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Micro Research Papers 2017

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MISSION

The mission of the Institute is to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.

ध्येय

संस्थान का ध्येय मूलत: शिक्षण, प्रशिक्षण, परीक्षा, परामर्शिता और निरंतर विशेषज्ञता को बढ़ाने वाले कार्यक्रमों के द्वारा सुयोग्य और सक्षम बैंकरों तथा वित्त विशेषज्ञों को विकसित करना है ।

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Dr. J. N. Misra

Chief Executive Officer,

IIBF, Mumbai

Research is the foundation for knowledge that makes possible much of the innovation and application, providing a wider benefit. Research not only adds to knowledge but also provides a source of new ideas, methods, techniques and innovation across a whole range of disciplinary and multi-disciplinary areas. It is capable of solving existing issues and it plays a crucial role in the decision making process. Research studies help institutions to understand the lay of the road and shape of things to come.

One of the objectives of the Institute is to promote research in banking and finance and encourage innovation and creativity among finance professionals. With this end in view, the Institute sponsors Micro Research Paper Competition, which is a sort of an essay competition, where members are encouraged to present their original ideas on the topics selected by the Research Advisory Committee (RAC) of the institute. 37 Micro Research Papers were received for the year 2016-17, and based on evaluation by experts, and approval of RAC, three essays were awarded prizes. The prize winning essays are included in this issue.

The first article is the essay “Cashless India – Impact on Black Money” by Mr. Sanjay Gupta. The author has offered an interesting perspective for eradication of black money and corruption. He also cautions that this weapon is like a double edged sword which may hamper development, if implemented without proper preparation/ strategy.

The second article is the essay “New Bankruptcy Code and its Futuristic Impact” by Mr. Venkat P. The author is of the view that the major challenge of today's banking industry is the growing Non Performing Assets (NPAs), which affect the economic growth of the country. India has taken a giant leap in introducing the new Insolvency and Bankruptcy Code (IBC), 2016, which is expected to streamline the resolution process. The author then discusses the possible impact, merits and demerits of IBC.

The next article is the essay “Employee Training and Development” by Mr. Chinmaya Kumar Das. In today’s environment of technological advancement and changing nature of skills requirement, the author in his article emphasises on training and development as one of the key HR functions and highlights the need for organizations to reorient its policies, practices and systems for managing and retaining its knowledge workers.

Apart from the prize winning articles under the Micro Research project, we have also carried some other articles which are contemporary.

The fourth article is “Use of Internet of Things (IoT) in Banking” contributed by

Mr. Sunil Bakshi, Visiting Professor, NIBM. Changing landscape of technology has brought a paradigm shift in lifestyle of society. Banking is no exception to it. The author showcases IoT as a cost effective technology, which will help banks to play a proactive role in monitoring use and movement of assets, thereby controlling the NPA position of banks and improving the profitability of banks.

The next article in this issue is “Digital Banking - The Game Changer” by Mr. Girish Mainrai, Senior Manager, Bank of India. Digital banking has now become the need of the hour, which banks are now pursuing in a big way. The biggest driver of digital revolution in banking is convenience. The demonetization step of the Government highlighted the importance of doing cashless transactions. The author explains the various initiatives, advantages and challenges under digital banking.

We also carry a Hindi article on “पुनर्परिभाषित विकास - समावेशी विकास” written by Mr. Subah Singh Yadav, AGM (Retd.), Bank of Baroda.

At the end of this issue, we have a book review, by Mr. Bibekananda Panda, Chief Manager (Economist), State Bank Staff College, on the book “Global Inequality: A new approach for the age of globalization” written by Mr. Branko Milanovic.

We are confident that the articles included in this edition will stimulate your interest. Your valuable suggestions and feedback for improving the contents are welcome.

Dr. J. N. Misra

MICRO RESEARCH - 2016 - 17: I PRIZE

Cashless India: Impact On Black Money

Sanjay Gupta*

Introduction

Finance Minister, Mr. Arun Jaitley said, “Digital transactions are a parallel mechanism and not a substitute for cash transactions.” From the statement, it is clear that cashless economy means a less cash economy.

Use of cash as a mode of payment has been on rise, which is reflected from the following figure. This is indicative of a backward economy.

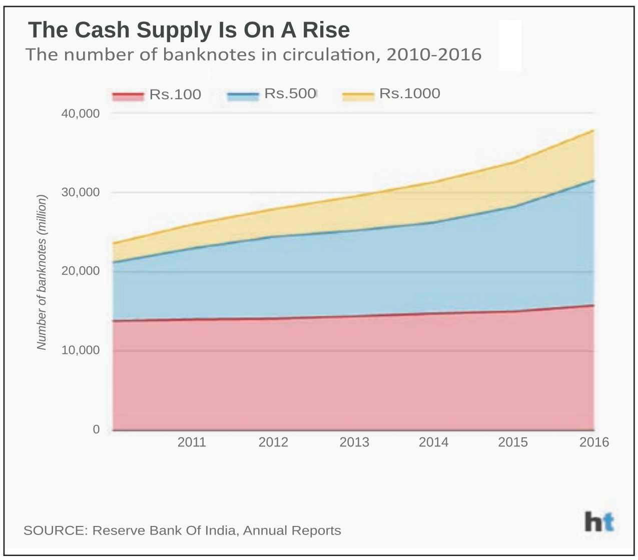


Figure 1

Finance Bill 2017 has proposed that any single transaction of more than ₹ 3 lacs will not be allowed in cash. As PAN card is already mandatory for transactions above ₹ 2 lacs, the efficacy of this step may be doubted.

After demonetization of ₹ 500 and ₹ 1000 denominated notes, since the midnight of 08.11.2016, black money has been the buzz word. Alongside, in view of the hardships faced by public due to demonetization, “digital banking” and “cashless economy” have also been the buzz words and have been propagated to be the need of the hour.

Following chart, which has been prepared with the help of RBI data, shows how mobile banking transactions increased since demonetization in both volume and value.

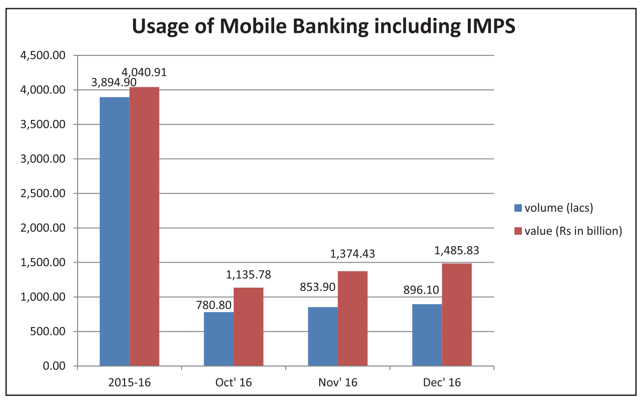


Figure 2
(Source: Electronic Payment System Data of RBI)

In this micro research paper, we will assess the need and viability of cashless economy.

