society organizations, for local actors and national alliances, for public and private agents alike. It is a challenge for effective international collaboration as well. There are a number of central actors here, including the numerous international organizations, ranging from the many specialized agencies of the United Nations to the hundreds of secretariats to international environmental treaties. Another success story with respect to organization is the the Intergovernmental Panel on Climate Change (IPCC) is generally considered to be a success. UNEP has itself launched a number of initiatives, including the Global Environment Outlook, and the Earth watch program which was meant to coordinate, harmonize and catalyze environmental monitoring and assessment activities throughout the UN system. The missing link, however, is not a lack of scientific information; rather, it is the lack of synthesis of the information that is available. Such synthesis is key for international policy-making in a number of arenas, but particularly so for the environment because of its interconnected nature. In the current situation, information from multiple sources, gathered in multiple ways, is difficult to compare, is not digestible to policy-makers, does not provide a complete picture of the environmental situation, and often fails to consistently study the same issues and substances over time. The paper/project would now talk about such platforms and their respective impacts.

1. **US CLIMATE ACTION REPORT, 2002- THIRD NATIONAL COMMUNICATION OF THE UNITED STATES**

A. The Environmental Protection Agency (EPA), NASA, NOAA initiated a partnership outreach program for broadcast meteorologists on climate change impacts and science. They formed the partnership in response to broadcaster’s requests for educational materials that they could use in their community outreach and educational activities, particularly during school visits. The resulting Climate Change Presentation Kit CD-ROM includes fact sheets that can be downloaded, printed and distributed to audience who have varying levels of scientific literacy, a complete power point slide presentation that can be shown through computer or printed overhead transparencies and other such means.

B. National Institute for Global Environment Change has brought out certain research priorities which essentially help in disseminating environment awareness and policies in an academic manner. These include improvement of scientific understanding of global environmental and climate change issues, creation of experimental programs to enhance understanding of regional ecosystem processes, improvement of decision making tools for resolving global environment problems, building up of educational and training opportunities to increase flow of talented scholars who can write good and well informed papers in the respective research areas.

2. **EMBRACING THE WORLD (AMMA)**

Embracing the World is a global network of regional humanitarian organizations inspired by the India-based humanitarian initiatives of the Mata Amritanandamayi Math. Embracing the World exists to help alleviate the burden of the world's poor through helping to meet each of their five basic needs- food, shelter, healthcare, education, and livelihood wherever and whenever possible. They are especially focused on helping to meet these needs in the aftermath of major disasters.

Augmenting these efforts, they work in the fields of environmental conservation and sustainability to help protect the future of the fragile planet. And through Amrita University, their researchers are inventing new means of delivery of goods, knowledge, information, energy, and healthcare so that they can get help to those in need here and now, wherever they are. Thus, it is quite evident that they are indirectly contributing towards sustainable development which majorly aims towards judicious consumption of resources so that generations may thrive on without any scarcity or difficulty. This worldwide humanitarian movement is expanding day by day, as more and more people feel inspired by Amma's example to share their time, energy and resources with those in need – both across the globe and in their own communities.

3. **INTRODUCTION OF ECO CRITICISM IN THE FIELD OF LITERATURE AND HUMANITIES**

This is one of the most intricate and effective manner of getting to know about environment, its role and its protection. The term "ecocriticism" was coined by William Rueckert in a 1978 article which called for the formulation of "an ecological poetics". It is basically study of literature and environment from an interdisciplinary perspective where literature scholars analyze and understand environmental concerns through the treatment of Nature in the respective texts. It has become one of the most important theories in the arena of contemporary literary theory. More and more students are drifting towards this field and hence environment is being studied deeply globally. Some of the famous Eco critics are Dr. Greg Garrard, Associate Professor Sustainability, Heise, Ursula K. - UCLA English Department, Professor Ashton Nichols - Dickinson College and many more.

GLOBAL ENVIRONMENT GOVERNANCE (GEG)

Global environmental governance (GEG) is the sum of organizations, policy instruments, financing mechanisms, rules, procedures and norms that regulate the processes of global environmental protection. Since environmental issues entered the international agenda in the early 1970s, global environmental politics and policies have been developing rapidly. The environmental governance system we have today reflects both the successes and failures of this development. There is great awareness of environmental threats and numerous efforts have emerged to address them globally. At the same time—and partly because of the rather spectacular growth in awareness and initiatives—the GEG system has outgrown its original design and intent. The system's high maintenance needs, its internal redundancies and its inherent inefficiencies have combined to have the perverse effect of distracting from the most important GEG goal of all—improved environmental performance. Even though the GEG system has achieved much in the way of new treaties, more money and a more participatory and active system than anyone might have imagined three decades ago, environmental degradation continues. Indeed, because we know so much more about environmental conditions and environmental processes, we also know more about what is not going well with the global environment. This state of affairs is well documented in the *Millennium Ecosystem Assessment* (2006). For example, despite the feverish discussions about global climate change, carbon emissions continue to rise; global atmospheric CO2 levels that were around 300 parts per million (ppm) in the early 1900s have now reached approximately 380 ppm. The *Millennium Ecosystem Assessment* also found that approximately 60 per cent of the Ecosystem that it examined was either being degraded or used unsustainably. Since 1980, 35 per cent of the world's mangroves have been lost and 20 per cent of the world's precious coral reefs have been destroyed. A decade after the signing of the Biodiversity Convention, the species extinction rate is still 1,000 times higher than what would be occurring naturally, without human impact. Despite the dozens of global and regional fisheries treaties, an estimated 90 per cent of the total weight of large predators in the oceans—such as tuna, sharks and swordfish—has disappeared over the last few decades. Estimates suggest that we may still be losing as much as 150,000 square kilometres of forest each year. Given increasing evidence of environmental degradation, the system needs reform urgently. However, it should be noted that the system needs reform not because it has "failed," but because it has outgrown its own original design. Much like children who outgrow their clothes as they mature, or small towns that need new infrastructure as they blossom into large cities, the GEG system needs to be rethought so that it can meet the challenges of its own growth, respond to future issues and move from its current emphasis on awareness-raising and treaty creation to actual environmental action and implementation.
Some of the trends of GEG which are encouraging are as follows-

1. UNEP and the Global Environment Facility: A struggling relationship.

In 1991, the GEF was formed to fund environmental projects addressing biodiversity loss, climate change, degradation of international waters and depletion of the ozone layer.74 Rather than placing the GEF under the auspices of UNEP, the GEF was created as an independent financial organization and located in Washington, DC, and was effectively under the control of the World Bank, but with UNDP and UNEP also listed as "implementing agencies." In spite of UNEP's key role in international environmental policy formulation, UNEP's relationship with the GEF has been kept weak and it has been denied the one instrument that could have given it real influence. Attempts on the part of UNEP to play a greater role in shaping the GEF's priorities have had limited success. UNEP Governing Council decisions have repeatedly called for a strengthened role for UNEP within the GEF, but to little avail.

2 Commission ***on Sustainable Development (CSD): An uncertain future.*** The Rio summit brought the issues of economic growth, social development and the environmental quality under the conceptual umbrella of sustainable development and adopted *Agenda 21* as its blueprint for the future. The CSD was created to coordinate between the three pillars of sustainable development: by monitoring the implementation of *Agenda 21*, and coordinating the follow-up to the Rio summit.76 In reality, CSD proved relatively ineffective at coordinating cross-sectoral issues and, instead, focused its energies on environmental issues, such as the Forestry Principles, and work on energy and fresh water. Sadly, because it was often populated by "negotiators," it soon became another negotiation body rather than one focused on implementation. The result was duplication and overlap with UNEP and other institutions, causing larger coordination problems with environmental governance. The trend has been marked by a needless, palpable and dangerous tension between CSD and UNEP because of the unclear division of labor.

Coordination difficulties between CSD and UNEP were further compounded by the decision to establish the CSD secretariat in New York instead of Nairobi. The CSD has been unable to deliver on its original mandate (of monitoring *Agenda 21* implementation) and on its assumed role (of negotiating decisions that move sustainable development forward). However, it has been quite successful as a model for incorporating multiple stakeholders and in becoming a regular forum where different stakeholders regularly meet, interact, network and exchange ideas. Of all the institutions that are related somehow to the environment, the CSD's future *42 Global Environmental Governance: A Reform Agenda* remains the most uncertain and the disenchantment with its performance is quite broadly based.

3. ***Environmental Management Group (EMG): Yet another layer of coordination bureaucracy.*** The EMG is chaired by the UNEP Executive Director and includes heads of UN specialized agencies, funds and programs and MEA secretariats.77 Although a worthy idea, the EMG has not yet lived up to its promise as there has been little high-level political engagement in its work. Reasons for this include too many UN coordination forums for time-constrained senior management (e.g., the Chief Executives Board, the High- Level Committees on Programmes and on Management, the UN Development Group, etc.); the negative perception of the EMG as an instrument for UNEP's control; and human and financial resource constraints (professional staff of two people and a budget of US$500,000).78 Most important, there is no clear sense of outcomes for the coordinating that EMG seeks, nor a sense of what different agencies will gain from such coordination. In essence, the EMG not only lacks resources but also clarity of purpose.

4. ***Global Ministerial Environment Forum (GMEF) has the potential to become a more effective forum for high-level policy interaction.***

The GMEF is an annual meeting of national environment ministers to discuss high-level policy issues, which meets as part of the UNEP Governing Council's regular and special sessions. At GMEF's first meeting in 2000, the GMEF adopted the Malmo Declaration, calling for the role of UNEP to be strengthened and its financial base broadened and made more predictable.79 Many argue that the role of the GMEF should be enhanced to become the body through which international environmental policy formulation would take place. The GMEF could also increase interaction among non-state actors and among the pillars of sustainable development through the participation of NGOs and the private sector and by involving ministers from other government sectors in its deliberations.

5. ***There is recognition to turn UNEP into a voice for authoritative environmental knowledge.*** For example, the UNEP Governing Council—as part of the Cartagena process for reform—recently established a "Science Initiative" to strengthen UNEP's ability to monitor and assess global environmental change.81 This includes a proposal to create an Environment Watch System as an integrated structure for scientific discussion underpinning international environmental governance. There is also a proposal to create an Intergovernmental Panel on Environmental Change to give scientific and technical advice to the UNEP Governing Council/GMEF. Actions to create greater capacity for scientific assessment in developing countries are also laid in the Bali Strategic Plan for Technology Support and Capacity Building. These activities and the high-level recognition of the importance of strengthening environmental Monitoring and linkages between science and policymaking are positive trends underlying which is the belief that GEG needs to be grounded in authoritative science and knowledge.

TWO IMPORTANT INTERNATIONAL ENVIRONMENTAL POLICIES

The two important international environmental policies/agreements which will be discussed here in the paper/project are as follows-

1. **Arhus Convention (General Consideration)**

2. **The Convention on Biological Diversity (CBD)**

ARHUS CONVENTION

The Arhus Convention is one of the most essential and lucrative conventions in the field of environment ethics. It is also known as the UNCECE **Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.** The name clearly signifies the actual role of such an international policy. The major terms which are in focus are access to information, public participation, decision making and access justice in Environmental matters. The major concerns are the loss of biodiversity and deforestation. Both are forms of injustice posed to Nature in totality. Such matters always are in need for proper vigilance.

And this cannot be done single- handedly. It is actually a team work which comprises public awareness and participation both. Only then can decision making process can be fruitful which would ultimately lead to achieving justice against unstable forces which pose threat to biodiversity. Biodiversity suffers from imbalance due to deforestation. Trees are natural reservoirs which help Nature and humanity to stay in unison. Be it the arrival of rains, the maintenance of appropriate temperatures and humidity in the respective seasons are all due to the role played by the trees. Cutting g of trees immediately debars balance in the environment. That is why, in India, initiatives like The Chipko Movement was taken in order to stop the orders from the system to cut the trees in order to use the lands for construction of buildings. However, Arhus Convention does not function in an isolated manner. It bestows public rights to access of rights, public participation, and access to justice in government decision making processes. Hence, it is highly transparent in its approach as there is maintenance of constant interaction between public and authorities. The Aarhus Convention was drafted by governments, with the highly required participation of NGOs, and is legally binding for all the States who ratified it becoming Parties. Among the latter is included the EC, who therefore has the task to ensure compliance not only within the member States but also for its institutions, all those bodies who carry out public administrative duties. Each Party has the commitment to promote the principles contained in the convention and to fill out a national report, always embracing a consultative and transparent process.

The Aarhus Convention remains the most ambitious venture in the field of environmental democracy under the auspices of the United Nations. The Convention is the only international legally binding instrument giving the public broad and concrete rights of participation in decision-making and access to information and justice regarding the environment. Last year, the importance of these rights was emphasized in the outcome document of the Rio+20 UN Conference on Sustainable Development. It is is a multilateral environmental agreement through which the opportunities for citizens to access environmental information are increased and transparent and reliable regulation procedure is secured. According to Ban Ki-Moon, Secretary-General of the United Nations, The Aarhus Convention's twin protections for environmental and human rights, and its focus on involving the public, provide a mechanism for holding governments to account in their efforts to address the multi-dimensional challenges facing our world today, including climate change, biodiversity loss, poverty reduction, increasing energy demands, rapid urbanization, and air and water pollution.

However, the effective implementation of the Convention depends on the Parties themselves and their willingness to implement its provisions fully and in a progressive manner. One very important thing about this policy is that it has a special model on which it functions. It has unique three pillars.

The Aarhus Convention stands on three “pillars” — access to information; public participation; and access to justice — which are provided for under its articles 4 to 9. The three pillars depend on each other for full implementation of thenConvention's objectives.

Pillar I — Access to information

Access to information stands as the first of the pillars. It is fitting that it comes first in the Convention, since effective public participation in decision-making depends on full, accurate, up-to-date information. However, it is equally important in its own right, in the sense that the public may seek access to information for any number of purposes, not just to participate. The access to information pillar is split in two. The first part concerns the right of the public to seek information from public authorities and the obligation of public authorities to provide information in response to a request. This type of access to information is called "passive", and is covered by article 4. The second part of the information pillar concerns the right of the public to receive information and the obligation of authorities to collect and disseminate information of public interest without the need for a specific request.

Pillar II — Public participation in decision-making

The second pillar of the Aarhus Convention is the public participation pillar. It relies upon the other two pillars for its effectiveness — the information pillar to ensure that the public can participate in an informed fashion, and the access to justice pillar to ensure that participation happens in reality and not just on paper. The public participation pillar is divided into three parts. The first part concerns the participation of the public that may be affected by or is otherwise interested in decision-making on a specific activity, and is covered by article 6. The second part concerns the participation of the public in the development of plans, programmes and policies relating to the environment, and is covered by article 7. Finally, article 8 covers participation of the public in the preparation of laws, rules and legally binding norms.

Pillar III — Access to justice

The third pillar of the Aarhus Convention is the access to justice pillar, contained in article 9. It helps to enforce both the information pillar and the public participation pillar in domestic legal systems, as well as any other provisions of the Convention that Parties specify in their domestic law to be enforced in this manner. The access to justice pillar also provides a mechanism for the public to enforce environmental law directly.

The Convention on Biological Diversity (CBD)

This policy is a multilateral policy and is also known as Biodiversity Convention. The Convention has three main goals including:

1. The conservation of biological diversity (or biodiversity)

2. The sustainable use of its components

3. The fair and equitable sharing of benefits arising from genetic resources.

Some of the many issues dealt with under the convention include:

1. Measures the incentives for the conservation and sustainable use of biological diversity.

2. Regulated access to genetic resources and traditional knowledge, including Prior Informed Consent of the party providing resources.

3. Sharing, in a fair and equitable way, the results of research and development and the benefits arising from the commercial and other utilization of genetic resources with the Contracting Party providing such resources (governments and/or local communities that provided the traditional knowledge or biodiversity resources utilized).

4. Access to and transfer of technology, including biotechnology, to the governments and/or local communities that provided traditional knowledge and/or biodiversity resources.

5. Technical and scientific cooperation.

6. Coordination of a global directory of taxonomic expertise (Global Taxonomy Initiative).

7. Impact assessment.

8. Education and public awareness.

9. Provision of financial resources.

10. National reporting on efforts to implement treaty commitments.

On a closer analysis the importance of this treaty lies in recognizing impact assessment as an important tool for helping ensure that development is planned and implemented with biodiversity in mind. The CBD requests Parties to apply impact assessment to projects, programmes, plans and policies with a potential negative impact on biodiversity loss. Even the renewable sources of energies such as windmills, solar sources and similar ones are dependent on the natural cycle which can only function when there is balance in Nature. Else, these also tend to suffer hugely due to improper weather conditions. The concept of global energy comprises both non renewable and renewable energy. And both are dependent on the natural regulation of environment be it the atmosphere, human life, wildlife or marine environment.

In fact, when it comes to marine environment, marine life suffers the most due to the various affluents and pollutants that are directly thrown into the water bodies. The respective pollutants are consumed by the marine animals thereby affecting their population drastically. Be it the industrial, nuclear or the domestic waste, they all are discharged into the waters. Biological diversity convention looks after all such hideous impacts on marine life. This convention is an attempt wherein each party involved shall follow the respective guidelines-

(a) Integrate consideration of the conservation and sustainable use of biological resources into national decision-making;

(b) Adopt measures relating to the use of biological resources to avoid or minimize adverse impacts on biological diversity;

(c) Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements;

(d) Support local populations to develop and implement remedial action in degraded areas where biological diversity has been reduced

(e) Encourage cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources.

The contracting parties shall also look after public awareness as is the responsibility of such policies-

(a) Promote and encourage understanding of the importance of, and the measures required for, the conservation of biological diversity, as well as its propagation through media, and the inclusion of these topics in educational programmes

(b) Cooperate, as appropriate, with other States and international organizations in developing educational and public awareness programmes, with respect to conservation and sustainable use of biological diversity.

Thus, it is noticeable that the convention works to the best of its abilities and tries to protect the biodiversity which is most important part of the entire ecosystem.

CONCLUSION

In order to sum up the project, a reference to how an international environmental law/ policy functions is hinted with the help of the famous book on **The practitioners Guide to the Laws of the Planet.** It says that any given international environmental issue, moreover, may implicate agreements at more than one level. It is therefore important for practitioners/public to understand the different types of agreements and how they interact.

A. Bilateral Agreements

International environmental practitioners should first consider whether the matter is addressed by obligations found within a bilateral treaty between the affected jurisdictions. Bilateral agreements are, in brief, enforceable agreements between two states. In the environmental field, they are frequently concluded between two adjacent states in relation to either a shared natural resource (e.g., a shared watershed) or a transboundary pollution source. These agreements impose binding obligations on the parties, who in turn may impose obligations on private actors within their jurisdiction through domestic implementing laws. Notable examples include the United States–Canada Air Quality Agreement of 1991, which focused originally on measures to reduce acid rain in the shared air shed and the Boundary Waters Treaty of 1909, which established the International Joint Commission (IJC) to oversee water resource issues involving the United States and Canada. A practitioner working on an infrastructure or effluent matter involving the Great Lakes or other boundary watercourses. Relevant obligations may also be found in bilateral treaties that are not, strictly speaking, environmental agreements. Recent bilateral U.S. trade promotion agreements, for instance, have frequently included provisions that impose environment-related obligations. These include obligations to effectively enforce domestic environmental laws and regulations and obligations to take measures to implement certain multilateral environmental agreements. Both mature, long-standing treaties relating to "Friendship, Commerce, and Navigation" and newer bilateral investment agreements may implicate environmental issues. Because of the sheer number of potentially relevant bilateral agreements, it can be a challenge for practitioners to identify and locate those that may be relevant to their matters. In the United States, practitioners should start with the State Department's Treaties in Force. While practitioners may observe that many of the bilateral agreements are relatively unknown or inactive, obligations under the agreement are still effective as long as the agreement remains in force and has not been superseded by subsequent agreements in force between those parties.

B. Regional Agreements

Practitioners should also be aware that environmental obligations can also be found in regional treaties. These regional agreements take a variety of forms. In some cases, regional agreements may be freestanding and independent regimes that are tailored to the unique environmental circumstances of a given region. This is the case, for example, with the regional seas agreements adopted under UNEP, such as the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region and its protocols. These regional agreements fit comfortably within the institutional architecture of ocean environmental management established under the much better-known U.N. Convention on the Law of the Sea, but their obligations are distinct from or in addition to obligations set out in the Convention itself. In other cases, regional environmental agreements cover the same substantive terrain as global environmental agreements, but layer on additional obligations that apply only among the parties to the regional agreement. For example, the Bamako Convention adopted in 1991 under the auspices of the Organization of African Unity, amplifies and extends obligations set out in its global predecessor, the Basel Convention. In still other cases, regional environmental agreements may overlap with but impose slightly different obligations than those set out in comparable global agreements.

C. Global Multilateral Environmental Agreements

Global multilateral environmental agreements (MEAs) are the charismatic mega fauna of the international environmental law ecosystem: they attract the most attention, and they can be fascinating to watch even when they do nothing. Indeed, for many people, "international environmental law" begins and ends with the MEAs. And although their impact and influence may be overrated, the MEAs do matter to the practitioner. We focus in this chapter on the legal and institutional structure of MEAs (their substantive provisions are addressed elsewhere.25 A key defining feature of the MEAs is that they are purpose-built agreements aimed at particular topics with limited (rather than open-ended) mandates and scopes. Dozens of MEAs have been negotiated across the spectrum of policy clusters, including chemicals/waste (e.g., Stockholm Convention;

Basel Convention); biodiversity (e.g., Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES), Convention on Biological Diversity (CBD), Cartagena Protocol); atmosphere and climate (e.g., U.N. Framework Convention on Climate Change (UNFCCC)), and oceans (U.N. Convention on the Law of the Sea). Each of these agreements—most of which have been negotiated under UNEP auspices—is legally and institutionally distinct from the others, and each has a limited, substantive mandate. Practitioners should also be aware that environmental obligations can also be found in regional treaties. These regional agreements take a variety of forms. In some cases, regional agreements may be freestanding and independent regimes that are tailored to the unique environmental circumstances of a given region. This is the case, for example, with the regional seas agreements adopted under UNEP, such as the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region and its protocols.

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2. RTE and Globalization: Exigency of a Global E.F.L Evaluation Institution

Ruchira Dhar

Research Scholar in Krityanand UNESCO Club (2017), Currently, She Pursuing her BA English (Honours) from Shri Shikshayatan College, Kolkata under University of Calcutta. Her interest in E.F.L education.

Abstract:

The English language has become the unofficial lingua franca of not merely Europe, but the world as a whole. Globalization and the advent of the internet have made it all the more important. Right to Education should also allow people the right to a global education and in these days, it is imperative that the learners of English as a Foreign Language (E.F.L) have some basic knowledge of English to access the best of technology and communicate with other individuals across the globe. This paper goes to show the rise of English and the size of the E.F.L market, and demonstrates how a Global E.F.L test (as opposed to a Global E.F.L syllabus) is the best way to achieve parity in E.F.L education.

Keywords-Language; Universal Declaration of Linguistic Rights; Validity; English as a Foreign Language (E.F.L); (E.L.T); (R.T.E);

Introduction

Globalization is a term we have all heard many times and Oxford Reference defines it as:

"…the increasing worldwide integration of economic, cultural, political, religious, and social systems. Economic globalization is the process by which the whole world becomes a single market. This means that goods and services, capital, and labour are traded on a worldwide basis, and information and the results of research flow readily between countries."

Certainly, global economy and business have globalized at unprecedented rates – but what about the need for communication at the global level?

"If trade and tourism around the world are going to operate and a global economy function and a global culture flourish, a widely shared, reasonably accessible language is requisite." (Stevenson)

In recent times, English has emerged as this "accessible" language at all international fora and the non-English speaking world has been scrambling to get a proper grasp of the English language for the purpose of education, as well as for commercial transactions. This has created the need for uniform proficiency levels in English and development of a global English as a Foreign Language (EFL) evaluation system.

RESEARCH OBJECTIVE

This research paper seeks to outline the need for a Standardized EFL Test and the structure of the new Standardized EFL Test to provide uniform EFL learning opportunities to students all across the world – which will lead to a holistic development and better integration of education on global fora. International Forums should pay heed to the Right to Education and should also initiate a new International Agreement for making a global E.F.L Test accessible to learners so that they can get access to an education that truly helps them to develop their full potential in the modern world.

