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Post Graduate Diploma in Management

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MESSAGE FROM THE DESK OF PRESIDENT ASIAN EDUCATION GROUP



The Vision of establishing India as a trusted global hub for world class services, an innovation hub with the goal of transforming business and transforming India is an initiative that is very close to my heart as a proud and responsible citizen of India. It is my firm belief that India has the potential to grow and overcome any challenges that come to its path with its energy, entrepreneurship, and innovation.

It is a very fortunate moment for ABS to have been in a space where it can make a significant contribution to our country by taking a proactive role in trying to shape India's future growth and progress. We have always subscribed to the view that management concepts, approaches and techniques have to be continually evolved and that managerial decisions should be based both on systematic research, the gut feeling and value judgment. We are conscious of the fact that to be at the cutting edge of the business education and training, a B-School has to work in partnership not only with the business-houses but also with similar institutions across the world. I envision an India that is a role model for other nations in terms of innovation, creativity, job generation, and growth. **To add thrust to this, the management and administration of Asian Business School has launched an international body to bring in business research and management research into day to day affairs of the Organization, under the name and banner of "International Business And Management Research Centre (IBMRC)". IBMRC has been created to develop and promote innovative and unique ideas in business and management. Some of the most important business and management experts from all over the World are on the board of IBMRC**

This Volume V of Issue 2 of ABS Management Research - Articles and Application successfully encompasses empirical, conceptual and research papers, case studies from academicians, professionals, consultants, practitioners and research scholars relevant to this paradigm change. I congratulate the team for this marvel.

Sandeep Marwah

Dr. Lalitya Vir Srivastava
Director AEG/Chief Editor



Editorial

Joseph Alois Schumpeter, Austrian-born American economist and political scientist observed that innovation or technological progress is the only determinant of economic progress. But, if the level of technology becomes constant the process of growth stops. Thus, it is the technological progress, which keeps the economy moving. Inventions and innovations have been largely responsible for rapid economic growth in developed countries. In fact, the technology can be regarded as primary source in economic development and the various technological changes contribute significantly in the development of underdeveloped countries.

The changing face of Indian continent has made the world take an edge seat & look up as to what is in the making. The Indian economy has proved everyone wrong with its capability to stand strong even in the worst of times. When the global economies are struggling to sustain, India is moving at a rapid pace now backed with a new & transformed political framework.

These conditions necessitate the need for research & development in every possible field & sector in India. The future of Indian economy will be influenced by how the country utilizes its human resource, pursue entrepreneurship, build resources & capitalize of the current strengths.

We would like to present, with great pleasure, volume V of Issue 2 of our scholarly journal, “ABS Management Research- Articles and Application” with an ISBN no 978-81-927282-0-9. It is an outcome of initiative taken by Asian Business School Research & Development Cell as part of collaborative research efforts to propagate innovative and creative approach to traditional management practices. Research & Development cell at Asian Business School aims to provide an intellectual platform for high quality of research work encompassing various domains of management.

This issue of “ABS Management Research- Articles and Application” is a compilation of empirical, conceptual and research papers, case studies of various academicians and industry experts focusing on the nature and magnitude of the impact of technological revolution on changing dynamics of International business and its sustenance. International business entails the widest and most generalized study of the field of business, adapted to a unique across-the-border environment. The impact of Technological revolution on the global economic structure is creating immense transformations in the way companies and nations design their business strategies. This book is compiled of 15 papers poised on management domains and the importance of paradigm shift and impact of Technology on International Business and Economic Sustainability.

I am sure that the issue of ABS Management Research - Articles and Application will bring fresh insights and trend emerging in the field of management globally and locally.

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**ABS MANAGEMENT
RESEARCH
ARTICLES &
APPLICATION**

Robotics - The Use Of Artificial Intelligence In Education Industry / In IT/ES Industry**Shalini Seth Arora**

Manager – Skill Development,
Mount Talent Consulting Pvt. Ltd.

Keywords

AI: Artificial Intelligence, IT: Information Technology, LISP: List Processing, M-learning: Mobile Learning, PC: Personnel Computer, Wi-Fi: Wireless Local Area Networking, TCP: Transmission Control Protocol, SDK: Software Development Kit, CPU: Central processing unit, USB: Universal Serial Bus, RAM: Random Access Memory

Abstract

The term of Robot is a mechanical man. A Robot is a programmable multifunction device design to move material, parts, tools, or specialized devices through variable programmed motions for the performance of a variety tasks. The desire for user-friendly systems, for less users training, and for adaptive behaviour further pushes the Robot controller into the world of Artificial intelligence. The robotics in the various domain such as various industries like military, medical, exploration, and Entertainment. Artificial Intelligence (AI) is a general term that implies the use of a computer to model and/or replicate intelligent behaviour. Though there is a strong synergy between Robotics and Artificial Intelligence.

Robots are useful in many ways. Robot will change the economy because businesses need to be efficient to keep up with the industry competition. Therefore, having robots helps business owners to be competitive. Artificial Intelligence can be new ways to use robots which will bring new hopes and new potentials. This paper advocates for a broad understanding of deliberation functions in IT industry.

Objective:

M-learning is implement training that reaches the increasing numbers of candidates working from home, travelling overseas or moving from one office to another. Flexible learning tools allow you to engage with these employees and contribute to their learning and development. To provide the support you need to create compelling content for mobile documents or more formal training to reach remotely. Mobile technologies allow a user to learn anywhere, any-time and are therefore an application which may bridge life-wide and lifelong learning yet higher education institutions.

Introduction

Robotics is human-like mechanical creatures to whatever shape gets the job done is due to reality. An intelligent mechanical creature which can function autonomously. A paradigm is a philosophy or set of assumptions and/or techniques which characterize an approach to a class of problems. The right paradigm makes problem solving easier. Therefore, knowing the paradigms of AI robotics is one key to being able to successfully program a robot for a particular application. Robots are physical agents that perform tasks by manipulating the physical world. They are equipped with sensors to perceive their environment and effectors to assert physical forces on it. As mentioned before Robots can be put into three main categories: manipulators, mobile robots and humanoid robots. Artificial intelligence is a theory. The base object is the agent who is the "actor". It is realized in software. Robots are manufactured as hardware. The connection between those two is that the control of the robot is a software agent that reads data from the sensors decides what to do next and then directs the effectors to act in the physical world. AI robotics is the application of AI techniques to robots. AI robotics is the consideration of issues traditional covered by AI for application to robotics: learning, planning, reasoning, problem solving, knowledge representation, and computer vision.

What is Artificial Intelligence?

Artificial Intelligence (AI) is an emerging technology that has recently attracted considerable publicity. Many applications are now under development. One simple view of AI is that it is concerned with devising computer programs to make computers smarter.

AI is focused on developing computational approaches to intelligent behavior. This has two goals:

- 1) Making machines more useful and
- 2) Understanding intelligence. This report is primarily concerned with the first goal.

The computer programs with which AI is concerned are primarily symbolic processes

involving complexity, uncertainty, and ambiguity. These processes are usually those for which algorithmic solutions do not exist and search is required. Thus, AI deals with the types of problem are solving and decision making that humans continually face in dealing with the world. This form of problem solving differs markedly from scientific and engineering calculations that are primarily numeric in nature and for which solutions are known that produce satisfactory answers. In contrast, AI programs deal with words and concepts and often do not guarantee a correct solution--some wrong answers being tolerable as in human problem solving.

Literature review:

The Basic Elements of AI

The inner ring depicts the basic elements from which the applications shown in the next ring are composed. We will first consider the quadrant designated as heuristic search.

Heuristic Search Much of the early work in AI was focused on deriving programs that would search for solutions to problems. Note that every time one makes a decision, the situation is changed opening up new opportunities for further decisions. Therefore there are always branch points. Thus, one of the usual ways of representing problem solving in AI is in terms of a tree, starting at the top with an initial condition and branching every time a decision is made. As one continues down the tree many different decision possibilities open up, so that the number of branches at the bottom can get to be enormous for problems requiring many solution steps. Therefore, some way is needed to efficiently search the trees. Initially, there were "blind" methods for searching trees. These were orderly search approaches that assured that the same solution path would not be tried more than once. However for problems more complex than games and puzzles, these approaches were inadequate. Therefore, rules of thumb (empirical rules), referred to as "heuristics," were needed to aid in choosing the most likely branches, so as to narrow the search.

Knowledge Representation Early on, AI discovered that intelligent behavior is not so

much due to the methods of reasoning, as it is dependent on the knowledge one has to reason with. Thus, when substantial knowledge has to be brought to bear on a problem, methods are needed to efficiently model this knowledge so that it is readily accessible.

Common Sense Reasoning and Logic AI researchers found that common sense (virtually taken for granted in humans) is the most difficult thing to model in a computer. It was finally concluded that common sense is low level reasoning, based on a wealth of experience. In acquiring common sense we learn to expect that when we drop something it falls, and in general what things to anticipate in everyday events. How to represent common sense in a computer is a key AI issue that is unlikely to be soon solved. Another area that is very important in AI is logic. How do we deduce something from a set of facts? How can we prove that a conclusion follows from a given set of premises? Computational logic was one of the early golden hopes in AI to provide a universal problem solving method. However, solution convergence proved to be difficult with complex problems, resulting in a diminishing of interest in logic. Logic is now enjoying a revival based on new formulations and the use of heuristics to guide solutions.

AI Languages and Tools In computer science, specific high level languages have been developed for different application domains. This has also been true for AI. Currently, LISP and PROLOG are the principal AI programming languages. To date, LISP (List Processing Language, developed in the late 50's by John McCarthy then at M.I.T.) has been the prime language in the U.S. for AI. Utilizing LISP, software tools have been devised for expressing knowledge, formulating expert systems, and basic programming aids.

Industries:

Robotics in various domains such as mobile robotics is a manufacturing and engineering technology.

Mobile Robotics is a fast evolving, solutions orientated, industry within which the robotics engineer is a significant and growing work role. Mobile robotics is an important part of the

industry, with applications in diverse industries, including education and learning.

Robotics – Scientific area that studies the link between Perception and Action

Robot – Device able to perform activities as a human. Programmable manipulator able to execute multiple operations (e.g., material and part handling), following programmed paths to fulfil a large variety of tasks.

Robotic teachers, AI is going to play a major part in almost every field, one of which is Education sector. The role of digital presence has started to evolve in Education sector as Google's AI built computer system defeated Lee Sedol, World's Best Human in the Go game which is considered to be many times more difficult than Chess. What's more interesting is, the AI Model AlphaGo was not even trained to play the specific game rather it was programmed to learn and play the game all by itself. The self-learning system known as Neural Network is programmed to learn from the experiences of human brain, how it works, its knowledge and its functions. The application of Artificial Intelligence is useful for students of all ages and discipline, teachers and professors too. AI can be used for school students with one to one tutoring to have a better idea of their improvement and strength areas. It will help to provide customized learning for each student providing them timely assignments and feedback on them.

Scope of Robotics:

Mobile Robot / Mobile Platform

- Platform with a large mobility within its environment (air, land, underwater)
- A system with the following functional characteristics:
 - Mobility: total mobility relative to the environment
 - A certain level of autonomy autonomy: limited human interaction
 - Perception ability: sensing and reacting in the environment

A mobile robot is a combination of various physical (hardware) and computational (software) components.

- In terms of hardware components, a mobile robot can be considered as a collection of subsystems for:
 - Locomotion – how the robot moves through its environment
 - Sensing – how the robot measures properties of itself and its environment
 - Reasoning – how the robot maps the measurements into actions
 - Communication – how the robot communicates with an outside Operator
- In terms of software components, a set of subsystems are responsible for:
 - Planning in its various aspects

Mobile Robot Advantage

The Mobile Robot takes advantage of the integrated Smartphone features such as wireless connectivity, USB interface for external electronic boards. The Smartphone application market is growing and offering an increasing number of new functionalities to the users. The increasing capabilities of such mobile devices allow the creation of applications with huge computational and peripherals requirements as well as the direct control of the sensors and actuators of a mobile robot. For example, Google Android Smartphone's have several embedded sensors, actuators, connectivity modules, and multi-core processors which can be freely used to develop new applications. This paper proposes a new robotic application in which a first Smartphone is used as the main control unit of a mobile robot and a second Smartphone is used to establish a wireless link with the mobile robot and control its behaviour. The mobile robot will use the learning application from its Smartphone as the main external localization sensor and will follow the other education information provided by the user Smartphone. The mobile robot will be able to use artificial vision or other sensor information for obstacle avoidance; however, the companion effect will be only based on the learning application information provided by a personal Smartphone.

Mobile Robotic Materials and Methods

The mobile robot is based on a modified electric remote control crawler. The control circuits were removed and replaced by a Sony Ericsson Xperia U Smartphone connected to a small USB interface board. The Smartphone uses the USB connection to send motion orders to an electronic board which controls directly all the motion system of the robot; two DC motors for forward motion and a servo motor for direction control. The board is based on a PIC24FMCU by Microchip. In addition, the crawler is powered by a 4600mAh Ni-MH battery that operates at 7.2 v1.

The Xperia U Smartphone integrates a dual-core 1GHz processor with 512MB of RAM. There are several embedded sensors in the Smartphone such as an accelerometer, a gyroscope, two cameras, and a digital compass. As communication methods, it has a Wi-Fi 802.11 b/g/n module, Bluetooth 2.1 connectivity, and a USB2.0 port. The installed operating system in the mobile phone is the Android version 4.0.4. Finally, the mobile robot Smartphone is configured to work as a Wi-Fi access point to establish point to point connections with other personal Smartphone devices. Smartphone's within the next five years will have much more powerful and faster CPUs, allowing them to process large amounts of data using very sophisticated algorithms.

Mobile Robotic Smartphone User

Artificial intelligence (AI) was once a science fiction dream, but today's technology brings it ever closer to reality. And, unlike those science fiction movies where AI resided in life-like android bodies, it may soon fit neatly in our pockets. Through advances in areas such as deep learning and low-power computer chips, AI could soon find a home in one of our most frequently used devices our Smartphone.

Mobile devices especially Smartphone's were not created equal. Everyone talks about how Smartphone's are really "pocket computers" and to some extent they are but the reality is some of the older mobile device still in active service is more akin to an early Osborne 1 luggable portable PC (circa 1981) than they are to a sleek

and powerful modern Dell Precision laptop or Apple Mac book Pro. Generally, older data-enabled mobile phones have smaller screens, less storage capacity, slower processors and operate on slower 2G networks seems advanced.

Your Smartphone is probably one of the most useful tools you own. Not only does it allow you to stay in touch with friends, family, and business associates, it permits you to access nearly any information on the internet, get education thru mobile learning. As handy as Smartphone are right now, the integration of AI into these devices could transform them from passive tools to engaging partners, helping us make decisions or even making decisions for us. Education in the current scenario should be seen as a semi-hard infrastructure challenge. Of all infrastructure concerns that India faces, education is one that can be rapidly addressed through strong soft infrastructure networks. Compared to highly tangible services like healthcare, finance, electricity, transportation, governance which can be only partially and gradually addressed through soft-infrastructure, education holds a definite advantage.

Creating a Smartphone application can seem like a great way to connect with your core supporters. Creating a Smartphone app can seem like a great way to connect with your core supporters thru mlearning. M-Learning is a technique that uses mobile and wireless technologies for learning and education. M-Learning enables learners to merge their learning experiences in a shared collaborative environment. An Internet enables the e-learning to become the state of art for distance learning over the world and the mobile learning (m-learning) will be the next generation of distance learning. Mobile devices are technologies that can be carried and used everywhere to enable learners accessing knowledge anytime and anywhere. The next generation of the learning systems is to use current and modern technologies to provide new techniques of learning, training and education that will be easy access and available to all who wish to be part of it. The nomadic computing environment is different from the normal and traditional distributed systems. In nomadic computing environment there is a diversity of, handheld devices, smart phones and mobile workstations,

which enable users to access and use Internet services anywhere. Although M-Learning started to be used in supporting a wide range of learning activities there are not much of learning done to know the candidate requirements or understand what types of mobile applications candidate need to use on their mobile devices and how an effective mobile educational software can be designed to support learning in an educational environments. This rapid increasing of mobile devices in the last the learning process welcomes more reinforcing components, which contribute to the development of information, communication and interactive environment. Thru web technology can create educational activities and experiences. The emergence of wireless and mobile devices helped e-learning extends to m-learning. One of the positive features of m-learning is that there is a high availability of mobile devices.

M-learning application is opportunity to develop more interactive applications. An application that offers operations to support distance learning, such as enabling a student to share his opinion through polls, a teacher to post announcements, share his files with his students and quickly collect the students' responses from polls, can be the start of an m-learning promotion and, thus, is one of our goals in this project. In order to produce a useful m-learning application, we also study the benefits of m-learning and make an analysis of principles and patterns of mobile interface design.

An evolution of wireless technology platforms, from addressing community needs to attend personalized needs. Mobiles hold various advantages as the preferred media for education, they are multi dimensional levellers. Key characteristics of the media like audio and voice, still and interactive graphics and numeric's work naturally well to build accurate phonetics and oral expression, number intelligence, associative, cognitive and logical ability, overall comprehension and application skills. Learning has mostly never been tailored to user needs. Individualized instruction can be easily achieved through mobiles thereby overcoming challenges posed by varied degrees of learner competencies. Since mobiles respect privacy and are nonjudgmental they have the potential to provide skill based learning, focused attention

on specific areas. In case of varying degrees of learning abilities, slow learners can subscribe to elaborate lesson explanations; this cultivates interest in learning, builds confidence and empowers the candidate.

Mobile Sets Learning

There's a Revolution happening everywhere. It's a Revolution unlike anything we have seen before in the history of computing. This amazing revolution is driven by these incredible devices we carry in our pockets with us everywhere we go. These devices turn on instantly and they make our lives better in a way the PC never did. To create, to communicate, to share and yes, to "Learn" virtually anything, anytime and anywhere.

The Time to Mobilize Learning is Now!

Mobile has helped us mobilize our conversations, our calendars, our email, our music and learning is next! This mobile revolution is forcing us to reimagine everything we do, from the products we make, to the Learning we develop. This mobile revolution changes everything in Learning Design, from the way people learn new things by interacting with information on mobile devices, to the way we need to design the next generation of learning experiences for a new world, where learners are increasingly interacting in an ecosystem of screens.

M-learning Methodology

The application proposed in this paper requires a connectivity protocol to engage the communication between the mobile robot and the user in order to develop the companion effect. On the one hand, the guidance of the mobile robot uses a route estimation procedure derived directly from the onboard learning application information provided by the user Smartphone. On the other hand, it has been developed several services and methods in both Smartphone's in order to perform different mobile robot actions such as a variety of learning analytics methods have been developed over the past decade with the use of computers

and learning management systems. These methods have included:

- Training analytics – using Kirkpatrick's levels of training evaluation as an analytical framework
- Learning analytics – the results from tracking and reporting by learning management systems
- Human capital analytics – the results from talent management and HR data
- Performance analytics – analysis of how well people do their jobs or perform specific tasks

There are many changes coming in the field of learning analytics. With the advent of big data, new methods of learning analytics are being developed.

- Sentiment analytics – analysis of feelings of a large population based on what they say or do
- Visual analytics – turning large amounts of data into pictures to make them easier to understand
- Entity analytics – a new type of data analysis that allows algorithms to identify people (entities) and their relationships
- Predictive analytics – analysis that allows forecasting from large data sets
- Prescriptive analytics – analysis that suggests solutions to problems and assists in making decisions.

Smartphone's Connectivity

The mobile robot establishes a wireless local communication with the user personal phone. The communication is performed over Wi-Fi protocol using the mobile robot Smartphone as an access point. Additionally, a wireless local area network can be used in order to an extended the operation range though access point roaming. The data streams implemented between both applications use TCP sockets with a custom application-level communication protocol. The implementation of the communication methodologies in the both Android applications is performed in separate execution threads in order to avoid the blocking of the main applications. On the other hand, the

applications have direct access to wireless connection parameters using Android SDK routines in order to handle and automatize all the connection procedures

Conclusions:

M-learning is application of AI(Artificial Intelligence). We can use m-learning application in our Smartphone to grow our education. M-learning is increased our ability to offer personalized learning information. M-learning

application we can use anywhere and anytime thru our Smart phone.

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Determinants of sustained competitive advantage in International market**Shivani Dalal**

Assistant professor, JIMS, Rohini

Keywords : Internationalization, sustained competitive advantage, cost efficiency, value creation, strategic management.

Abstract

As trade barriers are removed and logistics and communication costs fall, enterprises have adapted to new challenges to stay competitive in an international marketplace. Integration into the global economy has prompted them to develop new international activities such as attempting to open new markets; adding more value to their products and services and reducing their cost base. Internationalization is seen as an opportunity to increase sales, but internationalization affects the firm's competitiveness in other ways too, for instance through improved cost efficiency by subcontracting abroad, developing know-how and technology competencies via technical cooperation and extending product ranges through commercial partnerships. In order to gain competitive advantage companies either tends towards efficiency driven model or innovation driven model. A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when the other firms are unable to duplicate benefits of this strategy. Hence, understanding sources of sustained competitive advantage for firms has become a major area of research in the field of strategic management. In this research paper focus will be to identify the determinants of sustained competitive advantage for having an edge in the market, with a characteristic of inimitability.

Introduction

Enterprises are affected by globalization and are increasingly forced to think and act internationally. Internationalization no longer

has a limited focus on exporting/importing, but has become a much more differentiated business activity encompassing subcontracting as well as technical or commercial cooperation. Enterprises may be engaged in cross-border partnerships and foreign investments to capitalize on new opportunities.

There is a growing number of born global companies that have adopted a global focus since their creation. Oviatt and Mc Dougall (1994, p 49) argued that the formation of organizations that are international from inception is an increasingly common and hence an important phenomenon. They labeled such ventures as “International New Ventures” (INV’s) and defined an INV as a business organization that, from inception, seeks to derive competitive advantage from the use of resources, and the sale of outputs in multiple countries.

At present, the specific internal and external conditions that drive entrepreneurs to take on the additional risk of competing across borders is poorly understood. One of the major forces enabling economic globalization and internationalization of companies is the proliferation of inexpensive communication technologies and efficient logistics services that have eroded national borders and distance. Observing the speed and the minimal cost with which information, products or services can be transmitted across geography, space, we can talk about the world as a global village accessible to all companies.

Recent example of Amazon conducting its first commercial drone delivery, (A delivery drone is an unmanned aerial vehicle) (UAV), utilized to transport packages, food or other goods, we can see the technological revolution in logistics industry. Enterprises can use not only extensive and efficient communication tools, but also transportation infrastructures to reach out to large targeted audiences, to customize products

and services and meet international demand. Infact inadequate transport infrastructures and insufficient supply of distribution and logistics services will constrain competitiveness by limiting efficient product and service delivery.

The development of services in transport, packaging and distribution, as part of a set of policy measures directed at fostering a well functioning business environment, is particularly important to enterprises internationalization and growth. The spread of inexpensive communication technologies and efficient logistics services has radically changed the possibilities for enterprises to develop at an international level.

Moreover enterprises improve their long term business growth through acquisition of know-how and product diversification by involving into international activities. Internationalization also acts as a driver for business performance. As international enterprises transfer best practices developed internationally to their overall business, moreover the enterprises which expand internationally are more likely to be ambitious.

Objectives of The Study:

- To know about the concept of competitive advantage
- To understand sustainable competitive advantage and its significance
- To evaluate the models of competitive advantage
- To analyze the attributes necessary for sustainable competitive advantage

Scope Of The Study:

1. The study could be useful to the existing and upcoming enterprises to understand the need of sustained competitive advantage.

2. The study can be useful to researchers and students as means of secondary data for their study.
3. The study could be useful to the enterprises to assess the various models for sustained competitive advantage.

Research Methodology:

The data for study has been collected from various secondary sources like Books, Journals, Magazines, Internet sources etc.

Research design:

The research is descriptive in nature. The sources of information are secondary in nature.

Significance of The Study:

It is important to understand the concept of sustainable competitive advantage in an international marketplace. The companies should strive for a competitive advantage that could not be easily imitated by others in order to have an edge in the market over its rivals. The various models discussed will help the enterprises to identify the appropriate drive for creating a competitive advantage in the market. It is considered as a vital attribute for the company's existence, without which it would be difficult for them to survive in the long run. Hence, understanding sources of sustained competitive advantage for firms has become a major area of research in the field of strategic management

Competitive Advantage

Many firms strive for competitive advantage, but few understand what it is, or how to achieve and keep it. A competitive advantage can be gained by offering the consumer a greater value than the competitors, such as by offering lower prices or providing quality services or other benefits that justify a higher price. Competitive advantage can be also viewed as any activity

that creates superior value above its rivals. A company wants the gap between perceived value and cost of the product to be greater than the competitors. Michael Porter defines three generic strategies that firm's may use to gain competitive advantage: cost leadership, differentiation and focus. A firm utilizing a low cost leadership strategy seeks to be the low cost producer relative to its competitors. A differentiation strategy requires that firms possess a "non-price" attribute that distinguishes the firm as superior to its peers. Firms following a focus approach direct their attention to narrow product lines, buyer segments or geographic markets. "Focused" firms will use cost or differentiation strategy to gain advantage, but only within a narrow target market.

Levels of Analysis

Assessing international competitiveness requires consideration of the economic, political and social aspects within the country of origin as much as looking at the enterprise itself. Both levels of analysis have to be taken into account:

The macro level, national competitive advantages, such as access to new technologies, skilled labor, market structure, logistics and infrastructure.

The micro level, company specific competitive advantages, such as price, quality, Service, responsiveness and innovation.

Models of Competitive Advantage

In order to gain competitive advantage companies tends towards various models which are itself driven by different factors. Such as:

- Efficiency driven models involves companies competing on the basis of efficient production processes, quality, product improvements and well organized logistics services. Efficiency is the ratio of

inputs to outputs. Inputs can be any materials, overhead, or labor that is assigned to the product or service. The outputs can be measured as the number of products produced or services performed. The firm that can achieve the highest efficiency for the same service or product can widen the gap between cost and perceived value and may have greater profit margins. There are many ways a company can increase efficiency. Efficiency is enhanced if, holding outputs constant, inputs are reduced; or if holding inputs constant, outputs are increased. Inputs can be reduced in many ways. Labor inputs can be reduced if employees are better trained so that time spent on each individual output is decreased. Decreasing waste can decrease materials needed. If a method can be devised to decrease waste, it would increase efficiency. Outputs can be increased by increasing the number of units a machine can produce in given period of time. Decreasing downtime can also increase outputs. It is often argued that large companies, by definition, are able to be more efficient because they can achieve economies of scale that others are not able to reach.

- Innovation driven companies compete by providing new or unique products/services creating their own market. When people think of innovation, they usually have a narrow view that encompasses only product innovation. Product innovation is very important to remain competitive, but just as important is process innovation. Process innovation is anything new or novel about the way a company operates. Process innovations are important because they often reduce costs, and it may take competitors a significant amount of time to discover and imitate them. Some process

innovations can completely revolutionize the way a product is produced. The first companies to use this innovation had a competitive advantage over the companies that were slow or reluctant to change.

- Product differentiation is achieved by offering a valued variation of the physical product. The ability to differentiate a product varies greatly along a continuum depending on the specific product. There are some products that do not lend themselves to much differentiation, such as cheese, vegetables, and notebook paper. Some products, on the other hand, can be highly differentiated. Appliances, restaurants, automobiles, and even batteries can all be customized and highly differentiated to meet various consumer needs. Differentiation can occur by manipulating many characteristics, including features, performance, style, design, consistency, durability, reliability, or reparability. Differentiation allows a company to target specific populations. It is easy to think of companies that have used these characteristics to promote their products.
- Companies can also differentiate the services that accompany the physical product. Two companies can offer a similar physical product, but the company that offers additional services can charge a premium for the product. This additional service allow companies to charge more for their product than if they sold the product through more traditional channels. In the personal computer business, Dell and Gateway claim to provide excellent technical support services to handle any glitches that may occur once a consumer has bought their product. This 24-hour-a-day tech support provides a very important

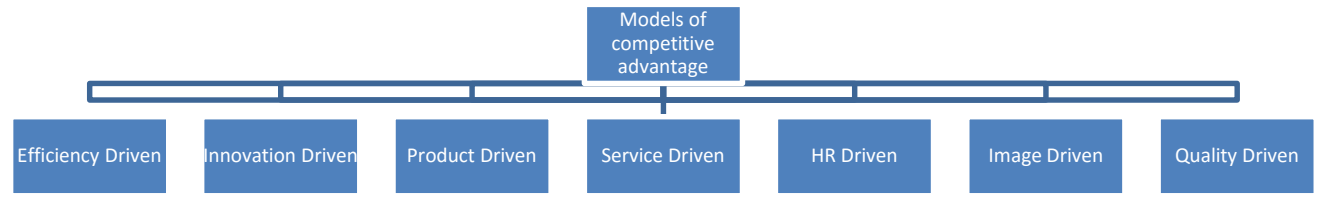
advantage over other PC makers, who may be perceived as less reliable when a customer needs immediate assistance with a problem.

- Hiring and training better people than the competitor can become an immeasurable competitive advantage for a company. A company's employees are often overlooked, but should be given careful consideration. This human resource-based advantage is difficult for a competitor to imitate because the source of the advantage may not be very apparent to an outsider. The culture, attitudes, beliefs, and actions of his employees constitute his strongest competitive advantage. The intangibles are more important than the tangibles because you can always imitate the tangibles. But the hardest thing for someone to emulate is the spirit of your people. This competitive advantage can encompass many areas. Employers who pay attention to employees, monitoring their performance and commitment, may find themselves with a very strong competitive advantage. A well-trained production staff will generate a better quality product. Yet, a competitor may not be able to distinguish if the advantage is due to superior materials, equipment or employees. People differentiation is important when consumers deal directly with employees. Employees are the frontline defense against waning customer satisfaction. The consumer knows that the staff will be helpful and courteous. Another way a company can differentiate itself through people is by having a recognizable person at the top of the company. A recognizable

CEO can make a company stand out. Some CEOs are such charismatic public figures that to the consumer, the CEO is the company. If the CEO is considered reputable and is well-liked, it speaks very well for the company, and consumers pay attention.

- Armstrong and Kotler pointed out in Principles of Marketing that when competing products or services are similar, buyers may perceive a difference based on company or brand image. Thus companies should work to establish images that differentiate them from competitors. A favorable brand image takes a significant amount of time to build. Unfortunately, one negative impression can kill the image practically overnight. Everything that a company does must support their image. Often, a company will try giving a product a personality. It can be done through a story, symbol, or other identifying means. A symbol can be an easily recognizable trademark of a company that reminds the consumer of the brand image.

Quality is the idea that something is reliable in the sense that it does the job it is designed to do. When considering competitive advantage, one cannot just view quality as it relates to the product. The quality of the material going into the product and the quality of production operations should also be scrutinized. Materials quality is very important. The manufacturer that can get the best material at a given price will widen the gap between perceived quality and cost. Greater quality materials decrease the number of returns, reworks, and repairs.



Models of competitive advantage

Selecting a Competitive Advantage

A company may be lucky enough to identify several potential competitive advantages, and it must be able to determine which are worth pursuing. Not all differentiation is important. Some differences are too subtle, too easily mimicked by competitors, and many are too expensive. A company must be sure the consumer wants, understands, and appreciates the difference offered. Variety would not become a competitive advantage, and would be a waste of resources. A difference may be worth developing and promoting, advice. If it is important, distinctive, superior, communicable, preemptive, affordable, and profitable, a competitive advantage can make or break a firm, so it is crucial that all managers are familiar with competitive advantages and how to create, maintain, and benefit from them.

Sustainable Competitive Advantage

The achievement of competitive advantage is not always permanent or even long lasting. Once a firm establishes itself in an area of advantage, other firms will follow suit in an effort to capitalize on their similarities. A firm is said to have a "sustainable" competitive advantage when its competitors are unable to duplicate the benefits of the firm's strategy.

Firms obtain sustainable competitive advantages by implementing strategies that exploit their internal strengths through responding to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses. Most research on sources of

sustained competitive advantages has focused either on isolating a firm's opportunities and threats, describing its strengths and weaknesses or analyzing how these are matched to choose strategies.

Competitive advantage occurs when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors. A sustainable competitive advantage occurs when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when other firms are unable to duplicate the benefits of this strategy.

A firm's competition is assumed to include not only all of its current competitors, but also potential competitors poised to enter an industry at some future date.

Attributes for Sustainable Competitive Advantage

In order for a firm to attain a "sustainable" competitive advantage, its generic competitive strategy must be grounded in an attribute that meets four criteria. It must be:

- Valuable—it is of value to consumers. It must be valuable in the sense that it exploit opportunities and/or neutralizes threats in a firm's environment. Also it should enable the firm to conceive of or implement strategies that improve its efficiency and effectiveness.

- Rare—it is not commonplace or easily obtained. It must be rare among a firm's current and potential competition. A firm enjoys a competitive advantage when it is implementing a value creating strategy not simultaneously implemented by large number of other firms. If a particular valuable attribute possessed by large number of firms, then each of these firms have the capability of exploiting that attribute in the same way, thereby implementing a common strategy that gives no one firm a competitive advantage. If it is not rare, then it will not be a source of competitive advantage.
- Inimitable—it cannot be easily imitated or copied by competitors; the benefits which are derived by the firm must not be duplicated by others. However valuable and rare attributes are, they can be a source of sustainable competitive advantage if firms that do not possess this attribute are unable to copy it.
- Non-substitutable—consumers cannot or will not substitute another product or attribute for the one providing the firm with competitive advantage. There cannot be strategically equivalent substitutes and thus there should not be any scope for substitution. If an attribute could be substituted, resulting into the same implications to the existing potential competitors, then it will not lead to a sustained competitive advantage.

Conclusion:

In the age of modern and globalized world, the concept of sustained competitive advantage cannot be ignored by the enterprises. Internationalization is seen as an opportunity to boost sales. Thus in order to stay competitive in the international market, a firm should develop an advantage which could not be imitated by the

existing/potential competitors. Thus there is a strong need to develop a sustained competitive advantage which will help the firms to stay in the long run.

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Workplace Diversity: Evolving Role and Nature of 21st Century Leaders

Dipanwita Biswas

Assistant Professor, Amity Law School,
AUUP, Noida

Keywords: Workplace Diversity, leadership styles, 21st century organizations, challenges, cross-cultural leadership.

Objective:

This article identifies the nature of leadership in the 21st century organizations, the dynamic role of leaders, leadership styles as well as the expectations from the leaders. It also recognizes the changes which are being introduced in the 21st century and the challenges being faced by the leaders of 21st century leaders in the form of Globalization, Multi-National work environment, Workplace diversity, technological advancements, etc. It also posits that leaders in 21st century organization are not in a comfort zone of working in a to-down hierarchical manner. They are always surrounded by number of issues creating lot of uncertainty. This creates undue pressure on the leaders to adopt practical approach of management and leadership to achieve the set objective. This article also emphasizes on identifying practical ways adopted by the leaders to solve different challenges in organization.