Subject Matter of the Micro Research: Hypothesis

This Micro Research Paper envisages that any transaction above ₹5000 should be made mandatory (by law) to be done electronically or by account payee cheque i.e. non-cash. In other words, there should

*** Chief Manager (Research), State Bank Academy, “Gurukul”.**

be a ceiling of ₹5000 for a single cash transaction. This ceiling can be brought down to ₹2000 gradually. These transactions should include rent, interest, salary, wages, shopping also.

This, in turn, will help eradicate the black money from the system. So, the hypothesis for research paper is, "Mandating ceiling of ₹ 5000 on single cash transaction will help substantially in controlling black money."

We will test this hypothesis on various angles in this research paper.

Need of Cashless Economy

According to the US Department of Agriculture's 2030 macroeconomic projections, India will be the third largest economy in the world by 2030.

Estimated GDP in 2030 in $ Trillion:

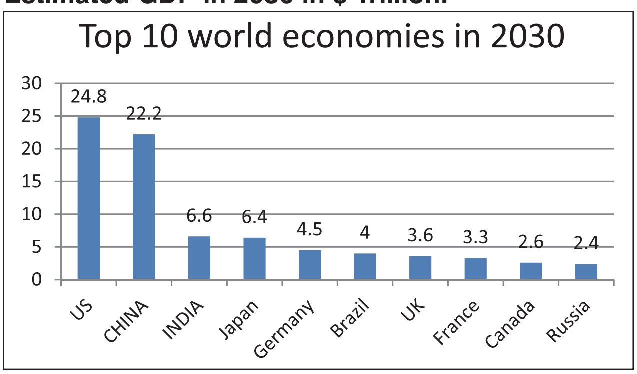


Figure 3

India's giant economy is saddled with black money. Presently, most economists feel that the size of unreported economy would be close to 40 percent of GDP. India's GDP currently being more than USD 2 trillion, the country's underground economy would be worth at least USD 800 billion i.e. INR 50,000 billion approximately. This simply means that the government is losing a tax revenue of approximately ₹8 lakh crores every year, which is substantial. (source: http://www.economicsdiscussion.net)

Hence, to curb the underground economy, India needs to be cashless.

Objectives of the Topic

Objectives of the topic is:

i. To assess whether cashless economy is good for economy or not.

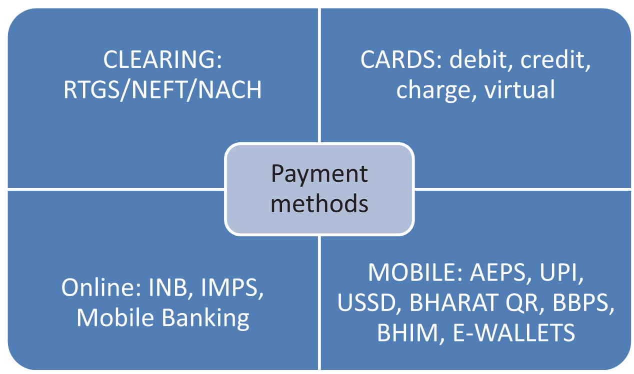
ii. To assess whether cashless economy is viable or not.

iii. To know the benefits of cashless economy.

iv. To know the hurdles in the way to cashless economy.

Alternativesof Cash:

Today, there are plenty of alternatives of cash. Modes of payments other than cash and cheque can be grouped as below.



All the Banks have been coming up with their unique technology products. This has gained momentum since demonetization. Before the canvas of cashless economy is painted to its final form, it is necessary that there should be integration, uniformity, interoperability, security in these digital payment products.

Impact / Result of Ceiling on Cash Transaction

If the law is passed that no single cash transaction will be allowed for an amount more than ₹5000, it will have several positive effects.

This single weapon (ceiling of ₹ 5000 for a single cash transaction) will be able to check proliferation of black money. It will be a panacea for eradication of black money and corruption. This law will target usage of black money rather than generation of it. Nobody will like to spend his energy on earning/generation of black money, when he knows that he will not be able to utilize/consume it. Rather, in such a scenario, he will prefer to pay taxes and earn all incomes in white, which will appear in his accounts and will be usable for him.

It will make inter alia following changes in economy.

i. Shopkeepers will be bound to accept non cash payment for any bills more than ₹5000.

ii. Corruption will be minimized to the level of eradication, as bribery is mostly in cash, which will then not be of much use, as it cannot be used for more than ₹5000 for single transaction. So, people will understand that there is no real benefit in being corrupt. Soon, the point will be driven in their minds that hardly a small fraction of money received out of corruption can be utilized.

iii. Any person will be able to consume his big sums of money, only if it is in his bank account.

iv. Lavish marriages will be discouraged. It will save environment, as a lot of wastage will be avoided. In lavish celebrations, wastage is prominent in form of electricity, water, food, fuel etc.

People, till now consumed black money mostly on luxuries. Prime avenues for usage of black money are, jewellery, lavish marriages, exotic holidays, Bribery, donations to political parties, Real estate, luxury goods viz. bags, shoes, sports items, clothes etc. Let us test these avenues one by one to check whether they will still remain open for usage of black money.

Jewellery, lavish marriages, luxury goods: Black money will not be able to be used on them, as ceiling of ₹5000 is too low to be utilized for huge amounts of black money. To consume big sums of money, a person will have to incur huge number of transactions which will be too lengthy on one hand, and it will be caught in the audit trail on the other.

Explanation of too lengthy: Suppose one has to utilize ₹ 5 crores, then he will have to make minimum 10000 transactions, which means approximately 60000 minutes (assuming only 6 minutes per transaction) i.e. 1000 hours i.e. approximately 125 man days will be required. Then, there will be no charm in earning such black money, as would be so difficult to spend.

Exotic holidays: Foreign Exchange will be required, which will not be available to him more than worth ₹5000 for cash. He will have to buy Forex from his account.

Bribery: Government servants will not be interested in corruption, as they cannot use huge sums of money received in cash.

Donations to political parties: Already Finance Bill has proposed that cash donations to political parties will not be allowed for more than ₹2000. It is a good step already taken.

Real Estate: Black money, if accepted by a builder, will be of no good use finally. For example, let us assume that a real estate developer used to accept 20% cash, say he took ₹10 lacs cash each from 100 customers every year. He would be collecting `10 crores every year. Let us see, where he used to use this money earlier.

a. To bribe government servants

b. To save stamp duty expenses at the time of buying land which is raw material for him. He used to buy on circle rate and remaining portion he used to give cash.

c. To save stamp duty expenses of the customer/buyer.

d. To save income tax on business income.

Now, if such a ceiling has been imposed (₹5000 ceiling for a single cash transaction), he will not be able to utilize black money in any of the above ways. Let us check point-wise.

a. There will be almost no takers due to the reasons narrated above.

b. Sellers of land will be least interested in accepting cash, as they will find it difficult to utilize the same. Stamp duty is usually paid by buyer, so they (sellers) will not be interested in saving stamp duty, which is to be borne by the builder.

c. Customer/buyer will not be having huge sums of cash to pay. Builder will also not be interested in accepting cash due to above two reasons.

d. As per point No.b, he now has to purchase land from the money in his account, so his costs will increase on paper. As such, impact of taxation will be reduced to a great extent. When he purchases from the money in his account, he will prefer to receive sale money in his account only, otherwise there will be a big mismatch.

