

TNPSC GROUP I MAIN
PAPER I UNIT – II – SCHOOL BOOK SOURCE
SOCIO ECONOMIC ISSUES IN INDIA/ TAMIL NADU

INDEX

S.NO	TOPICS	PAGE NO.
1.	Women Empowerment	3
2.	Women Rights	7
3.	Women Entrepreneurs	8
4.	Human Rights Issues	13
5.	Child Rights	18
6.	Black Money	19
7.	Population	20
8.	Demographic Trends in India	22
9.	Migration	26
10.	Urbanization	32
11.	Employment In India And Tamil Nadu	33
12.	Unemployment and its Types	37
13.	Rural Unemployment	39
14.	Rural Industries	41
15.	Rural Indebtedness	42
16.	Rural Economics	47
17.	Rural Poverty	50
18.	Micro, Small And Medium Enterprises (MSME)	52
19.	Self Employment And Entrepreneurship Development	58
20.	Government of India's Support For Innovation and Entrepreneurship In India	67
21.	Government of Tamil Nadu – Entrepreneurial Schemes	73
22.	Venture Capital Fund	74
23.	Cooperative Organisation	75
24.	Secularism	82
25.	Development Indicators	85
26.	Food Security and Nutrition	87



Women Empowerment

Introduction

“**Feminism** is not about making women stronger. Women are already strong. It’s about changing the way the world perceives that strength”.

“The story of women’s struggle for equality belongs to no single feminist nor to any one organisation but to the collective efforts of all who care about human rights”. “You educate a man; you educate a man.

You educate a woman; you educate a generation”.

To call woman the weaker sex is a libel; it is man’s injustice to woman -Mahatma Gandhi.

The empowerment and autonomy of women and the improvement of their political, social, economic and health status is a highly important end in itself. In addition, it is essential for the achievement of sustainable development. Women’s empowerment and achieving gender equality is essential for our society to ensure the sustainable development of the country.

Social Aspects of Gender

In sociology, we make a distinction between sex and gender. Sex is the biological trait that societies use to assign people into the category of either male or female. When people talk about the differences between men and women they are often drawing on sex – on rigid ideas of biology – rather than gender, which is an understanding of how society shapes our understanding of those biological categories.

Gender is more fluid – it may or may not depend upon biological traits. More specifically, it is a concept that describes how societies determine and manage sex categories; the cultural meanings attached to men’s and women’s roles; and how individuals understand their identities including, but not limited to, being a man, woman, transgender, and other gender positions. Gender involves social norms, attitudes and activities that society views as more appropriate for one sex over another. Gender is also determined by what an individual feels and does.

The sociology of gender examines how society influences our understandings and perception of differences between masculinity (what society views appropriate behaviour for a “man”) and femininity (what society views appropriate behaviour for a “woman”). We examine how this, in turn, influences identity and social practices.

The essential factors for empowerment are :

- 1. Education:** Education gives one the ability to think wisely and take thoughtful decisions.
- 2. Gender Discrimination:** A Society which discriminates between the two genders can never be empowered.
- 3. Discrimination based on caste, creed, religion etc.**

Woman’s Education

Education is one of the most important means of empowering women with the knowledge, skills and self-confidence necessary to participate fully in the development process. More than 40 years ago, the **Universal Declaration of Human Rights** asserted that “everyone has the right to education”.

Educating the girl child produces mothers who are educated and who will, in turn, educate their children care for their families and provide their children care and support. The girl child needs to be educated to acquire knowledge and skills needed to advance her status for social interactions and self-improvement.

The sustainability and progress of all regions depend on the success of women across the globe. As the former President Barrack Obama said while addressing the United Nations General Assembly in 2012, "the future must not belong to those who bully women. It must be shaped by girls who go to school and those who stand for a world where our daughters can live their dreams just like our sons."

The Unmatched Importance of Female Education

1. Increased Literacy: Of the illiterate youth across the globe, nearly 63 percent are female. Offering all children education will prop up literacy rates, pushing forward development in struggling regions.

2. Human Trafficking: Women are most vulnerable to trafficking when they are undereducated and poor, according to the United Nations Inter-Agency Project on Human Trafficking. Through providing young girls with opportunities and fundamental skills, Human Trafficking can be significantly undermined.

3. Political Representation: Across the globe, women are under represented as voters and restricted from political involvement. The United Nations Women's Programmes on Leadership and Participation suggest that civic education, training and all around empowerment will reduce this gap.

4. Thriving Babies: According to the United Nations Girls' Education Initiative, children of educated mothers are twice as likely to survive past the age of five.

5. Later Marriage: As suggested by the United Nations Population Fund, in underdeveloped countries, one in every three girls is married before reaching the age of 18. In a region where a girl receives seven or more years of education, the wedding date is delayed by four years.

6. Income Potential: Education also increases a woman's earning capabilities. According to the United Nations Educational, Scientific and Cultural Organisation, (UNESCO) a single year of primary education has shown to increase a girl's wages later in life by 20 percent.

7. Prospering GDP: Gross Domestic Product also rises when both girls and boys are being offered educational opportunities. When 10 percent more women attend school, GDP increases by three percent on average.

8. Poverty Reduction: When women are provided with equal rights and equal access to education, they go on to participate in economic activity. Increased earning power leads to reduction in poverty level.

Factors Responsible for Poor Female Literacy Rate

1. Gender based inequality.
2. Social discrimination and economic

exploitation.

3. Occupation of girl child in domestic chores.
4. Low enrolment of girls in schools.
5. Low retention rate and high dropout rate.

Male Female literacy rate in India: 1951-2011

Census Year	Persons	Males	Females	Male - Female gap in literacy rate
1	2	3	4	5
1951	18.33	27.16	8.86	18.30
1961	28.3	40.4	15.35	25.05
1971	34.45	45.96	21.97	23.98
1981	43.57	56.38	29.76	26.62
1991	52.21	64.13	39.29	24.84
2001	64.83	75.26	53.67	21.59
2011	74.04	82.14	65.46	16.68

Role of woman in the economic development

Importance of women's economic empowerment in society is inevitable. Empowerment is one of the main procedural concerns when addressing human rights and development. Women's empowerment and achieving equality is essential for our society to ensure the sustainable development of the country.

Benefits of Economic Empowerment of Woman

1. Women's economic empowerment is central to realizing women's rights and gender equality.
2. Empowering women in the economy and bridging gender gaps in the world of work are key to achieving the agenda for Sustainable Development
3. When more women work, economies grow.
4. Increasing women's and girls' educational attainment contributes to women's economic empowerment and more inclusive economic growth.
5. It is estimated that companies with three or more women in senior management functions score higher in all dimensions of organisational performance.

The need for Economic Empowerment of Woman

1. **Gender differences in laws** affect both developing and developed economies, and women in all regions.
2. Women **remain less likely to participate in the labour market** than men around the world.
3. Women are **more likely to be unemployed than men**.
4. Women are **over-represented in informal and vulnerable** employment.
5. Globally, women are **paid less than men**.
6. Women bear disproportionate responsibility **for unpaid care and domestic work**.
7. **Unpaid care work** is essential to the functioning of the economy, but often goes uncounted and unrecognized
8. Women are less likely to be entrepreneurs and face more disadvantages starting businesses.

9. Women are less likely than men to have access to financial institutions or have a bank account.
10. Women are still less likely to have access to social protection.
11. **Violence and harassment** in the world of work affects women regardless of age, location, income or social status.

Indian society is known for its unity in diversity. Social inequality also prevails in this society which has given birth of weaker section of society which is as diverse as Indian society itself, women, Scheduled caste, scheduled tribes, children, poor, landless farmers are considered as weaker sections. They have faced socio-economic and political discrimination in hands of dominating section since ancient time and their fight for rights and access to justice is almost as old as the discrimination against these marginalised and weaker group.



Women Rights

Women and girl' s rights are human rights. Women are entitled to the full and equal enjoyment of all of their human rights and to be free from all forms of discrimination. This is fundamental to achieve human rights, peace and security and sustainable development. The Charter of the United Nations guarantees equal rights to both women and men.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly, is described as an International bill of rights for women.

In 1995 the Fourth World Conference of Women, held in Beijing, developed a Platform for Action to recognise women' s rights and improve women' s livelihood worldwide, and follow-up meetings monitored progress towards meeting these goals. The United Nations Development Fund for Women (UNIFEM), has worked since 1995 to implement the Beijing Platform for Action. Only when women and girls have full access to their rights will true equality exist

Maintenance and Welfare of Parents and Senior Citizen Act 2007

This Act makes it legal obligation for children and heirs to provide maintenance to senior citizens and parents. Protection and support during old age are envisaged as human rights.

Legislations	Provisions
The Hindu Widow Remarriage Act 1856	Legalised widow remarriage.
The Hindu Marriage Act 1955	States that the marriageable age for women is 21.
The Hindu Succession Act 1956	Ensures the right to women to inherit their parental property.
The Dowry Prohibition Act 1961	Provides drastic punishments for those ill-treating the bride in the name of dowry
The Eve Teasing Act 1997	Gives relief to women.
Indecent Representation Act 1999	Prohibits the indecent representation of women in magazine, newspapers etc.
The Factory Act 1948, The Plantation Labour Act 1951, The Mines Act 1952 The Maternity benefit Act 1961	Protects the women workers.
Protection of Women from Domestic Violence Act 2005	Protects women from harassment by husband and family members.

Women Entrepreneurs

Women entrepreneurship has been getting growing recognition over the past two decades across the world. Women entrepreneurs not only generate new jobs for themselves but also for others. They provide society with different solutions to management, organisation and business problems. Women owned businesses are playing a pivotal role in the upsurge of entrepreneurial activity in the United States. It is reported that the highest number of self employed women are in Sweden followed by England, France and USA. In general, women are attracted to retail trade, restaurants, hotels, education, insurance and manufacturing. In our country, women constitute only 5.2 per cent of the total self employed persons in India. Majority of them opted for agriculture, agro based industries, handicrafts, handlooms, cottage industries but in 2011 (2011 census) it has improved to 25 percent.

Women entrepreneurship is gaining importance in India in the wake of economic liberalisation and globalisation. The policy and institutional framework for nurturing entrepreneurial skills, imparting vocation education and training has widened the horizon for economic empowerment of the women. However, women constitute one third of the economic enterprise. There are scores of successful women entrepreneurs both in economic and social fields in India.

Thus, a stage has been already set for social take-off of women from a low development path to an accelerated pace in achieving higher level of self sustaining economic growth in the wake of new economic policy 1991.

Definition

According to Schumpeter's concept, "Women who innovate, imitate or adopt a business activity are known as women entrepreneurs".

Government of India based on women participation in equity and employment of business enterprise has defined women entrepreneurs as "An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women."

Opportunities for Women Entrepreneurs



(i) Opportunities Based on Business

Women entrepreneurs are bestowed with numerous business opportunities depending upon their area, choice of industry, capacity to invest, technical and non-technical skills etc.,

When a woman decides to become an entrepreneur she has extensive opportunities to tap into. The following are the opportunities unfolding in different spheres of commerce.

i. In the sphere of manufacturing women can start ventures like Agarbathi manufacturing, papad making, bedspread making, embroidery, export of handicrafts, apparel manufacturing, sweet stalls, manufacturing soft drinks, pickle making , manufacturing garments, handicrafts, printing press etc.

ii. In the sphere of service industries, women entrepreneurs may try their hand in ventures like catering service, computer centres, tutorial centres, Typewriting institutes, beauty parlours, dry cleaning, small restaurants, tailoring, crèche, florist shops, event management etc.,

iii. In the realm of trading ventures, women can enter the ventures like fancy stores, diagnostic centres, milk distribution, sweet stalls, drug stores, grocery stores, textile retailing, cool drinks parlour, coffee parlour, cell phone repairs, photo studios, photocopier firms, working women's hostel etc.,

iv. Highly educated, experienced and broadly exposed women technocrats can start larger venture like running hospitals, coaching centres, diagnostic laboratories, manufacturing activities, suited to their field of specialisation, advertisement and media firms, call centres, hotels etc.,

(ii) Financial Opportunities

All Banks in India provide financial support to the women Entrepreneur, in the form of micro small loans to buy Raw Materials and Equipments.

(iii) Non-Financial support

Women entrepreneurs are provided with the following non-financial support in the form of :

- i. Putting in Policies, regulations and legal structures suitable to women entrepreneurs
- ii. Financial counselling and training
- iii. Business advisory service
- iv. Handling legal barriers
- v. Establishing Commercial linkages
- vi. Client research
- vii. Profitability and Efficiency analysis
- viii. Offering and designing the products based on their needs
- ix. Lower rate of interest
- x. Collateral free loans
- xi. Simplified processing system
- xii. Flexible repayment system based on business nature

(iv) Opportunities Created by Associations

There are various associations like Self Help Groups (SHG), Federation of Indian Women Entrepreneurs (FIWE), Women's India Trust (WIT), Small Industries Development organisation

(SIDO), National Bank for Agriculture and Rural Development (NABARD), Self Employed Women's Association (SEWA), Association of Women Entrepreneurs of Karnataka (AWAKE), The International Centre for Entrepreneurship and Career Development, TiEStree Shakti (TSS), Tamilnadu Corporation for Development of Women Ltd. (TNCDW), Marketing Organisation of Women Enterprises (MOOWES), Women Entrepreneurs Promotion Association (WEPA), Women Entrepreneurs Association of Tamil Nadu (WEAT) and WeoW by Google are aggressively promoting women entrepreneurship in India.

Similarly, MSE cluster development programme bear a substantial portion of the project cost in respect of ventures owned and managed by women entrepreneurs. The percentage of guarantee given by Credit Guarantee Fund Scheme for Micro and Small Enterprises extend upto 80% for MSEs owned and operated by women.

(v) Opportunities Created by Government

Government both Union and Central have put in a number of schemes exclusively for promotion of women entrepreneurship namely:

- i. Stand-Up India Scheme for Women Entrepreneurs
- ii. Trade related Entrepreneurship Assistance and Development (TREAD) Scheme for Women
- iii. Mahila Coir Yojana
- iv. Mahila E-haat
- v. Magalir Udavi Scheme
- vi. Prime Minister's Rozgar Yojana (PMRY)
- vii. Development of Women and Children in Rural India (DWCRA)
- viii. Mudra Yojana Scheme for Women
- ix. Udyogini Scheme
- x. TRYCEM

(vi) Opportunities Created through Training Programme

Government of India has introduced National Skill Development Policy and National Skill Development Mission in 2009 in order to provide skill training, vocational education and entrepreneurship development to the emerging work force. This has been catalysing the emergence of women entrepreneurs in India.

The following training schemes are being implemented for promoting self employment of women by Government of India.

1. Support for Training and Employment Programme of Women (STEP)
2. Development of Women and Children in Rural Areas (DWCRA)
3. Small Industry Service Institutes
4. State Financial Corporations
5. National Small Industries Corporations
6. District Industrial Centres

(vii) Consortium of Women Entrepreneurs of India (CWEI)

Consortium of Women Entrepreneurs of India (CWEI) was registered as a civil society in the year 1996 which is a non-profit organization in New Delhi. It is accredited by Government of India. It is a member of National Board, Ministry of MSME and is working closely with Ministry of Rural

Development in the Public Private Partnership to support below poverty line families in India. They are rendering the following functions:

- i. They are acting as a springboard for enterprises started by the women.
 - ii. It is helping women achieve high economic empowerment.
 - iii. It is acting as a catalyst to improve the access of womenfolk to natural resources.
 - iv. It is providing technological support in the sphere of product design and development in the case of women owned enterprises.
 - v. It is providing quality control, marketing and technological supports to women owned enterprises.
 - vi. It is spreading knowledge to women entrepreneurs about various government schemes.
- In sum, it can be stated that women consortium is an agency providing a comprehensive service of various types to women owned enterprises.

Challenges of Women Entrepreneurs

Though there is a tremendous growth in the women entrepreneurship in India, a number of research studies conducted in India have brought out the following problems and challenges encountered by women entrepreneurs during the course of their entrepreneurial journey.

1. Problem of Finance

The access of women to external sources of funds is limited as they do not generally own properties in their own name. Financial institutions too do not consider women in general creditworthy as they are sceptical of their entrepreneurial capabilities of women. They impose stringent condition which discourages women to avail themselves of loan assistance from banks. In this context, they are pushed to rely on their own savings and small loans from friends and relatives. Because of the limited funds, women entrepreneurs are not able to effectively and efficiently run and expand their business.

2. Limited Mobility

Indian women cannot afford to shed their household responsibilities towards their family even after they plunge into the venture started by them. This restricts the mobility of women entrepreneur significantly. The domestic responsibilities do not allow women entrepreneurs to freely move out of business enterprises in connection with business activities.

3. Lack of Education

Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey with respect to maintaining accounts, understanding money matters, day-to-day operations of the company, marketing the products, applying technology etc., This reduces the efficiency of operating the business successfully.

4. Lack of Network Support

The successful operation of any venture irrespective of the size depends upon the network of support extended by various constituencies like family members, friends, relatives, acquaintances, neighbours, institutions and so on. Women entrepreneurs need much needed psychological support and wiser counselling especially during the time they actually encounter challenges. But it is reported that women entrepreneurs get very limited support in times of crisis from most of these constituencies.

5. Stiff Competition

Women entrepreneurs have to face acute competition for their goods from organised sector and from their male counterparts. Since they are not able to spend liberally due to financial constraints, they are not able to compete effectively and efficiently in the market.

6. Sensitivity

Women are more prone to a variety of emotions. Being mother, women are vulnerable to many emotions. They tend to have sympathy and empathy for others. This trait does not allow women entrepreneurs to take objective decisions in many contexts during the course of running the entrepreneurial venture. Besides, the weak emotions do not allow them to tolerate failures and disappointments arising during the normal course of their entrepreneurial journey. This inherently tone downs the effectiveness of their functioning.

7. Lack of Information

Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels or due to their pre occupation with household responsibilities. This lack of knowledge or limited knowledge about subsidies prevents them from availing themselves of special concessions, benefits and incentives awarded by Government and other agencies.

8. Dependent culture

In India, women however educated and talented are groomed to be dependent on their parents, life partners and children during the various phases of their life cycle. They could not take decisions on their own in many contexts due to this dependency factor. They have to take permission from their support groups to engage in any purposeful and gainful activity. They are not treated as equals unlike women in western countries. This cultural barrier does not allow them to start and manage their ventures according to their free will and pleasure.

Human Rights Issues

Human Rights and UNO

The U.N.O defines Human rights as “The right inherent to all human beings, regardless of race, gender, nationality, ethnicity, language, religion or any other status. Everyone is entitled to these rights without discrimination.”

What are Human Rights?

Human Rights are rights inherent to all human beings regardless of race, sex, nationality, ethnicity, language and religion. Human rights include freedom from slavery and torture, freedom of opinion and expression and fair trial, the right to life work and education.

Where do Human Rights come from?

A set of basic rights and freedoms has deep roots in European and American countries.

a. Written Precursors of Human Rights Documents

- ❖ **The Magna Carta of 1215(England)** - gave people new rights and made the king subject to the law.
- ❖ **The Petition of Right 1628(England)** - set out the rights of the people.
- ❖ **The Habeas Corpus Act of 1679(England)** - an act for the better securing liberty of the subject
- ❖ **The English Bill of Rights of 1689** - set out certain basic civil rights.
- ❖ **The French Declaration on the Rights of Man and Citizen 1789** - a document of France, stating that all citizens are equal under the law.
- ❖ **The US Constitution and Bill of Rights 1791** - safeguards the rights of the citizens.

b. The Birth of United Nations

The idea of human rights emerged stronger after the Second World War. This War led to unimaginable violation of human rights. During the times of war, human lives lost its value and those affected by war had to struggle till the end of their life. Atrocities during the Second World War made clear that previous efforts to protect individual rights from government violations were inadequate. The rights of man were prevented or eliminated in several parts of the world due to several factors. It is proved that the government of some countries alone could not protect human rights. People wanted to ensure that never again would anyone be unjustly denied life, freedom, food, shelter, and nationality. These voices played a critical role in the San Francisco meeting in which the United Nations Charter was drafted in 1945. At this juncture, an International body, the United Nations Organisation (UNO) which was established on 24th October 1945 took up the issue. Human Rights is an important theme in all UN policies and programmes in the areas of peace and security, development, humanitarian assistance and economic and social affairs.

c. The Universal Declaration of Human Rights (UDHR)

One of the greatest achievements of United Nations is the creation of human rights law. To advance this goal, the UN established a Commission on Human Rights. The Commission guided by Eleanor Roosevelt's (wife of former US president Franklin D Roosevelt) forceful leadership captured the world's attention. Finally, the Universal Declaration of Human Rights (UDHR) was adopted by the UN General Assembly in 1948. It is a milestone document in the history of Human rights. The Declaration was proclaimed by the UN General Assembly in Paris, France on 10th December 1948 (General Assembly resolution 217A). In remembrance of every year 10th December is observed as the Human Rights Day and its

Preamble of UDHR

All men are born free and all are equal in status and rights. They are endowed with intelligence and conscience and obliged to promote the spirit of common brotherhood amongst all men.

regular observance commenced from 1950. It is also known as modern International Magna Carta of Human Rights. Its principles have been incorporated into the Constitutions of most of the (more than 185) nations. UDHR has been translated into more than 500 languages. It is the most translated document in the world.

There are 30 articles in the Universal Declaration of Human Rights and it guarantees freedom of expression as well as civil, political, social, economic and cultural rights. These rights apply to all people, irrespective of their race, gender and nationality, as all people are born free and equal.

This general explanation of Human Rights by UDHR is not a legally binding document; however it has a political and moral importance and many of its guarantees have become standard norms today.

Social, Economic and Cultural Rights

Social, economic and cultural rights are integral part of the human rights law that developed due to the aftermath of World War II.

Social rights are necessary for full participation in the society. Economic rights guarantee every person to have conditions under which they are able to meet their needs. They are a part of a range of legal principles through which economic equality and freedom are preserved in a State.

Cultural rights are human rights that aim at assuring the enjoyment of culture and its components in conditions of equality, human dignity and non-discrimination.

Civil and Political Rights

Civil and political rights protect an individual's freedom from infringement by the government, social organizations and private individuals. These rights ensure one's ability to participate in the civil and political life of the society and state.