Introduction:

“It is not leadership from any one person that is required; it is an aspect of leadership each of us summons from within. In this respect, the same qualities we have sought in one person can be found distributed among many people who learn, in community, to exercise their "leadership" at appropriate moments. This occurs when people are vitally concerned about issues or when executing their responsibilities. Leadership thus becomes a rather fluid concept focusing on those behaviors which propel the work of the group forward.”

John Nirenberg (1993, p. 198)

Leadership is the process of influencing others towards the accomplishment of goals. As defined by Koontz and O'donnel, “it is the ability of a manger to induce subordinates to work with zeal and confidence”. It is not aonetime effort as it requires continuous actions to towards influencing behavior. A leader

breathes life into the group and motivates them towards goal. The behavior exhibited by a leader during the supervision of subordinates is known as leadership style. It is the manner and approach of providing direction, implementing plans, and motivating people. As seen by the employees, it includes the total pattern of explicit and implicit actions performed by their leader (Newstrom, Davis, 1993). As demanded by the situation and trend, any leaders may follow any of the styles from Authoritarian, Bureaucratic, Participative, Democratic, Laissez-Faire, Transactional and Transformational.

The effectiveness of different styles and nature of leadership in organizations has always been a subject of debate. Different people have different views citing the demand of situation, requirements of management and need of the employees. Leaders in 20th Century or even earlier times had succeeded and gained popularity by keeping the three things in mind: Situation,

organization and employees. The scenario has drastically changed with time. However, the type of leadership needed in the 21st century is very different from that which many organizational leaders experienced in their early careers. Good leadership has always been considered as one of the most important element behind an organization's success. In the academic domain, the leadership theories have aligned difficulties and challenges to be traversed by a manager for being accepted and pronounced as a successful leader. What makes this task more challenging in this 21st Century is wide span of globalization, increasing numbers of Multi-National Corporations, more and more employee empowerment, enormous technological changes, rising as well as alarming usage of social media and growing awareness amongst consumers. Therefore leadership styles are becoming much more complex because of the nature of the 21st century organizations and the dynamics of the new global economy (Drucker, 2001, 2006; Rose, 2008; Trilling & Fadel, 2009).

Some aspects of leadership are timeless like

vision, intelligence, quick and effective decision making skills, courage, ambition and integrity. Leaders of today are expected to have many other essential skills in them like they should be able to learn utilizing emerging and new technologies, use social media effectively and efficiently to communicate and coordinate actions. They need to be great listeners and skilled change agents who can situationally become persuasive to zero down the employees' resistance towards change and ultimately get their complete support on an agenda. They must be updated about the global politics in the world connected by the internet and globalization, become more innovative and "create a sense of earnestness. In the 21st century the most successful leaders will focus on sustaining superior performance by aligning people around mission and values and empowering leaders at all levels, while concentrating on serving customers and collaborating throughout the organization.

Challenges for 21st Century Leaders and the Ways to Overcome:

Leadership today is not only about styles that leaders or managers will choose from the various leadership styles to successfully lead and manage the 21st century organization. It has rather become a complex issue of "doing things right no matter how tough they might be" (Drucker, 1996; Drucker, 2001). Therefore, old top down hierarchical leadership styles have become practically impractical. As rightly said "the effectiveness of a modern society and its ability to perform-perhaps even its ability to survive-depend increasingly on the effectiveness of the people who work as executive in the organizations" (Drucker, 2006). There are many aspects which are emerging as challenges for the 21st century leaders. Some important and difficult of such challenge and the some of the solutions are as follows:

Globalization:

Challenge: Globalization has brought along a new world altogether – one world with no barriers and restrictions. Globalization is not only about globalization of trade, but globalization of education, globalization culture,

and globalization of politics, globalization of technological innovations and globalization of ideas also. Therefore, the role of leaders and managers in the 21st century organizations is becoming much more cumbersome.

Ways to overcome: Globalization which is making way for, a global village is based on the concept of community build up and sharing of ideas, cultures, ethos as well as goods and services across territories. The challenges relating to globalization can only be solved by keeping a holistic attitude by the leaders by: sharing leadership, leading together, learning together, visioning together, building community and acting together.

Multi-National Corporations:

Challenges: Globalization has also given birth to the MNC Culture. More and more MNCs mean more people from multiple countries, religion, culture, ethnicity and language working under same roof. Here comes the understanding of the leader to have a “willingness to recognize the limitations of their own cultural norms and accept and adapt to the culture of the host country” (Fernandez and Underwood, 2006, p.10). Many multinational companies are confronted on the one hand with market places that develop and become mature rapidly and on the other hand with ambitious and self-confident competitors. This generates new challenges for its leaders. First challenge is to address the issue of their maturity to align well with the local culture and second challenge is to make the correct strategy to create the acceptance of the local market. , another challenge is the entry of new members from other cultures in senior leadership teams.

Ways to overcome: Cross-cultural organizations can work best on the principle of ‘reconciling and combining the best of both worlds’. Leaders have to focus on understanding the local culture in the markets where they operate, the level of cross-cultural differences within the company and stimulating and support managers to learn about cross-cultural skills. These all means that cross-cultural sensitivity; skills and effectiveness are vital assets for leaders in multinational companies.

Workplace Diversity:

Challenges: More and more MNCs in practice give a way towards fostering workplace diversity. It is about creation of an organizational culture that keeps out personal differences and inspire employees from diverse background to work together toward a common goal. It is challenging for the Global leader to develop their interpersonal skills to “deal with racial conflicts that have occurred and to develop individuals and groups in the workplace” (Byrd, 2007).

Another challenge is to execute the expected style of leadership in a diverse work environment. Leaders with various cultural backgrounds may differ in their conception and expectation of leadership. Are the leadership perspectives which are in existence and followed not individualistic and too Western? Could the leadership styles which are academically suggested be accepted globally? Japanese leadership practice, for example, is different from the West by its cultural; whether Indian leadership practices are mixed style of both kinds of business practices. Therefore, complete understanding of the cross cultural practices is required from the leaders.

Ways to overcome: Organizations growth and expansion plans are inviting diversity in workplaces this is increasing with time. Management and leaders also realize the benefits of embracing diversity in the form of increased adaptability towards fluctuating markets and customer demands, broader service range because of the availability employees belonging from different language and cultural understanding, variety of viewpoints arising out of larger pool of ideas and experiences and more effective execution as a result of company-wide strategies for the purpose of higher productivity, profit and return on investment.

The leaders in an organization like this have work on the cross cultural issues so that the above benefits are rendered fruitfully. It is indeed possible by practicing three values: respect for human dignity, the common good and distributive justice as participation in the common good.

Social Media

Challenges: 21st Century has seen a lot of transition than 20th century because of the advent of Social media by one and all. Updates of Social Media like Twitter, Facebook or even LinkedIn lead to lot of assumption and speculation. On the other way these are the platforms for networking and being updated with the world business. Therefore, it has become a tricky situation for the Global leaders to understand the somewhat ambiguous, nexus between social media technologies and business leadership. Posting the right picture about the company in the social media platforms and also making sure that no one else can destroy it is a big responsibility of the Global leaders.

Ways to overcome: Social media leads to situations those are less predictable and less controllable. Therefore, Leaders need to be extra –cautious in the using these vary ways of communication. Leaders and managers also need to be familiar of the ways they are perceived by the common people, as the way they are perceived may affect their reputation, the goodwill of the organization and which as a result may affect the effectiveness in managing their organizations.

Knowledge Workers:

Challenges: Organizations from the last decade of 20th Century have experience the rush of ‘workers (skilled/unskilled)’ being replaced by ‘Knowledge Workers’. These growing groups of employees come with a major resource which is knowledge.

“Knowledge workers have high degrees of expertise, education, or experience, and the primary purpose of their jobs involves the creation, distribution, or application of knowledge. Knowledge workers think for a living. They live by their wits – any heavy lifting on the job is intellectual, not physical. They solve problems, they understand and meet the needs of customers, they make decisions, and they collaborate and communicate with other people in the course of doing their own work”. (Davenport, 2005, p. 11)

Knowledge, due to its tacit dimension, is of intangible character which makes the management of knowledge workers difficult. Moreover, it has not constant as knowledge workers while working on their job develop new knowledge. So, it becomes a challenge for the leaders and managers to observe and control the most important part of the process of work of knowledge workers (it happens in their brains and is invisible) and they cannot use directive tools that fail with this group of employees.

Ways to overcome: As Drucker (2001) has noted, “A great many of the individual knowledge workers to be affected by the challenges” of the 21st century “will be employees of business or working with business”. So, the leader should be imbued with kindness and “social intelligence” (Goleman, 2007) to connect and build an enduring relationship with the followers and make work environment a better place to be.

Technological Advancements:

Challenges: Technological Advancements on a daily basis has also made it challenging for the leaders to stay updated with every new technology that could be related to the business. Technological advancement has not only saved time and money for a greater organizational profit and a better quality of life but has also created a global village with shared regulation, language, and values. Physical meetings have taken over by web meetings and e-mails. Virtual workforce, virtual organizations, and e-leadership are also emerging from technology development. Different leading approaches are thus required in the new virtual working environment (Wang, 2011). In this distance and disconnected human relations, traditional leadership can no longer be useful.

Ways to overcome: Majority of workers in today’s organizations are “digital natives” (those who grew up with the emerging technologies) as divergent from the “digital immigrants” (those born before the advent of modern technologies and are learning to use them) (Prensky, October, 2001). Leaders can no longer follow their old

rulebook for holding their authority with the help of their position. It has to be realized that the leaders not only need to be intellectually sound but, they also need to be smart with the use of technology. The leaders to in the process of assisting their followers to acquire the essential 21st century skills which are required to enable their workers to achieve organizational goals, they must possess the needed skills, including being technologically savvy (Fullan, 2007). Moreover in a more virtual than real organizational culture, leaders have the extra sensitive for keeping the organization together with help of building relationship and trust among all.

21st Century Leadership requirements:

As it is evident that leadership in 21st Century organizations is different from what it used to be in 20th century and earlier, the requirement from the leaders are also drastically different. According to Sandmann and Vandenberg (December 1995), "Leadership development for the 21st century requires a change in personal practice, conceptual thinking, and organizational application". The task force formed in 1994 under the guidance of Michigan State University Extension observed that the 21st century leadership and its development are different from that of the 20th century. So, the question is -I) How it is different? And particularly II) what all are required from this genre of leaders? The first part of the question can be answered from the earlier points discussed in the article, but, the second part of the question can be answered through the following points:

1. As observed by Sandmann and Vandenberg (December 1995) "leadership development for the 21st century is holistic: it is centered in groups or organizations, rather than individuals, and engages the group in heart, mind, and energy". Therefore the top-down hierarchical leadership and typical delegation of authority relation does no longer exist and rather, a bottom –up leadership inspired by sharing of power and community building is to be developed.
2. In a cross-cultural work environment it is critical for global leaders to enrich his or her cultural intelligence (Lovvorn& Chen, 2011). Leaders must be open-minded, think globally and act swiftly to maintain their competitiveness in multicultural workplaces. Global leaders must know to respect the culture of the place they work in but, not sacrificing the core values of the culture of the organization.
3. 21st century organizations are dynamic in every possible way and so are the role human resources. In this highly modern work environment. In today's knowledge-driven and highly competitive business environment requires that employees are engaged, and the results may be achieved not in a static hierarchical way, but through a network of relationships. The younger generations performs the best if they are engaged and empowered and if they can communicate freely with anyone they want irrespective of any authority or position. They must lead by example, be flexible and transparent, have a vision, gain the trust of their followers so as to and help them to develop essential skills and capabilities through education and job training (Trilling & Fadel, 2009).
4. Innovation and creativity will be two areas which must be encouraged as well as exemplified by the 21st century leaders. The 2008 global economic and financial crises, which the former U.S. Federal Reserve Chairman, Ben Bernanke, quoted to have said was worse than the great depression (Worstall, 2014), provided leaders of organizations a glimpse of what life would be like if they fail to acquire the necessary skills to become creative and innovative. With workers who are 'digital natives', the leaders must also develop enough skills to effectively lead and succeed in the highly competitive global economy. They must be leaders and entrepreneurs who will ensure that their organizations can adapt and innovate in today's dynamic technologically-driven work environment (Perrin et al., 2010; Boyatzis, 2008).

5. 21st Century leaders must also be sincere about considerably practicing Value based leadership. It should be accentuated that humility, honesty and integrity will bring a positive work environment resulting in higher productivity and creation of value added in the organizations. Leaders must lead by example and show consideration for morals, integrity, honesty and transparency in the organization and outside as well as showering trust and fairness.

Conclusion and Recommendation:

21st Century has witnessed many changes in the world of business. In this highly dynamic environment, leaders have to play a proactive role to navigate through all the complexities and uncertainties to make the organization reach the expected organizational objective. This highly responsible task can never be complete if the leaders don't keep the followers along by continuously motivating them and empowering them. Leaders of 21st century are not only responsible for the performance of the employees as the organization's overall success depends on the many other issues. Therefore these ten essential skills are necessarily to be there in a 21st century leader:

- I. Being empathetic
- II. Showing trust, humility and integrity
- III. Empowering workforce
- IV. Sharing leadership
- V. Communicate in a flat organization and be a good listener
- VI. Obtain cross-cultural human relation skills and international leadership
- VII. Acquire digital literacy skills, media literacy skills and information and communication technology (ICT) skills,
- VIII. Be equally aware about the political and economic alterations
- IX. Take Social responsibility
- X. Learn to use 'emotional intelligence' skills 'social intelligence' skills.

Every dawn of 21st century brings not only a new day, but a new challenge for the 21st century leaders. Those who are awake with it, aware before it comes and equipped with the

right strategy to make it under control will succeed as a 21st century leader.

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Issues and Challenges Regarding to E-Payment: A Multidimensional Perspective**Dr. Shilpa Bagade**

Assistant Professor, IMS Law College

Keywords: cyber economy, challenges, e-payment, information security, internet, issues, threats

Abstract

Internet has converted the world into a village. In the era of globalization the business is also transformed and changed. Since the announcement of government on demonetization electronic monetary transactions and mobile wallets have been at the centre point. Online payment and the introduction of the Universal Payments Interface have been making slow but steady progress in building digital payments framework in India. Presently Government is aggressively promoting digital payments.

Nowadays e-payment systems have become increasingly popular due to the widespread use of the internet. The number of private and corporate transactions that are done electronically is growing rapidly. Worms, Trojans, viruses, phishing, pharming, spoofing, man-in the middle, denial of service attack, transaction poisoning and spamming are the most common threats in the cyberspace. All this malicious activity has lead to unauthorized access, theft and fraud. Information security is an essential requirement for any efficient and effective e-payment system. This paper has addressed technological, social, economic, international economic and legal issues affecting cyber economy due to e-payment mode.

This paper has analyzed e-money products raise legal, security and law enforcement concerns. Many of the features relevant to the convenience and security of e-money increase its attractiveness for money laundering and other criminal activities. This paper has dealt with the cross-border nature of some e-money schemes makes this a particularly challenging issue requiring international co-ordination and co-operation. Lastly, some suggestions are provided in this paper.

Methodology:

The present study is conceptual survey with exploratory and descriptive in nature. It is based on the analysis of secondary data. The secondary

data is availed from various journals, internet and books.

Introduction

Now a day India is witnessing a digital revolution with internet. It is becoming an integral part of its population and availability of internet in the mobile phones. This internet is supported this revolution. Decrease in the prices for using internet which has changed the life style in urban areas and the convenience. E-payment are likely to figure importantly in the development of electronic commerce, retail electronic banking services and products, including e-money could provide significant new opportunities for banks.

The Concept of Electronic Payment System:

E- Payment is the “exchange of monetary value online via the Internet, private networks or a combination of it.” A typical e-payment transaction is where merchants collect revenue from customers when they pay for goods or services online using electronic payment methods such as Paytm, SBI Buddy etc. There are many risks involving conducting a payment electronically such as fraudulent activities. E-payment is a multi participant activity, with each participant trying to minimize their risk. E-payment does provide some benefits and convenience to customer, merchants and banks that are involved in an electronic transaction.

According to Kulkarni e-payment is the payment system consisting of electronic machines which make the exchange of payment possible. In other words that it is a payment or monetary transactions made over network of computers. D. A. Wassennar defines e-payment as alternative cash or credit payment method using various technologies to pay for goods and services in electronic commerce. According to Anyanwaokoro in the theory and policy of money and banking, a payment system is defined as a system where settlement of financial obligations are done by the use of credit cards or even pressing some button that transfer the amount in their bank to account of another person through the computer. Clive

define electronic banking as a form of banking in which funds are transferred through an exchange of electronic signal between financial institutions, rather than an exchange of cash, cheque or other negotiable instrument.

Greenspan views Electronic Payment System as a set of mechanisms which can only provide the necessary infrastructure when coupled with appropriate rules and procedures. Therefore having the technology, systems or instruments such as debit/credit cards without the supporting rules and arrangements between the institutions involved, may not necessarily present a safe and working payment system. There may be a necessity for a platform of collaborative arrangements for the mechanism.

CPSS therefore views the payment systems as comprising all institutional and infrastructure arrangements in a financial system for initiating and transferring monetary claims in the form of commercial bank and central bank liabilities. A national payment system therefore includes a country's entire matrix of institutional and infrastructure arrangements and processes. Online payment and receipt of money is essential for the successful establishment of a digital society. E- Payments are managed in an online environment with minimum human interaction. At the same time e-payment management requires compliance with certain techno legal requirements that include compliance with cyber law, e-commerce law, foreign exchange management and export and import regulations. Due this an online payment platform has made cyber attacks and cyber crimes are very common these days as the security measures are very less.

Mobile transaction payment solution is allowing users to conduct financial transactions anytime, anywhere from your phone. Your phone is now your bank and your mobile phone number becomes your account. It is very much cost effective, convenient and available for everyone. It is easy and secure way to engage in business transactions in an online process. Mobile phones have long been in the market of electronic payment systems. Goggle wallet, SBIpay, Mobiwik, Paytm SBI buddy etc are mobile

payment apps to replace cash-filled wallet. It can provide options for payment where digitally store credit cards and gift cards accepted.

As the consumers are giving preferences to shift toward mobile and apps for daily banking activities, financial fraud has become increasingly complex and recurrent across all banking channels. The wide range of access point for financial information including smart phones, tablets, office and home computers has given fraudsters an array of options to plan and execute their attack. Due to growing threats banks should find some innovative approaches for fraud detection to a proactive and analytical approach.

Electronic Payments can be categorized as Stored Account Payments or Stored Value Payments. In a stored account payment system, the buyer and the merchant maintain accounts with a bank. The transactions are registered and the actual transfer of funds takes place at a later stage through settlement for example Credit Cards, Debit Cards and Electronic Checks. In Stored Value Payment System like smart cards, digital cash, certain amount of prepaid monetary value stored electronically in the card. Electronic Checks are also processes on the lines of traditional check processing.

Cultural Issues Relating to E-payment:

Most people still like to do their businesses in traditional form because their thinking is that the traditional system guarantees safety of their transaction. They would like to do every deal of business, physically rather than virtually. There are many people who do not agree and accept all new technologies. They are always not certain and assured to the technologies. It is very difficult to motivate these people to accept the technologies. Every defection makes the public opinion divert from the advantages of new technologies.

Cross-Border Transactions:

Cross-border payments can be slow, inefficient and expensive. They play an important role in global trade. Presently the Indian infrastructures

are not able to handle cross-border payments which are resulting in independent and non-uniform development in technologies and software platforms that complicate or stall cross-border transactions. In developing countries for example Bangladesh bank cyber heist that the bank suffered great amount of money of loss. While Bangladesh is blaming the SWIFT for this loss yet SWIFT has pointed that this happened due to inadequate cyber security on the part of the bank. The truth can be ascertained through a detailed cyber forensics and cyber crime investigation report. Unfortunately, banks across the world are vulnerable to malware and sophisticated cyber attacks. Indian banks lack cyber security infrastructure. This has made them vulnerable to sophisticated cyber attacks.

In advance in all cases zero day vulnerabilities cannot be detected. After many years of compromise of the computer systems such zero day vulnerabilities are detected in some cases.

Cyber security of banks in India is not at all satisfactory. Bank related cyber crimes and financial frauds are increasing in India. Reserve Bank of India, controlling authority of all Banks, has failed to establish an IT subsidiary to manage cyber security related issues of banks in India. As a result the cyber security due diligence and cyber law due diligence are not complied with by banks operating in India.

Issues Relating to Security-Threats:

Electronic payment systems are under various security threats which are constantly changing and often extremely quickly. The most common threats include viruses, worms and Trojan horses. Viruses are spread via email or by downloading infected files. Online payment systems for the internet are an easy target for stealing money and personal information. Customers have to provide credit card and payment account details and other personal information online. Sometimes this data is not transmitted in an un-secured way. Viruses are a nuisance threat that can be categorized as a Denial of Services tool due to the fact that they only disrupt electronic communications.” Thousands types of different computer viruses and internet malicious programs are in existence today. Malicious software can easily attack the

mobile banking payment system by taking up passwords on the web browser or any cached information on operating system e.g. mobile bank users were targeted by inflicting SMS banking by using Zeus Trojan.

Worms:

Worms are special viruses that spread using direct Internet connections. They are standalone programs that do not require a host program for activation and spread themselves independently from computer to computer by exploiting security vulnerabilities or configuration errors in operating systems or applications.

Trojan horse:

Trojan horse affects client systems the greatest threat to the e-payment systems because they can bypass or subvert most of the authentication and authorization mechanisms used in an electronic transaction. Its target is to spy on sensitive data e.g. passwords, confidential data etc and send it back to their owners to gain access to third party computers and control of them remotely.” These programs can be installed on a remote computer by the simplest of means like an email attachment or when users visit certain websites and download a so called “harmless” program. As they do this, a key logger program that has bound to the downloaded program is also installed on their computer without their knowledge. When the users log into their bank’s website, the information keyed during the session will be captured and sent to the attacker. It captured everything the user is doing on his device so it is used as one of the ways of stealing information. The key loggers and spyware can trace any kind of activity a user performs on his computer system.

Denial of Service:

Another way which is used to disrupt the security of the e-payment system is a denial of service attack (DOS) or a distributed denial-of-service attack that involves hackers placing software agents onto a number of third party systems and setting them off to simultaneously

send request to an intended target. By doing this they attempt to make computer resources unavailable to its intended users. The Dos attacks target sites or services hosted on web servers such as banks or credit card payment gateways. The illegitimate use involves the use of information by unauthorized purposes.

Pharming and Phishing:

Pharming and phishing is used for online identity theft information. Phishing attacks use email or malicious websites to solicit personal information. Generally the attacker sends an email seemingly from a reputable credit card company or financial institution that requests account information, often suggesting that there is a problem. When users respond with the requested information, attackers can use it to gain access to the accounts. Pharming is a type of fraud that involves diverting the client internet connection to a counterfeit website, so that even when he enters the correct address into his browser, he ends up on the forged site. Pharming can be conducted either by changing the hosts file on a victim’s computer or by exploitation of vulnerability in DNS server software.

Malware and Virus Attacks:

The main perceived threat or risk associated with cyberspace for both businesses and individuals is the prevalence of malware and virus attacks. Users get infected with such malware simply visiting particular website. These websites often contain legitimate content but have been contaminated by harmful programs that smuggle malicious codes into the site.

Money Laundering:

Money laundering is defined as the act of disguising the origin or ownership of illegally gained funds to make them appear legitimate. Through illegal activities the huge sum of money is obtained. It has been linked to nearly all kinds of crime for profit including organized and white collar crimes. This money is laundered in order to avoid seizing by the law

enforcements. There is growing concern on money laundering in India as it is often associated with drug trafficking, bank savings abuses, real estate fraud and tax evasion. The process of transferring funds through electronic messages between banks is known as wire transfers. It is the duty of the bank staff to report any detection of potential money laundering via direct telephone notification to the bank regulators and financial enforcers. The high number of transactions and the flow of wire transfer through fully automated systems have made it hard for it to be detected by law enforcements and confuse audit traits.

Issues Relating to Privacy:

With the increasing usage of the Internet, the fears of privacy abuse become a top concern of most of the Internet users. In protecting privacy anonymity features of electronic transaction systems play a vital role. The anonymity of an internet user is mainly compromised through the transaction method that is employed widely on the internet- credit card, since most of the information is being collected on the Internet when users enter their credit card purchasing details. The consumer prefer to keep the details of their transaction private at the same time merchants and issuers in favor to ensure they capture and possess enough an appropriate and sufficient record of their transactions. Thus privacy becomes a thorny issue. Various commission and other law enforcement bureaus have participated in a wide-ranging issues of the emerging e-payment technologies. Privacy must be regarded as a political right that consumers enjoy and ought to be respected. Precautions need to be put in place to ensure that electronic transaction systems are not used as means to thwart existing laws.

Expensive:

E-payment systems are highly expensive because it includes set up cost, machine cost, management cost and so on. This mode of payment will take more time than the physical mode of payment.

According to Chibueze, every new technology, when exposes and comes to the public, it faces to so many difficulties. It takes time that since the technology like e-payment is new, there should be so many things invented and prepared as a base for expanding of it. Most of equipment of e-payment is expensive and not easy and simple to anybody to apply them. The other problem is to expand and grow the other part that are engage in or are part of e-commerce and e-transaction every end user must have at least one phone line and the connection to the internet. The infrastructure needs to be developed in all countries to have a real integration in this field.

Issues Relating to E- Payment in India:

E- Payment is undergoing huge growth in terms of the volume of goods and services that are being traded online. In India many companies have developed universal transaction portal offering a whole host of ostensibly free information and services to consumers; the use of real micro transaction, though, is clearly more flexible and allows a much clearer link between the content delivered and the amount paid. As telecommunication manufacturers and network operators seek to define the shape of the mobile internet, startup companies are busy coming up with new ways to make transactions i.e. buying and selling on-line. The proprietary gamut of hardware and software platforms governs the online payment systems. For online retailers credit card-affiliated payment processors can be more expensive though it can be more secure. There is lack of interface between processing systems. Due to this it can be difficult rather impossible for a PSP to link with other systems.

India has launched projects like Digital India and Aadhaar. These projects collect sensitive and personal information and data of the Indian citizens. India has not enacted dedicated cyber security laws, privacy laws and data protection laws to safeguard the information and data collected from Indian citizens and people. In these circumstances, online payment companies and businesses of India must be very cautious in their online dealings and businesses in India. This is more so when the directors of Indian

companies can be held liable for cyber law and cyber security related non compliances in India. As on date most of the directors are not complying with cyber law and cyber security related legal obligations. In some cases, the business model itself is legally questionable. For instance, recently a panel has been formed by the Competition Commission of India (CCI) that is studying the cash back model being used by online payment platforms, e-commerce companies and also several banks. This would include cash backs given by online payment platforms like Paytm and Mobikwik. The CCI is ascertaining whether the cash back incentives offered by digital wallets and e-tailers on recharges, bill payments or purchase of other products constitute predatory pricing. Further, such cash backs may also violate the norms recently formulated under the FDI policy of India for e-commerce industry of India.

Online payment legal compliance in India is diverse and complicated in nature. For instance regulatory compliances are ignored by various stakeholders though mobile payment market is on boom in the cashless scenario of India. There are handful of e-commerce players and entrepreneurs that are complying with cyber law due diligence requirements of Indian laws. Mobile cyber security in India is another area of concern. Perry4Law Organisation (P4LO) observed that the biggest hurdles before the mobile related uses in India pertain to use of weak encryption standards and non use of mobile cyber security mechanisms in India. Absence of encryption laws in India has further made the mobile security very weak in India. The ever evolving mobile malware are further increasing the woes of mobile users' worldwide. As on date the malware are defeating cyber security products and services with ease.

Regulations in India

The Payment and Settlement Systems Act, 2007
The Payment and Settlement Systems Act, 2007 is the nodal legislation for the regulation of payment systems in India and empowers the RBI to regulate and supervise these systems. The entities which are licensed under the Act can issue their own mobile wallet and engage in the mobile wallet. Reserve Bank of India issued a

Master Circular in July 2016 setting out the policy framework for issuance and operation of pre-paid payment instruments as well as the regulation of payment systems providers. At the time of implementation, the compliance of norms are not observe.

Information Technology Act 2000

The IT Act provided far more exhaustive coverage of cybercrimes in the law. Various cybercrimes have been defined in Section 43 of the Information Technology Act, 2000. Section 79 of the IT Act provides the intermediaries including network service providers shall not liable for any third party data or information made available by them as a general principle and some exceptions to the rule have been stipulated. But at the time of compliance this provisions are not sufficing.

Suggestions:

1. Biometrics should be more standard form of security.
2. There is a need to structure cross-border payment requirement as per the new developments.
3. Government of India needs to think out of the box and use novel methods that are techno legal in nature.
4. Businesses houses and entrepreneurs dealing with financial business ventures in general and online payment system in particular must comply with techno legal requirements of Indian laws.

Conclusion:

Move of India towards a cashless society would see increase in cyber crimes. Lower middle class people and senior citizens are not educated when it comes to using the Internet for monetary transactions. Therefore it will become easy target for cyber criminals. Reputed banks across the globe had lost hundreds of crores in cyber hacking cases despite having an infrastructure in place and cyber security system. The cashless economy and payment through e-transaction is definitely a good move but it is cybercrime prone. Indian people are poverty stricken and

clueless about the use of computers, smart phones and the internet. While doing e-payment these poor and uneducated people will be victims. It would be difficult for them to even figure out how much money they have lost. India does not have a mechanism to save them.

There is a need to structure cross-border payment requirement as per the new developments. For attaining goals in transnational transactions there is immense need to focus on reliance on correspondent networks, to regulate payments and fees, to manage credit risk, liquidity, more cross effectiveness, to increase processing efficiency, drive down costs. Multinationals should achieve economies of scale, with a side benefit of consolidating credit risk.

In cashless society electronic payment system, biometrics would be more standard form of security. Biometrics would be more effective in the stolen smart phone or losing credit card, debit card as it is unique for everybody. Consumer is able to make a biometric transaction in a just a few seconds. In Sweden it is the most successful security measure for instance Sweden's Quixter reads the vein patterns of your palm. One enters the last four digits of your phone number before scanning for a precaution of double security. In fact the risk of financial fraud remains despite considerable advances in digital payments technology is growing daily. Banks need to stay ahead to cope up and for curtailing these increasingly sophisticated criminals, robust, responsive and automated technology. It would be relevant to mention that cyber security issues of e-commerce business in India must be managed by both e-commerce entrepreneurs and Indian government. Use of crypto currency like Bitcoin is another area that needs regulatory clarification from RBI and Indian government.

To make a dream true of Digital India and online payment system to be successful, government of India need to think out of the box and use novel methods that are techno legal in nature. Businesses houses and entrepreneurs dealing with financial business ventures in general and online payment system in particular must

comply with techno legal requirements of Indian laws.

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Corporate Fraud In India: Impact & Legal Challenges To The Globalization**Dr. Asha Verma**

Faculty, Amity Institute of Advanced
Legal Studies, Amity University Noida
(UP).

Ms. Superna Venaik

Faculty, Amity Law School, Amity
University, Noida (UP).

“Companies around the world lose an estimated of 5% of revenues each year on account of fraud...this translates to a potential projected global fraud loss of nearly \$3.7 trillion.”

Introduction:

India is a country with a plethora of opportunities seen as a potential market where many global giants are planning to expand business. However, these opportunities also carry with them, risks and challenges by way of fraud, bribery and corruption. In recent years India has witnessed a marked increase in the number of scams that have surfaced both in public and private sectors. The scale and size of Corporate Frauds in India has zoomed in the last 15 years with majority of the cases of fraud involving siphoning off funds by promoters /top management and defrauding the lenders/investors. If we look at the concept of fraud we can say that it is an intentional deception made for personal gain or to damage another person/entity or any wrongful/ criminal deception intended to result in financial or personal gain. Corporate frauds have increased at a high pace in India. Corporate frauds have emerged as an inevitable unwanted byproduct of economic growth. Due to the basic human attributes of aspiration and greed, fraudsters have duped millions across the world. According to the Association of Certified Fraud Examiner’s ‘Report to the Nations2016’ India ranks second in terms of victim organizations reporting the cases. The study shows the imperative need for regulators, business as well as the investment community to assess the risks emanating in the businesses. Today, in an

increasingly interconnected world, digitization enables businesses to be conducted in the wink of an eye. It is considered that scams and corporate frauds were unearthed because of legislations such as the Right to Information Act (RTI) and Public Interest Litigation (PIL). Financial fraud consists of falsifying financial information by fudging the books thereby misleading the investors. The most popular accounting schemes are capitalizing expenses, side deals, swap transactions, channel stuffing, accelerated revenues and deferred expenses. This is usually perpetuated by management. Corporate frauds and misconduct remains a constant feature posing a threat both from the macro and micro prospective of the economy. The effect of some corporate frauds affected the whole nation where many investors committed suicide. Many employees were left jobless; huge losses were incurred on the investors and creditors of the company, and the stock market collapsed. The Global Fraud Report, 2013/14 reports that at least 70% of the companies reported that there suffered from at least one type of fraud in the past year, up from 61% in the previous year. The economic cost for fraud has also increased to 1.4 % revenue from average of 0.9 % with one in 10 businesses reporting a cost of more than 4% of revenue. This report points that companies exposed to fraud in India has increased from 67 % to 71 % and average percentage of loss of revenue has increased to 1.4% in current year in comparison to 1.2%. According to the fraud report, India's record on lack of compliance with regulations is also the worst among the countries surveyed.

There are many types of corporate fraud, including the following common frauds:

- theft of cash, physical assets or confidential information

- misuse of accounts
- procurement fraud
- payroll fraud
- financial accounting misstatements
- fraudulent expense claims
- bribery and corruption
- Bankruptcy-related fraud
- Fake invoice scams
- Insurance fraud
- Intellectual property fraud
- Ponzi schemes

Section 447 of the Companies Act 2013 defines 'fraud' in relation to a relation to a company or body corporate as:

"any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss."

Section 421 of Indian Penal Code 1860 read as:

"Dishonest or fraudulent removal or concealment of property to prevent distribution among creditors.—Whoever dishonestly or fraudulently removes, conceals or delivers to any person, or transfer or causes to be transferred to any person, without adequate consideration, any property, intending thereby to prevent, or knowing it to be likely that he will thereby prevent, the distribution of that property according to law among his creditors or the creditors of any other person, shall be punished with imprisonment of either description for a term which may extend to two years, or with fine, or with both."

Section 17 of Indian Contract Act 1872 defines:

“Fraud means and includes any of the following acts committed by a party to a contract, or with his connivance, or by his agent¹, with intent to deceive another party thereto or his agent, or to induce him to enter into the contract”

- 1) The suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
- 2) The active concealment of a fact by one having knowledge or belief of the fact;
- 3) A promise made without any intention of performing it;
- 4) Any other act fitted to deceive;
- 5) Any such act or omission as the law specially declares to be fraudulent.

