The Urban World Quarterly Publication





Regional Centre for Urban & Environmental Studies All India Institute of Local Self-Government, Mumbai



Regional Centre for Urban & Environmental Studies (RCUES), Mumbai

(Fully supported by Ministry of Housing and Urban Affairs, Government of India)

Established in 1926, the All India Institute of Local Self Government (AIILSG), India is a premier autonomous research and training institution in India. The Institute was recognized as an Educational Institution by Government of Maharashtra in the year 1971. The Institute offers several regular training courses in urban development management and municipal administration, which are recognized by the Government of India and several State Governments in India.

In the year 1968, the Ministry of Housing and Urban Affairs (MoHUA), earlier Ministry of Urban Development), Government of India (GoI) established the Regional Centre for Urban & Environmental Studies (RCUES) at AIILSG, Mumbai to undertake urban policy research, technical advisory services, and building work capabilities of municipal officials and elected members from the States of Goa, Gujarat, Maharashtra, Rajasthan and UTs of Diu, Daman, Dadra & Nagar Haveli. The Ministry of Housing and Urban Affairs (MoHUA), Government of India added States of Assam and Tripura from February, 2012 and Lakshadweep from August 2017 to the domain of RCUES of AIILSG, Mumbai. The RCUES is supported by the MoHUA, Government of India. The MoHUA, Government of India has formed National Review and Monitoring Committee for RCUES under the chairmanship of the Secretary, MoHUA, Government of India. The Principal Secretary, Urban Development Department, Government of Maharashtra is the exofficio Chairperson of the Advisory Committee of the RCUES, Mumbai, which is constituted by MoHUA, Government of India.

The RCUES was recognized by the Ministry of Urban Development, Government of India as a National Training Institute (NTI) to undertake capacity building of project functionary, municipal officials, and municipal elected members under the earlier urban poverty alleviation programme-UBSP. The RCUES was also recognized as a Nodal Resource Centre on SJSRY (NRCS) and Nodal Resource Centre (NRC) for RAY by Ministry of Housing and Urban Poverty Alleviation, Government of India.

The AIILSG, Mumbai houses the Solid Waste Management (SWM) Cell backed by the Government of Maharashtra for capacity building of municipal bodies and provide technical advisory services to ULBs in the State. The Water Supply & Sanitation Department (WSSD), Government of Maharashtra (GoM) established Change Management Unit (CMU) in AIILSG, Mumbai from 13th January, 2010 to 30th June, 2014 and also selected AIILSG, Mumbai as a Nodal Agency in preparation of City Sanitation Plans for 19 Municipal Corporations and 15 A Class Municipal Councils in Maharashtra State, under the assistance of Ministry of Urban Development, Government of India. The WSSD, GoM also established Waste Management & Research Centre in AIILSG, Mumbai, supported by Government of Maharashtra and MMRDA.

In August, 2013 Ministry of Urban Development, Government of India empanelled the AIILSG, Mumbai as Agency for providing technical support to the Cities / Towns of States / Urban Local Bodies (ULBs) in the field of Water Supply and Sanitation, Sewerage and Drainage systems.

In July 2015, Ministry of Urban Development, Government of India empanelled the RCUES & AIILSG, Mumbai an Agency for technical support in Municipal Solid Waste Management under Swachh Bharat Mission (SBM) programmes.

In February, 2016, Ministry of Housing and Urban Poverty Alleviation, Government of India empanelled the RCUES of AIILSG, Mumbai for conducting training and capacity building programme for experts of SMMU, CMMUs, COs, Key Officials and other stakeholders of the State and Urban Local Bodies (ULB) level under Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY – NULM).

In December, 2017, AIILSG has been empanelled as a training entity regarding implementation of new Integrated Capacity Building Programmes (ICBP) under Urban Missions, viz. Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat Mission (SBM), Smart Cities Mission (SCM), National Urban Livelihoods Mission (NULM), Housing for All (HFA), Pradhan Mantri Awas Yojana (PMAY) and Heritage City Development and Augmentation Yojana (HRIDAY) for Elected Representatives and Municipal Functionaries.

At present, RCUES and AIILSG, Mumbai is involved in providing capacity building, research and technical support to number of State Governments and ULBs for implementing various urban development missions and programmes launched by the GoI.

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(July - September, 2019)

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Editorial

Livelihoods beyond jobs

'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.' says SDG 8. Several targets under this goal present challenges to policymakers in a variety of ways. 'Achieve higher levels of economic productivity through diversification, technology upgrading and innovation....'(8.2). As experience of the last many years has shown, there has been dramatic change in the industrial scenario including in the manufacturing ecosystem through rapid adoption of new technologies. Shop-floor automation and robotization of many routine manufacturing activities now pose challenges for job creation and even threaten livelihoods. The quest for higher productivity (doing more with less) to drive down costs and improve competitiveness is all-pervasive. A recent UNCTAD report states that the share of labour in national income has been declining in both developed and developing economies for several decades. In developed countries from 61.5% in 1980 to 54% in 2018; in developing countries from 52.5% in 1990 to 50% in 2018. Alongside, the share of capital has grown.

Several argue that jobs will not disappear altogether; there will be demand for newer kinds of jobs. This could indeed be true. But in a large and diverse country like India, the labour force, the educational/training institutions and others will take time to adjust and make the transition by acquiring new skills which enable the workforce to remain relevant. In the meanwhile, there could be pressure on full-time, regulated employment as we have known it. If we factor in macroeconomic uncertainties like the present slowdown in many economies, the jobs scene looks less than encouraging. The auto sector in India is an example.

Therefore, while on the one hand slowing economies impede rapid job creation, even satisfactory economic growth may be no guarantee for creating large numbers of new jobs, at least of the kind we are used to. While policy makers will work to transform education, training and skill-building programmes to meet needs of emerging economies, success can be elusive. Simply because changes now are increasingly unpredictable and disruptive. However, there could be several opportunities. One is to fully tap the potential of our rural sector to generate self-employment and micro-entrepreneur possibilities. These exist in abundance in the toys, handicrafts, traditional apparel/garments, local foods, and other spaces. Regional governments and others must find ways to support these traditional arts and crafts and promote them with microfinance and marketing

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inputs. Building sustainable occupations in these will enable equitable growth and also dissuade rural-urban migration. In our cities, youth must consider various self-employment and microentrepreneurship possibilities. With rapid urbanisation and nuclear families, there is sizable demand for skilled services such as those of carpenters, plumbers, electricians, motor mechanics and home equipment maintenance personnel. Given the large numbers of single working individuals, there is growing demand for laundry services, cooks, and supply of home cooked food. These demands are big and often unmet or poorly met. The rapid growth of cab-hailing services is seeing increased interest and opportunities for micro-entrepreneurship given the better access to finance for vehicle ownership.

If one were to look beyond 'Jobs', there seem to be several livelihood options. In this issue of Urban World, we are bringing you several papers of interest in the above context. We are sure the issue will be engaging.

The Role of Social Entrepreneurship in a Transforming Economy for Job Creation with Special Reference to Urban India

Dr. Sharmila Bose

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A: Introduction

Structural transformation and technological change affect productivity as well as the quantity and the quality of employment, in many different ways. They generate as well as destroy jobs in enterprises, and transform the nature, quality and profile of jobs, thereby also transforming the occupational structure and employment patterns in the labour force. The policy challenge is to promote patterns of structural transformation and technological change that strike a good balance in achieving the two fundamental objectives of productivity growth and more and better jobs. One way in which late-industrializing countries have tried to achieve this balance is to produce large quantities of labour-intensive products for export. This can enable manufacturing employment to expand beyond the limits set by the domestic market. Structural transformation is the defining characteristic of the development process; it is both the cause and effect of economic growth. The process of structural transformation remains particularly challenging for developing and emerging economies. In developing economy like India structural transformation is occurring i.e. decline in agriculture employment in favour of non- agriculture employment. But this form of structural transformation is stunted over many years. One of the reasons is creating employment in un-organized sector where there is no scope of health, employment insurance and pensions. This

structural transformation is quite different from trends in China, where population growth rates are near to zero and rapid growth of manufacturing sector with high labour intake and other urban sectors have attracted people from rural to urban areas. In-spite of rapid economic growth, India's structural transformation is constrained by the weakness of employment growth in the urban economy. 'Rapid movement towards a structural transformation should show up by an increase in opportunities for rural urban migration and tightening of the rural labor market but this is also not happening; instead rural households are diversifying into the rural non-farm sector. The limited absorptive employment capacity of the urban economy has led the non-farm sector to become the main destination of growing rural labor force.

India is uniquely positioned among the global economies. By 2020 it will have the youngest workforces in an ageing world. If India links its growing population to gainful employment, economic growth will accelerate and become more inclusive. On the other hand, if we are unable to provide employment to millions of young people entering our workforce over the coming decade, prosperity will flow to a few and this can lead to social tensions. It is in this background social entrepreneur has an important role to play. This also makes social entrepreneurship needed in Indian context.

In simple terms 'Social Entrepreneurs' (SEs) identify and relentlessly find opportunities to create sustainable solutions to social problems continuously innovate, adapt, and learn to act boldly, not constrained by resources currently in hand, and hold them accountable for - Social entrepreneurship like any other economic activity provides employment to the people having basic skills. These social entrepreneurs are making significant differences in the quality of lives of people in rural and semi urban areas, mainly by transfusing innovation and exploitation of business opportunities available locally. Some social enterprises which are established in India are changing the very face of society by balancing the social imbalance. Government of India also encourages such initiatives by motivating them and awarding them time to time along with some private institutions doing the same. Social entrepreneurs are innovative, motivated for resolving social issues, resourceful, and result oriented. They prepare a mind-set after best thinking in both the business and non-profit worlds to develop strategies that maximize their social impact by addressing social inequalities and social problems. These entrepreneurs exist in all kinds of organizations: large and small; new and old; religious and secular; non-profit, for-profit, and hybrid. Such organizations comprise the social sector.

There are some examples of social entrepreneurship which touch the very basic of the society. The most prominent examples include micro financing, educational institutions, and medical institutions.

Susan Davis and David Bornstein in their book on Social Entrepreneurship (2010) state, "Social Entrepreneur has a complex role that involves a great deal of listening, recruiting, and persuading. It takes a curious combination of sensitivity and bullheadedness, humility and audacity, and restlessness and patience to lead a change process in the face of difference, habit, fear, resource constraints, vested interest and institutional defenses."

B. Definitions of Social Entrepreneurship

The academic and business communities have devised several approaches to social entrepreneurship, mostly originating from Europe and United States, which have shaped the debate on what social entrepreneurship is. In US the focus lies on individual entrepreneurs and their leadership skills, while in Europe social entrepreneurship is more related to the organization and the broader network in which it operates. However, on both sides of the Atlantic, four schools of thought can be distinguished, each focusing on different aspects of social entrepreneurship: income generation, social impact, job creation and change agents. Each weighs the economic, social and governance dimensions of social entrepreneurship differently.

Social entrepreneurship was recognized as important to 'improving the state of the world' by the World Economic Forum in 2002 at their forum in Dayos, Switzerland.

In 2006, social entrepreneur Muhammad Yunus and his organization, the Grameen Bank, were awarded a Nobel Peace Prize for their leadership in micro-credit financing. The prize was awarded to recognize Yunus and Grameen for their 'efforts to create economic and social development from below' and for allowing 'large population groups (to) find ways in which to break out of poverty'.

C. Objective of the Study

Entrepreneurship, in any form or sector, for any segment of the population or market, is a relatively un-researched phenomenon in the Indian economy. There are (somewhat apparent) phases of emergence of social entrepreneurship in India, that roughly correspond with the industrial and service sector growth phases in the country — with a clear sprouting of the social enterprise (addressing livelihoods or employment, resource conservation, health and family welfare, education, transport and

other services) during the early 2000s – following the 1990s phase of increasing disjuncture between industrial and agricultural growth, when the pain of structural unemployment, regional inequalities, and unattended social needs (especially primary education and health care) became more evident. In the wake of these SEs came new actors and some new regulations or policy instruments like mandatory priority sector lending, skill development norms, etc., and the consequent social and political mobilization that led to the national Right to Education Act (RTE) which came into effect as of 1st April, 2010.

The Government is short of a reliable research base which can be referred for making key policy decisions in the area. Amidst the presence of abundant theoretical controversies and overlapping definitions, the study attempts to explore this nascent yet potential area of policy development for S-ENT within the nation. The objective of the paper is to find the very basic idea regarding social entrepreneurships, contribution in job creation in a transforming economy, to list out the challenges faced by social entrepreneurs in India, and to find out the relevant Government policies in India for promoting social entrepreneurship and hence to give some suggestions to face the challenges effectively.