Other Major Benefits

i. **Crime Control:** Money crimes like kidnapping, extortion, trafficking, theft, robbery, cyber crimes will be controlled to a great extent, as nobody will like to take risk of his life for the money he cannot use on himself. As per a report dated 17.11.2016 of Hindustan Times, "Crimes with a financial motive have dipped sharply in Delhi since the government pulled out high-value banknotes, police data show. The number of robberies, burglaries, extortions and vehicle thefts has fallen in the week beginning November 9, a day after Prime Minister Mr. Narendra Modi announced demonetization of the old ₹500 and ₹1,000 banknotes. Cases of drug abuse and peddling have come down to nil while gambling cases have halved since November 17."

ii. **Saving on cash handling expenses:** It will save the nation a huge amount on cash handling. Cash economy is costly. Physical infrastructure to maintain / handle cash is not cheap. As per a report of The Times of India, Reserve Bank of India and commercial banks annually spend around ₹21,000 crores ($3.5 billion) in currency operations costs while citizens of Delhi alone spend ₹9.1 crores and 60 lakh hours in collecting cash. The scale of this burden is unique to India, considering that it is among the most cash-intensive economies in the world with a cash-to-GDP ratio of 12%, almost four times as much as other markets such as Brazil (3.93%), Mexico (5.3%) and South Africa (3.73%).

iii. **Financial Inclusion:** Cashless economy will help enhance our current banking system. There will be increased access to Banking channels for people who did not fall in any banking network.

iv. **Increased revenue for Government:** All the transactions that are done through digital channels can be monitored and trailed back to cross check with the income and turnover filed by a person. Thus, people will be more transparent in filing their returns and in turn, tax circle will be wider to contribute to the exchequer substantially.

v. **Increase in Bank Deposits and in savings:** As there will be no idle cash to spend on luxury goods, people will be saving more and that will reflect in bank deposits also.

vi. **Reduction in import bill:** Gold is a major item in country's import bill. As of now, huge cash is consumed in jewellery, for which country needs to import gold. If cash cannot be used for more than ₹5000 purchase of jewellery, sale of jewellery will be reduced and there will be reduction in import bill of gold.

vii. Swiftness, improved efficiency, accuracy, convenience, portability are other major benefits among innumerable advantages.

Caution / Pre-Requisites:

Before implementing such law, following should be endeavored to achieve for smooth transition.

i. Every Indian adult should have a bank account i.e. 100% financial inclusion.

ii. Bringing awareness about e-payments, e-wallets, UPI, USSD etc. to each person even in the lowest strata of society.

iii. Mobile connectivity to be ubiquitous to make use of mobiles possible for payment.

iv. Purchase of mobile can be subsidized for poor people through Direct Benefit Transfer (DBT).

v. Connectivity and networking issues to be addressed properly and holistically.

vi. Demonetization of notes of higher currency like ₹2000 (gradually ₹500 also). Notes of ₹200/250 may be introduced.

vii. The government should incentivize banks for investing in creation of card acceptance infrastructure i.e. in deploying PoS terminals/ creating acceptance points.

viii. Charges on card payment, electronic payment should be rationalized. Otherwise, expenses saved on the front of cash handling will be wiped out. Moreover, people will not like to shift to digital payments, if they have to bear substantial charges for the same. Hence, charges should be nominal. Maximum MDR for debit card transactions for different merchant categories have been given in Annexure- I (Source: RBI).

ix. Ensuring cyber security: Public have right to protection against unethical works like cyber crime, hacking accounts, phishing etc. Obligation of ensuring the same lies on the Government. A very strong cyber crime (control) department will be required at the Government level. It should be equipped with state of the art technology and should have knowledgeable staff. A clear and effective cyber policy needs to be drawn.

x. Public should be made aware of benefits of digitalization and DO's and DONT's of using technology products.

xi. An efficient grievance redressal mechanism is a must before implementation of such law.

xii. All Government receipts should be digitally acceptable.

Desirable for Cashless Economy

Following are not pre conditions, but are desirable before implementing this law.

i. Every Indian should be equipped with AADHAAR Number.

ii. All transactions by shopkeepers with substantial turnover should be with proper billing only.

iii. Easy availability of a convenient and user friendly software, which even small shopkeepers can afford to use for billing and accounting purpose.

iv. Shopkeepers should not be allowed to fudge their books.

v. Universal customer number for an individual/ entity for all the Banks: It will be a good step to discourage people from maintaining multiple accounts, which were often done only to hoodwink the eyes of the taxman. RBI mandates that before opening current account of a customer (who has availed loan from another Bank), the Bank should obtain NOC from the lending bank. After implementation of universal customer Number, this may not be required and customers will not be able to hide their existing accounts.

vi. Banks need to verify all types of OVDs from the source of origin i.e. Government needs to provide banks, the enablers for such verification.

Test of Impact on Common Man /Assessment of Need of Cash:

Following is anticipated item-wise expenditure of three persons, who represent different income groups. Items have been taken as per their weights in Consumer Price Index for rural and urban.

Codes as per CPI			Weights as per CPI (%)		Monthly Expenses on different items of CPI in ₹ by		
					Person	Person	Person
Group Code	Sub-group Code	Description	Rural	Urban	A	B	C
	1.1.01	Cereals and products	12.35	6.59	790.4	751.26	1977
	1.1.02	Meat and fish	4.38	2.73	280.32	311.22	819
	1.1.03	Egg	0.49	0.36	31.36	41.04	108
	1.1.04	Milk and products	7.72	5.33	494.08	607.62	1599
	1.1.05	Oils and fats	4.21	2.81	269.44	320.34	843
	1.1.06	Fruits	2.88	2.9	184.32	330.6	870
	1.1.07	Vegetables	7.46	4.41	477.44	502.74	1323
	1.1.08	Pulses and products	2.95	1.73	188.8	197.22	519
	1.1.09	Sugar and Confectionery	1.7	0.97	108.8	110.58	291
	1.1.10	Spices	3.11	1.79	199.04	204.06	537
	1.2.11	Non-alcoholic beverages	1.37	1.13	87.68	128.82	339
	1.1.12	Prepared meals, snacks, sweets etc.	5.56	5.54	355.84	631.56	1662
1		**Food and beverages**	**54.18**	**36.29**	3467.52	4137.06	10887
2		**Pan, tobacco and intoxicants**	**3.26**	**1.36**	208.64	155.04	408
	3.1.01	Clothing	6.32	4.72	404.48	538.08	1416
	3.1.02	Footwear	1.04	0.85	66.56	96.9	255
3		**Clothing and footwear**	**7.36**	**5.57**	471.04	634.98	1671
4		**Housing**	**-**	**21.67**		2470.38	6501
5		**Fuel and light**	**7.94**	**5.58**	508.16	636.12	1674
	6.1.01	Household goods and services	3.75	3.87	240	441.18	1161
	6.1.02	Health	6.83	4.81	437.12	548.34	1443
	6.1.03	Transport and communication	7.6	9.73	486.4	1109.22	2919
	6.1.04	Recreation and amusement	1.37	2.04	87.68	232.56	612
	6.1.05	Education	3.46	5.62	221.44	640.68	1686
	6.1.06	Personal care and effects	4.25	3.47	272	395.58	1041
6		**Miscellaneous**	**27.26**	**29.53**	1744.64	3366.42	8859
Total			**100**	**100**	**6400**	**11400**	**30000**

Source for weights in consumer price index:

pib.nic.in (website of Press Information Bureau, Government of India, Ministry of Statistics and programme implementation): All India Consumer Price Indices for Rural and Urban (Base: 2012=100)

Source of estimated monthly income:

Person A: highly skilled agricultural labour in area C (area C covers all rural and a few towns) with earning @ ₹ 256* daily wage rate. Monthly income is presumed to be ₹ 6400, considering 25 working days in a month.