The consequences of the frauds to the corporate are not just limited to the financial losses. The companies in addition have losses which include reputation losses, cultural losses, loss of customer relationship, low productivity and team morale.

Corporate Governance

The primary responsibility for the prevention and detection of fraud rests with both those charged with governance... and management. It is important that management... governance, place a strong emphasis on fraud prevention...a commitment to creating a culture of honesty and ethical behaviour .Corporate governance has been defined by as “a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby mitigating agency risks which may stem from the misdeeds of corporate officers.” A good corporate governance system can help the recovery of investors’ trust.

In a survey it was reported that board composition and the structure of a board’s oversight committees are significantly correlated with the incidence of corporate fraud. Good corporate governance serves as a very important factor in control of fraudulent activities. Reserve Bank of India has clearly indicated that fraud risk management, fraud monitoring and fraud investigation function must be owned by the bank’s CEO. Similar analogy can be extended to corporate sector. An appropriate system of governance is symbolized by a structure, which is adaptable and flexible according to the company’s growth. Setting the right tone at the top, intolerance towards unethical behavior coupled with strong internal audit mechanism, accountability and performance management are some of the key elements of Corporate Governance.

History of Corporate Frauds in India

Corporate frauds have emerged in all shapes and sizes throughout history. The biggest arrest for any developing country is the loopholes around which its economy gets woven. On the global sheet, we notice that India has also suffered major setbacks with many of them identified as corporate scams. Most of the financial frauds in the corporate fall under asset misappropriation and the submission of fraudulent statements such as concealment of liabilities, improper asset valuation, fictitious revenues, improper disclosures, etc. are some types of frauds. These practices cause severe damage to the financial system of institutions across countries. We will study a few frauds that occurred in India.

Mundhra Scam (1957)

This was the first scam of Independent India. Haridas Mundhra, a Calcutta-based industrialist

and stock speculator got the government owned Life Insurance Corporation (LIC) to invest a sum of Rs 1,26,86,100 in the shares of six of his troubled companies. This investment was done under governmental pressure and without consulting LIC's investment committee. Feroze Gandhi a Member of Parliament from Indian National Congress demanded an explanation for LIC's decision. He raised the issue in the Parliament and charged the principal Finance Secretary and Finance Minister of pressurizing LIC's investment. Former Chief Justice M.C. Chagla was appointed as a one-man commission of inquiry. In one of the most transparent investigations ever, Mr. Chagla submitted his report in just 24 days. The hearings of the commission were conducted in public. Several leading stockbrokers who were in the LIC Investment Committee testified that the investment could not have been made for the purpose of propping up the market, as were claimed by the Finance Ministry. Mundhra was found guilty and was sentenced to imprisonment for 22 years.

Harshad Mehta Scam (1992)

The crucial mechanism through which the scam was affected was the ready forward (RF) deal. The RF is in essence a secured short-term (typically 15-day) loan from one bank to another. It was this ready forward deal that Harshad Mehta and his cronies used with great success to channel money from the banking system. A typical ready forward deal involved two banks brought together by a broker in lieu of a commission. The broker handles neither the cash nor the securities, though that wasn't the case in the lead-up to the scam. In this settlement process, deliveries of securities and payments were made through the broker. That is, the seller handed over the securities to the

broker, who passed them to the buyer, while the buyer gave the cheque to the broker, who then made the payment to the seller. In this settlement process, the buyer and the seller might not even know whom they had traded with, either being know only to the broker. Harshad Mehta obtained fake Bank Receipts from small banks which were further passed on to other banks as security to obtain cash. Exploiting several loopholes in the banking system, Mehta and his associates siphoned off funds from inter-bank transactions and bought shares heavily at a premium across many segments, triggering a rise in the Sensex. Stock market manipulation and fake BRs impacted the Stock market, economy and development of the Country. The result of this fraud impacted the entire banking system in India, around Rs. 4,000 crore. When the scheme was exposed, banks started demanding their money back, causing the collapse. He was charged with 72 criminal cases, and more than 600 civil action suits were filed against him. He was arrested and banished from the stock market with investigators holding him responsible for causing a loss to various entities.

Satyam fraud (2009)

It is about corporate governance and fraudulent auditing practices allegedly in connivance with auditors and chartered accountants. The company misrepresented its accounts both to its board, stock exchanges, regulators, investors and all other stakeholders. This is considered to be the biggest corporate scam ever in India where people lost a staggering Rs 100 billion in market capitalization as investors reacted sharply and dumped shares, pushing down the scrip by 78 per cent to Rs. 39.95 on BSE. Satyam is the country's fourth largest IT Company. It was cooking its books for last several years by

inflating its revenues and profits. It boosted its cash and bank balance and showed interest income which did not actually exist and overstated its debtors to promote its sales figures. A web of 356 investment companies was used to allegedly divert funds from Satyam. These companies had several transactions in the form of inter-corporate investments, advances and loans within and among them. One such company, with a paid up capital of Rs 5 lakh, had made an investment of Rs 90.25 crore and received unsecured loans of Rs 600 crore. In a report submitted by CBI has stated that the members of the Board of Directors had acted as "rubber stamps", unwilling to oppose the fraud. Not a single note of dissent has been recorded in the minutes of the Board meetings. The scam was unearthed when investigators found manual entries being made to record fraudulent sales. It was also stated that the guilty were also extremely smart, tabulating balance sheets using computers that could not be tracked. Some officers of the company would make entries late in the night, toward the last quarter of the month. The manipulated balance sheets were thus created. Auditors also didn't discharge their duty properly.

Kingfisher Airline (2008-09)

Kingfisher Airlines, established in 2005, was a major business venture launched by Liquor-baron Vijay Mallya. It eventually became insolvent and had to be closed down. It lost its license to operate as an airline, and owed more than US\$1 billion in bank loans. By November 2015 the amount owed to the banks had grown to at least \$1.35 billion, and there were other debts owed for taxes and to numerous small creditors. As part of the Kingfisher collapse, he was accused of being a "willful defaulter" under Indian law, including accusations of money

laundering, misappropriation, etc. There were allegations on him that he transferred ₹4,000 crore (US\$590 million) to tax havens. On 11 June 2016, the Enforcement Directorate reported it had "provisionally attached" ₹1,411 crore (US\$210 million) rupees worth of Mallya's Indian assets and properties against unpaid loans totaling ₹807 crore (US\$120 million). On 3rd September 2016, it issued a second attachment order for a further ₹6,630 crore (US\$990 million) worth of Mallya's assets, including a farmhouse, shares in United Breweries and multiple flats valued at ₹565 crore (US\$84 million). The Serious Frauds Investigation Office (SFIO) has issued notices to 17 companies that lent money to the now-defunct Kingfisher airline. SFIO has asked the 17 companies to disclose the source of the funds given to Kingfisher.

Sahara (2009)

In 2009 SEBI alleged that Sahara India Real Estate Corp Ltd (SIRECL) and Sahara Housing Investment Corp Ltd (SHICL), which issued Optional Fully Convertible Debentures (OFCD), illegally collected investor money which was denied by Sahara. It also questioned SEBI's jurisdiction on this issue. SEBI went on to order Sahara to issue a full refund to its investors, which was challenged by Sahara before the Securities Appellate Tribunal (SAT). When the SAT upheld SEBI's order, Sahara moved to the Supreme Court, which ordered Sahara to refund investors' money by depositing it with SEBI. Sahara then declared that most of the US \$3.9 billion had already been repaid to investors, saves for a paltry US \$840 million, which it handed over to SEBI. This was disputed by SEBI, which claimed that the details of the investors who were refunded had not been provided. When Sahara failed to deposit the remaining

money with SEBI and Subrata Roy skipped his hearing, the Supreme Court of India issued an arrest warrant for the Sahara chief in February 2014. It was seen in this case where SEBI not only brought Sahara to justice, but also made an excellent case for why the regulator, and others like it, require greater autonomy and penalizing powers.

Speak-Asia (2013)

Speak Asia was an online survey marketing company which sold web subscriptions for Rs 11,000 each. The investor had to fill out survey forms for multinational firms for a promised annual payment of Rs 52,000. The victim was given a password to open an account on the company's site and access two survey forms. They were to get Rs 8,000 for completing two forms per month. Besides, the investor could bring in more members and for each membership, claim Rs 1,000 as commission and make money on the inducted member's survey forms as well.

After paying a few investors at first, Speak Asia wrapped up its operations in India in mid-2011. By this time, the company had duped more than 24 lakh investors of an estimated Rs 2,276 crore. Soon enough, investors filed cases in different States and senior office bearers of the companies went into hiding. The Enforcement Directorate (ED) has found that Speak Asia diverted the money to countries like Singapore, Brazil, Malaysia, Dubai and Italy. The ED found a trail of Rs 900 crore remitted to Singapore alone. The money was reportedly sent from India to banks in Singapore and from there to Dubai, Italy and UK. The money was routed back from UK to Dubai to India through the launderers called 'master collecting agents'. The agencies froze around 200 accounts with more

than Rs 140 crore in them and have identified another 150 suspicious accounts.

Sharada Chit Fund Fraud (2013)

According to Section 2(b) of the Chit Fund Act, 1982: "Chit means a transaction whether called chit, chit fund, chitty, kuree or by any other name by or under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money (or a certain quantity of grain instead) by way of periodical installments over a definite period and that each such subscriber shall, in his turn, as determined by lot or by auction or by tender or in such other manner as may be specified in the chit agreement, be entitled to the prize amount". Such chit fund schemes may be conducted by organized financial institutions, or may be unorganized schemes conducted between friends or relatives. In some variations of chit funds, the savings are for a specific purpose.

There were 200 private companies running a wide variety of collective investment schemes which were referred to as chit fund. The group of company collapsed in April 2013, causing an estimated loss of 1000 crore to over 1.7 million depositors. Sharada Group promised astronomical returns in fanciful but credible investments. Its funds were sold on commission by agents who were recruited from local rural communities. As much as 25–40% of the deposit was returned to these agents as commissions and lucrative gifts to quickly build up a wide agent pyramid. In a legal challenge given by SEBI this group responded by opening as many as 200 new companies to create more cross-holdings. This created an extremely complex tiered corporate structure which made it difficult to pin blame on any one company. This was done to evade legal provision under

Indian Securities Regulations and the Indian Companies Act, 1956.

Jurisprudence of Criminal Liability of Corporation in India

In India the criminal liability is attached only in those acts in which there is violation of Criminal Law i.e. to say there cannot be liability without a criminal law which prohibits certain acts or omissions. The basic rule of criminal liability revolves around this Latin Maxim *actus non facit reum, nisi mens sit rea*, means that 'to make one liable, it must be shown that act or omission has been done which was forbidden by law and has been done with guilty mind.'

In *Salomon v Salomon & Co.* it was held that "like any juristic person, a company is legally an entity apart from its members, capable of rights and duties of its own, and endowed with the potential of perpetual succession".

Throughout the ages, the evolution of the doctrine of corporate criminal liability faced many major issues, the main ones being:

- The failure to identify or prove criminal intent of a juristic, fictional being. As corporations are intangible legal entities, finding the *mens rea* necessary for the commission of a criminal act proved to be quite the obstacle.
- Sanctions were the second problem. A corporation cannot be imprisoned or put to death and hence the threat of imprisonment which plays a major role in criminal law could not be applied here. This led to speculation that criminal law was not appropriate for the enforcement of this doctrine.
- Courts required the accused in a criminal case to be physically brought before them

for proceedings to take place. This was obviously not possible in the case of corporations.

Today, for the doctrine of corporate criminal liability to be applicable, the criminal act of the employee must:

- Be committed with the intention of benefiting the corporation in some manner, or
- Be committed with the intention of increasing his own personal gain and this conduct ultimately ends up benefiting the corporation as well.

In *Standard Chartered Bank and Ors. etc. v. Directorate of Enforcement and Ors.* case it was held that there is no immunity to the companies from prosecution merely because the prosecution is in respect of offences for which the punishment prescribed is mandatory imprisonment. As the company cannot be sentenced to imprisonment, the Court cannot impose that punishment, but when imprisonment and fine is the prescribed punishment the Court can impose the punishment of fine which could be enforced against the company. Such a discretion is to be read into the Section viz., S. 56 of Foreign Exchange Regulation Act (1973) (FERA) and Ss. 276-C and 278-B of Income-tax Act (1961) so far as the juristic person is concerned.

Over time, Courts have ruled that corporations too can have *mens rea*, which is a vital component for the commission of a crime. In *Iridium India Telecom Ltd. v. Motorola Incorporated & Ors.* the Supreme Court established that it was very much possible for a corporation to be party to a conspiracy. Indian social legislations like the Essential Food Commodities Act 1955, the Prevention of Food

Adulteration Act 1954, the Negotiable Instruments Act 1881, the Environment (Protection) Act 1986 states that at the time of the commission of the offence, the company, along with every person in its employment, shall be deemed to be liable for that offence and if pronounced guilty, they could be punished with not only a fine, but also with imprisonment.

Legislative Provisions towards Corporate Fraud

The Companies Act 2013 is a step towards the evolution of India's regulatory environment. The Act includes specific provisions to address the risk of fraud, alongside prescribing greater responsibility and increased accountability for independent directors and auditors. It goes beyond professional liability for fraud and extends to personal liability, prescribing penalties for directors, key management personnel, auditors and employees. The establishment of a vigil mechanism for listed companies, and a greater degree of accountability placed on the Board of Directors are the most effective provisions of the law. The Companies Act 2013 incorporates several vital provisions to effectively deal with menace of fraud. The Indian company law for the first time necessitates certain companies to establish a vigil mechanism for use only by directors and employees to raise genuine concerns and grievances. It also provides for adequate safeguards against victimization of whistleblower. The new law requires directors to act in good faith to promote the objects of the company and not to achieve or intend to achieve any undue gain/advantage either to themselves or to their relatives, partners, or associates. Any director who is found guilty of making any undue gain is liable to pay an amount equal to that to the company.

Under Section 143 the auditors of the company (which includes, Cost Accountants for Cost Audit and Company Secretary in Practice for Secretarial Audit) have made responsible for reporting fraud during the course of performance of its duties to immediately report to the Central Government for any offence involving fraud that is being or has been committed against the company by its officers or employees.

Section 245 allows shareholders and depositors of the company to file class action suits against company, its directors, and auditors for any fraudulent, unlawful or wrongful act or omission or conduct.

The Securities and Exchange Board of India (SEBI) 1988 was instituted as the official regulator of Indian markets but was only given statutory powers through the SEBI Act in 1992 by Indian Parliament. SEBI's primary goal is to cater to the needs of the market, which include investors, issuers of securities and any third parties involved. Its functions include, but are not limited to, regulating the stock market, preventing insider trading, managing company takeovers and acquisition of shares, and investigating fraudulent activities in the securities market. To an extent, SEBI has successfully made tangible changes in the market. It did away with inefficiencies and delays by passing the Depositories Act, which eliminated the need for physical documents and certificates and played a major role in moving markets toward an electronic and paperless platform. Administrative achievements aside, SEBI also made strict changes that demanded corporate promoters disclose more information. Under Section 11(1) of the Act, SEBI is required to protect the interests of investors in securities and regulate and

promote the development of the securities market. The Securities Exchange Board of India has been reviving rules and regulation in an aim to plug the loop holes in the securities market.

Prevention of Corruption Act 1988

Recently, the parliamentary panel has favoured the inclusion of companies under the Prevention of Corruption Act, which regulates matters of corrupt practices by public officials. The bill has specific provisions to deal with the giving of bribes to public servants and the giving of bribes by commercial organizations. The panel has recommended anti-bribery guidelines for companies and their employees while dealing with public servants. Commercial organizations can be held responsible if they or people acting on their behalf are found to have offered bribes to public servants. It will apply to companies, partnerships, limited liability partnerships, individuals and other bodies stipulated by the government.

Prevention of Money Laundering Act, 2002

Money laundering is the process by which large amounts of illegally obtained is given the appearance of having originated from a legitimate source. It means that all the ways to convert the black money into white money are money laundering. This Act was enacted to prevent money-laundering and to provide for confiscation of property derived from money-laundering. This Act forms the core of the legal framework put in place by India to combat money laundering. PMLA defines money laundering offence and provides for the freezing, seizure and confiscation of the proceeds of crime. RBI, SEBI and IRDA have been brought under the PMLA, and therefore the provisions of this Act are applicable to all financial institutions, banks, mutual funds,

insurance companies, and their financial intermediaries.

The Act and Rules notified there under impose obligation on banking companies, financial institutions and intermediaries to verify identity of clients, maintain records and furnish information in prescribed form to Financial Intelligence Unit - India (FIU-IND). The PMLA seeks to combat money laundering in India and has three main objectives:

- To prevent and control money laundering
- To confiscate and seize the property obtained from the laundered money; and
- To deal with any other issue connected with money laundering in India.

Corporate Governance -Clause 49 of Listing Agreement

There are requirements in Clause 49 of listing agreement which a listed company needs to follow.

1.Rights of shareholders and role of stakeholders: There should be mechanism for employee participation and timely sharing of information so that participation in corporate governance can be made. Whistleblower policy should be in place. Company should give timely and sufficient information to shareholders about general meetings like time, place and agenda. Company should inform rights which each class of shareholders possesses before they invest including if any class of holders has disproportionate rights. Company should give equitable treatment to all shareholders including monitory and foreign shareholders who are under same series. Mechanism to avoid insider trading should be in place.

Company should seek to protect the rights of shareholders and should facilitate them so that

they can exercise their rights. Shareholders should be part of any decision of fundamental change and should have right of voting in general meetings. They should be allowed to effectively participate in key corporate governance decisions, to questions to board, put up agenda items on general meeting, made clear on voting procedure and their grievances (including violation of their rights) should be addressed including protection to Minority shareholders.

2. Disclosure and transparency:

Company should disclose material matters timely including BS, P&L, and ownership and governance issues. Company should follow applicable Accounting standards in true spirit and statutory audit should be conducted by competence and independent qualified person. Sharing of information should be timely and should be accessible to all users in cost effective manner.

3. Responsibility of Board:

All members of board including KMPs to disclose any material interest in any transaction/matter in any manner whether directly or indirectly. Board and management should maintain confidentiality and transparency of information.

4. Non-executive Directors' compensation and disclosures:

Any fees, compensation should be approved by board and have prior approval of shareholders. Sitting fee to NED does not required prior approval if it is within limits of co act. IDs does not entitle for stock options.

5. Audit-Committee to review the following:

Management Discussion Analysis, financial status and performance, significant RPT, MRL, letter of internal control weakness issued by statutory auditors, internal audit report and appointment/ terms appointment/removal of internal auditors, quarterly financials before they are submitted to board.

6. Report on Corporate Governance:

Company should obtain certificate from auditors or from practicing company secretary about compliance of corporate governance and this certificate should also be attached with Directors report. Non mandatory requirements which are given in Annexure VIII of clause 49 may be implemented by company.

Companies (Auditors Report) Order 2015 (CARO)

Sec 143(11) of the Companies Act, 2013 requires that the auditor's report of specified companies should include a statement on the prescribed matters. These reporting requirements have been prescribed under the Companies (Auditor's Report) Order, 2016. There are many matters included in the Auditor's Report relating to the Fixed Assets (Clause 3 (i)) of the company, for example:

- **Proper Records:** Whether the company is maintaining proper records, including quantitative details and situation of the fixed assets.
- **Physical Verification:** Whether such assets have been physically verified by the management at reasonable intervals. Such intervals may vary from asset to asset. Whether any discrepancies came into the notice on the verification, if so whether the same have properly dealt with in the books of the accounts.

- Title Deeds: Whether the title deeds of the immovable property is in the name of the company. If not, provide the details, thereof;

Every report made by the auditor under Section 143 of the Act, on the accounts of every company examined by him to which CARO applies for the financial year commencing on or after, 1st April, 2014, should include the matters specified under CARO. The main objective of the Act is to detect fraud and inform about the same to the regulators.

Impact of Corporate Frauds on the Globalization

Indian companies, banks and financial institutions (FIs) can no longer afford to ignore better corporate practices. As India gets integrated in the world market, Indian as well as international investors will demand greater disclosure, more transparent explanation for major decisions and better shareholder value. Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high-quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure. Without financial reporting premised on sound, honest numbers, capital markets will collapse upon themselves. Corporate governance involves a network of relationships between corporate managers, directors, and providers of equity or stakeholders. Interest in corporate governance is now truly global, reflecting recognition by world leaders, business leaders, and investors that the quality of corporate governance is a factor in the ability of a nation's economy to thrive. The consequences of fraud are not just

limited to corporations, but wide range of stakeholders and entire society bears it. Measuring the social cost of fraud in organizations it was estimated that the social costs of fraud is around 21.8% of enterprise value. The impact fraud can have on an organization can be monumental. Not only can it have a significant financial impact, but, depending on the type and severity, it can also destroy an organization. Majority of the companies involved in fraud in India either liquidated or discontinued their business or continuing their business at reduced levels with market valuations drastically reduced, therefore significantly impacting the numerous stakeholders and public trust. The complexity of corporate frauds comes bare only when the complete edifice of a company has collapsed. Sudden surprises that a company has cheated the gullible investors and that the directors of the company have gone underground shakes the confidence of all the stakeholders. Shareholders feel helpless before a large corporate fraud. This shakes up the confidence of all the stakeholders, and the shareholders are helpless before a corporate mammoth. Such corporate fraud strips of the large taxes that the government could have earned, it strips of the valuable savings of the investors and the National Wealth has a negative plunge and everybody seem bewildered. There is an urgent need for uniformity of publication standards of fraud prevention policy. The detection of corporate frauds, many a times, becomes difficult, as the financial statements are fabricated or the balance sheet is camouflaged and also the frauds are never a part of the directors' report. The statutory disclosures also give statements on such camouflaged balance sheet; hence, the reappears to be a close and strong nexus between the perpetrators of the fraud and the unscrupulous professionals,

making the fraud invisible till the lid blows off. The curse of corporate frauds has a silver lining in the cloud, as there are simple methods, which can be evolved to deter the perpetrators of the white-collar crime, its timely detection and punishment of the accused and the delinquent persons. Results indicate that rotation of statutory auditors and compulsory appointment of qualified internal auditor can help to prevent or minimize fraud. The revelation of corporate fraud in a State, the equity holdings of households in that State decrease significantly on both the extensive and the intensive margins. Even households that did not hold stocks in the fraudulent firms decrease their equity holdings and all households decrease their holdings in fraudulent firms as well as non-fraudulent firms. Companies that had actions against them involving both bribery and fraud also suffered extremely large reputational losses. With most organizations carrying brand as a large intangible asset on their balance sheet, reputation risk is something that should not be undervalued or forgotten. It is not only the financial loss suffered in the form of bribe payments, diversion of money and theft of assets that affect companies, but also the costs associated with investigating the events, legal and professional advisor fees, fines, loss of market capitalization and brand damage.

Rightly pointed:

“Every household and business pays the price for fraud. The cost of insurance fraud alone adds an extra £44 a year to the insurance costs of the average household. To protect honest customers, the insurance industry is intensifying its efforts to deter potential fraudsters, and detect more fraud. With many frauds cutting across different sectors, the National Fraud

Authority has a crucial role to play in spearheading a coordinated national strategy to reduce the impact of fraud on the economy and people’s lives.”

Legal Challenges

The biggest impact of the Satyam Scam was the introduction of the concept of 'rotation of auditors' for the first time in India via the new Companies Act. The main purpose behind this is the 'demolition' of the comfortable relationship that existed between the auditors and a company. Whistle blowing programs in corporate India need greater attention. Currently, whistle blowing programs are implemented either as part of a larger fraud risk management framework, or to primarily meet regulatory requirements making them relatively ineffective in detecting fraud.

For an effective regulatory regime to deal with fraud cases, our enforcement agencies need to have better coordination among themselves, more resourceful and leverage technology in prosecution and investigation. Our judicial system need to incorporate steps to bring in greater efficiency in adjudication of cases to reduce staggering time delays. A continuous fraud monitoring can be a challenge for organizations that may not have dedicated resources to manage data analytics functions on a daily basis or even understand how to utilize them. SEBI still does not have the power to prosecute without the consent of the government. Its powers are restricted to recommending action to the government, rendering it unable to take direct action against any errant company. This is a major reason why the Sahara-SEBI war dragged on for as long as it did. The appointment process of the members of SEBI is flawed. The Finance Ministry is directly or indirectly responsible for almost all

of the key appointments which greatly compromise the legitimacy of SEBI as an independent, unbiased watchdog. It should be understood that corporate compliance lies not in the adequacy of legislations, but in its implementation. Implementation of the law should be given more importance, to reduce the occurrence of fraud.

Conclusion

After Satyam, the Confederation of Indian Industries set up a task force to suggest reforms and the National Association of Software and Services Companies established a corporate governance and ethics committee. The report of the latter addressed reforms relating to audit committees, shareholder rights, and whistleblower policy. SEBI's committee on disclosure and accounting standards issued a discussion paper in 2009 to deliberate on: (i) the voluntary adoption of international financial reporting standards; (ii) the appointment of chief financial officers by audit committees based on qualifications, experience, and

background; and (iii) the rotation of auditors every five years so that familiarity does not lead to corporate malpractice and mismanagement. Now organizations can consider deploying archiving software that enables the automatic capture and retention of social media content. Further, they can also implement data loss prevention (DLP) software to provide another layer of protection to prevent confidential and proprietary information from moving out of the company on to social networks. Companies should have a whistle-blowing mechanism with internal hotlines operation. Close liaison needs to be maintained among regulators and investigating agencies to ensure timely completion of investigations and closure of cases to ensure that officials not found guilty are allowed to work in an independent manner.

“Corporate crime is the conduct of a corporation or of its employees acting on behalf of the corporation, which is prescribed and punished by law.”

Changing facets of Legal Education: Globalisation of Law

Dr. Bhavish Gupta

Professor & HOD, Delhi Metropolitan
Education, Noida, (affiliated to GGSIP
University, Delhi)

Prof. (Dr.) Meenu Gupta

Professor, Amity Law School, Noida, Amity
University (U.P.)

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ABSTRACT

Globalisation, a buzzword used by many but understood by few. Let's face it, the phenomenon is unavoidable. Traditionally the term 'Globalisation' referred solely to economic factors; foreign direct investment, free trade and outsourcing but to what extent are the effects on the legal profession has to be understood. Globalization brought about a revolution in international trade with increasing participation and involvement of countries & greater access to domestic economies. The implication of the same on the legal service sector has been both quantitative and qualitative. The past decade has been a mini-revolution in legal service sector with the greatest legal impact on corporate legal arena activities such as project financing, intellectual property protection, environmental protection, competition law, corporate taxation, infrastructure contract, corporate governance and investment law which were almost unknown before 90's.

This Paper will focus on the impact of globalization and the changing facets of legal education in the contemporary scenario. As it is evident that there is a tremendous need of professional service in the legal sector, therefore, there is a discerning shift in the disposition of emerging legal sectors towards settling disputes through ADRS rather

adversarial litigation mode of dispute resolution. Globalization has thus expanded the internal and external demand for legal services.

Introduction

Globalization must not be viewed from the restrictive sense as it connotes the process of making global, being present worldwide. It has brought to the force universalisation of diverse issue of commerce, production, consumption, trade and information technology. The increasing interdependence of the countries of world and integration of domestic economies with the world economy has its effect on each and every sector of the developed and developing countries alike.

Globalization can also be seen from different perspective as the growing interdependence and intensively of interaction among nations and about the Nation State coming under pressure, from transnational phenomenon and so on.

It has been defined as the broadening and deepening linkages of national economics into world market for goods capital and special services. The concept of Globalization has brought about a growing tendency towards the universal homogenization of ideas, cultures, values and even the lifestyles. Needless to say can the legal service and the legal profession

remains unaffected by this changing world order?

The inclusion of services under the WTO in 1995 is a reflection of growing share of services in national economics world over. It is on the indication that trade in services is set to play on all important role in the economic development of countries in future. There are 12 sectors classified by GATS for which commitments may be made one of them is Business Services. Business Services is further divided into 6 types of services, which include professional services. The Professional service sector further divided into 11 services, which include Legal Services. India has made only specific commitments in relating to engineering services. India has made no commitments in the legal services sector at present. This may be contrasted with commitments made by 44 countries in the legal service sector even same developing countries have made commitments. Such commitments are beneficial to all i.e. to countries and to consumers. As these commitments will bring Trade in the legal services which will play crucial role benefiting consumers countrywide.

In the era of globalisation, legal education faces two challenges: (a) how to respond to the paradigmatic changes related to legal practice itself, brought about largely by the revolution in electronic communication and information

technologies; and (b) the globalisation of national economies and growing standardisation of professional requirements involving legal services. Therefore, the question of how law schools can best prepare their graduates to practise law in this new 'world without borders' is a crucial matter.

Linkages Between Globalisation and Law: -

One conceptual approach for examining the same is to survey the legal challenges thrown up by the changing socio-economic conditions. With increasing trade and investment across borders, there is an imperative need for all of us to be sufficiently invested in the multilateral processes of rule-making and dispute-resolution while at the same time offer a balanced response to the resulting complexities through our domestic legal systems.

The reverse linkage is of course the impact of globalisation on our respective legal systems. In the age of the internet and frequent international travel, judges, lawyers, academics and even law students from different countries have a lot of opportunities to interact, collaborate and learn from each other's experiences.

The legal challenges resulting from economic globalisation are, normally, centre on the

multilateral efforts to promote international trade and investment. In this regard, there has been considerable scholarship on the dispute-resolution functions of the World Trade Organisation as well as the role of arbitral institutions which facilitate dispute-resolution in the event of commercial disputes between private parties located in different national jurisdictions. There has also been some attention given to the settlement of investment disputes between foreign investors and host governments. Hence, themes related to international trade law and investment laws have become quite prominent in legal exchanges as well as education.

For a country like ours where financial sector reforms began only in the 1990's, there is an obvious need to adopt a pragmatic approach towards international trade and investment. There is no doubt that the progressive lowering of restrictions on foreign investment and private enterprise has led to the expansion of several sectors such as banking, telecommunications, information technology, broadcast media and infrastructure among others. The inflow of foreign capital and firms in these sectors has undoubtedly created many jobs, created an environment of competition and increased the choices available to consumers. The expansion of these sectors has also created 'regulatory gaps' which have been

addressed through the creation of independent regulatory agencies. The task of these independent regulatory agencies is to assist in the formation of policies and devise rules to ensure a fair balance between the interests of service-providers, consumers and the government. Several specialised tribunals have also been set-up for sectors such as telecom and securities regulation to expeditiously decide disputes pertaining to the same.

The functioning of our legal systems is also being continuously re-shaped by the various socio-economic parameters of globalisation. For instance, reliance on foreign precedents is necessary in certain categories of appellate litigation and adjudication, such as in litigation pertaining to cross-border business dealings as well as family-related disputes, the actual location of the parties in different jurisdictions makes it necessary to cite and discuss foreign statutes and decisions. Hence, domestic courts are called on to engage with foreign legal materials in fields such as 'Conflict of Laws' where they are required to rule on aspects such as proper jurisdiction and choice of law as well as recognition and enforcement of foreign decrees and arbitral awards. Furthermore, domestic courts are also required to look into the text and interpretations of international instruments (i.e. treaties, conventions, declarations) if their respective countries are

parties to the same. However, the room for debate arises with respect to the citation of foreign precedents for deciding cases where they may not be enough guidance or clarity in domestic law. This trend has provoked some people to express their opposition to the reliance on foreign law, especially in cases that involve difficult questions of constitutional interpretation.

Another factor is the increasing internationalisation of legal education. Access to foreign legal materials has become much easier on account of the development of information and communication technology. Such easy access to international and comparative materials has also been the key factor behind the emergence of internationally competitive commercial law firms and Legal Process Outsourcing (LPO) operations in India.

Modes Of Legal Education: -

Education makes men perfect. In the words of Swami Vivekananda – "it is the manifestation of perfection already in man". Again, legal education makes men law-abiding and socially conscious. Legal education helps in bringing and establishing socio-economic justice. Change is the law of nature and law is the regulator of social change. It is sine qua non for the development of rule of law and a sustainable democratic order. In other words, legal

education is the heart and the very soul of the society for administering rule of law in a democratic country like ours. Therefore, quality legal education is to be imparted to the people taking into consideration the changing needs of the society and in the changing era of globalization. In *Manubhai Vashi vs. State of Maharashtra* Hon'ble Supreme court held that --the legal education should be able to meet the ever growing demands of the society and should be thoroughly equipped to cater to the complexities of different situations.

Thus, "Legal Education is essentially a multi-disciplined, multi-purpose education which can develop the human resources and idealism needed to strengthen the legal systemA lawyer, a product of such education would be able to contribute to national development and social change in a much more constructive manner."

US Legal Education

The US system of legal education and training is a monocentric system. The American Bar Association is granted the power to accredit and approve law schools and regulate them by the US Department of Education. The result of this accreditation is that a student graduating with a Juris Doctor (JD) degree can sit the bar examination of any state in the US. Law schools in the US are categorized as "professional

schools" along with medical, journalism and business schools. They are distinguished from graduate schools which confer advanced degrees on research students, i.e., PhDs. Satisfactory completion of law school enables a graduate to sit the state's bar examination although this is typically prefaced by a two-month bar review course which prepares students for the actual examination. The US was the first to tackle the problem of standards and quality in the supply of new lawyers. In 1870 Christopher Columbus Langdell became dean of Harvard Law School. Langdell borrowed the techniques of the chemistry laboratory to create the case method of teaching law. Materials for class examination were compiled by extracting the most salient parts of appellate court judgments on which students could be questioned by their instructors. Classes were very interactive depending on contributions from students as the main pedagogic method was Socratic. Students could be finely graded on both class and examination performance which allied with editorial responsibilities on the law school law reviews provided a nice set of indicators for recruitment purposes. In this model the profession and the academy became interdependent and in essence the model has carried on. Despite changes in pedagogy over the years, the case method, or hybrid variants, remains the norm with the emphasis on doctrinal analysis. Criticism of the case method

has not reduced its popularity among law professors.

UK Legal Education

The UK falls within the polycentric model of legal education and training. The UK has adopted a multi-path entry way into the legal services market for those who wish to work in it. There is no explicit regulation of the law degree i.e., LLB by the legal profession apart from the joint statements on the qualifying aspects of the degree and, of course, review by the Quality Assurance Agency for Higher Education which examines all degree courses including law.

With respect to the Legal Practice Course and Bar Professional Training Course there is closer supervision involving audits and inspections by their respective regulators—the Solicitors' Regulation Authority and the Bar Standards Board. For LLMs and research degrees in law there is no professional review. English legal education adopted neither the Socratic method nor the use of cases and materials books. Instead it employed the typical methods of humanities education, namely the exegetical lecture and the inquisitorial tutorial. Textbooks were expository and largely descriptive of the legal topic at a particular time. There were relatively few law journals and certainly none along American lines with student editors. It

would have been difficult in the English context to distinguish a law student from a philosophy one. In part this represented the UK teaching of law at the undergraduate level rather than graduate as in the US. Nevertheless, it was only in the last 30 to 40 years that English legal education began to consider such new ideas as clinical legal education and approaching the subject from the perspective of law in context as opposed to merely a system of rules, or doctrine, to be learned and repeated.