D. Research Methodology

The research methodology which is applied during the research study is descriptive in nature. Collection of data is done on secondary basis. The data and information which is furnished in the study is taken from the various secondary sources. Various reports and studies, books on social entrepreneurship have been refereed in the present study. This paper is based on the published documentary work of others. The extensive literature survey concerning the policy development of S-ENT and allied areas was carried

out. Moreover, the official websites of relevant global organizations and Governments were accessed. The paper lays the nascent foundation for understanding how the different actors of S-ENT ecosystem can come forward for constructive S-ENT policy development in India.

E. Literature Review

The literature review contains the work already done on the area of research in hand. Literature review is also needed for understanding the nature of the research topic in detail so that according to that, researcher can mould his approach for the research topic. Since, the purpose of the present study is to mainly examine social entrepreneurship and how the challenges faced by these entrepreneurs can be minimized, the current review focuses more on concepts related to social entrepreneurship than commercial entrepreneurship. S-ENT as problem solving endeavor is emerging as a socially innovative business model for the required social transformation and change in the whole world. However, S-ENT philosophy is still considered to be in its budding phase (Short et. el., 2009). The field is having fragmented literature and there is lack of consensus regarding the framework and theory of S-ENT (Certo and Miller, 2008; Hill et. el., 2010; Mair and Marti, 2006; Short et. el., 2009). As such, S-ENT is eliciting a significant academic curiosity across array of fields like management, public policy, entrepreneurship, sociology and many others (Austin et. el., 2006; Certo and Miller, 2008. Jahanna and Ignasi (2006) aimed to explore the fundamentals of social entrepreneurship in order to guide future research.

The literature review for the present study includes Daru Mahesh and Gour, Ashok in their research paper titled "Social entrepreneurship - A way to bring social change" (2013) writes that "In the developing world, the Millennium Development Goals (MDG) might provide a valid

operationalization of social needs. The MDGs refer to the most pressing social problems to be addressed in the immediate future, Ernst and Young in their report title "Social Entrepreneurship-Emerging business opportunities" (2014) states that "Creating value for society in many countries the role of the government in the socio-economic domain is shifting towards privatization of public responsibilities. As a result, charities receive less public funds and social entrepreneurship is gaining momentum worldwide. Research in the fields of activity of social enterprises in Europe shows that social entrepreneurs focus on social services, employment and training, the environment (including clean tech and bio-systems), education and community development, hence, the increasing number of social enterprises may result in widespread gains for public budgets. The attractiveness of social enterprises as employers is increasing as well. Young professionals in particular, value the reputation of social enterprises above traditional companies that strive for profit maximization only". Socially entrepreneurial activities blur the traditional boundaries between the public, private and non-profit sectors, and emphasize hybrid models of for-profit and nonprofit activities. Singh, Partap, Dr. in his research paper titled Social Entrepreneurship (2009) stated that as a budding research stream, social entrepreneurship suffers from issues that are common to early strategic management and entrepreneurship research such as the lack of construct legitimacy and undefined theoretical content. The research on social entrepreneurship is shifting from having a primary focus on public policy concerns to go on to be a more central topic in the business literature. There is considerable variance in the measurement of social entrepreneurship having measurements range from qualitative assessments such as the nature of innovation, the fit of opportunity with the community's objectives, and the implementation strategies to the more easily quantifiable targets like

the total contribution and the size of donation. Cai and Sun (2012) gave 4 prepositions that were complementing the research that they had carried out. These prepositions which are namely, prior knowledge, previous experience, social networks and entrepreneur alertness of social entrepreneurs in totality have constructive and encouraging effects on opportunity recognition in the field of social entrepreneurship. Non-profits that also earn income and profit are not a new occurrence. Bala et al., (2013) drills into the dynamic nature of social entrepreneurship and argues upon the two overlying and possibly conflicting notions. Firstly, social outcomes and impacts are of the utmost importance, i.e., consequences of the social activity should be taken into consideration and secondly, the focus should be on generating returns and profits and to create a market value along with the social outcomes. They successfully proposed the Hybrid Middle Ground System which encompasses the business and commercial techniques along with notfor-profit managerial approaches and business and social goals. Doherty et al., (2014) realized that going with the then current trends, it was noticeable that the boundaries between non-profit achievements and profit making goals were getting diminished and more fluid.

Bill Drayton who started Ashoka in the year 1980, came up with the concept of social entrepreneurship, which targeted to encourage social entrepreneurship by providing funds for social missions worldwide. Later in 1997, Jed Emerson and Stephen Thake carried this concept into the field of academia. The idea of social entrepreneurship acknowledged a wider recognition when Muhammad Yunus won the 2006 Nobel Peace Prize for initiating Grameen Bank to create economic and social development through micro credit.

A SE is an institute that trades the private gain and also generates positive social and environmental consequences. As expressed by Kerlin (2010),

there are ample definitions of SE which also reflect different regional differences. For example, in the US, SE addresses the market-based approaches to income generation and social change, whereas in Europe, SE is located in the cooperative tradition of collective social action. The UK derives from both backgrounds implying that SE is chiefly a business strategy with social objectives whose profits can be reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners.

"A growing trend in Indian economy" (2012) underlines that Social entrepreneurship is the recognition of a social problem and the uses of entrepreneurial principles to organize create and manage a social venture to achieve a desired social change. While a business entrepreneur typically measures performance in profit and return, a social entrepreneur also measures positive returns to society, Report by Swissnex India titled "Social Entrepreneurship in India - Unveiling the unlimited opportunities" (2015) underlines that "Social entrepreneurship in terms of operation and leadership could be applicable to non-profit organizations as much as to for-profit social enterprises although in terms of activities and legal entity they are very different".

F. Importance of SEs in Indian Context

The Indian SEs lack sectorial recognition and there is no uniform understanding of the concept of S-ENT in India till date. As such there is an (A Policy Framework for Social Entrepreneurship in India DOI: 10.9790/487X-1809013043 www.iosrjou rnals.org 32 | Page) absence of regulatory framework or any formal recognition system for SEs in India. Even very little is known about their management and organization and we do not have a comprehensive picture of their processes till date. The policies pertinent to the creation, sustenance, and management of SEs are yet to be crafted.

The structural features of the Indian economy indicate the need for the state to engage with social entrepreneurship. In India, the theoretically expected shrinking of the primary sector in the economy has happened – from 50 percent of GDP in 1950-51 to 13.8 percent in 2012-13. But the share of agriculture in national GDP and in employment reveals that a large section of the national workforce is still dependent on this sector. In the context of (i) the nature of and relative increase in share of national income and employment in the secondary and tertiary sectors, and (ii) the increasing number of young unemployed people in rural areas, especially the increasingly marginal and small operational holdings (86 percent of the total) in agriculture that often survive on family labour on and off-farm, the structural change and rural employment questions are rather intimidating. The tertiary sector seems to have done better in employment growth rates and share in the national GDP. With a large share of the GDP still coming from the massive unorganized sector (over 60 percent) and the share of the public sector and corporate sector still stagnating at around 20 percent each, the employment opportunities (if any) seem to be emerging in the unorganized and massive informal economy. India has the world's second largest labour force of 516.3 million people. The latest World Bank report states that approximately 350 million people in India currently live below the poverty line. With an estimated population of 1.2 billion people, this means that every third Indian is bereft of even basic necessities like nutrition, education and health care and many are still blighted by unemployment and illiteracy. Social entrepreneurs can help alleviate these issues by putting those less fortunate on a path towards a worthwhile life. Here, we have the field of social entrepreneurship (S-ENT) emerging as a potent tool for solving social problems in an entrepreneurial way. While there is a mounting number of social issues prevailing in Indian markets.

Table 1: Projected Population and Labour Force Increase Per Thousand Population

Estimates	2012-13	2013-14	2014-15	2015-16	2016-17
Population (in million)	1232.4	1250.1	1267.6	1285.0	1302.2
Labour Force (in million)	505.3	516.7	528.2	539.7	551.3
	(410)	(413)	(417)	(420)	(423)

Source: (i) Estimated by EPWRF

Source: (ii) Planning Commission, 2011, Table:3, pg. 11

The projected increase in labour force in the next five years is likely to be unemployed or find its way into informal and casual work force at best (**Table 1** above); today over 91 percent of the workforce is in the informal sector and will remain there. What is more alarming is that with agriculture slated to fall to less than 10 percent of the national GDP over the XII Five Year Plan (2012-17) and little scope for manufacturing growth, the additional 20 million plus youth coming into the workforce during this period might not find jobs even in the informal sector.

G. Significance of Social Entrepreneurs in Indian Society

The role of social entrepreneurs in sustainable economic development is being gradually recognized and various steps are being taken by government, NGOs, SHGs and social enterprises to promote social entrepreneurship to bring a balanced social change in the society. Emerging role of these social enterprises helps to transform the status of the society from secondary to primary and make its people self-respecting, self-leaders, self-reliant and enterprising.

The performance of a business entrepreneur is measured in profit generated and other financial terms, whereas the performance of a social entrepreneur is measured in the form of social change and good done to the society. They may or may not earn profit, may be voluntary and working for the empowerment of the weaker sections of the society.

There is a need for multidimensional approach for development of social entrepreneurship.

India and similar societies provide the best grounds for social entrepreneurship to prevail and grow to its best. The Indian society is going through an interesting time of transition. We are now looking to move away from being the food bowl of the world to becoming a technology and IT hub. This transition is causing a further increase in the gap between the rich and the poor of the country. While more and more Indians are now a part of the billionaires' club, there are now more poor and hungry people on the streets of India than ever before. Developed societies have limited scope for social entrepreneurship, as the social inequalities are minimalistic. On the other hand, social inequalities are at its maximum in underdeveloped, developing and least developed nations. The responsibility of any entrepreneur is highly and prominent in nature, but when it comes to social entrepreneurship or social entrepreneurs, they are inevitable for social upliftment. As our experience has told us again and again that social value creation, social gains and social changes can only be achieved by selfless people, who apply entrepreneurial skills along with managerial skills for societal gains and non-personal profits. With changing time and dimensions of society, the needs and requirements are also changing along with it. Social entrepreneurs have to be in tune with changing societies. India also one of the societies which are rapidly changing and revamping towards

greater shifts. These changes and developments are within reach to few and away from a lot, this difference has to be fulfilled by the social entrepreneurs and that is their greatest role. Social entrepreneurship specifically works towards improving the living conditions of the people whose life has not experienced much change.

In recent years, social entrepreneurship initiatives are becoming very important subject in the economies of many countries around the world. In India, the interest in social entrepreneurship has increased only in the last several years. The number of stakeholders involved in social entrepreneurship activities is still modest. A particularly important step in the institutional recognition of the phenomenon is a recent initiative by the Ministry of Economy, Labour and Entrepreneurship for the development of a social entrepreneurship strategy. This not only recognizes the uniqueness of this type of activity, but also attempts to establish new balance in the Indian society. India has primarily been an agrarian economy. If managed properly, Indian agriculture can not only cater to 1.25 billion people in India but also to many other countries Agricultural and rural development is only way to develop our country socio-economic development. There are various social enterprises which act as change agents for agricultural development and economic transformation. The AMUL, Ashoka foundation, Suminter Organics, Aakruti Agriculture Associates, Janani Foods, Star Agri, Farm Food Foundation are important social enterprises in India. Microfinance is one of the high growth social enterprises in Asian countries. The different social enterprises for agricultural development are given in the table below (**Table 2**). These social entrepreneurs are making significant differences in the quality of lives of people in rural and semi urban areas, mainly by transfusing innovation and exploitation of business opportunities available locally. Social entrepreneurs are supposed to provide employment as well with their unique approach. Providing employment to local people having minimum skills and qualifications is their biggest responsibility.

H. Some of the Prominent Social Entrepreneurs in India

Some well-known Indians became aware of the potential of Social Entrepreneurship quite early. Two of them were the Social Entrepreneurs, Dr. Govindappa Venkataswamy and Thulasiraj D Ravilla who established the Aravind Eye Hospital in 1976. Since then, they have treated more than 2.4 million patients, often free of charge. Many others have also contributed to the comparatively high levels of Social Entrepreneurship which have been reached in India. As Klaus Schwab, founder of the World Economic Forum and of the Schwab Foundation, pointed out in an interview with the

Table 2: Prominent Indian Social Enterprises for Agricultural Development

S.N	Social Enterprise	Activities		
1	Amul	Milk production		
2	Grameen Bank	Micro finance		
3	Ashoka Foundation	Social Incubation service		
4	Suminter Organics	Organic farming contracted out to small farmers in India		
5	Aakruti Agriculture Associates	Seed production, Provide proprietary methods for identifying, qualifying recruiting, and managing farmer entrepreneurs.		