Person B: Employed in watch and ward with arms in area A (area A covers all Metro centres) with earning @ ₹ 456* daily wage rate. Monthly income is presumed to be ₹ 11,400, considering 25 working days in a month.

***Source of daily wage rate for person A and B:** Order No. 1/43(1)/2016-LS-II Dated 30.09.2016 of Government of India, Ministry of Labour and Employment office of the Chief Labour Commissioner (C), New Delhi.

Person C: Employed in an urban centre with a monthly income or ₹30,000 per month. (example of a typical class III employee)

The above table shows spending pattern of three persons with different monthly income. It is evident that spending pattern is the highest for person C.

Let us analyze the need of cash for the biggest individual items from the above table, keeping Person C in view. The purpose of analysis is to know whether all these three persons will be able to spend on all their needs, if there is a ceiling of ₹5,000 on single cash transaction and if they are adamant on spending in cash only (i.e. even if they do not want to use digital payment modes). The individual items, where the highest amount per month needs to be spent are:

Housing: ₹6501 are required monthly. This amount can and must be paid by cheque or electronic payment. Payment from account will bind landlords to declare their rental income in income tax return also. It is known that many landlords, as of now, do not declare their rental income and receive rent in cash.

Transport and Communication ₹2,919 per month: Apparently, transport expenses will be distributed among the days of the month and will be required to incur in piecemeal on daily basis. These will hardly be more than ₹200 for one single day. Communication expenses, phone bill etc., can be paid easily through account/electronically. However, he can pay in cash also, as the amount is well below the ceiling of ₹5000.

Cereals and products, ₹1977 per month: It is the biggest sub-head within the item Food and beverages. With a cash transaction limit of ₹5000, Person C can purchase up to 2.5 months' stock of cereals and products from one shop all together.

Education: ₹1686 per month is well within the ceiling of ₹5000 per month and hence, can be spent in cash. However, education institutions should be compelled to accept all fees through cheque or electronic payment only.

Fuel and light ₹1674 per month: This has to be paid to electricity companies and all of them accept non cash receipts also.

Clothing and Footwear ₹1671 per month: If expenses are to be incurred for more than ₹5,000 in one go, it must be from a shop which is capable of accepting digital transaction.

Thus, it is observed that none of the three persons A, B, C face any problem due to ceiling of ₹5000 on single cash transaction.

Conclusion

It will be a very crucial decision, if implemented. If it has potential to bring forth a Utopian state, it also has potential to cause hardship to public, if implemented with incorrect strategy. It is like a double edged sword. It may prove to be a weapon of mass destruction for either side i.e. it can destroy black economy and it can also hamper development, if implemented without proper preparation/strategy.

Though it may be a game changer, it will cause hardship to the public and economy, if failed. If implemented in an unprepared or perfunctory manner, it can cause big disturbances in economy. Hence, before implementing above suggestions, Government should undertake a broad research, which will cover many more areas untouched under this paper. This is an exploratory research.

References

The sources, if used anywhere in the research, have been mentioned suitably there itself. Besides, following have also been referred to during the course of study, as a literature review.

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Annexure-I

The maximum MDR for debit card transactions for different merchant categories are as under:

Sr. No	Merchant Category	Merchant Discount Rate (MDR) for debit card transactions (as a % of transaction value)	
		Physical POS infrastructure	Digital POS
1.	Small merchants	Not exceeding 0.40%	Not exceeding 0.30%
2.	Special category of merchants	Not exceeding 0.40%	Not exceeding 0.30%
3.	All other category of merchants (other than Government)	Not exceeding 0.95%	Not exceeding 0.85%
4.	Government Transactions	• Flat fee of INR 5 for transaction value INR 1 to INR1000 • Flat fee of INR 10 for transaction value INR 1001 to INR 2000 • MDR not exceeding 0.50% for transaction value above INR 2001 with cap of INR 250 per transaction	

Merchant Category List with differential MDR Structure

Sr No	Special Merchant Category*
1	Utilities incl. Private Sector (Electricity, Water, Municipal Taxes). Excludes Telecom.
2	Education Sector (Govt. & Private sector). Coaching Classes excluded.
3	Hospitals (Only Government) and primary health care centres, Jan Aushadhi outlets
4	Agriculture and allied activities including fertilizers and seeds, nursery, farming equipment, APMCs and mandis, fisheries, milk cooperatives, vegetable mandis etc.
5	Cooperatives including KVIC
6	Army Canteens
7	State Transport& State Waterways; Toll collections
8	Insurance
9	Mutual Fund
10	PDS / Fair price shops
11	Places of Tourist Interest run by Govt. (ASI Monuments, Forest Dept./National Parks, Museums, Zoos & Aquariums, Govt. Libraries, Govt. Expositions etc.)

Source: RBI Circular DPSS.CO.PD.No. /02.14.003/2016-17 dated February 16, 2017

S r. No	Government Merchant Category*
1	GST, Income Tax, Customs Duty, other Government Taxes & Levies & Fines
2	MEA Passport Fees
3	Visa Fees (Indian Consulates & Foreign Consulates operating in India)
4	Railways – Ticketing and Passenger services
5	Duties and registration charges such as Property registration, Vehicle Registration, Stamp Duty, Road Tax etc. and any other Municipal taxes.

* Indicative, not exhaustive

Source: RBI Circular DPSS.CO.PD.No. /02.14.003/2016-17 dated February 16, 2017

Annexure II

Abbreviations Used

IMPS	:	Immediate Payment Service
INB	:	Internet Banking
BHIM	:	Bharat Interface for Money
PAN	:	Permanent Account Number
RTGS	:	Real Time Gross Settlement
NEFT	:	National Electronic Funds Transfer
AEPS	:	Aadhaar Enabled Payment System
UPI	:	Unified Payment Interface
USSD	:	Unstructured Supplementary Service Data
BBPS	:	Bharat Bill Payment System
VAT	:	Value Added Tax
GST	:	Goods and Services Tax
DBT	:	Direct Benefit Transfer
PoS	:	Point of Sale
CPI	:	Consumer Price Index
OVD	:	Officially Valid Document
Forex	:	Foreign Exchange
MDR	:	Merchant Discount Rate

New Bankruptcy Code and its Futuristic Impact

Venkat. P*

Introduction:

The strength of an economy of a country depends on how well jobs are created and sustained in the economy. For the flow to be sustainable, people should have sustainable earning which is provided by their respective jobs. For the jobs to be sustainable there should be good industries and organizations. For all the components in the economy to live in harmony, there should be a sound and solvent financial system. The financial system of an economy can be market based or bank based. The Indian economy is bank based. Hence, welfare of Indian economy depends on the soundness of the banking system. One of the key factors that haunts our economy is the growing Non Performing Assets (NPA) in the banking system. NPAs not only affect the banking system, they affect the economic growth of the country.