RESEARCH METHODOLOGY

The research conducted was primarily through the review of previous literature and statistics available on the subject. Inferences were drawn on the basis of the research and they served as input for proposing a test structure for Global E.F.L learners.

ENGLISH: A GLOBAL LANGUAGE

Linguistic diversity is quite essential for cultures across the world and languages must always be preserved- as is codified by the Universal Declaration of Linguistics Rights (U.D.L.R), signed by the International P.E.N Club and several non-governmental organizations in the year 1996.

While linguistic diversity cannot be compromised, we must also realize that a common language is needed for us all to communicate with others across the world. The English language acts as this intercultural bridge.

The emergence of English as a global language is not due to intrinsic qualities of the language but rather due to a series of political and social events, as traced by the renowned language authority David Crystal in his book "English as a Global Language".

Some possible reasons for the domination of English language are:

1. The colonisation of several nations, such as Africa and India, led to the spread of English education across the large landmasses with huge populations.
2. Soon after the end of Colonial Era, the United States of America emerged as a forerunner in many arenas including technology, education and commerce, which further strengthened the superiority of the English Language.
3. The establishment of Multinational Corporations or MNCs, headquartered mostly in U.S.A or the United Kingdom, multiplied the need for English speaking individuals in third world countries.

The combined effect of these and several other reasons, inclusive of but not limited to emergence of Hollywood as a global influence, increasing novels and short-stories in the English language, development of technology with majority of the online content in English – led to the rise of the language as a global one.

The English Effect Report by the British council states:

“English is the dominant international language of the 21st century. It is spoken at a useful level by some 1.75 billion people – a quarter of the world’s population. As the language of communications, science, information technology, business, entertainment and diplomacy, it has increasingly become the operating system for the global conversation.”

The knowledge of English language is increasingly being considered as an advantage in this rapidly globalizing world. As a result, the EFL Industry is experiencing exponential growth in many countries such as India and Mexico.

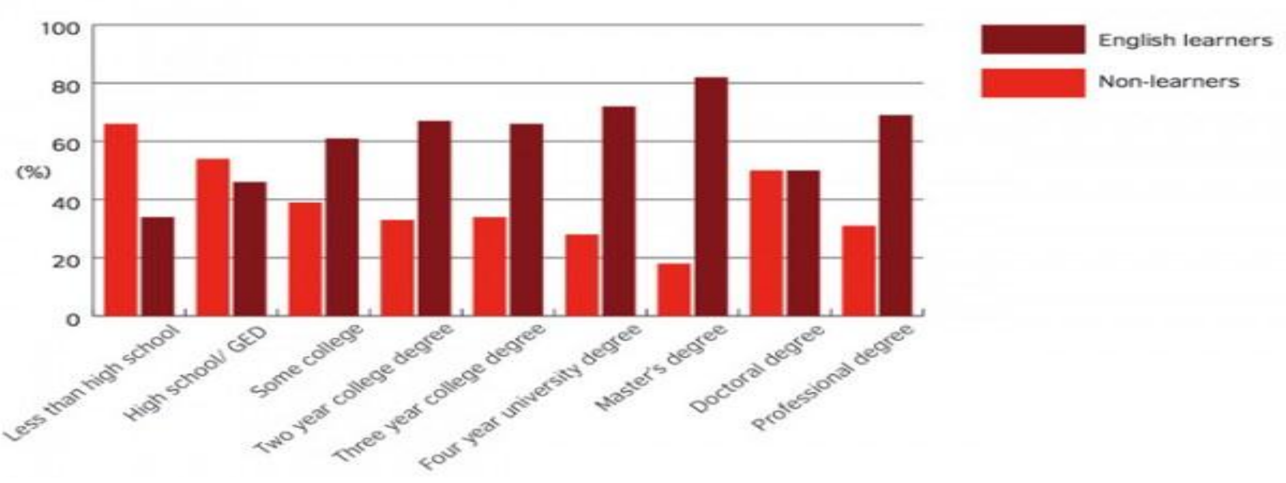
	2010	2011	2012	2013P	2014P	2015P	CAGR**
K12*(ELT)	-	-	587	769	1007	1320	31%[3]
Vocational	726	858	1023	1221	1320	1584	20%[4]
Coaching	690	780	900	1020	1170	1320	15%[5]
Corporate	19	23	29	37	46	57	25%[6]
Higher	156	174	198	222	252	288	14%[7]
IELTS	8	13	23	38	64	108	35%[8]
Total			2760	3306	3859	4677	

The table above, published in a 2012 study by the British Council, clearly shows the rising ELT or English Language Training revenues in Indian market and ICEF Monitor has further commented that a knowledge of the English Language will emerge as a key factor if India is to retain efficiency in a “fierce global marketplace”.

Even in Mexico, miles apart from India, the demand for ELT is no less daunting. A 2015 study by the British Council “English in Mexico” noted that the market for ELT constitutes about 23.9 million people. As in most countries where English is not the native tongue, the language is not only taught formally in public schools abut there are several privately funded institutions teaching the language.

The ICEF Monitor website states:

“English learning received a big boost in 2009 when the Secretariat of Public Education launched the Programa Nacional de Inglés en Educación Básica (PNIEB), which aims to increase the English proficiency of public school students by offering classes spanning pre-primary to the end of secondary school.”

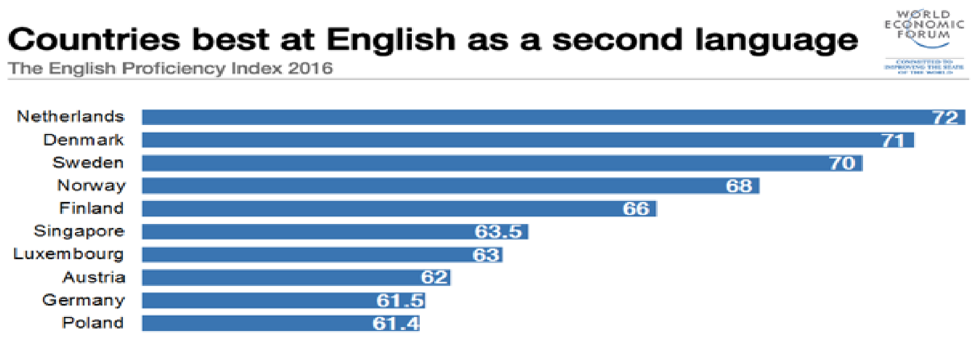


The bar graph chart, published in the 2015 British Council Study, shows how a knowledge of English becomes a key player in determining the level of education in the Mexican population.

As we can see in the cases of India and Mexico, the demand for ELT is rising but the English proficiency in the population is minimal, considering the huge amount of resources invested by the governments. This chasm between investment and output clearly shows that the current form of ELT is not sufficient for students to properly learn the language. It becomes imperative for us to analyse the challenges that ELT implementation faces and to craft a solution for seamless integration of EFL education at a global level.

E.F.L EDUCATION AROUND THE WORLD

The developed nations, as determined by the CIA World Factbook, show strong levels of English proficiency as is seen in this survey by Education First:



The developing nations, however, are not among the top countries when it comes to English proficiency. The English Proficiency Index published by Education First is given below.

A comparison of the Education First data makes it clear that the proficiency of English is in no way dependent on the amount spent in the Education sector. For example, consider the following data retrieved from the EF survey:

NAME OF COUNTRY	**EDUCATION EXPENDITURE (% OF TOTAL GOVERNMENT EXPENDITURE)**
Netherlands	12.1
India	14.1
Thailand	18.9

Netherlands, with a rank of 1 in the EPI has only 12.1% spent on education while India with a rank of 27 in EPI spends a comparatively larger chunk of 14.1% on education. Thailand spends nearly one-fifth of total budget on education but has a mere rank of 53 and tag of a low proficiency in the English language.

The statistics above show that expenditure on education cannot merely justify the higher ranks of some countries in the EF EPI Index. Developing countries like Thailand and India do have resources to spend on education but what is essential is the proper and effective allocation of those resources to achieve better results in E.F.L proficiency.

Establishment of global standards will provide a proper guideline to aid countries with E.F.L learners in framing their E.F.L education and evaluation policies and encourage collaboration for improvement of such standards.

E.F.L – UNIFORM SYLLABUS VERSUS UNIFORM TEST

The learners of English as a Foreign Language across the world have no way to judge their own proficiency on a global level, and to compare themselves to learners from different continents. However, a semblance of uniformity would definitely aid the learners in being more confident of their language learning abilities. Not only would learners benefit by a global level of proficiency, even the E.F.L educators and Governments of different countries would be able to determine their status and improvement areas in respect of other nations. Therefore, it becomes imperative that we search for ways to bring about such uniformity – which immediately leads us on to the important question of “How?”

This uniformity can be brought about in two ways:

1. Uniform Syllabus for E.F.L learners across the world.
2. Uniform Test for E.F.L learners.

When we talk about the first option, several concerns immediately arise in our minds.

1. If there is a Uniform Syllabus, all countries with E.F.L leaners will be forced to alter their language policies.
2. An alteration of language education, might lead to a need for total overhaul of education policies- which will prove to be an extremely laborious task.
3. Not all nations will agree on what is the best policy or syllabus to teach English and not all might have the required resources to facilitate such global education techniques.

Countries across the world follow their own unique methods of language education and awareness. While Germany has a non-profit organization (The Institute for Quality Development in Education) responsible for setting foreign language standards across the schools, some other countries like Spain and India include English as a medium of instruction in schools.

In Sub-Saharan Africa, the conduction of formal school examinations in English- due to a view of policy makers that "Education equals English"- has become increasingly controversial in recent years due to opinions that instructions in an unfamiliar language may lead to higher drop-out rates and grade-repeating. (Rea-Dickins, Yu and Afitska 2008). This attitude is even prevalent amongst parents in India, who consider schools with English as instruction medium the holy grail of education- failing to realize that English can be learnt as any other foreign language and that an education in English often leads the students to be completely ignorant of their mother-tongue. A proper E.F.L education and a Global Test can definitely allay the fears of parents when they see how well the children can perform in English, even while having been educated in their first language.

This brings us to the second option of Standard E.F.L Test. A standard test, as opposed to a standard global syllabus, is much more practical and easier to implement -considering the disparities in Gross National Income (G.N.I) amongst countries with E.F.L learners. Thus, it is essential to structure a Standard E.F.L test that is appropriate to all E.F.L environments across the world and can be easily adapted by all countries.

E.F.L EVALUATION – CURRENT SITUATION

At present there are several tests for evaluating E.F.L learners but they do not have global standards to adhere to.

In her work "Setting language standards for teaching and assessment" (Taylor 2008), Lynda Taylor has mentioned a Cambridge ESOL survey in 2000 which surveyed numerous English proficiency test providers on the basis of several criteria including:

1. Test Task Design
2. Assessment Criteria
3. Stimulus Materials

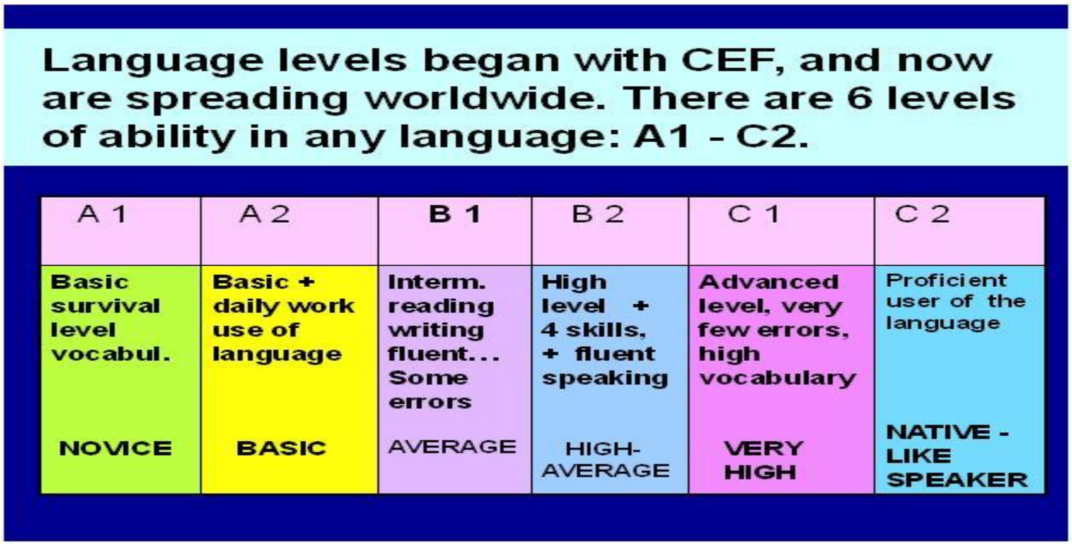
The survey was instrumental in making it clear that other than a handful of test providers, most failed to clearly detail and outline a basic policy or standards that their tests followed.

The Common European Framework of Reference for Languages (CEFR), published in 2001 is an extremely useful guideline that suggests proper policy framing that foreign language learners need to use a language effectively in practical situations. A 2013 report by the European Parliament's Policy

Department on “Implementation of CEF in European Education Systems” has clearly outlined the purpose of the CEFR:

“The CEFR is based on an action-oriented approach to language learning and use. It includes six proficiency levels for foreign language learning. The CEFR tries not only to facilitate the comparability between countries (on the basis of a shared conceptual framework for language learning) but also to respect national traditions and systems in language proficiency standards.”

Elaine Gallagher in “Planning and Supporting Strong English Programs” has formulated the levels as follows:



A May-September 2006 survey conducted by the European Parliament policy department found that one of the primary obstacles in implementation of the CEFR was lack of proper description of the language ability of learners at each level. The aforementioned 2013 report further found:

“CEFR possess difficulties in applying it in language tests. This criticism does not affect the CEFR specifically, but puts in focus the general difficulties in evaluation and assessing language competences. This issue also concerns the way links are suggested between language tests, examinations and the CEFR: how are these links justified?”

We can infer that the CEFR is a good place to start when considering formulation of tests, but a more detailed framework is needed in order to structure the Global E.F.L Test.

The Cambridge English Language Assessments provides several levels of exams which can serve as a stepping stone to start considering structuring of the Global E.F.L Test. The Cambridge Exams however are not capable of being exactly simulated in their current form due to the following reasons:

1. The University of Cambridge is responsible for the conduction of tests and educational bodies of participating nations have no say in the evaluation process.

2. The Assessments are not ratified by the governments of participating nations and thus cannot be considered formal qualifications for judging English proficiency in all nations.
3. The Tests are not accessible to or cost-effective for E.F.L learners from all backgrounds in the participating nations.
4. Issues of language diversity as highlighted in the Test Fairness Framework (Kunnan 2004) must be put into consideration when developing the new tests.

Therefore, for formulating new the Global E.F.L Test, we must pay heed to these observations.

THE GLOBAL E.F.L TEST – PROPOSED STRUCTURE

A few factors must be taken into consideration before proposing a structure for the global test:

1. Age – The Critical Period Hypothesis (Lenneberg,1967) claimed that humans could learn their first language only between the age of two years and early teens. In case of L2 learning, much research shows age is a positive advantage (Snow and Hoefnagel-Hohle 1978; Eckstrand 1978) but there are research papers which show that age can be a burden too. (Asher and Garcia,1969; Ramsey and Wright,1974). We can safely comment that while older learners may have initial advantages, younger learners generally surpass those with late exposure to the language. (Singleton,1989). Thus, it may be said that the Global E.F.L Test should start at a young age for better proficiency.

2. Levels in Global E.F.L Test – Decision also needs to be taken regarding how many levels should the test include and after what time duration should the learner be allowed to take the text of the next level after passing the previous one. Too long gaps might lead the learner to lose motivation while if gaps are too short, the learners may not have enough time to prepare sufficiently well for the next level.

3. Psychological Diversity- The test material should be such that the test-takers feel comfortable with and interested in them (Cyril Weir,2005). The Reading section may be tested with content that relate to their background (Alderson,2000) and the speaking section should allow test takers to choose their partners as this can have a significant effect on the discourse (Hawkey, 2004). This shows that participating nations should have some measure of autonomy in setting texts and speaking test surroundings.

4. Rubric – The instructions given in the test should make it abundantly clear as to what test-takers are expected to do (Weir,2005; Khalifa,2003). Efforts should be made to present the rubric in First Language of the test-takers, especially in the lower levels of the test when learners are not expected to have had much exposure in English.

5. Test Results – The results of important tests can often lead to immense pressure on the learners to prove themselves and can have undesirable backlash such as cheating in the CET in China (Huang and Garner,2008). To prevent such undue pressure, the results should preferably show only a Pass/Fail and test-takers should be allowed retakes of the test.

The structure of the test should take into account the afore mentioned features and be reasonable and realistic in its expectations from the learners. The following structure can be considered by policymakers when planning for the Global E.F.L (G.E.F.L) Test:

- LEVEL 1 – The first level can be at the minimum age of 8, as according to the World Bank data, most nations have students enrolled in primary education by the age of 7.
- LEVEL 2- The second level can be after a reasonable gap of 3 years at the minimum age of 10.
- LEVEL 3- The third level will thus be held at a minimum learner age of 13 and from level 3 onwards, there can be two sublevels- Basic and Advanced. The learner can choose to sit in any of them and those with higher proficiency can demonstrate their expertise through these levels as the results are Pass-Fail and do not allow more proficient learners to judge their capacity.
- LEVEL 4 – The fourth level can be the final mandatory level at the minimum age of 16, when most students are about to graduate high school. This level too should have the Basic and the Advanced sublevels, to be chosen at the discretion of the learner. This is the final level of the G.E.F.L test and should prepare learners to take other tests like IELTS, TOEFL or the Cambridge Proficiency Exam, in case they choose to go abroad for higher education or their future employers need them to take the aforementioned tests to demonstrate language proficiency.

Some other important points to be noted:

1. The tests should be conducted by the governments of nations with E.F.L learners and they should strive to make these tests available to the grassroots level of learners, irrespective of their financial capability. The global nature of the test can only be justified if learners get access to the tests. Learners outside of the formal education system should also be able to sit for the tests in independently.

2. The content of the tests should influence the course materials and teaching curriculum. The central governing body should propose a basic outline syllabus for each level, approved by governments, and English-Teaching institutes (government or private), publishers should be mandated to follow the syllabus in publishing books for E.F.L learners.

3. There should be no maximum age for any of the levels, so that an independent learner can choose to take the tests at any time of their life if they have been outside of the formal learning system.

IMPLEMENTATION OF GLOBAL E.F.L TEST

The purpose of the test, to provide a globally relevant education and E.F.L qualification, will be defeated if nations where English is a foreign language do not show equal enthusiasm in participating.

The Article 26 of Universal Declaration of Human Rights talks of the Right to Education and the second clause states:

"Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace."

In today's globalized world, it is undeniable that English occupies a central position and as days go by, the need for a global E.F.L Evaluation Institution becomes imminent. Nations should come together on an International forum and make an agreement to implement the Global E.F.L test- which will help all citizens of the world to have access to the lingua franca of the business and education worlds.

RESEARCH CONCLUSION

The research has clearly highlighted the need for a Global E.F.L test and thus the research objective has been achieved.

The test, however, will require the full co-operation of participating nations to establish a working institution which can administer such a test on a global scale. An International Agreement will definitely make the process faster and allow the governing E.F.L Evaluation Institution to have proper representation from nations.

Important goals that the Global E.F.L Evaluation institution should keep in mind are:

1. Proper written agreement to be formulated on the parameters of the test.
2. The Evaluation Institution should have a diverse representation from all countries with E.F.L learners.
3. The participating nations should keep economic considerations in mind when discussing implementation of the test.

Even the nations themselves should have certain principles regarding the test:

1. The government should be committed to making the test accessible to all.
2. The test should take into consideration the capabilities of the learners in that nation and should be designed accordingly.

3. Fairness in evaluation techniques should be of utmost sanctity.

Though there will undoubtedly be challenges in the implementation of such a test, it is certainly not impossible. A global world where everyone is capable of interacting with each other without language barriers is certainly an ideal world and policymakers and nations should strive to turn that ideal into a reality – for emerging as competitive players in today's world.

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3. Success or Failure of FDI in Indian Economy

Upasana Gupta
Research Scholar in Krityanand UNESCO Club (2017).Student of Institute of Chartered Accountant of India. She is graduated from B.com; Honors degree from Dayal Singh College, Delhi University. She has experience in both finance and taxation.

Abstract:

***Foreign direct investment (FDI) in India** is the major monetary source for economic development in India. Foreign companies invest directly in fast growing private Indian businesses to take benefits of cheaper wages and changing business environment of India. Economic liberalization started in India in wake of the 1991 economic crisis and since then FDI has steadily increased in India. It were Manmohan Singh and P. V. Narasimha Rao who brought FDI in India, which subsequently generated more than one crore jobs. According to the Financial Times, in 2015 India overtook China and the US as the top destination for the Foreign Direct Investment.*

Keywords- FDI, Economic Liberalization.

Introduction

Foreign direct investment (FDI) in India is the major monetary source for economic development in India. Foreign companies invest directly in fast growing private Indian businesses to take benefits of cheaper wages and changing business environment of India. Economic liberalization started in India in wake of the 1991 economic crisis and since then FDI has steadily increased in India. It were Manmohan Singh and P. V. Narasimha Rao who brought FDI in India, which subsequently generated more than one crore jobs. According to the *Financial Times*, in 2015 India overtook China and the US as the top destination for the Foreign Direct Investment. In first half of the 2015, India attracted investment of $31 billion compared to $28 billion and $27 billion of China and the US respectively.

There are 2 routes by which India gets FDI.

- **Automatic route:** By this route FDI is allowed without prior approval by Government or Reserve Bank of India.
- **Government route:** Prior approval by government is needed via this route. The application needs to be made through Foreign Investment Facilitation Portal, which will facilitate single window clearance of FDI application under Approval Route. The application will be forwarded to the respective ministries which will act on the application as per the standard operating procedure. Foreign Investment Promotion Board (FIPB) which was the responsible agency to oversee this route

was abolished on May 24, 2017. It held its last meeting on 17th April, which was the 245th meeting of the Board.

- **RESEARCH OBJECTIVE**

  - Evaluating FDI relation with economic growth
  - Studying Make in India initiative
  - To evaluate the impact of FDI in an Indian economy

Infrastructure

10% of India's GDP is based on construction activity. Indian government has plans to invest $1 trillion on infrastructure from 2012–2017. 40% of this $1 trillion is to be funded by private sector. 100% FDI under automatic route is permitted in construction sector for cities and townships.

Automotive

FDI in automotive sector was increased by 89% between April 2014 to February 2015. India is 7th largest producer of vehicles in the world with 17.5 million vehicles annually. 100% FDI is permitted in this sector via automatic route. Automobiles shares 7% of the India's GDP.

Manufacturing

India is making progress turning itself into a magnet for manufacturers, the aim being to increase the share of manufacturing in India’s GDP from a stagnant 15-16% since 1980 to 25% by 2022 and create an additional 100 million jobs. Electronics contributes to India's success in manufacturing, but some challenges remain with foreign direct investment.

Pharmaceuticals

Indian pharmaceutical market is 3rd largest in terms of volume and 13th largest in terms of value. Indian Pharma industry is expected to grow at 20% compound annual growth rate from 2015 to 2020. 100% FDI is permitted in this sector.

Service

FDI in service sector was increased by 46% in 2014–15. It is **US $ 1.88** Bl in 2017. Service sector includes banking, insurance, outsourcing, research & development, courier and technology testing. FDI limit in insurance sector was raised from 26% to 49% in 2014.

Railways

100% FDI is allowed under automatic route in most of areas of railway, other than the operations, like High speed train, railway electrification, passenger terminal, mass rapid transport systems etc. Mumbai-Ahmedabad high speed corridor project is single largest railway project in India, other being CSTM-Panvel suburban corridor. Foreign investment more than □90,000 crore (US$14 billion) is expected in these projects.

Chemicals

Chemical industry of India earned revenue of $155–160 billion in 2013. 100% FDI is allowed in Chemical sector under automatic route. Except Hydrocyanic acid, Phosgene, Isocyanates and their derivatives, production of all other chemicals is de-licensed in India. India's share in global specialty chemical industry is expected to rise from **2.8% in 2013** to **6 –7% in 2023.**

Textile

Textile is one major contributor to India's export. Nearly 11% of India's total export is textile. This sector has attracted about $1647 million from April 2000 to May 2015. 100% FDI is allowed under automatic route. During year 2013–14, FDI in textile sector was increased by 91%. Indian textile industry is expected reach up to $141 billion till 2021.