Hindustan Times, "India has some of the most advanced and innovative social entrepreneurs. We believe and already see that many of the models developed in India, for instance rainwater harvesting for schools pioneered by Barefoot College, are exported around the world." Thus, India is a key country in developing social entrepreneurs. Several institutions help people to become involved with Social Entrepreneurship, such as UnLtd India (Google) and the National Social Entrepreneurship Forum (NSEF) (Google). Furthermore, the Schwab Foundation and its Indian counterpart, the Jubilant Bhartia Foundation (Google), give Social Entrepreneurship Awards to prominent visionary Indian social entrepreneurs.

Another important organisation that is linked to India is Ashoka, which is the global association of the world's leading social entrepreneurs. Since 1981, they have elected over 2,000 leading social entrepreneurs as Ashoka Fellows, providing them with living stipends, professional support and access to a global network of peers in more than 60 countries. India is home to Asoka's first Fellow and for the past 25 years, India has served as a testing ground for most of Asoka's international Fellowship building programs and other key initiatives. Since 2003, Asoka and the American India Foundation (AIF) have partnered to co-invest in social entrepreneurs in India. This partnership has enabled Asoka to increase the number of Fellows elected in India to 250. AIF is a leading international development organization charged with the mission of accelerating social and economic change in India. Since 2001, it has raised over 30 million US-Dollars and awarded grants to education, livelihood, and public health projects in India with an emphasis on elementary education, women's empowerment and HIV/AIDS.

In particular, the field of microfinance is a growing one. The Bhartiya Samruddhi Investments and Consulting Services (BASIX) founded by Vijay Mahajan was the first microfinance project to lend to the poor. Vikram Akula is another founder of a successful Indian microfinance project. His organisation "SKS Microfinance" offers microloans and insurance to poor women in impoverished areas of India. SKS is currently one of the largest and fastest growing microfinance organizations in the world.

One example of highly motivated young Indians wishing to promote Social Entrepreneurship is Rikin Gandhi. After working for the US space program as an aeronautical engineer he decided to help Indian farmers with his project "Digital Green". The project is sponsored by the Bill and Melinda Gates Foundation and interacts with different NGOs. It produces and distributes community-centric, locally relevant videos about best agricultural practices. In the future, "Digital Green" plans to develop a technology platform where farmers can share data and videos. These entrepreneurs are not only outstanding in the Indian context, but on a global level as well. Many of these organizations work at an impressive scale—serving millions of low-income households and transforming their quality of life. An example is Aravind Eye Care System in south India, which focuses on curing blindness among India's poor. The hospital chain serves approximately 12,000-15,000 outpatient visits and 1,500 surgeries each day. Karuna Trust and its public-private partnership model serve over 2 million low-income clients by transforming government primary health centres into hubs of low-cost, high-quality healthcare delivery. Nidan (Google) has organized close to a million informal-economy workers across India into collectives and enterprises, secured their access to markets, technology and financial services and successfully influenced government policy on their social and economic inclusion.

'Transforming India Initiative' (TII), a unique 2 year social entrepreneurship fellowship programme was launched by ALC India, a social

enterprise. TII has received support from NITI Aayog and will be offered in partnership with prestigious academic institutes, IRMA & DMI Patna. ALC India is a 12-year old social enterprise that has been incubating companies belonging to the economically marginalized. It was recently recognized by the NITI Aayog's Atal Innovation Mission as an established incubation centre and received scale-up support of INR 100 million to incubate social enterprises, including support to the TII. Since, its inception in 2005, ALC India has impacted 65,000 households in 17 States through 300 Projects. ALC India helps incubate enterprises that the communities own - typically cooperatives or producer companies and develops their technical, managerial and entrepreneurial skills, as they move up in the value chain from just being a producer to an entrepreneur.

There are an estimated two million social enterprises in India, according to a previous British Council report mapping the social enterprise ecosystem. About a third (more than 6,00,000) focus on empowering women and girls as primary beneficiaries of their social mission. Among these the most prevalent approaches focus on skill development and job creation. Many of these social enterprises, including women's clothing producers Rang Sutra and KhaDigi, operate within the handicrafts sector, the second largest segment of India's economy after agriculture. Some, like Jaipur Living (formerly Jaipur Rugs), focus on creating sustainable livelihoods for women by combining flexible working hours with connections to global export markets. Nidan has organized close to a million informal-economy workers across India into collectives and enterprises, secured their access to markets, technology and financial services and successfully influenced government policy on their social and economic inclusion.

But social enterprises span a wide range of emerging industries. Some integrate rural youth, including young women, into India's thriving business process outsourcing (BPO) industry as call-center employees. Taxi services by and for women, such as Sakha Consulting Wings, train and employ women in the male-dominated field of commercial driving, while also advancing the cause of women's safety and mobility in urban India. Through Odanadi Trust in Mysore or Sheroes Hangout in Agra, restaurants, cafés, and ice cream parlors provide women who have survived trafficking or abuse with a means of earning money and developing skills.

The prominence of employment and income generation among social enterprise strategies for women's empowerment in India reflects the unique strengths of the hybrid social enterprise model.

In Maharashtra, Zero Miles is building multi-utility drinking water centers to bring people together for community development. Aadhan builds classrooms and a host of other spaces from discarded shipping containers. Traditional Indian crafts and artistry can benefit greatly through access to online urban markets via social enterprises. Ziveli is such a social enterprise, bringing the Kauna craft-work of Manipur to the world, Divya Rawat is using mushroom cultivation as a way of curbing migration and providing livelihoods to people in Uttarakhand. This is also helping repopulate many 'ghost villages' in the state. In a country where women often have to walk miles to find and collect drinking water for their families, the Water Maker project to produce water from thin air is no less than magical. It is, in the words of one grateful recipient, "khuda ka paani." Jeroo Billmoria is an accomplished social entrepreneur and the founder of several international NGOs. Her pursuits have earned her accolades with Asoka Innovations for the Public, the Skill Foundation and the Schwab Foundation for Social Entrepreneurship. Harish Hande - Founder of SELCO, he has a reputation of installing 1,20,000 systems in Karnataka, his aim being-making renewable resources the predominant source of energy in rural India. Stressing as an observer of minute details, he later grew into an innovator and a social entrepreneur. Sushmita Ghosh deals mainly with craft and restore from rural India, contributing to the present success of Rangasutra (a for-profit venture) and retailing from FabIndia. She collects, what she calls 'priceless' products from these talented and dedicated villagers and helps them earn their living they deserve.

These are the few examples of social entrepreneurship in India, which are into different domain of working. The majority of this social entrepreneurship is focused on rural and semi urban areas. As the need for social entrepreneurship is growing, the social enterprises are growing as well. The social entrepreneurship has a wide area of coverage from cottage industry to village produced goods, farm produce, to handicrafts, etc. Social entrepreneurship is also spreading over education and health sector as well to provide cheap education and health care to people. It is also a way to uplift the way and conditions of living of people.

I. The Prevailing State of Policy Development for Social Entrepreneurship in India

S-ENT has been acknowledged as an important socially good endeavor by virtue of its potential in fostering an inclusive growth for the greater benefit to the communities. The modified and redesigned role of SEs is now attracting significant attention at the policy levels, primarily due to their assumed potential to contribute to social, economic and environmental regeneration or a combination of these. Unlike the traditional top-down approach of development, SEs represent a paradigm shift by leading a renewed bottom-up approach of development. Obviously, their beneficiaries are constituted of poor and the marginalized people, the choices of whom become the central reference points in the SEs planning and decision making. Thus, it serves as a promising response to the much

prevailing disproportions between rich and poor. The role of SEs in employment generation is globally acknowledged (Noya and Clarence, 2007; OECD, 1999). Also, there are growing numbers of studies confirming the increasing share of jobs offered by SE sector. For instance, within the European Union, the number of jobs in the S-ENT sector increased from 11 million to 14 million during 2002-2010 (CIRIEC, 2012). The jobs in SE sector present some distinguishing features such as triple bottom line orientation (Leviner et. el., 2007), local/regional development (Ireland et. el., 2001) or empowerment (ECOTEC 2001), inclusion of destitute communities (Karnani, 2007) or the development of remote rural or distressed urban areas (e.g. social co-operatives in Italy and Poland), where there is little or no propensity of wealth creation (Bornstein, 2004; OECD, 1999). SEs are being identified as representing socially innovative and sustainable model of future development for the whole world (Leadbeater, 1997; Oatley, 1999). This potential of SEs emerges not only for its jobcreating capacity but as their pivotal role in social capacity building, responding to unmet needs, creating new forms of work (Amin, 2005), promoting local development, fostering integration, defining new goods and services, consolidating local assets, improving attractiveness of an industry and locality (ECOTEC, 2001) and also fighting a range of other social issues (Alvord et. el., 2004; Dees and Elias, 1998; Peredo and McLean, 2006) as well as furthering more inclusive growth (OECD, 2013). Thus, SEs represent the most effective strategies (as compared to either private or public) for fulfilling the public goals as SEs possess strong local roots and knowledge about the social issues/missions. The Government can work as a strategic partner to SE sector in addressing the intractable social problems. SEs have acquired tremendous thrust in the policy debates of many European and non-European countries. The European experience started with many social entrepreneurial initiatives, like the

recent "Social Business Initiative" in an attempt to provide a legal identification to European SEs. This served as an important breakthrough for policy makers and other stakeholders of socially inclined businesses in the European region. S-ENT movement is catching impetus within Indian markets too. The heightened interest for policy treatment of entrepreneurship is manifested in the form of Government's involvement in shaping the policies concerning the management of Micro, Small, and Medium Enterprises (MSMEs) within India. The Government can work as a strategic partner to SE sector in addressing the intractable social problems. However, the intersection of policy and S-ENT field has to be established on some sound governing mechanisms. In this regard, there has been recent evidence from UK Government's "social impact bond". The "social impact bond" utilized by Social Finance - a UK based firm depicts how Government can serve as a strategic partner in utilizing private investment for the social issues. Further, supporting the S-ENT sector as a public policy domain would enable the Government to meet the employment needs as well as other economic and social challenges in a more efficient, effective and sustainable way. The above policy formulation endeavor will demand an inclusive participation by the Government as well as the social economic sector itself (Mendell et. el., 2009). Thus, the public spending/support for SEs emerges as a systematic cost-effective strategy as well as a policy that would enable the Government to meet the needs of deprived or marginalized sections of the society. The focal point with regard to policy development should be that the Government shall adopt a systemic approach to capacity building and scale up of SEs to contribute more effectively to sustainable growth and development of the economy.

There have been certain national policies (in the form of public-private partnerships) for fostering social innovation in India like India Inclusive Innovation Fund-IIIF run by the National Innovation Council. The National Innovation Council has gone a step ahead by establishing State Innovation Councils (e.g. Bihar Innovation Forum sponsored by Bihar Government in collaboration with World Bank). Furthermore, there are certain councils like Sectorial Innovation Councils which although not specifically focused on social innovation but they do support the innovations meant to address any important national development issue. Therefore, the discussions pertaining to driving innovation within MSME and growing social businesses are entering into the policy thrust. The policy emphasis for S-ENT is further manifested in the form of many recent policy debates. Like the recent National Policy for Skill Development and Entrepreneurship (2015). While striving for achieving the global competitiveness through national skill development mission, the proposed policy carries certain agendas to foster S-ENT also. The policy agenda includes encouraging and starting the courses on S-ENT in higher education, funding schemes under social venture fund to extend credit to S-ENT, promoting and strengthening patent regarding innovative entrepreneurial ideas etc.

Parallel to governmental intervention, the private investment ecosystem has significantly improved over the last decade, particularly in the last five years. Impact investors, social business incubators, and donor agencies are emerging as key players in the game. The government of India under Prime Minister Narendra Modi launched the Digital India program worth INR 1,13,000 crores (or approximately USD 18 billion) with an aim of transforming India into a digitally empowered society and a knowledge economy.

Some of the focus areas include providing broadband internet connectivity to over 2,00,000 villages, making mobile connections and bank accounts available for digital and financial

inclusion to 42,300 villages, and universal digital literacy. With infrastructure like this, many social enterprises like Tana Bana, who work with artisans, traders, weavers, and other creatives in rural areas, will be able to substantially increase their business prospects by reaching out to national and international buyers through online channels. This will eliminate the need for middlemen and bring obscure rural handicrafts, textiles, and arts to the fore. Deeper penetration of the internet in the Indian country-side will account for bringing almost 68% of the total population online.