The term 'Civil rights' refers to the basic rights afforded by laws of the government, to every person regardless of race, nationality, colour, gender, age, religion etc.,

Political rights exercised in the formation and administration of a government. They are given to the citizens by law. These rights give power to the citizens to participate either directly or indirectly in the administration.

The Cyrus Cylinder 539 BC (BCE)

Cyrus the Great, the first king of ancient Persia, freed the slaves and declared that all people had the right to choose their own religion and established racial equality. These and other decrees

were recorded on a bakedclay cylinder in the Akkadian language in cuneiform script. It is translated into all six official languages of the United Nations and its provisions parallel the first four Articles of the Universal Declaration of Human Rights.

Human Rights are based on the values of

- a. Dignity** - The right to life, the right to integrity, the prohibition of enforced labour, slavery and degrading punishment.
- b. Justice** - The right to fair trial, proportional punishment to crime, the right not to be trialed more than once for the same crime
- c. Equality** - Equality before law. No discrimination on race, religion, gender, age, ability/disability etc.

Basic Characteristics of Human Rights

Inherent - they are not granted by any person or authority.

Fundamental - they are fundamental rights because without them, the life and dignity of man will be meaningless

Inalienable - they cannot be taken away from the individual.

Indivisible - they can't be denied even when other rights have already been enjoyed .

Universal - they are universal. They apply irrespective of one's origin or status. They are enforceable without national border.

Interdependent - they are interdependent because the fulfillment or exercise of one human right cannot be had without the realization of the other

Human Rights Day is celebrated annually on 10th December every year. It is to honour the United Nations General Assembly for declaring the human rights universally.

Kinds of Human Rights

There are 30 Articles incorporated in the Universal Declaration of Human Rights.

These rights are broadly classified into Five primary categories. They are as follows

a. Civil Rights

The term civil rights refers to the basic rights afforded by laws of the government to every person. This is the right to be treated as an equal to anyone else. It includes the rights to life, liberty, freedom from slavery and arbitrary arrest.

b. Political Rights

Political rights are exercised in the formation and administration of a government. The Civil and Political rights are directly related to modern democracy. They protect the individual from the misuse of political power and recognise every individual's right to participate in their country's political process. It includes the freedom of expression, and peaceful assembly, the right to take part in the government of one's country, the right to vote, the freedom of speech and obtain information.

c. Social Rights

It is necessary for an individual to fully participate in the society. Social rights are those rights necessary for an adequate standard of living including the right to education, health care, food, clothing, shelter and social security.

d. Economic Rights

The right to participate in an economy that benefits all and to desirable work. Economic rights guarantee every person to have condition under which they are able to meet their needs. This includes the rights to employment and fair wage, the reasonable limitation of working hours, shelter, education and adequate standard of living, and the right to property.

e. Cultural Rights

The right to freedom of religion and to speak the language and to practice the cultural life of the community, the right to share in scientific advancement, and right to the protection of moral and material interest.

The Difference between Human Rights and Civil Rights

Human Rights	Civil Rights
Human rights belong to everyone, everywhere, regardless of nationality, sexuality, gender, race, religion or age.	Civil rights are those rights that one enjoys by virtue of citizenship in a particular nation or state
Human rights are considered universal to all human beings and universal in all countries	Civil rights vary greatly from country to the country's or government to government. It is related to the Constitution.
No nation may rightfully deprive human rights to an individual.	Different nations can grant or deny different civil rights and liberties.
Human rights are basic rights inherent with birth	Civil rights are creation of the society.

Human Rights Commission

The Economic and Social Council (ECOSOC), a principal organ of the United Nations was empowered to setup a commission for the promotion of human rights. National level and State level human rights commissions were established to ensure the protection of human rights.

a. National Human Rights Commission

The National Human Rights Commission (NHRC) of India was established on 12th October, 1993. It is an independent statutory, and non-constitutional body. Its headquarter is located in New Delhi. NHRC is a multimember body which consists of a Chairperson and other members. The President appoints the Chairperson and other members. They are appointed for 5 years or till the age of 70 years whichever is earlier. NHRC has five divisions. Law Division, Investigation Division, Policy Research & Programmes Division, Training Division and Administrative Division. The National Human Rights Commission is responsible for the protection and promotion of human rights in India.

b. State Human Rights Commission

The state Human Rights Commission of Tamil Nadu was formed on 17th April, 1997. It functions at the state level. It consists of three members including a Chairperson. A state Human Rights Commission can inquire into violation of human rights related to subjects covered under State list and Concurrent list in the seventh schedule of the Indian Constitution. (not if NHRC already enquiring)

Human Rights Organisations

Many organisations around the world have taken their efforts to protect human rights and for ending human rights abuses. These Nongovernmental organisations monitor the actions of governments and pressure them to act according to human right principles. Some of these organisations are Amnesty International, Children' s Defense Fund, Human Rights Watch.

Indian Constitution Article

24 - prohibits child labour.

39(f) - provides for children to develop in healthy manner.

45 - provides that the state shall endeavor to provide early childhood care and education for all children until they complete the age of six years.



Child Rights

According to Article 1 of the United Nations Convention on the Rights of the Child 1989, 'a child means every human being below the age of eighteen years'. The Convention on the Rights of the Child was proclaimed by UN on 20th November 1989.

The child is considered as an important national asset. The future of a nation depends on how its children mature and develop. So protection of children from all kinds of exploitation and abuses has become the main objective of our society. There are laws in India protecting the rights of the children.

UNO has declared
1978 as International year of women.
1979 as the International year of children.

a. Right to Education Act

Article 21A provides that the state shall provide free and compulsory education to all children aged six to fourteen years.

b. The Child Labour Act (Prohibition and Regulation Act 1986)

It provides no child who has not completed 15 years of age can be employed

c. The Juvenile Justice Act 2000 (Care and Protection of Children)

This Act tries to protect children deprived of adequate care and to reform the children by adopting child friendly approach.

d. POCSO Act 2012

Protection of Children from Sexual Offences Act regards the best interest of the child as being paramount importance in every state.

1098 Child Line This is India's first 24 hours' free emergency phone service for children in need of assistance. Special care is given for vulnerable children those affected by child labour, child marriage and children affected by any abuse.

- To engage in human rights education among various sections of society
- To encourage the effects of NGOs and institutions working in the field of human rights.

Black Money

Black Money

Black Money is any money on which it is not paid to the government. Black Money is money earned through any illegal activity controlled by country regulations. Black money proceeds are usually received in cash from underground economic activity and, as such, are not taxed.

The black money is accumulated by the criminals, smugglers, hoarders, tax-evaders and other anti-social elements of the society. In India, black money is funds earned in the black market, on which income and other taxes have not been paid. The total amount of black money deposited in foreign banks by Indians is unknown. The root cause for the increasing rate of black money in the country is the lack of strict punishments for the offenders.

Effects of Black Money on economy

1. Dual economy
2. Tax evasion, thereby loss of revenue to government.
3. Undermining equity
4. Widening gap between the rich and poor
5. Lavish consumption spending
6. Distortion of production pattern
7. Distribution of scarce resource
8. Effects on production.

Recent steps against Black Money

1. Under pressure from India and other countries, Switzerland has made key changes in its local laws governing assets allegedly stashed in Swiss Banks.
2. Special Investigation Team appointed by government on the directions of Supreme Court on black money.
3. Demonetization

Some Legislative Framework in India against to Black Money

1. Prevention of money laundering act 2002
2. Lokpal and Lokayukta act
3. Prevention of corruption act- 1988
4. The undisclosed foreign Income and Asset Bill(Imposition of Tax) 2015
5. Benami transactions prohibition act 1988 amended in 2016
6. The Real Estate (Regulation and Development) Act, 2016

Population

Population

The term 'population' refers to the number of people living in a defined area. The statistical study of the characteristics of human population is called demography. Demographers make a deep and detailed study of the population. The rapid increase of population may be responsible for retarding economic growth. Hence, overpopulation is one of the major problems confronting our nation with all its evil effects.

Growth of Population in Tamil Nadu

The total population of Tamil Nadu is 72,140,703 or 7.21 crores as per 2011 Census. Its population was 6.24 crore in 2001 and registered a growth of nearly 1 crore population in a decade. The male and female population of the state in 2011 is 36,137,975 and 36,009,055 respectively and it was 31,400,909 and 31,004,770 in 2001. It shows that the population of the state is shared almost 50% each by male and female. The growth rate of population in the decade 2001–2011 was 15.61% while in the previous decade it was 11.19%. The population of Tamil Nadu forms 5.96% of country's total population as per 2011 Census. In 2001, it was 6.07%.

Distribution of Population

Based on the actual size of population, Tamil Nadu is divided into the following regions.

Regions of High Population

Chennai has the highest urban population with 4.219 million people, but the city ranks second in the district-wise count, next to Coimbatore district, which had 4.224 million people as per 2011 Census. Coimbatore, Chennai, Tiruvallur, Kancheepuram, Villupuram, Dharmapuri, Salem, Madurai and Tirunelveli are the most populous districts in the state. Agriculture and industrial development are the main causes of high concentration of population of these districts.

Regions of Moderate Population

Tiruvannamalai, Cuddalore, Tiruchirapalli and Thanjavur districts have a population 30–35 lakh. Vellore, Dindugal, Virudhunagar and Thoothukudi districts each have a population of 15–20 lakh. Other than agriculture, small-scale industries and fishing along the coastal areas are the major occupations of people in these districts.

Regions of Sparse Population

The coastal districts Nagapattinam, Tiruvarur, Pudukottai, Ramanathapuram and Sivagangai have a less than 15 lakh. The Nilgiris district has a population of less than 10 lakh (764,826) population and it is the least populated district as per 2011 Census.

Population Density

The density of population in Tamil Nadu is 555 per sq.km as per the 2011 Census, while it was 480 per sq.km in 2001. The state ranks 12th among the Indian states in population density. The national average density of population as per the 2011 Census is 382. Chennai is the densest district with 26,903 persons per sq.km followed by Kanyakumari (1106), Tiruvallur (1049), Kancheepuram

(927), Madurai (823), Coimbatore (748), Cuddalore (702), Thanjavur (691), Nagapattinam (668), Salem (663), Vellore (646) and Tiruchirappalli (602). These are the regions with high density of population. The least density of population is recorded in the Nilgiris (288 per sq.km) and the other districts have moderate density of population.

Religion

Hinduism, Christianity and Islam are the major religions in the state. The Hindus constitute 87.58% of the population, followed by Christians (6.12%) and Muslims (5.86%). Jainism (0.12%), Sikhism (0.02%) and Buddhism (0.02%) also have a presence in the state.

People of other religions constitute 0.01% and the percentage of people with unstated religion is 0.26%.

Urban and Rural Population

As per 2011 Census, the urban population of Tamil Nadu is 3,49,17,440, which constitutes 48.40% of the total population of the state. The rural population of the state is 3,72,29,590, which constitutes 51.60% of the state population.

Sex Ratio

The sex ratio represents the number of females per 1000 males. The sex ratio of the state increased from 987 in 2001 to 995 in 2011.

The sex ratio in India is 940 in 2011 as against 933 in 2001. It shows that the sex ratio is more favourable in the state than the country.

As per 2011 Census, 15 out of 32 districts have recorded the sex ratio of more than 1000 and a similar trend was noticed in the 2001 Census also. Only Sivagangai has recorded the sex ratio of exactly 1000. It is noted that 12 districts have the sex ratio of less than 1000 and it ranges between 980 and 1000. The highest sex ratio is found in the Nilgiris district (1041) followed by Thanjavur district (1031). The lowest sex ratio is reported in Dharmapuri district (946) followed by Salem district (954).

Literacy Rate

The literacy rate of Tamil Nadu as per the 2011 Census is 80.33%. It was 73.45% in 2001. The male literacy rate is 86.81% and the female literacy rate is 73.86%. The corresponding rates in 2001 were 82.42% for males and 64.43% for females. It may be observed that more than three-fourths of the population is literate among males in all the districts (except Dharmapuri), while more than two-thirds of the population is literate among females in all but eight districts. The districts are Dharmapuri (60.03%), Krishnagiri (64.86%), Tiruvannamalai (65.71%), Villupuram (63.51%), Salem (65.43%), Erode (65.07%), Perambalur (66.11%) and Ariyalur (62.22%).

The literacy rate for India as per 2011 census is 74.04, of which the male literacy rate is 82.14 and the female literacy rate is 65.46. In 2001, the literacy rate of India stood at 64.8. It was 75.3 and 53.7 for males and females, respectively. The district of Kanyakumari has reported the highest literacy rate (92.14%) while Dharmapuri district has the lowest rate (64.71%). A high level of literacy rate is also seen in Chennai (90.33%), Thoothukudi (86.52%), the Nilgiris (85.65%) and Kancheepuram (85.29%) districts.

Demographic Trends In India

Scientific study of the characteristics of population is known as Demography. The various aspects of demographic trends in India are:

- Size of population
- Rate of growth
- Birth and death rates
- Density of population
- Sex-ratio
- Life-expectancy at birth
- Literacy ratio

a. Size of Population

Table 7.1 Population Growth

Census Year	Population (in crores)	Average annual growth rate
1901	23.84	-
1911	25.21	0.56
1921	25.13	-0.03
1931	27.90	1.04
1941	31.87	1.33
1951	36.11	1.25
1961	43.92	1.96
1971	54.81	2.20
1981	68.33	2.22
1991	84.33	2.16
2001	102.70	1.97
2011	121.02	1.66

(Source: Registrar General of India)

Over a period of 100 years, India has quadrupled its population size. In terms of, size of population, India ranks 2nd in the world after China. India has only about 2.4% of the world's geographical area and contributes less than 1.2% of the world's income, but accommodates about 17.5% of the world's population. In other words, every 6th person in the world is an Indian. Infact, the combined population of just two states namely, Uttar Pradesh and Maharashtra is more than the population of United States of America, the third most populous country of the world. Some of the states in India have larger population than many countries in the world.

The negative growth during 1911-21 was due to rapid and frequent occurrence of epidemics like cholera, plague and influenza and also famines. The year 1921 is known as the 'Year of Great Divide' for India's population as population starts increasing.

During 1951, population growth rate has come down from 1.33% to 1.25%. Hence it is known as 'Year of Small divide'.

In 1961, population of India started increasing at the rate of 1.96% i.e, 2%. Hence 1961 is known as 'Year of Population Explosion'. In the year 2001, the Population of India crossed one billion (100 crore) mark.

The 2011 census reveals growth of youth population which is described as 'demographic transition'.

b. Birth rate and death rate

Crude Birth rate: It refers to the number of births per thousand of population.

Crude Death rate: It refers to the number of deaths per thousand of population

Crude birth and death rates of India during various years

Table 7.2
Birth rate and death rate

Year	C.B.R	C.D.R.
1951	39.9	27.4
2001	25.4	8.4
2011	21.8	7.11

(Source: Source: Registrar General of India)

Birth rate was 39.9 in 1951; it fell to 21.8 in 2011. Although the birth rate has declined, the decline is not so remarkable. The death rate has declined from 27.4 in 1951 to 7.1 in 2011. However, from the data it is clear that the fall in birth rates is less than that of death rates.

Kerala has the lowest birth rate (14.7) and Uttar Pradesh has the highest birth rate (29.5). West Bengal has the lowest death rate (6.3) and Orissa (9.2) has the highest. Among States Bihar has the highest decadal (2001-11) growth rate of population, while Kerala has the lowest growth rate. Te four states Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh called BIMARU states have very high population.

c. Density of population

It refers to the average number of persons residing per square kilometre. It represents the man- land ratio. As the total land area remains the same, an increase in population causes density of population to rise.

$$\text{Density of population} = \frac{\text{Total population}}{\text{Land area of the region}}$$

Table 7.3 Density of population

Year	Density of population (No. of persons per sq. km)
1951	117
2001	325
2011	382

(Source: Registrar General of India)

Just before Independence, the density of population was less than 100. But after independence, it has increased rapidly from 117 in 1951 to 325 in 2001. According to 2011 census, the present Density of population is 382. Thus, the pressure of population on land has been rising. Kerala, West Bengal, Bihar and Uttar Pradesh have density higher than the India's average density. Bihar is the most densely populated state in the country with 1,102 persons living per sq.km followed by West Bengal with 880. Arunachal Pradesh has low density of population of only 17 persons.

d. Sex ratio

It refers to the number of females per 1,000 males. It is an important indicator to measure the extent of prevailing equity between males and females at a given point of time.

Table 7.4 Sex Ratio

Census year	Sex ratio (Number of females per 1000 males)
1951	946
2001	933
2011	940

(Source: Source: Registrar General of India)

In India, the sex ratio is more favourable to males than to females. In Kerala, the adult sex ratio is 1084 as in 2011. The recent census (2011) shows that there has been a marginal increase in sex ratio. Haryana has the lowest sex ratio of 877 (2011) among other states, while Kerala provides better status to women as compared to other States with 1084 females per 1000 males

e. Life expectancy at birth

It refers to the mean expectation of life at birth. Life expectancy has improved over the years. Life expectancy is low when death rate is high and / or instances of early death are high. On the other hand, life expectancy is high when death rate is low and / or instances of early death are low.

Table 7.5 Life Expectancy

Year	Male	Female	Overall
1951	32.5	31.7	32.1
1991	58.6	59.0	58.7
2001	61.6	63.3	62.5
2011	62.6	64.2	63.5

(Source: Registrar General of India)

During 1901 - 11, life expectancy was just 23 years. It increased to 63.5 years in 2011. A considerable fall in death rate is responsible for improvement in the life expectancy at birth. However the life expectancy in India is very low compared to that of developed countries.

f. Literacy ratio

It refers to the number of literates as a percentage of the total population. In 1951, only one-fourth of the males and one-twelfth of the females were literates. Thus, on an average, only one-sixth of the people of the country were literates. In 2011, 82% of males and 65.5% of females were literates giving an overall literacy rate of 74.04% (2011). When compared to other developed countries and even Sri Lanka this rate is very low.

Table Literacy ratio

Census year	Literate persons	Males	Females
1951	18.3	27.2	8.9
2001	64.8	75.3	53.7
2011	74.04	82.1	65.5

(Source: Registrar General of India)

Kerala has the highest literacy ratio (92%) followed by Goa (82%), Himachal Pradesh (76%), Maharashtra (75%) and Tamil Nadu (74%). Bihar has the lowest literacy ratio (53%) in 2011.



Migration

Concept of Migration

In any settlement-village or town-change in population occurs due to birth, death and migration. Of these three components of population change, birth and death is clearly identifiable events while migration poses the maximum amount of problem with regards to its definition and measurement. As almost everyone keeps moving most of the time, it is not easy to define which of these moves have to be classified as migratory moves.

In the Census of India, migration is enumerated on two bases

- i. **Place of birth:** If the place of birth is different from the place of enumeration (known as life-time migrant).
- ii. **Place of residence:** If the place of last residence is different from the place of enumeration (known as migrant, by place of last residence).

Migration

United Nations Organization Definition: Migration is a form of geographical mobility of population between a geographical unit to another, generally involving a permanent change of residence.

Factors of Migration

There are a number of factors which are responsible for the migration of human population. These factors can be grouped under the heads of favourable and unfavourable factors. The favourable factors which attract people towards a location are called pull factors. The unfavourable factors which make the people to move out from a location are called push factors.

The various causes which are responsible for human migration is categorized under five groups as follows.

a) Ecological or Natural Causes of Migration

The causes operate under this category are natural ones. They include volcanic eruption, earthquake, flood, drought etc. These events force the people to leave their native places and settle in the new areas. The conditions like the availability of water resources, areas free from hazards, pollution etc., attract the migrants.

b) Economic causes of Migration

Economy is one of the most important causes of human migration from one area to another. Various economic causes determine the level and direction of migration. The availability of fertile agricultural land, employment opportunities, development of technology etc., are some of the economic causes that attract the migration. The mass poverty and unemployment force the people to move out from their native places to the places where the better employment opportunities are available.

Pull Factors	Push Factors
Natural Causes	
Least hazard prone zones	Hazard prone zones
Favourable climate	Climate change (including extreme weather events)
Abundance of natural resources and minerals (e.g. water, oil, uranium)	Crop failure and scarcity of food
Economic Cause	
Potential for employment	Unemployment
Socio-cultural Cause	
Unification	Family conflicts
Demographic Cause	
Under population	Over population
Political Causes	
Political security	War, civil, unrest
Independence and freedom	Safety and security concerns (ethnic, religious, racial or cultural persecution)
Affordable and accessible urban services (including healthcare, education, utilities and transport)	Inadequate or limited urban services and infrastructure (including healthcare, education, utilities, transport and water)

Socio-cultural causes of Migration

Socio-cultural causes also play some roles in the process of migration. Migration of women after marriage and migration associated with pilgrimage are based on the socio-cultural customs

d) Demographic causes of Migration

In demographic sense, the population composition like age and sex, over population and under population are the major causes of migration. It is well known fact that adults are more migratory than any other age-groups. Women mostly migrate after their marriage. Generally over population is considered as a push factor and under population to be pull factor in the context of migration

Female migrants outnumber male migrants in Europe, Northern America, Oceania and Latin America and the Caribbean, while in Africa and Asia, particularly Western Asia, migrants are predominantly men. (International Migration Report, 2017).

e) Political causes of Migration

Various political causes like colonization, wars, government policies etc. have always been playing important role in human migration from time to time. Wars have been one of the significant causes of migration since ancient time.

T
Types of Migration
 Migration can be classified in several ways. It is usually categorized as follows

In 2017, India was the largest country of origin of international migrants (17 million), followed by Mexico (13 million) (International Migration Report, 2017).

a) Based on the movement associated with administrative limits

(i) Internal migration: The movement of people within a country is known as internal migration. Further, the internal migration is classified into four categories on the basis of the place of origin and destination of migrants. Rural to Urban Migration is the movement of population from rural areas to growing towns and cities mainly in search of employment, education and recreation facilities. Urban to Urban Migration is the migration between one urban centre to the other like in search of higher salaries. Rural to Rural Migration is driven by fertile land for cultivation and other sociological factors like Marriage etc. Urban to Rural Migration is the movement from urban centres to rural areas to get rid-off the urban problems and returning to native places after retirement from jobs. Rural to urban migration is the most common one.