Airlines

Foreigner investment in a scheduled or regional air transport service or domestic scheduled passenger airline is permitted to 100, with FDI up to 49% permitted under automatic route and beyond 49% through goor existing airport under automatic route.

- **RESEARCH METHODOLOGY**

In this research paper, the researcher has trying to her level best to collect the data from secondary sources which is purely an Empirical study like published research papers, journals, magazines, websites such as www.tradingeconomics.com RBI websites, Government of India websites, and various issues of DIPP, Central Statistical Organization, and Handbook of Statistics on Indian Economy. The study carried out is analytical and empirical in nature in which it explores the relationship between the Inflows of FDI and their impact on Indian economic growth. Further, in order to show the position of FDI we selected different economic level of study. To give more accurate conclusion researcher has prepared a questionnaire and did a survey on MAKE IN INDIA and its relation with economic growth.

- **HYPOTHESIS**

In this paper, the researcher have taken an hypothesis in anticipation of the afore mentioned problem title . Where the study has been taken up for the period from 2010 to 2017 to know the following:

i. The key issues concerning FDI policy in India's
ii. The policy helps to reduce the risk of FDI in India and its domestic market

Expected Theoretical Relationship between FDI and its Determinants

There are so many determinants of FDI in the economy as suggested by existing literature available on this issue. There is need to know the expected relation between FDI and these determinants before doing empirical investigation regarding relationship of FDI and some variables taken in this study so as to find main determinants of FDI in India.

(i) **Market Size:** Market size which is measured in terms of GDP is expected to have positive relationship with FDI. Countries having more GDP growth rate can attract more FDI inflows. Market oriented FDI aims to set up enterprises to supply goods and services to the local market. This kind of FDI may be undertaken to exploit new markets. The market size of host countries is very important location factor for market oriented FDI. The general implication is that host countries with larger market size, faster economic growth and higher degree of economic development will provide more and better opportunities for these industries to exploit their ownership advantages and therefore, will attract more market-oriented FDI. Even for export-oriented FDI, the market size of host countries is an important factor because larger economies can provide larger economies of scale and spill-over effects (OECD, 2000).

(ii) **Portfolio Diversification:** The diversification of portfolio is also considered to be another determinant. The approximate mix of bonds, securities, stock, debenture, depository receipts, etc. refers to portfolio investment. The maturity of these instruments may vary from few months to few years. The concern of an investor is for these instruments at a time of risk perceptions. It implies that the investors are able to invest in or take out their capital for diversification of their portfolio assets due to perceived risk in a country. The higher is the perceived country risk due to political, economic and financial changes in one country, an investor would like to take out his capital out of the country (Gedam, 1996).

(iii)**Resource Location:** Location- specific determinants have a crucial influence on a host country's inflow of FDI. The relative importance of different location-specific determinants depends on at least three aspects of investment:

1) The motive for investment (e.g., resources, market or efficiency-seeking),
2) The type of investment (e.g., services or manufacturing), and
3) The size of the investors (small and medium MNEs or large MNEs)

Natural resources protected from international competition by imposing high tariffs or quotas, still play an important role in attracting FDI by a number of developing and developed countries. The theoretical analysis concludes that policy related variables and economic determinants together explain the variations in the FDI inflows in country. Empirical analysis concludes that the variables considered for the study are more significant in China as compared to India. In India, Long term debt is an important factor in attracting FDI but in China Foreign exchange reserves and Sum of exports and imports (Exim) have more influence on FDI. These flows will be adversely affected if the natural resources are highly protected (UNCTAD 1998).

(iv)**Differential Rate of Return:** This theory explains mostly the held belief that the FDI flows to that country which has relatively higher return on the investment. No investor would like to invest if the rate of return on investment is low. Therefore, the flow of capital will be in those countries which ensure the highest possible rate of return (Gedam, 1996).

(v) **Foreign Exchange Reserves:** The high level of foreign exchange reserves in terms of import cover reflects the strength of external payments position and help to improve the confidence of the prospective investors. Therefore, a positive relationship is postulated between the foreign exchange reserves and the inflow of foreign direct investment (Chopra, 2003).

(vi)**Internationalization:** Internationalization refers to minimize or eliminate cost of external transaction by increasing transaction within subsidiaries. This theory explains that FDI is an outcome of need to lower the cost of transaction. In other words, need for internationalization of transaction cost determines the FDI inflows. The internationalization of transaction cost is achieved through FDI investment in subsidiary to eliminate high cost of transaction or replace high cost transaction through low cost when it is impossible to eliminate (Gedam, 1996).

(vii) **Openness:** Openness of a country is generally measured as the proportion of exports and imports to the GDP (Trade/GDP). The more an emerging market tries to open its economy to outside external trade, the more this host country can attract FDI. Export oriented FDI depends upon liberal trade policies reflected in openness of the country as the TNC is not interested in market seeking behaviour initially and openness helps it in importing components, capital goods, and raw material (Zhang, 2001)

(viii) **Government Regulations:** This consists of rules and regulations governing the entry and operations of foreign investors. FDI cannot take place unless it is allowed to enter in a country. Its potential relevance is evident when policy changes sharply in the direction of more or less openness. It should be noted, however that policy changes in the direction of openness differ in an important way from those in the direction of restriction. Open policies are basically intended to induce FDI while restrictive policies such as sweeping nationalization of foreign affiliates, can effectively close the door to FDI (Chopra, 2003)

(ix)**Political Stability:** The reliability and political stability determines the FDI inflows. TNCs prefer stable government so that their investment is protected. Political instability may be in the form of negative attitude of the government toward TNCs, non-allowance of fund transfer, currency convertibility, war, bureaucracy and corruption. Political stability can also be measured by number of changes of democratically elected governments. Asiedu (2002) does not find any evidence relationship between FDI and political stability (Gedam, 1996).

(x) **Tax Policies:** Fiscal policies determine general tax levels, including corporate and personnel tax rates and thereby influence inward FDI. Other things being equal a country with lower tax rates should stand a greater chance of attracting FDI project than a country with higher rates. It is difficult to ascertain how much influence it can have on the total inflows of FDI. (Chopra, 2003).

(xi)**Inflation:** Low inflation rate is considered to be a sign of internal economic stability in the host country. High inflation rate indicates incapability of the government to balance its budget and failure of the central bank to conduct appropriate monetary policy. Changes in inflation rates of the domestic or foreign country are anticipated to alter the net returns and optimal investment decisions of the MNEs. It is expected to give negative impact on FDI (Banga, 2003).

(xii) **Industrial Organization:** Industrial organization theory states that firm specific advantages, competition capabilities, managerial skills and practice etc. are some of the crucial points for industrial organization to survive. The relative advantages to TNCs in terms of these points make FDI to flow to a country of their choice (Gedam, 1996).

(xiii) **The Level of External Indebtedness:** The level of external indebtedness means the net external assistance to India in the form of loans. It is expected to have a negative impact on FDI inflows. The level of indebtedness shows the burden of repayment and debt servicing on the economy, thus making the country less attractive for foreign investors (Chopra, 2003).

(xiv) **Foreign Exchange Rate:** It is the rate at which one currency may be converted into another. In other words, it is the relative strength of the domestic country in relation to the foreign country. High volatility of the exchange rate of the currency in the host country discourages investment by the foreign firms as it increases uncertainty regarding the future economic and business prospects of the host country (Banga, 2003).

There are many statical equation which explains the Link between Total Factor Productivity and FDI

In examining the effects of FDI on total factor productivity (TFP), researchers generally rely on a theoretical framework developed by Coe and Helpman (1995) and Park and Lee (2003). In this model, the TFP of the individual economy is obtained using the aggregate production function as follows:

$$Y = f(A,L,K). \qquad (1)$$

where Y is gross domestic product (GDP); L is labor input; and K is capital input. The variable A represents the level (index) of TFP in output, not accounting for an increase in factor inputs such as K and L. In this article, the TFP of India is estimated using the following trans log production function approach with time series data method:

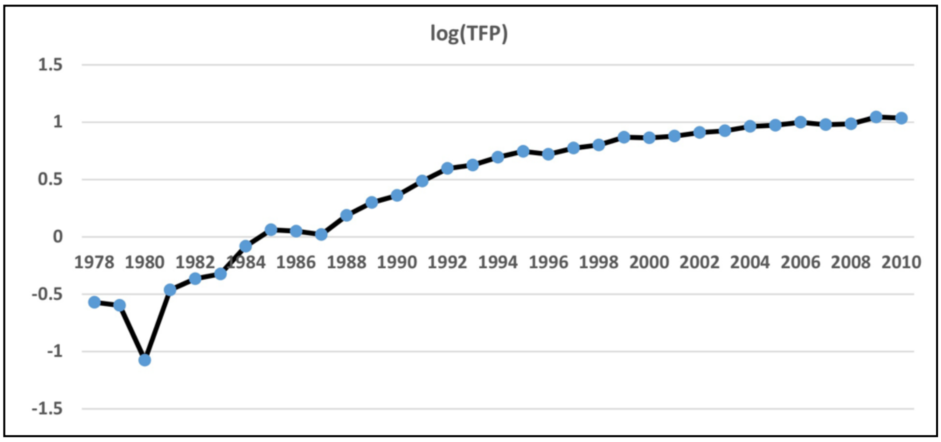
$$\ln Y = \alpha 0 + \alpha L \ln L + \alpha K \ln K + (1/2)\alpha LL(\ln L)2 + (1/2)\alpha KK(\ln K)2 + \alpha LK \ln L \ln K + ut. \qquad (2)$$

The translog function is a generalization of the Cobb-Douglas function and enables us to capture decreasing or increasing marginal input effects via a second-order approximation, as well as to identify the substitution or complementary effects of inputs via an interaction term. The TFP is measured as the residual obtained from the estimated Equation (2).

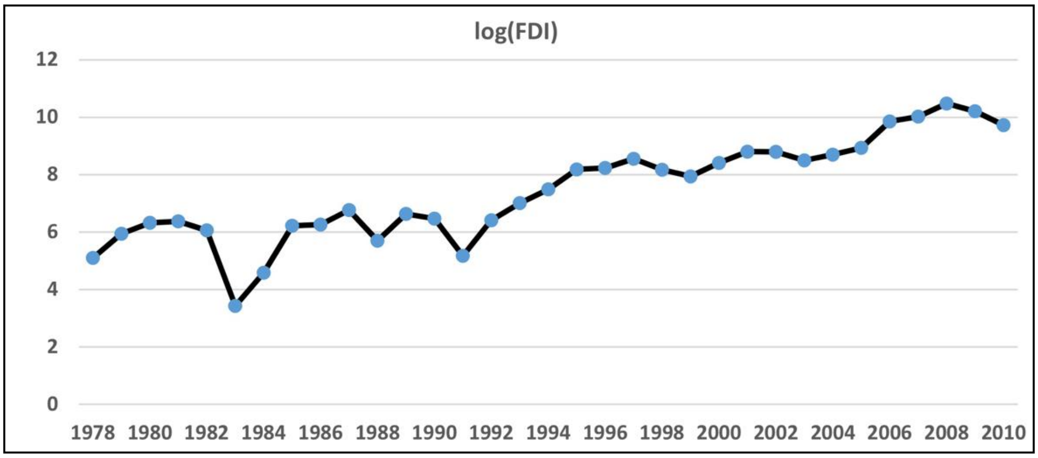
Since the effect of FDI on TFP also depends on the trade policy regime, following other studies (e.g., De Mello 1997; Zhang 2001; Urata 2001), in the empirical model adopted here we extend the standard model of the TFP-FDI nexus to include exports (EX) as a proxy for India's trade regime as follows:

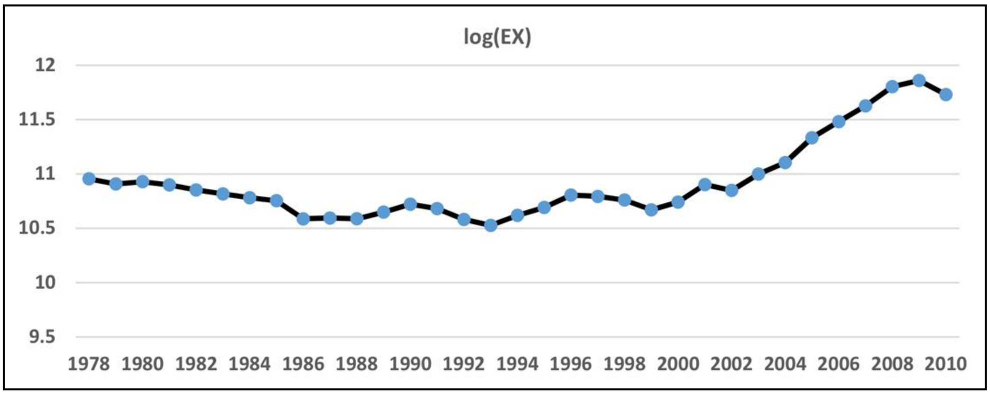
$$TFP = f(FDI, EX) \quad (3)$$

The expected sign of FDI is ambiguous and uncertain. For example, if India's FDI inflows lead to an increase in TFP through transfer of advanced technology and managerial skills to domestic firms, it could be hypothesized that FDI has a positive relation with TFP ($\partial TFP/\partial FDI > 0$). However, if an increase in inward FDI leads to substantial reverse flows of profits/dividends, transfer of inappropriate technology, and/or elimination of domestic firms through intense competition (i.e., multinational corporations' monopoly over state-of-the-art technology), thereby resulting in a decrease in TFP, FDI is expected to have a negative relation with TFP ($\partial TFP/\partial FDI < 0$). To the extent that TFP increases with more exports, it could be hypothesized that exports are expected to



have a positive effect on TFP ($\partial TFP/\partial EX > 0$).





MAKE IN INIDIA INTIATIVE

Prime Minister Narendra Modi launched the Make in India initiative on September 25, 2014, with the primary goal of making India a global manufacturing hub, by encouraging both multinational as well as domestic companies to manufacture their products within the country. Led by the Department of Industrial Policy and Promotion, the initiative aims to raise the contribution of the manufacturing sector to 25% of the Gross Domestic Product (GDP) by the year 2025 from its current 16%. Make in India has introduced multiple new initiatives, promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector.

It targets 25 sectors of the economy which range from automobile to Information Technology (IT) & Business Process Management (BPM), It also seeks to facilitate job creation, foster innovation, enhance skill development and protect intellectual property. The logo of 'Make in India' – a lion made of gear wheels – itself reflects the integral role of manufacturing in government's vision and national development. The initiative is built on four pillars which are as follows:

1. **New Processes**: The government is introducing several reforms to create possibilities for getting Foreign Direct Investment (FDI) and foster business partnerships. Some initiatives have already been undertaken to alleviate the business environment from outdated policies and regulations. This reform is also aligned with parameters of World Bank's 'Ease of Doing Business' index to improve India's ranking on it.
2. **New Infrastructure**: Infrastructure is integral to the growth of any industry. The government intends to develop industrial corridors and build smart cities with state-of-the-art technology and high-speed communication. Innovation and research activities are supported by a fast-paced registration system and improved infrastructure for Intellectual Property Rights (IPR) registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being addressed.
3. **New Sectors**: 'Make in India' has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal.[1] The Government has allowed 100% FDI in Railway[2]and removed restrictions in Construction.[3] It has also recently increased the cap of FDI to 100% in Defence and Pharmaceutical.[4]
4. **New Mindset**: Government in India has always been seen as a regulator and not a facilitator. This initiative intends to change this by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country alongside the corporate sector.

Since the launch of Make in India in September 2014, FDI inflows of USD 77 billion including a equity inflows of USD 56 billion has been received for the period October 2014 to March 2016. This represents about a 44% increase in FDI Equity inflows over the same corresponding period.

'Zero defect zero effect' is a key phrase which has come to be associated with the Make in India campaign. In the words of Prime Minister Narendra Modi, "Let's think about making our product which has 'zero defect'… and 'zero effect' so that the manufacturing does not have an adverse effect on our environment".[5] Thus, sustainable development in the country is being made possible by imposing high-quality manufacturing standards while minimising environmental and ecological impact.

Within the short span of time, there are many instances of the initiative's success. In December 2015, Micromax announced that it would put up three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh. Japan announced it would set up a USD 12 billion fund for Make in India-related projects, called the "Japan-India Make-in-India Special Finance Facility" after the Japanese Prime Minister Shinzo Abe's visit to the country. Huawei opened a new Research and Development (R&D) campus in Bengaluru and is in the process of setting up a telecom hardware manufacturing plant in Chennai. France-based LH Aviation signed a Memorandum of Understanding (MoU) with OIS Advanced Technologies to set up a manufacturing facility in India for producing drones. Foxconn announced it would invest USD 5 billion over five years for R&D and creating a hi-tech semiconductor manufacturing facility in Maharashtra. Samsung said it would manufacture the Samsung Z1 in its plant in Noida and this is only the tip of the iceberg as there are many more proposals in the pipeline.

"**Come make in India. Sell anywhere, [but] make in India.**" Prime Minister Narendra Modi said while introducing his vision to the public. And it seems that the world is more than ready to embrace this vision, which is already set on a path to become a reality.

India – Ease of Doing Business Ranking

Among the chosen 189 countries for this index, India was ranked 134 in 2015 on the World Bank's Doing Business index. Since then there has been a remarkable improvement.

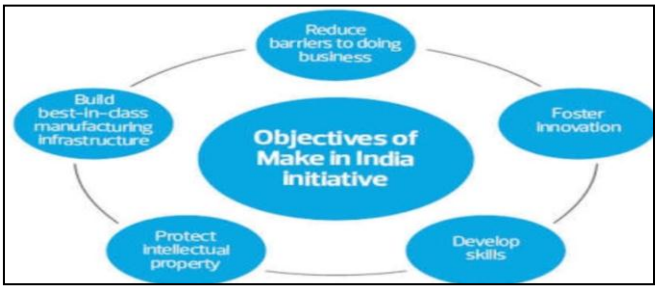
Since 2014, the Government of India launched an ambitious program of regulatory reform aimed at making it easier to do business in India. The program represents a great deal of effort to create a more business-friendly environment.

The efforts have yielded substantial results with India jumping 4places on the World Banks' Doing Business rankings.

Positive changes have led to this impressive improvement in India's ranking on the EODB index:

- Starting a Business: India's ranking on this parameter has improved from 164 in 2015 to 155 in 2016. This improvement has been mainly on account of decrease in number of procedures and time taken to start a business in India.
- Getting Electricity: India's ranking on this parameter has improved from 99 in 2015 to 70 in 2016. The number of days taken to get a permanent electricity connection for a business is just 53 days, which is less than the average time taken in South East Asian and OECD member countries.

Apart from the above-mentioned parameters, India fairs particularly well in terms of 'Protecting interests of Minority Investors', where it ranks 8 among the 189 countries which are part of this index.



Starting a business

1. The requirement of Common company seal is eliminated.

2. Introduction of form -29 by MCA. With this form three processes such as Name Availability, Director Identification Number and Incorporation of Company are clubbed into one. The company can be registered within 1-2 working days in India.
3. The provision is in place for getting PAN and TAN in T+1 day using digital signature.
4. ESIC and EPFO are completely online with no physical touch point for registration or document submission.

Dealing with construction permits

1. Municipal Corporations of Delhi as well as Municipal Corporation of Greater Mumbai have introduced fast track approval system for issuing building permits with features such as Common application form, provision of using digital signature and online scrutiny of building plans.
2. Delhi has a uniform building bye laws, 2016 which allows for risk-based classification regimes for different building types. The uniform building bye laws have provision of deemed approval of sanctioning building plans within 30 days.

Trading Across Borders

1. The Central Board of Excise and Customs (CBEC) has implemented 'Indian Customs Single Window Project' to facilitate trade. Now importers and exporters can electronically lodge their customs clearance documents at a single point only with the customs.
2. The number of mandatory documents required by customs for import and export of goods have been reduced to three viz. Bill of Lading, Invoice cum Packing List and Import Declaration.

Enforcing Contracts

1. The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 has been enacted. The Commercial Courts and Appellate Divisions have already been established in Delhi and Bombay High Court.
2. National Judicial Data Grid (NJDG) provides case data including case registration, cause list, case status and orders/judgements of courts across the country and District-wise. NJDG was opened to general public on 19th September 2015.

Getting Credit

1. SARFAESI (Central Registry) Rules, 2011 has been amended. The amendment modifies rule 4 to include additional types of charges, including: "security interest in immovable property by mortgage other than deposit of title deeds"; "security interest in hypothecation of plant and machinery, stocks, debt including book debt or receivables"; "security interest in intangible assets,

being know-how, patent, copyright, trademark or any other business or commercial right of similar nature"; and "security interest in any under construction residential or commercial building or a part thereof". This amendment allows (Central Registry of Securitization Asset Reconstruction and Security Interest) CERSAI to register these additional charges.

2. This amendment will allow uploading of data pertaining to security interests created on all types of properties covered by the definition of property in Section 2(1)(t) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) i.e. immovable as well as intangible.

Getting Electricity

1. In both Delhi and Mumbai, the distribution companies have stipulated that electricity connections will be provided in 15 days and the number of documents required to obtain an electricity connection have been reduced to only 2. Online application for connections above 100 KVA have been made mandatory in Delhi and Mumbai. This will reduce procedures, cost and time taken to obtain an electricity connection significantly.

2. In Mumbai, Brihanmumbai Electric Supply and Transport (BEST) has improved its SAIDI by 3% in the period Jun 2015-Mar 2016, and SAIFI by 11% in the same period and Tata power has improved its SAIDI by 2.42 and it's SAIFI by 2.41.

Registering Property

1. In Delhi, all sub-registrar offices have been digitized and sub-registrars' records have been integrated with the Land Records Department and in Maharashtra all property tax records have been digitized. The digitization of property records will overcome the cumbersome and time-consuming paper work for registering properties. It will ensure transparency and allow citizens to ascertain history of transactions in digital mode.

Resolving Insolvency

1. The Insolvency and Bankruptcy Code, 2016 is expected to introduce new dimensions in Resolving Insolvency in India. This is India's first comprehensive legislation in the area of corporate insolvency.

Paying Taxes

1. The ESIC has developed a fully online module for electronic return filing with online payment. This has greatly reduced the time to prepare and file returns.

2. With introduction of e-Verification system, there remains no physical touch point for document submission to Income tax authorities.

MEASURES UNDERWAY

- Integrate processes for obtaining PAN, TAN, ESIC & EPFO registration with incorporation of company.
- Increasing the coverage of Credit Registry and Credit Bureau to register at least 70% of the individuals and firms with information on their borrowing history from the last 5 years.
- Simplification in the forms for filing income tax return, VAT return, CST return, EPFO and ESIC return
- Operationalizing Insolvency and Bankruptcy Code

CHALLENGES AND SOLUTIONS

Inadequate Policy-Making

Instead of depending only on any report, the government that wanted improvements in the country's business environment would want to understand the de facto situation faced by firms. Understanding this, the NITI Aayog and the IDFC Institute undertook a joint study of this issue based on firm surveys and came out with a report in August 2017. Unfortunately, rather than providing a comprehensive picture of the business environment in India and how it should be improved, the study draws conclusions that are of limited use for policymaking.

Business Environment

It is prudent to question the usefulness of this aspect. If it implies that a high growth rate is a prerequisite for a better business environment, then improving the business environment loses its usefulness as a policy to push up growth rates. In such a situation, it's not clear why a government would try to improve the business environment at all.Another major finding focuses on the nature of the firms and shows that start-ups report a more favourable business environment as they need less time to obtain approvals than older firms. However, the study defines start-ups by categorizing all manufacturing firms that have been set up after 2014 in this group.

Technology

It is important to note that, in order to undertake effective policies to improve the business environment in India, we need to understand what causes it to be relatively good in some situations and poor in others. The NITI Aayog-IDFC study throws light on some of the broad trends in the country's business environment but fails to provide a deeper understanding of its causes due to the lack of a conceptual framework to analyse the data.