In past few years, a large number of investors have devised innovative technologies and resources for funding and supporting social entrepreneurship. For example, Jeff Skoll, the co-founder of eBay created a foundation and donated 4.4 million pounds for establishing a research center dedicated for social entrepreneurship. Similarly, the social enterprise Ashoka which was founded by Bill Drayton in 1980 was founded to fund the budding social entrepreneurs. India is the pioneer of social entrepreneurship and homes eminent social entrepreneurs like Mahatma Gandhi (Father of the Nation), Dr. Verghese Kurien (Father of the Milk Revolution in India), Sanjit "Bunker" Roy (Founder of Barefoot College), Dr. G. Venkataswamy (Founder of Aravind Eye Hospital) amongst many, committed to embark change in the society through their social initiatives. The current central government is also in full support of entrepreneurs and the Start Up India scheme was launched in January 2016 by Prime Minister Narendra Modi for promoting entrepreneurship and encouraging young minds to come up with innovative ideas for finding solutions to the most daunting problems of the country. Additionally, he also launched the Stand Up India initiative in April 2016 for promoting entrepreneurship among the Scheduled Castes, Scheduled Tribes, and Women through nationalised banks. The initiative will encourage them by facilitating loans between Rs. 10 lacs to Rs. 100 lacs.

J. Challenges Faced by Social Entrepreneurship in India

Social Entrepreneurs play a big role in changing the way people live their lives. Whether it is the people they work with or the causes they espouse, social enterprises are game changers and very welcome in today's complex world. Social Entrepreneurship is now beginning to take shape in the country very firmly. There are now more social entrepreneurs in India than ever before. Youngsters are no more afraid to try this as a genuine career opportunity. While social entrepreneurship may not pay as much as other startups can potentially pay, they are actually very satisfying.

Often, the products being offered by such firms are made with love and address a latent need of the consumer. However, in-spite of all this positive energy, some are unable to scale up the enterprise and hence society doesn't get the full benefit of these powerful ideas. Social entrepreneurs obviously face many of the same challenges that traditional for-profit ones do. At the same time, they truly want to focus on their social missions and to contribute something towards improving the society. For social entrepreneurs who want to be successful in their missions, recognizing and preparing for these challenges is important. Social entrepreneurship, like any other branch of entrepreneurship also faces challenges. Social entrepreneurship is slightly and somehow fundamentally distinctive to economic entrepreneurship, so are the challenges of social entrepreneurship. In India social entrepreneurship is subjected to many challenges. These challenges are preventing the growth and spread of social entrepreneurship in India as against other regions and nations, who have made social entrepreneurship a mission. The interesting thing to note is this; all the challenges which are faced by social entrepreneurship are very different in nature. These are all concerned with mindset rather than based on some physical attribute.

Amidst all this there is something else happening too. Social Entrepreneurship is now beginning to take shape in the country very firmly. Young Indians around the country feel that they can change India and a very good number of them decide to actually try it. There are now more social entrepreneurs in India than ever before. Some of the most prominent areas of concern or challenges faced by social entrepreneurs are the following-

Human Resources: Employing quality workforce including senior managers and junior level executioners is one of the biggest challenges faced by a social entrepreneur. The underlying hardship in retaining and recruiting quality resources lies in the fact that the social entrepreneurs are rarely able to pay market rates or give stock options to these key hires. Young talented individuals mostly get attractive pay packages from corporates and very few decide to take a pay cut to join a social enterprise. Large multi-lateral organizations and social enterprises such as the Gates Foundation compensate employees competitively and are organized in an MNC like manner but such organizations are very few. The other common alternative is to look out for the many avenues to get passionate volunteers to carry out the operations and while this has incalculable benefits, relying majorly on volunteers who are not accountable to the organization may lead to dilution of the overall dedication and talent of the workforce.

Measuring Impact: The evaluation of impact is neither immediate nor objective. How does one differentiate between the improvement in the reading score of an underprivileged student who is provided quality education by a social enterprise versus the sparkle in the eyes of another young child, with similar circumstances, as she reads her first sentence.

Are the reduced cases of a certain disease in an area due to a nearby NGO providing medical care, effect of vaccines by local hospitals, or just better cleanliness or health conditions? It is hard to determine whether a social entrepreneur is creating enough social value to justify the resources utilized to create that value with the external circumstances that play a deciding role. There are some other esoteric measures to gauge performance of social ventures, such as counting the number of lives touched, number of trees saved, or percent of emissions reduced (Heidi neck, 2009); also terms to measure impact such as double bottom line, triple bottom line, blended value, Total wealth (Social and Economic wealth combined), and social return on investment have gained popularity over the recent years.

Funding: For the ventures which don't have a selfsustaining revenue stream, funding and investments continue to be one of the biggest challenges. Even after crossing the early hurdle of getting the initial investment or grant funding for the idea, procuring growth capital can be a constraint in accomplishing success. But it is not because there is a lack of funding, rather there is a lack of proper distribution of this funding. While big NGOs have huge pockets, smaller NGOs find it difficult to fund even small projects. So how does one fight the battle of NGO funding? You may have enough funds from donations for a while, however you can never really be sure how much will you have in the future and hence cannot plan anything for the future. So it is always important to keep the funding in mind before starting out because only if you have funds can you do something worthwhile. Lack of funds is the major worry for most NGOs. Social entrepreneurs are mostly financed by foundations, philanthropists, or governments whose typical aids are modest in size and relatively short term.

Lack of Skilled Manpower: The challenge is to have volunteers who are really talented in what they are expected to do. For example, you want to go and teach computers in an orphanage. However,

there is no use of your 100 volunteers if they themselves are not fluent with computers. Talented manpower is a major concern from most small NGOs.

Resistance and Delay in bringing about Change:

Social Entrepreneurs sometimes need to change people's thinking and behaviors to make a social impact. Since changing how people behave in the society is very challenging, the benefits take considerable time to materialize. In addition, people do not readily believe in new things until they have had a long experience of them.

Lack of a Plan: NGOs in India need to gear up and work toward the common goal that we all have of the 'India of our dreams'. While there are some brilliant ventures out there, changing India in a small way every day, there are still a lot of places in the country that can do with a social entrepreneur courageous and brave enough to go out there and try and change the world. Social enterprises need to have well thought business plans which help plan their fund flow and organization design.

Implementation Hurdles: Many noble ideas for social impact sound promising in the beginning and get off to a good start but get watered down during implementation. There could be several reasons for implementation failure such as inability to grow and maintain the quality, inability to afford experienced people, waning motivation, external hurdles such as political upheaval or stock market plunge or a natural disaster, insufficient financial and human resources, and apathy and opposition from various sources.

Misalignment of Goals: For social entrepreneurs the social mission is explicit and central. This obviously affects how social entrepreneurs perceive and assess opportunities. Mission-related impact becomes the central criterion, not wealth creation (Dees, 1998). However, it could be different in the case of certain for-profit social

ventures which are funded by external donors or Impact Investment organizations who seek financial goals plus social impact.

Lack of Market Discipline: Discipline of the market applies less to the social entrepreneurs. Several incompetent and unsuccessful social entrepreneurs can continue way longer than their commercial counterparts as results take time to show. Excessive focus on the social mission may sometime derail the social entrepreneur from the key success generating pillars of any institution such as accountability, high performance and the punitive discipline that is expected from any commercial venture. Some argue that for social entrepreneurs there is a greater appetite among the capital providers for a margin of error and a greater forgiveness factor since performance is difficult to measure.

Other External Factors:

Government and Laws: The Laws and attitudes of the government should be favorable for social entrepreneurship. For Instance, in France, private social service associations were banned until 1901. Often the permits, licenses and other support required to run a social enterprise are not granted readily by governments which have the task to balance conflicting interests of millions of citizens including the powerful elite, while under the scrutiny and pressure to deliver short term results. A social venture which runs counter to the interests of well-organized and powerful individuals and institutions may not be given the support to thrive or may have to face bureaucratic hurdles to kill the idea in infancy.

Mistrust: Social Entrepreneurs are often questioned of their intentions, misunderstood by their families and friends, largely ignored by the media, the business sector and the government, and mistrusted on the intention behind taking the untrodden path to provide social good rather than a conventional career.

Scalability: Scalability is another big issue with social ventures. Here, we are talking about both the scale of impact and organizational scale. Many social ventures fail to consider how to effect change beyond their immediate need. The demand for social entrepreneurial programs and services usually far exceeds the capacity. Initial success in some bits and parts may generate requests to replicate and scale the system in some form. The challenge to scale up may affect how successful a social enterprise is perceived.

Social Enterprises play a key role in our country. They help alleviate poverty, bring about hope and provide people access to a brighter future. By learning from MNCs who have grown global empires on the bedrock of a few strong business decisions, our good samaritans can avoid common pitfalls.

The need to focus on People, Process and Technology is becoming a critical part of any growing business. The same is true for social enterprises as well. In today's world such enterprises don't need to hire long term resources. They can easily tap into a large base of experts who are willing to put their skills and expertise on specific projects especially for a good cause.

K. Measures to Face Challenges Effectively

There is no doubt that social entrepreneurship is subject to many challenges and these challenges are growing with time and dynamics of society. Social entrepreneurs have to take care and keep note of tiny details to face the prevailing (above mentioned) challenges. There are few steps/measures which can be practiced to face the prevailing challenges of social entrepreneurship in India:

1. Proper Training and Development Institutions

- Government must open some specialized councils and institutions for systematic development of social entrepreneurship. Some of

the institutions are working in the area of economic entrepreneurship; some must be opened for social entrepreneurship as well.

- 2. Inclusion of Social Entrepreneurship in Course Syllabus One of the most effective ways of disseminating awareness towards social entrepreneurship is to include a paper/subject on the same at higher education level.
- 3. Creation of Mass Awareness Steps should be taken to make the masses aware towards the social entrepreneurship, so that people do not get confused between social entrepreneurship and social work. Media, social media, other vehicles can be deployed for the same.

4. Providing Infrastructure and Basic Facilities

- Government and other stakeholders must work on the basic facilities to the social entrepreneurship. These facilities can attract people towards becoming social entrepreneurs.
- 5. Social Entrepreneurship Development Programmes Like entrepreneurship development programmes, social entrepreneurship programmes must be organized from time to time to help social entrepreneurship.
- **6. Funding to Social Entrepreneurship -** If the funding issue of social entrepreneurship is resolved, much of the challenges faced by social entrepreneurship can be managed.
- 7. Government Projects should be given to Social Entrepreneurs Governments of several states time to time plan different programmes for rural and semi urban areas. If the priority of such programme allocation is given to social entrepreneurs, they will flourish in no time. Social entrepreneurship rather than the government can understand social issues better.

8. Awards and Public Felicitation - From time to time social entrepreneurs must be publically awarded for their contributions as a social entrepreneur.

L. Conclusion and Findings of the Study

In conclusion social enterprises play a key role for the development of our country. They help alleviate poverty, bring about hope, and provide people access to a brighter future However, like all organizations, social enterprises face challenges while scaling up. Most of them are related to funding, people, process, and technology. In order to grow, the founders need to acknowledge the issues and work towards addressing the same. Moreover, such enterprises don't need to hire long-term resources to solve specific problems. They can easily tap into a large base of experts who are willing to share their skills and knowledge for a good cause. But at the end of the day, it all depends on the founders and their vision. If the vision is strong enough and the founders are resourceful, the enterprise will succeed and thrive.

In India especially, social entrepreneurship has better prospects as the many social problems are prevalent here. Social entrepreneurship is a unique combination of entrepreneurial traits and philanthropy. In social entrepreneurship products and services are designed to make maximum social impact along with making considerable profits for the firm. Here the working area of firm is typically the areas/regions which are generally ignored by big firm or economic entrepreneurs. In a way the product and service offerings of social entrepreneurship is quite unique and caters to the societal requirement better then economic requirements. If the government and other stake holders can address the challenges of social entrepreneurship effectively, then social entrepreneurship can change the very face of society in India. In summary, this paper has concluded citing a few examples that social entrepreneurship is important for economic

development policies and can play a vital role for societal and economic progress. The chief contribution of the paper is social entrepreneurs if acknowledged effectively would be able to transform Indian society by creating jobs for the masses and thus would be able to justify 'transforming economy and job creation'. The Sun is rising for India's Do-Gooders with its diverse and complex socio-cultural structure, economic inequality between urban and rural area, and low Human Development index. India definitely demands skillful navigation of its unique challenges. But in challenges lie opportunities. Focused government policies, quickly rising investor interest, and raw entrepreneurial energy are in place. As the Governments in both developed and developing countries are now increasingly concerned about the role of S-ENT in addressing social problems and achieving other sustainable development goals, there is great need for the development of constructive policy framework. The present paper thus is a modest attempt to enter into this nascent, yet challenging field of policy development within India. The paper is expected to stimulate discussions on the need and implications of reviewing existing or emerging plans for S-ENT promotion and regulation within the country. Since the GOI is at nascent stage of policy development for S-ENT, the prevailing landscape is filled with abundant challenges. Thus the present paper is written with the aim to initiate further policy dialogues and thus support the endeavor of a constructive S-ENT policy-making in India.