(ii) International migration – Migration that occurs across the national boundaries are known as international migration.

b) Based on the willingness of the migrants for migration

(i) Voluntary migration: If the migration takes place on person's free will, initiative and desire to live in a better place and to improve their financial status, the migration is said to be voluntary.

(ii) Involuntary or forced migration: If the migration takes place against the will of migrants, the migration is termed as involuntary migration. The push factors like war may force the people to emigrate from a place is of this type.

c) Based on the duration of stay of migrants in the place of destination

(i) Short term migration: In this kind of migration, the migrants stay outside only for a short duration before returning to the place of origin. The duration may be from a few days to few months.

(ii) Long term migration: It is a kind of migration in which the migrants stay outside at least for a few years.

(iii) Seasonal migration: In this type of migration usually a group of people migrates from their native places during a particular season and returns after end of that season. People migrating to hill stations during summer and the migration of agricultural workers during sowing seasons belong to this category. Transhumance is an another example of seasonal migration.

The number of international migrants worldwide has continued to grow rapidly in recent years, reaching 258 million in 2017, up from 220 million in 2010 and 173 million in 2000 (International Migration Report, 2017).

Consequences of Migration

Migration affects both the areas of origin of migration and the areas of destination. The following are the major consequences of migration.

a) Demographic consequences: It changes age and sex composition of population. Migration of females after their marriage leads to decline in sex ratio in the source regions and increase the sex

ratio in the regions of destinations. The migration of male workers in search of jobs decreases the independent population of the source regions which increases the dependency ratio.

b) Social consequences: The migration of people from different regions towards an urban area leads to the formation of plural society

It helps the people to come out of narrow mindedness and people become generous.

c) Economic consequences: The migration of more people from over populated to under populated regions results the imbalance of the resource-population ratio. In some cases, the regions of over and under population may become the regions of optimum population. Migration may influence the occupational structure of the population of an area. Through this it will certainly affect the economy of the regions also. **Brain drain** is a consequence of migration. Brain drain refers to the migration in which skilled people from economically backward countries move to developed countries in search of better opportunities. Eventually, this leads to backwardness in source regions. This is called as “**backwash effect**”.

d) Environmental consequences: Large scale movement of people from rural to urban areas causes overcrowding in cities and puts heavy pressure on resources. It leads to rapid growth of cities. The over population in urban areas leads to the pollution of air, water and soil. Scarcity of drinking water, lack of space for housing, traffic congestions and poor drainage are the common environmental problems prevail in urban areas. The lack of space for housing and the rising of land cost lead to the formation of slums.

Extent of Migration in India and Tamil Nadu

In India, the Census of 2011 enumerated a total population of 121 crores, of which 45 crore people were reported as migrants, according to the definition of the place of last residence. Similarly, in Tamil Nadu out of 7.2 crore people, 3.13 crore people were counted as migrants, in 2011. That is, the percentage of migrants was 37 percent in the country, while it was at a much higher rate in Tamil Nadu at 43 percent.

Generally, one tends to associate migration with urban areas. However, we find that in India as well as Tamil Nadu, the extent of migration is much higher in rural areas compared to urban areas. In 2011, 37 percent of the population are counted as migrants in rural areas while the corresponding percentage in urban India is 27 percent. In Tamil Nadu, migrants account for 41 percent in rural areas and 35 percent in urban areas, in 2011. That is, the mobility of population in rural areas is greater than that in urban areas.

Further, one usually associates mobility with males rather than females. However, an examination of data clearly indicates that a larger proportion of females are reported to be migrants compared to males. In the country as a whole, 53 percent are female migrants while 23 percent are male migrants, in 2011. In Tamil Nadu, the picture is very similar, with more than half the females (52%) reporting their status as migrants, by place of last residence, and 35 percent are male migrants.

Now, why is there such a large percentage of migration among women? 70 percent in India and 51 percent in Tamil Nadu report marriage as the reason for migration of females in 2011. That is, marriage and the movement associated with marriage appear to be a major factor responsible for women's mobility in India and Tamil Nadu. Movement related to work and employment appears to be the driving force for migration, among men. Of all the male migrants in India, 28 percent report 'work' as the major reason for their migration, in 2011. The corresponding percentage in Tamil Nadu is 26 percent.

To sum up, in Tamil Nadu, two out of every five persons is reported to be a migrant in the year 2011. Incidence of migrants is higher in rural areas and larger among women. Tamil Nadu has a history of migration and people have moved for various reasons such as trade, business, employment etc, to various countries. During the colonial period, labourers had moved to other colonies seeking work and wages. In the more recent period workers from Tamil Nadu have been moving to countries in the Gulf, United States of America and Australia. In 2015, an independent research study was conducted to understand the level, nature and pattern of migration in Tamil Nadu. This study has made some interesting findings, as discussed below:

- ✓ Of the total migrants in Tamil Nadu, 65 percent have migrated or moved abroad while 35 percent have moved within the country.
- ✓ Chennai district has recorded the maximum number of emigrants followed by Coimbatore, Ramanathapuram and Tiruchirapalli districts.
- ✓ Cuddalore, Karur, Thiruvannamalai, Vellore, Namakkal, Salem, Dindigul, Krishnagiri, Nilgiris and Dharmapuri districts record low number of emigrants.

This study also provides information about the sex and destination of migrants Tamil Nadu.

- ✓ Of the total migrants who go to foreign countries, nearly 20% have chosen to go to Singapore, while 18% to the United Arab Emirates, 16% to Saudi Arabia, 13 % to the United States of America; and Malaysia, Kuwait, Oman, Qatar, Australia and England are also referred as important destinations for migrants from Tamil Nadu in the year 2015.
- ✓ Of the international migrants, 15 percent are women, while 85 percent are men.

On the question of educational qualifications of migrants from Tamil Nadu, the study reveals that in 2015 about 7 % were illiterates; 30 % have completed Class X; 10 % have completed Class XII; 15 % had undergone vocational training; 11 % were graduates; 12% were professionally qualified and 11 % had Post Graduate degrees.

The study clearly reveals various occupations undertaken by the migrants: highly skilled professions on one hand and low skilled occupations on the other, along with a large number of semi-skilled occupations.

Factors underlying Migration

The extent and nature of migration in any society is basically determined by the nature of the development process experienced by that society. That is, the type and scale of development achieved by the agricultural and industrial sectors in an economy would determine the migratory patterns. In India and Tamil Nadu, though the agricultural and industrial sectors have grown over the years, inequalities still exist in asset and income distribution. Endemic poverty continues to be a major problem.

Reasons for Migration in India	
Reasons	Percentages %
Work /Employment	14.7%
Business	1.2%
Education	3 %
Marriage	43.8%
Moved after birth	6.7%

Moved with household	21%
Others	9.6%

The growth processes have also created spatial inequalities, by leading to enclaves of growth. The migration patterns observed in a developing society such as ours correspond to these inequalities (economic, social, spatial etc) created by the development processes. Therefore, any migrant stream would consist of heterogeneous sub-streams. For example, if we consider the rural-urban migrant stream, it would comprise of rural rich and the rural poor, each with its own reasons and motivation for migration, the mode of migration, the outcome or consequence of migration etc.

Poorer sections of the population migrate as a survival strategy, in response to distressing conditions in rural areas. Migrants from better-off sections migrate to improve their living standards. Further, spatially, there would be a tendency for migrants to converge on enclaves of growth-either in urban areas or in rural areas. The pattern of migration is very complex, comprising of a number of streams:

- ✓ rural to rural; rural to urban; urban to rural; urban to urban
- ✓ short, medium and long distance migration streams
- ✓ long-term stable migration and short-term circulatory type of movements

Each of these streams would consist of different types of migrants, (from different social classes) each with its own reason for migration. The extent and nature of these migrant streams would essentially depend on.

- ✓ pressures and aspirations experienced by people at the origin of migration
- ✓ constraints imposed on mobility at the origin of migration
- ✓ opportunities at the destination and availability of information regarding these opportunities and
- ✓ the cost of migration

Migration Policies

Policies to address the problem of migration in developing countries like India essentially aim at the following:

- ✓ To reduce the volume of migration: As a large part of migration is a reflection of poverty and insecurity faced by large sections of the rural people, the focus of intervention has to be in rural areas. Rural development policies to reduce poverty and insecurity would be essential to reduce the rate of migration.
- ✓ To redirect the migrant streams: Redirection of migrant streams, away from big metropolitan cities is a desirable policy option. This policy can help in reducing spatial inequalities by suitable strategies, such as developing a more dispersed pattern of urbanisation.

Urbanization

Urbanization refers to the process in which there is an increase in the proportion of population living in towns and cities.

Causes of Urbanization

Urbanisation is driven by three factors: natural population growth, rural to urban migration and the reclassification of rural areas into urban areas. Present day urbanisation includes changes in demographics, land cover, economic processes and characteristics of geographic area.

In 2007, for the first time in history, the global urban population exceeded the global rural population and the world population has remained predominantly urban thereafter. (World Urbanisation Prospects, 2014 Revision, Highlights).

Origin and Growth of World

Consequences of Urbanisation

Urbanisation

a) Housing and Slums: There is a lack of space for housing and a marked reduction in the quality of housing in the urban areas due to increase in population. This problem may increase in the years to come. Rapid rate of urbanisation results the development of slums.

b) Over Crowding: Over-crowding leads to unhealthy environment in the urban areas. It also the cause of many diseases and riots.

c) Water supply, Drainage and Sanitation: No city has round the clock water supply in the world. Drainage situation is equally bad. The removal of garbage is a Himalayan task for urban local bodies.

d) Transportation and Traffic: Absence of planned and adequate arrangements for traffic and transport is another problem in urban centres. The increasing number of two wheelers and cars make the traffic problem worse. They cause air pollution as well.

e) Pollution: Towns and cities are the major polluters of environment. Several cities discharge their entire sewage and industrial effluents untreated into the nearby rivers. Industries in and around the urban centres pollute the atmosphere with smoke and toxic gases

Employment In India And Tamil Nadu

Introduction

You know the basic needs of every human being are food, clothes and shelter. In the present world, one more essential need has to be added in this list. That is employment. To survive in the world, we all need employment to earn money. Those who are engaged in economic activities, in whatever capacity- high or low - are called employees. People who employ these workers and pay rewards for their work are called the employers.

Labour force of the economy is the number of people in the country who work and also capable of working. We take the age group of 15-60 years for the computation of workforce. Persons who are less than 15 years are considered as children, and person who have crossed 60 years of age are excluded as they are not physically fit to undertake productive occupation. If larger percentage of population is accounted by children and old-age persons, then the progress of the country would be very slow as the working force is very small. Besides, the small working force will have to maintain larger non-working force for feeding out of the small national product.

Employment Structure in India

The nature of employment in India is multi-dimensional. Some get employment throughout the year; some others get employed for only a few months in a year. The economy is classified into three sectors: primary or agriculture sector, secondary or industrial sector and tertiary or service sector. The structure of employment denotes the number of workers engaged in different sectors of the economy. Though the occupational pattern varies from one country to another, one can find in Developing countries like India that a large work force will be engaged in primary sector, while a small proportion in secondary and tertiary sectors. Whereas, in well-developed countries, the proportion of workforce engaged in agriculture will be very small and a majority of labour force will be in the industrial and tertiary sectors. Employment has always featured as an important element of development policy in India. Employment growth has increased at an average rate of 2% during the past four decades since 1972-73.

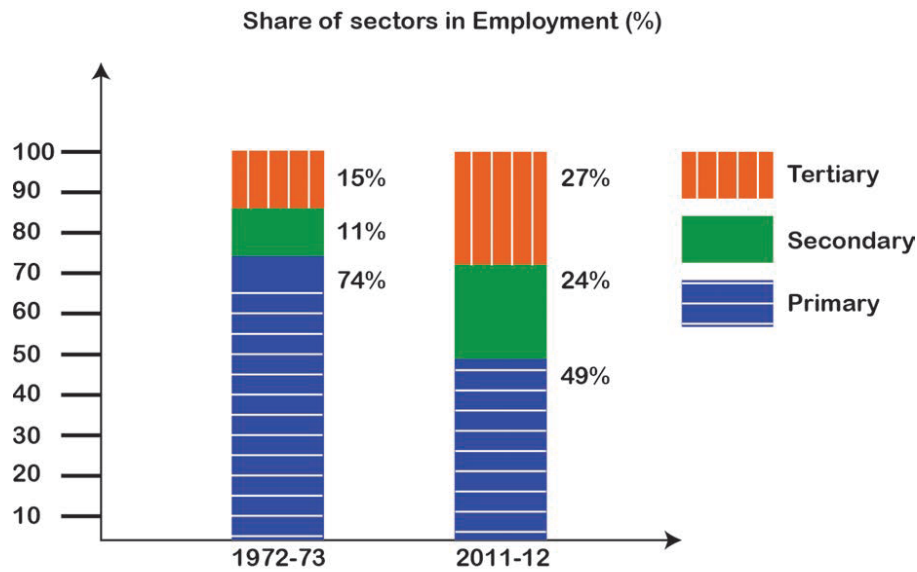
- ✓ **Primary sector:** Agriculture, forestry animal husbandry, poultry, dairy farming, fishing etc.
- ✓ **Secondary sector:** Manufacturing, small and large-scale industries and constructional activities.
- ✓ **Tertiary sector:** Transport, insurance, banking, trade, communication, real estate, government and non-government services.

Types of Employment: Organised and Unorganized Sectors

Organised Sector

The organised sector is one that is incorporated with the appropriate authority or government and follows its rules and regulations. In India employees of central and state governments, banks, railways, insurance, industry and so on can be called as organised sector. This sector works according to certain rules and regulations given in the law. Organised sector has some formal processes and procedures. The employees in this sector are provided with job security and

receive higher wages than those of the unorganised sectors. Organised sector gives good salary, fixed working hours, paid holidays and provides medical allowance and insurance also.



Source: NSSO

Unorganised Sector

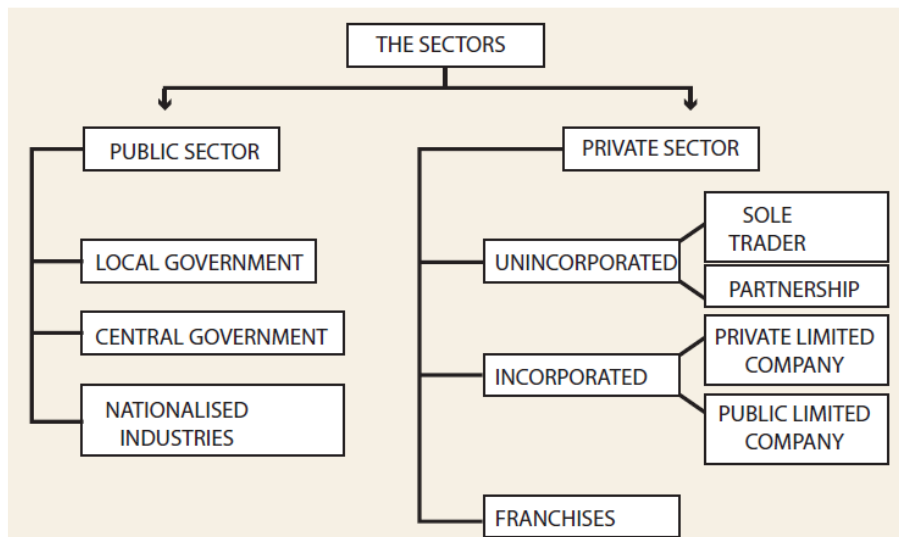
The unorganised sector of the economy characterised by the household manufacturing activity and small-scale industry. Jobs here are low paid and often not regular, mostly, they do not have paid leave, holiday, leave due to sickness and so on. Employment is not secure. When there is no work, people are asked to leave the job. This sector includes a large number of people who are employed on their own doing small jobs such as selling on the street, doing repair work and so on. In the unorganised sector, the employment terms are not fixed and regular. They do not enjoy any special benefits or job security. These enterprises are not registered with the government.

Public Sector	Private Sector
• NLC	• TVS Motors
• SAIL	• Ashok Leyland
• BSNL	• TATA Steel

Public Sector vs Private Sector

Economic activities are classified into public and private sector based on who owns assets and is responsible for the delivery of services.

Differences between the Public Sector and Private Sector	
Public Sector	Private Sector
• Service motive	• Profit motive
• Government owns the assets	• Private individuals own the assets
• Wages are paid by the government	• Wages are paid by the owner of private enterprises.



Employment Pattern

In recent years, there has been a change in the employment pattern and this has helped the employers to develop more flexible working patterns among their employees. The trends are (a) increasing self-employment (b) firms using fewer full-time employees and tending to offer more short-term contracts (c) there has been a growth in part-time employment. This may be due to lifestyle of the people.

Employment in Iruvelpattu: A case study

What is happening in the employment scenario can be understood not only from national or state level, but also from the study of the village economy. Iruvelpattu is one such village in Villupuram district in Tamil Nadu. This village has been studied for more than 100 years by many scholars. This village is also called Slater village as Gilbert Slater was the first scholar working in the University of Madras to go with his students to study this village in 1916. Over the years, many scholars surveyed the occupation of villagers and collected many more details of each person in the village.

It was clearly observed that the government brought social security awareness among the people of the village through primary health care, provision of schools and maintenance of public distribution system. Though this village underwent many changes, it is still dependent on agriculture as the main occupation. Look at the following table or chart. You will notice that during 1981, out of 100 families, 24 were engaged in non-agriculture employment. In 2008, the number of families engaged in such employment increased to 41. During 1981-2008, the proportion of families engaged in agriculture has declined— both as agriculture labourers and as cultivators.

Employment details of households in Iruvelpattu (in%)

Occupation	% of Households	
	1981	2008
Cultivators	42	33
Agricultural labourers	34	26
Non-agricultural labourers	24	41

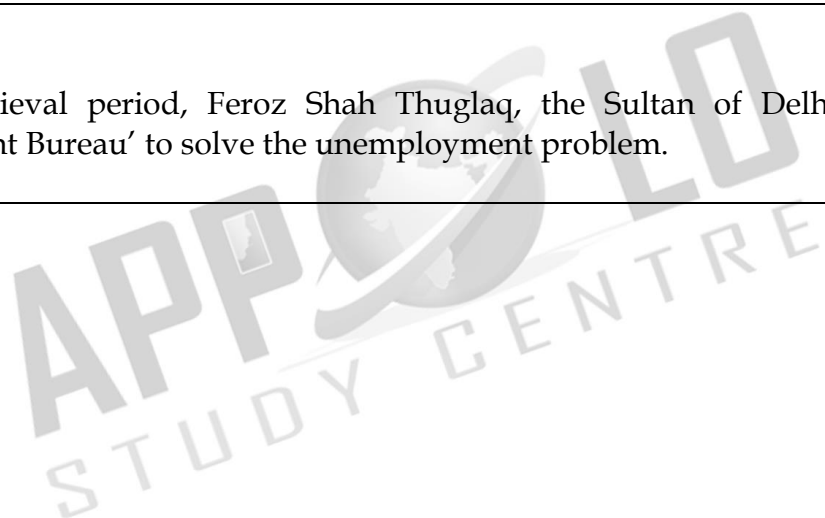
All households	100	100	<table border="1"> <thead> <tr> <th>Year</th> <th>Cultivators</th> <th>Agricultural Labourers</th> <th>Non-Agricultural Labourers</th> </tr> </thead> <tbody> <tr> <td>1981</td> <td>42%</td> <td>34%</td> <td>24%</td> </tr> <tr> <td>2008</td> <td>33%</td> <td>26%</td> <td>41%</td> </tr> </tbody> </table>	Year	Cultivators	Agricultural Labourers	Non-Agricultural Labourers	1981	42%	34%	24%	2008	33%	26%	41%
Year	Cultivators	Agricultural Labourers	Non-Agricultural Labourers												
1981	42%	34%	24%												
2008	33%	26%	41%												

Employment Trends in Tamil Nadu

Agriculture, despite a sharp decline in gross domestic product, continues to be the largest employer in Tamil Nadu. This is because the non-agriculture sectors are yet to generate enough employment to affect a shift of labour force. Most of the employment growth in Tamil Nadu has been contributed by the unorganised and informal sectors.

NOTE

- ❖ In the medieval period, Feroz Shah Thuglaq, the Sultan of Delhi, had set up an 'Employment Bureau' to solve the unemployment problem.



Unemployment And Its Types

Unemployment is a problem faced when there are people, who are willing to work and able to work but cannot find suitable jobs.

While formulating policies to solve the problem of unemployment in India for instance, we need to distinguish between the nature of unemployment in rural areas and in urban areas in India. India's rural economy has both unemployment and underemployment. The major feature of rural unemployment is the existence of unemployment in the form of disguised unemployment and seasonal unemployment. In India, frictional, structural and open unemployment exist in urban areas. Due to urbanization, a large number of people move from rural areas to urban areas. This migration from rural to urban areas increases the size of labour force in urban areas and adds to the already unemployed labour force.

Types of unemployment:

In developing countries like India, the nature of unemployment is different from that of developed countries. In developed countries, the unemployment is purely temporary or cyclical or frictional. But in the developing countries, it is largely structural unemployment which is due to slow rate of capital formation.

The following are the types of unemployment.

1. Cyclical Unemployment

This unemployment exists during the downturn phase of trade cycle in the economy. In a business cycle during the period of recession and depression, income and output fall leading to widespread unemployment. It is caused by deficiency of effective demand. Cyclical unemployment can be cured by public investment or expansionary monetary policy.

2. Seasonal Unemployment

This type of unemployment occurs during certain seasons of the year. In agriculture and agro based industries like sugar, production activities are carried out only in some seasons. These industries offer employment only during that season in a year. Therefore people may remain unemployed during the off season. Seasonal unemployment happens from demand side also; for example ice cream industry, holiday resorts etc.

3. Frictional Unemployment (Temporary Unemployment)

Frictional unemployment arises due to imbalance between supply of labour and demand for labour. This is because of immobility of labour, lack of necessary skills, break down of machinery, shortage of raw materials etc. The persons who lose jobs and in search of jobs are also included under frictional unemployment.

4. Educated Unemployment

Sometimes educated people are underemployed or unemployed when qualification does not match the job. Faulty education system, lack of employable skills, mass student turnout and preference for white collar jobs are highly responsible for educated unemployment in India.