STUDY CONCLUSION

In the end, when you talk about all the impacts that the Make in India has on the economy, the only thing that the citizens are concerned about is the country's GDP. After all, that is the only thing that defines the accurate situation of the country. The better the GDP, the more developed will be the nation. Currently, the GDP is $2.439 trillion, and it is increasing at the annual rate of 6.7%. And, the intentions are to make India stand at the 3rd position by 2020 in terms of Gross Domestic Product. Indian economy has the capacity to push the GDP to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate. "Make in India" mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub. There is need of reforms in industrial strategies to make India a manufacturing hub. Favourable industrial framework need to be established that should attract more and more domestic as well as foreign industrialists towards Indian Territory. Favourable investment climate, assistance of financial services, relax and industry favourable government policies are the essential ingredients of "MAKE IN INDIA"

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4. International Economics and Finance (Global Economy)

Jobby Thadicaran
Research Scholar in Krityanand UNESCO Club (2017), An aspiring economist with keen interest towards international economics and banking; he completed his bachelor's in economics from Ambedkar University, Delhi.

Abstract:

Expanding exchange and money related streams between the world's nations have been a twofold edged sword for developing business sector economies (EMEs). The situation is rather more complex in emerging market economies, however, while price stability is seen as important in these economies as well, financial stability is a key responsibility since in most emerging markets central banks are also responsible for prudential regulation. Moreover, the political economy context in these countries makes it much harder for central banks to be insulated from other objectives, including the promotion of output and employment growth.

Keywords- Monetary Policy, Emerging Economy

Introduction:

Why is our worldwide budgetary market isolated by two heterogeneous economy showcases? Is there some endogenous variable that recognize rising economy and propelled economy or did government strategy and national bank hypothesis for financial approach separated in creating break even with development for both piece of the pie? We will start this paper delineating key contrast between cutting edge economy and rising economy and how different organization and business analysts present their considerations in this examination. World bank shares basic factors in order to define what developing economy[1] are; low income, rapid growth, high volatility, capital market are less mature and investors receive a higher average return. Moreover, in a recent report by IMF[2]; it identifies that emerging economy as by far enlarged its integration in the global financial market in past decade. It also added that financial integration has a beneficial factor as well as degrading one i.e., efficient asset pricing and resource allocation and increase in shock along with transmission of excess financial volatility. These factors closely relates to spillovers in the emerging economy, where the sectors having high debt and lower liquidity are subject to larger spillovers, which is equally likely to be emerging economy that has a larger financial institution.

Monetary policy in emerging economies

[1] The MSCI Emerging Market Index lists 23 countries- Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Qatar, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand, Turkey, and United Arab Emirates.
[2] Global stability report, International Monetary Fund(2016)

Fundamentally, a Monetarist economist would follow on the Taylors principal on the interest rate that would be changed according to the deviation of inflation from a target and output gap. In a recent comparative study between the industrialized country and emerging economy, policymakers have long emphasized on a ¨ unmatched¨ trinity of policy objectives. Various attempts to simultaneously maintain fixed exchange rate, perfect capital mobility, and independent monetary policy, have always ended in the catastrophic catalyst. The time inconsistency literature argues that a purely discretionary policy setting leads to higher long run inflation; see Kydland and Prescott (1977) and Barro and Gordon (1983)[3]. In such circumstances, a credible commitment by the central bank to maintain price stability can reduce the inflation bias from monetary policy. In the past, such a commitment was often imposed externally by a fixed exchange rate, or internally by a monetary growth target. However, in the meantime, both approaches have lost their importance: the former has proved to be unsustainable in the face of growing capital flows and financial markets' imperfections, and the latter has failed because of large-scale shocks to money demand functions.

Central banks are moreover accountable for budgetary security; this has gone to the nearness in the midst of the credit crisis that started in 2007. In fact, even those national banks that are not responsible for prudential control are for the most part accountable for keeping up the strength of the cash related structure. In light of the recent market turbulence, the budgetary unfaltering quality goal has ended up being more pre-celebrated, with the financial course of action went for re-building up and keeping up the robustness of the money related structure. Unmistakably, the twofold section expected of financial methodology in responding to a budgetary relentlessness stagger—the credit crush— in the meantime as regard immovability trance of significant movement in oil and item costs has acted particularly troublesome circumstances for national banks. On the institutional side, some central banks are being given a more unmistakable part in propelling cash related trustworthiness. Regardless, the prerequisite for more noticeable cash related prepare in creating business area economies has been generally stressed against the setting of their for the most part high swelling and low approach acceptability. National banks in developing markets confront an exceptional arrangement of difficulties. These are to a limited extent institutional and to some degree specialized, however, both of these go about as extreme limitations on money related strategy usage; one of the concentrations that figure unmistakable financial technique in making economy is in the light that central bank; in rising economy does not have an intriguing plan of Independent show. In some countries where the central bank is in principle independent, there is still the reality that it can be buffeted by various political forces, especially the finance ministry. Hence, central banks are always treading a fine line in terms of maintaining their legitimacy and independence in difficult circumstances.

For sure, in many of these nations, long-haul financial teach is missing and money related arrangement is often a subordinate to monetary approach, especially since the last is viewed as having critical redistributive capacities. An unsustainable financial strategy, described by proceeding with higher amounts of government spending shortfalls and open obligation, goes about as a serious

[3] The reason is that while the central bank is tempted to generate surprise inflation to temporarily promote output, people see such behaviour as inconsistent with its objective of price stability.

need for fiscal approach; as the central bank at that point needs to access the administration's obligation administration goals in setting loan costs, instead of concentrating only on the value that strength objective. Besides, the fiscal approach is regularly hampered by a powerless transmission part identified with the underdevelopment of the budgetary framework. Specifically, a delicate keeping money framework can make it troublesome for a national bank to forcefully utilize approach financing costs to carry out household goals as extensive changes in loan fees can have conceivably pulverizing results on the monetary records of powerless banks. Other institutional rigidity can likewise undermine the adequacy of money related arrangement. For example, untenable work markets can prompt generous expansion industriousness, which again makes it harder for money related arrangement to dependably oversee financial movement.

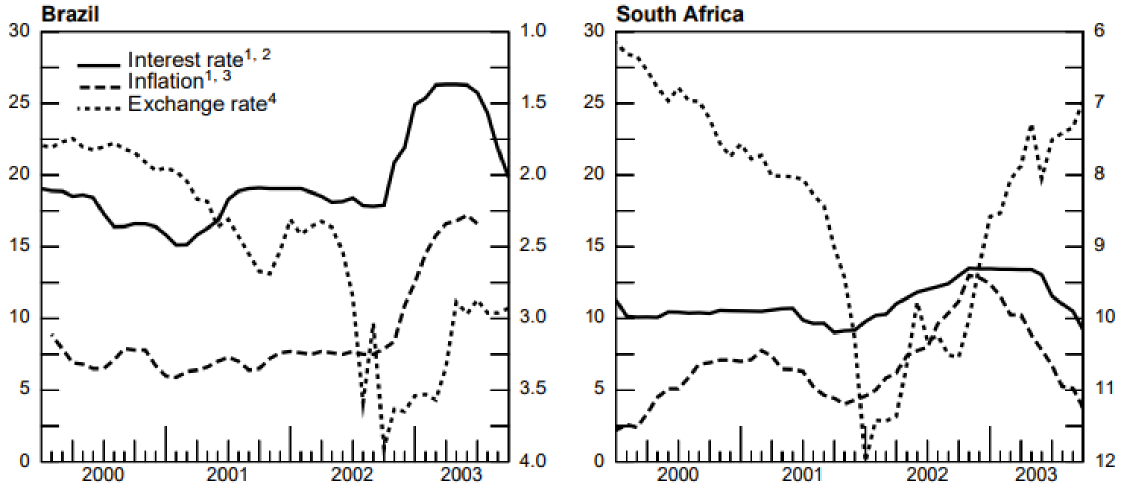
Monetary Policy of Interest rate, exchange rate and Asset class:

At the first glance, the monetary approach in various emerging economies may have continued in unabated financial integration. The need for greater monetary discipline in emerging market economies has been generally stressed against the backdrop of their relatively high inflation and low policy credibility. However, after the financial crisis in 1990, monetary and exchange rate regime became the important tool that often leads economies to choose to stabilize its financial market. After 1990, much country tried to lower the high inflation rates, but most of these stabilization programmes failed. As the tools was still based on orthodox money growth targets. Even from the viewpoint of the proverbial conservative central banker who cares only about inflation, public promises to hit targets that cannot usually be fulfilled subsequently will do little to establish credibility. When improved price stability was finally achieved in countries that had undergone very high inflation and repeated failed stabilization attempts in the 1980s, the exchange rate was usually the nominal anchor around which the successful stabilization programs were built. When booming markets for their export commodities put upward pressure on their currencies (2003-2008), they intervene to dampen appreciation. Then, when a crisis hits, the country may intervene to dampen the depreciation of their currencies.

A familiar argument, pioneered by Taylor (2001), is that if the exchange rate depreciates due to a temporary disturbance, the interest rate should remain unchanged. This is because such exchange rate movements do not have much effect on expectations of inflation, and a central bank that reacts to inflation will indirectly take into account the consequences of the exchange rate movement for its policy. If the depreciation is due to a decline in the demand for exports, the central bank faces a positive price shock as well as a negative demand shock, making an interest rate increase less necessary. Attempts to reduce exchange rate volatility might also increase output volatility.

Fixed exchange rates have many advantages, in addition to their use as a nominal anchor for monetary policy. They reduce transactions costs and exchange risk, which in turn facilitates international trade and investment. However, the major drawback in fixed exchange rate regime is giving up monetary independence; the central bank can’t increase the money supply, lower the interest rate, or devalue the currency, in response to a downturn in demand for its output. It can impair the central bank’s lender of last resort capabilities in the event of a crisis in the banking sector, as Argentina demonstrated in 2001. There are a variety of attempts to classify de facto regimes. Some seek to infer the degree of exchange rate flexibility around the anchor; others seem to infer what the anchor is. Pure de facto studies look only at the times series of exchange rates and reserves; others pay more attention to other information, including what the country says. Less well-known is that the de facto classification regimes do not agree among themselves. The correlation of de facto classification attempts with each other is generally as low as the correlation with the IMF's official classification scheme.[4]Nevertheless, in practice, many emerging market economies intervene to stabilize the exchange rate by changing interest rates, and the scale of such intervention also tends to be large. This raises the question of the factors that may account for this behavior. One reason, consistent with theory, is that major currency depreciation in emerging market economies has, in fact, been due to financial shocks, often resulting in high inflation. Second, exchange rate shocks tend to be large and persistent in emerging economies, which can create a dilemma for the central bank. If it chooses to absorb the exchange rate depreciation it might risk overshooting the inflation target and lose credibility. At the same time, defending the currency might require raising the interest rate to a very high level, which can cause large output losses. The experiences of South Africa and Brazil illustrate this point quite well. Graph 1 shows how closely exchange rates, inflation, and interest rates moved in the two countries during the currency crises.

Graph 1 **Interest rates, exchange rates and inflation**



[1] Left-hand scale. [2] In percentages; short-term rate. [3] Annual percentage changes. [4] Right-hand inverted scale; local currency per US dollar; an increase indicates an appreciation.

Sources: Bloomberg; Consensus Economics; IMF; national data.

Led by speculative currency pressure, increased risk aversion and regional political uncertainties, the South African and came under sharp depreciation pressure in 2001, falling by over 20% in the last two months of the year. The central bank did not intervene at that time and only raised the interest rate in January 2002 when currency depreciation led to strong inflationary pressures. Eventually, the currency recovered, and the central bank missed its inflation target. In Brazil, the real fell by over 40% in the second half of 2002, while the central bank only raised interest rates when the currency

[4] Fischer (2001), Council on Foreign Relations (1999), and Meltzer (2000)

depreciation threatened its inflation target. Explaining the overshooting of inflation, the central bank has argued that it raised the interest rate primarily to prevent the second-round impact of currency depreciation on inflation while allowing the first-round effect to be absorbed in prices. The central bank also raised its inflation target for 2003 from 4% to 8.5%.

Asset classes is another testing role in central bank interest rate decision making, nonetheless, many have argued that since asset price cycles generally peak during an economic upturn, they foreshadow future inflation, requiring preventive action. Views differ about whether central banks should respond to asset price movements, partly reflecting different assumptions about transmission mechanisms. It is also difficult for the central bank to know precisely what causes asset price cycles and to differentiate fundamentals from bubbles. When central banks are uncertain about the implications of asset prices for inflation and output, the costs of intervening may also be high if this makes interest rates more volatile. It could also render them politically unpopular if they prematurely end an asset price boom. In emerging economies, households' portfolios are generally less diversified. With equities constituting a much smaller share of their overall portfolio than in industrial economies, the wealth effects are correspondingly lower. Moreover, equity prices are significantly more volatile in emerging economies, which could imply much higher interest rate volatility should monetary policy attempt to stabilize asset prices. The net benefits for monetary policy from reacting to equity price imbalances are thus likely to be low. On the other hand, the role of property prices in inflation and output developments has been significant in several countries. For example, overshooting of property prices, led by imprudent bank lending, played an important role in the 1997-98 Asian financial crisis, as did their subsequent collapse ending in deflation in Hong Kong and, more recently, in Singapore. The experience of Korea provides another important example. In 2002, sharp growth in housing and mortgage credit raised household debt to unsustainable levels. The central bank tightened prudential requirements on banks and also announced its intention to closely monitor asset prices for its interest rate decisions. Several other Asian countries have faced similar runaway increases in housing credit and strong growth in property prices in the past years.

Literature review

In August 1998, the Russian emergency denoted the pinnacle of a time of budgetary and conversion scale turbulence in developing economies. The turmoil hit develop economy financial markets with the close crumple of Long-term Capital Management which highlights how integrated financial systems across the globe have become. In August 2007, monetary markets in developing economies were presented to an emergency of confidence. More than one year later, conditions in financial markets are still far from typical and have even deteriorated. This time, be that as it may, overflows to developing markets has been contained, except for a couple of nations. There are a few variables to clarify why the current turbulence in the financial markets of developing economies has had a restricted effect on developing markets. These components incorporate enhanced basics, rich stores, solid development and minimal direct presentation to subprime Instruments.

Before, the introduction of the 1987reforms, monetary instrument was administrative in nature.

The primary objectives of a country's economic policy usually include stable economic growth, a high level of employment and monetary stability. The central bank contributes to the achievement of these objectives mainly through its ability to affect the money supply and to influence interest rates. The main functions of a central bank are generally divided into conducting monetary policy and supervising and developing financial and payment systems. The basic theme of central banking policies is stability - stability in the purchasing power of the currency and stability in the functioning of the financial system.

There are likewise a few laws administering financial strategy in Russia. The previous draft law of the CBR notices four such laws. The lawful reason for the Russian national bank and keeping money has for some time been lacking and falls behind financial and political changes. Hence, these exercises have been to a great extent guided by CBR directions and presidential degrees. National bank autonomy fluctuates among countries. An autonomous focal bank is one that is allowed to lead fiscal strategy with a specific end goal to accomplish its objectives without impedance from other legislative bodies. It can be contended that if there are very much characterized exchange offs on money related approach that require political information, the national bank could be made responsible to government. By and by, there is proving in the writing that free national banks have been effective in accomplishing low expansion rates. However, no national bank works in a vacuum and co-operation between the different specialists is an essential for effective financial strategies. Nor is national bank freedom consistent after some time as the approaches of a specific bank executive may incredibly influence the bank's autonomy.

As indicated by Breden kamp (1993), in the present Russia the subject of focal bank freedom is ruled by the requirement for budgetary adjustment. It has been concurred that in a progress economy, the national bank ought to be put past the reach of political enticement. In Estonia, for instance, this has been effectively accomplished by a money board game plan with an unbending responsibility regarding the trade rate. For Russia, the CBR's autonomy has been just incompletely a lawful inquiry: it likewise relies upon how the laws are deciphered and what are the relative political qualities of the different players. The issue has not been as well minimal national bank freedom from the legislature or the parliament, yet rather an absence of consistent responsibility by the money related specialists to a steady financial arrangement objective.

Concerning financial approach instruments the difficulties of change lie in changing from quantitative strategies to advertise operations. Be that as it may, the fundamental preconditions for fruitful utilization of instruments, for example, the rebate rate should first be placed in place. As these conditions have not existed in the early phases of change, controlling credit extension has unmistakably been the most capable instrument of the CBR in leading money related arrangement.

Notwithstanding a national bank's fundamental capacity of giving a sufficient measure of money for course, the CBR has likewise financed particular loaning programs. These loaning programs imply that the CBR has allowed credits to state ventures and particular locales, either specifically, through business banks, or on the other hand through the Ministry of Finance (MoF). The credits have regularly been given at financed loan costs and on great terms. The expansion in cash discharge because of guided credits has over and over prompted the quickening of swelling. The significance of direct national bank financing has, nonetheless, lessened in 1994 as the credits are presently directed through the financial plan. The CBR has likewise taken ventures towards a more market based dissemination of financing through credit barters.

Another instrument of the CBR's monetary policy is the reserve ratio. The CBR imposes reserve ratios on commercial banks as a means of controlling liquidity in the banking system. In most industrial countries interest rates have taken over the function of short-term monetary control. Since the real interest rate long remained negative in Russia, the effect of interest rates has not been strong enough to establish a reliable link between the creation of base money and the growth of other monetary aggregates. Therefore, reserve requirements have been used to tighten monetary conditions. Up until 1991, the reserve ratios were set arbitrarily and private commercial banks were required to have reserves 2-3 per cent higher than the former state-owned specialized banks. From 1992, the CBR has set uniform reserve requirements. The reserve requirements are currently 20 per cent of demand deposits and time deposits maturing within one year, and 15 per cent of longer-term time deposits. As the centralized credits to the enterprise sector have been excluded from the reserve requirement calculations, it is unclear how effective this procedure has been in tightening the money supply. Moreover, commercial banks have held reserves in excess of CBR requirements rate.

Monetary policy and foreign exchange

The Central Bank of Russia exchanged in July 1992 from a various conversion standard framework for the rouble to a brought together coasting swapping scale. Regardless of troublesome financial conditions, the choice was not turned around and has filled in as an imperative venture in opening Russia to the world economy. As opposed to the first arrangement, the rouble has kept on gliding since unification.

In 1992, national bank credit developed at a normal month to month rate of right around 30 for each penny, though in 1993, add up to central bank credit developed at a normal month to month rate of under 12 for every penny and in the last quarter of 1993 at 8 for every 40cent. On February 28, 1994, the CBR beginning month to month credit sales of national bank renegotiating for chose business banks. The month to month development rate of rouble base cash was under 10 for every penny amid the primary quarter of 1994, yet the development rate got amid the second quarter. The balance in the development of Russian national bank credit is by all accounts a key part in lessening money related extension in 1993. The money related occasions of 1992-1994 can be partitioned into four sub-periods; which follows the improvement of Russia's month to month swelling rate. Nonetheless, credits barters are a critical advance toward advertising based conveyance of national bank credits. As overall macroeconomic condition become more stabilized, the preconditions for central bank operations improve. The improved understanding by Russian decision-makers of the importance and basic functions of money increase the optimism that financial stabilization may be attainable. The CBR's reliance on inflation means of influencing monetary conditions, such as direct credits to enterprises, is diminishing. The CBR has been moving towards the more market-based distribution of credits. At the same time, the importance of the discount rate and open market operations are increasing. The positive real interest rate makes it possible for the central bank to adjust monetary conditions in line with inflationary developments. Important challenges lie ahead in the area of commercial banking. Russia's banking sector is facing such problems as undercapitalized banks, inefficient payment transfers, lack of adequate supervision and illegal activities. Improving the soundness of commercial banks, building up the legal infrastructure of the financial system and modernizing the payment system are important future areas of focus for the Central Bank of Russia.

Conclusion

Looking for the fundamental causes of the current global financial crisis we cannot help but notice the part played by contemporary monetary and finance theory. The contemporary monetary theory with its focus on inflation targeting as sufficient to endure macroeconomic stability – a logical implication of the consensus model of monetary policy - has distracted attention from the growing fragility and instability in financial markets. Similarly, contemporary finance theory suffers from two flaws. First, based as it is on the same Arrow-Debreu vision that underpins much academic 'monetary' theory it is incapable of getting to grips with concepts such as liquidity that is central to regulators and central bankers. Second, it applies a discredited Gaussian vision of probability that has led highly trained 'theorists; to grossly underestimate the risks involved in the 'marketization' of finance.

Successful monetary policy in any country requires a mutual understanding by various authorities on what is the final objective of monetary policy and a clear commitment to achieve this objective.

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5. Market Access for Least Developed Countries for Post-2015 and Sustainable Development

Lalruatpuii Ruat

Research Scholar in Krityanand UNESCO Club (2016), Currently is a Consultant Analyst at the International Trade Centre (ITC) in Geneva. She did her Master's degree in International Economics from, Graduate Institute of International and Development Studies Geneva.

Abstract:

The sustainable development goals call for a doubling of LDCs' exports. One way to achieve this goal is to improve market access conditions for LDCs. LDCs continue to face high duties on their exports even in the face of declining tariff levels, especially in agriculture and clothing. Hence, the full implementation of WTO commitments "to provide duty-free and quota-free (DFQF) market access" on a lasting basis for all products originating from all LDCs is the need of the hour. A positive correlation between the average age of firms in a country and the proportion of exporting firms is observed, where a country with older firms also tend to have more firms that are exporting directly or indirectly

Keywords- Sustainability Development and Post-2015

Introduction

1. Overview of Least Developed Country Economies

The Least Developed Countries constitute the poorest and most economically vulnerable countries in the entire global community. They represent countries with GNI per capita less than US $1,035. Constituting about 12 per cent of the world population (over 880 million people), these countries together account for less than 2 per cent of world GDP and about 1 per cent of global trade in goods. Almost 50 per cent of the population lives on less than US$1 per day. The average growth rate of LDCs as a whole was 5.5 per cent in 2014, which is significantly stronger than the 4.4 per cent growth recorded by other developing countries (ODCs). (UNCTAD, 2015)

There are currently 48 countries under the Least Developed Countries category, designated by the United Nations: 34 in Africa, 13 in Asia and the Pacific and 1 in Latin America. Extreme poverty, widespread diseases, internal and external conflicts, political and social instability and low level of socio-economic development characterize these economies. They are largely agrarian, relying on the exports of few primary commodities as the major source of fiscal and export earnings. This makes them highly vulnerable to external terms of trade shocks. Those economies that have been able to diversify into the manufacturing sector could do so only with limited range of products in labor-intensive industries such as textiles and clothing. These constraints have tied these countries into a poverty trap by plunging them into a pit of insufficient domestic resource mobilization and economic management capacity, unattractive investment environment, extensive political corruption, chronic external deficits, high debt burdens and heavy dependence on external financing.

2. International Trade Scenario

According to the UN, LDCs account for about 1 per cent of world trade in goods. LDCs integration into the world economy is reflected by the trade openness indicator, trade as a percentage of GDP, which varies quite largely among the LDCs.

LDCs' major trading partners are the European Union, the United States, and Japan among developed countries and India, China and Thailand among developing countries. Of this, Asia is the major export destination for agricultural, fuel and mining products whereas Europe and Asia are the major export destinations for manufactured products.

The total value of merchandise exports in 2014 was US$258.4 billion and the value of total imports was US$331.3 billion (Table 1). There has been a massive increase in the share of LDCs exports in 15 years from 0.6 per cent in 2000 to 1.1 per cent in 2014. This is mainly due to high demand from developing countries, especially China, which heightened the prices of fuels, ores and metals. However, due to an even greater increase in their merchandise imports, the merchandise trade deficit of all LDCs together nearly tripled in 2014, increasing by 187 per cent to $33.6 billion. While the trade surplus of African LDCs and Haiti fell from $17.5 billion to $2.5 billion, the Asian LDCs' deficit widened from $27.8 billion to $34.7 billion and the deficit grew only marginally for Island LDCs.