Social Enterprises (SEs) may not solve all the development problems in India. But given the right ecosystem and support from the state, SEs can transform the economic, social and ecological systems for millions of Indians, excluded from mainstream public and private sector growth, livelihoods and income opportunities. This paper argues that this transformative potential of the SEs

not only needs the support of the state, but also ways to mobilize the support. The latter demands appropriate articulation and advocacy efforts by the social entrepreneurs themselves.

Indian social entrepreneurs have come up with innovative ideas which have impacted the lives of thousands of people in terms of their sustainability and scalability. They may be profit making in order to support the social mission they lead but it is only a mean and not an end in itself.

However, when compared to the magnitude of the social challenges facing the country, their efforts fall short; their impact is often limited to select geographies. Social enterprise sector may gain its due recognition by 2020 and may fall in mainstream. It is spreading rapidly and catching attention of market, society and government. It will no longer be marginalized and would shape future market and create new boundaries to help build a new nation. Further research in social entrepreneurship can be undertaken to explain and precisely define the value of social effects that social entrepreneurship added to the entire society and it can also be one of research to demonstrate how commercial enterprise and established business models can be integrated with social value creation. The study has been tested on secondary data basis and it is found that social entrepreneurship is contributing in the upliftment of society in India, in spite of facing challenges.

Today's tight-rope walk where many promising social innovations and enterprises fall by the wayside and are not given the space for experimentation, learning and evolution, can become a potential runway for social entrepreneurship to take-off to achieve wider and deeper economic and social impacts. Needed are the policy and institutional changes within the state and within a range of related actors in the private and civic space. Perhaps a tall order; but attainable.

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SDG 8: Decent Work & Economic Growth

Dr. Vibhuti Patel

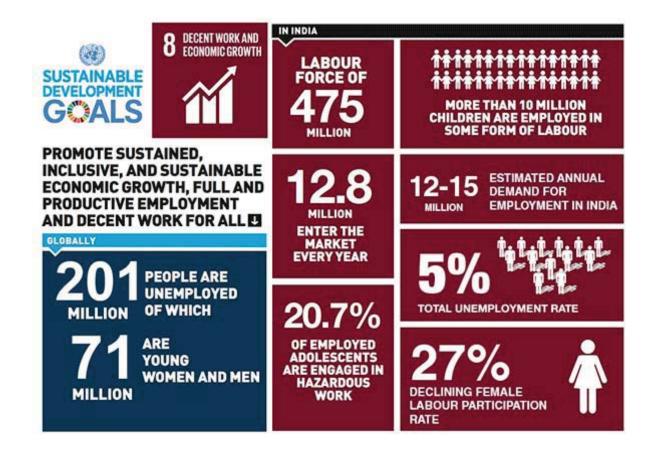
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Introduction

The SDG 8 in the Indian Context articulated by Niti Ayog proclaims sustained economic growth, higher levels of productivity and technological innovation. Encouraging entrepreneurship and job creation are key to this, as are effective measures to eradicate forced labour, slavery and human trafficking. With these targets in mind, the goal is to achieve full and productive employment, and

decent work, for all women and men by 2030. The GoI has started Skill India Mission, Stand up India Mission, Start-up India Mission and Mudra Loan schemes for generation of self-employment over last 5 years. But in reality work participation as well as quality of work for Indian women have declined drastically.

The United Nations in India has provided the status report for India in terms of SDG 8.²



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Figure 1: Women's Share in Total Employment Across the Asia Region (Selected Countries), 2003 and 2015, Percentages, ILO Estimations

Source: ILO STAT database

As Figure 1 shows, there is been highest decline in work participation of India women.

SDG 8 has declared the 12 Targets for India³:

- 1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries.
- 2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
- 3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- 4. Improve progressively, through 2030, global resource efficiency in consumption and

production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

- 5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 6. By 2020, substantially reduce the proportion of youth not in employment, education or training.
- 7. Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.
- 8. Protect labour rights and promote safe and secure working environments for all workers,

including migrant workers, in particular women migrants, and those in precarious employment.

- 9. By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.
- 10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for a11.
- 11. Increase aid for trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.
- 12. By 2020, develop and operationalise a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

Situational Analysis:

As per Arjun Sengupta Committee Report almost 400 million people - more than 85% of the working population in India - work in the unorganised sector. Of these, at least 120 million are women. This report is a stark reminder of the huge size and poor conditions in this sector. So far as service sector is concerned, official jubilation focuses on Indian women in the workforce experiencing the third state of U shape curve phenomenon which needs serious examination due to increase in work participation of women in the service sector mainly educated women in IT and less educated women in domestic work. Women in these expanding sectors are paid for at extraordinarily low rates. "Women are also over-represented among the more vulnerable categories of informal casual work."4 NSS 68th Round Survey reveals significant reduction in work participation of women. Working

Group of the National Advisory Council (NAC) on Unorganised Workers' Social Security Act stated that unorganised sector workers, a large chunk of which is women, constitute 93 per cent of the workforce. The sector contributes to an estimated 60 per cent of GDP, 55 per cent of national savings and 47 per cent of all exports.⁵

Globalisation (G) has accentuated inequality and poverty⁶ and has had massive influence on the urban, rural and dalit /tribal poor women as paid, underpaid and unpaid workers of the economy. As homemakers the poor women have shouldered disproportionate (triple) burden of G due to commercialisation of day-to-day survival needs such as drinking water, degradation of environment and health services8 and cash controlled and privatised education by corporate driven G⁹. Expensive transport, erosion of public distribution system that provided grains, fuel, cloth material, soap, etc., have reduced chances of schooling, nutritious diet and healthy growth of poor people's children. Laissez-faire in the labour market has threatened the employment opportunities of the adult men workers and married women. During the last one decade, there has been drastic increase in child labour.

The Impact of Globalisation on Men and Women Workers in India

Workers of the third world are seen as the most flexible of the world's labour force. The lower supply price of these workers provides a material basis for the induction of poor working-class urban labour into export industries such as electronics, garments, sports goods, toys and agro-industries.¹⁰ In the export-oriented industries, the production of leather goods, toys, food-products, garments, diamond and jewellery, piece-rate female labour is employed, working from sweatshops or from home. 11 Outsourcing is name of the game. The relationship between the formal sector and the

decentralised sector is a dependent relationship where the formal sector has control over capital and markets and the 'informal' sector works as an ancillary. In India, 96% of the urban and rural poor work in the decentralised sector which has a high degree of labour redundancy and obsolescence. These workers have less control over their work and no chance for upward mobility because of temporary, routine and monotonous work.¹²

Women constitute only 14% of the total employment in the organized sector. It is concentrated in Maharashtra, Delhi, West Bengal, Uttar Pradesh and Tamilnadu. In the urban areas, Female Economic Activity Rate (FEAR) in tertiary sector has increased, from 37.6 % in 1983 to 52.9 % in 1999. (Economic Survey, 2002, GOI).

In these sectors, workers and employees get relatively better wages; there is gross violation of labour standards. Much applauded recommendations of the IInd Labour Commission, 2002 grant increased freedom to the employers to hire and fire workers at their whims and fancies. Moreover, there are massive cuts on the social security measures.

Perpetuation of Wage Differential (WD) by economic G is such that for identical tasks done by both men and women, women are paid less. And women are also confined to relatively inferior tasks and casual work. The Trans National Corporations (TNCs) and Multinational Corporations (MNCs) are cashing on patriarchal attitude and myths about women's low productivity. Effects of WD have been subordination of women, preference for son, man being treated as a "bread winner" and a Head of the Household (HoH). Affirmative Action to remove these prejudices is the need of the hour. Both, the state and the social action groups need to join hands to provide gender justice in the labour market. Labour, factor and product markets also differentiate on the basis of race, religion, caste and ethnicity.

Women in Informal Sector

In sizeable section of the informal sector, goods and services are produced frequently by means of contracting and subcontracting, which are paid for on piece-rate rather than time-rate basis. Much of the economic activity in the informal sector is founded on capital from the formal sector and given the low cost of labour and being taxed minimally or not at all, returns to where it came from with tidy profit. Primitive accumulation in its classical form included plunder, slavery and colonialism, while primitive accumulation in the contemporary period includes sweat-shops, labour concentration camps and criminalisation of the working class. In 1998, the world economy had 1.2 billion poor, i.e. population with an income of less than 1 dollar per capita per day.

Gender division of labour results in women and children working in household units as it allows "Flexible work" as per the ILO study of 74 small and micro enterprises in 10 industrial clusters - engineering, ceramics, brass, carpets, bone ad hoof, metal, block-printing, handloom - of North Indian states.¹³

As a result of Structural Adjustment Programme, sacked/retrenched formal sector workers and employees are forced to work in the informal sector. Victims of Voluntary Retirement Scheme have downward economic mobility. Rationalisation, mechanisation and automation have had labour reducing implications. Massive urban unemployment and rural underemployment and disguised unemployment have resulted into social tensions in terms of ethnic and religious chauvinism in several Asian countries. Women pay the heaviest price in cases of communal and ethnic conflicts. Incidents of economic crimes have risen drastically.

Labour Standards as set by the ILO under "Decent Work" have been violated resulting into erosion of workers' rights and collective bargaining process due to informalisation, casualisation and

¹²Patel, Vibhuti Women's Challenges of the New Millennium, Gyan Publications, Delhi, 2002.

¹³ILO Report, The Other India at Work, International Labour Organisation, Delhi, 2005.

marginalsation of the working class as a result of economic liberalisation policies adopted by the nation states in the region. Trade union workers from all Asian countries expressed their anxiety about countries competing with each other to cut costs by compromising labour standards. In the name of labour flexibility, exploitation of the workers is enhanced and feminisation of poverty has taken place. The social action groups must demand uniform labour standards for all countries that are part of World Trade Organisation so that the nation-states stop competing for cutting costs by violating workers' rights.

Co-existence of high wage islands in the sea of pauperised working class has enhanced human misery and social conflict in the context of massive reduction in the welfare budgets of the nation states in South Asia and South East Asia. With rising ethnic and communal tension jeopardising economic activities, visible and invisible activities of underground extra-legal economy is displaying a tendency to expand.

Introduction of contract system in public sector has institutionalised neo-liberal dual economy model. Immigrant workers face job discrimination in preentry phase and wage discrimination in post entry phase. They remain the first to be fired and the last to be hired. They are the major victims of casualisation of the labour force. Dualistic Models in urban India promote differentiation based on language, caste, religion, ethnic background and exclusion from informal network for upward economic mobility. Majority of the toiling poor rot in the external sector in which real wages change at disparate rates. Institutions like extended family, caste and village nexus play an important role in providing safety nets to migrant workers.

Girl Child Labour and Globalisation

Nearly 10% of girls were never enrolled in schools due to paid and unpaid work they had to do in homes, fields, factories, plantations and in the

informal sector.¹⁴ Sexual abuse at the work place is a hidden burden that a girl worker endures. The child labour policies, however, do not spell out anything specific to girl child workers. There is no implementation of prohibition of girls working in hazardous occupations as per Child Labour (Prohibition and Regulation) Act, 1986. About 6% of the males and females in rural areas and about 3% males and 2% females in age group 5-14 in urban areas were found to be working during 1993-94.¹⁵

Almost 400 million people - more than 85% of the working population in India - work in the unorganised sector. Of these, at least 120 million are women. The Arjun Sengupta Committee report, 2006 is a stark reminder of the huge size and poor conditions in this sector. A subsequent Draft Bill to provide security to workers, which bypasses regulatory measures and budgetary provisions, has generated intense debate. The Committee's report estimated that there are over 340 million (approximately 34 to 37 crore) workers in the unorganised sector in India, and that they contribute around 60% to the national economic output of the country. Around 28 crore work in the rural sector, of which an estimated 22 crores are in the agricultural sector. Around 6 crores are in urban areas. Women make up 11-12 crores, of which around 8 crores are engaged in agriculture.

In terms of overall employment, the Committee's report estimates that over 92% of the country's working population is engaged in the unorganised sector, and that the majority of women workers also work in this sector. Yet, in spite of their vast numbers, and their substantial contribution to the national economy, they are amongst the poorest sections of our population. It is therefore imperative that urgent steps are taken to improve their condition - this is the Constitutional obligation of those who govern the country.

By and large, there are three types of issues of unorganised sector workers that need to be addressed. One is the regulation of their working conditions, the second is provisioning for conditions in which they are unable to continue to work, such as old age and disability, and the third is measures to help them overcome situations of insecurity, such as major illnesses and the liability of losing employment or being laid off at the will of the employer, for which they have no legal remedy.