5. Technical Unemployment

Modern technology being capital intensive requires less labourers and contributes to technological unemployment. Now a days, invention and innovations lead to the adoption of new techniques there by the existing workers are retrenched. Labour saving devices are responsible for technological unemployment.

6. Structural Unemployment

Structural unemployment is due to drastic change in the structure of the society. Lack of demand for the product or shift in demand to other products cause this type of unemployment. For example rise in demand for mobile phones has adversely affected the demand for cameras, tape recorders etc. So this kind of unemployment results from massive and deep rooted changes in economic structure.

7. Disguised Unemployment

Disguised unemployment occurs when more people are there than what is actually required. Even if some workers are withdrawn, production does not suffer. This type of unemployment is found in agriculture. A person is said to be disguisedly by unemployed if his contribution to output is less than what he can produce by working for normal hours per day. In this situation, marginal productivity of labour is zero or less or negative.

Rural Unemployment

Unemployment is a situation in which a person is actively searching for employment but unable to find work at the prevailing wage rate. It is a tragic waste of manpower and underutilization of human resources. As long as there is unemployment, social problems cannot be stopped; and, economy cannot achieve development.

Peter Diamond, Dale Mortensen and Christopher Pissarides shared 2010 Economics Nobel prize for jobs study. Their model, called DMP model, helps us understand how regulation and economic policies affect unemployment, job vacancies and wages.

As on 4th October 2016, rural unemployment was 7.8 per cent which is less than urban unemployment (10.1 per cent) and all India unemployment rate (8.5 per cent). Rural unemployment in India are categorised into three classes: (i) Open Unemployment (ii) Concealed Unemployment or Under employment and (iii) Seasonal Unemployment. In **Open Unemployment**, unemployed persons are identified as they remain without work. This type of unemployment is found among agricultural labourers, rural artisans and literate persons. In **Concealed Unemployment**, it is difficult to identify who are under employed; for many are employed below their productive capacity and even if they are withdrawn from work the output will not diminish. It is also called Disguised Unemployment or Under employment. This type of unemployment is found among small and marginal farmers, livestock rearers and rural artisans. This kind of unemployment situation is more serious in villages than in urban areas. Disguised unemployment in rural India is 25 per cent to 30 per cent. In **Seasonal Unemployment**, employment occurs only on a particular season supported by natural circumstances and the remaining period of a year the rural people are unemployed or partially employed. In seasons like ploughing, sowing, weeding and harvesting there is scarcity of labour and in the rest of the year there is unemployment. It is pathetic to note that a farmer who cultivates one crop in a year usually goes without a job for almost 5 to 7 months and ultimately commit suicide.

According to the Agricultural Labour Enquiry Committee Report, "the extent of under employment is on the average, 82 days of unemployment in a year for 84 per cent of agricultural labours."

Causes for Rural Unemployment

Causes for rural unemployment in India are discussed below:

1. **Absence of skill development and employment generation:** Lack of Government initiatives to give required training and then to generate employment opportunities.
2. **Seasonal Nature of Agriculture:** Agricultural operations are seasonal in nature and depend much on nature and rainfall. Therefore, the demand for labour becomes negligible during off-season. So, non-farm employment opportunities must be created.
3. **Lack of Subsidiary Occupation:** Rural people are not able to start subsidiary occupations such as poultry, rope making, piggery etc. due to shortages of funds for investment and lack of proper marketing arrangements. This restricts the employment opportunity and rural family incomes. Government must arrange funds for these people. However, as now they pay huge interest to the local money lenders, for they are unable to get loans from formal sources.
4. **Mechanization of Agriculture:** The landlords are the principal source of employment to the farm labour. Mechanization of agricultural operations like ploughing, irrigation, harvesting, threshing etc. reduces employment opportunities for the farm labour.

5. **Capital-Intensive Technology:** The expanding private industrial sector is largely found in urban areas and not creating additional employment opportunities due to the application of capital intensive technologies. Government must establish firms to absorb surplus labour power.
6. **Defective System of Education:** The present system of education has also aggravated the rural unemployment problem. Large number of degree-producing institutions has come in the recent years. Students also want to get degrees only, not any skill. Degrees should be awarded only on the basis of skills acquired. The unemployed youth should get sufficient facilities to update their skills.

Remedies for Rural Unemployment

In order to reduce rural unemployment in the country there is a need to take integrated and coordinated efforts from various levels. A few remedial measures are listed below:

1. **Subsidiary Occupation:** To reduce the seasonal unemployment rural people should be encouraged to adopt subsidiary occupations. Loans should be granted and proper arrangements should be made for marketing their products.
2. **Rural Works Programme:** Rural Works Programme such as construction and maintenance of roads, digging of drains, canals, etc should be planned during off-season to provide gainful employment to the unemployed.
3. **Irrigation Facilities:** Since rainfall is uncertain irrigation facilities should be expanded to enable the farmers to adopt multiple cropping. The increased cropping intensity creates additional demand for labour.
4. **Rural Industrialization:** To provide employment new industries should be set up in rural areas. This will open new fields of employment and also change the attitude of rural people towards work. For this, government has to do something. Private sector would not take up this responsibility.
5. **Technical Education:** Employment oriented courses should be introduced in schools and colleges to enable the literate youth to start their own units.

Rural Industries

Rural industries embrace all industries which are run by rural people in rural areas. These industries are based primarily on the utilization of locally available raw materials, skills and small amount of capital. The rural industries can be broadly classified into a) cottage industries, b) village industries, c) small industries, d) tiny industries and e) agro-based industries.

Cottage Industries: Cottage industries are generally associated with agriculture and provide both part-time and full-time jobs in rural areas. The important characteristics of this type of industries are as follows:

1. These industries are carried out by artisans in their own homes at their own risk and for their own benefit. Artisans may combine this work with another regular job.
2. No or little outside labour is employed. Normally, the members of the household provide the necessary labour.
3. These industries are generally hereditary and traditional in character.
4. No or little power is used.
5. These industries usually serve the local market and generally work on the orders placed by other industries.

Examples of cottage industries are mat, coir and basket making industries. The principal cottage industries of India are hand-loom weaving (cotton, silk, jute, etc.) pottery, washing soap making, conch shell, handmade paper, horn button, mother-of-pearl button, cutlery, lock and key making industries.

Village Industries: Village industries are traditional in nature and depend on local raw-material. They cater to the needs of local population. Examples of village industries are gur and khandsari, cane and bamboo basket, shoe making, pottery and leather tanning. These are almost similar to the cottage industries.

Small Scale Industries (SSIs): Most small scale industries are located near urban centres. They produce goods for local as well as foreign markets. Examples of such small scale industries are manufacture of sports goods, soaps, electric fans, foot wear, sewing machines and handloom weaving.

SSIs are also known as Micro, Small & Medium Enterprises (MSMEs). They are defined and categorized by the Micro, Small & Medium Enterprises Development Act, 2006. The Act categorizes different scale of industries on the basis of investment in plant and machinery in case of manufacturing industries and on the basis of investment in equipment in case of service sector industries.

Agro-based Industries: These industries are based on the processing of agricultural produce. Agro-based industries may be organised on a cottage-scale, small-scale and large-scale. These industries tend to develop household settlements around them as they employ more labour on a regular basis. Examples are textile, sugar, paper, vegetable oil, and tea and coffee industries.

Rural Indebtedness

Rural indebtedness refers to the situation of the rural people unable to repay the loan accumulated over a period. Existence of the rural indebtedness indicates the weak financial infrastructure of our country, in reaching the needy farmers, landless people and the agricultural labourers.

The farmers borrow loan for various purposes like agricultural operations, supporting the family in the lean season or purchase of equipment's in the recent years, expenses on celebrations, liquor consumption and medicines go on increasing without any limit. Due to lower income, the villagers are unable to repay the loans or pay the pending interest on the principal amount.

According to the Government of India's Socio Economic and Caste Census (SECC), 2015, around 73 per cent of households in India are rural. Of these, 18.5 per cent are scheduled caste households and 11 per cent belong to the scheduled tribe category.

The data of the National Sample Survey Organisation (NSSO, 2002-03) reveals that only about 30 per cent of the poor borrowers get credit from the formal banks. According to the All India Debt and Investment Survey (AIDIS) 2002, the share of institutional credit has declined from 66.3 per cent in 1991 to 57.1 percent in 2002, with a corresponding increase in informal channels of credit (RBI, 2006).

Features of Rural Indebtedness

Nearly three fourth of rural families in the country are in debt. The amount of debt is heavier in the case of small farmers. Cultivators are more indebted than the non-cultivators. Most of the debts taken are short term and of unproductive nature. The proportion of debts having higher rates of interest is relatively high. Most of the villagers are indebted to private agencies particularly money lenders.

Causes for Rural Indebtedness

The causes for rural indebtedness may be summarized as below:

1. **Poverty of Farmers:** The vicious circle of poverty forces the farmers to borrow for consumption, cultivation and celebrations. Thus, poverty, debt and high rates of interest hold the farmer in the grip of money lenders.
2. **Failure of Monsoon:** Frequent failure of monsoon is a curse to the farmers and they have to suffer due to the failure of nature. Therefore, farmers find it difficult to identify good years to repay their debts.
3. **Litigation:** Due to land disputes litigation in the court compels them to borrow heavily. Being uneducated and ignorant they are caught in the litigation process and dry away their savings and resources.
4. **Money Lenders and High Rate of Interest:** The rate of interest charged by the local money lenders is very high and the compounding of interest leads to perpetuate indebtedness of the farmer.

Measures to Remove Rural Indebtedness

Several remedial measures have been introduced to reduce rural indebtedness. It includes regulation of money lenders, development of rural banks, Regional Rural Banks (RRBs), Micro Finance, formation of Self Help Groups (SHGs), Primary Cooperative Banks and Land Development Banks, Crop Loan Schemes, Lead Bank Schemes, Micro Units Development and Refinance Agency Bank (MUDRA), promotion of subsidiary occupation, of farm employment opportunities, skill development programmes and so on. However, the interest rate charged plus transaction cost for poor people and Self-Help Groups are much higher as compared to that for rich people. For instance, education loan is costlier than car loans.

Regional Rural Banks (RRBs)

Regional Rural Banks came into existence based on the recommendation made by a working group on rural banks appointed by the Government of India in 1975. RRBs are recommended with a view to developing rural economy by providing credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. RRBs are set up by the joint efforts of the Centre and State Governments and commercial banks. At present, there are 64 Regional Rural Banks in India. The RRBs confine their lending's only to the weaker sections and their lending rates are at par with the prevailing rate of cooperative societies.

Micro Finance

Micro finance, also known as micro credit, is a financial service that offers loans, savings and insurance to entrepreneurs and small business owners who do not have access to traditional sources of capital, like banks or investors. The goal of micro financing is to provide individuals with money to invest in themselves or their business. Microfinance is available through micro finance institutions, which range from small non-profit organizations to larger banks. In India, Non-Government Organizations (NGOs) play a pivotal role in the development of micro finance service. Microfinance industries in India have grown vastly in the last two decades. In 2009, the total number of micro finance institutions in India was around 150 (Tripathi, 2014).

Self-Help Groups (SHGs)

Self Help Groups are informal voluntary association of poor people, from the similar socio-economic background, up to 20 women (average size is 14). They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. They save small amounts Rs.10 to Rs.50 a month. The savings are kept with a bank. After saving regularly for a minimum of 6 months, they lend small amounts to their members for interest. Based on their performance, they are linked with the bank for further assistance under SHG Bank Linked Programme (SBLP) started in 1992. It is a holistic programme of micro-enterprises covering all aspects of self-employment, organization of the rural poor into self Help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

In 2009-10, the number of new SHGs having credit-linked with banks was 1.59 million and a bank loan of Rs.14,453 Crores was disbursed to these SHGs. Further, the number of SHGs which maintained savings accounts with banks at the end of March 2010 was 6.95 million.

The main objective of this programme is to bring the beneficiaries above the poverty line by providing income generating assets to them through bank credit and government subsidy.

NABARD estimates that there are 2.2 million SHGs in India, representing 33 million members that have taken loans from banks under its linkage program to date. The SHG Banking Linkage Programme since its beginning has been predominant in certain states, showing spatial preferences especially for the southern regions like Andhra Pradesh, Tamil Nadu, Kerala and Karnataka. These SHGs have helped the Banks to accumulate more funds. Actually the banks charge higher interest for the SHGs than car owners.

Under NABARD SHG Linkage Programme, SHGs can borrow credit from bank on showing their successful track record of regular repayments of their borrowers. It has been successful in the states like Andhra Pradesh, Tamil Nadu, Kerala and Karnataka during 2005-06. These States received approximately 60 per cent of SHG linkage credit (Taruna and Yadav, 2016).

Major Features of SHGs are

1. SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity of its members.
2. Most SHGs are women's groups with membership ranging between 10 and 20.
3. SHGs have well-defined rules and by-laws, hold regular meetings and maintain records and savings and credit discipline.
4. SHGs are self-managed institutions characterized by participatory and collective decision making.

Micro Units Development and Refinance Agency Bank (MUDRA Bank)

It is a public sector financial institution which provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to Micro, Small and Medium Enterprises (MSMEs). It was launched on 8th April 2015.

Mudra Bank
Micro Units Development and Refinance Agency
Regulate and Refinance and Micro finance Institutions

The principal objectives of the MUDRA Bank are the following

1. Regulate the lender and the borrower of microfinance and bring stability to the microfinance system.
2. Extend finance and credit support to Microfinance Institutions (MFI) and agencies that lend money to small businesses, retailers, self-help groups and individuals.
3. Register all MFIs and introduce a system of performance rating and accreditation for the first time.
4. Offer a Credit Guarantee scheme for providing guarantees to loans being offered to micro businesses.
5. Introduce appropriate technologies to assist in the process of efficient lending, borrowing and monitoring of distributed capital.

Rural Health, Nutrition and Sanitation

Health is an important component for ensuring better quality of life. Large masses of the Indian poor continue to fight hopeless and constantly losing the battle for survival and health. Indian rural people are suffering with various epidemics such as small pox, cholera, malaria,

typhoid, dengue, chicken guniya, etc. This is mainly due to lack of medical facilities, deep ignorance and poverty. Indian Constitution clearly lays down that “States shall regard the rising of the level of nutrition and standard of living of its people and improvement of public health as among its primary duties”. To meet this constitutional directive. Several programmes for nutrition have been implemented. These include Supplementary Feeding Programmes including Mid Term Meal Programme, Nutrition Education through Printed Media and Television and Compulsory Fortification of Common Salt within Iodine. Still in terms of health standard, Sri Lanka is better than India, and in India, Kerala is better than Tamil Nadu.

National Rural Health Mission

The National Rural Health Mission (NRHM) was launched on 12th April 2005, to provide accessible, affordable and quality health care to the rural population, especially the vulnerable groups. NRHM seeks to provide equitable, affordable and quality health care to the rural population, especially the vulnerable groups.

NRHM focuses on Reproductive, Maternal, New-born, Child Health and Adolescent (RMNCH+A) Services. The emphasis here is on strategies for improving maternal and child health through a continuum of care and the life cycle approach.

Rural Infrastructure

Rural Housing

House is one of the basic needs of every family. Provision of better housing facilities increases the productivity of labour. The housing problem is getting aggravated due to rapid adaptation of nuclear families. Housing does not mean provision of house alone but also proper water supply, good sanitation, proper disposal of sewage etc. The problem of housing can be tackled by the development of low cost technology in house construction, provision of adequate housing finance and provision of land sites to landless workers in rural areas. As per the NSSO data, 38 per cent of the households lived in with one room while another 36 per cent lived with two rooms.

Rural Market

Road Market refers to the infrastructure created to buy and sell the products produced in rural areas and also to purchase the needed products and farm inputs produced in urban and other regions. The rural marketing is still defective as farmers lack bargaining power, long chain of middlemen, lack of organisation, insufficient storage facilities, poor transport facilities, absence of grading, inadequate information and poor marketing arrangements.

Rural roads in India constitute 26.50 lakh kms, of which 13.5 percent of the roads are surfaced.

India's road network is one of the world's largest. The road length of India increased from about 4 lakh kms in 1950-51 to 34 lakh kms at present (2018).

Rural Roads

Road transport is an important constituent of the transport system. Rural roads constitute the very life line of rural economy. A well-constructed road network in rural area would bring several benefits including the linking of remote villages with urban centres, reduction in cost of transportation of agricultural inputs and promotion of marketing for rural produces. It helps

the farmers to bring their produce to the urban markets and to have access to distant markets and other services.

Rural Electrification

Rural Electrification refers to providing electrical power to rural areas. The main aims of rural electrification are to provide electricity to agricultural operations and to enhance agricultural productivity, to increase cropped area, to promote rural industries and to lighting the villages. In order to improve this facility the supply of electricity is almost free for agricultural purpose in many states and the electricity tariff charged in rural areas is kept very low. In India 99.25% of villages were electrified at the end of March 2017. As on 31.03.2017, 100 percent electrification was achieved in villages of 20 States/UTs namely, Chandigarh, Delhi, Haryana, Himachal Pradesh, Punjab, Rajasthan, Daman & Diu, D & N Haveli, Goa, Gujarat, Maharashtra, Andhra Pradesh, Kerala, Lakshadweep, Puducherry, Tamil Nadu, Telangana, Andaman & Nicobar Island, Sikkim and Tripura.

The factors hindering the progress of rural electrification in India are:

1. Lack of Funds: The generation and transmission of power involves huge expenditure and the fund allocation is low.
2. Inter-state Disputes: As there are inter-state disputes in managing power projects, power distribution is affected.
3. Uneven Terrain: As rural topography is uneven without proper connection, developing new lines are costlier and difficult.
4. High Transmission Loss: Transmission loss in power distribution is almost 25 per cent in rural areas.
5. Power Theft: Unauthorized use and diversion of power are evil practices adopted by affluent people that hinder the rural electrification process.

Requirements for Rural Development

Slater Villages: Gilbert Slater, the first professor of economics at Madras University, published his book, Some South Indian Villages, in 1918 following a survey of some villages like Vadamalaipuram (Ramnad), Gangaikondan (Tirunelveli), Palakkuurichi (Tanjore) and Dusi (North Arcot) in Tamil Nadu by his students. It was subsequently done by different groups of researchers in the 1930s, 1950s, 1960s, and two of the villages only in the early 21st century. The resurveys became an important historical record. They provided a baseline for several later revisits to his villages, and have inspired many successors. Much of our knowledge of rural change depends on these studies.

1. Efforts need to be made to raise farm and non-farm rural real incomes.
2. Investment in basic infra-structure and social services need to be increased.
3. Coordinated and integrated programmes for solving the present problems and to achieve sustainable development need to be designed.
4. Persons and leaders with an understanding of reality of rural problems and with the required foresight vision should be consulted while designing development programmes.

Rural Economics

Introduction

Rural Economics deals with the application of economic principles in understanding and developing rural areas. In general, rural areas are geographical areas located outside towns and cities. According to the Census of India, the basic unit for rural areas is the revenue village. Rural economy refers to villages, and rural community refers to people living in villages. Rural areas have problems like backwardness of agriculture, low income, low employment opportunities, poverty, low infrastructural development, low illiteracy, low labour productivity, lower prices of agricultural products, surplus labour force, larger population, high level of migration and high dependency on natural resources and nature. According to the 2011 Population Census, there are 6,40,867 villages in India and 68.84 percent of the 121 crore total population live in rural areas.

Features of Rural Economy

Main characteristics of rural economy are:

1. **Village is an Institution:** The Village is a primary institution and it satisfies almost all the needs of the rural community. The rural people have a feeling of belongingness and a sense of unity towards each other.
2. **Dependence on Agriculture:** The rural economy depends much on nature and agricultural activities. Agriculture and allied activities are the main occupation in rural areas.
3. **Life of Rural People:** Lifestyles in villages are very simple. Public services like education, housing, health and sanitation, transport and communication, banking, roads and markets are limited and unavailable. Rural people rely much on faith, superstitions and traditional cultural practices. The standards of living of majority of rural people are poor and pitiable. In terms of methods of production, social organization and political mobilization, rural sector is extremely backward and weak. In recent years, the incidence of alcohol drinking has gone up.
4. **Population Density:** Population density, measured by number of persons living per sq. km is very low and houses are scattered in the entire villages.
5. **Employment:** There exists unemployment, seasonal unemployment and underemployment in rural areas. Unemployment refers to the situation of people with willingness and ability to work but is not getting employed. Underemployment also called disguised unemployment is the situation of people employed in excess, over and above the requirement. Disguised unemployment is a situation where people work but no increase in production. Both the situations are common in rural areas.
6. **Poverty:** Poverty is a condition where the basic needs of the people like food, clothing and shelter are not being met. According to the 2011-12 estimates, About 22 crores of people in rural areas are poor and live below the poverty line.
7. **Indebtedness:** People in rural areas are highly indebted owing to poverty and underemployment, lack of farm and non-farm employment opportunities, low wage employment, seasonality in production, poor marketing network etc. A famous British writer Sir Malcolm Darling (1925) stated that 'A n Indian farmer is born in debt, lives in debt, dies in debt and bequeaths debt'. Since formal loan facilities are not available to the villagers, they depend on local money lenders who, like a parasite, squeeze the villagers. Hence the villagers commit suicide frequently.
8. **Rural Income:** The income of the rural people is constrained as the rural economy is not sufficiently vibrant to provide them with jobs or self - employment opportunities. Large

proportion of labourers and skilled persons are underemployed and the scope for increasing their income is limited.

9. **Dependency:** Rural households are largely dependent on social grants and remittances from family members working in urban areas and cities.
10. **Dualism:** Dualism means the co existence of two extremely different features like developed and underdeveloped, organised and unorganised, traditional and modern, regulated and unregulated, poor and rich, skilled and unskilled and similar contradicting situations in a region. These characteristics are very common in rural areas.
11. **Inequality:** The distributions of income, wealth and assets are highly skewed among rural people. There are number of historical, social, economic and political reasons behind the existence of inequality. Landlords and landowners dominate the rural activities. Land, livestock and other assets are owned by a few people
12. **Migration:** Rural people are forced to migrate from villages to urban areas in order to seek gainful employment for their livelihood. Tis character of the development gives rise to the formation of cities. Enmity and Lack of basic amenities in rural areas also push the people to migrate to urban areas. Tis is called' double poisoning' by Schumacher, one side villages are empty, on the other side towns are congested. His book is " Small is Beautiful "describes the dangers of the present kind of development.