Merchandise imports increased in all the three geographical and structural LDC subgroups, while exports increased in Asian and island LDCs but fell in African LDCs and Haiti, mainly due to lower commodity export earnings. (UNCTAD, 2015)

Table 1: LDCs Imports and Exports of Goods and Services, 2005-14, selected years

(In millions of current dollars and percent)

		2005	2010	2011	2012	2013	2014	% change 2014
				Goods				
Exports	**LDCs (total)**	**83 848**	**168 809**	**207 402**	**210 794**	**218 917**	**217 511**	**-0.6**
	African LDCs and Haiti	59 063	124 831	155 403	158 529	161 901	158 101	-2.3
	Asian LDCs	24 608	43 625	51 424	51 611	56 444	58 794	4.2
	Island LDCs	178	353	575	653	572	616	7.7
Imports	**LDCs (total)**	**79 908**	**163 427**	**197 009**	**216 418**	**232 252**	**246 132**	**6.0**
	African LDCs and Haiti	50 293	103 086	122 608	136 180	145 999	149 318	2.3
	Asian LDCs	28 966	59 068	72 893	78 421	84 358	94 858	12.4
	Island LDCs	649	1 274	1 508	1 817	1 895	1 956	3.2
Trade balance	**LDCs (total)**	**3 940**	**5 382**	**10 393**	**-5 624**	**-13 335**	**-28 620**	**-114.6**
	African LDCs and Haiti	8 770	21 745	32 795	22 349	15 902	8 784	-44.8
	Asian LDCs	-4 358	-15 443	-21 469	-26 809	-27 914	-36 064	-29.2
	Island LDCs	-471	-921	-933	-1 164	-1 323	-1 340	-1.3
				Services				
Exports	**LDCs (total)**	**11 756**	**25 619**	**31 177**	**33 477**	**38 177**	**40 913**	**7.2**
	African LDCs and Haiti	7 568	14 123	18 207	19 526	22 044	23 690	7.5
	Asian LDCs	3 942	10 964	12 382	13 336	15 477	16 504	6.6
	Island LDCs	246	532	587	615	656	719	9.5
Imports	**LDCs (total)**	**28 387**	**61 601**	**73 018**	**76 022**	**78 895**	**85 168**	**8.0**
	African LDCs and Haiti	22 777	48 871	58 273	59 815	62 020	66 172	6.7
	Asian LDCs	5 368	11 175	12 697	14 631	15 712	17 939	14.2
	Island LDCs	243	1 554	2 048	1 576	1 163	1 056	-9.2
Trade balance	**LDCs (total)**	**-16 631**	**-35 982**	**-41 842**	**-42 545**	**-40 718**	**-44 255**	**8.7**
	African LDCs and Haiti	-15 208	-34 748	-40 065	-40 289	-39 976	-42 482	6.3
	Asian LDCs	-1 427	-211	-316	-1 295	-235	-1 435	510.0
	Island LDCs	3	-1 023	-1 461	-961	-507	-338	-33.4

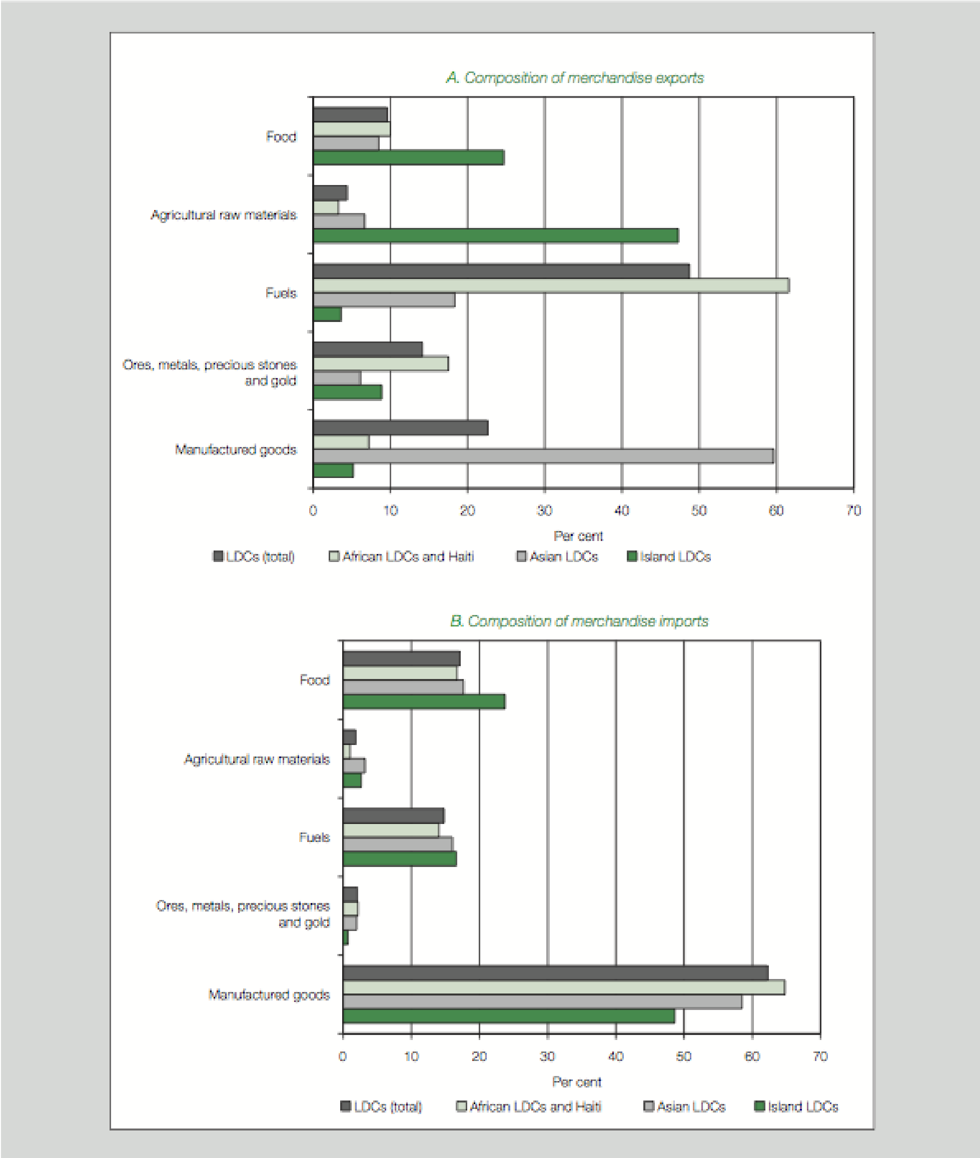
Source: UNCTAD, UNCTADstat database (http://unctadstat.unctad.org/EN/) (accessed July 2015).
Notes: Figures on services in 2014 are estimates. Data based on the Balance of Payments Manual, sixth edition (BPM6).

There is a sharp contrast between the composition of LDCs exports and imports (Chart 1). Merchandise imports are mostly of manufactured goods (62 per cent) and with fuels and food only of about 15 and 17 per cent, respectively. On the other hand, fuels account for 49 per cent of exports while only 23 per cent for manufactured goods.

A strong regional pattern is also observed. In African LDCs and Haiti, fuels account for 62 per cent of merchandise exports while in Asian LDCs, manufactured goods represent 60 per cent of exports and agricultural raw materials exports account for 48 per cent of Island LDCs exports. The heavy dependence of most LDCs on primary commodity exports renders them very vulnerable to fluctuations in commodity prices. (UNCTAD, 2015)

Chart 1: Composition of Merchandise Trade of LDCs

(Per cent, average for 2012-14)

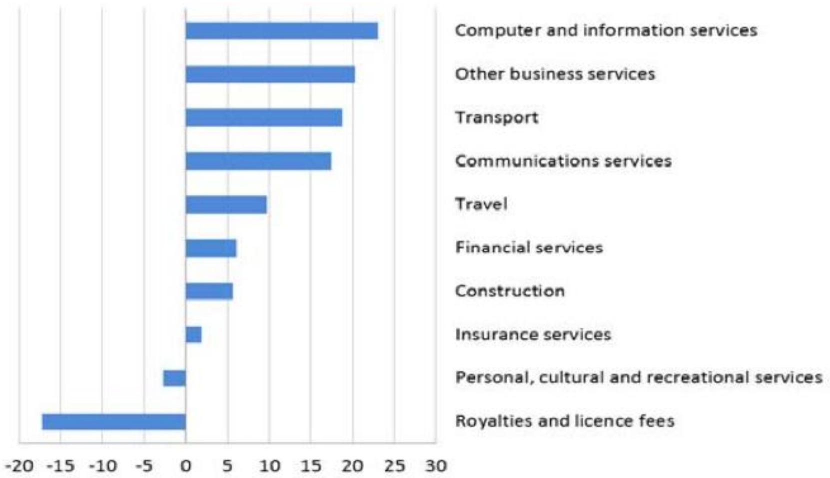


Source: UNCTAD secretariat calculations, based on data from the UNCTADstat database (http://unctadstat.unctad.org/EN/) (accessed August 2015).

On the services side, LDCs exports of services are dominated by low- to middle-skilled services sectors, such as travel (tourism) and transport. In 2013, their total contribution of total services exports surpassed those of other developing economies (54.4 per cent) and developed economies (39.9 per cent) at 68.5 per cent. As these sectors are largely labor-intensive, this created employment opportunities for a large share of the population. (WTO, 2014) .

Chart 2: LDC exports by main service sector, 2013

(Annual percentage change)



Source: WTO-UNCTAD estimates.

This paper is organized as follows: Section 1 explains the objective of the project; section 2 provides the scope of the project. The first part of Section 3 explains survey methods and sample determination for the World Bank Enterprise Survey; the second part provides an overview of the procedure adopted my analysis of the survey firms and countries, while the third part provides an overview of the formulation of the project where I explain the central arguments that will be tested in the project and in the fourth part of Section 3, I carry out my pilot study. Section 4 summarizes the key findings and implications, Section 5 contains the conclusion and finally Section 6 examines the scope for further research.

OBJECTIVE OF THE PROJECT

Market Access Conditions of Least Developed Countries

The main objective of this project is to evaluate the market access conditions of the least developed countries for post-2015 and sustainable development. This particular analysis will look at the constraints that firms in the least developed countries confront in exporting to destination markets around the world, looking at the possible obstacles and driving forces of exports in the manufacturing and services sectors.

The sustainable development goals call for a doubling of LDCs' exports. One way to achieve this goal is to improve market access conditions for LDCs. LDCs' exports receive preferential market access from most developed countries and some developing countries. In 2014, 89.5 per cent of the value of the exports of LDCs to developed countries was duty free. (UNCTAD, 2013)

The average tariff rates faced by LDCs exports have been declining rapidly since 1996 and slowed down after 2000, and now close to zero for agriculture and manufactures. However, actual market access is determined by other requirements called non-tariff measures (NTMs) to trade that add more costs than tariffs to LDCs exports. These measures include a wide range of requisites from Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary (SPS) measures to anti-dumping, rules of origin and other administrative provisions. A recent study by UNCTAD shows that agricultural imports from low-income countries face average tariffs of about 5 per cent, but if the effects of NTMs are taken into account, the overall trade impediment is equivalent to about a 27 per cent tariff. (UNCTAD, 2013). As tariffs level fell, the importance of non-tariff barriers has been increasing in market-access concerns.

The costs, however, vary across exporters because they depend on the productive capacity of each exporter and are much higher for LDCs lacking the technical and administrative know-how, production facilities, infrastructural base etc. This disadvantage adversely affects the competitiveness of LDCs exporters as about two-thirds of LDCs' exports are subject to some form of NTMs, whose presence is particularly large in sectors of fundamental importance for LDCs growth potential such as agriculture and clothing.

SCOPE OF THE PROJECT

There have been survey efforts such as World Business Environment Survey (WBES), Investment Climate Assessments (ICA) and Technical Barriers to Trade Survey of the World Bank, and survey on technical regulations conducted by OECD to identify factors affecting the business environment.

Econometric analysis of WBES identifies taxes and regulations, financing, governance and other business constraints as significant factors in explaining a firm's performance and behavior. ICA examines conditions for private investment and enterprise growth various countries around the world to understand conditions in the local investment climate and how they impact firm level productivity.

OECD conducted a survey on firms in 4 developed countries on sectors like terminal telecommunications equipment, dairy products, and automotive components. It examines the costs associated with technical standards and conformity assessment procedures in order to assess the extent to which these requirements hinder trade. The World Bank Technical Barriers to Trade Survey identifies the impact of standards and technical regulations that firms in developing countries confront in exporting to the major developed country markets, covering a wide range of industries including raw agricultural products and electronics. (The World Bank, 2004)

This paper elicits the World Bank Group Enterprise Survey data and highlights the obstacles and challenges experienced by the exports of private sector firms in the least developed countries. A cross-country analysis will be carried out covering manufacturing and services industries to evaluate the constraints that firms in the least developed countries confront in exporting to destination markets around the world, looking at the possible obstacles and driving forces of exports in the manufacturing and services sectors.

The narrow coverage of the study, focusing only on firms engaging in manufacturing and services sectors (and sometimes retail and construction) are in part due to readily available survey data. Ideally, this type of analysis would ensure firmer and more substantive results with increase in sector and geographic coverage.

This calls forth enterprise survey on a broader basis to sweep a larger geographical area in each country and include primary export commodities, which are the main export items of the least developed countries, especially African LDCs.

METHODOLOGY

A) SURVEY METHODS AND SAMPLE DETERMINATION

For sample determination, stratified random sampling has been used where all entities of the population have the same probability of selection and hence no weighting of the population is necessary. All population units are stratified into homogeneous groups – size and sectors. (The World Bank)

In the strata of firm size, there are two levels: small and medium enterprises (SMEs) that have 5-100 employees and large enterprises with 100+ employees. Since in most of these economies, the majority of the firms are small and medium-sized, the Enterprise Survey oversample large enterprises since larger firms tend to be engines of job creation. The surveys were also conducted only on geographic regions within a country with the most economic activities.

The survey sample frame has been derived from the universe of eligible firms obtained from the country's statistical office, from other government agencies, business associations or marketing databases and sometimes via block enumeration. (The World Bank)

Ideally, I would like to include all the 48 countries of least developed economies, but due to data constraints, my analysis has to be limited to economies for which the Enterprise Survey has maintained a detailed and comprehensive database. One thing to keep in mind also is the great variation across countries with respect to the latest year in which the surveys were conducted. In countries like Bhutan, we have data for 2015 while in countries like Guinea and Guinea-Bissau the latest data available is for 2006.

B) PROCEDURE

As a first step, I will stratify the 39 countries based on export intensity. The countries that have been selected for study are:

African LDCs: *Angola, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, South Sudan, Sudan, Togo, Uganda, Zambia.*

Asian LDCs: *Afghanistan, Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal, Timor-Leste, Republic of Yemen.*

Oceania LDCs: *Vanuatu*

The data analysis covers 14651 firms in the manufacturing, services, retail and construction industries in 39 least developed countries. Using firm level data, this paper evaluates country export profiles and comparison is made across African and Asian countries of the least developed economies at both the level of firm size and also on exporter type.

For the purpose of this study, I will define Export Intensity as a function of the percentage of total annual sales that are exported directly or indirectly in each country, where export intensity of 1 will be allotted to those countries having 15 per cent or more of the total sales that are foreign sales in the survey, while export intensity of 2 and 3 will be allotted to countries having 5-15 per cent and less than 5 per cent of the total sales being exporting directly or indirectly, respectively.

However, this assignment of export intensity is wholly based on the manufacturing and services firm level survey data and has no implication on the countries' exports as a percentage of GDP. For instance, a country like Angola with export intensity of 3 has 50.7% exports (% of GDP), while Bangladesh with export intensity of 1 has only 19% exports (% of GDP).

C) FORMULATION

Countries with high export intensity would be expected to have favorable exporting environment that could be achieved through economies of scale, quality control, export management, emergence of exporters organization and technology transfer. This project analyzes whether some of these factors could explain or have any correlation with the proportion of total annual foreign sales in 39 least developed countries.

Whether a country that has larger proportion of its total sales that are foreign sales have any relationship with customs and trade regulations, the days required to clear direct exports from customs as well as the impact of having internationally recognized quality certification, technology licensed from foreign companies, the use of information and communication technologies, private foreign ownership of a firm, the age of a firm, and transportation are analyzed. If some of these factors were indeed export enhancing, it would be crucial to invest and improve on them as important determinants of the country's export.

Can the above factors that were likely to enhance exports the driving force for firms' export capacity? Are the results perhaps stemming from the lack of inclusiveness of sectors identified in the survey? If exports of primary commodities like agricultural raw materials, other food items, fuels, ores and metals, etc. were included, and given that the majority of African LDCs' exports are comprised of the primary sector, might our results better explain what we would expect of the correlation between export intensity and the various factors that could enhance the export environment of countries? These are the questions that are waiting to be answered and in the next section, as I make country-wise comparison using firms' characteristics, I will try to explain the determining factors that could help exports be more sustainable and productive.

D) PILOT STUDY

Introductory Analysis In The Context Of Exports:

Of the sample firms covered in the survey, the percentage of **firms currently exporting directly or indirectly at least 1% of their sales** is 11.28 on average. The small number can be attributed to the purpose of the survey, which did not happen to be export-centric. This figure does not include firms that are willing to export. The average **number of days** it would take for these firms **to clear direct exports through customs** is about 9 days with a standard error of 0.8 days.

The **proportion of total sales that are directly or indirectly exported (or export intensity)** by surveyed firms is highest for Bangladesh, Lao PDR, Madagascar, Mauritania, and Togo and lowest for countries like Angola, Gambia, Liberia, Rwanda, and Timor-Leste, where the proportion of firms' total sales that are exported directly or indirectly is less than 2 per cent on average. This is in line with the percentage of firms that export directly or indirectly (at least 1% of sales), as we observe firms in countries having the highest share of total sales that are directly or indirectly exported are also countries having the highest percentage of firms exporting directly or indirectly.

It is also observed that the percentage of total annual sales that are foreign sales for African LDCs is 5.5 per cent on average while the average for Asian LDCs is 8.8 per cent. Since we have only one Oceania LDC representative, the average for Oceania LDC is that of Vanuatu whose average is 2.4 per cent. This implies that Asian LDCs on average have the highest export intensity, followed by African and Oceania LDCs. (I will omit reporting the average percentage for Oceania from this point.) This result, however, is largely biased due to the fact that the survey targeted only manufacturing and services exports, which are the main exporting sectors among Asian LDCs and are what primary commodity exports are to the African LDCs.

The percentage of firms that are exporting directly or indirectly is much smaller for small and medium enterprises (SMEs) compared to large enterprises. It is also observed that the percentage of SMEs that identify customs and trade regulations as a major constraint is much higher than for large enterprises in most of the least developed countries. This might imply that small exporters who lack the ability to comprehend the technical, economics and legal aspects of NTMs are suffering more. Lack of information about foreign regulations can crucially limit a firm's ability to reach international markets. This calls for capacity building at the level of both individual exporter level and exporting promoting councils (or the like) in these countries.

Export Destination:

This sub-section gives a brief overview of the export markets of economies of LDCs. The EU is the largest destination market for the exports of the sample firms as a whole. The firms in countries that are large exporters of manufactured goods particularly export a large share to the E.U., mainly due to the duty-free treatment of LDCs exports in the E.U. During 1999-2003, Afghanistan, Bangladesh, Cambodia, Laos, Myanmar, Nepal and the Maldives saw their combined exports increase from 2.8 billion euros to 4.3 billion euros, accounting for 3.2% of total low-income country imports into the E.U. Bangladesh, in particular, had the highest growth rate in terms of preferential exports to the E.U. (170%), while it previously experienced serious difficulties in meeting the E.U.'s sanitary requirements for its supplies, especially for seafood, one of its main export items. (Häberli, 2008)

Intra-regional exports are also evident in the South Asian region like Afghanistan, Nepal, Bhutan, etc. which mainly export to India and other Asian countries mainly due to the proximity and RTAs between India and its neighbors. Within-region markets are also important for African LDCs where we observe firms actively involved in intra-regional export. Switzerland is an important trading partner for many of the LDCs, mainly due to the preferential advantages faced by the products exported from these countries in Switzerland in comparison to the tariffs paid by other developing countries.

Export Environment:

Customs and Trade Regulations as a Major Constraint among Other Constraints

There is a higher share of small and medium enterprises that consider customs and trade regulations as a bigger constraint than large enterprises. Table 2 shows that an average of 24.6 per cent of the small and medium firms in the total sample identify the presence of customs and trade regulations as important constraints in the export market, while almost 27 per cent of the large firms identify it as a major constraint. When compared between African and Asian LDCs, African LDCs are more constrained by these technical regulations than Asian LDCs, at both levels of firm size.

On average, 19.3 per cent of firms in economies with the highest export intensity identify **customs and trade regulations as a major constraint in exports**, while the average is about 27.9 and 22.4 per cent for firms in economies with export intensity of 2 and 3, respectively. While the lower average for countries with high export intensity could be due to better export environment coming from economies of scale, industry organization, history, etc., the lower average for firms with the lowest export intensity could be attributed to the relatively low incidence of export activity in these countries, which also justifies their place in the lowest trade intensity category.

Table 2: Firms That Consider Customs And Trade Regulations As A Major Constraint – Firm Size, Region-Wise and Export Intensity Comparison

	Small & Medium Enterprises (%)			Large enterprises (%)			Export Intensity		
	Total	Africa	Asia	Total	Africa	Asia	1	2	3
Mean	24.6	26.9	18.2	26.9	30	17	19.3	27.9	22.4
Standard Error	2.14	2.44	4.32	2.85	3.29	4.62	5.63	4.68	2.65

As shown in Table 3, in terms of exporter type, on average the percentage of firms constrained by customs and trade regulations is higher for exporter firms (firms whose direct exports are 10% or more of sales) than non-exporter firms, who also export indirectly. The above results suggest that customs and trade regulations possibly reduce exports, even for non-exporter firms.

Table 3: Firms That Consider Customs And Trade Regulations As A Major Constraint – Exporter Type Comparison

	Exporter	Non-Exporter
Mean	33.9	23.5
Standard Error	3.95	2.47

Days to clear direct exports through customs

Table 4 shows that the average number of days it takes to clear direct exports through customs in for firms in Asian LDCs is less than those firms in African LDCs, where the averages are 7.4 days for Asian LDCs and 9.7 days for African LDCs. This could be due the fact that Asian LDCs are larger exporters of manufacturing and services compared to African LDCs and thus have a friendlier environment for exporting in these sectors.

Table 4: Number Of Days To Clear Direct Exports Through Customs

	Total	Africa	Asia
Mean	9.1	9.7	7.4
Standard Error	0.8	1.0	1.2

Internationally recognized quality certification

Investing in obtaining international quality certifications can open doors to technology and innovation and is also a sign of high quality that may open up the markets. When firms decide to comply with international and even domestic requirements, they would typically invest in additional resources to improve their product quality.

However, our data shows that an average of 12.8 per cent of firms in economies with export intensity of 1 have **internationally recognized quality certification** while the averages are 16.9% and 12.2% for firms in economies with export intensity of 2 and 3, respectively, as shown in Table 6. So, having a high percentage of firms with internationally recognized quality certification does not seem to be correlated with having a favorable export environment for the LDCs, based on our sample.

However, looking at the percentage of exporting firms in a country, countries with higher percentage of firms having internationally recognized quality certification also tend to have higher percentage of firms that are exporting directly or indirectly (Table 5). 10 countries with less than or equal to 8 per cent of the firms with internationally recognized quality certification have an average of 10.1 per cent of firms exporting directly or indirectly, while 14 countries between 8 and 15 per cent of firms with the certification have on average 11.2 per cent of exporting firms and 15 countries with more than 15 per cent of firms with the certification have on average 12.1 per cent of exporting firms. This suggests that the obligation to meet this kind of certification or requirement is important for entering an export market.

Table 5: Proportion of Exporting Firms With Internationally Recognized Quality Certification

	Less than 8 (%)	8% – 15%	Greater than 15%
Mean	10.1	11.2	12.1
Standard Error	2.3	1.9	1.7

Between SME exporters and large exporters, large exporters tend to have internationally recognized quality certification compared to SME exporters. The average percentage of SMEs with internationally recognized quality certification is only 15.4 while for large exporters it is 35.3. While an average of 16.8 per cent of SME exporters of African LDCs have internationally recognized quality certification, the average is only 9.2 per cent for Asian LDCs. For large exporters of African LDCs, the average is 39.2 per cent and for Asian LDCs, the average is about 23 per cent (Table 6).