Canadian and Australian Legal Education

If the US and UK forms of legal education represent the extremes on the monocentric to polycentric scale, others are located more towards the middle combining aspects of both. The Canadian and Australian systems of legal education are situated here. Both countries have elements of the UK and the US. This is understandable in the context of Australia having been a transit point for lawyers who wanted to re qualify in either the US or the UK. In the case of Canada, it is almost inevitable because of its proximity to the US and the American demand for its graduates. Canadian law schools were long viewed as "trade" schools under the authority of the law societies. Canadian legal education mainly follows the US model. It is worth pointing out that in some respects Canada is the spiritual home for the English Legal Practice Course as it was Canadian

academic thinking that informed the framers of the LPC. Australian legal education has similarities with both the Canadian and the US. The typical Australian route is via study in another discipline which is then combined with study in law. Practical legal training is compulsory and is often done as a postgraduate element or through clinical legal education. Unlike other jurisdictions Australian states do not examine their entrants but evaluate them on the basis of their academic and practical training in addition to character and fitness requirements. However, new lawyers are only given a restricted practising certificate for their first two years that necessitates supervision. Australia is now in the process of establishing a national legal services market.

China Legal Education

Until the 19th century much of Chinese legal education was based on family connections or through internships as well as imperial examinations. As Western culture infused into China the need for law was recognized and the former distrust of law gave way to formal instruction in law based on the legal systems of Japan and Germany. In the 1950s the Soviet Union's influence grew but law, as a discipline and a profession, entered steep decline during Mao's tenure. With China's opening up to the west under Deng Xiaoping the "Rule of Law" became a government objective, if one not

given full accord. Law has become a popular subject and the competition for entry into law faculties is strong. It is also considered a good employment opportunity as it provides entry into public service, judicial appointments, prosecutorial positions, law offices, and management positions in companies. Legal education is based on civilian law rather than common law with Hong Kong as the exception.

Despite massive growth in law schools and lawyers the quality of legal education and the profession is highly variable. This is a reflection of several aspects of the system. These include instructors of variable quality, poor teaching, cheating in exams, use of cramming schools, and lack of graduation requirement to sit for the licensing examination. The Chinese legal education system is clearly one in transition, but to what is an open question. On the one hand it can be seen as attempting to develop its own way through its own means, and on the other it appears to be succumbing to the effects of globalization or, more accurately, Americanization. For a country that is rapidly modernizing China gives the appearance of being tied to many traditional ways while trying to make sense of Western educational methods and values. China is, in effect, stuck between polycentric and idealized monocentric modes of education.

India Legal Education

“Our colleges of law do not hold a place of high esteem either at home or abroad, nor has law become an area of profound scholarship and enlightened research” - Dr. Radhakrishnan.

India, the other BRIC country under consideration here, is very much an Anglophile common law country. Both Mahatma Gandhi and Pandit Jawaharlal Nehru were educated in the bar schools of the UK. But its own legal education system became increasingly detached from the needs of Indian life and the challenges of globalization. So much so, that the then Prime Minister, Dr Manmohan Singh, called for extensive and radical change to legal education in 2010. Although, the Indian legal education has been stuck in the doldrums for 150 years regardless of some tinkering around the edges with the result that it is parochial and impractical. Yet India is producing some of the most dynamic experiments in legal education. The Advocates Act 1961 is the controlling legislation for lawyers in India and gave the Bar Council of India (BCI) the power to lay down standards for legal education and to recognize colleges teaching qualifying law degrees. The regulation of legal education is shared between the BCI and the University Grants Commission (UGC), which is problematical. A typical law college is beholden to the university of which it is part, the state government, the BCI and the

UGC which has led to many failings and inefficiencies in legal education. Quality in Indian legal education is an omnipresent problem and has resulted in many commissions, government and otherwise e.g., the National Knowledge Commission (established by the then Prime Minister of India in 2005 to recommend and undertake reforms in order to make India knowledge based economy and society) to try and resolve it with little effect. Indeed the NKC recommended drastically reducing the influence of the BCI in order to improve teaching quality, research and begin to internationalize law schools. The BCI reflects the general state of the Indian legal profession which is predominantly sole practitioners who practise in the local courts and are the main resistance to foreign lawyers practising in India. Within the major cities there are some “big” law firms handling corporate work. In both cases family ties play a major role in obtaining legal position. Nevertheless the emergent large player in the Indian legal services market is the legal process outsourcer.

LEGAL CHALLENGES THROWN UP BY THE FORCES OF GLOBALISATION:-

Globalisation has been a subject of debates and discussions from numerous perspectives. There is no doubt that globalisation has profound implications for the future of higher education worldwide. Globalisation has posed multiple

challenges to the future of legal education in India, but it has provided an opportunity to challenge the status quo, which is an essential condition for seeking any reform. India has huge challenges to confront in promoting legal and judicial reforms, with a view to establishing a rule-of-law society. The role of lawyers and judges will become critical for addressing future challenges of governance. In this regard, the training that is imparted to future lawyers and judges in our law schools needs to be thoroughly re-examined to suit the social and economic transformation that is underway in the country.

The present law has to meet the requirements of the society. Law has to deal with problems of diverse magnitudes and a student of law and an Advocate has to be trained in Professional skills to meet the challenges of globalization and universalisation of law. With the advent of multinationals in India as anywhere else, the task of lawyers would be highly technical and an imperative need would arise to have competent lawyers who would be trained in the right culture of Legal Education. This makes a sound case for introducing reforms in Legal Education.

In India today there are several obstacles to the development of law as an effective instrument of social control. To begin with, many of the rules and institutions of the common law as

received by India are still in varying degrees either alien to the traditional society or inappropriate for the kind of social and economic development that India is now undertaking. A more subtle difficulty and perhaps a more crucial one in the long run, is whether India will understand some of the very basic assumptions that underlie and inform Western law. Moreover, understanding need not imply acceptance. The traditions and requirements of Indian society may call for a legal order more mediational in its nature than the common law--one emphasizing adjustment more than vindication of a rather abstract justice. These are matters that relate to economic and social realities and to philosophical and cultural traditions; in good measure, though by no means completely, they are beyond the control of the legal profession.

The predominant service providers are individual lawyers, small or family based firms. Most of the firms are involved in the issues of domestic law and majority work under country's adversarial litigation system. The conception of legal services as a 'noble profession' rather than services resulted in formulation of stringent and restrictive regulatory machinery. These regulations have been justified on the grounds of public policy and 'dignity of profession'. The judiciary has reinforced these principles, which can be

reflected in words of Justice Krishna Iyer, when he noted, Law is not a trade, not briefs, not merchandise, and so the heaven of commercial competition should not vulgarize the legal profession. However over the years courts have recognized 'Legal Service' as a 'service' rendered to the consumers and have held that lawyers are accountable to the clients in the cases of deficiency of services. In the case of Srinath v. Union of India Madras High Court held that, in view of Sec. 3 of Consumer Protection Act, 1986. Consumer redressal forums have jurisdiction to deal with claims against advocates. Sec. 2 (U) of competition Act, 2002 defines the term 'Service' along the lines of consumer protection Act, 1986. Thus it may be concluded that legal services are becoming subject of trade related laws where consumerism and market forces should be given adequate space.

Globalization brought about a revolution in international trade with increasing participation and involvement of countries & greater access to domestic economies. The implication of the same on the legal service sector has been both quantitative and qualitative. The past decade has been mini-revolution in legal service sector with the greatest legal impact on corporate legal arena Activities in project financing, intellectual property protection, environmental protection, competition law, corporate

taxation; infrastructure contract, corporate governance and investment law were almost unknown before 90's. Number of Law firms capable of dealing such work was very few. It is evident that need of professional service has been tremendous in the legal service sector. In last few years Law Firms, in house firms and individual lawyer's expertise in providing legal services in corporate sector has increased by several times. These new Law Firms primarily engage and loan instrument, writing infrastructural contracts, power contract, drafting of project finance, contracts, finalizing transnational investment, joint venture and technology transfer contracts. This is discerning shift in the disposition of emerging legal sectors towards settling disputes through ADRS rather adversarial litigation mode of dispute resolution Globalization has thus expanded the internal and external demand for legal services . Today in legal services is on inevitable fact. At the same time significant for progressive development of legal profession in India in this era of Globalization.

CHANGING FACETS OF LEGAL EDUCATION: -

There is an inexorable move in the world towards the Americanization of legal education. This shift is the result of three developments:

1. Globalization and the rise of technology

2. The move from polycentric to monocentric modes of education and paths of entry into the legal profession
3. The re-professionalization of the legal profession as a result of the growth of the large law firm and new forms of regulation as in, for example, the UK and Australia.

Although there is broad agreement on the need to develop a legal curriculum that is responsive to the challenges of globalisation, there nonetheless still is disagreement as to what type of curriculum changes are needed to meet the challenges, as Blackett points out. She identifies three contending approaches that have been advocated. The first is that the transformation taking place is of minimal concern to the basic structure of legal education because lawyers deal primarily with legal issues. Since the basic concepts underlying a transaction remain the same, the traditional concept of legal education should remain unchanged. According to this approach, well-trained lawyers can always learn new laws, and the current structure of legal education is adequate to cope with the challenges of globalisation, development and internationalisation. The second approach argues that more is required to prepare lawyers for the seismic changes taking place. Sanchez argues that lawyers who do not command the law, language and culture in which they are

counselling their clients, whether for transactional or litigation purposes, are not performing their duties competently and ethically. Legal education needs to be modified by increasing global exposure-adding courses, hiring more international faculty, sponsoring more international academic programs, opening research centres with global connections, and augmenting the number of formal international links and exchange programs. This approach proceeds on the basis that the present arrangements are not adequate and do not produce lawyers fit to practise law in a globalised world. It calls for the development of degree programs that produce lawyers who are exposed to the complexities of law in a globalised world. The third approach calls for a profoundly different tactic, advocating a qualitative rather than a quantitative change in legal education. It argues that legal education should be re-conceptualised in accordance with the global economic and social transformation currently taking place and should develop a new curriculum. This more drastic approach calls for a program that would produce lawyers with degrees enabling them to practise law anywhere in the world. It would seem that developing such a degree would be difficult to achieve. Understanding law involves awareness of particular social, economic, ideological and historical conditions. It has been pointed out

that approaches to grappling with and resolving legal problems in different jurisdictions reflect the traditions and cultures of members of a given society and shed light on how legal scholars in that society think.

It would be difficult, if not impossible, to develop a law degree that adequately responds to the many different social and economic conditions that exist in the world today. Instead, as advocated by the second approach above, the response should focus on training different kinds of transnational specialists and raising lawyers' general awareness of the broader social and economic dimensions of legal relations. This can be done through teaching international and comparative law courses, encouraging faculty- and student-exchange programs, and integrating relevant aspects of international law into domestic law courses such as contract, property, torts and constitutional law. Students will obtain increased awareness of international legal issues arising in domestic law if they are introduced to international aspects of the domestic law courses studied (even if students do not come away from such a course with a complete understanding of the relevant legal issues, they will at least be aware that international legal issues may be implicated in domestic transactions).

Another advantage of showing students that international law issues can arise in the domestic arena is that students' curiosity about international law and international issues is stimulated and may lead them to further study of these issues. Finally, the cost of such an approach is minimal as professors bear the relatively insignificant burden of educating themselves. Few disadvantages are associated with this approach. Although it could be argued that the lack of structure and context for the introduction of international and comparative law materials in this approach leaves students with an incomplete understanding of international law, the teaching of international law in the context of traditional law courses does not have to be done at the expense of basic international and comparative law courses. Rather, both types of law can be taught in such a way that one complements the other.

According to C. Rajkumar, in the era of globalization, we should pay attention in four important factors to improve the standard of legal education. These are: Global curriculum, Global faculty, Global degrees and Global interactions. We have to think globally but act locally. Law is one of the most dynamic subjects of the world. Dynamism is the life blood of law. A law which is static cannot survive for long and will be rejected by people for whom the law will be implemented. So, to keep pace with

the changing situation of the world we have also to change, by addition, subtraction, or cancellation, of the existing curriculum of the legal education in India. Otherwise, in future, it will lose its importance and will turn into a relic of the past.

CONCLUSION:-

Legal education plays an important role in developing lawyers who act as social engineers and work towards the cause of nation building. In a globalized world, law schools face the challenges of increased foreign competition and reduction of the role of the State. At the same time, globalization affords space for re-examining higher education systems by affording opportunity for establishing global universities with international collaborations and programs.

The world has moved from archipelago to patchwork to web—both in the sense of the rise of the Internet as well as in the sense that commercial and other activities do not simply overlap at the edges but may be structurally and inextricably linked. To operate effectively in such a world, individual lawyers need to be comfortable in multiple jurisdictions, often simultaneously. Within legal education, the first mark of globalisation as distinct from transnationalisation was the move from exchange programmes to double-degree programmes

across national jurisdictions. The above description of the changing paradigms of legal education is not intended to suggest that the evolution that has taken place is either equitable or progressive in the political sense of the term. Indeed, on the face of it the exact opposite would appear to be true, as the ability of graduates to enter into the top jobs is increasingly tied to their ability to study in the most expensive or exclusive institutions.

Globalisation of the Indian legal profession is urgently needed not only for the modernisation of the profession, but also to significantly increase the capacity of the Indian legal system. Globalisation has created new opportunities for all, but it falls on nations and institutions to best harness these opportunities and address related challenges.

The Bar Council of India, the State Bar Councils, the State Governments, the University Grants Commission and the Universities have a great role to play for improving the standard of legal education in the country. They should work in a comprehensive manner without any conflict. New avenues should be explored by the Bar Council of India and The University Grants Commission in the era of computer applications and information technology in the legal fields and potential uses of internet in the practice of law and legal education. They should find out

the ways and means to meet the new challenges and provide better tools of research and methodology of learning for the generations to come. The recommendations of the National Knowledge Commission, in this regard, deserve attention of the Bar, the judiciary and the Government. The reforms initiated in few law schools all over India have made only a small dent. However, the vision of legal education is to provide justice-oriented education essential to the realization of values mentioned in the Indian Constitution. In keeping with this vision, legal education must aim at preparing legal professionals who will play decisive leadership roles maintaining the highest standards of professional ethics and a spirit of public service.

Society is undergoing rapid transformation and the pace of change is likely to gather speed. In the context of change ahead, it will be important to devote thought on how to adopt our legal education to modern conditions so that the coming generation may fit in the new society that is envisaged. Legal education is an investment, which if wisely made will produce most beneficial results for the entire nation.

Thus, legal education needs to be modified by increasing global exposure-adding courses, hiring more international faculty, sponsoring more international academic programs,

opening research centres with global connections, and augmenting the number of formal international links and exchange programs.

Effective reform in Indian legal education will not require energy, imagination, and devotion; nor can such reform alone resolve the dilemma in which the Indian legal order finds itself. However, education seems the most favourable point of entry and offers greater leverage for productive change than reform at any other point in the legal order. But reform in legal education cannot succeed ultimately unless the Indian legal order as a whole moves in a complementary direction. One must hope that reforms and insights from an invigorated and reshaped legal education will help to stimulate movement in other areas of law until, in due time, the several efforts will multiply and become self-reinforcing. If challenge determines response, the enormous challenges to Indian legal education and to the Indian legal profession should produce a tremendous effort to improve legal education. So much needs to be done even to understand the problem and to fashion for India the kind of legal order that it needs.

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The Need for more Sustainable development for greater Economic Sustainability

Nalini Mishra

Faculty, Environmental Studies, ABS
Ph.D. scholar in Delhi University,
Department of Zoology
nalini007mishra@gmail.com

ABSTRACT

Most development specialists always appreciate the fact that economic growth only could not bring about a better way of life for society and its residing habitants unless environmental conditions were improved. Development plans and strategies in which only economic or profitable considerations were used, had begun to suffer from serious environmental problems due to land, air and water pollution, waste mismanagement, deforestation and a variety of other harmful products that severely affected human societies well-being and health. There were also serious equity issues between the “privileged and the unprivileged ones” in society, around the world and country levels. The disparity in the lifestyles between the rich and the poor has even worsen this situation or by these unsustainable development strategies. Among this darkness there is still hope of well-being. That hope is to bring back healthy environment by adopting sustainable strategies of development. Everybody if join hands in hands for this development miracles have been observed and reported. So we can see and hope for the better and healthy future.

Keywords Overpopulation, environment degradation, sustainable development, pollution, natural resources.

Introduction

We are living on flying saucer called earth with a limited supply of resources. We believe that our

present day technology-based lifestyles are the exclusive way for society to progress. Yet this is sole dimension of life that is based on only economic growth. It is not the demography alone that need to be emphasized, but a recognition of the impact on natural resources of the fast escalation in the rate of increase of population of humans in the recent past. It is estimated that in the near future, fossil fuel from oil fields will run dry. It will be impossible to meet the requirements for food from existing agronomy (Survey of the Environment, The Hindu). Pastures will be over utilized by livestock and industrial growth will produce ever-greater problems in form of pollution of soil, water and air. Oceans will not have sufficient fishes. Larger holes on ozone layer will develop due to the release of industrial chemicals directly into the atmosphere, which will obviously affect human health. Problems list will also include global warming which is result of industrial gases, will lead to a rise in levels of seas and flood will occur in all low-lying areas, submerging coastal agriculture as well as towns and cities. On the other hand, Water 'famines' due to the exhausting of fresh water, will create discomfort and eventually make countries go to war. The control over regional biological diversity, which is vital for producing new medicinal and industrial products, will lead to serious economic conflicts between biotechnologically modernized nations and the

bio-rich countries. Deterioration of ecosystems will lead to disappearance of thousands of species and thus destabilizing natural ecosystems of great value. These are only some of the environmental problems related to increase in economy (Clleveland and Ruth, 1997) in response to an increasing human population which requires more intensive use of resources that we are likely to face in future. These effects can be averted by creating a mass environmental awareness movement that will bring about a change in people's way of life.

Rise of sustainable development theory:

Nevertheless, this break across earth's bows caused the human society's great concern and as a result many ecologists, economists, politicians, scientists had started thinking about how to provide for the growing human population in a world and optimal growth paths that had a fixed amount of resources (Gauvin, 2012). As a result of this inquiry is Sustainability and sustainable development research, with many theories and thoughts about how best we will be able to deal with overpopulation, scarcity, and environmental deterioration (Bander, 2007). This is of great importance for developing a new ethic for a more equitable (between rural and urban, rich or poor, north vs. south) distribution of resources. The growth critics also question the ability of economic growth to increase well-

being of those who already enjoy a high standard of living (Haapanen and Tapio, 2016). As the natural resources of earth are waste away and our environment is being progressively degraded by human activities, it is evident that something needs to be done. So we have to decide now that Economic development needed, but at what cost?

Sustainable development

The requirement for sustainable development is crucial to the future of mankind. Finding a definition or meaning for sustainable development is not strenuous. In 1992, in a World Bank Report, John Lezzy, was able to bring over thirty different definitions that he found in the peer reviewed academic journals (Pezzy, 1992). These published definitions have few commonalities, especially in the areas of environmental concerns over declining of resources and deterioration of the ecosystems, the dilemma of the world's unprivileged and a social/ethical responsibility to future coming generations (Solow, 1991, 1993). However, there also exist enough distinctness in the definitions to hamper actualization and effective analysis of the concepts of sustainable development. Even among the preachers of sustainable development, the controversy over what it signifies to be sustainable and what it constitutes to be development are menacing. The definition of sustainable development,

given in the Brundtland's report is the extensively held definition and most researchers and practitioners will cite their following definition. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on Environment and Development, 1987, p. 43).

The world commission on environment and development, however argued in the "Brundtland report" for what is called the engine-of-growth-thesis, i.e. the north must grow to pull the economies of the south (Hinterberger et al., 2008). This is cause of the fact that the extent of this depletion is mainly increased by affluent societies that consume per capita more energy and resources than less fortunate people (Bharucha, 2004). It also emphasizes at the equity between countries and continents, races and classes, gender and ages. It includes economic opportunity and social development on one hand and the requirements of environment on the other. It is based on improving the quality of life for all not only seeing economic development above all, especially the poor and deprived within the carrying capacity of the supporting ecosystems. It is a process which leads to a better quality of life while reducing the impact on the environment. Its strength is that it

acknowledges the interdependence of human needs and environmental requirements (Bharucha, 2004).

To ensure sustainable development, any activity that is expected to bring about economic growth must also consider its environmental impacts so that it is more consistent with long term growth and development.

One hotly contested part of the debate is the significance of economic growth in sustainable development.

What we can do

We usually feel that managing all this is something that is Government's job. But with this attitude, and if we go on threatening our own environment, there is noway in which the Government can perform all these clean-up functions. It is the avoidance of environment degradation in which we must all take part, which is called sustainable lifestyle that must become a part of all our lives. Just as for any disease, prevention is better than cure. To prevent ill-effects on our environment by our actions is economically more efficient than cleaning up the environment once it is damaged. Individually we can play a major role in environment management. There are number of case studies in which small acts of local people has created miracles in conserving

and restoring the environment like Panipanchayat, chipko movement, silent valley and many more. We can minimise wastage of natural resources and we can act as steward that inform the Government about sources that lead to pollution and degradation of our environment. Mass media strongly influence public opinion such as newspapers, radio, and television. However, somebody has to bring this about in their notice. If each of us feels strongly about the environment, the press and media will add to our efforts. Politicians in a democracy always respond positively to a strong publicly supported movement. Thus if we join an NGO that supports conservation, politicians will make green policies. So, each of us is responsible for spreading this message to as many people as possible.

This can only be made possible through mass public awareness. I want to bring in notice of all of us some important simple examples from daily life, which I came across in Bharucha textbook, and which I think is of great relevance.

Plastics: How can you reduce the amount of plastic you use? What effects does plastic have on our environment? Where did the plastic come from/ how is it manufactured?

Water: How much do you really need to use, as

against how much you waste when you:(a) Brush your teeth? (b) Have a bath? (c) Wash clothes? (d) Wash the scooter or car? Where did the water come from? What is its actual source? How has it reached you? Where will the waste water go? Do you feel you should change the way you use water? How can you change this so that it is more sustainable?

Paper: Which is used in every house being rich or poor, one should know-What is it made from? Where does it come from and what happens during manufacture? How much do you use and how much do you waste? How can you prevent it from being wasted? So that its wastage can be minimized as people are aware of essential facts.

Electricity: How much do you use every day? Where does it come from? How do you waste it? How can you conserve energy? What are the important impacts of wasting electricity on environment?

The time of Planning for the future

How any country's government and people from any community will meet the challenges of limiting population size, protecting the natural environment, change consumerism (their consumer oriented attitudes), decreasing habits that create excessive waste, elevates poverty and creates an effective balance between conservation and development especially in terms of economy will determine the world's

future (Haapanen and Tapio, 2016).As people merely running for economic development may be able to achieve short term benefits but it will create menacing effects(Jackson, 2009) which will quickly shake the future economy pillars resulting in disturbing societies. As industrial settings are based on materials like iron, steel, aluminium, cement, glass, marble and burnt bricks, which are also used in urban housing, are very energy intensive. This energy consuming process of extraction, fabrication, refinement and delivery is called embodied energy and greatly add to pollution of soil, air and water on earth.

Strategies for sustainable living

We have to work towards the protection of our environment and the preservation of our wild species; we have to work towards this like eco-minded individuals with others balancing our economy business too and protecting earth's resources as well. We should focus on consciously avoid committing acts that damage our environment and should publicly assert our dislikes for acts against the environment. We should not permit others to cause harm to the wilderness and our wild species without protest. We all should use resources carefully by reducing, reusing and recycling whatever we use such as water, paper, plastic, metal and glass articles. We should not carelessly throw away items that are made of our precious

natural resources. We all should use energy carefully and close off electrical appliances when not in use. Also we should not waste energy by using a fuel based vehicle when we can walk or cycle. On addition to all these small but wondrous acts we can all visit our beautiful wild places with clean air, water, soil, and all their plants and animals, and become party to their conservation. We should pledge and also take pride for not permitting any individual or Government actions spoils our environment or damage wilderness without protest (Bharucha, 2004). If all these acts are done by all members of society it will have miraculous impact on environment in a very short span of time.

Conclusion, impacts and suggestions

On the level of factual phenomena, only considering economic growth has both negative and positive effects. Thus, it is not relevant to examine economic growth as a whole. The 21st century growth critique does not suggest continual downsizing of the economy nor does it condemn all growth (Haapanen et al., 2016). Instead, it promotes the principle of selectivity (i.e., downsizing actions that have negative effects on the environment and/or human well-being, and growing or at least maintaining actions with positive effects). To sum up, we should be able to differentiate between economic growth and sustainable development, and accordingly

reformulate sustainability goals and policies as the current strategies of economic development are using up resources of the world so rapidly that our future generations, the young people of the world, would have serious environmental problems, much worse than those that we are facing at present. This would have a paramount impact on the way we think about, speak of and act for sustainability which will finally lead to greater economic sustainability in future. The society will live a more contently and healthy life as there will be less environmental hazards.

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Ms. Anju Bala
Software Consultant

Keywords Robotics, Artificial intelligence, Automation, Technology, Smart machines

ABSTRACT

Artificial Intelligence is defined as the simulation of human intelligence processes by machines, especially in computer systems. These processes include a variety of human functions, including learning, reasoning, and self-correction. Artificial Intelligence is playing a role in all kinds of activities like speech recognition, translation, visual perception, diagnostics, toys, etc. We see it in our everyday lives.

Artificial Intelligence is embedded into machines to make them robots. A robot is a machine that gathers information about its environment (senses) and uses that information (thinks) to follow instructions to do the work (acts).

Robotics as an industry has been around for approximately 50 years now, but the last few years have seen a tremendous growth, both in the range of tasks robots can perform and also the number of robots in operation.

According to any Robotics expert, we are on the cusp of a major shift within the field. Robots are set to move beyond their current niche (caged) position on the assembly line to take up a much broader range of roles across many industries.

The futurist Ray Kurzweil predicts, Artificial Intelligence will transform every aspect of our society so profoundly that our way of life will be

completely unrecognizable from our current experience.

Robots and Artificial Intelligence are expected to have impact on all aspects of human life including the businesses and economies.

It is important to have a unified perspective on both the states of robotics today, and the challenges it will bring in the future.

Introduction

In the current scenario of technology evolution, machines are taking a more active role in enhancing human endeavors. Artificial intelligence and robotics are coming into our lives more than ever before and have the potential to transform healthcare, transport, manufacturing and even our domestic chores.

In a way, it is making us smarter because we are able to leverage computers to search these databases in ways that we couldn't before. It will change, for example, healthcare because we're going to see these machine learning techniques try to get a better understanding of what symptoms might lead to certain diseases.

We will live in an improved world but we're also going to have to come to grips with the issues of job displacement, if more and more taxi cab drivers lose their jobs, if more and more manufacturing technologies go over to robotics. We're going to see a global shift in low-wage, low-skilled jobs. So in coming future, we're going to have a much bigger debate on what we do with people who need retraining. Education

system needs to be aligned with requirements of the future job environment.

Artificial Intelligence

Artificial intelligence is any type of intelligence that is exhibited by a machine or its software. It is the simulation of human intelligence processes by machines, especially in computer systems. These processes include a variety of human functions, including learning, reasoning, and self-correction. Artificial Intelligence is rapidly playing a role in all kinds of activities like speech recognition, translating, and visual perception. We see it in our everyday lives.

Artificial intelligence is really taking the brain, and trying to emulate it in software. The brain is more than just recognizing an object. It is thinking, it is perceiving, it is learning, it is action, it is emotion. Artificial Intelligence is accomplished by studying how human brain thinks, and how humans learn, decide, and work while trying to solve a problem, and then using the outcomes of this study as a basis of developing intelligent software and systems. In mimicking human intelligence, the goal is to make sure robots get a brain and reasoning.

AI makes machines smarter and more useful. Apple's Siri, Google's self-driving cars and Facebook's image recognition software are popular examples of AI. But it's much broader than that. AI also powers product pricing on Amazon, movie recommendations on Netflix, predictive maintenance for machinery and

fraud detection for the credit cards. While these applications are all powered very differently and achieve different goals, they all roll up into the umbrella term of artificial intelligence.

In the course of 50 years of research, AI has developed a large number of tools to solve the most difficult problems in computer science. A few of the most general of these methods are:

- Search and optimization
- Logic
- Probabilistic methods for uncertain reasoning
- Classifiers and statistical learning methods
- Neural networks
- Deep feed forward neural networks
- Deep recurrent neural networks

Robotics

AI is embedded into machines to make them a robot. A robot is a machine that gathers information about its environment (senses) and uses that information (thinks) to follow instructions to do the work (acts).

Robotics as an industry has been around for approximately 50 years now, but it's perhaps fair to say that the last few years have seen a tremendous growth, both in the range of tasks robots can perform and also the number of robots in operation.

The robot should be seen as an ergonomic tool which relieves man of hard work. They are freeing up humans from the "dull, dirty and

dangerous work" and are enabling people to concentrate on creativity and innovation.

Researchers are nowhere near achieving this level of artificial intelligence where robots have human intellectual abilities, but they have made a lot of progress with more limited AI. Today's AI machines can replicate some specific elements of intellectual ability.

Computers can already solve problems in limited realms. Of course, the computer can only solve problems it's programmed to solve - it doesn't have any generalized analytical ability. Chess computers are one example of this sort of machine.

Some modern robots also have the ability to learn in a limited capacity. Learning robots recognize if a certain action (moving its legs in a certain way, for instance) achieved a desired result (navigating an obstacle). The robot stores this information and attempts the successful action the next time it encounters the same situation.

Some robots can interact socially. Kismet, a robot at M.I.T's Artificial Intelligence Lab, recognizes human body language and voice inflection and responds appropriately. Kismet's creators are interested in how humans and babies interact, based only on tone of speech and visual cue. This low-level interaction could be the foundation of a human-like learning system.

To sum up, robots are machines that supplement or enhance human activities. They can do this in a number of ways:

- **Pre programmed**

Pre-programmed robots operate in a simple, controlled environment and do not require a great deal in the way of intelligent control systems ("artificial intelligence") to operate successfully. The most familiar pre-programmed robots are probably the robots used to build cars in most automobile plants around the world. There are similar robots that operate not on cars, but on the human body.

- **Autonomous**

Autonomous robots operate independently of human operators in environments that are not as tightly controlled as pre-programmed robots. They have "autonomy" because it is ultimately the machine's responsibility to detect changes in the environment and to adapt to it. Autonomous robots are used in industry, as labor-saving devices at home, and are even becoming popular toys.

- **Tele-operated**

Tele-operated robots are controlled remotely by a human being. The underwater robots that helped fix the oil leak in the Gulf of Mexico were tele-operated. The robotic arm on the Space Shuttle is another example. It is now possible for your physician to be tele-present in your home town, even if he/she is travelling.

- **Augmenting**

Some robots are connected directly to the human user's body, either by the user gripping the controls in their hand or by having it in contact with the user's body in some other way. Movements of the user's body (sometimes it is only the mental activity of the user's brain) ultimately control a robotic effector of some kind. These robots can either enhance the user's natural skill in some way (extending their reach) or give them a skill they don't have or have lost (a robotic prosthetic arm). These robots can give humans the lifting power of giants and the dexterity of a virtuoso surgeon.

Current Trends – use of AI and robotics

One area of great optimism about AI and machine learning is their potential to improve people's lives by helping to solve some of the world's greatest challenges and inefficiencies. Applied R&D on AI have already begun reaping major benefits to the public in fields as diverse as health care, transportation, the environment, criminal justice, and economic inclusion.

Enthusiasts for the rise of robots argue that they can overcome the limitations of human workers. Whereas some people argue that thinking is too complex to be mimicked by a machine. They can represent the chain of inferences leading from one state to other are not essence of thinking.

Three major trends are speeding global industries toward an inflection point at which advanced industrial robots will become much

more commonplace. That point will be characterized by greater cost-effectiveness for robots when compared with human labor, technological advances that are wiping out barriers to adoption in key sectors, and the arrival of systems that smaller manufacturers can afford and easily use.

AI is deeply embedded in every industry – medicine, manufacturing, and hand held devices. Robots already surround us, they are already an essential part of us and they're about to do much more than work on assembly lines and pick up dust bunnies. Here are just a few applications of artificial intelligence and Robotics.

- Industrial Automation
- Farming/Mining/Fishing/Sanitation/Construction
- Surgery
- Warehouse work
- Hair dresser
- Hospital porter
- Security guard
- Services for the Disabled and elderly
- Vision Systems
- Planetary Exploration
- Mine Site Clearing
- Law Enforcement
- Banks & insurance companies
- Military
- Transportation/Navigation
- and many more...

Probably the biggest growth in the use of robots has been in logistics, with e-commerce driving adoption of the technology, whether for the management of warehouses or the last mile delivery of packages to customers. Amazon began using these robots in July of 2014, and there are now more than 15,000 of them in 10 of the company's warehouses. As consumers buy more from the Internet's largest retailer, it keeps up by outfitting warehouses with robots that work at speeds humans can't. Amazon Senior Vice President of Operations Dave Clark says improvements such as the Kiva robots have significantly increased operations efficiency while making employees' lives easier.

Research is ON to study how robots and humans work together. It is believed that the future will be a positive one if humans and robots can help and complement each other. Robotics is moving from software and gears operating remotely — Mars, the bottom of the ocean or assembly lines — to finally working with, besides people.

According to the futurist Ray Kurzweil, AI will transform every aspect of our society so profoundly that our way of life will be completely unrecognizable from our current experience.

Robots and AI are expected to have impact on all aspects of human life. This impact can be put in different categories.

1. Easing out peoples life

Robots make people's life easy and simpler by assisting them precisely in many tasks.

Artificial intelligence (AI) has astounding potential to accelerate scientific discovery in biology and medicine, and to transform health care.

Ginkgo Bioworks, a young company based in Boston, by applying engineering principles to biology, and with the help of some nifty robotic equipment, has created a factory for churning out exotic life-forms, the likes of which have never before been seen on this planet.

Automating industrial applications with an automated robotics system to perform tasks that can be repetitive, dangerous, or otherwise unsuitable for human provides the benefits like higher quality parts, reduced cycle times, and increased savings. Industrial robots, like other automation types, can work 24 hours a day, 7 days a week to keep up with industry demands.

Home robots help people take care of their daily chores at home. Robots are already performing many simple service tasks such as vacuuming, mopping, lawn mowing, and gutter cleaning. Commercial service robots are now able to perform more complex tasks in food preparation, health care, commercial cleaning, and elderly care.