Meaning of Rural Development

Rural Development is defined as an overall improvement in the economies and social well-being of villagers and the institutional and physical environments in which they live. According to the World Bank, 'Rural Development is a strategy designed to improve the economic and social life of a specific group of people - rural poor'. In short, rural development is a process of improving the rural areas, rural people and rural living.

Need for Rural Development

Rural development is very urgent in the context of the overall growth and development of Indian economy due to the following reasons.

1. A major share of population lives in rural areas, and their development and contributions are very much supportive for the nation building activities. India cannot be developed by retaining rural as backward.
2. The rural economy supports the urban sectors by way of supplying drinking water, milk, food and raw materials. Hence, the backwardness of the rural sector would be a major impediment to the overall progress of the economy.
3. Improvements in education, health and sanitation in villages can help avoid many urban problems namely, begging, rack picking and road side slumming.
4. Development of agriculture and allied activities are necessary for providing gainful employment in rural areas and improving overall food production.
5. The evils of brain-drain and rural-urban migration can be reduced if rural areas are developed.
6. In order to better utilise the unused and under-utilised resources, there is a need to develop the rural economy.
7. Rural development should minimise the gap between rural and urban areas in terms of the provision of infrastructural facilities. It was called as PURA by former President Abdul Kalam.
8. In order to improve the nation's status in the global arena in terms of the economic indicators like Human Development Index (HDI), Women Empowerment Index (WEI), Gender

Disparity Index (GDI), Physical Quality of Life Index (PQLI) and Gross National Happiness Index (GNHI) should be given due attention.

Problems of Rural Economy

Rural areas are facing number of problems relating to, 1) People, 2) Agriculture, 3) Infrastructure, 4) Economy, 5) Society and Culture, 6) Leadership and 7) Administration.

The problems of rural economy are discussed below.

1. **People Related Problems:** The problems related to individuals and their standard of living consist of illiteracy, lack of technical knowhow, low level of confidence, dependence on sentiments and beliefs etc.
2. **Agriculture Related Problems:** The problems related to agriculture include 1.Lack of expected awareness, knowledge, skill and attitude, 2.Unavailability of inputs, 3.Poor marketing facility, 4.Insufficient extension staff and services, 5.Multidimensional tasks to extension personnel, 6.Small size of land holding, 7.Sub-division and fragmentation of landholdings, 8.Absence of infrastructure to work and stay in rural areas, 9.Primitive technology and low adoption of modern technologies 10. Reduced public investment and absence of role for farmers in fixing the prices for their own products.
3. **Infrastructural Related Problems:** Poor infrastructure facilities like, water, electricity, transport, educational institutions, communication, health, employment, storage facility, banking and insurance are found in rural areas.
4. **Economics related Problems:** The economic problems related to rural areas are: inability to adopt high cost technology, high cost of inputs, under privileged rural industries, low income, indebtedness and existence of inequality in land holdings and assets. In fertile areas, a few absentee landlords own large area and they do not evince greater Interest in improving the performance of agriculture.
5. **Leadership Related Problems:** The specific leadership related problems found in rural areas are: Leadership among the hands of inactive and incompetent people, self-interest of leaders, biased political will, less bargaining power and negation skills and dominance of political leaders.
6. **Administrative Problems:** The rural administrative problems consist of political interference, lack of motivation and interest, low wages in villages, improper utilization of budget, and absence of monitoring and implementation of rural development programme.

Rural poverty, rural unemployment, rural industries, micro finance, rural health and sanitation and rural infrastructures are the issues that are considered for detailed discussion.

Rural Poverty

Rural poverty refers to the existence of poverty in rural areas. Poverty in India has been defined as the situation in which an individual fails to earn sufficient income to buy the basic minimum of subsistence. Poverty line is a hypothetical line based on income or consumption levels that divides the population as people below poverty line and above poverty line. On the basis of recommended nutritional intake, persons consuming less than 2,400 calories per day in rural areas are treated as they are under rural poverty.

As per the Planning Commission estimates, the percentage of people living below poverty in rural areas was 54.10 which accounted for 33.80 per cent during 2009-10. Poverty is deepest among members of scheduled castes and tribes in the rural areas. In 2005 these groups accounted for 80 per cent of rural poor, although their share in the total rural population is much smaller. In 2015, more than 80 crores of India's people lived in villages. One quarter of village population (22 crores people) list below the poverty line. India is the home to 22 per cent of the world's poor. It is needless to state that the country has been successful in reducing the proportion of poor people, in spite of increasing of population.

Causes for Rural Poverty

Various forces responsible for rural poverty are highlighted below:

1. The distribution of land is highly skewed in rural areas. Therefore, majority of rural people work as hired labour to support their families.
2. **Lack of Non-farm Employment:** Non-farm employment opportunities do not match the increasing labour force. The excess supply of labour in rural areas reduces the wages and increases the incidence of poverty.
3. **Lack of Public Sector Investment:** The root cause of rural poverty in our country is lack of public sector investment on human resource development.
4. **Inflation:** Steady increase in prices affects the purchasing power of the rural poor leading to rural poverty.
5. **Low Productivity:** Low productivity of rural labour and farm activities is a cause as well as the effect of poverty.
6. **Unequal Benefit of Growth:** Major gains of economic development are enjoyed by the urban rich people leading to concentration of wealth. Due to defective economic structure and policies, gains of growth are not reaching the poor and the contributions of poor people are not accounted properly.
7. **Low Rate of Economic Growth:** The rate of growth of India is always below the target and it has benefited the rich. The poor are always denied of the benefits of the achieved growth and development of the country.
8. **More Emphasis on Large Industries:** Huge investment in large industries catering to the needs of middle and upper classes in urban areas are made in India. Such industries are capital-intensive and do not generate more employment opportunities. Therefore, poor are not in a position to get employed and to come out from the poverty in villages.
9. **Social Evils:** Social evils prevalent in the society like custom, believes etc. increase unproductive expenditure.

Remedial Measures to Rural Poverty

Since rural unemployment and rural poverty are interrelated, creation of employment opportunities would support elimination of poverty. Poverty alleviation schemes and programmes have been implemented, modified, consolidated, expanded and improved over time. However, unemployment, begging, rag picking and slumming continues. Unless employment is given to all the people poverty cannot be eliminated. Who will bell the cat?

Poverty Eradication Schemes	
Schemes	Year of launch
20 Point Programme	1975
Integrated Rural development Programme(IRDP)	1976
Training Rural Youths for Self- Employment (TRYSEM)	1979
Food for Work Programme (FWP)	1977
National Rural Employment Programme (NREP)	1980
Rural Landless Employment Guarantee Programme(RLEGP)	1983
Jawahar Rozgar Yojana(JRY)	1989
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	2006

Development Schemes	
Pradhan Mantri Adarsh Gram Sadak Yojana (PMAGSY)	2010
Bharat Nirman Yojana	2005
Indira Awas Yojana	1985
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	2005
Rajiv Awas Yojan (RAY)	2009
National Rural Health Mission	2005
National Rural Livelihood Mission	2011
National Food Security Scheme	2013

Micro, Small And Medium Enterprises (MSME)

The previous chapter highlighted the importance of international finance, the various sources of mobilising international finance, the concept of FDI and its merits and drawbacks. The present chapter enlightens the students on the concept of Micro small and medium enterprises, role and significance of MSMEs. An overview of the concept of the Self Help Group and its objectives features and functions are briefly discussed in the present chapter.

Entrepreneurship is the key for economic development of any country by empowering entrepreneurs, MSME sector provides more employment opportunities to the people of India. It helps towards the industrialization of rural and backward areas. This sector reduces regional imbalances. It provides equitable distribution of national income and wealth.

Micro enterprises are engaged in low scale activities such as clay pot making, fruits and vegetable vendors, transport (three wheeler tempos and autos), repair shops, cottage industries, small industries, handlooms, handicraft works etc.

Definition

In accordance with the provisions of Micro, Small and Medium Enterprises Development Act 2006, the micro, small and medium enterprises are classified into two classes.

Manufacturing Enterprises

They refer to the enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951. The manufacturing enterprises are defined in terms of investment in plant and machinery.

Service Enterprises

They refer to the enterprises engaged in providing or rendering of services.

Role and significance of MSMEs

1. Employment Potential

MSMEs generate more employment opportunities than large business concerns. They are mostly labour intensive, thus they provide more employment opportunities to a larger number of people in India.

2. Low Production Cost

MSMEs do not require skilled labourers or professionals to run the organisation. It employs cheap labour and thus minimizes the overhead. These units are more cost efficient than large scale units, thus facilitates production of goods at low cost.

3. Low Investment

MSMEs do not require a huge capital to start the unit. It can employ locally available resources within the reach of the owner. They help to perfect and promote traditional family skills

and handicrafts. These industries facilitate the growth of local entrepreneurs and self employed professionals in small towns and villages.

4.Quick Decision Making

MSMEs need not hire professional managers to run the management on a day to day basis. In most cases, owner himself manages the enterprises. Hence, timely decision making becomes easy and effective.

Enterprise	Manufacturing sector	Service sector
	(The limit for investment in plant & machinery)	(The limit for Investment in Equipments)
Micro enterprises	Does not exceed ₹25 lakhs	Does not exceed ₹10 lakhs
Small enterprises	More than ₹25 lakhs but not exceeding ₹5 Crores	More than ₹0 lakhs but not exceeding ₹2 crores
Medium enterprises	More than 5 Crores but not exceeding ₹10 crores	More than ₹2 crores but not exceeding ₹5 crores

5. Supplementary Role

MSMEs play a complementary role to serve as a feeder to large scale industries. They supply accessories, spare parts and components to large scale industries.

6. Establishment of Socialistic Pattern of Society

MSME sector contributes towards the establishment of socialistic pattern of society by reducing the concentration of income and wealth. It enables and empowers people of small means to take up a gainful industrial activity, and thereby helps to achieve equitable distribution of wealth.

7. Balanced Regional Development

By encouraging MSMEs in industrially backward areas of India, balanced development can be achieved across all regions. It will also help greatly in preventing the people from migrating to cities and towns in pursuit of employment.

8. Promotion of Self Employment and Self Reliance Spirit

MSMEs help to a great deal in developing a class of entrepreneurs. It promotes self employment and a spirit of self reliance in the society, thereby contributing an increase in per capita income or economic development.

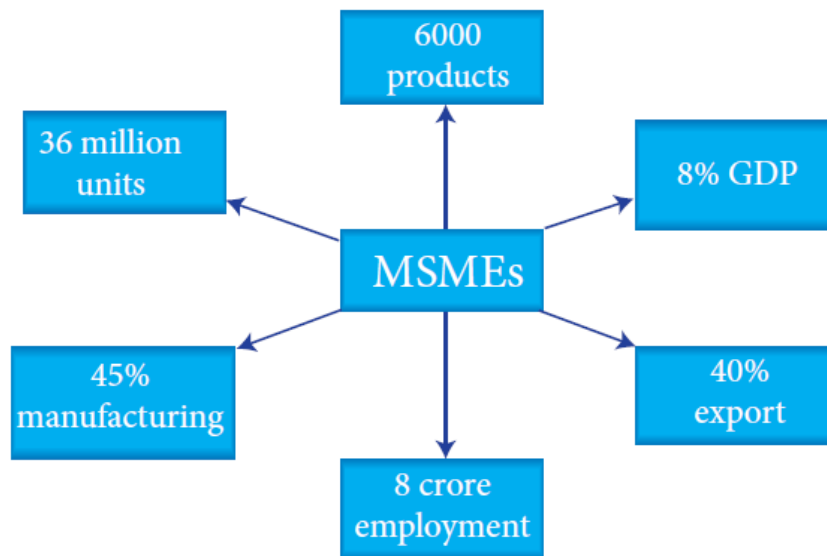
9. Higher Contribution to Manufacturing and Export

MSMEs contribute 45% to the total manufacturing output and 40% to the exports from the country. It helps in earning precious foreign exchange in various countries across the world.

Contribution of MSMEs to Indian Economy

The MSME Sector contributes about 8% to Gross Domestic Product (GDP) besides 45% to the total manufacturing output and 40% to the exports from the country on the production of more than

6000 products. This Sector consists of 36 million units and provides employment to over 8 crore people.



MSME Sector in Tamil Nadu

In Tamil Nadu MSMEs sector produces a wide variety of products in almost all fields. The prominent among them are the textile, electronic products, engineering products, auto ancillaries, leather products, chemicals, plastics, garments, jewellery etc. There are 12.94 Lakh registered number of units of MSMEs in the State, providing an employment opportunities to about 81 Lakh people. (source cms.tn.gov.in - 12.12.2017)

New Entrepreneur - cum - Enterprise Development Scheme (NEEDS)

Government of Tamil Nadu launched “New Entrepreneur-cum-Enterprise Development Scheme (NEEDS)” with a view to encouraging the educated youth to become the first generation entrepreneurs. The Scheme envisages providing entrepreneurship development training to educated young entrepreneurs, preparing business plans and helping them to tie up with financial institutions to set up new business ventures, besides linking them with major industrial clients.

Institutional Sources of Finance for MSMEs

There are many Banks and Financial institutions which provide financial assistance to Micro Small and Medium Enterprises and start-ups.

A. Commercial Banks

1. Public sector banks (e.g) State Bank of India, Indian Bank, Indian Overseas Bank Canara Bank
2. Private sector banks (e.g) ICICI, Axis Bank, City Union Bank, HDFC, Karur Vasya Bank, Tamilnadu Mercantile Bank

B. Regional Rural bank

(e.g) Pandian Rural bank, Pallavan Rural Bank, Vallalar Rural Bank

C. Co operative Banks

(e.g) TNSC Bank, District Central Co operative Banks

D. Micro Finance Institutions

(e.g) MUDRA Bank

E. Non Banking Finance Institutions

(e.g) National Small Industries

Corporation Ltd (NSIC)

Small Industries Development Bank of India (SIDBI)

Self Help Groups

Rural development is one of the main pillars of progress of India. It has lagged behind in many aspects of development even after six decades of the independence of India. According to 2011 population census, rural and urban India accounts for 33.8 per cent and 20.09 per cent of people below the poverty line respectively. Self Help Group has emerged as a new model for combating poverty. This concept mainly demonstrates the significance of togetherness. The Self Help Group represents an association of people formed to attain certain common goals.

Gandhimathi Appliances Limited was started by Sri. V.Murugesan and his 5 sons with capital of rupees 700 only. Since 1971 the group has grown to a level of being recognised as one of the best quality Brand. They were always sure that the product will sell for its quality than for the price.

They believe firmly that there is no substitute for hard work to attain success. This was their firm conviction in business. This company is constant innovator in terms of brand new products and addition of new features to their existing products.

The LPG stoves are now the most fuel efficient ones compared with any other brand, especially, when fuel saving is the most crucial necessity for today. Even the Bureau of Indian Standards distinguished their L.P.G Stove by introducing a new type of labelling known as "GREEN LABEL" .

The enterprise has exported its products to Japan, Canada, UK, and Australia. The export increased from ₹89 lakhs to ₹576 lakhs in same period. For his efforts and excellent performance, the Ministry of MSME has honoured him by - National Award 2010-Quality Product in Micro and Small Enterprises -For LPG Operated Stoves/ Appliances

Source: Press Information Bureau, Government of India, Ministry of Micro, Small & Medium Enterprises

Self Help Group is a small informal voluntary association created for the purpose of enabling members to reap economic benefit out of mutual help, solidarity, and joint responsibility. The benefits include mobilization of savings and credit facilities for the pursuit of group enterprise activity.

National Bank for Agricultural & Rural Development (NABARD) has defined Self Help Group as “a homogenous group of rural poor voluntarily formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute to a common fund of the group to be lent to the members for meeting their productive and emergent credit needs”

Objectives of self Help Groups

Following are the objectives of Self Help Groups

1. Focusing on empowerment of women.
2. Saving people from the clutches of money lenders
3. Building capacity of women and to enable them to participate in generating activities.
4. Creating the habit of saving in the minds of the people who are economically backward.
5. Promoting entrepreneurship skills among women.
6. Creating awareness about the importance of credit circle or revolving credit and the payment of the circle.
7. Elevating the economic standard of the member's families.
8. Developing skills and facilitating credit linkages for eventual economic empowerment.
9. Promoting awareness among the members about finding solutions for their economic problems.
10. Identifying the common interest of the group members and carrying out their operations in the most efficient and economic way.
11. Enabling the members to overcome all social and economic barriers.
12. Promising and ensuring human rights to women at all stages of their life cycle.

Features of Self Help Groups

1. The **motto** of every group members should be “**saving first – credit latter**”
2. Self Help Group is **homogeneous in terms of economic status**.
3. The ideal size of a Self Help Group ranges between 10 and 20 members.
4. The groups need not be registered.
5. Groups are non-political, voluntary associations and follow a democratic culture.
6. Each group should have only one member from one single family.
7. A group is to be formed with only men or only with women.
8. Self Help Group holds weekly meetings mostly during non-working hours, and full attendance is made mandatory for better participation.
9. The groups have transparency among themselves and they have collective accountability in respect of financial transactions.
10. Every group provides a platform to its members for exchange of their views and ideas freely.

Functions of Self Help Groups

The Functions of Self Help Groups are listed below.

1. Developing and enhancing the decision making capacity of members.
2. Increasing general awareness on literacy among members.
3. Equipping the poor with basic skills for understanding monetary transactions.

4. Maintaining books and registers to ensure proper accounts.
5. Providing necessary training in the chosen field.
6. Submitting the accounts for annual audit by a qualified auditor.
7. Deciding the loan amount to be sanctioned to the group members.

Mode of linkage

There are three distinct modes of credit to SHGs. Under the first mode, banks lend directly to the SHGs. In the second mode, banks provide loans to the NGOs for onward lending to the SHGs and ultimately to micro entrepreneurs. Under the third mode, banks extend credit to the SHGs with the NGOs serving as facilitators. Out of these three methods, the last method of direct lending by bank with NGOs facilitation is widely practised.

Total number of Self Help Groups in Tamil Nadu	3,11,663
Total number of members in SHGs (Tamil Nadu)	35,76,693
Internal Savings	186814.79 LAKHS
Total no of Micro Enterprises	9754
Total Fund given to Micro Enterprises	40182 LAKHS

Self Help Groups in India

In December 2017 there were 45,67,090 SHGs in India. The total number of members in SHGs during the same period stood at 5,02,65,933 at all India level.

The five year plans of the government of India has given due recognition to the relevance of the Self-help group concept to implement developmental schemes at the grassroots level.

SHGs in Tamil Nadu

In Tamil Nadu, Tamil Nadu Corporation for Development of Women Limited (TNCDW) was established in the year 1983 with the prime objective of socio economic development and empowerment of rural women. The Government of Tamil Nadu spearheaded the Self Help Group concept in the country by forming SHGs in Dharmapuri district with the assistance of International Fund for Agricultural Development (IFAD) in September 1989. The success of the IFAD project paved way for the now popularly called “Mahalir Thittam” project, which was launched during 1997-98 with the State Government funding and was progressively extended to all the 30 districts. The SHG movement has now emerged as a powerful and vibrant movement illuminating the lives of many poor women in the state.

Self Employment And Entrepreneurship Development

ELEMENTS OF ENTREPRENEURSHIP

The term entrepreneurship denotes the process of setting up one's own business venture as distinct from pursuing any other economic activity or any employment or practicing some profession. The person who establishes business is termed as entrepreneur. The output of an entrepreneurial process ends up in establishing an enterprise. The process of entrepreneurship has been depicted in the following diagram.

Entrepreneurship - Meaning, Concept and Definition

Entrepreneurship generates employment opportunities to many people besides providing self employment to the entrepreneur. Any business venture started triggers a variety of economic activities like purchasing raw material, creating employment opportunities and so on. Thus, entrepreneurship become crucial for overall economic development of a nation.

Entrepreneurship can be regarded as one of the four major factors of production besides the other three namely land, labour and capital. It is generally believed that entrepreneurs are born. But no country or society can afford to wait for the birth of entrepreneurs to pursue its development agendas. The pace of economic development of any country cannot be accelerated without creating a sense of awareness about entrepreneurship among the people. The latter should be made to take a pride in claiming to be a job provider rather than a job seeker. The Government and various other agencies involved in promoting entrepreneurship should carry on the noble task of engendering a spirit of entrepreneurship among the people who otherwise seek job.

Concept of Entrepreneur

The term 'entrepreneur' has been derived from the French language which originally denotes designation of an organiser of musical or other entertainments. Oxford Dictionary (1897) defines an entrepreneur as the director or a manager of a musical institution which organises musical performance. In the early sixteenth Century, the term was applied to refer to those who were engaged in military expeditions. Subsequently, in the seventeenth century it was extended to cover civil engineering activities such as construction and fortification. It was only in the beginning of the eighteenth

century, that the term entrepreneurship was used in the realm of economics. Since then the term entrepreneur is used in many ways and various views about entrepreneur began to surface. Accordingly, entrepreneurs are now broadly classified into three groups namely risk bearer, organiser and innovator.

(i) Entrepreneur as a Risk Bearer

Richard Cantillon, an Irish man described the entrepreneur to be a person who assumes risk inherent in the venture started by him. Entrepreneur acts as an agent combining all factors of production to produce a product or service in order to sell at uncertain price in future. Knight also describes an entrepreneur to be an economic functionary who undertakes the risk of uncertainty which cannot be insured or capitalised or salaried. In nutshell, entrepreneur is described to be a risk taker.

(ii) Entrepreneur as an Organiser

According to Jean Baptize, entrepreneur is one who brings together various factors of production and creates an entity to produce product or service and supervises and coordinates several functions in the process. He further elaborates that an entrepreneur faces a great deal of obstacles and misfortunes and undergoes mental agony and anxieties in the process of organising any venture. In sum, entrepreneur is described to be an organiser.

(iii) Entrepreneur as an Innovator

Joseph A Schumpeter in the year 1934 used innovation as a criterion to define an individual as entrepreneur. According to him, entrepreneur is one who

- i. Introduces a brand new product in the market
- ii. Institutes new technology to produce a product
- iii. Discovers new course of supply of raw materials
- iv. Discovers new product hitherto untapped
- v. Puts in place a new form of organisation by establishing a monopoly or by dismantling existing monopoly.