Table 6: Proportion Of Firms With Internationally Recognized Quality Certification – Firm Size, Region-Wise And Export Intensity Comparison

	Small and Medium Enterprises (%)			Large Enterprises (%)			Export Intensity		
	Total	Africa	Asia	Total	Africa	Asia	1	2	3
Mean	15.4	16.8	9.2	35.3	39.2	23	12.8	16.9	12.2
Standard Error	1.6	1.9	2.5	3.0	3.3	5.0	1.7	3.6	1.7

Technology licensed from foreign companies

As shown in Table 7, the average percentage of firms using technology licensed from foreign companies is also greater for large enterprises compared to SMEs. The average for large enterprises is 28.8 while for SMEs it is 13.8. Comparing export intensity, the average percentage of firms for this indicator is largest for countries with export intensity of 2, followed by export intensity of 1 and 3. This shows that on average countries having higher percentage of firms that directly or indirectly exports do not necessarily have higher percentage of firms using technology licensed from foreign companies. (I use the term 'proportion of firms that export directly or indirectly' interchangeably with the 'proportion of total annual sales that are foreign sales' which I called export intensity because they are positively strongly related and could mean one and almost the same thing).

African LDCs have more percentage of firms on average using technology licensed from foreign companies when it comes to SMEs while for large exporters, the average is slightly larger for Asian LDCs, though with a large standard error as shown in Table 7.

Table 7: Proportion Of Firms Using Technology Licensed From Foreign Companies – Firm Size, Region-Wise and Export Intensity Comparison

	Small and Medium Enterprises (%)			Large Enterprises (%)			Export Intensity		
	Total	Africa	Asia	Total	Africa	Asia	1	2	3
Mean	13.8	16.2	8.3	28.8	28.3	30.2	13.8	16.9	12.2
Standard Error	1.8	2.2	1.7	3.1	3.5	7.2	2.2	2.8	2.4

Information and Communication Technologies (ICT)

The use of **information and communication technologies (ICT),** such as the internet in business transactions are important tools for all firms because they provide even the smallest firms with the ability to reach national and international markets at low cost. I calculated the use of ICT using the average of two indicators: the percentage of firms having their own websites and the percentage of firms using email to interact with clients/suppliers.

Our data shows that the use of ICT does seem to be correlated with the export intensity of firms, i.e. on average countries having greater use of ICT also have firms that are exporting more directly or indirectly. Table 8 below shows that countries with export intensity of 1 have on average 42.3 per cent of firms using ICT and for export intensity of 2 and 3, averages of 41.9 and 35.3 per cent of firms using ICT, respectively.

Table 8: Proportion Of Firms Using ICT and Export Intensity

	Export Intensity		
	1	2	3
Mean	42.3	41.9	35.3
Standard Error	5.4	3.3	3.4

Private Foreign Ownership, Age, Transport

Even though the average percentage of firms exporting directly or indirectly (or export intensity) is larger for Asian LDCs compared to African LDCs in the sectors analyzed, in terms of the proportion of private foreign ownership of a firm, Asian LDCs have much lower proportion of private foreign ownership in their firms as shown in Table 9. When I looked at it with the average proportion of firms exporting directly or indirectly, it seemed like the more the proportion of firms that is owned by private foreign entity, the lower is the proportion of export intensity for firms on average. However, this reverses after some point with increasing proportion of private foreign ownership.

Table 9: Proportion Of Private Foreign Ownership In A Firm – Region-Wise Comparison

	Africa	Asia
Mean	13.2	4.6
Standard Error	1.5	2.0

I observe a correlation between the average age of firms in a country and the percentage of firms in the country that are directly or indirectly exporting. In countries with average age of firms lower than 5 years, the percentage of exporting firms are also low and increases with increasing number of average age of firms, as shown in Table 10. However, I do not find a significant positive relationship between the export intensity of a country and the average age of a firm in the country (not reported in table).

Table 10: Age Of A Firm And Proportion Of Exporting Firms

	Age ≤ 5 years	5 < Age ≤ 15	Age > 15 years
Mean	5.0	10.3	14.2
Standard Error	-	1.2	2.3

When it comes to transport, there are more firms in African LDCs on average that identify transport as a major constraint to the operation of their establishments than those of firms in Asia LDCs. For instance, an average of 27 per cent of firms in African LDCs regard transport as a major constraint to their operations, while the average in Asian LDCs is 20.8. I take this indicator into account as no or poor quality transportation can serve as a major hindrance to the exports of manufactured goods.

I also find that countries with export intensity of 1 have the smallest percentage of firms reporting transport as a major hindrance to their operations and countries with lower export intensity suffer more from poor transportation as shown in Table 11.

Table 11: Transport As A Major Constraint – Region-Wise And Export Intensity

	Total	Africa	Asia	Export Intensity		
				1	2	3
Mean	25.4	27.0	20.8	22.5	23.5	27.2
Standard Error	2.1	2.6	4.0	7.2	3.9	2.8

KEY FINDINGS

The main objective of this study is to evaluate the export distorting effect of non-tariff measures, based on Enterprise Survey of the World Bank, on the exports of least developed countries. It also evaluates whether there exists a correlation between various possible determinants of exports in these firms by looking at firm characteristics. The focus is on the manufacturing and services sectors as these are the only sectors covered by the World Bank Enterprise Survey.

1. Quite a large proportion of firms are constrained by customs and trade regulations in the operation of their establishments among other obstacles. Large enterprises seem to suffer more in African LDCs while the proportion is higher for SMEs in Asian LDCs. Some proportion of non-exporters also reported customs and trade regulations as a barrier to exports as some of their products are also exported indirectly.
2. Firms in African LDCs take more days on average to clear direct exports through customs. The average time for all firms in the analysis to clear direct exports through customs is about 9 days.
3. Having a high percentage of firms with internationally recognized quality certification does not seem to be correlated with having a favorable export environment for the LDCs, based on our sample of firms. Large enterprises tend to have this certification more than SMEs on average and more firms in African LDCs have it compared to firms in Asian LDCs.

4. Countries with higher percentage of firms having internationally recognized quality certification also tend to have higher percentage of firms that are exporting directly or indirectly.
5. The average percentage of firms using technology licensed from foreign companies is greater for large enterprises compared to SMEs, and greater for large enterprises in Asian LDCs but for SMEs in African LDCs. On average, countries having higher percentage of firms that directly or indirectly exports do not necessarily have higher percentage of firms using technology licensed from foreign companies.
6. The use of ICT is found to be correlated with the export intensity of firms, i.e. on average countries having greater use of ICT also have firms that are exporting more directly or indirectly.
7. Asian LDCs have a much lower proportion firms with private foreign ownership compared to African LDCs. However, there does not seem to be a coherent relationship between private foreign ownership of a firm and the export intensity of a country.
8. A positive correlation between the average age of firms in a country and the proportion of exporting firms is observed, where a country with older firms also tend to have more firms that are exporting directly or indirectly.
9. More firms in African LDCs identify transport as a major constraint to the operation of their establishments compared to Asian LDCs. Countries with higher export intensity tend to report transport as being a major constraint among other constraints.

CONCLUSION

LDCs continue to face high duties on their exports even in the face of declining tariff levels, especially in agriculture and clothing. Hence, the full implementation of WTO commitments "to provide duty-free and quota-free (DFQF) market access" on a lasting basis for all products originating from all LDCs is the need of the hour. This calls for an equitable common position among LDCs in market access conditions to facilitate the full implementation of DFQF market access by all developed and developing countries.

Whether a country that has larger proportion of its total sales that is foreign sales has any relationship with the various indicators analyzed above and other unmentioned indicators, it would be crucial to invest and improve on them as important determinants of the country's export.

However, in this case, not all of the above factors that were likely to enhance exports seemed to be the driving force for firms' export capacity. This result perhaps stems from the lack of inclusiveness of sectors identified in the survey. If exports of primary commodities like agricultural raw materials, other food items, fuels, ores and metals, etc. are included, and given that the majority of African LDCs' exports are comprised of the primary sector, our results would better explain what we would expect of the correlation between export intensity and the various factors that could enhance the export environment of countries.

The regional differences observed may also be due to the different treatments of exports by the importing countries as well as the impact of free trade agreements between some of the least developed countries and their export partners.

In general, there is a great need to emphasize on harmonization of standards, compliance with international standards and equivalency agreements with trading partners. The lack of strict domestic standards and MRAs in some of the LDCs also needs to be addressed. LDCs require technical and financial assistance to help meet international standards and regulations and demonstrate compliance with exports' market requirements.

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6. How to make India $20 trillion economy

Sonali Gupta

Research Scholar in Krityanand UNESCO Club (2016), Currently, She did her Bachelor's degree in Economics(H) from,University of Delhi and Student of Indian Institute of Management Ahmedabad.

Abstract:

In its seventh decade of independence, India stands on the cusp of major change: a transformation that could lead to unprecedented economic growth paired with radical improvements in the nation's Human Development Index (HDI). Over the past two decades, India's gross domestic product (GDP) has risen by more than US $1trillion, in the process bringing millions of citizens into a new cohort we call the emerging middle class. We set out to understand what it would take for India to increase its GDP to become a US $20 trillion economy over the coming two decades. Anything less than US$20trillion would not secure India's future and put it on the path of development it has long desired. The nation needs to create 10-12m jobs every year in the coming decades to provide quality of life for its growing population.

Keywords- Economic Reform,

Introduction

PM Modi in September, 2015 in the townhall Q&A with Facebook CEO Mark spoke about his dream of converting Indian economy into $20 trillion from the present $8 trillion (in PPP terms). To realise this dream of reaching $8 trillion, new growth opportunities have to be created and new policies have to be implemented in the Indian economy. A young India, with a large digitally enabled middle class is asking for growth and change. Without building the skills and capabilities necessary to drive innovation, the nation risks stagnation. However, if India can create capabilities for growth and new solutions, the opportunities, both at home and abroad, are limitless. This research paper is driven by the belief that India can build shared prosperity for its 1.25 billion citizens by transforming the way the economy creates value. Corporate India has a critical role to play in this story, not only by creating value by addressing key societal needs, but in supporting a vibrant entrepreneurial sector. Additionally, it needs to partner with the government in order to implement new developmental approaches.

This paper talks about key sectors such as education, healthcare, agriculture, financial services, power, manufacturing, organisation in retail, digital and physical connectivity and suggests that new solutions are necessary in each sector. Further, it talks about the role that private sector can play in accelerating the growth of Indian economy. This paper also outlines the problems with the present business environment and measures that can improve the ease of doing business in India.

Sectoral Challenges and Solutions India has bold aspirations: to become an upper-middle-income country and improve quality of life for its citizens. It can realise these aspirations by achieving a US$20tr GDP. To reach that target, it will need to grow its GDP at a compound annual growth rate (CAGR) of 9% over the next 20 years. In the process, India could create as many as 12m new jobs per year. This accomplishment could transform quality of life for Indians, especially in the areas of healthcare, education, and overall living conditions—but only if India propels economic and human development simultaneously and sustainably. Speed, inclusion, and sustainability are key elements in this story. The sectors in which India can improve its performance can be divided into three categories i.e. Human Development (life expectancy at birth, average years of schooling, agricultural yield, and access to banking services), Institutional Development (share of organised retail, value-added manufacturing, access to power), and Enabling (improving digital connectivity and improving physical connectivity). Human Development 1) Life expectancy at birth: Good health is critical to human prosperity, yet quality of healthcare varies throughout the Indian population. Even though the country has produced some of the best physicians in the world, the average Indian has poor access to healthcare services. Maternal and infant mortality remains high, owing to inadequate healthcare infrastructure. Moreover, poor nutrition keeps many young children out of school, preventing them from reaching their full potential. Part of the problem is the shortage of people and physical infrastructure needed to provide better healthcare. The ratio of doctors per 1,000 people is just 0.6. In Brazil and China, it’s 1.8. And India has only 1.3 hospital beds per 1,000 people—significantly lower than the guideline of 3.5 beds defined by the World Health Organisation. Several factors have resulted in poor health outcomes such as low life expectancy as well as high infant and maternal mortality rates. To bring about a Winning Leap in healthcare, we imagine an India that has increased life expectancy at birth from 66 years in 2012 to 71 years by 2024 and to 80 years by 2034. There is also infant mortality rate (number of infant deaths per 1,000 live births), which could decrease from 44 to 31 in 2024 and to 12 in 2034. Similarly, the maternal mortality rate (number of maternal deaths per 100,000 live births), which is at 190 today, could decrease to 124 in 2024 to 27 in 2034.To achieve these targets, healthcare-sector - 9 - players must focus on improving the reach, quality, and affordability of healthcare.

The suggestions below can help. Build more with less Improving healthcare infrastructure takes time and money. Low-cost operational models combined with innovative financing models could help secure the needed resources. Publicprivate partnerships (PPPs) present real possibilities. Through this financing model, the government provides land and financial subsidies to private operators, which build hospitals and other healthcare infrastructure. Specialty operational models also offer promise. In India, pioneers include Aravind Eye Care System and Narayana Health Group. These two hospitals invested in resources for specialised treatment (eye care and cardiac care respectively), which enabled them to streamline and standardise operations, making their services more affordable. High asset utilisation as well as para-skilling of nurses (training them to perform some procedures that previously only doctors could do) have reduced doctor time, further helping to lower costs and enabling the staff to serve larger volumes of patients. Permanently lower costs Improving health outcomes without having to build costly new infrastructure can also boost life expectancy at birth. Narayana Health Group has done this by investing in information and communication technology

(ICT) to shift the point of care to patients' homes. Through this model, nurses, community health workers, and trained family members provide first-level primary care at home, with serious cases monitored remotely by doctors and nurses. Leverage digital technologies High internet penetration can drive the adoption of telemedicine in India, improving resource efficiency and rapidly expanding access to health services. To these ends, India can replicate global best practices in telemedicine. These include using databases loaded with diagnosis protocols aggregated from the best hospitals, training field workers and on-call medics to reduce escalation of patients' concerns to a doctor, and collaborating with hospitals, doctors, and diagnostic centres to provide services in remote areas. India can also leverage its strength as a world leader in vaccine manufacturing (it contributes 60% of global production) to sharpen its focus on preventive care. Indian vaccine manufacturers such as Serum Institute of India, Bharat Biotech, and Biological E are renowned worldwide for their contribution to reducing - 10 - the cost of vaccines to about US$1 per dose, making preventive healthcare more affordable than ever. Improvements in the healthcare sector will ripple throughout the entire Indian economy. For instance, well-nourished children will be more attentive in school. They will learn more and ultimately enter the workforce with the skills and knowledge needed to support innovation in their companies. 2) Average years of schooling: High-quality education builds a nation's human capital. To avoid squandering its demographic dividend, India must make substantial reforms in its education sector. The nation's education system has benefited the upper class, producing a number of global CEOs. But it hasn't worked for the masses: India has the largest illiteracy rate in the world, in part because education is not yet available to everyone. In simple terms, there aren't enough schools in India, and many existing schools have inadequate infrastructure. Given the poor quality of schools, many students drop out of the formal education system early in their lives, and many of those who stay in school emerge with insufficient skills and knowledge to find good jobs. The few Indians who complete tertiary education may also lack the skills needed to excel in the jobs available. In 2012-2013, almost 45% of graduates from tertiary education in India earned less than INR 75,000 (about US$1,300) a year. Even as millions join the workforce each year, the shortage of qualified talent remains a top concern for CEOs across India. The link between poor education and India's low labour-force participation is obvious. Against the backdrop of India's rapidly growing working-age population, low participation can have serious social and economic consequences, including unrest among young people. India needs to raise workforce participation from 58% to 80% to be on par with China. Education and skill development will prove critical for achieving this target. Achieving the target to ensure quality education for all will require innovative solutions across the education value chain. Results will include reductions in dropout rates and greater enrolment in upper secondary education (an increase from 55% to 75%, again similar to China's number). Improving infrastructure for secondary and tertiary education and improving student-to-teacher ratios as well as teacher quality are top priorities. Below, we offer recommendations.

Institutional Development

1) Access to banking services: Access to finance promotes economic growth and reduces poverty and inequality. Gross national savings in India have constituted 30% and more of GDP since 2004. However, since 2010, the share of household savings entering the formal financial system has fallen with increased demand for physical assets such as gold and real estate. (See Figure Below) In India, only 35% of adults had access to a formal bank account as of 2011-2012. 21 Thus, a significant percentage of the country's population is vulnerable to exploitation from people involved in informal channels that fall outside regulatory control, such as money lenders or operators of fraudulent savings schemes. As of 2013, the share of informal rural credit ranged from 77% (to nearlandless farmers) to 32% (to farmers with landholdings of 10 hectares and more). Also, 57% of families surveyed across major migrant corridors crossing states within India claimed to prefer informal channels for managing remittances, whereby workers send portions of their wages to family members living in other states or regions of India. To put India on the path of growth, access to banking services has to be increased. By access, we don't just mean the percentage of people who open an account; we mean the percentage who actively use banking services—namely, making at least one deposit or withdrawal each month.

Build branchless infrastructure Historically, Indian banks seeking to grow have favoured expanding their number of brickand-mortar branches over deploying branch- less technology and have relied on business correspondents (i.e. third-party agents) to reach customers in remote villages. However, the gap between urban and rural branch density remains substantial, with only 38,000 branches serving almost 600,000 villages throughout the country. The business-correspondent model has extended access to almost 150,000 villages. Yet it hasn't led to more active use of accounts, because banks have had difficulty incentivising agents and monitoring their performance.

Exploit national platforms and new partnership models Non-traditional partnership models could further improve financial- services penetration in India. Through such models, participants share infrastructure-development costs, lower market-entry risks, and combine their strengths to improve consumer access to services in remote areas. Such models have succeeded elsewhere in the world. Take Mzansi accounts in South Africa. These no-frill bank accounts were launched jointly by the country's four largest private banks and the state-owned Postbank. More than 6m accounts were opened during 2004- 2008, improving penetration from 46% to 63%. Brazil's banking-correspondent model is another example. Through this model, the retail banking presence was expanded through partnerships with nonbanking entities such as local grocery stores, drugstores, and gas stations—backed by extensive use of IT systems. The Philippines adopted a PPP model to deliver welfare payments through multiple channels including cash cards, ATMs, rural bank offices, postal services, pawnshops, and mobile payment options. Business-model innovations could also be combined with national platforms such as the unique identification number (or Aadhaar) to reduce compliance costs for service providers. This could reduce customer acquisition costs by as much as 40%, compared with the face-to-face identification procedures and paper- based processes used extensively today.

Conclusion

The global community has viewed India through the twin lenses of admiration and scepticism—admiring this vast nation for its democratic values and cultural heritage while expressing concerns about pervasive corruption, fickle business rules, and slow pace of change. Today, India is poised to transform itself—and improve the lives of its 1.25bn citizens—with unprecedented speed. India brings to the table a rare set of strengths: a stable government that supports private effort, a demographic dividend, a capable private sector, and restless entrepreneurs. Amidst all this, is the vision to take India to US$20 trillion. To make this vision real, India will have to marshal all of its people and channel all of its resources towards a common vision and purpose. It will have to liberate entrepreneurs to create quality jobs at a pace never seen before in India's history. It will have to help citizens find and excel in those jobs. It will have to ensure the rule of law and safeguard India's democratic values. The private sector, for its part, will need to take a leadership role that's far bigger than the role it fills today. To date, this sector has operated in India with admirable dedication, efficiency, and poise. But sector players will have to build new capabilities. They will have to lead with integrity and with a sense of purpose that energises people, develop bold ambitions, and achieve those ambitions in a sustainable and inclusive manner. Indeed, the government's role as building the arena for the Winning Leap, defining the rules of the game, and constructing the infrastructure (physical and digital) is central to create the bright future awaiting India. The government will create the environment for this achievement; the private sector will shoulder responsibility for generating and executing Winning Leap solutions within that environment. Clearly, the likelihood of any vision becoming realised hinges tightly on the efforts and commitment of all stakeholders

References

1) World Bank data

2) UNDP data

3) PwC Future of the India winning leap

4) RBI data

5) Deloitte State of the Indian economy 2015

7. An Analysis on The Activity of Bank Accounts Under Financial Inclusion

Abhirami Aykara

Research Scholar in Krityanand UNESCO Club (2017), Currently, She Pursuing her Bachelor's degree in Economics (Honours), from Christ University, Bengaluru
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Abstract:

Financial Inclusion is gaining momentum now a days. Different steps were taken by government to include people from the weaker sections of society to formal financial sector. But in a developing country like India, the financial inclusion faces regional disparities. In financial inclusion more focus is given to material things like bank penetration, credit penetration etc than focusing on how useful bank accounts is to people. Financial inclusion not only taken into consideration the access of financial service to everyone but also making people to efficiently use of these financial services. This article focuses on how much actively participant's uses their bank accounts and the real advantages that people get from being financially included.

Keywords- Financial Inclusion, Bank Accounts

Introduction

Financial Inclusion is gaining momentum now a days. Different steps were taken by government to include people from the weaker sections of society to formal financial sector. But in a developing country like India, the financial inclusion faces regional disparities. In financial inclusion more focus is given to material things like bank penetration, credit penetration etc than focusing on how useful bank accounts is to people. Financial inclusion not only taken into consideration the access of financial service to everyone but also making people to efficiently use of these financial services. This article focuses on how much actively participants uses their bank accounts and the real advantages that people get from being financially included.

History of Financial Inclusion

Financial Inclusion is not a new concept. The effort to give access to financial services and other services for common people started long back. MFIs and Self Help groups are important institutions which gave a remarkable contribution to the financial literacy and financial inclusion drives of governments by different countries. In 1976, Microcredit was formed when its founder Muhammad Yunus gave his first loan to a group of women. In 2000s, NGOs started forming MFIs and providing loans and other financial services to people.

In India, the financial inclusion was stressed by RBI mainly from 2005. Mangalam Village was the first village chosen for full financial inclusion. Various banking products were given and many regulations were relaxed for making banking accessible. The main aim was to provide banking service to all households in that village and to help them to borrow, save, etc through bank accounts. Financial Stability and Development Council was set up by Government of India which focuses on Financial Literacy and Financial Inclusion (Shukla & Singh, 2015).

Prandhan Mantri Jan Dhan Yojana (PMJDY) was launched on August, 2014. It is the biggest financial inclusion initiative in the world. Under the PMJDY, there can be an overdraft of up to Rs.5000 if the account holder shows satisfactory operation for six months, a Rupay card will be provided to the account holder, many social security schemes like Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) are provided through bank accounts and an insurance cover of Rs. 1 Lakh also comes under this scheme (Bureau, 2015).

Initiatives Taken By RBI For Financial Inclusion

Different initiatives were taken by RBI by adopting bank-led model for promoting financial inclusion. The main initiatives that were taken by RBI Pradhan Mantri Jan Dhan Yojana whereby people can open zero balance account and gets other benefits like insurance cover. KYC norms were relaxed and simplified, branch authorization policies were simplified, many bank branches were opened in unbanked villages, and many Financial Literacy Centres were opened. Kissan Credit Cards and General Credit Cards were also introduced for small farmers for their credit requirements (Vijayabhaskar, 2013). RBI also took initiative in employing Business Correspondence for financial inclusion and also opening of non frill accounts. Many Government Payments like Pensions, Subsidies etc are also provided directly to bank accounts.

In 2013, Dr. Nachiket Mor Committee on Comprehensive Financial Services for Small Businesses and Low Income Households were constituted to check the challenges that need to be recognized for financial inclusion. The committee gave different suggestions for financial inclusion in which many are yet to be done. The suggestions of the Committee included having a universal bank accounts for every one above the age of eighteen, allowing NBFCs to work as BCs, having a vertical differentiated banking system for credit outreach and deposits, single proof of address to open bank accounts and some others (Joshi D. P., 2014). India’s financial planning is shifting from supply oriented approach to demand oriented approach and thus should focus on those schemes and policies which will be profitable to poor people (Arora & Leach, 2005).

Purpose (Or Research Objective)

The objective of the project is to find the inactivity of bank accounts. In developing countries, 10% of the account holders have inactive accounts while the developed countries have only 2% inactive accounts. In India, RBI and Government of India have tried to promote financial inclusion through many ways. The accessibility of banks and credit penetration are taken as the major parameter in many indices to measure financial inclusion. Merely providing banking facility does not help in including common people to formal financial services. This study thus focuses on how much people are really benefitting from banks or ATMs in their proximity.