Another example is a robot suitcase, "travelmate", which is fully autonomous and fulfills a very practical purpose of a suitcase and makes travelling much easier.

2. Performing dangerous tasks

There are many jobs which humans would rather leave to robots. The job may be boring, such as domestic cleaning, or dangerous, such as exploring inside a volcano, cleaning up the radioactive waste. Other jobs are physically inaccessible, such as exploring another planet, cleaning the inside of a long pipe, or performing laparoscopic surgery.

Robots have become increasingly important for investigating and researching hazardous and dangerous environments. These robots are capable of entering an active volcano to collect data or a burning building to search for victims. NASA only communicates with the Curiosity (space robot) twice per day. Otherwise, the robot is largely on its own, needing to make some decisions on exploration and obstacles.

3. Helping some parts of society like disabled, old, sick

Robots used in home automation have developed over time from simple basic robotic assistants, such as the Handy 1, through to semi-autonomous robots, such as FRIEND which can assist the elderly and disabled with common tasks.

FRIEND is a semi-autonomous robot designed to support disabled and elderly people in their daily life activities, like preparing and serving a meal. FRIEND makes it possible for patients who are paraplegic, have muscle diseases or serious paralysis (due to strokes etc.), to perform tasks

without help from other people like therapists or nursing staff.

4. Impact on job market

Robots are killing jobs is general impression of people. To some extent this might be true but in reality, people will be needed with different skills with Robots taking over functions of humans. Technology advances have always eliminated some jobs and created others, leaving social change.

We cannot forecast the jobs of the future, but it is believed that jobs will continue to be created, enhanced and destroyed much as they have in the past.

While technological progress throughout economic history has largely been confined to the mechanization of manual tasks, requiring physical labor, technological progress in the twenty-first century can be expected to contribute to a wide range of cognitive tasks, which, until now, have largely remained a human domain.

Human-robot interactions, once confined to science fiction, are becoming part of daily life. In addition to manufacturing and automated teller machines, robot interfaces are replacing purely human interactions in variety of service-sector interactions. Soon, clerical work, transportation, and drive-through eateries will be automated. Some robots are becoming more human-like in appearance, interactions, and cognitive function.

The Henn-na Hotel in Japan is illustrative of this trend. It bills itself as “the world’s first hotel staffed by robots.” The hotel uses robots for reception, as porters, and for room service.

As another example, Japan has indicated that robots will be a central part of hosting the 2020 Summer Olympic Games in Tokyo, including directing spectators to their seats.

It is important to emphasize how fast moving these developments have been. Less than twenty years ago, in the chapter “Why People Still Matter”, Levy and Murnane (2004) pointed at the difficulties of replicating human perception, asserting that driving in traffic is insusceptible to automation. Six years later, in October 2010, Google announced its fully autonomous car.

After driverless vehicles, US wants ‘talking cars’ to up road safety. The US government has bet on driverless vehicles to reduce road fatalities. Now, it is also betting that drivers and passengers will be safer if cars can talk to one another to prevent accidents. In 2016, distractions in vehicles contributed to the biggest annual percentage increase of road fatalities in 50 years in the US. Along with future plans for rules that will mandate cars to communicate with stoplights and signs, the National Highway Traffic Safety Administration said that it believed the communications technology could help reduce crashes by 80%.

The true barrier in this market has been the cost of buying and prototyping the key hardware components—components that allow machines to gather data and interact with the world around them. And now, for the first time, these components can be tested and produced at a price consumers can afford. Robots that feed your pet or play with your child or take care of your parents when you're away from home are not far in time. This is the beginning of a real robot revolution: giving robots some humanity.

The researchers who are injecting humanity into robotics are creating robots that can connect with humans in a more "thoughtful" way. They are building robot receptionists and robot physical therapists.

Future of Technology – AI and robotics

What is future of technology?

Futurist Ray Kurzweil predicts that the future of technology will mainly consist of an overlapping "GNR Revolution" of Genetics, Nanotechnology and Robotics, with robotics being the most important of the three.

It's nearly impossible to forecast in detail life in say 100 years from now. However, what we can venture to guess based on current trends is that humans will still populate the planet, as will animals, and we will be joined by simple biological creatures designed synthetically in the lab, and of course, machines. Machines will roam the earth, toiling in factories, taking our

children to school, delivering babies, cleaning the streets, and other such tasks, which will make them seemingly indispensable to us.

Ultimate AI would be a recreation of the human thought process - a man-made machine with our intellectual abilities. This would include the ability to learn just about anything, the ability to reason, the ability to use language and the ability to formulate original ideas.

A number of robotics experts predict that robotic evolution will ultimately turn us into cyborgs - humans integrated with machines. Conceivably, people in the future could load their minds into a sturdy robot and live for thousands of years!

We don't know how sophisticated these machines will be a century from today. Some might continue as dumb machines like the ones we have now, assiduously screwing on the caps of Coke bottles. Or they might be humanoid robots that resemble us and nurse our elderly parents. The increasing sophistication of Technology from the steam engine and discovery of electricity to telecommunications, the Internet and biotechnology can be seen as a haphazard confluence of the breakthroughs of geniuses - or it can be seen as an evolutionary pattern.

The rules of Technological evolution thus make a strong argument for accelerating evolution. Compared to the snail-paced evolution of the human species, we have to wonder if we'll be

able to manage the increasing complexity of technology or if the dystopian vision of some futurists will come true: machines will become 'alive' with artificial intelligence and not just roam the earth but also rule it.

Unintended consequences

A fuzzy approach that is demonstrative that technology is contingent. For example, a car is faster than a horse, but unlike its original creators become a significant source of pollution.

Artificial Intelligence is approaching general artificial intelligence. It is outsmarting human intelligence. It will create superior versions of itself resulting in technology advancement so rapid that it will be incomprehensible to human intellect.

With intelligence beyond our comprehension, we can never be certain of an AI's motivations. Will Artificial Intelligence make us extinct? Experts believe that it will depend entirely on politics, on what people decide to use it for.

Human-Robot Interfaces Should Be Subject to Legal Protection

As more countries adopt industrial automation, the public policy towards this technology will grow in importance. Governments need to strike a balance between ensuring that humans can safely coexist with robots and that companies employing these machines can make full use of them. This robot law balance is part of a larger picture, where industrial automation

is used to increase productivity and grow the economy.

Several countries have already created or are creating regulatory frameworks to protect worker safety alongside industrial robots. For example, South Korea has developed a Robot Ethics Charter, the European Union has launched its RoboLaw project, and Germany is experimenting with "medical/biomechanical" requirements for human-robot collaboration in factories.

Impact on Business

In modern time artificial intelligence is used in many fields' like- medical diagnosis, stock trading, robot control, law, remote sensing, scientific discovery, finance, online and telephone customer service, heavy industry, transportation etc. There can be as many definition of intelligence as many there are experts, each define intelligence in their own way.

Remarkable progress has been made in the field of AI, which addresses specific application areas such as playing strategic games, language translation, self-driving vehicles, and image recognition. AI underpins many commercial services such as trip planning, shopper recommendation systems, and ad targeting, and is finding important applications in medical diagnosis, education, and scientific research. Developments in the AI/machine intelligence space are already reshaping industries,

enterprises and human-computer interactions. These have all had significant societal benefits and have contributed to the economic vitality of the Nations.

A “robot revolution” will transform the global economy over the next 20 years, cutting the costs of doing business but exacerbating social inequality, as machines take over everything from caring for the elderly to flipping burgers, according to a new study.

There is a paradigm shift which will change the way we live and work. The pace of technological innovation has gone from linear to parabolic in recent years. Penetration of robots and artificial intelligence has hit every industry sector, and has become an integral part of people’s daily lives.

Technological advances are contributing to declining costs in robotics. Over the past decades, robot prices have fallen about 10 percent annually and are expected to decline at an even faster pace in the near future (MGI, 2013). Declining robot prices will inevitably place them within reach of more users.

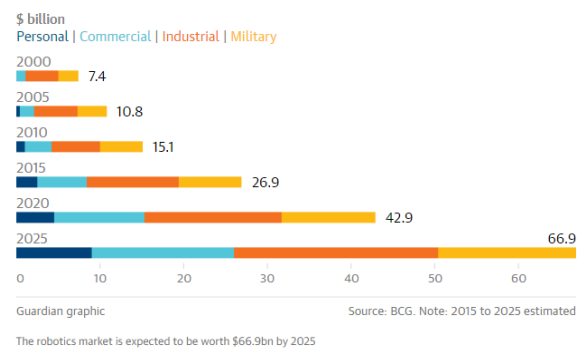
Robotics use is reaching the takeoff point in many sectors. The share of tasks that are performed by robots will rise from a global average of around 10 percent across all manufacturing industries today to around 25 percent by 2025. Big improvements in the cost and performance of robotics systems will be the catalysts. In several industries, the cost and

capabilities of advanced robots have already launched rapid adoption.

In a 300-page report, revealed exclusively to the Guardian, analysts from investment bank, Bank of America Merrill Lynch draw on the latest research to outline the impact of what they regard Robots as a fourth industrial revolution, after steam, mass production and electronics.

However, this revolution could leave up to 35% of all workers in the UK, and 47% of those in the US, at risk of being displaced by technology over the next 20 years, according to Oxford University research cited in the report, with job losses likely to be concentrated at the bottom of the income scale.

Global robotic market



Google acquired eight robotics companies in a two-month period in 2014 including Boston Dynamics, a maker of legged robots that can balance well enough to climb over obstacles and run, and Google also acquired drone maker Titan Aerospace, whose robotic aircraft could

help bring the Internet to remote parts of the world.

Off shoring hit manufacturing hard, but is turning around

Until recently, the trend has been for companies to outsource manufacturing to emerging markets in order to take advantage of dramatically lower labor costs. The U.S. Department of Commerce reports that in the 2000s, U.S. multinational corporations which employ one fifth of all American workers cut their domestic workforce by brand 2.9 million while increasing their overseas employment by 2.4 million. The trend of outsourcing manufacturing operations offshore is beginning to shift, however. Automation using robotics is helping this by increased productivity and reduced cost to produce high quality products.

In the most advanced manufacturing sectors – among Japan’s carmakers, for example – robots are already able to work unsupervised round the clock for up to 30 days without interruption. While off shoring manufacturing jobs to low-cost economies can save up to 65% on labor costs, replacing human workers with robots saves up to 90%.

Advanced manufacturing skills will be in very high demand. As robots become more widespread, the manufacturing tasks performed by humans will become more complex. The capacity of local workers to master new skills and the availability of

programming and automation talent will replace low-cost labor as key drivers of manufacturing competitiveness in more industries. There will be a fundamental shift in the skills that workers will need in order to succeed in advanced-manufacturing plants.

It is not only low-skilled jobs, such as assembly-line work, that could be replaced: a report from the McKinsey Global Institute in 2013 found that up to \$9tn in global wage costs could be saved as computers take over knowledge-intensive tasks such as analyzing consumers’ credit ratings and providing financial advice.

The right time for making the transition to advanced robotics will vary by industry and location. But even if that time is several years away, companies need to prepare now. To gain competitive advantage, companies need to adopt a holistic approach to the robotics transition

Automation killing jobs

We all love technology. In most cases, it helps make life easier but it also comes at a price. Artificial intelligence, it seems, poses a new kind of threat to jobs — not so much replacing muscles but brains. For a long time the common understanding was that technology was destroying jobs but also creating new and better ones. Now the evidence is that technology is destroying jobs and indeed creating new and better ones but also fewer ones.

Production jobs, office and administrative occupations are among the jobs that can be easily automated according to analysts at McKinsey. These jobs are less likely to be in demand. Customer service jobs are also at risk. Analysts say there will be less need for cashiers, sales representatives in manufacturing, retail salespersons, real estate brokers and other sales-related jobs. Driverless vehicles and drone aircraft are no longer science fiction, and over time, they may eliminate millions of transportation jobs.

While automation may eliminate the need for certain jobs, analysts expect it will also create new jobs. Forrester expects automation will generate 13.6 million new jobs by 2025, offsetting more than half of the jobs lost to automation. New occupations related to automation and artificial intelligence will likely be a source of job growth. Occupations including software developers, robot engineers and managers who can integrate automation technology into existing business models are expected to be in high demand.

Medicine

Even medicine is putting AI to use: IBM's MSK-trained Watson for Oncology system, for example, can parse patient information written in plain English and draw on multiple big-data sources to deliver ranked treatment recommendations with links to supporting evidence.

To use artificial intelligence (AI) in the field of eye care, Microsoft India, in collaboration with L V Prasad Eye Institute launched Microsoft Intelligent Network for Eyecare (MINE), in December 2016. This is a mission-driven global consortium of commercial, research and academic institutions who have joined hands to apply artificial intelligence to help in the elimination of avoidable blindness and scale delivery of eye care services worldwide.

Healthcare surgery embraces world of smart robots. Robot-assisted surgery has truly changed the face of medicine by expanding surgeons' capabilities in ways no human could. Robo-surgeries are becoming common day by day. Robots have reached a level where they are able to perform neuro surgeries as well. Recently in December 2016, there were two robo-surgeries performed in Delhi hospitals.

- Doctors at Apollo Hospital removed a large tumor, weighing 450gm, from the chest cavity of a 57-year-old woman. They used three small keyholes and robotic arms to pull out the abnormal growth that was surrounded by the heart and blood vessels.
- Brain robot guided the neurosurgeons at AIIMS to a precise location where electrodes could be implanted to pick up electric signal produced by seizures so as to identify the focus area and remove it. It's the first time robots have been used in brain surgeries.

Traditionally robots are rigid and metallic structures. Surgeon robots are soft and flexible made of silicon. First ever operation on human body was done in London in December 2015.

Experts say robotic surgery minimizes the risk of error and helps patients recover fast. This advancement makes patients to travel to other countries for safer treatment increasing international economies grow.

Farming

Climate change, dwindling acres to grow crops, lack of labor, and demand for even greater protection of the environment are forcing the agriculture industry to reassess its business model.

“As the global population reaches 9 billion by 2050, agricultural production must double,” says Susan Eustis, president of WinterGreen Research LLC. “Given existing land, water, and labor resources, the efficiency of agricultural productivity must increase by 25% to meet that goal. Robotics and automation can play a significant role.”

Robots have the ability to work faster, longer and more efficiently than humans in agriculture. Robots remove the human factor from this labor intensive and difficult work. Autonomous robots have already been demonstrated in many agricultural activities. Conventional tasks such as tilling, sowing, harvesting of grains, can be performed using autonomous robots with great accuracy.

Financial Services

Financial services firms are beginning to deploy artificial intelligence technologies to make themselves more efficient and better than their peers. It is the early days of AI in the financial services industry, but the technology is increasingly going to be more important to organizations to innovate and remain competitive.

One reason that use of AI is growing within the financial services sector is because of the scale of the data the industry handles. Use of AI to enhance customer engagement should be top of mind in the wealth management sector, where personalized communications and advice are being provided by digital wealth management services, or robo-advisers.

Education

Our existing social structures, and especially our educational institutions, are not up to the challenge of preparing workers for the technology and robotics centric nature of employment in the future. The education system is not well positioned to transform itself to help shape graduates who can ‘race against the machines’.

Education sector worldwide will need realignment to new skills required in the completely changed environment by AI and robots. Economies will have no choice but to invest in education. Youth needs to be prepared for the future.

According to an article by Robotics Industries Association, most of today's major robot suppliers have educational tools they offer to technical and community colleges, universities, career centers, and high schools to help promote STEM (Science, Technology, Engineering and Math) education and robotics training.

Incorporating the robotics in the educational curriculum in schools, colleges and technical programs will help bridge the skills gap.

Research work on improving AI

Amazon, Google, Facebook, IBM, and Microsoft have established a non-profit partnership to benefit people and society. The companies have established a partnership to formulate the best practices on artificial intelligence technologies, advance the public's understanding, and to serve as a platform about artificial intelligence.

There are concerns with the rise of artificial intelligence and the impacts it can have on humanity. The group's focus will be on ethics. According to the announcement by the groups, "The partnership will conduct research and recommend best practices relating to "ethics, fairness and inclusivity; transparency, privacy, and interoperability; collaboration between people and AI systems; and the trustworthiness, reliability and robustness of the technology." The corporate members will make financial and research contributions to the group, while

engaging with the scientific community to bring academics onto the board.

Assistive robots for the handicapped and elderly Strong growth is reported in sales of handicap assistive robots and for the elderly. At 4,700 units (2015), the sales volume is still comparatively low. But sales figures are expected to rise to 37,500 units from 2016 to 2019. The rise in the value of sales will mirror this development: Sales in 2015 amounted to USD 16.8 million - a year-on-year increase of 34 percent. The total value is forecast to rise to USD 97 million between 2016 and 2019.

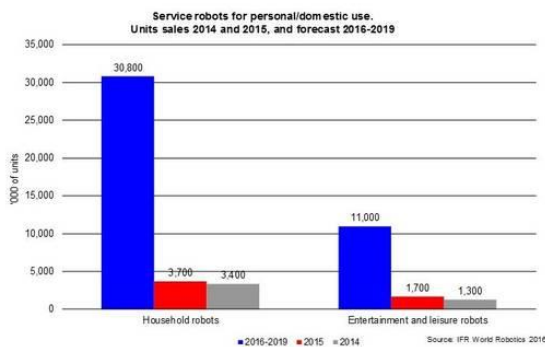
Whatever we think of the morale part, robots for disabled and elderly people have huge market.

Home Robotics

The first domestic robots to help you in your daily life are the vacuum cleaning robots. The Roomba is one of the few success stories in the market for home robotics. It is a good example of how a task can be automated with the right combination of technology and cheaper components (such as motors and sensors). And the market for vacuums alone is huge: Transparency Market Research estimated it at \$11 billion in 2012 and projected an increase to \$14.6 billion by 2018, with robotic vacuum sales rising faster than others.

There are number of tasks personal robots can perform. The worldwide number of domestic household robots will rise to 31 million between

2016 and 2019. The sales value of robots cleaning floors, mowing lawns, and cleaning swimming pools will grow to about 13 billion US dollars in this period. These forecasts are taken from the 2016 World Robotics Report, "Service Robots", published by the International Federation of Robotics (IFR).



In the coming years, vacuum and floor cleaning robots will continue to make up the huge share of units at work in households. Sales will rise from 3.6 million units (2015) to around 30 million units within the 2016-2019 forecast period. Vacuum and floor cleaning robots account for 96 percent of domestic robot sales. Robotic mowers and pool cleaning robots rank second and third, respectively.

There are robots doing dishes and some restaurants in China are already using them.

Technological progress has two competing effects on employment (Aghion and Howitt, 1994). First, as technology substitutes for labor, there is a destruction effect, requiring workers to reallocate their labor supply; and second,

there is the capitalization effect, as more companies enter industries where productivity is relatively high, leading employment in those industries to expand.

Conclusion

In any machine many experts mind can be combined which is more powerful than a single expert mind. Many labors work can be done by a single machine and good thing of it is that it never tired. Now such types of robots are going to make which have emotions it will finish the loneliness of the person.

As more factories convert to robotics, the availability of skilled labor will become a more important factor in the decision about where to locate production. Tasks that still require manual labor will become more complex, and the ability of local workforces to master new skills will become more critical. The availability of programming and automation talent will also grow in importance. Companies and economies must prepare their workforces for the robotics revolution and should work with schools and governments to expand training in such high-compensation professions as mechanical engineering and computer programming.

But it has another aspect that is can be dangers for us. If we become completely dependent on that machines than it can ruin our life as we do not do any work ourselves and got lazy. And another is that it cannot give the feeling like

human. So machines should be used only where there those are actually required.

In an ethical way, it is very important to be a critical user of artificial intelligence and robots. Artificial intelligence is a challenge for all of us. From science fiction to reality is a step, but we must be prepared for that.

While researchers have not yet realized the full potential and ability of artificial intelligence, this

technology and its applications will likely have far-reaching effects on human life in the years to come. And in the process will have similar effects on businesses and economies. AI will certainly continue to develop rapidly and that possible economic and social disruption needs to be on the political agenda.

Globalisation and Changing Legal Environment: Changes and Challenges in International Trade Law

Ms. Mahima Bharadwaj

Assistant Professor
Amity Law School, Noida

"I find that because of modern technological evolution and our global economy, and as a result of the great increase in population, our world has greatly changed: it has become much smaller. However, our perceptions have not evolved at the same pace; we continue to cling to old national demarcations and the old feelings of 'us' and 'them'." - Dalai Lama

Impact of globalization in the various areas of law can be witnessed easily. Globalization is the process in which various National and International organizations and businesses operate and develop on the platforms beyond their borders. Also, globalisation understood as "an intensification of cross-border interactions and interdependence between countries" had contributed majorly in bringing changes in International Laws. Globalization can also be understood as a "situation in which available goods and services, or social and cultural influences, gradually become similar in all parts of the world".

Globalisation is not a recent trend into our system; its roots can be well traced to times soon after the world wars. It was then that the world powers after proclaiming their victories have understood that it takes a lot more than this for the nations to survive. Major outlined laws and regulation were made during this time

Keywords

Globalisation, International law, legal environment

to support the nations to fulfill many other needs and developments.

Overall globalization has both positive as well as negative impact on the International Trade and in the formulation and implementation of laws. As globalization created new opportunities, industries, businesses between different countries on the other hand it also resulted in exacerbating International trade related inequalities among nations. It gave rise to indecent practices within the industrialized and the less industrialized nations, as one would have better and advanced technology; whereas the other would have the man power. The developed countries were ready to spend fortune in order to own and make profits; on the other hand the race among the developing countries would force them to take all sorts of risk in order to attract foreign investments.

In totality globalization is the cause of many developments with regard to advancements in International trade and foreign investments but it also owes its credit to the increased inequality in income and harm to many other trade related aspects.

Globalization is sourcing the improving concatenations leading to the interdependency of national and International markets and trades. Almost every country depends on the other for wide variety of goods, services or other commodities. Over the few decades this interdependency for international comity as well as reciprocity has increased rapidly. These acts not only bring the global markets at the same

platform it also brings the best of all the sectors and places together. A finished product for example is a combined effort of many skilled individuals from various countries, including the best quality of raw material of one place, technology of another and so on; so that is how a finished product benefits not just its retailer but many at different stages of its inception. All this is mostly possible through liberal trade policies and practices.

Globalization in Trade:

Sources and Channels of Globalization

There are number of factors which have led to the ever increasing globalization in trade and its developments. The expansion in Trade affects the economies of the countries and further the national and international investments which contribute to a nations development overall. As the saying goes "Rome was not build in a day", so are the changes and trends in the International Trade. It is a progressive work of decades. The first and the foremost step were taken by the countries by bringing down the restrictions and international traffic rates. This encouraged the countries to trade freely beyond their national borders too.

International Trade Law

The changes were initiated in the 1940's by the handful of countries which recognized the need for such relaxations and unifications in the international trade for the benefit of many. Through the rounds of negotiations and further

renegotiations international treaty commonly known as General Agreement on Tariffs and Trade (GATT) was achieved to bring international unification in the trade related aspects. Its main motive was to ensure that all the member countries are treated equally, or as otherwise no preferential treatment be given to any other country over other. Also that the more and more developing countries should join the developed countries agreed to give special priorities to them in terms of relaxed tariffs and other barriers. Overall several factors played a vital role in bringing the globalization into international trade, such as integration between world economies, liberalization in trade investments and other practices. The exchange of technical know-how and other advancements have proved positive in bringing the desired changes. Many unilateral, bilateral treaties and other trade related agreements driven through GATT and WTO have majorly accelerated the growth, development and globalization of world economies and international trade. Also the introduction of Incoterms in the international trade practices contributes as one of the major source facilitating unified trade practices all over the world. International Chamber of Commerce is one of the largest associations of the companies and businesses to promote and support international contracts and trades. There are several International agreements between the

countries and many International organizations to support and to regulate various functions at different areas. International Legislations and Model Laws framed under UNCITRAL and UNIDROIT are such like international set standards and mechanisms operating on international sphere. All these extensive steps at international level have contributed towards the harmonization of the standard rules, regulations, enforcement and other dispute settlement mechanisms beyond domestic arena.

International Technology and FDI

With these changes and the upcoming developments various trade patterns can be witnessed which promotes and supports the globalization in international trade. The hunger for the best of the industries goods and services has grown immensely. Now as a result different international markets are located and affiliated by countries to get the best combinations available of all the sources and resources, such as skilled labor, raw materials, technology etc. All this is functional because of relaxed and favored Foreign Direct Investment (FDI) policies bringing in more jobs and better & improved technologies. The trade restrictions were lowered due to the escalation in the regional preferential trade concords among the countries in same regions example Europe, US, Canada and Mexico etc. These regional agreements accelerate the globalization of the

trade in these regions as it for obvious reasons reduces or eliminates the tariffs and other barriers within the regions of the goods and services traded.

Also as a reciprocal treatment in return of the beneficial investments in the transportation industry, a remarkable reduction in the transportation cost can also be noticed. A lot is added in the final product due to the expenditure incurred in its transportation, therefore any reduction in that area adds onto a reasonable value for the product. Developing countries in order to acquire a best in quality product in shortest of time eagerly invested not just in the transportation sector by introducing best and fastest means of transportation but also supported indirectly by investing in banks which could readily provide trade related loans to the exporters/importers. All this gradually led to a declined in time taken to transport good and even variety of goods could now be transported through a favorable means which is both fastest and cheapest.

Infact, in the current times both seller and the buyers can compare online the variety of goods and services available at the cheapest of price and reasonable time. Now the consumers can choose from wide variety of international products available of different qualities and at different prices.

Migration of Skilled Workers : Mostly over the last two decades the inflow of goods and

services is accompanied by a new class known as skilled workers/labours. This class represents the variety of people skilled and qualified in a profession or industry. The immigration is beneficial for both the seeker and the destined country; as one gets the desired job with better income and standards whereas the latter gets a skilled employee at a comparatively less pay. It's been observed that these migrants make reasonably higher incomes in the migrated country for the similar work and they also send financial assistance to their families back home which adds on to the remitted income too. These skilled professionals provide technical expertise and experience in the migrated country. Moreover, the development in this sphere has also taken a different turn by outsourcing the services while being in the home country. This is one of the major affairs in the globalization of the countries of the world. As all the countries have a major vigilance on its immigration, outsourcing still remains the best of the options available.

Effects of Globalization:

One can easily acknowledge sustainable impact at international level both on the developments of the countries as well as the welfare of their countrymen. At today's time none of the countries of the world can be imagined without the other. We enjoy every bit of different countries on our day to day basis. For example – wheat from one country and sugar from

another is the life line of the countries. The exchange of both goods and services has made all the countries of the world interdependent on each other. Now nations produce just not to fulfill its requirements but to feed many other countries in return of major inflow of incomes. This has also led in the overall rise in the consumption as well as living standards of the people of different countries. Only limited variety, quality and price of goods can be attained from the domestic markets, whereas you get a wide variety & level of choices in the international market for any given product. It is incomparable whether these changes have been advantageous just to the individuals or to the countries overall.

Positive Effects

Globalization in International Trade has been a major push in bring high raise in the productivity around the globe. Now whether it's individual's, retailers or big enterprises, all get the benefits of the expansion in the global market of similar products. This has also resulted in bringing down the market monopolies as well as the high prices to a stable position. Any foreign collaboration for that matter brings better and advanced technologies which increase the productivity and reduction in the costs. An entrepreneur gains substantial gains in the domestic as well as foreign markets because of this exchange. There has always been a great demand and also availability of

goods and services that can be traded in the global markets. With the increasing improvements and advancements in the transportation sector even the perishable goods can be transported easily. Newer and better modes of transportation have decreased the time taken to transfer a good from one place to another and has increased the variety of goods which can now be transported.

The introduction of modern and safe means & modes of payments such as online transactions, Bills of exchange, Letter of Credits etc. the sellers and buyers are more confident and comfortable in making international transactions. These means are less complex, user friendly and reduce the chances of fraud as well.

Negative Effects

The negative effects can be noticed from certain practices; as it's said- all that glitters is not gold. There have been many instances to prove the unexpected causes, such as due to excessive outsourcing of the jobs people lost their jobs in the homeland. A small producer who cannot compete with the big company remained poor or could make average earnings only. Where at one place the globalization of international trade has tend to bring in world economies close and at par, on the other hand has also brought major inequalities in income distribution over a period of time. Disparity can also be traced in the personal preference or

dislike of community or region, which can affect the trade in that particular products and services. In-order to suit the ever changing international patterns, rules and standards and to avoid substantial losses countries are invariably forced to follow and apply them to the national platforms which turns out to hamper the internal system rather. Countries with weak financial institutions and support face the currency crises. In the highly competitive markets in-order to meet the 'race to the bottom', countries often dangerously exploit its own sources and also lower the environmental standards. The increasing changes in laws and international standards can cause difficulties for some countries to implement and follow.

Current Trends:

There have always been mixed options both in favor of free trade as well as restricted trade. One cannot practically take back what has been widely spread in the day to day practice and life patterns of the individuals from all over the world. A liberal formula is what countries follow in the recent trends. United States and other European countries which have once initiated and made the set rules for international trade could never have imagined the developments that may follow and the changes it may go through. The picture of the world trade has been changing over the number of years and is still going through changes;

accepting or rejecting the changes is practically not in the hands of any one country anymore.

Changes

None of the changes or developments in the international trade could be ignored. They have been unprecedented to the extent of its nature and scope. Integrity and unification of the international trade has showcased vast and epic changes in developing many economies. It was all initiated to fulfill the basic hunger for food, the agricultural needs by the countries less capable of growing sufficient for their people; whereas now the globalization in international trade supports every single commodity present in any part of the global market. There have been substantial changes in the world economies and incomes, several ups and downs at different sides have been witnessed. Most of these have turned out to be beneficial overall. One must notice that there has been an accelerated growth in economies, income rise leading to poverty reductions, rise in the standards of people and many other developments worldwide. Now the impact can also be seen in the variety of areas such as in society, politics, environment, laws etc. therefore any change in any part of the world affects its functioning around the world. For example legalization of same sex marriages or prostitution or punishments for various crimes affects its counterparts all around the world. Any inequality is not sustained anywhere.

Challenges

Looking at the important changes which the world economies have traveled together, the interdependency can be crucial in the given era. There was a time when countries were growing together, whereas now there is a saturation point where either you fall unless you hustle to compete. Now the downfall in the market of one country can lead to recession in different countries as well. Today the economies face variety of problems like unemployment whereas there are number of vacancies in other countries for the same jobs but due to the immigration policies which are made stricter to regulate illegal migration and stay, are restricting the genuine movement too. Problem like these also lead to many other, like income inequalities, exploitations, unreasonable restrictions for some and favored treatment to others etc., many instances on international platform can be traced to prove the same. If examined on a reality and functional check almost all the products and services are interdependent and inter-related and so are their providers and buyers. Export and import dependency has increased over a period of time which calls for better and relaxed trade practices. Major challenges faced by the international policy makers are to maximize their own development and benefits by ensuring no discrimination at the international aspects. Even the internal changes have to

match with the international commitments and obligations and a balance must always be maintained between the national and international policies. A bitter truth is that despite of all these benchmarks and standards there are many countries which still face major challenges of poverty, unemployment and underdevelopments, most of them tend to surpass their own problems and challenges in-order to meet and compete the international markets and standards. These practices need to be very diligently and cautiously checked and must be taken care by other developed countries or the policy makers.

One of the prime concerns of the international trades is to analysis the optimum use of the available sources and resources. Most of our resources are getting depleted due to ever increasing demand of the products in the global markets. Therefore, the advantages and developments must not be attained at the cost of leverages taken over the limited sources available.

Conclusion

Through the above discussions it can easily be understood that the current modern economy is a sheer hard work of changes and developments exercised in the international trade laws, the investment patterns, removing unreasonable trade restrictions and also by the implementation of many other international policies. As already acknowledged that this

globalization phenomenon is not a recent trend, it has touched the roots of every development that can be traced over the couple of centuries. The interdependency of the world economies is fulfilled through the cross-border trade of both commodities as well as services in every sector possible. Although, what remains as the major concern is its impact, undoubtedly the globalization has showcased several developments and improvements and an overall positive effect on all the countries of the world still they lack balance in various categories and in different countries.

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A Study on Adoption of Internet Banking – A Study Identifying Major Contributing Factor**Dr. Rekha Dhingra**

Assistant Professor, Amity College of
Commerce, Amity University, Gurgaon
(Manesar)

Dr. Sheetal Chadda

Associate Professor, Gitarattan International
Business School, Rohini, New Delhi

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ABSTRACT

In today's scenario Banks are using the Internet technology as a strategic tool to transform the way they operate, deliver, and compete against each other. As a result Online Banking is transformed as a method where bank customers could perform their financial transactions electronically via their banks' Web sites. Since Internet banking is becoming popular because of convenience and flexibility; it becomes all the more relevant and logical for banks to press the pedal on Internet banking bandwagon. The present paper explores the major factors responsible for internet banking based on respondents' perception on various internet applications. It also provides a framework of the factors including reliability, privacy, responsiveness, relative advantage and complexity etc. to assess the internet banking perception.

INTRODUCTION

Internet banking is the term used for new age banking system. Internet banking is also called as online banking and it is an outgrowth of PC banking. Internet banking uses the internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing, checking Current and savings account balances, paying

mortgages and purchasing financial instruments and certificates of deposits. Internet banking is a result of explored possibility to use internet application in one of the various domains of commerce. Customers have started perceiving the services of bank through internet as a prime attractive feature than any other prime product features of the bank. Customers have started evaluating the banks based on the convenience and comforts it provides to them. Bankers have started developing various product features and services using internet applications. The increased level of awareness among the customers leads to increased preferences. Today's customers are not satisfied with care and courtesy alone, they expect concern and commitment. Therefore customer centric approach is the need of the hour. In this competitive environment not the oldest, not the strongest and not the first can survive, but only the "Best" can survive. Therefore usage of modern technology for better service is imperative. Educational level of respondents influence the use of internet banking facility and highly satisfied with secrecy maintenance, transaction updating, account transfer and security followed by easy access while using the internet banking services. The success of Internet banking not only depends on the technology but also on, to the large extent the attitude, commitment and involvement of the operating at all levels and how far the

customers reap the benefits from Internet banking services. This research study presents the data collected and drawn from IDBI Bank, Punjab National Bank, HDFC Bank and ICICI Bank.