In all the concept of entrepreneur is intimately connected with three core elements namely risk bearing, organising and innovating.

According to J.A. Schumpeter Joseph A. Schumpeter, "Entrepreneurship is essentially a creative activity. It consists of doing such things as are generally not done in ordinary course of business. An entrepreneur is one who innovates, i.e. carries out new combination or enterprise."

In the words of A.H. Cole, "The purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or earn profits by production and distribution of economic goods and services."

As per Mary Coulter, "Entrepreneurship is the process whereby an individual or group of individuals use organised efforts to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources the entrepreneur currently has."

Characteristics of Entrepreneur

1. Spirit of Enterprise

Entrepreneur should be bold enough to encounter risk arising from the venture undertaken. Entrepreneur should not get discouraged by setbacks or frustrations emerging during the course of entrepreneurial journey.

2. Self Confidence

Entrepreneur should have a self confidence in order to achieve high goals in the business. The negativities like inconvenience, discomfort, disappointments, rejections, frustrations and so on should not weaken his steely resolve to make the venture a grand success.

3. Flexibility

Entrepreneur should not doggedly stick to decisions in a rigid fashion. Entrepreneur should change the decisions made already in the light of ever-changing business environment.

4. Innovation

Entrepreneur should contribute something new or something unique to meet the changing requirements of customers namely new product, new method of production or distribution, adding new features to the existing product, uncovering a new territory for business, innovating new raw material etc.,

5. Resource Mobilisation

Entrepreneur should have the capability to mobilise both tangible inputs like manpower, money materials, technology, market, method etc., which are scattered over a wide area and certain intangible inputs like motivation, morale and innovativeness cannot be purchased in the market outright. Entrepreneur has to marshal all these tangible and intangible inputs to produce a product successfully. Thus entrepreneurship is a function of gap filling and input completion.

6. Hard work

Entrepreneur should put in strenuous efforts and constant endeavours to accomplish the goals of the venture successfully. They have to courageously face uncertainties, risks and constraints. They should not blame the uncontrollable factors for the misfortunes experienced during the course of their entrepreneurial venture. They should spend their energy in addressing the issues to stay successful.

7. Leadership

Entrepreneur should be able to influence team members by showing sympathy and empathy so as to enable them to contribute positively towards the goals of the venture. Entrepreneur should lead others from the front and by personal example and should walk the talk and effectively take all the followers to activate the goals of the venture.

8. Foresight

Entrepreneur should have a foresight to visualise future business environment. In other words, Entrepreneur should foresee the likely changes to take place in market, consumer attitude, technological developments etc., and take timely actions accordingly.

9. Analytical Ability

Entrepreneurs should not make decisions on the basis of own prejudice or personal likes and dislikes. Entrepreneur should be able to objectively analyse the situation and act accordingly. They should abstain from taking emotional or hasty decisions when they are overwhelmed by emotions.

In simple words

Entrepreneur should take rational decisions after examining the various aspects of a problem.

10. Decision Making

Entrepreneur has to take timely and correct decision with regard to nature and type of product to be produced, type of technology to be adopted, type of human assets to be employed, location of the enterprise, size of the unit, volume of production and so on. The very success of any enterprise hinges on prompt, correct and relevant decisions made by the entrepreneur. Entrepreneur should rationally examine the various factors influencing the decision and take appropriate decisions after giving due weight to all the risks embedded in various factors.

Importance of Entrepreneurship



Entrepreneurship plays a pivotal role in the economic development of a country. The following points highlight the significance of entrepreneurship.

1. Innovation

Entrepreneurship and innovation are closely intertwined with each other. It is no exaggeration to say that innovation cannot happen in any country without entrepreneurship. Entrepreneurs have contributed in no small measure to economic development of any country by innovation. They bring about innovation by building a brand new product or by constantly upgrading existing product or by tapping new market for existing product in a new territory or by inventing a new technology to produce a product or service and so on. All these innovative exercise ensures rise in income and output in the economy.

2. Contribution to Gross Domestic Product (GDP)

Promotion of entrepreneurship all across the country would undoubtedly add to Gross Domestic Product and National Income of a country. It is stated that the countries like America, Japan, Germany and so on have recorded a phenomenal increase in the GDP, per capital income and national income, due to stupendous growth of entrepreneurship.

3. Balanced Regional Development

Encouragement of entrepreneurship in under developed and undeveloped regions of a country through various incentives and concessions is more likely to promote balanced regional development across the country. Besides, essentially it checks the migration of rural population to urban centres in pursuit of employment.

4. Export Promotion

Entrepreneurship helps a country not only earn precious foreign exchange but also preserve it. If entrepreneurship is encouraged to produce export oriented goods, it can significantly add to foreign exchange reserve of a country. Similarly, if entrepreneurship is encouraged to produce products which are usually imported from foreign countries i.e. import substitute goods, it can help the country save precious foreign exchange. The comfortable foreign exchange reserve position is more likely to address the adverse balance of payment position if any.

5. Full utilisation of Latent Resource

Promotion of entrepreneurship across the country leads to better utilisation of economic, human, material and natural resources which would remain otherwise unutilised in a country. In other words, establishment of small, medium and micro enterprises all over the country paves way for harnessing all latent resources in the country.

6. Reduction of Concentration of

Economic Power in Few hands Promotion of entrepreneurship by encouraging small, medium and micro enterprises prevents the concentration of economic power in the hands of few large entrepreneurs. It promotes faster industrialisation and brings about equitable distribution of wealth in the society.

7. Better Standard of Living

Entrepreneurs provide a lot of well being measures to their employees besides paying salaries and wages. This unmistakably helps employees upgrade their standard of living. Some of entrepreneurs who have genuine concern for the welfare of the general public, supply goods of good quality at fair price. This in turn helps consuming public save more money and spends liberally on comfort and convenience goods which are supposed to enhance the standard of living of the general public. Higher standard of living brought about by entrepreneurship narrows down the gap between haves and have nots.

Entrepreneur, Intrapreneur and Manager - a Comparison

Intrapreneur

Intrapreneur is one who thinks and acts like an entrepreneur for the firm's development during the course of employment in an organisation. An Intrapreneur is described to be an inside entrepreneur or an entrepreneur within a large firm who uses entrepreneurial skills without incurring the risk associated with those activities. Intrapreneurs are usually employees of a company who are assigned to a particular project or who are assigned to work on a special idea. Intrapreneur usually use the resources and capabilities of the firm to work on the project or on the idea.

Following are the differences between Entrepreneur and Intrapreneur:

Entrepreneurial Functions



I. Promotional Functions

(1) Discovery of Idea The first and foremost function of entrepreneur is idea generation. A person may conceive his own ideas or develop the ideas contributed by others. Ideas can be generated through several ways like own experience and exposure of entrepreneur, keen observation of environment, education, training, market survey, environmental scanning and so on. After the ideas

were collected, entrepreneur has to weigh objectively each and every idea and finally select an idea which is worth pursuing commercially.

(2) Determining the business objectives

Entrepreneur has to develop business objectives in the backdrop of nature of business and type of business activity i.e. nature of business, manufacturing or trading, type of business organisation chosen so that he/she can organise the venture in accordance with the objectives determined by him/her.

(3) Detailed Investigation

Entrepreneur has to analyze in detail the product proposes to produce. In other words, Entrepreneur should investigate commercial feasibility of the product proposed to be produced and conduct market study to ascertain the potential demand for the product. Besides, Entrepreneur has to probe the sources of supply of various inputs required for manufacturing the proposed product, their respective prices and other terms and conditions.

(4) Choice of form of enterprise

Entrepreneur has to choose the appropriate form of organisation suited to implement the venture. There are various forms of organisation namely sole proprietor, partnership, company and co-operatives etc. which are in existence. The selection of appropriate form of organisation is made after considering the factors like nature of product to be produced, size of investment, nature of activities, size of organisation, nature of liability of owners, retention of control, degree of risk involved, scale of operations, stability and so on.

(5) Fulfilment of the formalities

Having chosen the appropriate type of organisation, entrepreneur has to take necessary steps to establish the form of organization chosen. As regards sole trader, the formalities are barest minimum. In the case of partnership firm, entrepreneur has to arrange for partnership deed and he has to get the deed registered. There are lot of formalities to be fulfilled in the case of registration of company and co-operative form of organisation. Promoter has to take all necessary 000000steps for establishing the form of organisation.

(6) Preparation of Business Plan

Entrepreneur has to prepare a business plan or project report of the venture that he is proposing to take up. This plan helps entrepreneur to achieve various objectives formulated within a specified period of time.

(7) Mobilisation of funds

Entrepreneur has to take steps to mobilise capital needed to implement the venture. Entrepreneur has to estimate the fixed capital and working capital required for running the project. Then the entrepreneur has to initiate steps to build funds from various channels like own funds, borrowing from close circles, banks, financial institutions, venture capitalists, issue of shares and debentures, term loans and so on to finance his fixed capital requirement.

(8) Procurement of Machines and Materials

Entrepreneur has to locate the various sources of supply of machineries and equipments and materials. Entrepreneur has to collect details from the various sources of supply and screen them for selecting the best source of supply.

II. Managerial Functions



(i) Planning

Under planning, entrepreneur has to lay down the objectives, goals, vision, mission, policies, procedures, programmes, budget, schedules etc., for enabling the venture to proceed towards established destinations.

(ii) Organising

Entrepreneur puts in place suitable organisational structure to perform various managerial functions namely choosing the type of organisation, creating department, fitting the human resources to appropriate organisation slots, defining and delegating authority, distributing responsibility and creating accountability for efficient performance of activities.

(iii) Directing

In the realm of directing, entrepreneur has to motivate, lead, guide and communicate with subordinates on an ongoing basis in order to accomplish pre-set goals. The process of directing involves issuing orders and instructions, guiding, counselling and mentoring of employees, supervising employees, maintaining discipline, motivating employees and providing leadership.

(iv) Controlling

Entrepreneur has to put in mechanism to evaluate the performance of employees across the organisation. The various steps involved in control function includes fixing performance standards, measuring the actual performance, comparing actual performance with standards, finding out causes for deviation if any, undertaking corrective measures to bring actual performance to standards set. He/she may use various control techniques like account, auditing, management information system, network analysis, cost control, financial tools etc.,

(v) Coordination

Entrepreneur has to evolve mechanism to pull together the diverse functions performed by various departments or teams and direct them towards the established goals of the organisation for accomplishment.

III. Commercial Functions

(i) Production or Manufacturing

Under production function, entrepreneur has to take decision relating to selection of factory site, design and layout, type of products to be manufactured, research and development, product design etc., The efficient and effective performance of production function depends on the proper production planning and control to a major extent.

(ii) Marketing

Entrepreneur has to carry out following functions pertaining to marketing aspect namely consumer research, product planning and development, standardisation, packaging, pricing, warehousing, distribution, promotion etc., The very success of marketing function is very much linked with selection of appropriate marketing mix. The term marketing mix denotes the combination of four components namely product, price, promotion and physical distribution in the case of physical products and three more components are included in the case of service products namely people, process and physical evidence.

(iii) Accounting

Entrepreneur has to arrange to prepare trading and profit and loss account in order to know the profit or loss incurred out of operation of the business and prepare balance sheet to know the financial status of business at a particular day. Besides, cash flow and fund flow statements are prepared to ensure the adequacy of funds and cash for meeting various working capital needs of the business.

(iv) Finance

In the sphere of financial function, an entrepreneur has to take decisions like choosing the right type of financing, framing the best dividend policy, acquiring of funds, efficiently managing fixed and current assets, maximizing shareholders wealth and investing of funds efficiently and effectively.

(v) Human Resource Management

Entrepreneur has to estimate the manpower needs of the enterprise and accordingly decide the size of manpower required for various slots of organizational structure. After determining the required man power the entrepreneur has to organise the performance of following functions pertaining to human resources namely arranging for recruitment, selecting manpower, induction and training, determining compensation structure and incentives, designing motivation programmes, structuring well being measures for employees, putting in place safety mechanism at work place, performance evaluation and career advancement and structuring social security programmes.



For Own Thinking

After the completion of the academic career, which engagement would you like to opt for after considering the following factors:

Dimension	Salaried Employment	Self Employment
Income	Dependable and probably higher income during the initial stages but limited by promotion opportunities	Fluctuation of income depending upon economic conditions and endeavours of the entrepreneur
Working Hours	Fixed Working Hours	Absolute freedom in choosing the working time.
Job Security	Fixed tenure jobs in respect of public sector appointments and absolute unstable job in private sector appointments.	Stable job till the business is solvent
Financial Risk	There is no financial risk in salaried employment as the employee does not invest in the capital of the employer organisation	There is high degree of risk of losing the investment due to continuous loss.
Personal Satisfaction	An employee may derive job satisfaction. The efforts put in by the employee reward more the employer.	Owner derives a sense of personal satisfaction. In other words, the efforts put in by the owner directly reward him.
Responsibility	The size of responsibility increases as an employee moves up the organisational ladder.	The size of responsibility is always higher to various stakeholders.

Government of India's Support for Innovation And Entrepreneurship In India

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world. In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation have been created by the Government of India across a number of sectors namely, Agriculture, Chemicals, and Fertilizers, Finance, Commerce and Industry, Communication and Information Technology, Corporate Affairs, Culture, Food Processing, Housing & Urban Poverty Alleviation, and Science & Technology etc. Financial assistance, insurance, subsidy, training, helps early stage tech start-up and business loans, special incentive is provided to set up new enterprises for entrepreneurs.

India's efforts at Promoting Entrepreneurship and Innovations

1. Startup India:

Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. A 'Fund of Funds' has been created to help startups gain access to funding.

2. Make in India:

This scheme is designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to centralize information about opportunities in India's manufacturing sector. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in class manufacturing infrastructure.

3. Atal Innovation Mission (AIM):

AIM is the Government of India's endeavour to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world-class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas.

4. Support to Training and Employment Programme for Women (STEP):

STEP was launched by the Government of India's Ministry of Women and Child Development to train women who have access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI (National Institution for Transforming India formally it is called as planning commission) Aayog recently redrafted the Guidelines of the 30-year-old initiative to adapt to present-day needs. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

5. Jan Dhan-Aadhaar - Mobile (JAM):

JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens.

6. Digital India:

The Digital India initiative has been launched to modernize the Indian economy to make all government services available electronically. The initiative aims at transforming India into a digitally-empowered society and knowledge economy with universal access to goods and services.

7. Stand-Up India:

It was launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims at enabling economic participation of, women entrepreneurs, Scheduled Castes and Scheduled Tribes and share the benefit of Indian growth with the above mentioned categories. Towards this end, at least one woman and one individual from the SC or ST communities is granted loans between Rs.10 lakhs to Rs.1 crore to set up greenfield enterprises in manufacturing, services or the trading sector.

8. Trade related Entrepreneurship Assistance and Development (TREAD):

This scheme envisages to address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs in both accessing loan facilities and receiving counselling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

9. Pradhan Mantri Kaushal Vikas Yojana (PMKVY):

A flagship initiative of the Ministry of Skill Development and Entrepreneurship (MSDE). This is a Skill Certification initiative which aims to train youth in industry-relevant skills to enhance employment opportunities for livelihood creation and employability.

10. National Skill Development Mission:

This scheme was unveiled in July 2015. The mission aims at building synergies across the sectors in terms of skill training activities. With a vision to build a 'Skilled India' it is designed to expedite decision-making across the sectors to provide skills at scale, without compromising on quality or speed.

11. Science for Equity Empowerment and Development (SEED):

SEED aims to provide opportunities to motivated scientists and field level workers to undertake action-oriented, location specific projects for socio economic gain, particularly in rural areas. SEED emphasizes equity in development, so that the benefits of technology accrue to a vast section of the population, particularly the disadvantaged.

Other Specific Entrepreneurship Schemes

In order to support and strengthen the Start-up culture in India, the Government has launched various schemes in the past few years. They are as follows:

1. Modified Special Incentive Package Scheme (M-SIPS)

The M-SIPS scheme provides capital subsidy of 20% in SEZ and 25% subsidy in non-SEZ for business units engaged in manufacturing of electronics in the fields of the Internet of Things, aeronautics/aerospace and defence, automotive, renewable energy, nonrenewable energy, technology, green technology and nanotechnology.

2. New Gen Innovation and Entrepreneurship Development Centre (New Gen IEDC)

New Gen IEDC provides a limited onetime, non-recurring financial assistance to entrepreneurs up to ₹25 Lakhs in the fields of chemicals, technology\ hardware, healthcare and life sciences, aeronautics/aerospace & defence, agriculture, AI (artificial intelligence), AR/ VR (augmented + virtual reality), automotive, telecommunication and networking, computer vision, construction, design, non-renewable energy, renewable energy, green\ technology, fin-tech, Internet of Things, nanotechnology, social impact, food and beverages, pets and animals, textiles and apparel.

3. Dairy Entrepreneurship Development Scheme

Dairy Entrepreneurship Development Scheme aims at helping entrepreneurs in the field of Agriculture, pets and animals, and social impact to set up small dairy farms and incentives are provided to cover the cost of the required equipment or establishment of the facility.

4. Single Point Registration Scheme (SPRS)

A great scheme for Micro and Small Enterprises, which provides an exemption from payment of Earnest Money Deposit (EMD). Under this scheme, the tenders are issued free of cost.

5. Atal Incubation Centres (AIC)

The Government of India has setup the Atal Innovation Mission (AIM) at NITI Aayog in 2016 with the over arching purpose of promoting a culture of innovation and entrepreneurship in the country. This has been setup to provide high class incubation facilities across various parts of India in terms of capital equipment, operating facilities along with sectoral expert for monitoring start-ups especially in transport. manufacturing health, energy, water, agriculture and construction sectors.

Steps in Promoting an Entrepreneurial Venture.

The various steps involved in starting a venture have been highlighted.

1. Selection of the product

An entrepreneur may select a product according to his aspiration, capacity and motivation after a thorough scrutiny of micro and macro environment of business. He/she may select a brand, new product or may like to select imitation one or he/she may improve upon an existing product in terms of additional features like comforts, convenience, ease of operation, lower price etc. An entrepreneur has to conduct economic viability of the project.

2. Selection of form of ownership

Entrepreneur has to choose the form of organisation suitable and appropriate for his venture namely family ownership, partnership and private limited company. Family ownership and partnership forms of organisation are suited for exercising unified control over the venture while the company form of organisation may be preferred for pooling of more financial resources, managerial and technical skills and business experience for carrying on medium to large venture.

3. Selection of Site

Entrepreneur has to choose suitable plot for accommodating his venture. He has four options open to him for housing his venture.

These have been mentioned below.

- State Development Corporation like SIDCO, SIPCOT, MMDA, TNHB and Directorate of Industries may allot plot to entrepreneur
- Entrepreneur can have a factory sheds constructed by State Industrial Development Agency
- Entrepreneur can start ventures in the land developed by private developers
- Entrepreneur may buy private land and develop it for industrial use.
- Following things may be considered in choosing the site namely:
 - Nearness to Native Place
 - Incentives provided by the Govt.
 - Nearness to Market
 - Availability of Labour and Raw Materials in a particular area.
 - Infrastructure Facilities

4. Designing Capital Structure

Entrepreneur has to determine the source of financé for funding the venture. He/she may mobilise funds from his own savings, loans from friends an relatives, term loans from banks and financial institutions.

5. Acquisition of Manufacturing know-how

Entrepreneur can acquire manufacturing know-how from Government research laboratories, research and development divisions of industries, and individual consultants. At times, main units may supply manufacturing know-how to entrepreneurs starting ancillary units or plant and machinery suppliers may provide this facility to entrepreneurs. Besides, manufacturing know-how can be obtained by foreign technical collaboration.

6. Preparation of project report

Project reports need to be prepared according to the format prescribed in the loan application form of term lending institutions. An entrepreneur can get the report prepared either by technical consultancy organisation or by auditors or by consultants or by development agencies. This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability. The project report should include the following

Technical Feasibility.

It should mention the following

- Description of product specification
- Raw materials availability
- Manufacturing process
- Quality control measures
- Availability of water, power, transport and communication facilities

• Economic Viability

It essentially involves compilation of demand for domestic and export market, installed capacity of machines, market share, revenue expected, and suitable price structure.

Financial Viability

It should cover the aspects like

- Non-recurring cost such as Land and Building, Plant and Machinery etc
- Recurring expenses like wages, salaries, and overheads etc.
- Probable cost of production
- Profit on expected sales

Managerial Competency

Entrepreneur has to include the mechanism for managing the venture in the project report. In the case of small sized ventures, the owner or partners may take care of managerial activities while a team of managerial personnel is to be brought in for manning various managerial positions across different levels of management in the case of corporate form of organisation. He has to provide details of the organizational structure contemplated in the project report for implementing the venture.

Provisional Registration Certificate

Entrepreneur has to apply for Provisional Registration certificate. It will be issued to entrepreneur after the fulfilment of certain conditions for a period of one year subject to renewal of two periods of six months duration. If an entrepreneur is not able to commence production beyond the extension period, further extension will not be granted.

Permanent Registration Certificate

Once the venture has commenced production or when it is ready to commence production, it is eligible to get permanent registration certificate.

Statutory License

Entrepreneur has to obtain Municipal License from the authority concerned. Then the Entrepreneur has to register the unit with the Central and Sales Tax Department. If a unit comes within the provisions of Factories Act, he/she has to register it with Inspector of Factories or it has to register the unit under the Shops and Establishment Act.