Unorganised sector work is characterised by low wages that are often insufficient to meet minimum living standards including nutrition, long working hours, hazardous working conditions, and lack of basic services such as first aid, drinking water and sanitation at the worksite. Even a cursory glance will identify several such occupations, including agricultural labour, construction workers on building sites, brick-kiln workers, workers in various service industries ranging from transport and courier services to the hospitality industry.

A large 'invisible' section of workers is employed in what is called 'home-based work' where, typically, workers use their own premises to do piece-rate work. This not only includes traditional crafts, handloom weaving, beedi rolling, etc., but also more modern industry such as electronics. Both formal and informal surveys reveal that on an average, unorganised sector workers do not earn more than Rs 30-50 per day. Some may appear to earn more but the work is often seasonal and the total earnings amount to roughly the same. In order to earn more, workers work longer and harder. This is particularly the case for self-employed persons such as vendors, ragpickers, and petty traders, who make their services available from the early hours of the morning to late at night, in all types of inhospitable working conditions.

Parents often take the help of children to supplement their own earnings, and this is a major reason for the widespread prevalence of child labor in the unorganised sector. Women are given low and unequal wages. Sexual harassment is common but unreported due to fear of loss of employment.

There is no question of paid leave and maternity benefits. The use of cheap labour in the unorganised sector is the major source of profit for employers and contractors who exploit the workers' lack of collective bargaining power and state regulation.

Living in abject poverty, most workers in the unorganised sector barely manage a subsistence existence. There is no question of saving, particularly for times when they are unable to work. Hazardous work conditions often cause accidents, loss of limbs, etc. Such disability is disastrous because there are no other sources of income for these households. More importantly, there is no provision of old age security such as a The lack of savings and support systems also means that there is no fall-back in other emergencies, especially major illnesses or the death of an earning member in the family. The rising costs of private healthcare and the systematic dismantling of the public health system in these times of liberalisation are a major reason for the huge indebtedness of households in the unorganised sector. Hence, women's work in unpaid care economy has multiplied.

Neo-liberal Economic Policies and Predicament of Women at the Margin of Indian Economy

Paradigm shift in economic policy from regulation model to liberalisation, privatization and globalisation model as a result of the New Economic Policy 1991 accentuated Dual Economy model where 8% of the workers are in the formal sector while 92% are in the informal sector. Workers of the developing countries are seen as the most flexible of the world's labour force. The lower supply price of these workers provides a material basis for the induction of poor working-class urban labour into export industries such as electronics, garments, sports goods, toys and agro-industries. In the export-oriented industries, the production of leather

goods, toys, food-products, garments, diamond and jewellery, piece-rate female labour is employed, working from sweatshops or from home. Outsourcing is the name of the game. The relationship between the formal sector and the decentralised sector is a dependent relationship where the formal sector has control over capital and markets and the 'informal' sector works as an ancillary. In India, 92% of the urban and rural poor work in the decentralised sector, this has a high degree of labour redundancy and obsolescence. These workers have less control over their work and no chance for upward mobility because of temporary, routine and monotonous work. Only 7% of the total workforce in India is in the organised sector.

Key Findings of ILO Report

- In Asia and the Pacific, men perform the lowest share of unpaid care work of all regions (1 hour and 4 minutes), with 28 minutes in Pakistan (or 8.0 percent of men's total working time) and only 31 minutes in India (7.9 percent).
- Mothers of children aged under 6 years suffer the highest "employment penalty" with only 47.6 percent of them in employment;
- Unpaid carers also face a "job quality penalty":
 Living with a child under 6 implies a loss of close to one hour of paid work per week for women and an increase in paid working time of 18 minutes per week for men;
- Women with care responsibilities are more likely to be self-employed, to work in the informal economy and less likely to contribute to social security;
- Attitudes towards the gender division of paid and unpaid care work are changing but the 'male breadwinner' family model remains very much engrained within societies, along with

- women's caring role in the family continuing to be central:
- In 2016, only 42 percent of countries out of 184 with available data met the minimum standards set out in the ILO Maternity Protection Convention No. 183;
- In the same year, 39 percent of countries out of 184 with available data did not have any statutory leave provision for fathers (neither paid nor unpaid);
- Globally, gross enrolment rates in early childhood services for children under 3 was only 18.3 percent in 2015 and barely reached 57 percent for children aged 3 to 6;
- Long-term care services are close to nonexistent in most African, Latin American and Asian countries. The effective coverage of persons with severe disabilities receiving benefits was only 9 percent in Asia and the Pacific.

"Women spend 4.1 times more time in Asia and the Pacific in unpaid care work than men. According to the ILO report on care work and care jobs for the future of decent work, investment in the care economy needs to be doubled to avert a looming global care crisis." ILO Report released on 27-6-2018.

Labour Organisations

All India trade unions have been majorly affected by the informalisation of the workforce. They have started thinking about informal sector workers. At the shop floor level new leadership has emerged but they do not show interest in joining party-controlled national level unions. Violence during Maruti strike in Manesar in 2012 has made the trade union leaders to focus on precarious condition of casual workers and need for social security and social protection for the informal sector workers.

Employers' Organisations

Globalization, aided by significant changes in transportation and technology, has meant wider and even deeper production networks and markets. These have aided changes in the "geography of production", new globalisation triangles have emerged throughout Asia where financial hubs reign supreme while suppliers of cheap labour and raw material are impoverished. Competition has redefined product market context and necessitated reorganization of labour market transactions and regulations. Given the interface between product market and labour market, the employers supported by global financial institutions and some academics have managed liberalization of industrial relations systems and labour market such as decentralization of collective bargaining, liberalization of inspection system, freedom to lay off and retrench workers and close down industrial undertakings (without prior permission), free employing of contract labour, dormitory labour system, putting out system, anciliarisation and subcontracting. Feminisation of labour in SEZ, FTZ and EPZ is promoted by the state governments. Tamil Nadu's Sumangali scheme, Tirupur model of production for global market has used dormitory labour system in which young unmarried women are made to sign contract for 3 years to work at SEZ at less than minimum wages and stay at the dormitories provided by the employer. Government of Haryana promoted similar scheme named 'Sabala' where adolescent girls are inducted into manufacturing sector as cheap and easily controllable labour. To meet the production targets employers intensify production violating labour standards and occupational health and safety measures.

Social Sector Organisations

Women's organisations such as Stree Mukti Sangathana, (Mumbai), Self Employed Women's Organisation (SEWA), Annapurna (Maharashtra)

and All India Democratic Women's Organisation are emphasizing that social protection for informal sector women workers is a need of an hour. All India Pension Parishad has demanded a provision of old age security such as a pension and has organized several public hearings in different parts of India to build public opinion in favour of old age pension for informal sector workers jointly shared by state and central government. Health insurance is demanded by People's Health Assembly, Medico Friends Circle, CEHAT (Mumbai), SATHI (Pune); as the lack of savings and support systems for informal sector workers also mean that there is no fall-back in other emergencies, especially major illnesses or the death of an earning member in the family. The rising costs of private healthcare and the systematic dismantling of the public health system in these times of liberalisation are a major reason for the huge indebtedness of households in the unorganised sector. There is a pressing need to provide insurance, especially health insurance cover to the workers.

Nirman, an organization of new migrants in the cities has demanded new approach towards recruitment, where on the job training for skill upgradation is provided to them in a conducive manner for human resource development. Domestic work and waste management are the only areas where deskilling and cabbagification of the workforce is the highest because the domestic worker loses her verbal skills, traditional skills of their occupation and at the same time, does not gain any new skills for upward mobility. These activities don't require any investment for human resource development. Moreover, due to its lowest opportunity cost in the economy, the labour concentration camp approach is used by employers to control the workers. It is the most feudal sector of the economy that needs wage-labour-contract relations aided by development inputs of education, skill development, assertiveness training, protective legislations and the government

initiative.¹⁷ Women's rights organisations have also demanded effective implementation of Protection of Women from Sexual Harassment at Workplace Act, 2013.

The National Renewal Fund must be extended to cover the unorganized sector and a substantial part should go into the retraining of workers. Human rights organisations have demanded that crèches must be provided for children of all workers and not

merely women workers irrespective of the number of employees. There could be a common fund for each industry. Labour economists have highlighted time and again that implementation of the Unorganised Sector Social Security Act (2008) is the most crucial step for ensuring basic human rights of informal sector workers and for humanizing employment relations for women workers.

Call for Research Papers!

The **Regional Centre for Urban & Environmental Studies** is pleased to invite contributions for **Urban World** in the form of articles and research papers from researchers, authors, publishers, academicians, administrative and executive officers, readers and well-wishers on any one the following topics:

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Articles could be between 2000 to 4000 words. They may contain compatible tables, charts, graphs, etc. We reserve the right to edit for sense, style and space.

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²⁷

Migration to the Cities - the Urban Pull

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Modern life is a centrifuge; it throws people in every direction.

— Paul Murray,

Open any book or listen to any lecture on urbanization, the narrative begins with the migration from the villages to cities as the chief causative factor of increase in urban population. The meaning of the word to migrate is well-knownto move from one place to another to live or work in another place-town, city or country. It is a universal term in its applicability. Migration has always taken place and keeps on taking place. However, the genesis of urbanization as a result of migration from villages to cities lies in the first Industrial Revolution of 18th century England followed by the second Industrial Revolution of the 19th century. The Industrial Revolution gave rise to setting up of factories, financial services for capital and banking and a mercantile economy. The industrial towns of England and cities as financial and mercantile hubs brought substantial population from the countryside to these towns/cities, marking the beginning of urban pull. The phenomenon has not looked back since then and spread to all the continents as the nations gained freedom and embarked on the path of development. Urban pull takes place primarily on account of job and other employment, self- employment, trade and business opportunities generated in the cities, pulling the population from the countryside to cities like a magnet.

Sir Ebenezer Howard a leading town planner of the 19th century described this magnetic pull and push in his book, 'A Peaceful Path to Real Reform'

published in 1898. His theory is that the cities represent first magnet pulling the rural populace towards them on account of employment opportunities galore and villages represent a magnet that pushes (repulses) the populace in search of opportunities, high wages, amusement, etc. As the cities grow and become congested, polluted, and costly, with lack of housing, the magnet also works in reverse by making some people looking for congenial environment to move out of cities. His second magnet is that of rural areas having the attraction of natural beauty, low rent, etc. but this magnet also pushes out the occupants because of lack of jobs and opportunities. As against the push and pull of these two magnets he propounded his theory of the third magnet in the form of a Garden City, which would keep the attractions of all the good points like fresh air, congenial atmosphere and employment, where people will be engaged in animal husbandry, horticulture, vegetable growing, brick making, etc. Thus, he advocated setting up of Garden Cities along side of main cities. This theory looked attractive then and two such Garden Cities of Wellwyn and Letchworth were set up. Urbanization, working of economy of the countries is far more complex. Although his theory was not followed further, the description of rural push and urban pull given by him in the form of magnet and counter magnet became part of the urban lexicon.

The magnet and counter magnet are now brought into play by the planners and the governments to

decongest a city or to accommodate the ever increasing population and activities by setting up a new satellite town. In 1966, the Government of Maharashtra announced a policy to de-congest Mumbai and to disperse certain industries from the city, and set up the satellite town of New Mumbai. Such a strategy has been replicated in many states. The city of Delhi has a set of satellite towns on the same lines over many decades.

Census of India

Analysis of Census data from various perspectives and angles has been happening for many years. Data of Census of 2011 relating to migration (in large tabular forms) released during July, 2019 has been well reported by the Press by presenting various trends through texts, tables and graphically. The following are a few prominent facts and trends of migration in India, as revealed in Census 2011. As per the Census figures, 38% of India's population (45.6 crore) were migrants having moved residence intra-district, inter-district or inter-State.

Reasons for Migration (2001-2011)

Reason	Percentage	In Figures	
Employment	27.38%	60,07,373	(Male-88%) Female-12%)
Marriage	23.69%	51,99,112	(Male- 3% Female-97%)
Business	1.34%	2,94,155	
Education	2.48%	5,44,041	
Moved after birth	4.28%	9,40,157	
Moved with household	29.54%	64,81,682	
Others	11.28%	24,75,387	

Net Migration Outside the State (2001-2011)

State	(Figures in Lakhs)
Uttar Pradesh	34.34
Bihar	27.26
Rajasthan	3.7
West Benga	12.9
Odisha	2.8
Madhya Pradesh	2.7
(Undivided) Andhra Pradesh	2.2
Kerala	1.9
Assam	1.5

Top Migrant Destination Cities (2001-2011)

City	Migrants (Figures in Lakhs)
Delhi	22.5
Greater Mumbai	17.52
Surat	8.95
Bengaluru	8.43
Pune	4.43
Kolkata	3.71
Gurgaon	3.19
Ahmedabad	2.86
Ghaziabad	2.79
Chandigarh	2.2

[Courtesy: Indian Express, Mumbai 28 July, 2019. (Also referred to - The Hindu, Bengaluru, 28 July 2019 and Hindustan Times, Delhi, 30 July, 2019)].