LITERATURE REVIEW

Several definitions of internet banking and customer's perception towards it have been postulated by various authors. These cover areas such as the services provided, benefits of internet banking and the various levels of internet banking. A number of studies had been done on customer perception towards internet banking identifying major contributing factors so far. Joseph, M. McClure, C. & Joseph B. (1999) analyzed fifteen dimensions of online service quality i.e. performance, features, structure, aesthetics, reliability, storage capacity, serviceability, security and system integrity, trust, responsiveness, service, differentiation and customization, Web store policies, reputation, assurance and empathy which affect the perception of the customers towards internet banking. Liu, C. & Arnett, K. P. (2000) found out that internet banking is an innovative distribution channel that offers less waiting time and a higher spatial convenience than traditional branch banking with significantly lower cost structure than traditional delivery channels. Internet banking reduces not only operational cost to the bank but also leads to

higher levels of customer satisfaction and retention. As a result internet banking was very attractive to banks and consumers, who had higher acceptance to new technology. Wolfenbarger and Gilly (2002) has found four online retailing service quality dimensions through focus group interviews and an online survey. Furthermore, Wolfenbarger and Gilly (2002) have found that reliability and fulfilment is the strongest predictor of customer satisfaction. Yang and Fang (2004) had identified six key dimensions of service quality of online services: reliability, responsiveness, competence, ease of use, security and product portfolio. Furthermore, Yang et al. (2004) had suggested that online retailers want to achieve high level of customers' perceived service quality, four dimensions should be focused on: reliability, attentiveness, ease for use, and access. Yang and Fang (2004) had noted that traditional service dimensions, such as competence, courtesy, cleanliness, comfort and friendliness, are not relevant to online retailing, whereas other factors, such as reliability, responsiveness, assurance, and access, are critical to both traditional service quality and e-service quality. Gerrand, P. & Cunningham, J. B. (2005) concluded that eighty seven percentage (87%) of Internet Banking customers wanted to use a variety of financial transaction including paying their bills electronically and automatically, viewing their monthly bank

statement and purchasing stocks and insurance by using a scale called WEBQUAL with the twelve dimensions: informational fit to task, interaction, trust, response time, design, intuitiveness, visual appeal, innovativeness, flow, integrated communication, business processes and substitutability.

Gupta (2005) in his research study had explained the advantages and the security concerns about internet banking. According to him, improved customer access, offering of more services, increased customer loyalty, attracting new customers are the primary drivers of internet banking. But in a survey conducted by the online banking association, member institutions rated security as the most important concern of online banking. According to Broadie et al (2007) e- banking were leading to a paradigm shift in the marketing practices of banking industry. The study had also found that E- banking were become an important channel to sell the products and services and perceived to be a necessity in order to stay profitable and successful and according to him the perception was the result of interpreting the experience. The study conducted by Khalil and Pearson (2007) had found that trust significantly affects attitude towards online banking acceptance and to encourage online banking adoption, banks need to develop strategies that improve the customer trust in the underlying technology.

Joseph et al (1999) had studied that the other factors include quick response, assurance follow-up and empathy. Security, correct transaction, customer control on transaction (personalization), order tracking facilities and privacy are other important factors in the online services that affect the customer perception. According to Broadie et al (2007) e- banking were leading to a paradigm shift in the marketing practices of banking industry. The study also found that E-banking were become an important channel to sell the products and services and perceived to be a necessity in order to stay profitable and successful and according to him the perception was the result of interpreting the experience. Gonzalez et al. in (2008) examined that Banks were gaining competitive advantage over their rivals by providing electronic banking services as technology induced services reduce cost of operations, removes geographical barriers, provides 24 hours banking, extended hours of business and efficiency in daily banking processes. He had founded that without even interacting with the bankers, customers can transact banking activity from any corner of the world effectively. Malhotra, P. & Singh, B. (2009) has analyzed that very little were known about customer preference for self service options, particularly those which were technology based. Nyangosi et al. (2009) highlighted that the trends of e-banking indicators in India and

Kenya. He pointed out that customers in both countries have developed a positive attitude and they give much importance to the emergence of e- banking. Dheenadhayalan (2010) pointed out that Internet banking delivers banking services through the open access computer network i.e. Internet, directly to customers' home that can be used with different electronic devices such as personal computer, mobile phone with a browser or desktop software, digital television. Prakash (2015) concluded that banking services is increasing widely in banking sector. Internet banking facilities enable financial institution and customers to access their accounts, transactions and getting information on financial products & services.

Research Methodology

To examine the reasons of customers regarding internet banking, primary data has been collected using questionnaire. The questionnaire was designed to ascertain the views of the respondents on the area of concern under the study. The questionnaire includes 28 statements developed on the basis of the research regarding customer perception towards Internet banking identifying major contributing factors. The first criterion to get the targeted sample was the bank customer; whose bank provides Internet banking service, who has access to Internet and who knows how

to use Internet. The sample for conducting the survey contains customers from NCR. The study covered bank customers from different regions of Delhi. Delhi represents mini India and is the economic capital. While doing the survey we have taken suggestion from the bank employees, of ICICI & SBI to get more insights about the Internet banking. The survey also focused on covering all the demographic factors in the sample itself. The respondents are asked to rate the extent to which their characteristics matched with the statements on a five point likert scale (where 1- Strongly Disagree to 5- Strongly Agree) . We have surveyed 200 bank customers from different banks and from different locality. From these 200 we got 120 replies, which fitted in our criteria of target population. Our analysis is based on these 120 bank customers. The respondent profile who participated in the study is given in Table 2. The analysis of primary data would be done using cross tab, t test and one-way Anova. Primary data was normally distributed. For all dimensions, Cross tabulation, t-test and one - way ANOVA is carried out. Data has been normally distributed.

Objectives of the Study

For analysing the customer perception towards internet banking, three objectives have been framed which is given below.

- a) To explore the major factors responsible for internet banking.
- b) To examine the overall status of internet banking among employees.
- c) To examine the changes those have occurred in internet banking from previous years till now.

Hypothesis of the Study

H1: There is no significant difference among the views of respondent of diverse demographics with regard to Internet Banking.

Reliability Test

Table 1 - Reliability Statistics

Cronbach's Alpha	No. of Items
0.755	22

The reliability has been assessed by Cronbach's Alpha (α). Reliability shows that the internal consistency in the observed variable which was used for final analysis. Cronbach's Alpha came out to be 0.755 which shows a good reliability scale to measure the customer perception towards internet banking.

Results and Discussion

The analysis based on primary data. It has been carried out in terms of demographic characteristics of respondents and respondents views have been taken regarding internet banking. For analysing the customer perception towards internet banking, three objectives have been framed such as to explore the major factors responsible for internet banking, to

examine the overall status of internet banking among employees, to examine the changes those have occurred in internet banking from previous years till now.

Table 2: Respondents' Profile Sheet

S. No.	Demographic Variables	No. of Respondents	Percentage
1.	Age	Up to 30 years	52 52.0
		30-40 years	37 37.0
		Above 40 years	11 11.0
2.	Gender	Male	49 49.0
		Female	51 51.0
3.	Annual Income	Less than 3 lakhs	38 38.0
		3 lakhs-5 lakhs	40 40.0
		5 lakhs-10 lakhs	21 21.0
		Above 10 lakhs	1 1.0
4.	Occupation	Private Job	55 55.0
		Government Job	26 26.0
		Business	8 8.0
		Professional	11 11.0

Table 1 shows that first demographic variable: age reveals that 52 percent of respondents are below 30 years of age, whereas 37 percent of respondents' "lies in the age group of 30-40" and only 11 percent belong to above 40 age's category. The second demographic variable is Gender which shows that the percentage of males is 49 percent and percentage of females is 51 percent. It shows that percentage of males is less than that of females but the difference is not so much. The third important variable is Annual income. It depicts that respondents falling in the category of 3 lakhs to 5 lakhs having maximum percentage of 40 percent, and least percentage category is above 10 lakhs. The fourth demographic variable is occupation which reveals that respondents with private job are 55 percent, 26 percent for Government job, business class are 8 percent and professionals are 11 percent.

Table 3 - Perception towards Reliability in internet banking across customers

Demographic dimensions		Levels				Mean	Significance Value	Significance Level
		Low	Moderate	High	Overall Status			
		Count (%)	Count (%)	Count (%)	Count (%)			
Age	up to 30 years	3(5.8)	6(11.5)	43(82.7)	52(100)	2.77	f= 4.628	0.012
	30-40 years	1(2.7)	16(43.2)	20(54.1)	37(100)	2.51		
	above 40 years	0	0	11(100)	11(100)	3.00		
Gender	Male	2(4.1)	8(16.3)	39(79.6)	49(100)	2.76	t= 2.358	0.012
	Female	2(3.9)	14(27.5)	35(68.6)	51(100)	2.65		

Income	Less than 3 Lakhs	2(5.3)	13(34.2)	23(60.5)	38(100)	2.55	f=2.144	0.010
	3 – 5 Lakhs	2(5.0)	7(17.5)	31(77.5)	40(100)	2.73		
	5-10 Lakhs	0	2(9.5)	19(90.5)	21(100)	2.90		
	above 10 Lakhs	0	0	1(100)	1(100)	3.00		
Occupation	Private Job	3(5.5)	7(12.7)	45(81.8)	55(100)	2.76	f=1.299	0.027
	Govt. Job	1(3.8)	7(26.9)	18(69.2)	26(100)	2.65		
	Business	0	5(62.5)	3(37.5)	8(100)	2.38		
	Professional	0	3(27.3)	8(72.7)	11(100)	2.73		

Source: Primary Data

Table 3 represents that the mean value for perception towards reliability i.e. 2.77, 2.51 and 3.00 for the customers of age group of up to 30, 30-40, 40 and above. It has been found that highest mean score (3.00) is shown by the customers of the age group of above 40 years. The value of f-test is 4.628 at 0.012 levels which is significant at 0.01 levels. So, it can be said that there is significant difference found among the different age group of respondents regarding reliability. On the basis of gender the results revealed that male customers think that e-banking is highly reliable as compared to female customers. The mean value for the male & female is 2.76 & 2.65 respectively. The t-value is 2.358 at 0.012 levels which is also significant at 0.01 levels. So, it can be interpreted that the opinion of male & female customers differs significantly. According to the income categories of the customers mean value for perception towards reliability are 2.55, 2.73, 2.90 & 3.00 respectively for the customers of income group of less than 3 lakhs, 3 to 5

lakhs, 5 to 10 lakhs and above 10 lakhs. It has been found that highest mean score (3.00) is shown by the customer of the income group of above 10 lakhs. The value of f test is 2.144 at 0.279 levels of significance. So, it can be said that there is significant difference between the customers of various income group regarding reliability in e-banking. When the view points of the customer are considered with respect to their occupation it has been found that private job employees have witnessed highest level of reliability in e-banking where the f value is 1.299 at 0.027 levels. The mean values for private job, Govt. jobs, Business & Professional are 2.76, 2.65, 2.38 and 2.73 respectively. Thus, it can be extracted that there is significant difference in the occupation of the customers related to reliability. Hence, to summarize, it can be said that the hypothesis can be rejected for all the demographics. Therefore, it can be stated that there is a significant difference in perception of customers towards reliability in internet banking.

Table 4: Perception towards Efficiency in internet banking across customers

Demographic dimensions		Levels				Mean	Significance Value	Significance Level
		Low	Moderate	High	Overall Status			
		Count (%)	Count (%)	Count (%)	Count (%)			
Age	up to 30 years	2(3.8)	21(40.4)	29(55.8)	52(100)	2.52	f=0.868	0.423
	30-40 years	1(2.7)	20(54.1)	16(43.2)	37(100)	2.41		
	above 40 years	0	4(36.4)	7(63.6)	11(100)	2.64		
Gender	Male	2(4.1)	17(34.7)	30(61.2)	49(100)	2.57	t=1.434	0.155
	Female	1(2.0)	28(54.9)	22(43.1)	51(100)	2.41		
Income	Less than 3 Lakhs	2(5.3)	21(55.3)	15(39.5)	38(100)	2.34	f=2.056	0.111
	3 – 5 Lakhs	1(2.5)	16(40.0)	23(57.5)	40(100)	2.55		
	5-10 Lakhs	0	7(33.3)	14(66.7)	21(100)	2.67		
	above 10 Lakhs	0	1(100)	0	1(100)	2.00		
Occupation	Private Job	3(5.5)	17(30.9)	35(63.6)	55(100)	2.58	f=1.888	0.037
	Govt. Job	0	14(53.8)	12(46.2)	26(100)	2.46		
	Business	0	7(87.5)	1(12.5)	8(100)	2.13		
	Professional	0	7(63.6)	4(36.4)	11(100)	2.36		

Source:Primary Data

Table 4 represents that the mean value for perception towards efficiency i.e. 2.52, 2.41 and 2.64 for the customers of age group of up to 30, 30-40, 40 and above. It has been found that highest mean score (2.64) is shown by the customers of the age group of above 40 years. The value of f-test is 0.868 at 0.423 levels. So, it can be said that there is no significant difference in the view points of customers of age group of the customers regarding efficiency in internet banking. In case of gender the male customers think that e- banking is highly efficient as compared to female customers. The mean value for the male & female is 2.57 & 2.41 respectively. The t-value is 1.434 at 0.155 levels.

So, it can be interpreted that the opinion of male & female customers is not significant. According to the income categories of the customers mean value for perception towards efficiency are 2.34, 2.55, 2.67 & 2.00 respectively for the customers of income group of less than 3 lakhs, 3 to 5 lakhs, 5 to 10 lakhs and above 10 lakhs. It has been found that highest mean score (2.67) is shown by the customer of the income group of 5 to 10 lakhs. The value of f test is 2.056 at 0.111 levels of significance. So, it can be said that there is significant difference between the customers of various income group regarding efficiency in e-banking. When the view points of the customer

are considered with respect to their occupation it has been found that private job employees have witnessed highest level of efficiency in e - banking where the f value is 1.888 at 0.013 levels. The mean values for private job. Govt. jobs, Business & Professional are 2.58, 2.46, 2.13 and 2.36 respectively. Thus, it can be extracted that there is significant difference in

the occupation of the customers regarding efficiency. Hence, to summarize, it can be said that the hypothesis can be rejected for all the demographics except for income. Therefore, it can be stated that there is a significant difference in perception of customers towards Efficiency in internet banking.

Table 5: Perception towards Responsiveness in internet banking across customers

Demographic dimensions		Levels			Mean	Significance Value	Significance Level
		Moderate	High	Overall Status			
		Count (%)	Count (%)	Count (%)			
Age	up to 30 years	8(15.4)	44(84.6)	52(100)	2.85	f= 0.907	0.040
	30-40 years	9(24.3)	28(75.7)	37(100)	2.76		
	above 40 years	1(9.1)	10(90.9)	11(100)	2.91		
Gender	Male	3(6.1)	46(93.9)	49(100)	2.94	t= 3.148	0.002
	Female	15(29.4)	36(70.6)	51(100)	2.71		
Income	Less than 3 Lakhs	15(39.5)	23(60.5)	38(100)	2.61	f=7.587	0.000
	3 – 5 Lakhs	2(5.0)	38(95.0)	40(100)	2.95		
	5-10 Lakhs	1(4.8)	20(95.2)	21(100)	2.95		
	above 10 Lakhs	0	1(100)	1(100)	3.00		
Occupation	Private Job	5(9.1)	50(90.9)	55(100)	2.91	f=2.432	0.070
	Govt. Job	7(26.9)	19(73.1)	26(100)	2.73		
	Business	3(37.5)	5(62.5)	8(100)	2.63		
	Professional	3(27.3)	8(72.7)	11(100)	2.73		

Source: Primary Data

Table 4 represents that the mean value for perception towards responsiveness i.e. 2.85, 2.76 and 2.91 for the customers of age group of up to 30, 30-40, 40 and above. It has been found that highest mean score (2.91) is shown by the customers of the age group of above 40 years. The value of f-test is 0.907 at 0.040

levels. So, it can be said that there is significant difference in the mean age group of customers of regarding responsiveness (the value of f-test is less than 0.05). In case of gender the male customers think that e- banking is highly responsiveness as compared to female customers. The mean value for the male &

female is 2.94 & 2.71 respectively. The t-value is 3.148 at 0.002 levels. So, it can be interpreted that the opinion of male & female customers differ significantly (the value of significance level for t test is less than 0.05). According to the income categories of the customers mean value for perception towards responsiveness are 2.61, 2.95, 2.95 & 3.00 respectively for the customers of income group of less than 3 lakhs, 3 to 5 lakhs, 5 to 10 lakhs and above 10 lakhs. It has been found that highest mean score (3.00) is shown by the customer of the income group of above 10 lakhs. The value of f test is 7.587 at 0.000 levels of significance. So, it can be said that there is significant difference between the customers of various income group regarding responsiveness in e-banking. When the view

points of the customer are considered with respect to their occupation it has been found that private job employees have witnessed highest level of responsiveness in e -banking where the f value is 2.432 at 0.070 levels. The mean values for private job. Govt. jobs, Business & Professional are 2.91, 2.73, 2.63 and 2.73 respectively. Thus, it can be extracted that there is significant difference in the occupation of customers regarding responsiveness. Hence, to summarize, it can be said that the hypothesis can be rejected for all the demographics. Therefore, it can be stated that there is a significant difference in perception of customers towards responsiveness in internet banking.

Table 6: Perception towards Privacy of Information in internet banking across customer

Demographic dimensions		Levels				Mean	Significance Value	Significance Level
		Low	Moderate	High	Overall Status			
		Count (%)	Count (%)	Count (%)	Count (%)			
Age	up to 30 years	0	2(3.8)	50(96.2)	52(100)	2.96	f=1.627	0.002
	30-40 years	1(2.7)	4(10.8)	32(86.5)	37(100)	2.84		
	above 40 years	0	1(9.1)	10(90.9)	11(100)	2.91		
Gender	Male	1(2.0)	3(6.1)	45(91.8)	49(100)	2.90	t=0.366	0.051
	Female	0	4(7)	47(92.2)	51(100)	2.92		
Income	Less than 3 Lakhs	0	3(7.9)	35(92.1)	38(100)	2.92	f=0.933	0.042
	3 – 5 Lakhs	1(2.5)	0	39(97.5)	40(100)	2.95		
	5-10 Lakhs	0	4(19.0)	17(81.0)	21(100)	2.81		
	above 10 Lakhs	0	0	1(100)	1(100)	3.00		
Occupation	Private Job	0	3(5.5)	52(94.5)	55(100)	2.95	f=1.445	0.023
	Govt. Job	1(3.8)	3(11.5)	22(84.6)	26(100)	2.81		
	Business	0	1(12.5)	7(87.5)	8(100)	2.88		
	Professional	0	0	11(100)	11(100)	3.00		

Source: Primary Data

Table 6 represents that the mean value for perception towards privacy of information i.e. 2.96, 2.84 and 2.91 for the customers of age group of up to 30, 30-40, 40 and above. It has been found that highest mean score (2.91) is shown by the customers of the age group of above 40 years. The value of f-test is 1.627 at 0.002 levels. So, it can be said that there is significant difference in the view points of customers of age group of customers regarding privacy of information (the value of f-test is less than 0.05). In case of gender the male customers think that e-banking maintains high privacy of information as compared to female customers. The mean value for the male & female is 2.90 & 2.92 respectively. The t-value is 0.366 at 0.051 levels. So, it can be interpreted that the opinion of male & female customers differ significantly (the value of significance level for t test is less than 0.05). According to the income categories of the customers mean value for perception towards privacy of information are 2.92, 2.95, 2.81 & 3.00 respectively for the customers of income group

of less than 3 lakhs, 3 to 5 lakhs, 5 to 10 lakhs and above 10 lakhs. It has been found that highest mean score (3.00) is shown by the customer of the income group of above 10 lakhs. The value of test is 0.933 at 0.042 levels of significance. So, it can be said that there is significant difference between the customers of various income group regarding privacy of information in e-banking. When the view points of the customer are considered with respect to their occupation it has been found that private job employees have witnessed highest level of privacy in e-banking where the f value is 1.445 at 0.023 levels. The mean values for private job, Govt. jobs, Business & Professional are 2.95, 2.81, 2.88 and 3.00 respectively. Thus, it can be extracted that there is significant difference in the occupation of the customers regarding privacy of information. Hence, to summarize, it can be said that the hypothesis can be rejected for all the demographics. Therefore, it can be stated that there is a significant difference in perception of customers towards privacy of information in internet banking.

Table 7: Perception towards Relative advantage of Internet banking across customers

Demographic dimensions		Levels				Mean	Significance Value	Significance Level
		Low	Moderate	High	Overall Status			
		Count (%)	Count (%)	Count (%)	Count (%)			
Age	up to 30 years	0	8(15.4)	44(84.6)	52(100)	2.85	f=0.659	0.052
	30-40 years	1(2.7)	5(13.5)	31(83.8)	37(100)	3.00		
	above 40 years	0	1(9.1)	10(90.9)	2.7%	2.91		

Gender	Male	4(8.2)	45(91.8)	0	49(100)	2.92	t=0.131	0.089
	Female	10(19.6)	40(78.4)	1(2.0)	51(100)	2.90		
Income	Less than 3 Lakhs	0	11(28.9)	27(71.1)	38(100)	2.71	f=2.217	0.091
	3 – 5 Lakhs	1(2.5)	3(7.5)	36(90.0)	40(100)	3.05		
	5-10 Lakhs	0	0	21(100)	21(100)	3.00		
	above 10 Lakhs	0	0	1(100)	1(100)	3.00		
Occupation	Private Job	1(1.8)	5(9.1)	49(89.1)	55(100)	3.00	f=1.290	0.028
	Govt. Job	0	3(11.5)	23(88.5)	26(100)	2.88		
	Business	0	3(37.5)	5(62.5)	8(100)	2.63		
	Professional	0	3(27.3)	8(72.7)	11(100)	2.73		

Source: Primary Data

Table 3.13 represents that the mean value for perception towards relative advantage i.e. 2.85, 3.00 and 2.91 for the customers of age group of up to 30, 30-40, 40 and above. It has been found that highest mean score (3.00) is shown by the customers of the age group of 30- 40 years. The value of f-test is 0.659 at 0.052 levels. So, it can be said that there is significant difference in the age group of customers related to relative advantage (the value of f-test is less than 0.05). In case of gender the male customers think that e- banking is of high relative advantage as compared to female customers. The mean value for the male & female is 2.92 & 2.90 respectively. The t-value is 0.131 at 0.089 levels. So, it can be interpreted that the opinion of male & female customers differ significantly (the value of significance level for t test is less than 0.05). According to the income categories of the customers mean value for perception towards relative advantage

are 3.05, 3.00, 3.00 & 3.00 respectively for the customers of income group of less than 3 lakhs, 3 to 5 lakhs, 5 to 10 lakhs and above 10 lakhs. It has been found that highest mean score (3.00) is shown by the customer of the income group of less than lakhs. The value of f test is 2.217 at 0.091 levels of significance.

So, it can be said that there is significant difference between the customers of various income group regarding relative advantage of e-banking. When the view points of the customer are considered with respect to their occupation it has been found that private job employees have witnessed highest level of privacy in e - banking where the f value is 1.290 at 0.028 levels. The mean values for private job. Govt. jobs, Business & Professional are 3.00, 2.88, 2.63 & 2.73 respectively. Thus, it can be extracted that there is significant difference in the view points of customers regarding occupation.

Hence, to summarize, it can be said that the hypothesis can be rejected for all the demographics. Therefore, it can be stated that

there is a significant difference in perception of customers towards relative advantage in internet banking.

Table 8: Perception towards Complexity in internet banking across customer

Demographic dimensions		Levels			Mean	Significance Value	Significance Level
		Moderate	High	Overall Status			
		Count (%)	Count (%)	Count (%)			
Age	up to 30 years	10(19.2)	42(80.8)	52(100)	2.81	f=1.747	0.018
	30-40 years	12(32.4)	25(67.6)	37(100)	2.68		
	above 40 years	1(9.1)	10(90.9)	11(100)	2.91		
Gender	Male	9(18.4)	40(81.6)	49(100)	2.82	t=1.074	0.028
	Female	14(27.5)	37(72.5)	51(100)	2.73		
Income	Less than 3 Lakhs	14(36.8)	24(63.2)	38(100)	2.63	f=2.440	0.069
	3 – 5 Lakhs	5(12.5)	35(87.5)	40(100)	2.88		
	5-10 Lakhs	4(19.0)	17(81.0)	21(100)	2.81		
	above 10 Lakhs	0	1(100)	1(100)	3.00		
Occupation	Private Job	9(16.4)	46(83.6)	55(100)	2.84	f=2.984	0.035
	Govt. Job	6(23.1)	20(76.9)	26(100)	2.77		
	Business	5(62.5)	3(37.5)	8(100)	2.38		
	Professional	3(27.3)	8(72.7)	11(100)	2.73		

Source: Primary Data

Table 8 represents that the mean value for perception towards complexity i.e. 2.81, 2.68 and 2.91 for the customers of age group of up to 30, 30-40, 40 and above. It has been found that highest mean score (2.91) is shown by the customers of the age group of 30- 40 years. The value of f-test is 1.747 at 0.018 levels. So, it can be said that there is significant difference in the view points of customers of different age group regarding complexity (the value of f-test is less than 0.05). In case of gender the male

customers think that e- banking is less complex as compared to female customers. The mean value for the male & female is 2.82 & 2.73 respectively. The t-value is 0.074 at 0.028 levels. So, it can be interpreted that the opinion of male & female customers differ significantly (the value of significance level for t test is less than 0.05). According to the income categories of the respondents mean value for perception towards complexity are 2.63, 2.88, 2.81 & 3.00 respectively for the respondents of income

group of less than 3 lakhs, 3 to 5 lakhs, 5 to 10 lakhs and above 10 lakhs. It has been found that highest mean score (3.00) is shown by the respondent of the income group of above 10 lakhs. The value of f test is 2.440 at 0.035 levels of significance. So, it can be said that there is significant difference between the respondents of various income group regarding complexity in e-banking. When the view points of the customer are considered with respect to their occupation it has been found that private job employees have witnessed e-banking as less complex where the f value is 2.984 at 0.035 levels. The mean values for private job. Govt. jobs, Business & Professional are 2.84, 2.77, 2.38 & 2.73 respectively. Thus, it can be extracted that there is significant difference in the view points of customers of occupation regarding complexity. Hence, to summarize, it can be said that all supported for all the demographics. Therefore, it can be stated that there is a significant difference in perception of customers towards complexity in internet banking.

Conclusion

In nut shell it can be concluded Different age group customers have different perception towards the e-banking services, Mainly the old age people are having the reluctance for using e-banking facilities, so importance to be given to those people and proper training on the

usage of e-banking should be given to them and bankers have to adopt the right strategies to attract different age group and give more information about the e-banking services. Most of the customers prefer e-banking for quickness. So banks should try in all the ways that e-banking is working 24 hours & round the clock service is available to customers without any hassles. Online Customers are mainly concerned on safety issues so the banks should educate their customers on the safety use of their passwords and pin numbers and it should insist the customers that they should change the passwords and pin numbers frequently so no unauthorized fraudulent practices happen in the online banking. As customer is the essence of any business being, the development of these new electronic banking services (EBS) should be customer-centric (Customers' needs should be the watchword right from idea conception, development and use of the services).

Our basic assumption was about those customers who possess the knowhow of the Internet banking and have access to it furthermore our study was focussing on only that situation (banks) who provide Internet banking service. By grouping the variables less than one relevant question may result in proper implication for the bankers i.e. for those customers who do not use Internet banking service, despite having all access to all

contributing facilities; TECHNOLOGY was not the biggest issue hence here lies the priority for the bankers about increasing the awareness of internet banking. One can see them potential customers with big possibility of turning them towards these services even though they have more inclination towards manual banking at present. Historically it has been seen that one gets motivated to try new things if he/she sees his/her peer group/colleagues surrounding him/her using a particular service (Internet Banking here) and this especially true in India wherein surrounding atmosphere is a guiding factor for many.

Limitations: There are some limitations which need to be acknowledged and addressed regarding the present study. The impact of religion can play an important role however could not be considered due to samples size of minorities. Focus is placed more on non-users because they can provide correct perception about the subject. One more limitation could be due to a limited number of financial banks covered, and persons who participated in this study represented a city like Delhi which is the financial capital of India but it cannot represent a B class people's behaviour although they belong to the same country. The study made an attempt to get the reply from the bank employees but we were not allowed to do this. Because of this we loosed one aspect of the study.

Managerial implication: The data provided could be valuable to improve the internet banking in the world. This study results will be able to facilitate to understand customer's perception and activities can be initiated to improve the usage of internet banking. On the basis of results it can be predicted that internet banking can lead to reduction in cost of operation for banks as compared to manual banking.

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Make in India: Transformation by Service and Manufacturing Sectors**Dr Sunil Kumar**

Associate Professor, Alliance School of Business, Alliance University, Chikkahagade Cross, Chandapura - Anekal Main Road, Anekal, Bengaluru – 562 106

Nikita Pahwa

Assistant Professor, Alliance School of Business, Alliance University, Chikkahagade Cross, Chandapura - Anekal Main Road, Anekal, Bengaluru – 562 106

Keywords

Make in India, manufacturing sector, service sector, transformation of Indian economy.

ABSTRACT

The Make in India was conceptualized and started by the Prime Minister, Shri Narendra Modi on September 25, 2014. It is an initiative taken by Indian government to attract Foreign Direct Investment from the world to boost Indian service and manufacturing sectors. The manufacturing and service sector have 30.02 percent and 52.97 percent share in India's Gross Domestic Product. This paper is an attempt to explore the contribution of manufacturing and service sector in the transformation of Indian economy. The paper is based on exploratory research. This paper will discuss about the various advantages of investment in manufacturing and service sector. It also has investment in both the sector for make India initiative. Finally, this paper will discuss about the challenges and changes in the Indian Economy.

INTRODUCTION

The manufacturing and service sectors are leading sectors of Indian economy. The shares of manufacturing and service sectors are 30.02 percent and 52.97 percent of India's GDP during 2014-15. Prime Minister Shri Narendra Modi has launched Make in India program for the revival of Indian manufacturing as a key policy objective and identified this sector as the

engine of long-run growth. Make in India is now a flagship programme and a campaign by the new government.

On the other hand the service sector in India has remained the major sector in term of contribution in India's GDP, state incomes, international trade, Foreign Direct Investment and employment. As per the Economic Survey 2015-16, the service sector has 66.1 percent contribution of its gross value added growth in 2015-16. Service sector has become most significant sector in FDI flow.

But now the question arises that how the Indian economy transforms. Initially the focus was on agriculture sector to transform the economy. After the revolution in industrial sectors focus was shifted to manufacturing sector. But in the last two decade the focus was shifted to service sector. The service sector has accelerated growth rate for the last two decades. In 1954 Lewis has given two-sector model, which was an idea of sectoral transformation from agricultural sector to manufacturing sector.

The thinking over the development and transformation of economy has moved away from the sectoral transformation to explicit growth.

Literature Review

Chaudhari (2015) has discussed about eh acceptance of Make in India theme among the youth. His paper tells that the college students accept the Make in India program which will

transform the Indian economy. The college students think that Make in India program will have more employment opportunities in manufacturing and service sector than agriculture sector.

Green (2014) has discussed in his paper that Make in India campaign to transform India in to global manufacturing hub. The paper has discussed about the job growth potential of the Indian economy. He has also discussed that manufacturing sector demonstrates the most potential growth under a more supportive policy regime. His paper also discussed the reforms sufficient to unleash the manufacturing growth boom.

Jaiswal and Shiva (2105) have discussed in their paper that Make in India is a calling card for investors to come and invest in Indian growth story. It is not just the influx of capital being targeted here, but the impetus to further the Indian manufacturing capabilities. Their paper also discusses that the focus of made is in past, whereas make in India pushes to manufacture here in present. The manufacturing sector has faced a creeping rut over the past decade in India. The focus of past congress government being on service sector, has led to step-motherly treatment to manufacturing arm. This paper deals with the primary aspects of Make in India programme which has taken birth right after the change in political scenario in India. Soundhariya (2015) has discussed in her paper

that Indian has the capacity to push the GDP growth to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate. “Make in India” mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub. Start-ups in the core manufacturing sectors are poised to play a crucial role in the success of ‘Make in India’ ambitions, said experts at a panel discussion at the 11th India Innovation Summit 2015. This paper also discussed that Make in India scheme also focuses on producing products with zero defects and zero effects on environment.

Sector wise GDP Growth of India

Indian economy is classified in three sectors – Agriculture and allied, Industry and Services. Agriculture sector includes Agriculture (Agriculture proper & Livestock), Forestry & Logging, Fishing and related activities. Industry includes Manufacturing (Registered & Unregistered), Electricity, Gas, Water supply, and Construction. Services sector includes Trade, repair, hotels and restaurants, Transport, storage, communication & services related to broadcasting, Financial, real estate & professional services, Community, social services

At 2011-12 prices, composition of Agriculture & allied, Industry, and Services sector are 16.11%, 31.37%, and 52.52%, respectively.

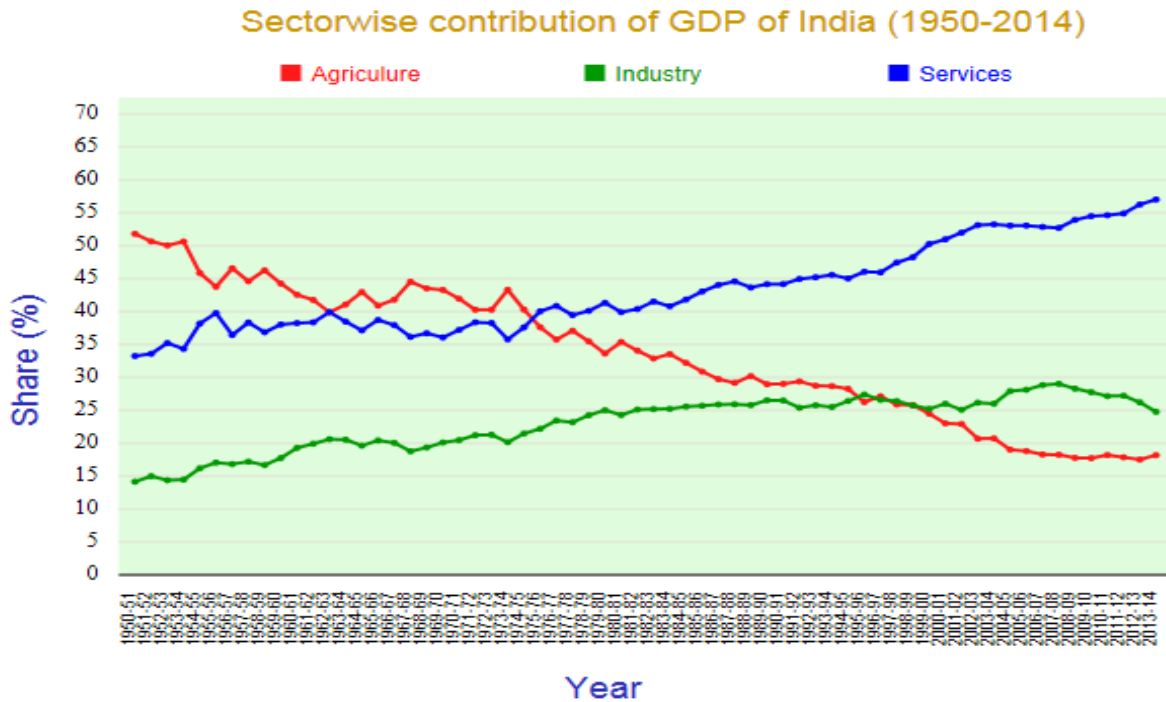


Figure 1

Source: Statistics Times

It is evident from the above figure that the service sector is growing faster than manufacturing and agriculture sector. The manufacturing sector does not have rapid growth rate since independence as well as agricultural sector also have a decline in the growth rate. Service sector has contribution of more than 55 percent in GDP as compare to below 30 percent growth in 1950-51.