- **Power Connection**

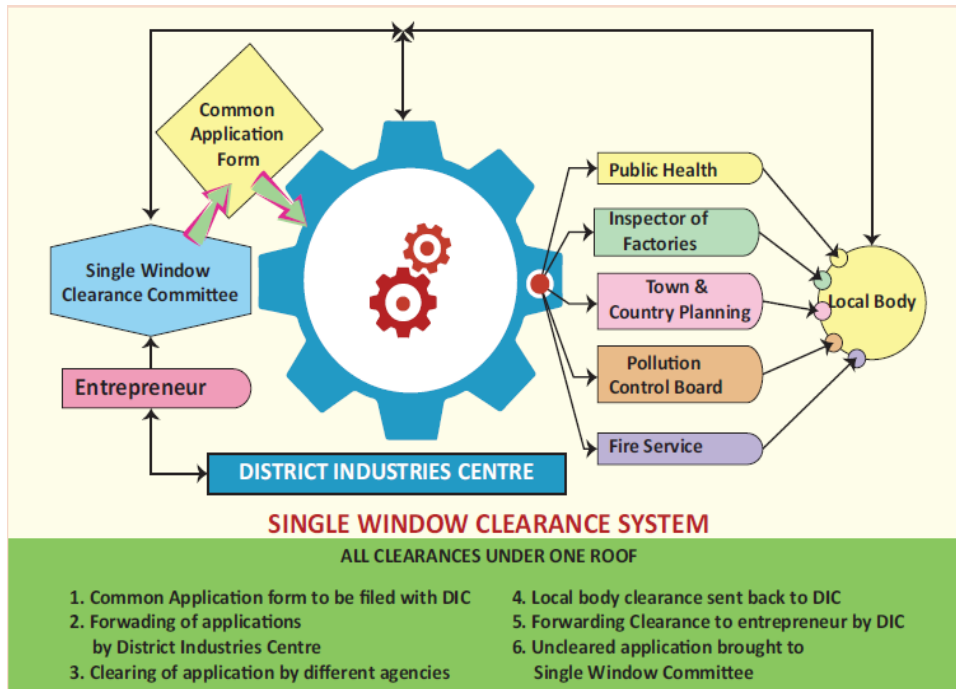
Entrepreneur has to make application to Assistant Divisional Engineer of State Electricity Board for power connection after paying Security Deposit and fulfilling the official formalities prescribed.

- **Arrangement of Finance**

Entrepreneur requires two types of finance namely long term and short term. While longterm requirements are needed for acquiring fixed assets, short-term requirement are meant for meeting working capital needs. Entrepreneur has to bring in promoters contribution (seed capital) prescribed by financing agencies.



Government Of Tamil Nadu – Entrepreneurial Schemes



APP
STUDY CENTRE

Venture Capital Fund

Venture capital fund provides start-up share capital to new ventures of little known, unregistered, risky, young and small private business, especially in technology oriented and knowledge intensive business. Many commercial banks like SBI, Canara Bank, etc. have set up venture capital fund subsidiaries.

Venture Fund Institutions

Venture capital financing is a form of equity financing designed especially for funding new and innovative project ideas. Venture capital funds bring into force the hi-technology projects which are converted into commercial production. Many specialized financial institutions have promoted their own venture capital funds. They include Risk Capital Foundation of IFCI, Venture Fund of IDBI, SIDBI, Technology Development and Infrastructure Corporation of India (TDICI), and others.



Cooperative Organisation

Meaning and definition

A cooperative is a private business organisation that is owned and controlled by the people who use its products, supplies or services. Although cooperatives vary in type and membership size, all were formed to meet the specific objectives of members, and are structured to adapt to member's changing needs.

Cooperatives are formed by individuals who coordinate among themselves (horizontal coordination) to achieve vertical integration in their business activities.

Cooperatives were useful for promoting the interests of the less powerful members of society. Farmers, producers, workers, and consumers found that they could accomplish more collectively than they could individually.

Although people have been working together for their mutual benefit throughout human history, the cooperative form of business organization began during the Industrial Revolution. At first, the cooperative movement was started by Robert Owen, in the year 1844. He formed a consumer's cooperative society in England with 28 workers as members, called "Rochdale Society of Equitable Pioneers". This gradually led to world-wide movement of organising, cooperatives in various fields of economic activity such as credit, farming, marketing, processing, housing, transport, insurance, fisheries, poultry, dairying, etc., The main object of the cooperative movement was to bring solace and comfort to the needy persons by pursuing common economic interests through cooperative trading. Profit is not a main objective.

Examples of a Cooperative Society:

- (i) Indian Coffee House
- (ii) Mother Dairy
- (iii) Shri Mahila Griha Udyog Lijjat Papad
- (iv) Indian Farmers Fertilizers Cooperative Limited
- (v) The Indian Airlines (Cargo) C.G.H.S.Ltd.

Principles of Cooperation

i. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

ii. Democratic Member Control

Cooperatives are democratic organizations controlled by their members – those who buy the goods or use the services of the cooperative – who actively participate in setting policies and making decisions.

iii. Member's Economic Participation

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

iv. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-operative organisation enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

v. Education, Training, and Information

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

vi. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

vii. Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

Features of Cooperatives

The following are some of the important principles of co-operative societies.

i. Voluntary Membership

Any person can become the member of the society and can leave it any time.

ii. Equal Rights

Each member of the society has an equal right to vote and ownership. Each shareholder has one vote.

iii. Democracy

The principle of democracy is adopted while making the decisions. The decision of the majority is honored.

iv. Honesty

It is the basic principle of this society. Its members should be honest. Selfish people cannot run the business of cooperative society

Mutual confidence

The foundation of Cooperative society is laid on mutual confidence. Members of the society should trust each other and work like a team.

vi. Welfare Main Objective

Its main objective is to provide goods and services to its members at lower price.

vii. Cash Payment

Credit team is prohibited and goods are supplied to its members on cash payment.

viii. Economy

The member of the society should act upon the principle of economy. They should not misuse capital of the society and always keep in view best interest of the society.

Distribution of profit

The profit can be distributed among the members according to the cooperative act. One fourth (1/4) of the profit can be kept in reserve. Then (10%) of the profit can be used for providing facilities to the members.

x. Self Service

All the business activities are conducted by the members themselves. All are the owners and all are the consumers. So the self-service rule is employed in the organization.

Advantages and Disadvantages

Advantages

The following are some of the important advantages of co-operative societies.

i. Voluntary organization

The membership of a cooperative society is open to all. Any person with a common interest can become a member. The membership fee is kept low so that everyone would be able to join and benefit from cooperative societies. At the same time, any member who wants to leave the society is free to do so. There are no entry or exit barriers.

ii. Easy formation

Cooperatives can be formed much more easily when compared to a company. Any 25 members who have attained majority can join together for forming a cooperative society by observing simple legal formalities.

iii. Democracy

A co-operative society is run on the principle of 'one man one vote'. It implies that all members have equal rights in managing the affairs of the enterprise. Members with money power cannot dominate the management by buying majority shares.

iv. Equal distribution of surplus

The surplus generated by the cooperative societies is distributed in an equitable manner among members. Therefore all the members of the cooperative society are benefited. Further the society is also benefited because a sum not exceeding 10 per cent of the surplus can be utilized for promoting the welfare of the locality in which the cooperative is located.

v. Limited liability

The liability of the members in a cooperative society is limited to the extent of their capital contribution. They cannot be personally held liable for the debts of the society.

vi. Separate legal entity

A cooperative society enjoys separate legal entity which is distinct from its members. Therefore its continuance is in no way affected by the death, insanity or insolvency of its members. It enjoys perpetual existence.

vii. Each for all and all for each

Co-operative societies are formed on the basis of self help and mutual help. Therefore members contribute their efforts to promote their common welfare.

viii. Greater identity of interests

It operates in a limited geographical area and there is greater identity of interest among members. Members would be interacting with each other. They can cooperate and manage the activities of the society in a more effective manner.

ix. Government support

The government with a view to promote the growth of cooperative societies extends all support to them. It provides loans at cheap interest rates, provides subsidies etc.

x. Elimination of middlemen

Cooperatives societies can deal directly with the producers and with the ultimate consumers. Therefore they are not dependent on middlemen and can save the profits enjoyed by the middlemen.

xi. Tax concessions

To promote the co-operative movement and also because of the fact that it is a non-profit enterprise, government provides various exemptions and tax concessions.

xii. Rural credit

Co-operative societies have contributed significantly in freeing villagers from money lenders. Earlier, money lenders used to charge high rates of interest and the earnings of the villagers were spent on payment on interest alone. Co-operatives provide loans at cheaper interest rates and have benefited the rural community. After the establishment of cooperatives, the rural people were able to come out of the grip of money lenders.

Disadvantages

i. Limited funds

Co-operative societies have limited membership and are promoted by the weaker sections. The membership fees collected is low. Therefore the funds available with the co-operatives are limited. The principle of one-man one-vote and limited dividends also reduce the enthusiasm of members.

They cannot expand their activities beyond a particular level because of the limited financial resources.

ii. Over reliance on Government funds

Co-operative societies are not able to raise their own resources. Their sources of financing are limited and they depend on government funds. The funding and the amount of funds that would be released by the government are uncertain. Therefore co-operatives are not able to plan their activities in the right manner.

iii. Imposed by Government

In the Western countries, co-operative societies were voluntarily started by the weaker sections. The objective is to improve their economic status and protect themselves from exploitation by

businessmen. But in India, the co-operative movement was initiated and established by the government. Wide participation of people is lacking. Therefore the benefit of the co-operatives has still not reached many poorer sections.

Benefit to rural rich

Co-operatives have benefited the rural rich and not the rural poor. The rich people elect themselves to the managing committee and manage the affairs of the co-operatives for their own benefit. The agricultural produce of the small farmers is just sufficient to fulfill the needs of their family. They do not have any surplus to market. The rich farmers with vast tracts of land produce in surplus quantities and the services of co-operatives such as processing, grading, correct weightment and fair prices actually benefit them.

v. Inadequate rural credit

Co-operative societies give loans only for productive purposes and not for personal or family expenses. Therefore the rural poor continue to depend on the money lenders for meeting expenses of marriage, medical care, social commitments etc. Co-operatives have not been successful in freeing the rural poor from the clutches of the money lenders.

vi. Lack of managerial skills

Co-operative societies are managed by the managing committee elected by its members. The members of the managing committee may not have the required qualification, skill or experience. Since it has limited financial resources, its ability to compensate its employees is also limited. Therefore it cannot employ the best talent. Lack of managerial skills results in inefficient

vii. Government intervention

Co-operative societies are subject to excessive government regulation which affects their autonomy and flexibility. Adhering to various regulations takes up much of the management's time and effort.

viii. Misuse of funds

If the members of the managing committee are corrupt they can swindle the funds of the co-operative society. Many cooperative societies have faced financial troubles and closed down because of corruption and misuse of funds. management, poor functioning and difficulty in achieving objectives.

Inefficiencies leading to losses

Co-operative societies operate with limited financial resources. Therefore they cannot recruit the best talent, acquire latest technology or adopt modern management practices. They operate in the traditional mold which may not be suitable in the modern business environment and therefore suffer losses.

x. Lack of secrecy

Maintenance of business secrets is the key for the competitiveness of any business organization. But business secrets cannot be maintained in cooperatives because all members are aware of the activities of the enterprise. Further, reports and accounts have to be submitted to the Registrar of Cooperative Societies. Therefore information relating to activities, revenues, members etc becomes public knowledge.

Conflicts among members

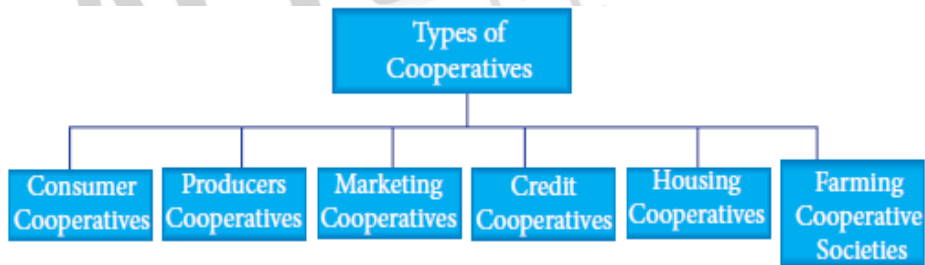
Cooperative societies are based on the principles of co-operation and therefore harmony among members is important. But in practice, there might be internal politics, differences of opinions, quarrels etc. among members which may lead to disputes. Such disputes affect the functioning of the cooperative societies.

xii. Limited scope

Co-operative societies cannot be introduced in all industries. Their scope is limited to only certain areas of enterprise. Since the funds available are limited they cannot undertake large scale operations and is not suitable in industries requiring large investments.

Types of Cooperatives

The Cooperatives can be broadly classified into two viz., Credit Cooperatives and Non- Credit Cooperatives. The credit cooperatives can be further classified into Agricultural credit and non-Agricultural credit cooperatives. However for beginners the cooperatives are classified as follows.



A. Consumers Cooperatives

Consumer cooperatives are organized by consumers that want to achieve better prices or quality in the goods or services they purchase. In contrast to traditional retail stores or service providers, a consumer cooperative exists to deliver goods or services rather than to maximize profit from selling those goods or services. They also supply essential commodities through Public Distribution System (PDS). Nationally, the most widely used cooperative form is the credit union, with some 90 million members. Credit union assets have grown a hundredfold in three decades. Credit unions are essentially cooperatives of people that use banking services.

Students' cooperative stores, Cooperative provision stores and supermarkets set up on cooperative societies of India are examples of this type.

B. Producers Cooperatives

Producer cooperatives are established and operated by producers. Producers can decide to work together or as separate entities to help increase marketing possibilities and production efficiency.

They are organized to process, market, and distribute their own products. This helps lessen costs and strains in each area with a mutual benefit to each producer.

Example, Cooperative weavers' societies, Cooperative carpentering units, Cooperative match factories.

C. Marketing Cooperatives

Cooperative marketing societies are associations of small producers formed for the purpose of marketing their produce. The marketing cooperatives perform certain marketing functions such as grading, warehousing, advertising etc.,

They secure better prices for their members by transporting goods even to distant markets. Advance is also given to members against produce deposited with the society.

Thus they are a boon to agriculturists, small producers and artisans, who in the absence of these cooperatives would be forced to sell at low prices to middlemen.

D. Credit Cooperatives

Cooperative credit societies are those formed for the purpose of providing shortterm financial help to their members. Agriculturists, artisans, industrial workers, salaried employees, etc., form these credit societies. Being unable to obtain financial accommodation from banks they are at the mercy of money-lenders who charge exorbitant rates of interest. Ending this exploitation and encouraging thrift among members is the objective of these societies. Credit societies may be agricultural credit societies or non-agricultural credit societies.

E. Housing Cooperatives

These cooperative housing societies are meant to provide residential accommodation to their members on ownership basis or on rent. People who intend to build houses of their own join together and form housing societies. These societies advance loans to members, repayable over a period of 15 to 20 years. Housing building societies, on the other hand, construct houses for their members instead of granting loans to them. These are house construction societies which acquire land, construct houses and rent them to members. The member-tenant, however, can own the houses after paying the cost.

F. Cooperative Farming Societies

When various farmers in a village pool their land together and agree to treat the pooled piece of land as one big farm for the purpose of cultivation, purchase the necessary inputs for the cultivation, and market the crops jointly, they are assumed to have formed a cooperative farming society. Such a society, for its proper working elects its office bearers on the basis of one member-one-vote.

The office bearers look after the proper cultivation of new farm that emerges after the land of various farmers has been pooled. The ownership of the land still lies with the respective members of the society and they withdraw from the society whenever they so like.

Besides land the farmers also contribute various productive assets as well as their labour for the purpose of cultivations. Whereas they get rent for their land and productive assets, they get wages, for their labour.

Secularism

Introduction:

India is a land of multi-religious faith and multi-cultural beliefs. It is the birth place of four major religions; Hinduism, Jainism, Buddhism and Sikhism. In our country people of diverse religions and beliefs have been living peacefully for a long time. Modern nationstates are multi-religious states, hence there is a need for tolerance of all religions. The concept of secularism is aimed at creating a society in which people of religious beliefs or people who do not belong to any religion can live together in harmony and peace. Rajaram Mohan Roy, Sir Syed Ahmad Khan, Rabindranath Tagore, Mahatma Gandhi and B.R. Ambedkar were some of the noted individuals held high in public regards who contributed towards the spread of secularism in the various spheres of Indian society. Secularism is invaluable for a society like India which is characterised by religious diversity.

Do you know?

- The term secularism is derived from the Latin word 'saeculum' meaning 'an age' or 'the spirit of an age' .
- George Jacob Holyoake a British newspaper editor coined the term secularism.

What does Secularism mean?

Secularism means an attitude of tolerance towards other religions and peaceful co-existence of citizens belonging to different faiths. It is a policy of neutrality and equality by the states towards all religious communities. Secularism is the principle of separation of state and religion or more broadly no interference of the state in the matters of religion and vice-versa. This means that every citizen is free to propagate, practice, and profess their faith, change it or not have one, according to their conscience.

Atheism - is a lack of belief in god and gods.

Secularism - is non - interference of the state in religious affairs and vice-versa.

Objectives of Secularism

- One religious group does not dominate another.
- Some members don't dominate other members of the same religious community.
- The state does not enforce any specific religion nor take away the religious freedom of individuals.

A simple statement by poet Iqbal illustrates the secular view "Religion does not teach us animosity; We are Indians and India is our home!"

12th Rock Edict, Ashoka

Emperor Ashoka was the first great emperor to announce as early as 3rd century BC (BCE) that the state would not prosecute any religious sect. In his 12th Rock Edict, Ashoka made an appeal not only for the tolerance of all religious sects but also to develop a spirit of great respect towards them.

The Characteristic Features of a Secular State

Principle of Liberty - the state permits the practice of any religion.

Principle of Equality - the state does not give preference to any religion over another.

Principle of Neutrality - the state remains neutral in religious matter.

A secular state is the one in which the state does not officially promote any one religion as the country's official religion and every religion is treated equally. It gives to every citizen not only the equal right to freedom of conscience but also the right to profess, practice and propagate any faith of their own choice. The state observes an attitude of neutrality and impartiality towards all religions. In a secular state no one is given preferential treatment and the State does not discriminate any person on the basis of their religious practices and beliefs. All citizens are eligible to enter government service irrespective of their faith. There should be absolutely no religious instructions in educational institutions and no taxes to support any particular religion.

Importance of Secularism

The concept of secularism evolved in India as equal treatment of all religions. We need secular state to maintain peace and harmony between people of various religious ideologies. It is a part of democracy, which grants equal rights.

The Mughal emperor Akbar followed the policy of religious toleration. His propagation of Din-i-Illahi (Divine Faith) and Sulh-e-Kul (Peace and harmony among religions) were advocated for religious toleration.

Constitution and Secularism

Secularism is the part of Indian Constitution. The makers of the Indian Constitution were aware that a strong and united nation could be built only when all sections of people had the freedom to practice their religion. So secularism was accepted as one of the fundamental tenets for the development of democracy in India.

The word secularism was not mentioned in our Constitution when it was adopted in 1950. Later on in 1976, the word secular was incorporated in the Preamble through the 42nd Amendment of the Indian Constitution. (India is a Sovereign, Socialist, Secular, Democratic, Republic) The basic aim of our Constitution is to promote unity and integrity of the nation along with individual dignity.

There is no state religion in India. The state will neither establish a religion of its own nor confer any special patronage upon any particular religion. The freedom of religion guaranteed under the Indian Constitution is not confined to its citizen alone but extends to aliens also. This was pointed out by the Hon'ble Supreme Court in the case Ratilal Panchand V State of Bombay in 1954.

A 19th century Hindu temple in Khajuraho, India incorporates a Hindu spire, a Jain cupola, a Buddhist stupa and Muslim style dome in place of usual shikara.

The Constitution of India has the following distinguishing features

- a. The state will not identify itself with or be controlled by any religion
 - b. The state guarantees to everyone the right to profess any religion of their own.
 - c. The state will not accord any preferential treatment any of them.
 - d. No discrimination will be shown by the state against any person on account of his religious faith.
- a. It creates fraternity of the Indian people and gives assurance the dignity of the individual and the unity of the nation.

The secular Indian state declares public holidays to mark the festivals of all religions.

Mosaic of Constitutional Provisions

Article 15 - prohibition of discrimination on grounds of religion, caste, sex or place of birth etc.,

Article 16 - equality of opportunity in public employment.

Article 25(1) - guarantees the freedom of conscience and the right to profess, practice and propagate religion individually.

Article 26 - Freedom to manage religious affairs

Article 27 - The state shall not compel any citizen to pay any taxes for the promotion of any particular religion.

Article 28 - on religious instruction or religious worship in certain educational institution.

Article 29(2) - A ban on discrimination in state-aided educational institution .

Why do we need secular education?

Secularism in education means making public education free from any religious dominance. Children as future citizens must get education which should aim at their development of character and moral behavior

irrespective of religious affiliation.

Secular education is needed

- to remove narrow mindedness and makes dynamic and enlightened view;
- to develop moral and humanistic outlook;
- to train the youth to be good citizen;
- to strengthen democratic values like liberty, equality, and fraternity and co-operative living;
- to give wider vision towards life;
- to develop an attitude of appreciation and understanding of others point of view;
- to develop the spirit of love, tolerance, co-operation, equality and sympathy;
- to synthesise materialism and spiritualism.

Development Indicators

Human Development Index (HDI)

United Nations Development Programme has been publishing Human Development Report annually since 1990. HDI helped the government to the real uplifting of standard of living of the people.

Human Development Index (HDI)

HDI was developed by the Pakistani Economist Mahbub ul Haq and the Indian Economist Amartya Kumar Sen in 1990 and was published by the United Nations Development Programme (UNDP). It is constructed based on Life Expectancy Index, Education Index and GDP Per Capita.

HDI is based on the following three indicators

1. Longevity is measured by life expectancy at birth,
2. Educational attainments,
3. Standard of living, measured by real GDP per capita (PPP\$).

Before calculating HDI, the fixed minimum and maximum values of each indicator are chosen.

The performance in each dimension is expressed as a value between 0 and 1 by applying the following formula $\text{Dimension Index} = \frac{(\text{Actual value} - \text{Minimum value})}{(\text{Maximum value} - \text{Minimum value})}$ According to Planning Commission's National Human Development Report 2011, HDI has improved significantly between 1980 and 2011. That is, The HDI went up from 0.302 in 1981 to 0.472 score in 2011.

As per latest Human Development Report (2016) by the United Nations Development Programme (UNDP), India has been ranked 131st out of 188 countries. Out of 188 countries, India lies in Medium Human Development bracket. The other nations such as Bangladesh, Bhutan, Pakistan, Kenya, Myanmar and Nepal attained the medium human development. The HDR 2016 stated that regional disparities in education, health and living standards within India has caused India's downfall to 27 % on HDI score. India's HDI rank value in 2015 stood at 0.624, which had increased from 0.580 in 2010. India's rank in 2014 was 131.