Slowdown in Automobile Sector just the Tip of the Iceberg?

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India is witnessing a steep decline in its consumer demand run economic growth. The RBI Annual Report 2018-19 released on 29 August, 2019 also bears testimony to this fact. The report says that from the second half of the financial year 2018-19 and right up to the time of writing this report, the mainstay of aggregate demand in India has weakened more than initially anticipated (RBI Annual Report 2018-19). The report comes at the right time when repercussions of this weakening demand are visible across various sectors. This paper tries to capture an essence of this declining aggregate demand through a review of various macroeconomic figures, analyzing the effect of this slow down on automobile manufacturing especially where there are unprecedented job losses. The paper encapsulates these job losses in auto sector and other manufacturing sectors as well. Furthermore, this paper then describes the attempts of government to revive the economy and the lagging demand before ending with conclusions and the way forward.

Decline of production in automobile sector has created wide ranging concern in the Indian Economy. As per recent data released by the Society of Indian Automobile Manufacturers (SIAM), the industry witnessed a de-growth of (-) 10.65 percent in vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycles during April-July 2019 against the same period in 2018. The industry

produced a total 9,724,373 vehicles in April-July 2019 compared to 10,883,730 in the same period last year ("SIAM, 2019" n.d.). The crisis in the auto sector poses a major cause of worry as the sector accounts for almost 8% of India's manufacturing output and the sector's growth has constantly been connoted as a proxy to measure GDP growth.

These figures also imply that India's Gross Domestic Product (GDP) growth rate, which shrank to 5.8% in the last quarter of 2018-19 ("SIAM, 2019" n.d.; Desk 2019), may slide even further. Our apprehension came out to be true when the GDP statistics were published by Government of India on 30th August 2019 for the first quarter of FY 2019-20. GDP growth rate was posted as 4.9% and growth rate for manufacturing sector came out to be only 0.6%. (PIB, 2019)

Review of Major Macroeconomic Indices

Index of Industrial Production (IIP)

The IIP is an index which shows the rate of growth in different industry groups of the economy in a specified time period. This Index is computed and published on a monthly basis by the Central Statistical Organisation (CSO). As per revision based on 2011-12 series, the three sectors considered for computing IIP are Mining, Manufacturing and Electricity. Manufacturing sector holds the highest weight of 77.633% for computation of IIP. A steady decline in IIP along

with the decline in auto sector's production and sales is a clear indication of consumer demand erosion dragging the overall production in the economy down. IIP indices show that there has been a decline of almost 15% in manufacturing of motor vehicles, trailers and semi-trailers over the

period of July 2018 - July 2019 as can be seen in **Table-1**. Similarly declines in production growth of capital goods (4% growth in 2017 -18 to 2.7% in 2018-19) and consumer non-durables (10.6% in 2017-18 to 4% in 2018-19) can be observed.

Table 1: Trends of Production in the Automobile and Transport Equipment Sector

Source : MOSPI, IIP Index

Table 2: Fall in Production of Capital Goods and Consumer Non Durables

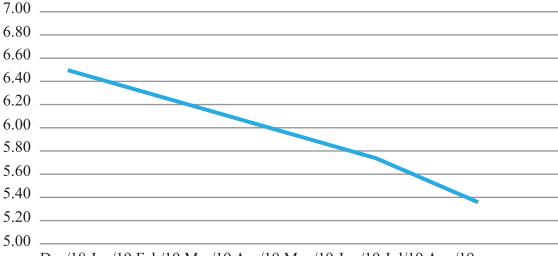
Capital goods Consumer non-durables 10.6 7.9 4.0 2.7 2015-16 2016-17 2017-18 2018-19

Production Trends in Key Sectors: IIP

Source: MOSPI, IIP Index

Table 3: Repo Rates Announced by the RBI over the past few months

Repo Rate



Dec/18 Jan/19 Feb/19 Mar/19 Apr/19 May/19 Jun/19 Jul/19 Aug/19

Source: Database of Indian Economy, RBI

Consumer Demand

Consumer demand in the rural market has been slowing down. Rural consumer demand fuels about 40% of the consumer durables sales but the demand growth in rural areas for FMCGs which was ahead by a factor of 1.3-1.5 from the urban demand growth in 2018 has levelled off. Rural wages have been stagnant or declining in the recent period; this combined with agrarian crisis has decreased the purchasing power of the farming community (Ghosh, J., 2019). Poor rainfall this year and drought like situations in major parts of the country can be a reason as Northern and Western markets for FMCGs have reported much steeper declines compared to Southern and the Eastern markets. (Krishnan 2019)

In order to boost consumer demand and inject some liquidity in the economy, Central bank has been reducing lending rates since December 2018 (6.5% to 5.4% - 110 basis points) but the Governor more than once has voiced his concerns over Banks' reluctance to pass on the interest rate reduction to borrowers.

GST Collections

GST Collections for the first time in the last 4 months have declined below the 1 Trillion rupee mark for the month of June, 2019. Growth in the GST receipts has declined down from 6% (May 2019) to 4.5% (June 2019). Government of India kept missing the target of 1.3 trillion rupees set according to the Interim Budget for the months of April and May, pushing the government to reassess and reduce the target to 6.43 lakh crores in the Budget FY 2019-20 compared to the Interim Budget's target of 7.61 lakh crores. ("Budget 2019: Centre Sets FY20 GST Collection Target at Rs 6.6 Lakh Crore" n.d.) ("Website" n.d.)

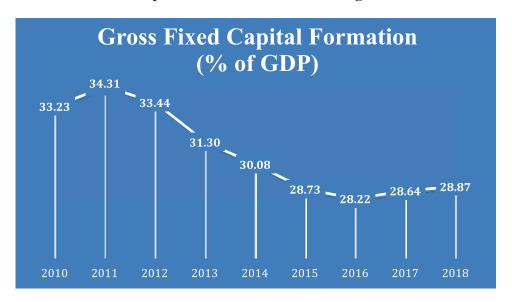
Investment

Gross Fixed Capital Formation as a percentage of GDP has shown a consistent trend of decline since the Year 2011-12 and has dropped from 34.3% to 28.6% for the year 2017-18 ("Website" n.d.). Same declining trend can be seen for the household savings rate as well. Household savings have touched their lowest mark in the last decade, down

from 36.9% in 2011 to 30.5% in 2018. While there has been an argument around using the household savings for public expenditure as the private sector has nearly survived being self-dependent on its own savings, it's vital to note that retail loans in India have been maintaining a robust double digit growth of 17% annually, leaving little room for the Government to tap into these resources for its finances. ("Domestic Savings down to a Decade's Low: Data | Business News | Hindustan Times" 2019)

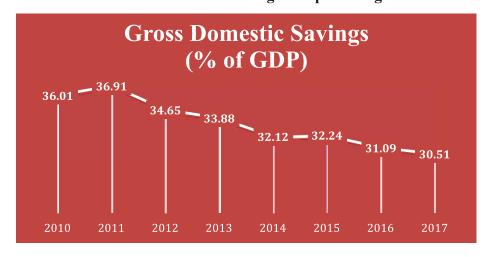
With Corporate India defaulting on its loans, the banking industry has moved rapidly towards the retail sector in order to reduce its risk and tap household savings. Furthermore, a declining stock market and booming gold prices in recent months indicate that the households might have trimmed their portfolio of financial assets and have started parking their money in these physical assets.

Table 4: Gross Fixed Capital Formation as a Percentage of GDP over the Years



Source: World Bank National Accounts Data

Table 5: Gross Domestic Savings as a percentage of GDP



Source: World Bank National Accounts Data

Interest Rates

As discussed earlier, RBI has announced various rate cuts but the Governor has repeatedly pointed out that these lower interest rates need to be passed on to borrowers and that these lower rates are not visible in the case of vehicle loans. But the Government has stepped in here for some course corrections finally after listening to the woes of the automakers. On 23rd August 2019, Finance Minister (FM) Nirmala Sitharaman announced a slew of measures including linking the rates of fresh loans for auto and housing sectors to repo rate of Reserve Bank of India (RBI). Vehicle loans will be available at 8.6%, 40 bps cheaper than the existing vehicle loan rate (Correspondent 2019).

NBFCs

Non-banking finance companies (NBFCs), or shadow banks, have considerably reduced their lending after IL&FS crisis last year. NBFCs in India used to fund around 55-60% of the commercial vehicles both new and used, 30%

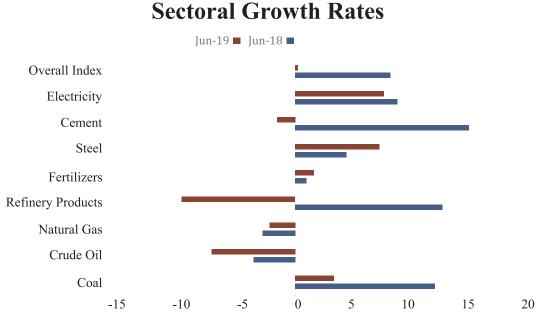
passenger cars and 65% of the two wheelers. The stress in the auto sector has further influenced portfolio decisions at these companies and they have been trimming their exposure to the auto sector lately. Banks are reluctant as well as incapable to fill in the void as NBFCs cater to less trustworthy clients and banks themselves have a large NPA problem.

The Finance Minister in the recent conference also announced the infusion of Rs 70,000 Crores into the Public Sector Banks to nudge additional lending of Rs 5 trillion. The finance minister stressed the need for co-origination of loans by public sector banks and NBFCs to take advantage of the liquidity available with banks and the reach of non-banks. The Central bank had released guidelines on co-origination by banks and NBFCs last September (S. Ghosh and Gopakumar 2019).

Core Industries Growth

The Core Industrial Growth declined to 0.2 percent for the month of June 2019 down from 6.3 percent

Table 6: Sectoral Growth Rates of the Eight Major Sectors under IIP Index



Source: PIB, GOI, Press Release

in April 2019 and 5.1 percent in May 2019. The eight core industries — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — had posted the figure of 7.8 per cent in June 2018.

A sharp decline can be observed for June, four sectors — crude oil (-6.8 per cent), natural gas (-2.1 per cent), refinery products (-9.3 per cent) and cement (-1.5 per cent) —while steel, fertilizer, coal and electricity sectors posted a positive growth. ("Index of Eight Core Industries (Base: 2011-12=100) June, 2019" n.d.).

Current Account Balance

Current account deficit in India widened to 2.1% of the GDP in FY 19 from 1.8% last year. Interestingly the deficit had narrowed down to 0.7% for the quarter ending on March 2019 down by 2 percentage points from 2.7% for the October-December quarter 2018. (Nandi 2019) This is in the backdrop of export growth slowing down during the latter half of 2018-19. India's merchandise export declined to 8.6% in 2018-19 from 10% in the

previous year. (Financial Stability Report, June, 2019)

Furthermore the Rupee decline has been hard to contain but the recent decline of almost 4% last month had reasons more than them being from domestic monetary policy. (US-China Trade War, Yuan's depreciation). In fact the foreign exchange reserves are at an all time high of \$430 billion and the depreciation might help boost exports.

Inflation

Inflation calculated from CPI has been consistently increasing from January 2019 up till June 2019 (from 1.97% to 3.15%), but this also follows the time period of decreasing repo rates from the Central bank and evidently comes as a necessary evil in order to infuse liquidity and boost markets. Though one of the worrying figures can be the Consumer food price index where the inflation has reached 2.6% in July 2019 from -1.7% in December 2018 and the increase has been quite steep in the urban markets. ("Website" n.d.)