According to the Global Financial Inclusion (“Global Findex”), it was found that ten percent of the holders which are about more than 150 million people worldwide have an inactive account in developing countries. But at the same time only 2 percent of the account holders in developed countries have inactive accounts. The main reason behind a lot of people not involved in financial inclusion is that people may not have enough money to use, too expensive, any other family member already have account, banks being too far away, etc. Global Findex was made by taking response of about 148 countries on how they save, make payments, borrow and handle risks. It has over 40 indicators which are related to account ownership, payments, borrowing, saving, risk management, etc.

Socio economic factors like income, population, literacy, and such others have significant association with financial inclusion. The pattern of using bank accounts may differ according to these categories. But more important is to look forward as to whether everyone irrespective of their socio economic background is getting access and making use of financial services.

Literature Review

“An analysis of factors affecting the index reiterates earlier findings: literacy, industrial climate and institutional quality are some of the most important factors that influence banking outreach (Ghosh, 2012). According to Timira Shukla and Anita Singh (2015), eventhough Government of India took different initiatives, the number of financially excluded people in a developing country like India is much higher than developed countries. “The target group essentially consists of small borrowers who do not normally have access to formal finance. Though financial inclusion covers a wide array of services by the banking sector, one crucial area relates to borrowings from banks by the lower strata of the unorganized segments of the economy, which per force has to depend upon non-institutional sources when the avenues from formal sources are not forthcom.” (Subba Rao, 2007). The major causes for financial exclusion are non existence of bank in the area, condition exclusion, market exclusion, access exclusion, price exclusion and self exclusion (Dasgupta, 2009).

RBI took planned and systematic approach towards financial inclusion through different policies like Bank Penetration, relaxing Know Your Customer, Introducing Banking Correspondence, mobile banking and many other services which help common people to easily access formal financial services (Joshi, 2014). Even when Kerala has highest literacy rate, it has low financial literacy which shows that common people are less financially included in a State with high growth and literacy rate (Pathrose, Baby, & Maheshwari, 2015). Post Office Savings Bank Account has remarkable achievement in rural India. If other financial institutions and services gets coordinated with Post Office, it will be a great step to achieve financial inclusion (Malakar, 2013).

Many new Financial Technologies like Unique Identity (UID) enabled micro ATMs were introduced for promoting cashless transactions under the financial inclusion plan (Chakrabarthy, 2011). Eventhough new financial technologies were introduced, there is a lack of implementation to use these technologies to improve banking (Singh, 2014).

People in developed countries use mostly ATMs to withdraw cash while it was found that people in developing countries withdraw cash from counters in banks or other financial institutions. Only 6% people was found to receive government benefits through bank accounts in developing countries while the same is 42% in developed countries (DEMİRGÜÇ-KUNT & LEORA, 2013). Financial Inclusion is very important and financial exclusion has both demand and supply side. Demand side includes lack of awareness, lack of income, illiteracy and poverty while demand side includes distance from branch, documentation processes in banks, bank timings, language problem, behavior of staffs (Chattoppadhyay, 2011). SHGs and MFIs became major players in financial inclusion. Currently there is more than 22 lakh SHGs and was introduced by NABARD as innovative programme (Dev, 2006).

Limitations Of Study

The study is conducted in a limited time period. The biasness of the researcher is also involved. Only a small portion of the population is taken as sample and thus generalization may cause problem.

Theory and Hypothesis Derivation

The paper is primarily concerned with measuring the inactivity of bank accounts. The econometric models are formed to measure the activity of the bank accounts.

Y= f(frequency of savings, activity through payment of loans, frequency of use of credit cards or debit cards, frequency of withdrawl of money, frequency of using mobile banking, frequency of getting NRI remittance)

Where Y= activity of bank accounts

$Y=B0+B1S+B2L+B3C+B4W+B5M+B6N+e$

Where $B0, B1, B2, B3, B4, B5, B6,$ are the parameters and e is the error term.

The hypothesis test is done on the correlation between education, income, savings, loans, use of credit or debit cards, frequency of NRI remittances, frequency of withdrawl and use of mobile banking.

Frequency of withdrawl = f(education, income, savings, loans, use of debit cards or credit cards, frequency of NRI remittances)

H0: $Y= B0+B1E+B2I+B3S+B4L+B5C+B6N+ e$

H1: Y not equal to $B0+B1E+B2I+B3S+B4L+B5C+B6N+ e$

Research Methodology

Primary Data is collected through schedule method from Pathanamthitta district in Kerala. Kerala State is chosen for the analysis because it is ranked first in Crisil Inclusix's index on Financial Inclusion[5] and also has the highest literacy rate in India. Thus an analysis on relationship with general literacy and financial inclusion can also be made. Pathanamthitta District in Kerala was chosen for the analysis. A sample survey was taken from this District. The total population in the district is 1197412 and the literacy rate is 96.55% with 1062553 literate people (CENSUS OF INDIA

[5] Crisil Inclusix gives 'index to measure India's progress on financial inclusion. All the data for the index are taken from Reserve Bank of India and Microfinance Institution Network. The index is created with bank penetration, credit penetration and deposit penetration as parameters.

2011, 2011). The district has 6 taluks and seventy villages. There are eight blocks and fifty three grama panchayats. District ranks second in the total literacy rate.

Pathanamthitta district ranks first in India on financial inclusion according to the Crisil Inclusix Report 2015. Pathanamthitta was ranked first in the country on financial inclusion in the year 2013, 2014 and 2015. This district is chosen because it has the highest financial literacy (according to census report) and inclusion (according to Crisil Inclusix report) and thus a test on activity of bank accounts gives good insight into reality of financial inclusion.

The district is divided into two revenue division and five taluks which are Adoor, Ranni, Kozhenchery, Mallapally, and Thiruvalla. Under the local Self Government System, the district is divided into 3 statutory towns, 11 community development blocks consisting of 54 panchayats (CENSUS OF INDIA 2011, 2011).

The foreign remittances are very high in the district. Thiruvalla is one of the places in India which gets highest foreign remittance. The places in Tiruvalla taluk, especially in the belt of Kumbanad-Tiruvalla is known for high bank penetration and ATM facilities. The place also gets most of its money from foreign remittances.

Households in Tiruvalla town are taken as population. The population size is 13952. The sample size will be 96 with 95% Confidence Level and 10 Confidence Interval.

The sample size was found using formula.

Sample Size = (Z2*(p)*q)/c2, where

Z=1.96, p=0.5, q=1-p, c=0.1

A structured questionnaire was executed through schedule method.

The hypothesis testing and statistical inferences are done on SPSS.

When the equation is

$$Y=B0+B1S+B2L+B3C+B4W+B5M+B6N+e$$

S (frequency of savings), L(activity through payment of loans), C(frequency of use of credit or debit cards), W(frequency of withdrawal of money), M(frequency of using mobile banking), N(frequency of getting NRI remittances) are the independent variables while Y(activity of bank accounts) is the dependent variable

For the following equation,

$$Y= B0+B1E+B2I+B3S+B4L+B5C+B6N$$

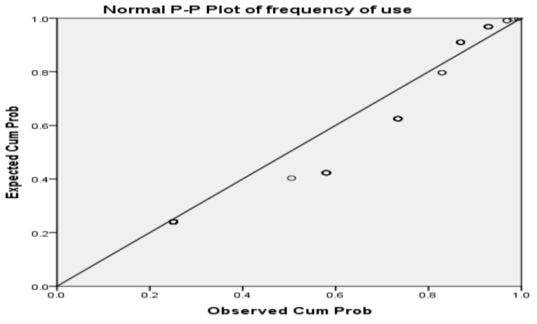
Y is the frequency of withdrawal from bank accounts. *B0, B1, B2, B3, B4, B5* and *B6* are parameters. Y is the frequency of withdrawal of money from the bank accounts. It is the dependent factor. E is the educational qualification of the respondent, I is the income, S is the savings, L is the loans, C is the frequency of use of credit cards or debit cards and N is the frequency of the account getting deposited with NRI remittance. These all are the independent factors.

Discussion of The Research Findings

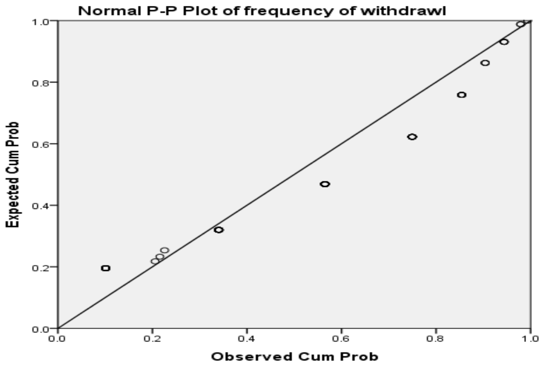
Hypothesis testing is done after doing the normality test.

Normality test is done using P-P Plot and Q-Q plot in SPSS.

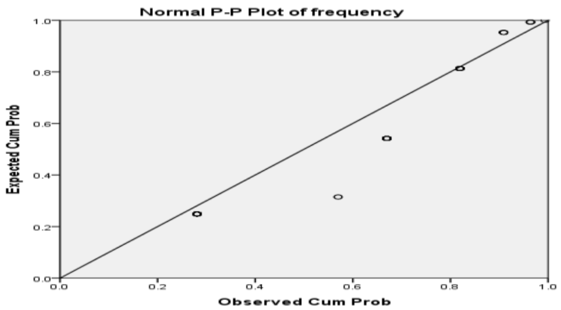
GRAPH 1



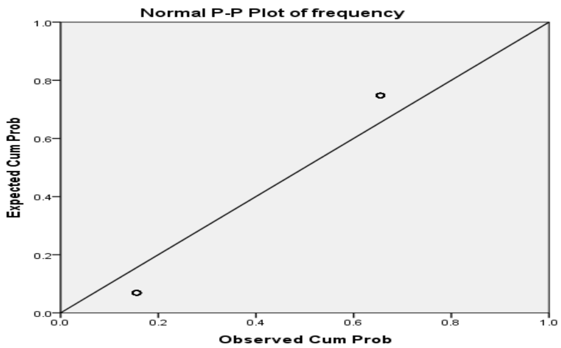
GRAPH 2



GRAPH 3



GRAPH 4



Regression is done for the function $Y = B0 + B1E + B2I + B3S + B4L + B5C + B6N + e$

TABLE 1
Descriptive Statistics

	Mean	Std. Derivation	N
Frequency of withdrawl	2.2003	2.56485	100
Income	21768	24811.31983	100
Education status	2.1500	1.32097	100
How much they save	5759.0100	7730.59668	100
How much loan	168850	480421.66612	100
Frequency of card use	1.3790	1.95310	100
Frequency of mobile banking	0.8650	1.27645	100 100
Frequency (NRI remittance)	1.6900	0.46482	100

Source: through primary survey and analysis in SPSS

TABLE 2
CORRELATION

		Frequency of withdraw	income	Education status	How much they save
Pearson Correlation	Frequency of withdraw	1	0.260	0.328	0.259
	Income	0.260	1.000	0.502	0.739
	Education status	0.328	0.502	1.000	0.480
	How much they save	0.259	0.739	0.480	1.000
	How much loan	0.028	0.395	0.166	0.398
	Frequency of card use	0.302	0.247	0.393	0.201

	Frequency of mobile banking	0.379	0.122	0.428	0.228
	Frequency of NRI remittance	-0.015	-0.024	-0.285	-0.176

TABLE 3
CORRELATION

		how much loan	Frequency of card use	Frequency of mobile banking	Frequency of NRI remittances
	Frequency of withdrawl	0.028	0.302	0.379	-0.015
	Income	0.395	0.247	0.122	-0.024
	Education status	0.166	0.393	0.428	-0.285
	How much they save	0.398	0.201	0.111	-0.176
	How much loan	1.000	0.228	0.125	-0.154
	Frequency of card use	0.228	1.000	0.549	0.031
	Frequency of mobile banking	0.125	0.549	1.000	-0.024
	Frequency of NRI remittance	-0.154	0.031	-0.024	1.000

The correlation shows that there is a relatively positive correlation between education and income while there is a high positive correlation between income and the amount saved in monthly basis. Frequency of card use and the frequency of using mobile banking also have relatively positive correlation. Thus the autocorrelation s very less in the model for finding the activity of bank accounts.

CONCLUSION

Mere opening of bank accounts does not mean that there is 100 percent financial inclusion and financial literacy. Even when people have bank accounts, many of them are unaware of using it. The government and many banks have achieved their target of including maximum people to financial inclusion. But still many people like housewives and older people are seemed to be less aware of how to use their bank accounts.

It is also seen that most of the people do not have Jan Dhan accounts. Most of them had 500 or 1000 minimum balance account irrespective of their income and education. This shows the penetration of banks in these areas than the government initiated policies. Thus the activity of bank accounts in necessary to be found out to make further policies for improved financial inclusion in areas which are approximately hundred percent financially by just opening the bank accounts.

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8. Politics and Public Sector Reforms in Developing Countries

Garima Walia

Research Scholar in Krityanand UNESCO Club (2017), She did her Master's degree in International Relations from CHRIST University, Bangalore. .

Abstract:

Many created nations have done New Public Management (NPM) sorts of open division change in the 90s. The targets are to enhance the nature of open administrations, decrease the chances, enhance the proficiency of open associations, and make a domain favorable for private segment venture because of the inversion of communist arrangements of the 70s. Creating nations like Mauritius have been slower to embrace such approaches, frequently expelling open area changes as a "procedure" to mask the disappointment of governments in a fair framework to push forward genuinely necessary changes. Globalization and the need to guarantee worldwide intensity have come to catalyze the procedure of change, driving governments to overcome already disliked and politically self-destructive changes, working against the settled in idleness of the customary open organization.

Keywords- NPM, Globalization.

Introduction

The previous three decades have seen reactions about government execution from over the world in every political situation. There have been assertions that administrations are wasteful, incapable, huge, expensive, unduly bureaucratic, overburdened by superfluous principles, inert to open needs what's more, needs, shrouded, undemocratic, encroaches into the security of people, self-serving, and ailing in giving great quality administrations to the general population numerous of whom are citizens (barzelay and armajani, 1992; jones and thompson, 1999). New public management (npm) is a pattern in public administration change (par) which is to change these previously established inclinations about government execution. It received administration thoughts predominant in the private part. Thiry a long time of usage of npm changes have yield blended outcomes (pollitt and sorin, 2011). Created nations are on the move from npm phase of changes to a post-npm phase of combination and coordination. Many creating nations are as yet attempting to grapple with the npm-sort changes.

There were effective changes as far as financial development in east asian nations, in any case, the greater part of the creating nations that have propelled the changes have not recorded empowering comes about. We initiate this part with a depiction of the social, financial, political and authoritative components of creating nations in light of the fact that these factors significantly encroach on the achievement or disappointment of changes.

Foundation To The Changing Role Of The Public Sector

With a specific end goal to welcome the progressions that have occurred in our comprehension of the part of government, take note of that this comprehension has been impacted by parts of both hypothesis and practice. In this segment I will look to investigate both these angles, beginning with an outline of the history (down to earth viewpoints), and afterward talking about the hypothetical streams that have added to this moving comprehension of the part of the state.

Pragmatic background

The open deliberation amongst open and private administration arrangement has seethed for over a century in first world governmental issues. The twentieth century saw a full swing of this pendulum, from overpowering open segment certainty, to a reestablished faith in the market as a panacea. As Brooks, et al. (1984) takes note of, the two drivers of this move were the Great Depression of the 1930s, and the monetary emergency of the late 1970s and mid 1980s. While the Depression was to a great extent observed as a disappointment of the private part, the monetary emergency was broadly seen as an open area disappointment. These discernments were the directing powers that molded open establishments, initially the development of the welfare state, and afterward the scattering of neo-liberal changes. People in general areas of most creating countries have mirrored a comparable example. The development of post-pilgrim country states following the Second World War had at its center a confidence in the value of a "broad state" Batley and Larbi (2004). The 1960s along these lines saw a solid union of state control, and an accentuation on inner administration conveyance, in both industrialist and communist situated states. Be that as it may, a later scattering of the liberal monetary view in the West, combined with an across the board thwarted expectation of part of the state being developed, in the end prompted "approach exchange" to creating countries. This exchange happened either straightforwardly however help restriction (most conspicuously as a component of "basic alteration credits"), or in a roundabout way through improvement activities. In spite of the fact that the financial emergency of the mid 80's can be seen as the focal driver for neo-liberal change, feedback had for quite some time been working against open part conveyance, even before the monetary emergency. This feedback depended on three expansive contentions: the primary tested the view that open organization could be an operator of improvement, the second underscored the shortcoming of the state to uphold arrangement since it needed authenticity, and the third observed the state as being dislodged by nonnational interests, (for example, universal capital) (Batley and Larbi (2004)). This negativity of the state, and the requirement for change, was additionally held by two focal players in the monetary emergency of the 80's: the World Bank and the IMF. The two organizations engendered the standards of the "Washington agreement" which called for monetary progression and a lessening of the part of the state for expanded proficiency. The good news of change was soon lectured creating nations in profound budgetary issues, and authorized through "basic modification advances."

These auxiliary changes at first confronted various obstructions in creating nations, most prominently the resistance by governments whose power they were disintegrating (Hirschmann (1993)). Likewise, it was hard to figure out who should drive the changes in creating nations. As the weight to change was outer to creating state (rather than inside driven changes in created nations) the change starts were not generally effective, particularly in nations with powerless popular governments (Mosley, et al. (1995)). Thus, executions were unequal, with monetary changes occurring considerably quicker than slacking state changes. Batley and Larbi (2004) likewise give a clarification with respect to why changes have been especially troublesome in poorer creating nations: Although they never accomplished a similar level of comprehensiveness of advantages, the statist display was all the more profoundly imbued in their energy structures. On it was built a beep sense of duty regarding the obligation of the express that conveyed its own voting public of interests in looking after interventionism: government officials and civil servants with support openings, proficient staff with models to ensure, urban inhabitants getting a charge out of sponsored costs, administrations and work, and industrialists and agriculturists with ensured additionally controlled costs. In the poorer nations with feeble market frameworks, influence and benefit existed in capacity of state activity, and the help of destitution relied upon access to state redistributed riches. To challenge the statist display in this way gambled testing the establishments of the state and its authenticity. It is intriguing to take note of that Sandbrook (1993) has called attention to that the deferrals in actualizing changes in many creating nations significantly diminished their effect, and really exasperated the conditions that prompted the prerequisites of change (through expanded getting to support open part use). This was set apart by a general lessening in social spending, in advantage of keeping up open part pay rates and politically roused endowments (WorldBank (1997) in Batley and Larbi (2004)): To meet their advantage commitments, nations buried under water pressed projects in instruction, wellbeing, and foundation as frequently as – or more than – they cut low-need programs, bloated common administration rolls and cash losing undertakings. Along these lines, the financial emergency expanded the perceivability of open division disappointments, and added to the call for change. Following introductory usage of auxiliary changes in creating nations, two primary discoveries developed: neediness levels expanded (Cornia, et al. (1987), Moser, et al. (1993) in Batley and Larbi (2004)), and open segment limit was eroded2 (Sandbrook (1993)). This required critical resulting changes to the change plan. To begin with the concentration of change programs was extended to incorporate neediness diminishment, at first through the consideration of "social wellbeing nets" as a component of the monetary changes, and later as a different goal.

Cost cutting and scaling down

The expression "cutting back" was first utilized by Charles Handy, an educator in Managerial Psychology in the mid-1970s, when alluding to the effect of innovation on the work constrain everywhere throughout the world (Dening, 1996). Amid the finish of the 70s and in the start of 1980s, numerous nations experienced fast increment in business. These were principally because of high level of contribution by government in monetary improvement (request enrollment), non-institutionalized and formal selecting framework (unlawful enlistment) government was considered as the principle wellspring of work (constrained enlistment), requests from the developing populace (lack enrollment), lastly political support (advantage recruitment).The institutional boundaries kept the conservation of enrolled representatives and this additionally made the business populace to enlist an expanding pattern. Business creation was in overabundance of the genuine request to the above circumstance in many creating nations. The mechanical insurgency, globalization, worldwide rivalry, buyer requests, exchange directions, ascent of managerialism and influxes of monetary downturn all rolled out improvement in methodology, structure and process in private and open divisions for their survival (Cheng and Lazarevic, 2005) One of the techniques embraced around then, to contend with the perpetually changing world situation, was lessening of the staff, for accomplishing effectiveness in operations. Scaling down has been utilized generally in companies and legislative bodies far and wide (Macky, 2004). Scaling down technique was actualized amid 1980s and mid 1990s basically to beat the financial emergency in different nations (Gandolfi and Hansson, 2010). Work constrain cutting back has been presented as change administration methodology for over three decades (Datta et al., 2010). Amid the 1990s, open area cutting back and conservation operations were additionally actualized the world over, especially in Africa, Latin America, and the move economies (Haltiwanger and Singh, 1999; Rama, 1997, 1999). As per Freeman and Cameron (1993), cutting back is something that best administration attempts purposively. It is a consider endeavor and includes worker decrease. The aim is proficiency and viability of association. Budros (1999: 70), characterizes the idea of cutting back as "an association's cognizant utilization of lasting staff diminishments trying to enhance its proficiency as well as adequacy". Rightsizing, rearrangement, rebuilding, delayering, and legitimization, are a portion of the terms used to mean scaling back. (Cummings &Worley, 2001). As indicated by Saxena (2006:4) "Cutting back may include, one or a hefty portion of the accompanying procedures, a) Loss of individual security, inferable from cutbacks and occupation misfortunes; b) Emergence of new hierarchical shape; c) Re-distribution of assets and influence; d) Increased desires, duties and workload and need to relearn and grow new abilities among survivors of the activity, and e) Redundancy among the individuals who don't get laid off (the survivors)". The general purpose behind utilizing scaling back is to an) accomplish a decrease of cost, b) diminishment of administration levels, and c) lessen duplication (Nienstedt, 1989; Richtnér and Åhlström, 2006) Western governments have swung to 'cutting back'. England, for instance, decreased its common administration staff by around 20% amid the 1990s, basically by privatization and exchanging of staff to official offices. The Clinton organization in the US additionally decreased 17% of the government staff (around a million employments), however added around 100000 to the police compel to make America more secure (ARC, 2009). OECD nations and also African experience had blended outcomes while utilizing scaling down as stratergy of common administration changes (Micklethwait and Wooldridge, 1996). Common administrations in many creating nations "are every now and again too extensive, excessively costly, and deficiently profitable; and government employees, particularly those in administrative positions, get couple of motivators and are ineffectively roused" ((Nunberg, 1994: 120; cited in Klitgaard, 1997: 490). As indicated by World Development Report (1997) the original changes concentrated on scaling back, outsourcing and controlling people in general consumptions. The concentration of the original change was to diminish the cost of the administrations. Cutting back the administration staff was the pushed zone. Many low pay nations embraced "original" changes, yet by and large it had turned out to be counter beneficial on the grounds that the profitable staff leave the association and the remaining will wind up plainly dampened; and truancy, working two jobs, and defilement increment (Lienert, 1998). The concentration given in common administration change on cost control instigated imperviousness to changes and at last nullifies cost control itself (Schiavo Campo, 1998). The "second era" changes, were endeavors to decrease the above issues gone for patching up pay and advancement strategies (Lienert, 1998). Indian open area was liberal in expanding the work compel before the progression time (Mayia ,2011). Like other creating nations, Indian open division is additionally staff heavy because of the polices on work era, state of mind towards exchange unions, and so forth. Indian changes amid 1991 compelled to concentrate on proficiency and efficiency of the general population segment. India additionally embraced scaling down as an arrangement of cost cutting. The Expenditure Reforms Commission (ERC) of Government of India inspected the structure of different Ministries/Departments. It communicated concern 54 over the expanding staff quality in the Indian open segment. ERC saw that radical scaling back of the administration staff would be the answer for proficient and productive administration as additionally to guarantee that the blossoming pay charge does not pre-empt rare assets. The ERC in its second report (twentieth September: 2000) on streamlining government staff quality made the accompanying suggestions.