In the World Bank's ease of doing business index, India stands 130th in the overall rankings and as regards resolving insolvency, India stands 136th amongst 189 countries. In the present day scenario, in absence of an effective Bankruptcy Code, it takes approximately four years to resolve a case of Bankruptcy in India, reckoned by a World Bank report to be twice as that of China. The recovery time in high income members of OECD countries is 1.5 years. It further reckons that the recovery rate in India is 25.7 cents on the dollar vis-à-vis 80.4 cents in the US and 88.6 cents in the UK.

Need for a new Bankruptcy code

Very sound insolvency laws is a must for developing the credit markets. To address the same, Ministry of Finance set-up the Bankruptcy Law Reform Committee (BLRC) in 2014 under the chairmanship of Shri T. K. Vishwanathan. The prime objective of the BLRC was to come up with a new bankruptcy framework that would replace the existing framework.

Bankruptcy and its genesis in India

All businesses are started with inherent risk and that is the key reason for the pay-off / profit that they make. Some of them may inevitably fail due to the idea which may have been misconceived or the failure in the execution of an adept business plan. But in general, every business, in spite of being well conceived, has a degree of risk to fail.

Insolvency is a situation when a firm is unable to meet its financial obligations which are due to its creditors and when it is declared so by the court of law, it is called bankruptcy. The existing framework with regards to bankruptcy and insolvency in India are as follows:

(i) The Presidency Towns Insolvency Act, 1909.

(ii) The Provincial Insolvency Act, 1920.

(iii) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act.

(iv) Recovery of Debts due to Bank and Financial Institutions Act, 1993.

(v) Companies Act, 2013.

(vi) Sick Industrial Companies (Special Provisions) Act, 1985.

***Manager, Reserve Bank of India.**

We can see from the above list that there are multiple laws that deal with insolvency and bankruptcy in India which overlap and there are adjudicating forums for financial failure which has led to time consuming legal redressal process.

To curtail the problem of overlapping jurisdiction, India has taken a giant leap in introducing the new Insolvency and Bankruptcy Code (IBC), 2016. The new code will streamline the resolution/bankruptcy process. It will provide exit options for insolvent and sick firms. It will ensure quick and prompt action in the early stage of debt default by a firm and hence will result in optimum recovery rate.

How will the New IBC affect the banks' NPA positions?

There are two ways in which the banks' NPA positions might get affected by new IBC. They are as follows:

(i) Filing under IBC for their existing corporate NPAs.

(ii) The recovery value that the banks will get.

Options to banks for filing under IBC for their existing corporate NPAs

There are three retorts in which the banks rely on for the recovery of their bad loans which are generally called as Corporate NPAs. They are:

(i) To initiate the legal action against the debtor for the recovery of dues under Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act), 2002.

(ii) The Sick Industrial Companies Act (SICA), 1985 or the winding up process under the Companies Act, 1956.

(iii) The banks might opt for Corporate Debt Restructuring (CDR) or Strategic Debt Restructuring.

The IBC has given provision for converting the above cases to come under the purview of IBC. For the cases that are already pending under SICA at the Board for Industrial and Financial Reconstruction (BIFR) and Appellate Authority for Industrial and Financial Reconstruction (AAIFR), the 8th schedule of IBC provides abatement of the existing cases with an option to reinitiate them as new cases under IBC, within a time period of 180 days.

For cases on all other forums, be it legal or regulatory, they can be reinitiated as fresh cases under IBC. All the winding up cases can also be reinitiated under IBC except for one i.e. when the High Court has granted a stay on other legal proceedings being initiated while the winding up is being heard.

There are two possibilities here:

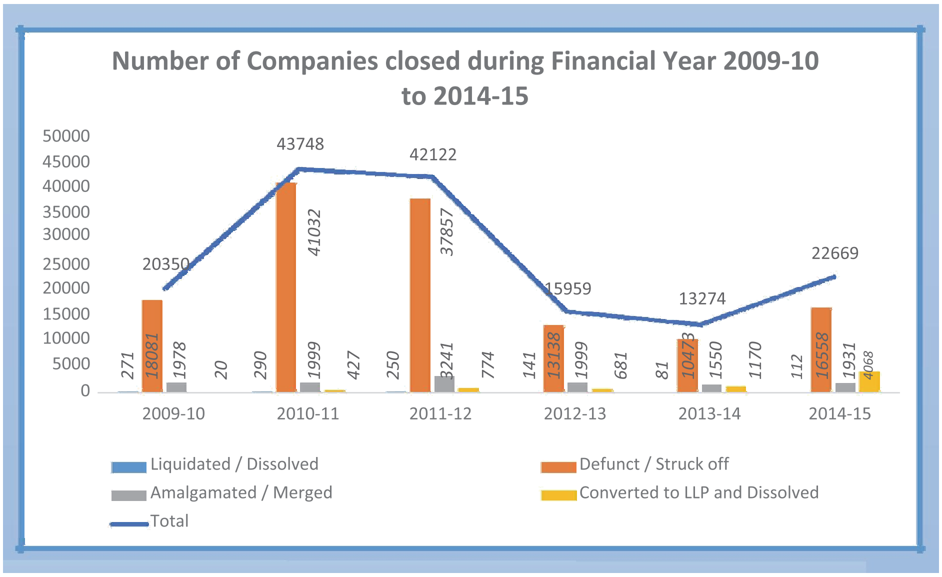
(i) Status quo will prevail and the Creditors may not approach IBC. The banks, even though they could find an early NPA, may not report or may not bring it to IBC as they have to make sufficient provisions and sometimes have to incur losses if the recovered value is less. Though there are losses if status quo is present, the banks might try to delay the bad news and hence may not initiate the IRP.

(ii) Section 6 of IBC states that:

Where any corporate debtor commits a default, a financial creditor, an operational creditor or the corporate debtor itself may initiate corporate insolvency resolution process in respect of such corporate debtor in the manner as provided under Chapter II (Corporate Insolvency Resolution Process).

Hence it can also happen that the parties other than the financial creditor may initiate the IRP and the other parties have to follow suit.

History of Companies Liquidated / Dissolved in India



The above graph shows the full details of the companies that have been closed in India over a period of six years viz. 2009-10 to 2014-15.

Data taken from the 1st Annual Report on the Working Administration of the Companies Act, 2013 year ending March 31, 2015.

The number of companies that have been closed on the basis of Liquidation / Dissolution is very minimal as compared to other categories. The prime reason for this is that the time taken for liquidating a company is very high in India which is mentioned as 4.3 years in the World Bank's Ease of Doing Business report.