Further, the contribution of agriculture, industry and service sector was 17.02, 30.02 and 52.97 percent respectively of GDP at the current price in 2014-15. It shows that there is small increase in the contribution of agriculture sector in the Indian Economy and the contribution of other sectors (industry and service) is almost stagnant.

Conclusion

There are many issues and challenges involved in the concept of 'Make in India' program. These can be resolved only through a deep thrust in policy initiatives and fulfilment of commitments by the government to ease the rules of doing business in India. The focus was changed from agricultural sector to manufacturing and further manufacturing sector to service sector. The main focus of Make in India is to strengthen the manufacturing sector. Make in India is a major national initiative which focuses on making India a global manufacturing hub. Although both service and manufacturing sectors are

backbone of Indian economy. But there is need to strengthen manufacturing sector for economic development and self-sufficiency and further generation of employment in the country.

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“Green practices in Restaurant Industry and its contribution towards a sustainable society: Role Analysis”**Shikha Sharma**

Associate Professor

ABSTRACT

Sustainability is a very upcoming jargon and it has also become very crucial for every organization to become environmentally and socially responsible. This will not only give them a long term strategic advantage but also will help them in building strong brand equity in the future. There is an increasing awareness that the future sustainability of our society, including maintaining our high standard of living, requires us to take environmental impacts into account along with social and economic considerations. To be environmentally conscious is nothing but adapting technologies or practices, means and programmes along with producing products and services which are environment friendly and non- hazardous to the ecology. Environmental sustainability is maintenance of the practices already adopted to protect environment from various hazards. Many Indian restaurants are already working for the cause. They have adopted various measures towards water conservation, efficient discharge of waste, rain water harvesting and so on. The purpose of this study is to explore the real view of restaurant industry; it is a conceptual paper, exploring into the current status and possible model practices in restaurant industry that will help restaurant

Keywords

Green Practices, Environment Sustainability, Sustainable society, Brand Equity.

industry as well as society to move towards sustainability.

INTRODUCTION

The terms green practices or eco- or environmentally-friendly practices are used interchangeably. They have been developed following the notion of “environmentally-friendly products” which are products that “in some way aim at reducing a product’s negative impact”(Manaktola& Jauhari, 2007). Another author stated Green practices as actions that protect the environment and/or products made with little environmental harm because they are produced in an environmentally and ecologically friendly way (Tzschentke,2008). Examples of these practices includes following the practices such as using biodegradable products, actively saving energy and using natural resources, purchase of energy saving

equipment, reducing and recycling waste, and engaging in environmental protection programs. The restaurant industry is known as the retail world’s largest energy user. Last year, almost 30% of all meals were eaten away from home. There are over 500,000 food service establishments in the country, including almost 200,000 full-service restaurants. The industry employs one in every three retail workers and consumes one-third of all retail electricity use.(Ranjana Pandey, 2016). A large amount of consumption in restaurants is due to the long hours of operation, large amounts of equipment, and demand; however, most of this consumption is often wasteful (Sustainable Foodservice Consulting, 2013). The restaurant and food retail sector is positioned at the end of the supply chain, and in direct contact with customers as well as society.

To summarize the green practices followed by restaurants can be stated as follows:

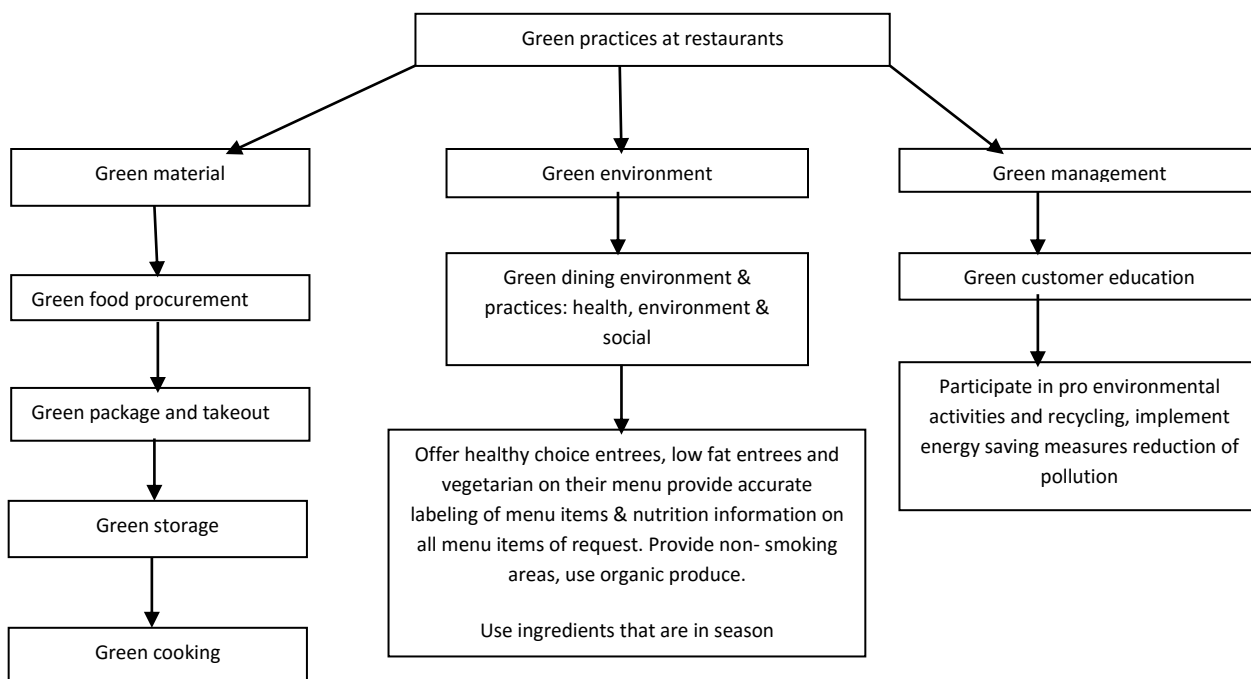


Fig.1 green practices at restaurants: a conceptual framework (Adapted from: Wang , 2013;choi & parsia, 2008)

For the proposed study three categories of restaurants have been taken including fine dining restaurants including 5star or above rated restaurants, coffee shops taking the case of Starbucks coffee shop and fast food chains taking the case of Mc Donalds in particular.

Taking the case fine dining restaurants The Orchid Hotel, Mumbai was the first Ecotel hotel not only in India but also in Asia. They have drip-irrigated greenery on either side, which reduces water use by about 50%. The building is designed using eco-friendly materials and reduces the heat load as it faces the atrium. The swimming pool is located at the rooftop acting as an insulator from the heat load. Steps have and are being taken to reduce air pollution, water pollution, and sound pollution and also to reduce waste management.

Similarly Taj Hotels Resorts and Palaces has launched EARTH (Environment Awareness and Renewal at Taj Hotels), a movement that works to minimize the impact of its businesses on the environment. They follow green practices that conform with Green Globe Standards and is a responsive partner in ensuring a brighter tomorrow for future generations. The organization has launched EARTH (Environment Awareness and Renewal at Taj Hotels), a movement that works to minimize the impact

of its businesses on the environment. The initiatives under this umbrella include environmental training for all employees, energy audits every three years, and a phased reduction of freshwater consumption. Similarly with a special emphasis on the study of coffee shops and fast food chains in India STARBUCKS SUSTAINABLE SOURCING & RECYCLING 81% of the coffee bought by Starbucks in 2009 was certified as "ethically sourced" .They Use napkins made from 100% recycled content and Introduced reusable cups which can be use for at least a month to reduce waste generation. With the increasing awareness of global climate change and natural disasters, environmental protection is an issue of high priority and relevance. In addition, to the issue of environmental protection, the restaurant industry is also facing new challenges with regards to a concern of the effect of food consumption on the health of consumers in special context to fast food chains and fine dining restaurants which includes not only the use of organic food items, but also better food handling and preparation practices. One of the major reasons for adopting green practices by restaurant owners is to create a distinctive image that can differentiate them from their competitors. These restaurants have changed their attitudes towards environmental and

nutritional issues and implemented various improvements in favor of a healthier environment and healthier foods. For example, several years ago Mc Donald's has changed their packaging from Styrofoam to cardboard in order to produce waste that is biodegradable and reduce oil consumption. Furthermore, the company has engaged in several attempts to offer healthier food choices on their menu. But despite the growing interest in green initiatives in the hospitality research literature, there has been a lack of studies related to customers' perceptions of green practices specifically in restaurants (Hu et al., 2010; Jang et al., 2011). Even though these guidelines are plausible and easy to follow, only few restaurants make an effort to engage in them. This could be due to the low awareness of effective methods for food service practices, fear for increased costs, but also due to the little knowledge available on consumer attitudes and behaviors when choosing "normal restaurants" versus green restaurants.

Objectives of the Study

1. To study the current status of restaurant industry in relation to environmental sustainability.
2. To explore model practices that will need to be followed by restaurants in order to move

restaurant industry and society towards sustainability as a whole.

Research Plan and design

Because of the growing importance of sustainability, the work has been undertaken to explore the model sustainable practices which need to be practiced by restaurant industry in order to move itself as well as society towards economic sustainability. The study is exploratory in nature. It explores information largely through secondary data source.

Approach for the study

In- depth literature review as well as available secondary data from various sources has been used to develop this paper.

1. Current status of restaurant industry in relation to environmental sustainability

A. Procurement:

- Cleaning Products: Some chemical substances in cleaning products contain man-made persistent and unnatural substances which cannot be decomposed naturally and are fatal.
- Paper : Forests are cut down in order to produce paper, which cause deforestation. The production process also includes usage of some chemical substances which are persistent and cannot be naturally decomposed off.

- Meat: Meat, fish, seafood, etc. are related to animal welfare and land use change for keeping and producing these products resulting in biodiversity damage and results in degradation of soil.

Vegetables and Fruits: The increase in purchase of vegetables and fruit have a contribution to the violation of over harvesting and more land would be changed into farmland according to rising demand.

Energy: Fossil fuels are used for heating systems and operating electrical systems which are hazardous for society.

B. Waste

- Food Waste: Decomposing of food waste encourages bacteria and other pathogens which can cause various hazardous effects on health of people and environment as well.

- Waste Water: It may contain toxic and persistent substances which may concentrate in nature causing the Degradation of water and soil.

- Waste Paper: It mainly affects the environment through litter and can generate greenhouse gases.

- Packaging: Plastic packaging cannot be decomposed naturally and may get concentrated in nature.

C. Water: Fresh water is a valuable natural resource, which also plays a very important role in the daily operation of a restaurant. Water is involved in almost every aspect of food service and is essential for restaurant hygiene. Fresh water is limited, if exploited or degraded, it will become very difficult and costly to find fresh sources, as well as energy and chemicals used to abstract, purify, transport and dispose of the water used.

2. Model Sustainable Practices in Restaurants

There are several green restaurant organizations that provide online resources to help restaurateurs adopt sustainable practices. Based on thorough literature review, this study identified green practices that can be utilized in the restaurant industry.

GREEN RESTAURANT ASSOCIATION- Environmental Guidelines. Green Restaurant Association. ,from <http://www.dinegreen.com/twelvesteps.asp>

The Green Restaurant Association (GRA) is a nonprofit organization helping to revolutionize the restaurant industry by implementing sustainable practices including educating not only foodservice employers and employees but also encouraging customers to dine in green restaurants. GRA was founded in 1990 and has

granted certification to over 300 restaurants in the U.S. In order to promote green practices among restaurants and fulfill this need, the Green Restaurant Association (GRA), an organization that promotes “Creating an Environmentally Sustainable Restaurant Industry” provides numerous guidelines for green restaurants.

These associations also offer guidance, as well as certifications for restaurant sustainability at the operations level. Mainly, GRA suggests the 7 environmental guidelines:

1) Energy efficiency and conservation, 2) water efficiency and conservation, 3) recycling and composting, 4) sustainable food, 5) recycled and biodegradable products, 6) non-toxic cleaning and chemical products, 7) green building and construction.

1) Recycling & Composting:

There are many waste products which are recyclable in restaurants. They are glass, plastic, metal, cardboard, and aluminum. Composting food waste helps to reduce the amount of waste and it improves the quality of the soil. These are possible green practices in restaurants regarding recycling and composting:

- Recycle paper, plastic, cardboard, glass, and aluminum at the back of the house

- Provide recycling bin in store (Self-service restaurant setting)

- Conduct food waste composting programs

2) Energy & water-efficient equipment:

Energy & water efficient equipment can be applied in various areas in a restaurant -kitchen, dining area, and restroom. Here are a few examples:

- Use flow restrictors on faucets, low-flow toilets, and water-less urinals
- Only serve customers water upon request
- Replace incandescent light bulbs with longer lasting CFL light bulbs or LED
- Replace exit lights with LED's
- Use motion detectors for lights in the restroom
- Use of a system which monitors and controls comfortable temperatures efficiently with the HVAC (Heating, Ventilating and Air Conditioning) system
- Keep the entrance door closed or use a double entrance door

3) Eco-friendly cleaning supplies:

Non-toxic cleaning supplies are safe for the environment and people in the following examples:

- Use of environmentally friendly cleaners for dishes, and linen
- Use of environmentally friendly cleaners for tables and floors

4) Serving ware & packaging:

Recycle service wares are made of post-consumer waste sources. These wares can reduce the amount of waste. Also, they can save natural resources, such as trees.

- Use of take-out containers that are biodegradable (paper) or recyclable instead of using Styrofoam

5) Menu sustainability:

Organic food is raised by non-toxic pesticides and fertilizers and made without genetic engineering. Locally grown foods reduce the amount of air pollution associated with transportation which uses fossil fuels. Therefore, restaurant managers should be sure to:

- Offer local ingredients on the menu
- Offer organic food on the menu
- Offer fish and seafood harvested sustainably and free of harmful pollutants
- Avoid genetically modified foods

Even though these guidelines are plausible and easy to follow, only few restaurants make an effort to engage in them. This could be due to the low awareness of effective methods for food service practices, fear for increased costs, but also due to the little knowledge available on consumer attitudes and behaviors when

choosing “normal restaurants” versus green restaurants.

Discussion and Conclusion

Miles and Covin (2000) indicated that there are two theories that explain why organizations invest in developing superior environmental performance: (1) the “slack resources” theory (Graves & Waddock, 1994) and (2) the “good management” perspective of competitive advantage (Russo & Fouts, 1997). The first theory “slack resources” suggests that a company which has adequate assets tends to allocate discretionary resources for socially responsible practices, such as environmental advancements. This investment is designed to develop and enhance competitive advantage through reputation, image, and long term cost savings (Miles & Covin, 2000; Miles & Russell, 1997). In other words, by incorporating superior sustainable performance, the restaurant industry makes an effort to obtain a better image and reputation, which may lead to more successful results in the future. Good management theory suggests that restaurants which have more innovative management tend to seek out emerging sources of competitive advantage such as new environmental practices to better satisfy customers. Managers concern about the attainment of superior environmental performance, which indicates customers’

recognition of green image of the restaurant through the restaurant's sustainable practices (performance) because they believe that gained realization of such performance in public would give a distinctive advantage that intensifies their competitive power. It is found that there is an increasing concern regarding the restaurant industry's contribution not only to the economy but also in how they impact the environment and society. It is felt that there should be more attention placed on how to decrease these impacts on environment and society. Because these impacts can affect small communities and contribute to global issues. After viewing different global effects of restaurant industry, it was realized that in present study some of the issues could not be even touched. Various issues like transportation of goods in restaurants directly contribute to increasing levels of Carbon dioxide, and the produce and products used contribute to degradation of the environment, as well as increasing concentrations of harmful substances in the biosphere. Most products have a lot of packaging and waste materials that contribute to expanding landfills when not recycled. Thus, the study concluded that the restaurant industry, like all others, is currently operating in a way that contributes to the un-sustainability of our society, but can strongly contribute in being a role model of other industries in taking our society towards sustainability.

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Gaurav Jindal

Assistant Professor, RDIAS

Keywords

Professional Education, EMIS,
Disparities

ABSTRACT

Education Management Information System is a system (not necessarily computer system) to provide information and documentation services that collect, stores, and processes, analyzes and disseminates information for educational planning and management. Purposes of EMIS are to co-ordinate and further improve dispersed efforts in the acquisition, processing, storage, transmission, analysis, repackaging, dissemination and use of educational management information.

INTRODUCTION

Professional courses have come up to be a very trendy choice in the present times, with students' opting for various courses of their inclination, as they want to find out a specific career path early in life. These courses are provided in various streams medicine, engineering, management, law, mass media, hospitality etc. Various institutions are providing such courses under many universities. But there seems to be an imparity lying between their conduct. The output is not same but varies distinctively. This paper is all about the study of the varying nature of such courses and provides a way to cater for such problems and to equalize the standards being followed

across the multiple institutions so as to come to a point of setting protocols thus the varying goals and objectives converge to a focal point of matching final output.

Disparity is a single word that defines the education system in colleges and universities providing professional courses.

Disparity lies in

- Admission Processes
- Fee Structures
- Course Contents
- Examination Systems and Patterns
- Results

The last disparity though not the least one is final placements of students

Garbage-In-Garbage-Out is a famous phrase and the same is applicable in different academic as well as non academic domains.

LITERATURE REVIEW

As per my knowledge, NCERT is responsible for making standards of education for school children, Fortunately, each and every school has to follow the same standards and there exists one board to conduct examinations and put forward the results so the final result is somehow out of disparity in the sense that good student will get good grades and similarly average will get the average results.

But, in Professional courses, there are many universities, having their individual visions and missions; thus having individual goals, objectives and the final strategy to run their courses. This makes a significant impact on the final placements of their students. Such disparate authorities are controlled by different sort of emotions and understandings; doing the same task in all distinct manners thus producing divergent results and discrete placements.

There seems to be a great requirement of making and following standards in professional education environment.

PROPOSED SYSTEM

The aim is to produce an EDUCATION MANAGEMENT INFORMATION SYSTEM that will standardize the processes and do a fair-bit of efforts in minimizing these disparities.

Tasks to be taken care of are:

1. Analysis of Course contents for same course provided by different Universities.
2. Analysis of Quality of question papers set for same course by different Universities.
3. Analysis of results.
4. Analysis of Placements.
5. Fabricating a common policy and exercising the same.

6. Setting up a common standard of education considering the age of the student.
7. Pooling the Examination Process.

The development of such a process is challenging because this cannot be done by one person or one authority. Also it is time consuming activity. It is a huge task that requires lot of commitment from many authorities and individuals. Though this is not new and being worked upon by many agencies for decades at various levels. The work done so far has encountered many a problems such as:

1. Decision making is done at central level and therefore data is compiled and collected for central level.
2. This implies, there is little ownership and usage for local level. So, at local level, doing so is just another burden for the people who are doing it with least enthusiasm.
3. The result is substandard quality of data, incompleteness and delays. Finally the data is useless.
4. The effects are inadequate resources for capacity building and planning without information.

Education Management Information System is a system (not necessarily computer system) to

provide information and documentation services that collect, stores, and processes, analyzes and disseminates information for educational planning and management. Purposes of EMIS are to co-ordinate and further improve dispersed efforts in the acquisition, processing, storage, transmission, analysis, repackaging, dissemination and use of educational management information. EMIS should do the following:

1. Improve efficiency in collection, processing, storage, dissemination, analysis and supply of educational management information.
2. Streamline the collection and processing of education data.
3. Enhance the process of transforming data into information.
4. Smooth the flow and speed of relevant information to users.
5. Facilitate and promote the use of relevant information by various institutions and individuals at all levels for more effective educational planning, implementation and management.
6. Integrate, link and streamline relevant information resources.
7. Effective and maximum use of IT technology to facilitate and enhance (not overburden) in processing, storage, analysis, and information dissemination.

8. Setup information standards and data quality assurance.
9. Minimum amount of data collection.
10. Maximum amount of information sharing and dissemination.

A network of one or more EMIS centers located in relevant agencies and at the central, regional and local levels. Each EMIS center should be equipped to perform the management information tasks especially processing and storage of data. All functions of an EMIS center do not necessarily have to be completely computerized. All information doesn't necessarily have to be under one authority or one place but exist in coherent manner and able to provide integrated information as user needs. The information has to be transparent in nature and significantly, great efforts are required to put personal emotions detached so that they do not put any affect on the correctness of the information. Again various authorities has to come forward leaving behind there personal motives and egos in general.

CONCLUSION

EMIS is not a new concept, it is being world widely exercised for decades but fruits of this huge exercise is yet to ripe because this has to be handled with great deal of patience as this depends on not one but many-many agencies and individuals. Also, this is not merely a task

but a big system comprising of various activities requiring great labor, enthusiasm and honesty to get to a stage of fruitfulness.

In the context of Professional Education, it requires a steep set of new kind of activities those are not the part of other levels. Especially in Indian context, every level has different objectives and so does the level in context i.e. professional level.

Here we require streamlining of activities, cohesive work environment, competition as well as coordination between various authorities and universities. We need to gather data, process data, understand information, disseminate and coordinate the information, process knowledge and finally utilize the knowledge to best of extant so as to upgrade the standard of professional education so as to raise the standard of humanity.

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GST: - A journey to a Major Tax Reform through digitization**Mr. SHIV SWAROOP JHA**

Assistant Professor-II Amity College of
Commerce, Amity University, Gurgaon,
Haryana (INDIA)

Keywords

GST, Indirect Tax, Constitutional
amendment bill, India

ABSTRACT

Most of the developed nations such as European Countries, Australia, New Zealand already have a comprehensive unified tax system called GST / VAT which taxes goods as well as Services. Goods and Service Tax (GST), which is envisaged as a major key tax reform in India since its independence, is expected to be rolled out from 1 April 2017. The idea of implementation of GST was first proposed by then Union Finance Minister Mr. P.Chidambaram in his budget 2006-07. It was proposed to be implanted by 1st April 2010. The Empowered Committee of State Finance Minister (EC) was requested to prepare the road map and structure for the new tax reform. Empowered Committee after several rounds of discussion released its First Discussion Paper (FDP) on the GST in Nov 2009. A strong digital frame work has been established for the proper implementation of the GST law in India. This includes (I) An IT infrastructure for the GST. Under this we will discuss what is the desirable features of Goods and Service Tax Network ,Who are the main participants of this Network, What is the direction of flow of work .Another aspect is II)Architecture for the Solution ,under this we will discuss i) a common GST portal.ii)Basic solution for the Architecture iii) Information Flow with Fund Flow and Finally

we will discuss about how accounting is being done and how tax is being calculated As GST is a comprehensive & consumption based tax that will subsume all indirect taxes of central & State governments and integrate the economy into a seamless national market. Once it will be implemented, economy has its favorable impact in the form of progressive GDP growth, acceleration in the flow of FDI/FII in the country, enhancement in the investor's confidence, simplification of multiplicity of taxes, curtailment of black money and promotion of Make in India initiative.

INTRODUCTION

Value added Tax or Goods and Services Tax (GST) system of Indirect taxes across the globe is showing an increasing trend with more than 160 countries, including 33 of the 34 member countries of Organization for Economic Cooperation and Development (OECD), employing VAT as the preferred form of consumption tax. Malaysia is the recent country to implement GST effective 1 April 2015 and current Indian Government has announced a timeline to introduce GST in India by 1 April 2017.

GST is known as one of the biggest tax reform India has ever made since its independence and such kind of significant reform are eagerly awaited by the Industry as well in order to achieve the goal of growth and development. As per the IMF report It is expected to bring

about 2% incremental GDP growth of the country. It is a broad based, comprehensive tax which will be levied on each point of sales and provision of services. At the time of sale of goods or providing the services the seller or service provider can claim input credit of tax which he has paid while purchasing the goods or procuring the services. The tax structure of GST is very similar to VAT and technically in another word it can also be termed as National Level VAT on Goods and Services. Only difference is that not only goods but services are also involved in it.

Literature Review: -

- Seventy Third Report of Standing Committee on Finance (2012-2013) The Constitution (One Hundred Fifteenth Amendment) Bill, 2011
- Empowered Committee of Finance Ministers (2009) introduced their First Discussion Paper on Goods and Services Tax in India which explains about the framework and lacuna in GST
- Monika Sehrawat, Upasana Dhanda, (2015). GST in India: A Key Tax Reform: International Journal of Research-Granthaalayah, 3 (12) (135-136) under which concepts and central idea of the GST has been discussed

- The Institute of Companies Secretaries of India (ICSI) (2015) published a Referencer on Goods and Service Tax to provide the information on the concept of GST in details.
- Palkesh Asawa,CharteredAccountant, has explained the functioning of GST in his blog on[https://www.quora.com/What-is-the-difference-between-the-current-taxation-and-the-new-goods-and-services-tax-GST-in-India-What-is-the-impact/answer/Palkesh-Asawa\(1\)](https://www.quora.com/What-is-the-difference-between-the-current-taxation-and-the-new-goods-and-services-tax-GST-in-India-What-is-the-impact/answer/Palkesh-Asawa(1))
- ReportofEmpowered Group on IT Infrastructure on GST headed by Shri Nandan Nilekani on The IT Strategy for GST laid how the GST will be implemented with the help of Information Technology[http://www.finmin.nic.in/gst/IT_Strategy_GST.asp\(2\)](http://www.finmin.nic.in/gst/IT_Strategy_GST.asp(2))
- Nishita Gupta (2014).Goods & Service Tax : Its Impact on Indian Economy: CASIRJ,5(3) (128-132) explains how GST will work and how it will be implanted
- Dr R Vasanthagopal (2011).GST in India : A big leap in the Indirect taxation System: International Journal of Trade Economic & Finance ,2(2) explains how move to GST will bring a positive change in the Indian Economy
- Finance Ministry report Card on GST implementation (2016) All efforts being

made to implement GST from April 1, Economic Times , Dec 14

Objective of the Study:- The research has been done after taking into account following objectives

- To know about the concept and feature of GST in India.
- To know about the why GSTwas needed and how does it works
- Role of Information Technology in successful implementation of GST
- To know about whether GST will be successfully implemented till April 2017

Research Methodology; - This research is based on secondary data of journals, articles, newspapers, magazines, reports and academic literature on Goods & Service Tax. As per the objective of the study descriptive type of research design has been adopted exploratory research technique has been used to have more accuracy and rigorous analysis of the research study.

- 1) Concept & Features of GST: -As we all know Indian taxation system has been divided primarily into two parts i.e. Direct Tax & Indirect Tax.Direct taxes include the taxes that cannot be transferred or shifted to another person, for instance the taxes on

income which an individual pays directly to the government. In this case, the burden of the tax falls flatly on the individual who earns a taxable income and the burden of tax cannot be shifted to others. Indirect taxes, on the other hand, are those kinds of taxes the burden of which can be shifted to another person. An example would be the Value Added Tax (VAT) that is included in the bill of goods and services that you procure from others. The initial tax is levied on the manufacturer or service provider, who then shifts this tax burden to the consumers by charging higher prices for the commodity by including taxes in the final price. Goods & Service Tax (GST) comes under indirect tax which will subsume almost all the indirect taxes of central and state government into a single tax. As the name suggests it will be imposed on both the Goods as well as Services at all levels of value addition. It is based on a dual model of taxability which includes CGST (Central Goods & Service Tax) and SGST (State Goods & Service Tax). CGST will subsume central indirect taxes like Central Excise duties, Central Sales Tax, Service Tax, Special additional duties on Customs, Countervailing duties etc. On the other hand SGST will

replace state indirect taxes like State Vat, Purchase tax, Luxury Tax, Entry Tax, Octroi, Entertainment tax, tax on lottery and gambling etc. Another component of GST is IGST (Inter-State Goods & Service Tax). It is not an additional tax but it is a system to examine the interstate transactions of goods and services and to further assure that the tax should be received by the importer state as GST is a destination based tax.

Salient Features of GST:-

- As per the federal structure of the country GST will be operated in two parts; One levied by centre known as Central GST and the other levied by the state known as State GST. This dual GST model will be implemented through multiple statutes. However, the basic features of law such as chargeability, definition of taxable event and taxable person, measure of levy including valuation provisions, basis of classification etc. would be uniform across these statutes as far as practicable.
- Except the exempted goods & services, goods which are outside the purview of GST & transaction which are below the prescribed limit, CGST & SGST would be applicable on all transactions of goods & services.

- For the CGST and for the SGST two different account have been kept with the Centre and the States separately
- Since the Central GST and State GST are to be treated separately, in general, taxes paid against the Central GST shall be allowed to be taken as input tax credit (ITC) for the Central GST and could be utilized only against the payment of Central GST. The same principle will be applicable for the State GST.
- Cross utilization of as input tax credit ITC between the Central GST and the State GST would, in general, not be allowed.
- There will be uniform procedure for the collection of both Central GST and the State GST, which has been laid down in the state legislation for central GST and the state GST
- Central government has the power to administrate the CGST and the State government has the power to administrate SGST
- Periodical submission of return will be made by the tax payer to the concerned CGST & SGST authorities
- In line with the prevailing PAN based system for income tax, there will be 15 digit GST PAN linked system for facilitating data exchange and tax payer compliance

Why GST was needed and how does it work?

[1]

Suppose Mr. A sells goods to Mr. B and charges sales tax; then Mr. B re-sells those goods to Mr. C after charging sales tax. While Mr. B was computing his sales tax liability, he also included the sales tax paid on previous purchase, which is how it becomes a tax on tax.



This was the case with the sales tax few years ago. At that time, VAT was introduced whereby every next stage person gets credit of the tax paid at earlier stage. This means that when Mr. B pays tax of Rs. 11, he deducts Rs. 10 paid earlier. Similar concept came in Excise Duty and Service Tax also, which is called Cenvat credit scheme. To a huge extent, the problem of cascading effect of taxes is resolved by these measures.

However, there are still problems with the system that have not been solved till date. We shall talk about these problems now. The credit of Input VAT is available against Output VAT. The credit of input excise/service tax is available against output excise/service tax. However, the

credit of VAT is not available against excise and vice versa. VAT is computed on a value which includes excise duty. This shows that there is still a tax on tax!

GST will solve this problem. Let us see how.

DUAL GST MODEL

We begin by stating the dual GST model and the taxes levied on each kind of transaction. See

these abbreviations before we understand them-

- I. SGST – State GST, collected by the State Govt.
- II. CGST – Central GST, collected by the Central Govt.
- III. IGST – Integrated GST, collected by the Central Govt.

Now look at the chart that follows:

Transaction	NEW system	OLD System	Comments
Sale within the state	SGST and CGST	VAT & Excise / ST*	Under the new system, a transaction of sale within the state shall have two taxes, SGST – which goes to the State; and CGST which goes to the Centre
Sale outside the state	IGST	CST & Excise / ST*	Under the new system, a transaction of sale from one state to another shall have only one type of tax, the IGST – which goes to the Centre

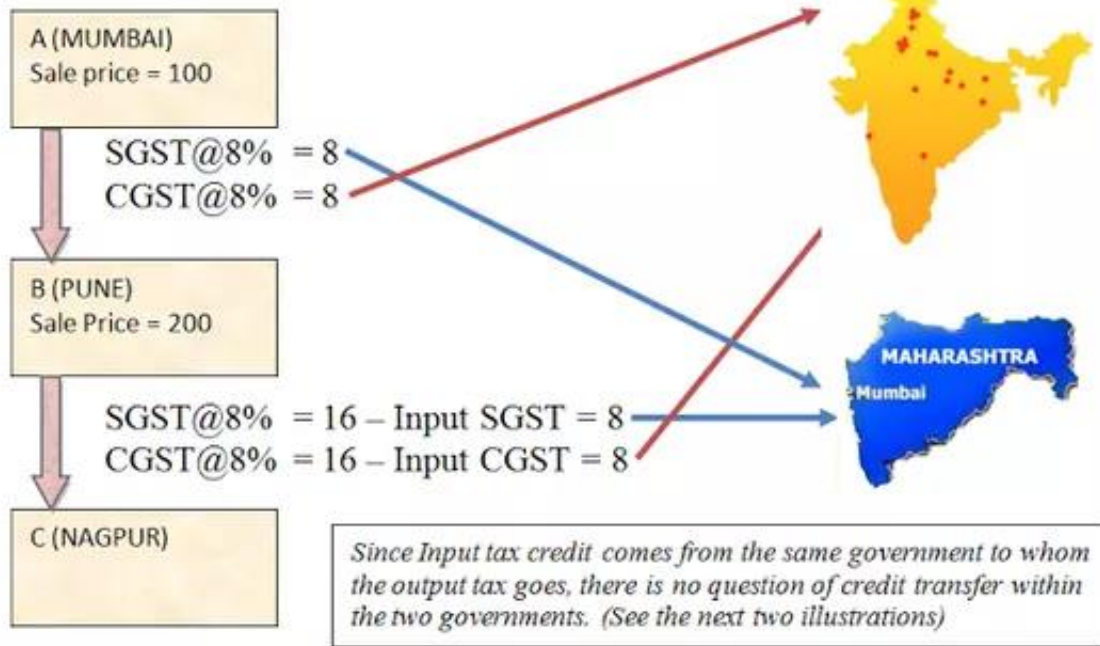
These are the taxes that shall be levied under the new system of GST. Let us understand how this operates –

HOW GST OPERATES?

Case 1: Sale in one state, resale in the same state

In the example illustrated below, goods are moving from Mumbai to Pune. Since it is a sale within a state, CGST and SGST will be levied. The collection goes to the Central Government and the State Government as pointed out in the

diagram. Then the goods are resold from Pune to Nagpur. This is again a sale within a state, so CGST and SGST will be levied. Sale price is increased so tax liability will also increase. In the case of resale, the credit of input CGST and input SGST (Rs. 8) is claimed as shown; and the remaining taxes go to the respective governments.