Top three countries of HDI

Norway (0.949) Australia (0.939) Switzerland (0.939)

Human Development Index (HDI)		
Dimensions	Indicator	Dimensions Index
Long and Healthy Life	Life Expectancy at Brith	Life Expectancy Index
Knowledge	Adult Literacy rate	Education Index
Decent Standard of Living	Cross enthralment ratio	GDP Index
	GDP Per capita (PPP US\$)	

Biswajeet Guha has stated that the calculation of HDI neglected many important aspects of human development. He has created four indices of HDI as HDI₁, HDI₂, HDI₃, and HDI₄. HDI₁ is based on UNDP methodology as given in Human Development Report. He has enlarged the scope of HDI by adding three more dimensions such as quality of life, poverty eradication, and urbanization. Various countries including India are continuously making efforts to improve and enlarge the scope of available statistical information.

Physical Quality of Life Index (PQLI)

Morris D Morris developed the Physical Quality of Life Index (PQLI). The PQLI is a measure to calculate the quality of life (well-being of a country). For this, he included three indicators such as life expectancy, infant mortality rate and literacy rate. A scale of each indicator ranges from the number 1 to 100. Number 1 represents the worst performance by any country. 100 is the best performance. For example, in case of life expectancy, the upper limit of 100. This was assigned to 77 years which was achieved by Sweden in 1973. The lower limit of 1 was assigned to 28 years which was achieved by Guinea-Bissau in 1960. The main difference between the two is the inclusion of income in HDI and exclusion of income from PQLI. HDI represents both physical and financial attributes of development and PQLI has only the physical aspects of life.



Food Security and Nutrition

Introduction

Food is defined as any substance that people eat and drink to maintain life and growth. Food security would denote a person's ability to eat enough, stay active and lead a healthy life.

Food Security

The United Nation's Food and Agriculture Organisation defines food security as follows: "Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life." (FAO, 2009)

While this comprehensive definition highlights the need for food to be nutritious, in addition to that there are certain other aspects that are required to achieve nutrition security. According to eminent agricultural scientist M.S.Swaminathan, nutrition security is:

"physical, economic and social access to a balanced diet, safe drinking water, environmental hygiene, primary health care and primary education".

The concept of food security has continuously evolved over the last five decades or so. Initially it referred to the overall food supply for a global, regional or national context. From this idea of food security, which means food supply/food production that addressed the overall adequacy, it became clear that the term had to be relevant at the community, household and individual level.

Basic components of food and nutrition security

The term was broadened to include the three basic components of food and nutrition security. They are availability, access and absorption:

1. Availability of food is physical availability of food stocks in desired quantities, which is a function of domestic production, changes in stocks and imports;
2. Access to food is primarily a matter of purchasing power and is therefore closely linked with the capabilities and employment opportunities to earn. Capabilities and opportunities in turn are related to one's access to assets and education.
3. Absorption of food is the ability to biologically utilise the food consumed. Several factors such as nutrition, knowledge and practices, safe and hygienic environmental conditions allow for effective biological absorption of food and health status.

Availability and Access to Food Grains

Thus food security for people in a country is not only dependent on the quantum of food available but also on the ability of people to purchase/access food and to stay in appropriate healthy environment. Just as other developmental issues, food security of people is also related to a country's overall development process. After Independence, India chose to adopt a planned developmental model.

After an initial focus on agriculture, industrialisation was given priority. The recurrent droughts experienced by India pushed her to be dependent on imports of food grains. However, the available foreign exchange reserve could not permit open market purchases and import of grains. India had to plead for food grains from richer countries at concessional rates. United States of America extended assistance through its Public Law 480 (PL 480) scheme to India during early 1960s. This situation was popularly known as 'Ship to Mouth' existence.

A country with a massive population growing hungry was perceived to be a potential candidate for revolution. The American administration and philanthropic organisations like Ford Foundation formulated a plan to increase food production in the country by introducing High Yielding Varieties (HYV) of wheat and rice. This programme was implemented in select districts where irrigation was assured. The results were promising and the programme was extended to cover a larger number of districts.

Thus, Green Revolution was born in the country paving way for self-sufficiency in food grain production. Increased food grain production was made possible by an increase area cultivated with HYV of rice and wheat as also an increase in the yield of these major cereal crops. Area under food grains was a little more than 98 million hectares during early 1950s. The country was producing just 54 million tonnes of food grains then with an average yield of food grains of 547 kg per hectare. The food situation has steadily improved over a period of 65 years. Area under foodgrain cultivation has grown to 122 million hectares, with an increase of five-fold increase in food grain production. Yield of food grains has increased four-fold between the time of independence and at present. (see Table 1)

This growth in food grain production was made possible by the HYV programme, which was implemented as a package. Apart from introducing fertiliser-responsive high-yielding varieties of rice and wheat, it ensured the availability of subsidised chemical fertilisers for the farmers. Cheaper farm credit was disbursed to farmers through co-operative banks and societies. Minimum support price (MSP) for the crops were announced at the beginning of the season and the state procured the harvested grains through the Food Corporation of India (FCI). The FCI had built huge storage godowns and built buffer stocks of food grain during the harvest season to be distributed all through the year.

Triennium average centered around	Area (Million ha)	Production (Million tonnes)	Yield (Kg/ha)
1951 - 52	98.79	54.00	546.65
1971 - 72	122.07	103.54	848.18
1991 - 92	124.29	174.75	1406.02
2013 - 14	122.63	258.27	2106.00
2017 - 18	126.98	279.51	2201.00

Minimum Support Price

Minimum Support Price is a price fixed by an expert group for a particular crop by considering various costs involved in the cultivation of that crop. After announcing the MSP, the State will open procurement centres in places where these crops are widely grown. However, the farmers are free to sell in the open market if they get a better price for their crop produce. On the other hand, if the open market price is lower than the MSP, the farmers would get an assured price (the MSP) by selling their produce to the FCI. Thus, with the

implementation of MSP farmers are certain about the price they would get at the end of the crop season. Further, farmers also get insulated against any price crash during the harvest season.

The rapid increase in food grain production was accompanied by appropriate technological interventions in the dairy, poultry and fisheries sectors. As a result, the milk production in the country witnessed an eight-fold increase, egg production grew 40-fold and fish production by 13-fold between the time of Independence and mid-2000s. However, India could not succeed in attaining self-sufficiency in the production of pulses and oil seeds. Therefore, India depends on imports to meet the requirements of people.

Public Distribution System

The increase in food grain production need not result in increase in access to food for all. Given the unequal distribution of income and the level of poverty that persists in Indian economy, the government took steps to distribute food grains at subsidised rates through the Public Distribution System (PDS). The nature, scope and functioning of PDS varies from state to state.

While Tamil Nadu has adopted an 'Universal' PDS, the rest of the states in India had a 'Targeted' PDS. Under universal PDS all the family ration card holders are entitled to the supplies from PDS. In the targeted PDS, the beneficiaries are identified based on certain criteria and given their entitlements, leaving out the rest. Both the Union and the State governments subsidised the supplies distributed through PDS. The level and quantum of subsidy also varied across states.

Subsequently, the National Food Security Act (NFSA) was passed by the Indian parliament in 2013. The NFSA covers 50% of urban households and 75% of the rural households. These households are known as priority households identified based on a set of criteria. Priority households of this country now have the right to food supplied through PDS. The Union government supplies rice at the rate of ` 3 per kg, wheat at the rate of ` 2 per kg, and millets at the rate of ` 1 per kg under NFSA. Tamil Nadu continues to have the universal system of PDS and supplies rice at free of cost to all card holders.

Bio Metric Smart Family Cards

The Government of Tamil Nadu has declared that SMART family cards will be issued in lieu of existing family cards. It has also been mentioned that the Director of Census Operations under the National Population Registry is conducting bio-metric capturing of 10 fingerprints, two iris and face scan of citizens to issue Unique Identification Number. After completion of this process of bio-metric capturing, it has been proposed to adopt this data to issue bio-metric SMART family cards. The advantage is that since it is based on unique identity, the data duplication of members and bogus cards can be eliminated.

National Food Security Act in Tamil Nadu

On 1 November 2016, Tamil Nadu became the last state in the country to implement the National Food Security Act after holding out for three years. In a government order issued on 27 October, the state specified that while it was enforcing the law, it would be modifying its provisions.

Role of Consumer Cooperatives in Food Security

Consumer cooperatives play an important role in the supply of quality goods at responsible rates to common people. There is a three-tier structure of consumer cooperative societies in India. They are primary consumer cooperative societies, Central consumer cooperative stores and state level consumer federations. More than 50,000 village level societies are engaged in the distribution of consumer goods in rural areas. There are many benefits to consumer cooperatives such as health care, insurance, housing etc.. This scheme is playing an important role in food security in India. For example out of all fair price shops running in Tamil Nadu, around 94% are being run by cooperatives.

Buffer Stock

Buffer stock is the stock of food grains, namely wheat and rice, procured by the government through the Food Corporation of India (FCI). The FCI purchases wheat and rice from the farmers in states where there is surplus production. The farmers are paid a pre-announced price for their crops. This price is called Minimum Support Price (MSP). The MSP is declared by the government every year before the sowing season to provide incentives to farmers for raising the production of these crops. The purchased foodgrains are stored in granaries.

Buffer stock is done to distribute Food grains in the deficit areas and among the poorer strata of the society at a price lower than the market price also known as the Issue Price. This also helps resolve the problem of shortage of food during adverse weather conditions or during the periods of calamity.

Fair Price Shops

At present, 33,222 Fair Price Shops are serving 1.98 crore families. Out of 33,222 Fair Price shops, 31,232 are run by the cooperative societies, 1,394 are run by the Tamil Nadu Civil Supplies Corporation and 596 are run by women self-help groups. To improve accessibility to PDS, it is necessary that they are located in close proximity to habitations. Accordingly, it has been proposed to open new fair price shops so that, no card holder walks more than 1.5 km.

Purchasing Power

Purchasing power is the value of a currency expressed in terms of the amount of goods or services that one unit of money can buy. Price increases purchasing power declines and vice versa.

Factors affecting Purchasing Power

1. Over population

The population growth rate in India is high as 1.7 per 1000. Large population leads to increasing demand, but supply was not equal to the demand. So, the normal price level will be going an higher. So it affect purchasing power, especially in rural population.

2. Increasing prices of essential goods

Even though there has been a constant growth in the GDP and growth opportunities in the Indian economy, there have been steady increase in the prices of essential goods. The continuous

rise in the prices erodes the purchasing power and adversely affect the poor people. During 2015-16 an average rate of 2% food inflation, the prices of pulses rose by about 40%.

3. Demand for goods

When demand for goods increases, the price of goods increases then the purchasing power is affected.

4. Price of goods affect the value of currency

When the price increases the purchasing power decreases and finally the value of currency decreases and vice versa.

5. Production and supply of goods

The production and supply of goods decline, the price of goods increases, then the purchasing power is affected.

6. Poverty and inequality

There exists a huge economic disparity in the Indian economy. The proportion of income and assets owned by top 10% of Indian goes on increasing. This has led to an increase in the poverty level in the society. Generally purchasing power is affected by poverty and unequal distribution of wealth also.

Purchasing power affects every aspect of economics, from consumers buying goods to investors and stock prices to a country's economic prosperity. As such, a country's government institutes policies and regulations to protect a currency's purchasing power and keep an economy healthy. One method to monitor purchasing power is through the Consumer Price Index.

Purchasing Power Parity (PPP)

A concept related to purchasing power is purchasing price parity (PPP). PPP is an economic theory that estimates the amount that needs to be adjusted to the price of an item, given exchange rates of the two countries, in order for the exchange to match each currency's purchasing power.

PPP can be used to compare countries income levels and other relevant economic data concerning the cost of living, or possible rates of inflation and deflation. Recently, India became the third largest economy in terms of PPP. China became the largest economy, pushing the US to the second position.

Agricultural Policy in India

The new agricultural policy based on export of agricultural goods was announced by the Central government in 2018. This policy states that the government has decided to remove export restrictions on most organic and processed agricultural products.

The main reason is to give an assurance that organic or processed agricultural products will not be under any export restrictions such as export duty, export bans and quota restriction.

Agricultural policy of a country is mostly designed by the Government for raising agricultural production and productivity and also for raising the level of income and standard of living of farmers within a definite time frame. This policy is formulated for all round and comprehensive development of the agricultural sector.

The following are some of the important objectives of India's agricultural policy

1. Raising the productivity of inputs

One of the important objectives of India's agricultural policy is to improve the productivity of inputs so purchased like, HYV seeds, fertilisers, pesticides, irrigation projects etc.

2. Raising value-added per hectare

Agricultural policy is to increase per hectare value-added rather than raising physical output by raising the productivity of agriculture in general and productivity of small and marginal holding in particular.

3. Protecting the interests of poor farmers

Agricultural policy is proposed to protect the interests of poor and marginal farmers by abolishing intermediaries through land reforms, expanding institutional credit support to poor farmers etc.

4. Modernizing agricultural sector

Here the policy support includes the introduction of modern technology in agricultural operations and application of improved agricultural inputs like HYV seeds, fertilizers etc.

5. Environmental degradation

Agricultural policy of India has set another objective to check environmental degradation of natural base of Indian agriculture.

6. Removing bureaucratic obstacles

The policy has set another objective to remove bureaucratic obstacles on the farmers' co-operative societies and self-help institutions so that they can work independently.

Multi-dimensional Nature of Poverty

Multi-dimensional poverty measures can be used to create a more comprehensive picture. They reveal who is poor, how they are poor and the range of disadvantages they experience. As well as providing a headline measure of poverty, multi-dimensional measures can be broken down to reveal the poverty level in different areas of a country, and among different subgroups of people.

The Multi-dimensional Poverty Index (MPI) was launched by the United Nations Development Programme (UNDP) and the Oxford Poverty Human Development Initiative (OPHI) in 2010. The basic philosophy and significance of MPI is that it is based on the idea that poverty is not unidimensional, and that it is rather multi-dimensional.

Multi-dimensional poverty is made up of several factors that constitute poor people's experience of deprivation such as health, education, living standards, income, disempowerment, quality of work and threat from violence.

Multi-dimensional Poverty Index 2018 in India

Multi-dimensional Poverty Index 2018 report prepared by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative makes the following observations about India.

1. India has reduced its poverty rate drastically from 55% to 28% in 10 years, with 271 million people moving out of poverty between 2005-06 and 2015-16.
2. India still had 364 million poor people in 2015-16, the largest for any country, although it is down from 635 million in 2005-06.
3. Of the 364 million people who were MPI poor in 2015-16, 156 million were children whereas in 2005-06 there were 292 million 47% decrease or 136 million fewer children growing up in multi-dimensional poverty.
4. 80% of people belonging to ST were poor in 2005-06 and 50% of them were still poor in 2015-16.
5. Bihar with more than half its population in poverty was the poorest state in 2015-16.
6. The four poorest states Bihar, Jharkhand, Uttar Pradesh and Madhya Pradesh were still home to 196 million MPI poor people, which was over half of all the MPI poor people in India.
7. Kerala, one of the least poor regions in 2006, reduced its MPI by around 92%.

Multi-dimensional Poverty Index 2018 Report in Tamil Nadu

Over the last decades, Tamil Nadu has made a significant progress in poverty reduction. The districts in Tamil Nadu are classified into three categories, namely high-poverty districts (more than 40% of the population living below poverty line), moderately poor districts (30% to 40%) and low level poverty districts (below 30%).

After 1994, poverty has declined steadily in both rural and urban areas of Tamil Nadu and the state has a smaller share of India's poor relative to its population. After 2005, the poverty reduction in this state has been faster than in many other states in India. Tamil Nadu leads in the poverty alleviation programmes during 2014-2017. Government of India is implementing many policies and programmes to eradicate poverty.

These policies and programmes, if continued, will completely eradicate the poverty in the state. In future, Tamil Nadu can become a model of development in India.

Top and Bottom MPI districts in Tamil Nadu

S. No	S. No	Rank	Bottom 5 Districts	Rank
1	Kancheepuram	1	Dharmapuri	32
2	Chennai	2	Perambalur	31
3	Cuddalore	3	Ramanathapuram	30
4	Coimbatore	4	Virudhunagar	29
5	Nagapattinam	5	Ariyalur	28

Nutrition and Health Status

Status of Nutrition

We noted earlier that food security includes nutrition security too. Though our country has reached self-sufficiency in food production, the nutrition status of the population has not seen corresponding levels of improvement. In 2015-16, 27% of the rural women and 16% of the urban women (in the age group of 15- 49 years) were counted as undernourished or chronically energy deficient by the National Family Health Survey.

More than half of the women in the reproductive age group (15-49 years) in both rural and urban India were anaemic in 2015- 16. As regards children, about 60% of the rural and 56% of the urban children (in the age group of 6-59 months) are counted to be anaemic, in 2015-16. About 41% of the rural and 31% of urban children are stunted, that is, they are not of the required height in correspondence to their age. Another indicator of nutrition deficiency among children is "underweight", which is weight in relation to age. In India, in 2015-16, about 20% of children (in the age group of 6-59 months) in rural and urban India are estimated to be underweight.

Thus, though our country has reached self-sufficiency in food production, we are yet to attain food security for all.

TN commitment on Nutrition

Amartya Sen, Noble Prize winning Economist, has observed that in India, hunger is not enough of a political priority. The public expenditure on health is very low and funds allocated to programmes like child nutrition remain unspent. It is only in States like Tamil Nadu that he sees a political will and commitment to tackle these issues by setting goals like achieving the status of a "Malnutrition Free State".

Nutrition and Health Status in Tamil Nadu

Nutrition plays a crucial role in human health and well-being. At the national level, despite higher economic growth, improvements in human development indicators like nutrition levels of the population have been unacceptably slow. A large number of Indian children are stunted. A substantial number of Indian children and women are underweight, anaemic and suffer from micronutrient deficiencies. To address these concerns, the Central and state governments have been channelling substantial resources into various health and nutrition schemes and programmes like Integrated Child Development Services (ICDS), mid-day meals, Reproductive and Child Health Programmes (RCH) and National Rural Health Mission (NRHM). However, an effective scaling up of these efforts is required to mitigate the incidence of under-nutrition in the country.

Tamil Nadu has played a pioneering role in bringing about significant changes in the health and nutrition status of children under six years of age, pregnant women, lactating mothers and adolescent girls. The Government of Tamil Nadu's successive budget outlays for nutrition and health are the highest in the country. The performance of the ICDS scheme and the Puratchi Thalaivar MGR Nutritious Meal Programme (PTMGRNMP) in Tamil Nadu are considered one of the best in the country.

The Government of Tamil Nadu's policy for "A Malnutrition Free Tamil Nadu" guides the state's long-term multi-sectoral strategy for eliminating malnutrition. The goal is "reducing human malnutrition of all types to the levels of best performing countries". In Tamil Nadu, ICDS is being implemented through 54,439 Child Centres (comprising 49,499 Anganwadi Centres and 4,940 Mini Anganwadi Centres) in 434 Child Development Blocks (385 rural, 47 urban and 2 tribal).

With steady expansion into unreached areas, increasing coverage of marginalised groups, enhanced allocations and enlarged scope of services, ICDS is now considered to be one of the world's largest programmes of its kind and a model for the holistic development of the child. To ensure that services reach the intended beneficiaries, the programme has been universalised and convergence promoted with allied departments dealing with health, education, drinking water, sanitation etc.

The PTMGRNMP is considered to be the largest noon meal programme in the country for combating malnutrition among children, increasing primary school enrolment and reducing dropout rates. Other states in the country have modelled their noon meal programmes along the lines of Tamil Nadu's pioneering efforts.

Boosting peer group engagement

- ❖ Efforts will be made to strengthen the 'Padhumaiyar Kuzhu' for empowering girls and making them persuasive catalysts of change.
- ❖ Innovative approaches will be considered for drawing adolescent girls into the programme, connecting them with various services and encouraging their participation in activities. A mobile centre was rolled for widening the reach of services in nine districts.
- ❖ Distribution and monitoring of the 'Padhumaiyar card' will be further ICDS Scheme strengthened.

Important ongoing Schemes in Tamil Nadu

1. Under Dr. Muthulakshmi Reddy Maternity Benefit Scheme, financial assistance to the tune of ` 12,000 is being disbursed to poor pregnant women with the aim of meeting expenses on nutritious diet, to compensate for loss of income during the delivery period and to
2. avoid low birth weight of new born babies in three installments to those availing antenatal care, delivering and immunising the babies born in government institutions.
3. The Chief Minister's Comprehensive Health Insurance Scheme was launched in the state in 2011-12 with the aim to provide Universal Healthcare to All by providing free medical and surgical treatment in Government and private hospitals to any family whose annual income is less than ` 72,000 by meeting all expenses relating to the hospitalisation of the beneficiary.

4. Tamil Nadu Health Systems Projects (TNHSP) has launched ambulance services free of cost (The 108 Emergency Ambulance Service).
5. The School Health Programme mainly emphasises on providing comprehensive healthcare services to all students studying in Government and Government-aided schools.
6. The National Leprosy Eradication programme is being implemented in the state with the aim to detect and to provide sustained regular treatment to all leprosy patients.

Some Nutrition Programmes in Tamil Nadu

1. **Purachi Thalaivar M.G.R. Nutrition Meal Programme:** It is being implemented in the rural areas from 1 July 1982 and in urban areas for the school students from 1984, old age pensioners from 1983 and for pregnant women from 1995.
2. **National Programme of Nutritional Support to Primary Education**
3. **General ICDS Projects and World Bank Assisted Integrated Child Development Services:** The services started in 1991 in 318 blocks covering 24 districts. In 1999 this extended to 318 rural blocks and 19,500 centres.
4. **Pradhan Manthri Gramodaya Yojana Scheme (PMGYS):** In this scheme, nutrition supplementation in the form of weaning food is given to children in the age group of 6 months to 36 months in the unreached hamlets.
5. **Tamil Nadu Integrated Nutrition Programme:** This project was started in 1980 targeting at 6 to 36 months old children and pregnant and lactating women.
6. **6. Mid-Day Meal Programme:** This programme has been introduced for children between ages 2 and 14 attending balwadis or schools at the expense of ` 0.90 per beneficiary. This programme covered 5.57 crore children in 4,426 blocks.