In the same report which is cited above, it was also found that the number of companies that are wounded up voluntarily by its own member was very high when compared to the Creditors winding up the company. This clearly shows that the unwillingness from the creditors front.

The other critical information that we can obtain from the report is that there are approx. 4500 cases wherein the winding up cases are with the Courts. As we already know, the time taken for winding up is very high in India and considering the burden of the past cases in our Courts in to account, the passing of the New Bankruptcy Code is a much wanted move.

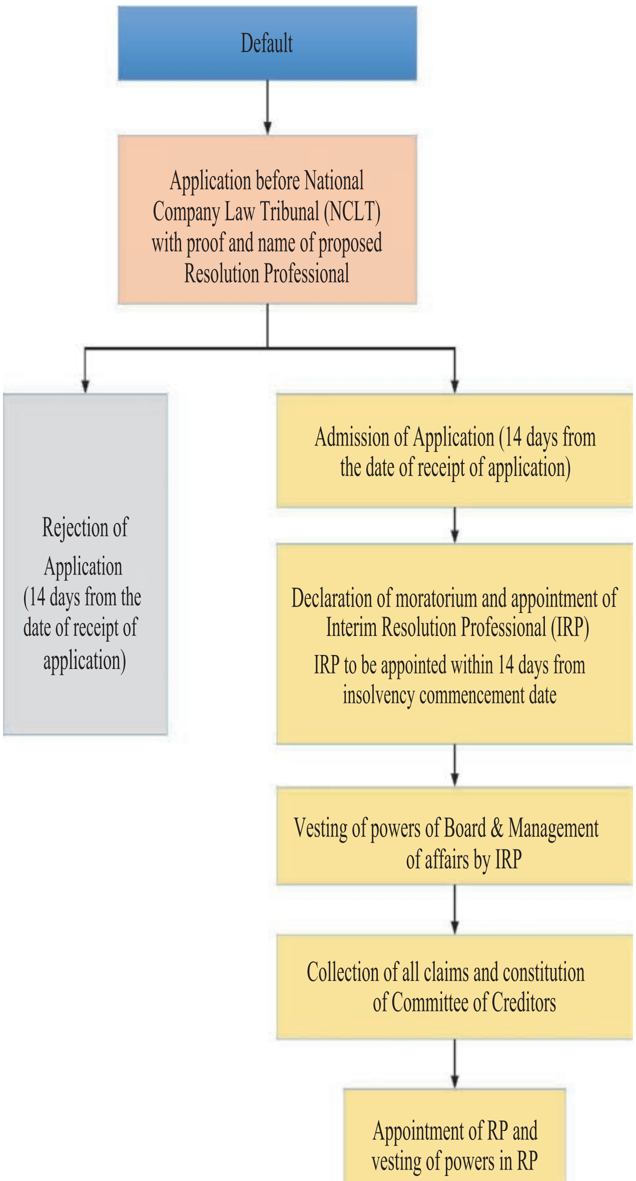
Sections 7 to 9 of the IBC empowers the creditors, not restricted to financial creditor, to initiate the IRP and this is, way different, when compared with the earlier laws that had empowered only certain classes of creditors especially banks and financial institutions to trigger recovery or to initiate a resolution action.

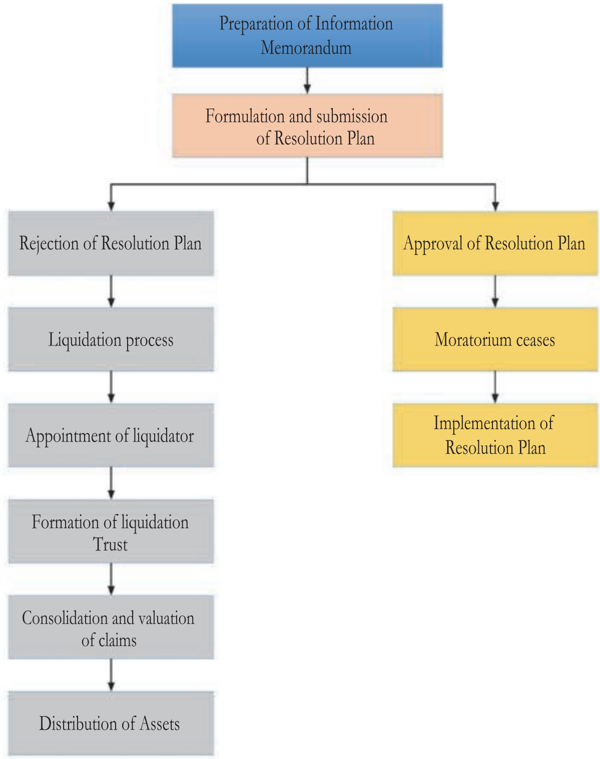
Section 12 of IBC deals with the Time-limit for completion of insolvency resolution process. It states that:

"The corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process."

"The resolution professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond one hundred and eighty days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of seventy-five per cent of the voting shares."

This is a welcome move as there is a perfect time limit given for handling the insolvency cases and the power to initiate is equally dispersed as well. Even if banks are not willing to initiate the process, if any of the creditor initiates IRP then the other creditors including the banks has to fall in line and has to be part of the IRP.





The below flow charts describes the whole process that will be followed under IBC.

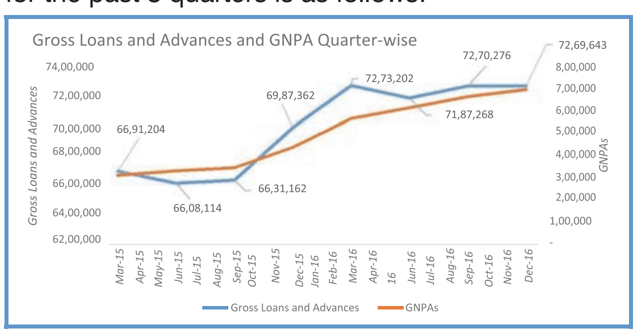
Analysis to study the impact of Bankruptcy Code on the banking system.

There are two ways in which IBC could affect the existing bad assets in the banking system.

i) Reduction in NPAs

ii) Recovery of the NPAs

The existing Gross Loans and Advances and the GNPAs of the Scheduled Commercial Banks in India for the past 8 quarters is as follows:



Quarter	31-Mar-15	30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-16	30-Jun-16	30-Sep-16	31-Dec-16
Gross Loans and Advances	66,91,204	66,08,114	66,31,162	69,87,362	72,73,202	71,87,268	72,70,276	72,69,643
GNPAs	3,09,399	3,28,666	3,43,454	4,36,883	5,66,247	6,15,429	6,65,864	6,97,025

We may analyze the impact in 2 ways:

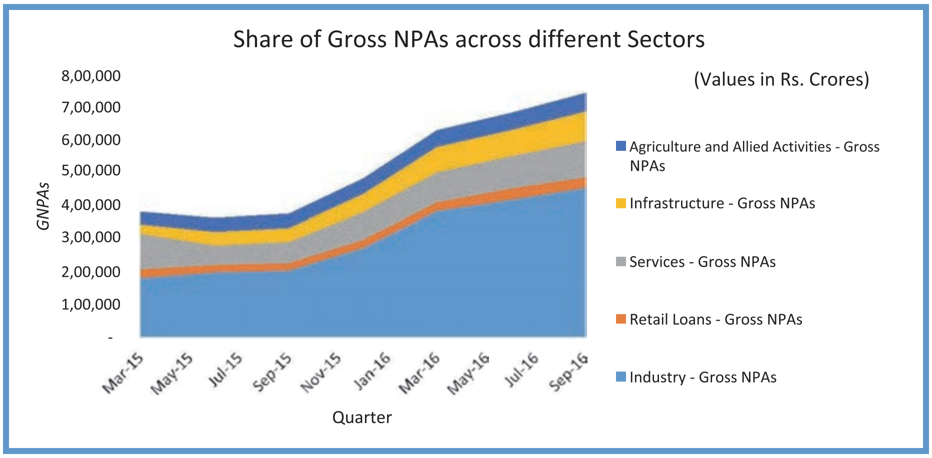
i) To study and analyze the quantum of impact of the IBC, we may regress GNPA numbers with key economic indicators like GDP growth rate, Consumer Price Index, Repo rate and Gross Loans and Advances Quarter-wise and may project the GNPA numbers for the next 8 quarters. The new addition to NPA or the fresh NPA scenario is where the maximum impact of the IBC can be seen. We may conduct a scenario analysis with three scenarios (Optimistic, Most Likely and Pessimistic) and may find the quantum of recovery that could be improved if banks utilize the IBC to the maximum extent.

The Asset Quality Review (AQR) carried out by Reserve Bank of India on the balance sheets of all the banks had a significant impact on the growth in Non-performing assets in the system. It was a one-time exercise which made all the difference in the NPA figures that were reported by the bank.

Since AQR left a very big impact and there was a drastic increase in the GNPAs for all the quarters in 2015- 2016, we may not use the historical data for the regression as AQR was a one-time exercise and the real value of NPA in the system is the key to analyze the impact of Indian Bankruptcy Code. The banks had understated the value of the bad assets as they have to make provision which might in turn affect their profitability. Hence, estimating GNPAs by using the historic value will not give us a right value.

ii) Let us take the split up of the GNPA: (Values in ₹Crore)

Category	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
Industry - Gross NPAs	184,012	199,668	205,408	274,056	386,377	422,631	457,971
Retail - Gross Loans NPAs	25,100	22,999	23,707	25,612	26,974	33,029	32,989
Services - Gross NPAs	109,042	59,991	64,760	82,555	92,905	99,883	110,736
Infrastructure - Gross NPAs	29,513	40,812	42,006	55,924	77,663	80,560	91,461
Agriculture and Allied Activities - Gross NPAs	37,853	41,467	43,411	47,478	51,964	53,123	56,448



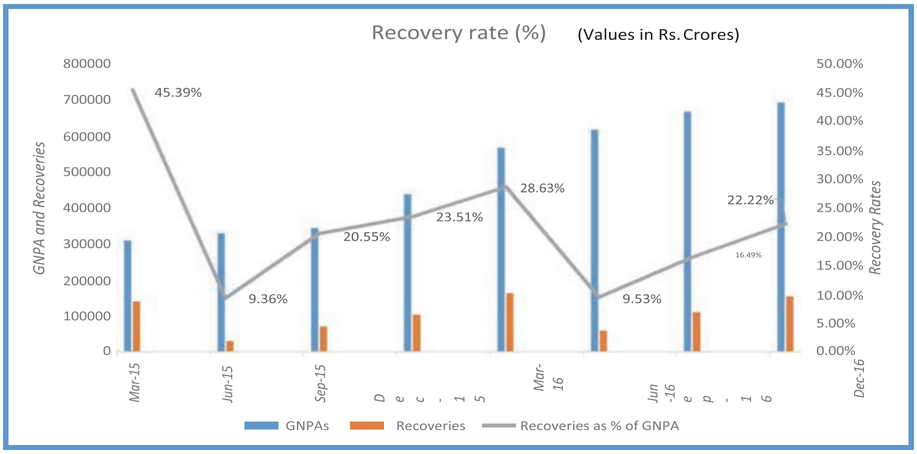
The Industry GNPAs contributes the maximum to the overall GNPAs in the system. Similarly, the new IBC can have maximum impact on the industries.

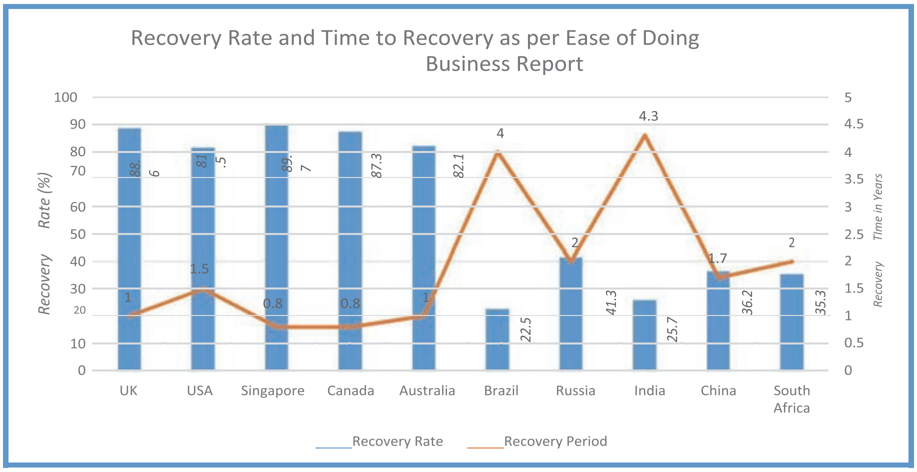
The Industries again can further be classified into different sectors and the metals is the most stressed sector in the group. Assuming the banks could sense the stress in the accounts and if they invoke the Bankruptcy Code in time they might be able to prevent erosion of human capital as well as financial capital of the Companies.

The above graph shows the recovery rates across the past 8 quarters and the trend in the recovery rates shows cyclicality which clearly shows that the recovery tend to peak during the year ending (March Quarter). The recovery rate in Mar-16 is less compared to Mar-15 quarters because of the slow credit growth and the drastic increase in GNPAs because of the AQR exercise.

The other inference from the above graph is that the actual amount of recovery for 2016 is the same as far as the total amount is concerned and it is showing a decreasing trend as the base (GNPAs) have increased due to AQR.

The average recovery rate is approx. 20% (from Jun-15 to Dec-16). The empirical analysis might not be realistic because of the impact of AQR.