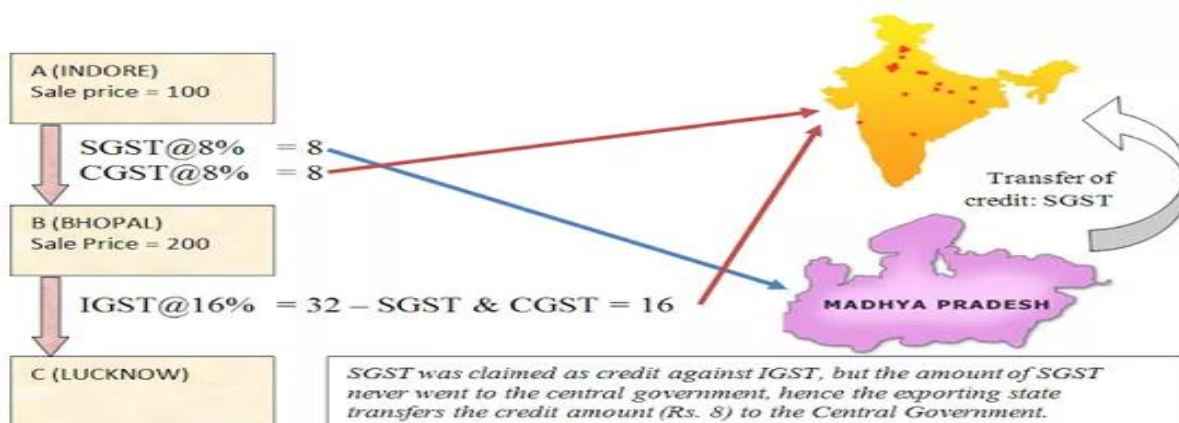


Case 2: Sale in one state, resale in another state

In this case, goods are moving from Indore to Bhopal. Since it is a sale within a state, CGST and SGST will be levied. The collection goes to the Central Government and the State Government as pointed out in the diagram. Later the goods are resold from Bhopal to Lucknow (outside the state). Therefore, IGST

will be levied. Whole IGST goes to the central government.

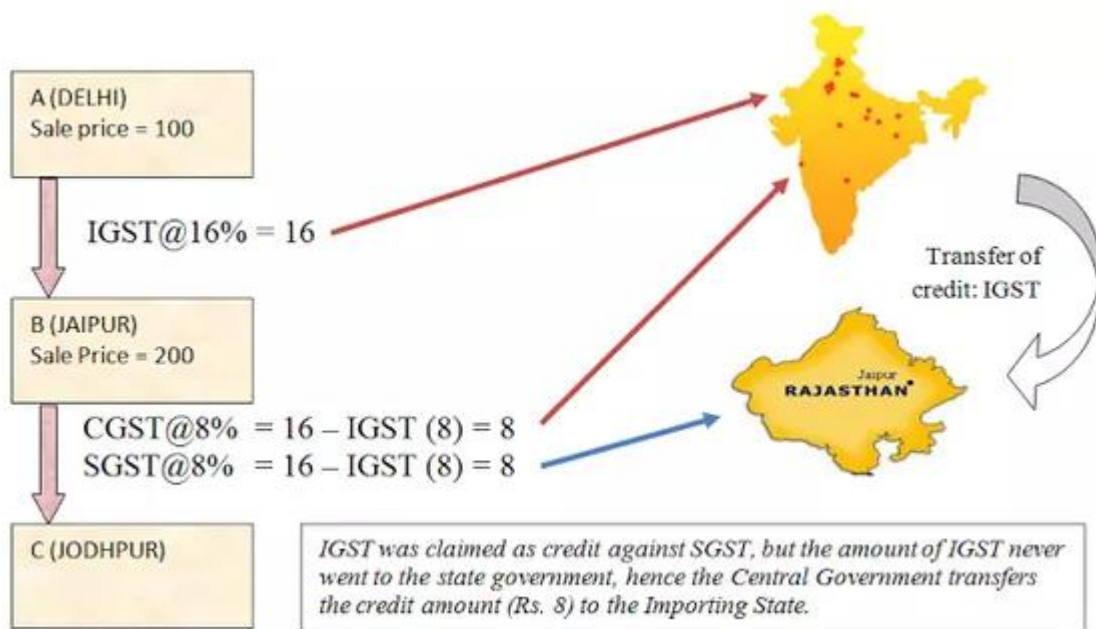
Against IGST, both the input taxes are taken as credit. But we see that SGST never went to the central government, still the credit is claimed. This is the crux of GST. Since this amounts to a loss to the Central Government, the state government compensates the central government by transferring the credit to the central government.



Case 3: Sale outside the state, resale in that state

In this case, goods are moving from Delhi to Jaipur. Since it is an interstate sale, IGST will be levied. The collection goes to the Central Government. Later the goods are resold from Jaipur to Jodhpur (within the state). Therefore, CGST and SGST will be levied. Against CGST and

SGST, 50% of the IGST, that is Rs. 8 is taken as a credit. But we see that IGST never went to the state government, still the credit is claimed against SGST. Since this amounts to a loss to the State Government, the Central government compensates the State government by transferring the credit to the State government.



2) Role of Information Technology in successful implementation of GST [2]

In order to proper implementation of GST, a joined working group was formulated having the officers from Central and State governments. This group was further subdivided into three groups to work separately on draft legislation required for GST, Process/forms to be followed in GST regime and the Information Technology development

needed for the smooth functioning of GST. In addition, an Empowered Group for development of IT Systems required for Goods and Services Tax regime has been set up under the chairmanship of Dr. Nandan Nilekani.

The entire I.T strategy for the implementation of the GST has been developed into following four parts

- I. An IT infrastructure for GST
- II. The Solution Architecture

- III. Tax Booster &
- IV. Implementation Plan

Now we can explain these parts in the following ways

I. An IT infrastructure for GST:- As per the expert a strong technology backbone is needed for the successful rollout of GST. The process has reportedly begun, with a team of technology specialists and tax experts working on a robust country-wide information technology network in order to make the rollout seamless, and this is possible through the GST Network (GSTN).

- I. **Origin of GST Network:-** GST Network (GSTN) has been established as a private ltd company in the year 2013 in order to create a strong IT infrastructure for enabling real time tax payer registration, handling of invoices, filling returns, executing interstate tax settlement, & connect state for two way data flow. Its main purpose is to connect data base of centre with the state and having a robust IT backbone for the seamless implementation of GST
- II. **Role of GST Network in seamless working of the GST bill:-** GSTN has been designed by the specialized unit of Infosys which will cater the need for almost 75-80 lacks tax payers of the country for filling and processing of all taxes .Besides filling of tax return and

payment system it would also help in PAN based registration of traders.

- III. **Functioning of the GST Network:-** All the new business will get itself register using their PAN and mobile number or Adhar Number with the help of GSTN portal. All registered business will get 15 digit GST identification number consisting of their state code and ten digit PAN. Now user will get the option to either file their taxes themselves through the portal or they can use the service of a chartered accountant who can use the portal on their behalf or can use their own software
- IV. **Cost Sharing :-** As per the agreement the centre and the states will share the cost incurred by GSTN equally .A subcommittee would decide on the share of the cost between states
- V. **Desirable features of GST Network:-** We can explain the desirable features of GSTN with the help of following diagram
 - a)The process of filing of tax returns and payment of tax should be simple and uniform and should be independent of taxpayer's location and size of business
 - b)Their must be the element of constitutional autonomy of the state, while deciding about the design of the IT system
 - c)The business processes surrounding GST need to be

standardized. Uniformity of policy administration across states and centre will lead to a better taxpayer experience, and cut down costs of compliance as well as tax administration d) There should be electronic processing of all the document & automation of all the process surrounding to the GST e) Tax collection can be increased and tax evasion can be reduced by successful

implementation of full electronic GST. There are few tools such as matching the input tax credit, data mining and pattern detection will definitely deter tax evasion and thus increase tax collection. f) Leveraging of existing IT investment of state should be done. The Mission Mode Project on Commercial Tax should be aligned with the GST implementation going forward.



Figure 1: Desirable features of GSTN

VI. **Stakeholders** :-The various stakeholders in a GST IT implementation are as follows

a) Central Board of Excise & Custom(CBEC)

b) Reserve Bank of India (RBI)

c) Banks

d) Small Tax Payer

e) Corporate Tax Payer

f) State Authorities



Figure 2: Stakeholders

VII. **Work Flow** :- Following processes are treated as most important work flows of the GST administration :-

a) Registration: -In order to identify each tax payer a unique ID is required. It can be done through a common PAN based ID,which is common to both centre and

the state . It has several benefit including a unified view of tax payer for all tax authorities .Even in CBEC(Central Board of Excise and Custom) PAN based registration is being used.

b) Returns:- In order to know whether taxpayer have computed, collected &

deposited their taxes correctly, both the centre and the states require taxpayer to file their return periodically. Input Tax Credit (ITC) can be easily verified on the basis of return filed and revenue can also be reconciled from the challan date from the bank.

- c) Challans;-For paying their taxes, challans are being used by the taxpayer as a payment instrument. Tax payer deposit the challans to the collecting bank and from their it is being transferred to the tax administrator
- d) Integrated GST:-Under GST Inter-State trade will be covered under IGST. Under

it, the tax paid by the selling dealer in the exporting state will be available as Input Tax Credit to the purchasing dealer in the importing state. This requires verification of ITC claims and transfer of funds from one state to another.. Thus, periodic inter-state settlement is required. Apart from it there are several other workflows such as processing refunds, taxpayer audits, and appeals. The IT infrastructure should be designed taking into account all stakeholders (Figure 2), and all related workflows.



Figure 3: Workflows

II) The Solution Architecture :- The solution architecture should be designed to meet the design goals for GSTN, described in the previous section. It will include the following

- i) Common GST Portal :- For the purpose of simplicity for taxpayers, uniformity of tax administration, digitization of all documents, and automation of related processes, it is necessary to have:
- Common PAN based Registration
 - Common Standardized return for all taxes (with different account heads of CGST SGST and IGST) ,
 - Common Standardized challans for all taxes (with different account heads of CGST, SGST and IGST)

Figure shows the solution architecture, the role of the common GST portal, and its connections with other systems.

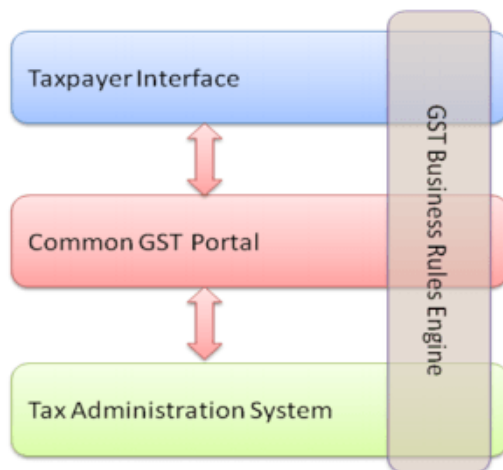


Figure 4: Solution Architecture

- ii) **Basic Solution Architecture** :- Given the need for a common GST portal, the basic solution architecture is as follows:
- Taxpayer files through a standardized taxpayer interface.

- States and CBEC implement tax administration systems for assessments, audits, and enforcement within their domain. This is desirable but not a pre-condition since the GSTN can provide support for states that do not have the necessary IT systems in place.
- The taxpayer and tax authority systems are connected with a Common GST Portal, operated by GSTN.
- Policy decisions are captured in GST Business Rules Engine that defines the tax rates, revenue sharing rules, and exceptions for all parties.

The Business Rules Engine is a component of the solution architecture that spans all entities. It codifies policies and business rules such as the rates of taxation, the revenue sharing between states and centre, a framework for exemption, and thresholds, among other things. All systems in the rest of the solution architecture will be designed so that they load business rules from the Business Rules Engine. This decoupling of the business rules from the rest of the solution architecture allows for a great deal of flexibility. At a later date, if rates are changed or new items are added to the list of taxable items, or if existing items are exempted; these changes can be reflected in the Business Rules Engine, without affecting the

rest of the system. This also makes it possible to start the design and implementation of all IT systems, even while policies and rates are debated. Once the policies and rates are fixed, they can simply be reflected in the Business Rules Engine.

In addition to common registration, returns, and challans, the Common GST portal will provision for selected information needs of states.

iii) Information Flow:-The information flows are shown in Figure 5 are designed keeping

the constitutional autonomy of states in mind, while simultaneously building intelligence in the system to plug leakages. The common GST portal is simply a pass-through device. The taxpayer files the return with GSTN, which keeps a copy of the return for analysis, and forwards it in near real-time to the respective state and CBEC. The taxpayer pays the actual duty in the bank, which uploads only the challan details into the GSTN.

Information flows unmodified through Common GST Portal to states and CBEC
Common GST Portal will also integrate with systems of CBDT, MCA, etc.

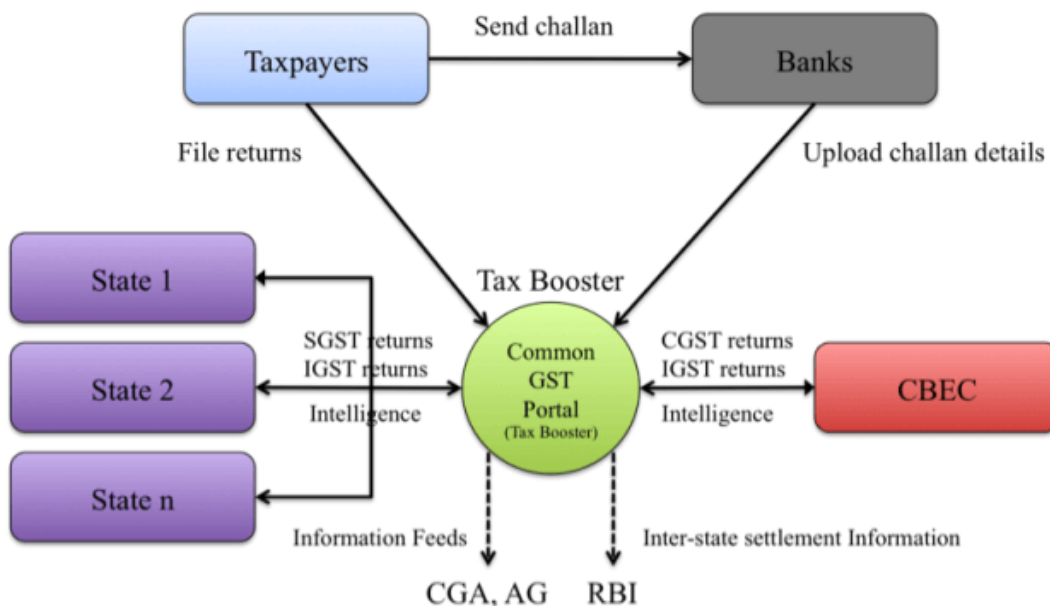


Figure 5: Information flow

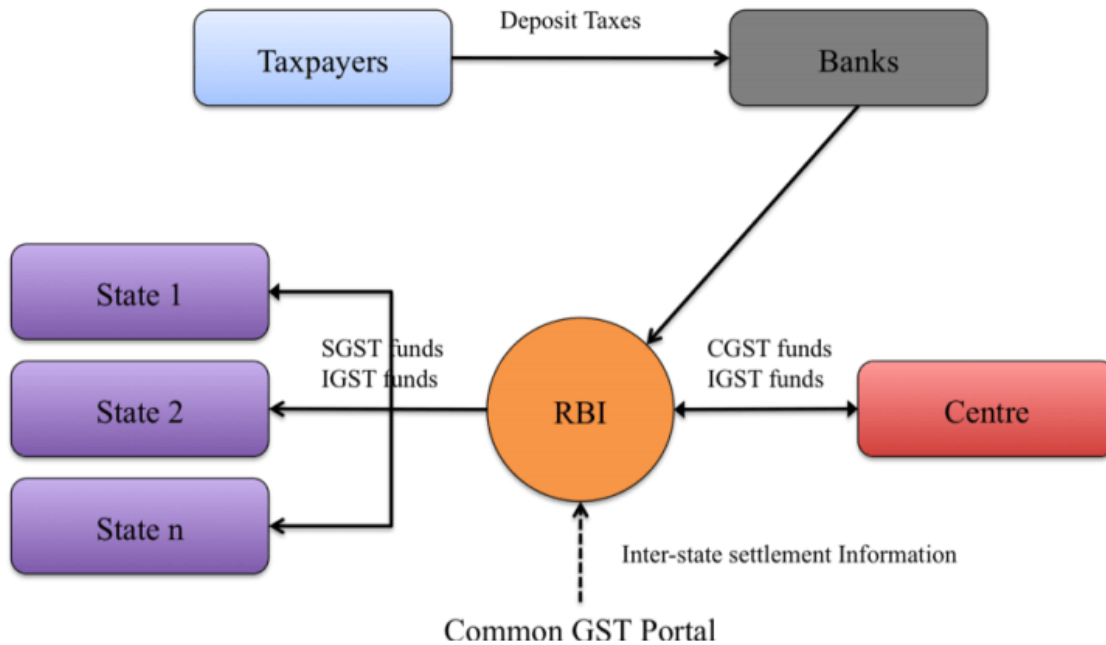
iv) Fund Flow:- Just like the information flows, the funds flows (Figure 6) are also designed keeping the constitutional autonomy of states in mind. The design ensures smooth

and timely availability of funds as soon as they are deposited. The SGST funds that are intended for the states directly go from the taxpayer to the state treasuries. Similarly,

the CGST funds go directly to the centre.
With the help of information from GSTN,

IGST will be settled between states and centre by RBI.

**State funds flow directly from taxpayers to the states
Centre funds flow directly from taxpayers to centre**



III) Tax Booster :- It comprises of following parts

a) **Tax Computation and Accounting :-** The tax returns can be filed at various levels as shown in Figure 7.

1. **Aggregate level:** A taxpayer aggregates all his sales and purchases made across all the customers/ vendors and files one return.
2. **Dealer level:** A taxpayer aggregates all his sales and purchases made across all the customers/ vendors and files one return along with the transactions consolidated customer/ vendor wise.
3. **Invoice level:** A taxpayer aggregates all his sales and purchases made across all the customers/ vendors and files one return

along with the transactions details provided invoice wise.

4. **Line item level:** A taxpayer aggregates all his sales and purchases made across all the customers/ vendors and files one return along with the invoice wise transactions capturing item wise details as well.

Invoice level detail is necessary for the reconciliation of tax deposits, and the end-to-end reconciliation of ITC. An effective IGST implementation may also require invoice-level details. A number of states are capturing invoice details even in the existing VAT systems. It is proposed to follow a two-pronged approach with Dealer level granularity of

returns in the first phase followed by invoice level in the next phase. This issue is currently being discussed in the IT sub- 11 working group for evolving consensus.

There has been some concern around reconciliation of ITC at invoice-level detail due to the sheer volume of data. However, this scale

is no different than what organizations such as NSE, NSDL, RBI, and banks handle on a daily basis. Experience at states that have implemented this also shows that match quality is low initially, but improves significantly over time.



Figure 7: Levels of granularity for returns

b) Tax Booster :- As taxpayers start filing invoice level returns, the common GST portal can start analysing the data for tax evasion and fraud. Common formats for returns and payments, combined with electronic filing and electronic payments, and a standardized PAN-based registration makes the data consistent, and amenable to mining. Some of the common

frauds, and how they may be combated are shown in Figure 8.

Assuming VAT collections of Rs.1,50,000 crores across all states, and a potential for a 20% increase in collections, the common GST portal can lead to additional revenues of up to Rs.30,000 crores.

Type of fraud	Common GST Portal: Intelligence based deterrence
Fraudulent bills	Matching
Improper Input Tax Credit	Matching
Fraudulent use of 'exempt' rules	Electronic returns
False payment proofs	Electronic challans
Unrecorded sales	Data mining
Misuse of composition method	Data mining
Wrongful application of lower tax	Data mining
Under-invoicing	Data mining
Non-existent dealers	Data mining

Figure 8: Types of frauds

IV) Implementation Plan :-

Owner	Component
Taxpayer	User registration (PAN-based) File returns Tax payments
GSTN	User registration (PAN-based) Acceptance and Consolidation of returns Challan reconciliation Matching of Input Tax Credit Dashboard and MIS Helpdesk and facilitation centres
Tax Authorities	Assessment, audits, and enforcement Refunds Dispute resolution Helpdesk and facilitation centres
Banks and RBI	Tax payments and reconciliation
Accounting Authorities	Reconciliation

Figure 9: Owners of various components

The GST IT implementation requires various stakeholders to implement new IT systems, or modify existing systems. All these stakeholders are on the critical path for GST readiness. Implementation plans for various stakeholders, and interfaces between stakeholders should be frozen, and agreed to by all before implementation can commence. Figure 9 lists the components to be implemented by various stakeholders.

Conclusion: - Although introduction of GST in one of the major economy and having a federal structure like India is a historical decision which is worth appreciating because this will definitely help to capture the market in this present globalized world and help the growth of trade and industry and create transparency and credibility in the system but as far as its successful implementation through the path of digitization is concern it needs a robust IT backbone, trained personnel, well informed customers, proper coordination among centre and the state and lack of redtapism in the system. Around 60,000 Central, Excise and Custom and state government officers will be trained for this transformation phase. As per the Finance Ministry's report card on GST implementation "All efforts are being made to meet the necessary deadlines to ensure that GST is rolled out by April 1, 2017," It shows the government's commitment towards implementation of GST. A number of important

decision have been taken in the six meeting of the GST council and government has lost no time in implementing the GST.

"As compared to the time taken in arriving at a consensus on the Constitutional Amendment Bill for GST, the subsequent events after the passing of the Bill indicate that the Government of India and the states have done remarkably well in taking all necessary steps for implementation of GST," Finance Ministry's Report Card on GST implementation . Therefore we can be hopeful for the better economic future of our country through the path of GST.

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Make in India: Building Bridges to Opportunity in Indian Economy**Dr. Vijay Jain**

Assistant Professor, Faculty of Management
Studies, DIT University Dehradun,
Uttarakhand India

Dr. Pooja Jain

Assistant Professor, Faculty of Management
Studies, DIT University Dehradun,
Uttarakhand India

Keywords

Foreign Direct Investment, Skill
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ABSTRACT

The Indian economy stands at the door of opportunity. Although, the growth has slowed down in the last five years but it is still above that of OCED Market and BRICS counterpart. Rating agency Moody's (August, 2016) recent prediction about Indian economy that it can easily hit 8% growth rate with modest reforms, confirm this. The 'Make in India' campaign is aimed at making India a manufacturing hub. It can provide much needed impetus to staggering Indian economy. India has potential to become a manufacturing powerhouse in order to gainfully employ its demographic dividend and has natural advantage including big labourpool and large domestic market. Some policy measures such as Stable Tax regime, Infrastructure Improvement, Green Clearances, Labor Reforms, Skill Development & Simplifying ease of doing business in India are required to attract domestic and global investors and to support make in India Initiative.

1. Indian Economy

India's economic growth is projected to surpass that of China's, with the GDP expected to zoom by 7.7 percent in 2016, according to a UN Report .The Asian Development Bank (ADB) has projected India's economy to grow by 7.8 per cent in 2015-16. 'Make in India' is

government's ambitious initiative, which aims to project India as an investment destination and to establish India as a global hub for manufacturing design and innovation. The initiative aims to provide a congenial environment to the business community so that they can devote their effort, resources and energy in productive work. A number of steps are required to be taken by the government to improve ease of doing business. Rules and procedures need to be simplified and a number of products have been taken off licensing-requirements. The Government intends to provide a robust infrastructure to business through development of various facilities and institutions. Government aims at developing industrial corridors and smart cities to provide a conducive working environment with state-of-the-art technology. The 'Make in India' campaign is aimed at making India a manufacturing hub. It also plans to closely monitor all regulatory processes to make them simple and reduce the burden of compliance. The key objective of Make in India campaign is to invite businesses not only in India but across the world to invest & manufacture in India. The purpose of this campaign is job Generation, Economic Development and Earning Global Recognition for country. The programme lays emphasis on 25 sectors with focus on job creation and skill enhancement. These include: automobiles, chemicals, IT, pharmaceuticals,

textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, pharmaceuticals and electronics among others. Make in India campaign is a right step in right direction. Make in India is recognized globally and has featured in "100 Most Innovative Global Projects". This paper is an attempt to understand the importance of "Make in India" Initiative and its role in giving impetus to India Economy.

Initiatives Required For the Success of Make in India Campaign

2.1 Need to Reform Taxation Regime

India is not the friendliest country to start the business. World Bank doing business 2014 study on regulations ranks India 134th of 189 countries for ease of doing business. Too many regulations can slow down the growth of any industry. One of the major reasons for the slowdown of economy is the policy paralysis. A series of crucial decisions relating to important sectors had been put on backburner either due to eruption of corruption scams or simply bureaucratic hurdles. This has adversely impacted the fate of regulated industries such as telecomm, coal, mining, power and energy. Lack of investment in country's basic infrastructure can severely impede the growth of economy going ahead. India needs to relook

at its regulatory framework that comes in the way of efficient functioning. Regulation on starting a business, obtaining permits and closing unprofitable business seems to be most problematic areas. There is need to design regulations that are investor friendly, more transparent, consistent and profitable for industry. Labor laws in India are fairly rigid and cumbersome making it difficult for companies to hire and layoff workers according to seasonality and volatility in demand. The rigidity leads to companies hiring less number of people than they actually need and have discouraged larger and productive firms from entering labor intensive product lines. Policies need to be envisaged in a way that focuses on improving workforce relations and allowing greater flexibility for companies to react to changes in demand. The stable, transparent and simplified taxation system is required to boost investment in India. Government should take steps to replace indirect taxes levied by state and central government with goods and service tax (GST). It will benefit manufacturing industry that will eliminate the multiple, cascading levels of taxes now in effect. Implementation of GST may soften price rises by doing away with multiple layers of federal and state levies. Stable taxation system is also required as frequent amendments add to the complexity. Reducing tax related distortions can increase efficiency and fuel economic growth. Cost of

capital is another big hurdle to investing in manufacturing and R& D. High interest rates are eroding Indian manufactures' pricing power putting them at a disadvantage. The government should in consultation with RBI, take immediate steps to reduce the cost of capital.

2.2 Emphasis on Manufacturing Sector to Create More Jobs

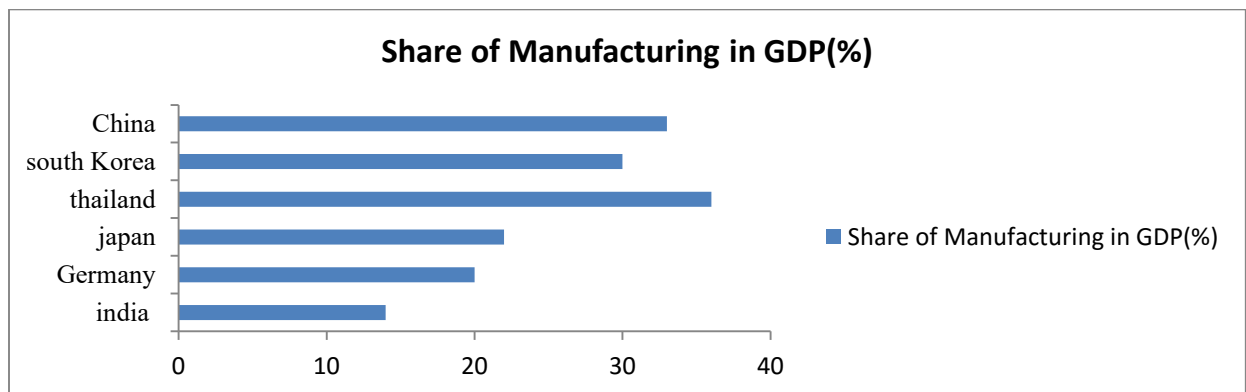
India's manufacturing sector is at crossroads. Manufacturing share of GDP has stagnated around the 15% mark for almost three decades now. India's manufacturing activity slowed more than expected to a seven-month low in September(2015) due to softening demand and output, a business survey by Nikkei India Manufacturing PMI. The Make in India initiative has showcased India as a potential manufacturing hub in the eyes of the whole world. According to India Brand Equity Foundation, India's manufacturing sector could touch \$1 trillion by 2025. The sector has the potential to contribute 25-30 percent of the country's GDP and create up to 90 million domestic jobs in the next 10 years. What's needed now is to ensure that those who have stepped up to the challenge are not left frustrated by policy paralysis, bureaucratic bottlenecks and impediments to execution that can be the undoing of the best laid plans. The basic focus should be to create the environment for tapping the potential of private sectors and

the entrepreneurial skills of younger population. Fiscal incentives need to be provided to the small and medium enterprises. The government should do away with the archaic laws that impede the industrial growth. Improvement of capacity utilization is important for manufacturing sector.

SEZ also plays an important role and contribute about 25% to the country's total export. Investment in SEZ has come down in recent years. Decision regarding SEZ for energizing manufacturing –led export should be thought measure. Government should take steps to boost small and medium sector enterprises (SME) since these companies have been under severe pressures in past few years and employ the large numbers of people. Government should also focus on improving road, rail and port infrastructure to ease the logistics bottleneck faced by the manufacturing sector. Local manufacturing needs to be given encouragement. Private sector participation in

the defense sector should be encouraged to stimulate the manufacturing so that it leads to creation of jobs. Cut in Excise duty will help auto sector to create more demand, thereby leading to higher consumption. Issues faced by coal and mining sector need immediate redressal by government as these sectors have cascading effect on the economy as a whole. The power sector impacts the manufacturing sector's growth so it needs to be taken care of. Land acquisition is a major constraint. Developmental projects are getting hampered. Many Projects including highways project worth Rs. 60,000 crore have been stuck due to delays in land acquisition. This has led to the damaging effect to the growth and development of companies and the economy as whole. Private companies are opting out of state like Maharashtra and Odisha due lack of land acquisition policy. Government need to revise or amend the land acquisition Act to boost manufacturing.

Figure 1: Contribution of GDP in Manufacturing



Source: Economic Survey 2013- 2014

2.3 Enhancing Foreign Direct Investment for Economic Growth

Foreign direct investment can provide a great stimulus for growth to the Indian economy. The growth of FDI will provide opportunities to Indian industry for Technological up gradation, gaining access to managerial skills and practices, optimizing utilization of human and natural resources and competing internationally with higher efficiency. Foreign companies will not only bring in much needed capital but enhanced technological capability and expertise as well. The regular inflow of FDI will also ensure faith of investors in the country's economy. The growing reluctance to invest in India has been caused by regulatory hurdles, a lack of adequate infrastructure and policy inaction. India was the fourth largest recipient in terms of project started in 2012 but in 2013 foreign direct investment declined by 465 compared with corresponding period last year. India received cumulative FDI of US\$331,923 million during the period April 2000 –May 2015. The government policy and healthy business climate will ensure that foreign capital keep flowing in country. FDI is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing industries etc. Government need to design FDI policy in a way which can be utilized as a tool for enhancing domestic production, saving and

exports through equitable distribution among state by providing much freedom to state so that they can attract FDI on their own. Sectors like Defense, Insurance, Retail, Railways and e-commerce are expected to benefit from FDI. Low labor cost and market size is the most promising feature of India, but constraints have emerged such as the corporate taxation, inflexibility of labor laws and transport and logistics infrastructure. With India poised to become second largest economy in the world by 2050 and with the country requiring about US\$ 1trillion to be spent on infrastructure in the next five years, PE(Private Equity) investment need to be encouraged to bridge the gap between the need of Indian economy and the ability for public fund to meet the same. FDI in retail is expected to create over 4 million jobs in the country and in logistics, about 5-6 million jobs in three years. Vast Investment potential exist in sectors such as biotechnology, retail, real estate, roads and highways, power, telecommunications, civil aviation, special economic zones, healthcare. Government should simplify and relax entry barriers for business activities and provide investor friendly laws and tax system for foreign investors to invest in India. It seeks investment in several industries, including manufacturing, construction, telecommunications and financial services. 'Make in India' or 'Invest India' campaign will be the first reference point to

guide foreign investors. It will provide help on regulatory and policy issues, and assist in obtaining regulatory clearances. The government has identified 25 sectors where India can become world leader. These include automobiles, chemicals, IT, pharma, textiles, ports, aviation, leather Tourism and hospitality, wellness, and railways, among others. The documents will provide growth drivers, investment opportunities, sector-specific FDI, other policies & related agencies. India attracts only 2.7% of a total \$1.62 trillion in global R&D spending, while China attracts 17.5%, said media reports. India's track record in attracting FDI in an international context is not very inspiring compared to FDI into countries like Mexico and China. In the last 10 years, Mexico has attracted \$247 billion of FDI net inflows and China \$2 trillion, compared to India's \$229 billion. Each 1 per cent increase in FDI adds about 0.4 per cent to a country's GDP growth. So, to boost GDP growth by about 2 per cent, India will need about 5 per cent increase in FDI. In other words, at the current level of GDP of almost \$2 trillion in India, about \$100 billion of FDI is required to boost the GDP growth by 2%.

2.4 Simplifying Green Clearance

Environmental clearance seems to be the hurdle that is jeopardizing Greenfield and Brownfield investment across manufacturing, services and even the agricultural sector. The green clearance norms have already scuttled

and delayed a few investments and expansion plans of auto and power sector majors, who have been told to get environmental nods for building or expanding industrial facilities like factories and warehouses - a process that takes at least 18 months in a best-case scenario. In 2013, the Environmental Ministry made it Mandatory to obtain prior approval for environmental clearance for all investment projects involving a construction of over 20,000 square meters or five acres of land. This ceiling is proving to be a big deterrent for investors. So environmental clearance need to be simplified to speed up the economic growth.

2.5 Greater Emphasis on Vocational Education & Skill Development

To harness its demographic dividend and support 'Make in India' campaign, it is important that the growing working force is equipped with the necessary skills. India's current system is lacking in both quality and size. Companies are unable to meet their own demand for lack of well trained human resources. Despite being blessed with one of youngest population, India lacks the basic infrastructure to empower the youth with requisite skills to excel in an increasingly demanding global economy. The current education system is not well equipped to support youth with relevant skills to help them to excel on global scale. With India becoming global economy, it requires highly specialized

skills to improve quality of production. The shortage of skilled manpower is creating big void in our system which needs to be rectified if India is to emerge as growing superpower in a skill essential world. The need to equip employable Indian youth with appropriate vocation education and training has never been more urgent than now. In order to improve employability of workers and boost job creation, the government has approved the country's first integrated national policy for skill development and entrepreneurship. The policy will have four thrust areas. It seeks to address key obstacles to skilling, including low aspirational value, lack of integration with formal education, lack of focus on outcomes, low quality of training infrastructure and trainers. It would also attempt to align demand and supply for skills by bridging existing skills gap.

Conclusion

The Indian economy stands at the door of opportunity. Although the growth has slowed down in the last five years but it is still above that of OCED Market and BRICS counterpart. Rating agency Moody's (August, 2015) recent prediction about Indian economy that it can easily hit 7% growth rate with modest reforms, confirm this. Make in India Campaign can provide much needed impetus to staggering Indian economy. Some policy measures by government are required to push Indian

economy to the growth path through Make in India Campaign. The government must spearhead revival of investment as boosting investors' confidence is crucial for economy. Friendly manufacturing policy coupled with effective land acquisition and clear and transparent tax system will improve the investment climate. Implementation of time bound single window clearance mechanism is needed. Foreign investment can provide impetus to Indian economy which needs an estimated USD 1Trillion in five-year period ending March 2017 to overhaul infrastructure such as ports, airports and highways to boost growth. A decline in foreign investment affects the country's balance of payment and rupee. Government should encourage FDI in retail and defense.

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