(1) A cut of 10% of the staff as on 1.1.2000 by the year 2004-05;

(2) A screening board of trustees ought to get ready yearly direct enlistment get ready for all units ;

(3) There ought to be an aggregate prohibition on making of new posts for a long time ;

(4) Staff pronounced surplus ought to be exchanged to the Surplus Cell;

(5) Those who don't choose Voluntary Retirement Scheme and are not redployed inside one year will be released from benefit. Cost of scaling back ought to dependably be not as much as the funds produced using such activites. It can increment financial advantages gave the saved workers are being used in the private area and the sparing is used in other improvement ventures. The execution of scaling down, if not legitimately arranged, can prompt high social cost. In this manner, it must be completed considering the social and monetary advantages gotten from it. Government ought to have the capacity and political will to beat worker

union's resistance and to trim the span of open business; at that point just the scaling back will be effective and prepare to more market sort systems.

II. Literature Reviews

These fast writing audits expect to arrange policymakers to key open deliberations, confirm and developing issues. They give more top to bottom examination than Helpdesk Reports, and typically draw on between 15-25 days of work area based research. They are peer looked into by outer specialists.

Katy Long, Rachel Sabates-Wheeler - June 2017 : His motivation behind this paper is to set out a typical system, dialect and comprehension of the significance of social insurance to various gatherings of transients and persuasively dislodged individuals.

There are an expected 244 million individuals at present living in a nation other than that of their introduction to the world. This gathering of individuals incorporates wealthier vagrants, ready to get to large amounts of vocation security and assurance in their place of goal, and additionally those moving far from circumstances of outrageous neediness and frailty, who are regularly unprotected upon their landing, and may need records to set up occupant or work status in the nation they presently live in. It likewise incorporates 21.3 million exiles who have fled war and mistreatment, and also different populaces that have been dislodged because of weakness, cataclysmic event or the impacts of environmental change. Notwithstanding this there are evaluated to be 763 million inward vagrants. This figure incorporates inside work, family and understudy relocation (all regularly including developments between rustic regions and urban areas), and in addition 38 million inside uprooted individuals (IDPs) who have been compelled to leave their homes.

Social assurance is in a general sense an approach reaction to powerlessness. Given the distinctive vulnerabilities that versatile populaces confront, there will be a scope of various social assurance reactions to these. This paper gives a system to considering the potential part that social insurance intercessions – or the absence of social assurance mediations – can play regarding hastening, coordinating or ending development (e.g. from a nation of root without a working social security framework). It likewise considers the diverse types of social insurance that might be required by various gatherings at various phases of their adventure and after entry in a position of goal. Lawful or illicit section or nearness in a region or state is only one factor that impacts access to social security. Different variables, including operational, political and monetary components that influence scope, sufficiency and transportability of advantages may limit the extent of social assurance by and by and this is likewise considered.

This paper considers the encircling of social security in connection to coercively uprooted populaces (displaced people, refuge searchers and IDPs) and low-pay work vagrants. We take as a beginning stage Devereux and Sabates-Wheeler's (2004) meaning of social security as 'all open and private activities that give pay or utilization exchanges to poor people, ensure the helpless against employment dangers, and upgrade the societal position and privileges of the minimized; with the general goal of decreasing the financial and social defenselessness of forlorn and underestimated gatherings.' This definition incorporates an attention on monetary welfare, which is standard in conventional meanings of social insurance, yet it additionally perceives the non-detachability of the financial from the social and political determinants of powerlessness. It accordingly expands the extent of arrangement to guarantee that the standard social security mediations, for example, a money exchange or sustenance arrangement to the most defenseless, will be joined by integral intercessions to guarantee access to that money or nourishment. For example, if a vagrant is unconscious of their rights and unfit to peruse the structures essentially to acquire arrangement, at that point refinement of rights and dialect hindrances should supplement social insurance provisioning.

It is imperative to perceive that many types of social assurance are casual (depending on group, kinfolk, family or different types of correspondence). This is particularly the case in less created nations where the lion's share of persuasively dislodged both originated from and are facilitated, and where formal state-based social assurance is frail. This paper recognizes the significance of these types of social insurance, yet is fundamentally centered around evaluating the effect of formal social assurance programs on coercively dislodged and low-pay transient populaces. Formal social insurance is ordinarily thought about as state-drove, yet in specific settings – especially while considering constrained relocation – non-state globally drove social security is really the standard.

Astrid Wake, Jan Telgen, Jonna Van Der Krift - November 2016

An evidence base consisting of 48 studies, of high (11), medium (30) and low (7) quality, was used for the analysis. The geographic scope of the studies included the Middle East and North Africa (3), South Asia (27), Sub-Saharan Africa (16) and developing countries in general (2). The studies in the evidence base show why countries change their public procurement functions, which may be a result of external pressure and/or stem from governments' own initiatives. External pressure may come from developments in international standards, governments' international commitments (including commitments to donors), and from local firms' and citizens' demands for and expectations of better quality service.

A government's desire to solve problems related to existing public procurement functions is the main reason for starting a procurement reform. The studies reveal three main problems that governments want to solve: 1) lack of procurement capacity and knowledge; 2) lack of procurement plans and procedures; and 3) malpractice and corruption.

The 48 studies included in this review rarely use the terms accountability, anti-corruption and service delivery that are listed in the first sub-question. It is also important to note that none of the studies claims to have hard evidence for the direct (positive) effects of different types of interventions. There are three underlying reasons for this: 1) no comparable data are available from before and after interventions; 2) an intervention is usually part of a bigger set of interventions or a large reform package, and as a consequence it seems impossible to measure which specific intervention has had which effect; and 3) various constructs, such as transparency and compliance, related to the performance of the public procurement sector are very hard to measure and/or make quantitative.

FINDINGS

Fluctuating perspectives about the part of government have impacted methodologies taken by improvement help organizations to PSR. In the beginning of improvement help, contributors tended just to underestimate it that administrations should play a noteworthy and direct part in monetary advancement. Contributors upheld state-commanded monetary advancement procedures, while giving careful consideration to the internal workings of the general population division. PSR was not seen as a noteworthy issue. When forming nations fell into budgetary emergency in the late 1980s, contributors started scrutinizing the state-commanded display. Advancement help was made dependent upon shortening the monetary part of the state, lessening the span of general society segment, privatization and cutting open consumption. The pendulum swung from general society part being viewed as a motor of advancement to its being viewed as an obstruction to it. Be that as it may, there was still little push to see how people in general segment truly functioned. By the 1990s there was agreement that the pendulum has swung too far in the "counter publicsector" bearing. A recharged valuation for people in general part's formative part started to develop. The World Bank finished up as of late that PSR can possibly "decrease neediness" and that "great ... government establishments [are] related with higher wage development, national riches, and social accomplishments" . The present accord is therefore that PSR matters an awesome arrangement for advancement, and in no less than two ways:

(i) initially, it will prompt better conveyance of the essential open administrations that influence expectations for everyday comforts of poor people; and

(ii) second, it will make an atmosphere helpful for private part improvement. These decisions depend on a developing group of studies indicating positive connections between open part execution and monetary and social results. One late investigation indicated noteworthy relationship between's administration adequacy and expanded per capita salary, expanded grown-up proficiency and lessened newborn child mortality. Other work has demonstrated an opposite connection between open area defilement and private venture

For lucidity, the consequences of the overview have additionally been assembled along the request of the focuses raised previously. The outcomes, briefly introduced, are as per the following:

The Political Dilemma

It is hard to maintain political help for change with visit changes of government. Notwithstanding when stable governments come into control, more often than not, they are coalition governments more intrigued by here and now political additions than in profound change of any sort. Notwithstanding when governments are in control they have a tendency to be constantly in a 'constituent state of mind' with the suggestion that changes, synonymous with change, never turn into a need. This issue is especially significant to Mauritius where government remains the single biggest boss in the economy (utilizing no less than 20% of the dynamic populace) and is unwilling to consider defying such an expansive extent of voters. Regardless of the possibility that progressions are in light of a legitimate concern for the whole gang, including representatives, business as usual is by all accounts the most alluring option as everybody is secure in his/her 'customary range of familiarity' and with the old propensities for a dark open segment. Authoritative changes are likewise observed as being of low appointive esteem. Common society is frequently apathetic regarding changes in the workings of government or change in taxpayer supported organizations. In a creating nation like Mauritius, where individuals are attempting to procure a living, battling the administration is seen just as a burden. The high society is too little and too spoiled for it to ascend against the administration. The white collar class is, all around, utilized by government and along these lines 'accepted' ends up noticeably faithful to the administration of the day and can't contradict it. So where is change weight going to originate from? Requesting maintained political help additionally accept that lawmakers and chairmen know, prepared or value the idea of change and its conceivable advantages. It likewise accept that there is an ability to change that may just not be there. A few executives even bring up that attempting to improve something additionally implies confronting the upsetting reality of 'compensate for good work being more work'. Undoubtedly, no extra assets will typically be given to a conferred manager and advancement more often than not depends on position. All things considered, few are capable or willing to present change. Indeed, even dedicated managers might be as often as possible exchanged starting with one service then onto the next, influencing the progression of changes, assuming any.

Past this, services desirously monitor their limits. There is no normal 'Innovative work' and no appropriately kept up database as prove by the emergency work in services each time there is a Parliamentary Question. Additionally, the media are particular in the weight they put on government for change. Scholastics can't compose anything excessively basic since they are additionally bound by the need to keep their occupation, encourage their families and keep their odds for advancement in place. Governments don't acknowledge feedback decidedly in Mauritius.

Fluffy Goals and Strategies Working in government in Mauritius is an exemplary instance of 'wading through'. Objectives and systems exist, however they might be simple talk or an announcement of expectations. It is a mix of absence of ability to plan SMART objectives3 and an unwillingness to do as such. This being stated, there are cases, for example, the interest for an international ID or a birth authentication (among a couple of different administrations), where conveyance can be acquired inside set due dates. Indeed, even in these cases, the nature of administration was not expressly announced or distributed up to this point. Why are there so couple of activities going for a characterized nature of client benefit? The reason, once more, is that the current framework serves the need of lawmakers and executives. All in all, who might change the circumstance? Indeed, even spurred chairmen might be weak to act as a result of absence of control over spending plan, constrained expert to rebuild associations, or no immediate control over the key portion/arrangement of HR. Straightforward things like exchange of staff, advancement, reward and discipline can make issues for the chairman who tries to do his or her occupation

Complex Communication Between Actors and Stakeholders

Legislators, clients, executives, experts, the media, the service of fund, the state law office might be included and the rundown can go on. It is over-shortsighted to expect that if something great is being done, the legislator fundamentally comprehends it and knows how to deal with the perplexing arrangement of performing artists. It is even finished hopeful to expect whose side the media in Mauritius will take on account of any change that will influence most on-screen characters and partners. There is no single plan that guarantees the help of all holders of energy and impact inside and outside government.

Who is Responsible for Reforms and What is the Impact?

Having viable correspondence amongst on-screen characters and partners expect that there is an equipped expert which co-ordinates the correspondence procedure and has the vital impact to give solid authority. The main body with clear expert over different services is the leader's office. The main capable legislator is the Prime Minister and in a coalition government that power is weakened. The main intense director is the Head of Civil Service with no solid strong organization to help him regardless of the possibility that he will put certain activities on track. There has been an inclination in Mauritius to relegate obligation regarding administration wide change to the Ministry

for Civil Service Affairs and Administrative Reform. In any case, more often than not this service is going by a clergyman who has no preparation on change. The pastor is frequently a 'lesser clergyman' in the set up pecking order of clergymen. Regardless of the possibility that occasionally the portfolio is held by the Prime Minister, it happens to be one of the numerous different portfolios he holds anytime. The Permanent Secretary of the service has no more power than another Permanent Secretary. Regardless of the possibility that as of late there has been a Secretary for Public Service Affairs heading the Ministry for Civil Service Affairs and Administrative Reforms, who is higher in rank than a Permanent Secretary, little change can be seen. It is dicey on the off chance that anybody, even in the Ministry for Civil Service Affairs comprehends change or is not kidding about it. For very a few years, there is an Administrative Reform Unit in that service kept an eye on by one individual! A Work Improvement Team (WIT) program started by the service fizzled in light of the fact that the Head of Civil Service assumes individual liability for changes. Yet, he is busy to the point that he can't give enough regard for adherence and non-adherence to approaches by his kindred Permanent Secretaries who thusly can simply gripe that their pastor does not discover his changes a need. A Head of Civil Service in Mauritius is not more intense than a Minister. Likewise, Heads of Civil Service are selected just for brief periods, since when somebody turns into the Head of Civil Service, he/she has close to 2 to 4 years of administration before resigning.

Inclusion of Ministries: Management by Committees Government in Mauritius is go through gatherings. There is no lack of them and they are constantly gone to by delegates of services called upon to go to. Regardless of whether they will be gone to by top level officers of individual services is another issue in light of the fact that more often than not they are going on missions abroad or they are occupied with different issues. Choices are constantly taken and changes actualized as a 'procedure'. Everybody is content with this procedure on the grounds that the legislature can simply safeguard itself by asserting that it has shown improvement over the past government.

CONCLUSION

It has concentrated on the part of people in general segment in creating nations, checking on an assortment of surges of writing crosswise over different hypothetical controls. I began by considering the practical and hypothetical drivers that have molded the ebb and flow comprehension of general society segment, indicating how the two drivers called for change in both what the general population division does (their part) and how they do it (their working). Regarding part, the current agreement has been that general society division has a vital part to play, in spite of the fact that this part is not quite the same as the conventional Weberian see. The new part approaches general society area to concentrate more on "arrangement" and less on "generation" (albeit some "creation" duties remain). As far as working, five primary "changes" have reliably been touted that people in general area should go for: lessened cost (or productivity), enhancements in benefit conveyance (or viability), decreasing astute conduct (or genuineness), giving clients a more prominent say in what the general population segment does (or responsiveness), and guaranteeing the projects and intercessions are practical (vigor and sensibility). This new comprehension of the general population part has been operationalized through two expansive change developments: New Public Management has concentrated on improving open segment associations inside, through viewpoints, for example, decentralization, rivalry, managerialism, and responsibility; New Governance has taken a more extensive view by suggesting that administrations utilization of a scope of "administration apparatuses" to direct the system of performers towards accomplishing open activities. Be that as it may, changes require viable states to be executed effectively, and in this manner advancement researchers have committed much regard for limit building research. There are three expansive levels on which limit should be tended to: human level, association level, and institutional level. Furthermore I found that change activities can help in the limit building process, and in this way presume these two ideas (change and limit building) ought to subsequently be tended to as one. Along these lines, if open segment conveyance (and advancement when all is said in done) is to be reinforced, intercessions need to address both what governments do (through open division change), and their ability to do it (through limit building). .

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9. India a $20 trillion economy, balancing growth and Improving Governance

Sanchita Malhotra

Research Scholar in Krityanand UNESCO Club (2017), She did her Master's degree in Economics from Jawaharlal Nehru University, New Delhi During her Master's Programme, she worked as an intern at International Growth Centre, India Central (directed by London School of Economics).

Abstract:

A recurring issue in development circles is whether countries should focus their development strategies on growth or on poverty reduction strategies. The trade-off could come from a possible influence of growth on the distribution of wealth; or from a possible influence of the distribution of wealth on growth (presumably through an investment channel). A third possibility for a trade-off is that some policies that favor growth could have an increase in inequality as a direct byproduct; or that policies that favor equity could have a decrease in growth as a direct byproduct. The Modi government has addressed the issue of development and inequality in some ways, such as through the manufacturing sector. However, inequality is the result of a whole gamut of government rules, regulations and laws and the entire legal framework. It covers tax and other government policy. And sometimes such policy may lead to more inequality.

Keywords- Economic Policy, Governance, Balancing Growth,

Introduction

The Paper adopts a fresh and novel approach to the study of Indian economy .The basic motto of this paper is to enable the reader to understand the present features of the economy. The main contents of this paper are policy to make India a $20 trillion economy, balancing growth with development to reduce inequality and improving governance and transparency.

Prime Minister Shri. Narendra Modi said that his government aims to convert the country's economy from existing $2 trillion dollars to $20 trillion dollars. Projecting India as a "heaven" for investors, the Prime Minister is working on deregulation and ensuring 'ease of doing business.' His government is laying thrust on three sectors particularly - agriculture, services and manufacturing - along with building the physical and digital infrastructure simultaneously. With the inflation in check and a prevailing conducive environment, the economy is looking forward with increasing foreign direct investment. A recurring issue in development circles is whether countries should focus their development strategies on growth or on poverty reduction strategies. The trade-off could come from a possible influence of growth on the distribution of wealth; or from a possible influence of the distribution of wealth on growth (presumably through an investment channel). A third possibility for a trade-off is that some policies that favour growth could have an increase in inequality as a direct by-product; or that policies that favour equity could have a decrease in growth as a direct by-product. The Modi government has addressed the issue of development and inequality in some ways, such as through the manufacturing sector. However, inequality is the result of a whole gamut of government rules, regulations and laws and the entire legal framework. It covers tax and other government policy.

Improving governance is a part of a development process. It is argued that corruption can be curbed by systematic changes in governance through introducing participation, transparency, accountability and probity in administration. The right to good governance is also considered as an essential part of the citizen’s rights that one can expect from the government. Accordingly, a number of initiatives have been taken by the government to incorporate citizen’s concerns as inputs in the formulation of policy as well as in the quality and reliability of services. These can be brought through various tools, including the citizens’ charters, right to information, e-governance, report cards and social audits. Besides, each department have now developed its public grievance redress mechanism by appointing a senior officer as Director of Grievances’ with the powers to call for files/papers relating to grievance.

However we need to acknowledge that the Government alone cannot address this challenge and legislation in isolation is not a panacea of all that ails us. Stakeholders across the spectrum have an important role to play in ensuring that the benefits of better governance reach all citizens. The full potential of these and other measures of the Government can be realised only with the active engagement of all stakeholders. If we have felt that we have hit crisis point, we must also know that India has been effective in rising to greater heights when it responds. Given the opportunities that are presenting themselves before us, there is no doubt that we are at the cusp of seeing a new age of greater transparency for inclusive governance that will benefit all citizens.

Prime Minister Narendra Modi said that his government aims to convert the country's economy from existing $8 trillion dollars to $20 trillion dollars. Projecting India as a "heaven" for investors, PM Modi is working on deregulation and ensuring 'ease of doing business.' His government is laying thrust on three sectors particularly - agriculture, services and manufacturing - along with building the physical and digital infrastructure simultaneously. To reach one trillion (USD) GDP mark, it took India 20 years, but it added the next trillion in just six-seven years. With the inflation in check and a prevailing conducive environment, the economy is looking forward with increasing Foreign Direct Investment.

A recurring issue in development circles is whether countries should focus their development strategies on growth or on poverty reduction strategies. The trade-off could come from a possible influence of growth on the distribution of wealth; or from a possible influence of the distribution of wealth on growth (presumably through an investment channel). A third possibility for a trade-off is that some policies that favor growth could have an increase in inequality as a direct byproduct; or that policies that favor equity could have a decrease in growth as a direct byproduct. The Modi government has addressed the issue of development and inequality in some ways, such as through the manufacturing sector. However, inequality is the result of a whole gamut of government rules, regulations and laws and the entire legal framework. It covers tax and other government policy. And sometimes such policy may lead to more inequality.

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The country will create its own economic blueprint, which will make it an economic superpower. Mr. Modi has said that he wants to take the economy from $2 trillion to $20 trillion. Those efforts have already begun. In the new government's first year, we have seen meaningful reforms and a robust 7.5% GDP growth rate which attracted new investments worth INR 4 trillion by the end of 2014. Major institutions like the World Bank, IMF and Goldman Sachs predict that India's growth will surpass China's by 2016. That means India will be the world's fastest growing major economy within the next year. That sort of growth will no doubt attract the attention of global companies.

India is rich in natural resources. As the country grows by leaps and bounds its appetite for metals and minerals for infrastructure and power will increase rapidly. From urban development and nuclear power generation, to health supplements which need zinc as a basic ingredient and the use of aluminium for lightweight materials used in airplanes – I can see so many opportunities where India could become a hub for research and development in the natural resources sector. As the nation develops, we will only be able to increase our resource exports and meet domestic demand through large scale mining. Today there are a limited number of big players in Indian mining. But with the right policies and more foreign investments, new giants can be created. India's extractive sector has the capacity to generate new avenues for job creation. Producing our own metals and energy, rather than relying on imports, will promote prosperity and drive employment. Mining is a core sector of the economy and offers infrastructure benefits and strong linkages to other industries. Furthermore, mining firms make substantial contributions to local and regional development.

The immediate outlook for the Indian economy seems brighter than that of its peers. Russia is in deep trouble because of the collapse in global oil prices. Brazil is battling stagflation, forcing its central bank to increase interest rates despite shrinking output. China could be in the early stages of a secular slowdown. The toxic combination of high inflation and high unemployment has put South Africa at third spot in a recent *Bloomberg* listing of the most miserable economies in the world.

Indonesia is perhaps the only large emerging market economy other than India that seems to be headed for better times.

It is well known that India has come a long way since the rupee scare of August 2013. The economic recovery since then has come in three stages. First came economic stabilization as the previous government moved quickly to cut the twin deficits while the Reserve Bank of India (RBI) increased interest rates to curb inflation. Then the Modi government began to deal with the policy paralysis that hurt the economy in the final years of the United Progressive Alliance (UPA) regime. The third stage involves creating a new policy framework in several areas: the structural economic reforms that India needs before it sets off on its next round of growth. The Indian economy is being supported by welcome global tailwinds, especially the collapse in crude oil prices over the past few months. The economy seems to be in the early stages of a cyclical recovery, even given the doubts about the new data released by government statisticians. Inflation has come down sharply. The current account could be close to balance. Foreign exchange reserves are at a record high. The global capital pouring in is far more than what is needed to fund the current account gap. One big challenge for the Modi government is to grab this strategic opportunity. Finance minister Arun Jaitley has recently spoken about the need for double-digit growth. So has the Economic Survey released by the finance ministry a day before the budget. Such confidence is welcome as long as it does not convert itself into hubris.

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KRITYANAND UNESCO CLUB JAMSHEDPUR

Research Journal on International Relations & Economic Development

Introduction;

Governed by an independent Board of Governing Council, the Krityanand UNESCO Club is a Registered NGO under Societies Registration Act, 1860 with Government of Jharkhand and tax-exempt institution. We are working for the aims and purpose of the United Nations and its work among our society. At the 41st plenary meeting, On July 23rd, 2012, Krityanand UNESCO Club Jamshedpur was officially granted special consultative status as a Non-Governmental Organization (NGO) with the United Nations' Economic and Social Council (ECOSOC). The ECOSOC is one of 6 principal organs of the United Nations System established by the UN Charter in 1945 and serves as the central forum for formulating policy recommendations regarding international economic and social issues. NGO consultative status allows Krityanand UNESCO Club Jamshedpur to make direct contributions to the programs and goals of the United Nations by accessing and participating in the work of the ECOSOC. In 1997 we established a library on International system with support of different UN agencies and in 2006 we started our service in Social and Economic Development Program through our Research works in different social sector.

Concept;

The initiative arose from a series of meetings held between academics and members involved in the field. The major motivation stemmed from the realization that, particularly in the International Relations and Economic Development, scholars tended to conduct their work in an isolated fashion, with a very meager interchange among researchers of the concerned involved. Our Journals aims to operate as a network that will deepen and strengthen bonds between scholars concerned with the subject of International Relations, Political and Economic Development, International Law and Human Rights, Science and Technology for future Development, magnifying their voices and participation in UN agencies, international organizations and universities. Within this framework, the Organization now offers a specific journal, **KNUC – Research Journal on International Relations & Economic Development**, with the purpose of consolidating a channel that will publicize and promote groundbreaking research.

At the Forum **KNUC – Research Journal on International Relations & Economic Development**, we will discuss and research foreign affairs and global Economic development issues among states within the international system, including the roles of states, inter-governmental organizations (IGOs), non-governmental organizations (NGOs), and multinational corporations (MNCs). We will focus on geopolitical analysis, globalization, international policy issues and apply qualitative and quantitative analysis. Our focuses will analyzing, as well as formulate new solutions to issues with foreign policy and economic development.

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Dr. Mukesh Kumar Mishra
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KRITYANAND UNESCO CLUB
102/A, Kalpanapuri
Adityapur Industrial Area
Jamshedpur, 832109, INDIA.

Tel: + 91 657 2383158
Mobile: + 91 9279502203
*E-mail:*knunesco@yahoo.com