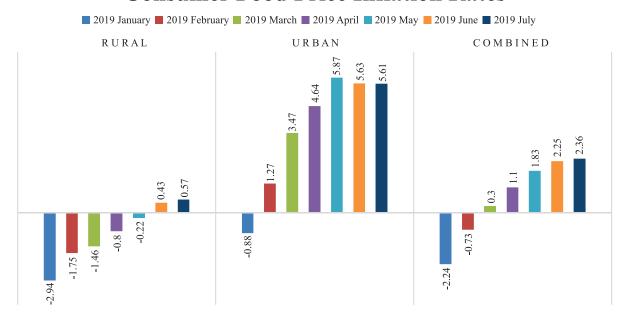
Inflation Rates Rural Urban Combined 4.22 3.18 3.15 3.05 2.99 2.86 2.19 1.97 1.87 1.86 1.81 1.80 January February March May June July April 2019 2019 2019 2019 2019 2019 2019

Table 7: Inflation Rates for the Year 2019

Source: Consumer Price Indices Warehouse, MOSPI

Table 8: Food Inflation for the Year 2019

Consumer Food Price Inflation Rates



Source: Consumer Price Indices Warehouse, MOSPI

Employment

Amidst the current downhill ride in the sales of automobiles, though a lot has been said about capital in this article, the effect on labour will be discussed in this section. The auto industry has a huge supply chain and employs over 35 million people directly and indirectly across it. The slowdown in the sector has triggered huge job losses, with initial estimates suggesting that automakers, parts manufacturers and dealers having laid off about 3,50,000 workers since April (Varadhan 2019). The car and motorcycle manufacturers have laid down 15,000 workers and component manufacturers have laid off 1,00,000 workers and dealer shutdown accounts for remaining job losses. Among manufacturing industries, the automobile industry in particular s has a large supply chain where many Original Equipment Manufacturers (OEM) are supported by thousands of units supplying components, subassemblies and assemblies. The effect of slowdown

is exacerbated as we go down along the supply chain. Jamna Auto Industries, the manufacturer of springs used in vehicle suspensions might shut all its plants in August due to weak aggregate demand (Reuters (b) 2019). Apart from this, news is pouring in from all leading automakers like.

Toyota, Hyundai and Honda about them halting production or having no production days ("To Tackle Slowdown, Indian Auto Companies Are Resorting to Extreme Measures" 2019).

The melancholy has not only been spreading across the industry but also geographically in India's manufacturing hubs. Yamaha Motors and auto components makers including France's Valeo and Subros have laid off about 1,700 temporary workers in India after a decline in sales (Varadhan 2019). Now it's very interesting to note that Yamaha has three plants located at Faridabad (Haryana), Surajpur (Uttar Pradesh) and Kanchipuram (Tamilnadu), so the job losses are spread across all

these states. The sad part of the story is that these job losses affect the contract workers and temporary staff hired by the auto companies in their factories and showrooms. This docile workforce already lacks social security and loses jobs to the vagaries of the market. The permanent workforce or the so called 'labouring aristocracy' remains unaffected and unconcerned on the plight of these workers. The unions in the factories also neither represent these workers nor fight for their rights. Maruti Suzuki Chairman RC Bhargava in an interview said that the company was not renewing the work contracts of contractual workers and thus there was a lay-off of 3000 workers (The Hindu, 2019-08-28).

The labour is not suffering only in auto sector but workers in other sectors are also facing the heat of weakening demand. World famous diamond polishing hub in Surat is staring at a potential crisis, as the demand is lowest since 2008. 1,00,000 workers have lost jobs in the sector since December 2018 ("World's Diamond Polishing Hub Loses Its Shine as Demand Plummets | India News | Hindustan Times" 2019). The Indian cotton spinning sector, which employs 10 crore people directly and indirectly and accounts for 2% of GDP is also facing a crisis due to excess spinning capacity in the country and poor demand for yarn from overseas markets which has led to accumulation of yarn stocks and liquidity crisis in the industry ("Slowdown Bites Textile Sector, Industry Body Urges Govt to Prevent Job Losses" 2019). This is leading to job loss in the textile spinning sector as well. These are not just plain numbers to analyse but the subjective reality of workers across various sectors. Accumulation of these numbers was reflected in the recently released Periodic Labour Force Survey (PLFS) 2019 of National Sample Survey Office (NSSO) which placed unemployment at a staggering 6.1%, the highest unemployment figure in 45 years.

Government to the Rescue

The recent announcement by FM included removal of restrictions put on its departments and agencies from buying new vehicles and increased the depreciation claimed on new vehicle purchases for commercial entities, in order to boost the consumption demand in the domestic market and arrest decline in the sales of automobiles (M. Ghosh 2019). The depreciation of vehicles purchased from now till March 31, 2020 has been increased from 15% to 30%. The government has also deferred the higher one-time registration fees mooted by the Ministry of Road Transport and Highways (MoRTH), till June 2020 (PTI 2019). Finance minister also assured that Bharat Stage IV (BS-IV) compliant vehicles registered before 31 March 2020 would be allowed to remain operational for the full registration period. This move will certainly allay apprehensions of consumers who were wary of buying BS-IV, just at the right time when festive season lies ahead. The FM has clarified that the Goods and Services Tax (GST) reduction was upto the GST Council to decide, which will be meeting tentatively in September 2019. On the looming uncertainty of Electric Vehicles (EVs), the FM clarified that Internal Combustion (IC) cars and electric are same for the government and there is no discrimination. Though these measures will offer some respite to the automakers, the larger question is whether the increased spending by government is "pump-priming" to achieve economic recovery. Apart from these efforts, RBI also stepped in to approve transfer of record Rs 1.76 lakh crore dividend and surplus reserves to the government on 26th August 2019 (India Today, 26th August 2019). Will these collective efforts by the government and 'lender of the last resort' revive our economy? This needs to be seen.

Conclusion

The paper begins with examining the decline in automobile production in April-July 2019, which accounts for half of the manufacturing output and

thus estimates a further decline in the downward spiraling GDP growth rate of the Indian economy. The main reason attributed for this change was the lagging aggregate demand. A review of IIP data also establishes the fact that consumer non durables and capital goods production has also seen a decline in the same period. Looking at consumer demand, even FMCG sales are showing a decline. Furthermore, the GST collections haven't met their targets, though the tax collection mechanism has been oppressive thereby weakening the investment sentiment. The Gross fixed capital formation rate in 2018 is lower than that in 2011 and this is a clear indication of weak investment growth. Though RBI has constantly cut repo rates to keep the interest rates down, the benefits have scarcely reached the masses. Recent announcement by FM to match the lending rates of automobile and housing sector loans to repo rate is a temporary relief. Looking at sectoral growth rates, only electricity demand is increasing and other sectors seem in a hibernation mode. Inflation targeting, which the government was very stringent about has also shot up in urban centres of our country, thereby reducing demand again.

For employment in automobile sector, the future looks scary, with contractual or informal workers feeling the heat of this declining aggregate demand. Other sectors also don't present a good picture about job growth especially the textile and FMCG sectors. Even Parle Products, once the largest selling biscuit brand has decided to lay-off 10,000 workers, blaming GST regime for fall in sales due to higher price of biscuits (Ghosh, J., 2019). Though it's too late for government to step up and offer a "New Deal", the slew of economic measures and surplus transfer by RBI points to expansionary spending. The moot question that lies behind us is that will this "pump- priming" kick start the economy. Only time will tell. Though the government has reiterated its stance on a number of occasions by saying that they 'value wealth creators' and has emphasised on private sector led

growth, historically it's been the State that has to provide fiscal stimulus and a conducive regulatory environment for businesses to thrive. The government has the mandate with it. We hope that it will take bold steps to infuse confidence amongst investors as well as citizens of the nation.

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ROUND & ABOUT

Recognition of Indian Heritage Cities by the UN Continues year by year....

Rich cultural and architectural past of India is drawing interest of the UNESCO and every year some Indian site or city is getting UNESCO heritage seal. In 2017 Ahmedabad's old city received the accreditation from the UNESCO and in 2018 Art Deco Ensembles around Oval Main in South Mumbai found place in the cherished list. In 2019, it was the turn of the walled city of Jaipur, founded in 1727 to get the honour as declared in July 2019. The walled city of Jaipur (Pink city) is hailed as "an exceptional example of a late medieval trade town in South Asia and defined new concepts for a thriving trade and commercial hub." According to the UNESCO, the city shows "interchange of ancient Hindu, Mughal and contemporary Western ideas". This honour will require the State Government to preserve the distinct features by preparing Special Area Heritage Plan of the Pink City and take other measures to preserve palaces, 1575 havelis and structures, bazaars, chowkies depicting cool hue, vibrant culture and lavish palaces of one of the first planned cities of India.

(The Times of India, Mumbai, 7th July, 2019)

Melbourne City's Whole Tram Network will Work on Solar Energy

In order to abate pollution and emission of greenhouse gases, the agenda before the countries is to go in for clean energy. Worldwide efforts in this direction are on. As a result of implementation of the Renewal Energy Action Plan by the city administration, the entire 400 trams network of Melbourne city will run on solar energy obtained from the newly opened Numurkah Solar Farm. The initiative is expected to result in a reduction of more than 80,000 tonnes of greenhouse gas emission every year, as well as create hundreds of jobs in the whole operation.

(Cities Today- 12th August, 2019).

Global Warming Continues Unabated

July 2019 Hottest Ever Month

Global warming and consequent climate change is on the rise continually. July 2019 temperatures were the hottest ever recorded globally, the US National Oceanic and Atmospheric Administration (NOAA) said in a statement. Before this, European Union had also made such statement. The NOAA statement, inter alia said: "Much of the planet sweltered in unprecedented heat in July, as temperatures soared to new heights in the hottest month ever recorded".

(NOAA Website and Media Reports).

Global Warming Continues Unabated

Himalayan Glaciers Melting at Faster Rate

Himalayan glaciers are water towers of Asia. Global warming is gnawing at this precious source on which prosperity of millions that live downstream the Himalayan Rivers depends. A study based on 40 years satellite data, published in June, 2019 in 'Science Advances' has inter alia, shown that from 1975 these glaciers lost 10 inches of ice each year. From 2000 the rate of loss doubled to about 20 inches each year.

(Courtesy: The Times of India, Mumbai, 21st June, 2019, citing from NYT News Service. The report is on internet).

Cities directed to Focus on Water Conservation

Cities get flooded during monsoon and thereafter continue to face water shortage - something of an anomaly. In the wake of Prime Minister's Mann ki Baat in July 2019 on water conservation, the Ministry of Housing and Urban Affairs, Government of India has asked all the urban local bodies to frame a water conservation programme. The thrust specified includes rainwater harvesting, reuse of treated waste water, rejuvenation of water bodies and plantation. Every urban local body has also been asked to constitute a rainwater harvesting cell which would monitor ground water extraction.

(Media Reports).

World Population Day Celebrated on 11 July

The World Population Day was established by the United Nations Development Programme in 1989 with the objective of raising awareness about solutions related to the issues of growing population. It is celebrated on 11 July. Significance and urgency of the issues related to population explosion are increasing. In 1994, an International Conference on Population and Development was held under the auspices of the UN at Cairo in which 179 governments had adopted a revolutionary Programme of Action and had called for women's reproductive health and rights to take centre stage in national and global development efforts. This year marks the 25th year of the ICDP. Hence this year's World Population Day calls for global attention to unfinished business of the 1994 Conference. The Day was celebrated in India in all the States. Dr. Harsh Vardhan, the Union Minister for Health and Family Welfare said: "Let us work towards not losing any pregnant woman and child to preventable causes". He also emphasized on stabilization of population.

(Press Release of Ministry of Health and Family Welfare, Government of India and Media Reports).

Plastic-from being a Wonder Material to Environment Enemy Thing

On August 20, Parliament announced banning of plastic items from its complex. Indian Railways will be banning single-use plastic from 2nd October, 2019. The Government of India has already announced that it would phase out single use plastics by 2022. In this respect the Union Environment Minister, in a press meet said that "There will be two movements: one on collection, recycling and management of all plastic waste and other of saying no to single-use plastic." Plastic came in use since early 20th century. For long, i.e. for more than a century, it has been hailed as a wonder material having many benefits- easy to produce, highly adaptable for shapes and convenient to handle. There have been years of its boom and spread to vast range of household, commercial and mass use items. It is estimated that about 44% of all plastic produced was produced since the year 2000 onwards. Its indiscriminate mass use threw up its dangers to the environment, which finally led to countries discontinuing plastic with regards to its effect on the environment. Now the trend has set in for banning some uses of plastic globally.

(Courtesy: The Times of India, Mumbai, 23rd August, 2019 and 10th September, 2019).

India hosted 14th Conference of UNNCD

The United Nations Convention to Combat Desertification (UNNCD) was established in 1994. It is the sole legally binding international agreement linking environment and development to sustainable land management. About 25% of all land globally and 29% of land in India is under degradation. Desertification affects two third of the countries of the world and one third of the earth's surface. This year its 14th Conference of Parties (COP) was held in Greater Noida, Delhi N.C.R. from 2nd to 13th September, 2019. The objective of COP 14, attended by representatives from 197 countries was to discuss various issues of land and focus on practical measures to recover degraded land areas and fight desertification. India has pledged to restore 50 lakh hectares degraded land by 2030.

(Website of the Ministry of Environment, Forest and Climate Change, Government of India and The Economic Times, Mumbai, 9th September, 2019).

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