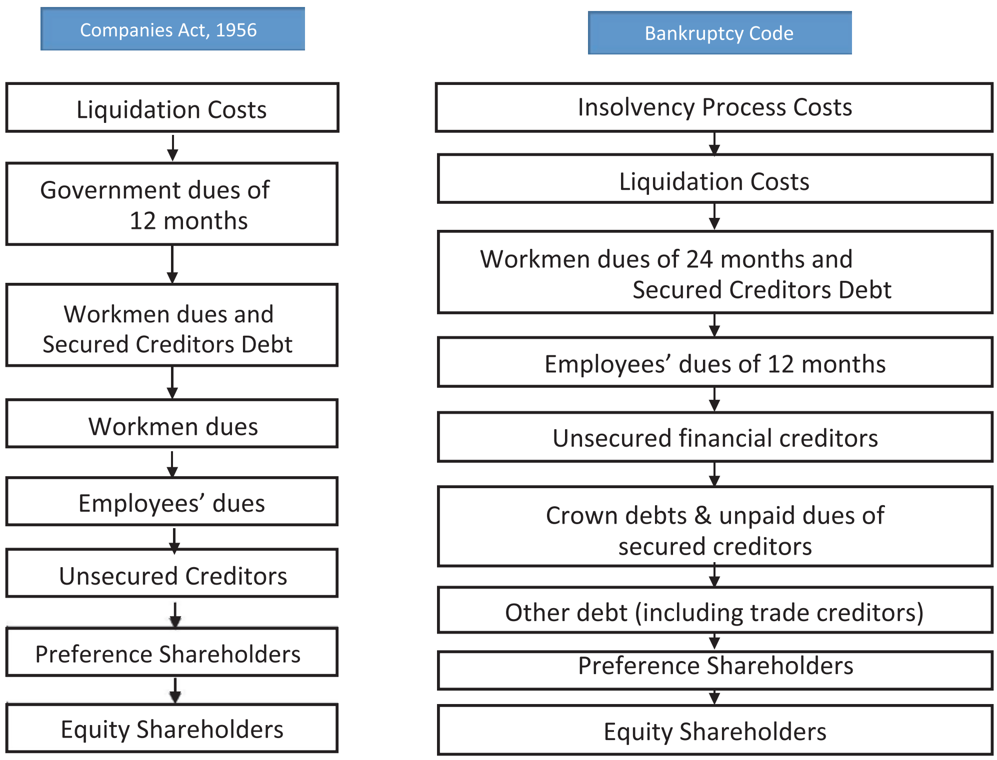


If invoked in the right time the recovery rates will improve significantly and it will have impact in turn on the provisions held by the bank and which will in turn reflect in the profitability of the banks. This will also help in improving the capital adequacy of the banks.

The impact has to be seen after banks start opting the Bankruptcy Code route.

A Cross Country comparison of the insolvency process

S. No	Description	India	Brazil	UK	USA
1	Trigger	Event of Default or Voluntary	-	Default, Insolvency and Voluntary	Default, Insolvency and Voluntary
2	Minimum amount of Default to trigger the process	INR 1 Lakh	-	GBP 750	NA
3	Debtor or Creditor Control	Creditor	Debtor	Creditor	Debtor
4	Control of the company during Insolvency process	Insolvency professional	Board of Directors (No concept of Insolvency Professional)	Insolvency Professional (Administrator)	United States Trustee
5	Recommendation for the appointment of IP	Creditor, Debtor or Court	Creditor, Debtor or Court	Creditor, Debtor or Court	Creditor, Debtor or Court
6	Is there a moratorium period?	Yes	Yes	Yes	Yes
7	Time limit for the moratorium	180 days + 90 days	Entire period till plan is approved	Entire period till plan is approved	Entire period till plan is approved
8	Insolvency Professional Agencies	4	-	7	Separate Trustee for 21 geographical
9	Specialized courts to deal with insolvency	Yes	Yes	No	No
10	Compulsory to form a Creditors Committee	Yes	No	No	No
11	Renewal / Term of the Insolvency Professional Agencies	Life membership	N/A	Annually	Every Five Years



Merits of the Indian Bankruptcy Code

i) The Secured creditors and the workmen wages for a period of 24 months has been given the higher priority even over the Government Claims which was not the case in Companies Act, 1956.

ii) All the creditors now have concrete mechanism in place that overrides all the previous mechanisms which could be sought when needed. This will increase the Financial Discipline amongst the borrowers as they cannot escape the law and the resolution mechanism under the IBC is also time bound.

iii) The non-financial creditors who did not have any mechanism in place, now has a set of well laid procedures which could help them recover their dues.

iv) The Banks can no more hide the stress in the system as there can be instances where the non-financial creditors might have approached the forum way before the Banks classify a particular borrower as an NPA. This will improve the transparency in the system.

v) The normal time taking for a company to file bankruptcy and go for liquidation or take over is approx. 4.3 years in India according to World Bank's Ease of Doing Business rankings. The human capital and the enterprise knowledge would be lost and it will be really difficult to turn up the company and to put in the growth path. With the new Bankruptcy Code's definite time line of 180 days to maximum of 270 days, the human capital and the enterprise knowledge can be preserved.

vi) The value of the firm deteriorates once it becomes non-performing and when it comes to liquidation after a period of 4.3 years, it will fetch only a stressed price which will be much less in value.

With the new Bankruptcy Code and the stringent timelines for liquidation, the value the assets fetch will be much higher.

Demerits of the Indian Bankruptcy Code

i) The Institute of Company Secretaries of India, Institute of Chartered Accountants of India and the Institute of Cost Accountants of India have been registered as the Insolvency Professional Agencies and it is very clear that they have to undertake the tasks of Insolvency Resolution and Liquidation. It has to be found whether these bodies carry the operational expertise to run or turn around the company during the moratorium period. The independent Insolvency Professionals should be allowed so that there is a good competition and expertise across industries.

ii) Development of Professionals with integrity and skills to perform the whole Insolvency Process adeptly is very crucial.

iii) Though the non-financial creditor may invoke the Bankruptcy Code, the committee of creditors only consists of the representatives from Banks and Financial Institutions. The Non- Financial Creditor does not have any voting right in the resolution mechanism. Conflict of interest might arise and it might not get the intended results.

iv) The Interim Resolution Professional, who will run the company during the interim period before the Creditors committee arriving at a decision, may not have the expertise to run the company. Our experience so far with Asset Reconstruction Companies clearly shows that it is very difficult to turn around the company and if the companies end up in the wrong hands it will be even more disastrous. The Organizations that have been chosen only bring the financial expertise to the table and they might lack operational expertise which would be the need of the hour.

v) A very clear demarcation is needed when it comes to tax recovery. If the Creditors approach the NCLT and invoke Bankruptcy and if the tax authorities take the full proceeds to recover their dues, the incentives for the creditors to take up this route might be very less.

vi) There is currently no cross border insolvency framework.

Conclusion

The New Bankruptcy Code is, indeed, a welcome step in terms of the bankruptcy process in India. We have addressed one of the key parameters in the Ease of Doing Business Index where we were lacking for years.

If implemented properly and if the Code evolves according to the changing economic climate, it will be highly beneficial for the lenders, borrowers, regulators and the Government at the end of the day. It improves the confidence in our system.

There is a long way for the players in the Indian system to behaviourally evolve and accept the concept of Bankruptcy, but when it is done, it will significantly improve the transparency in the system.

Once the system starts utilizing the IBC, after a year or so, we may study the actual number of the recovery rates of the banks and we may compare it with the period before which would tell us the exact significance and the impact of IBC.

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i) DBIE (Data Base on Indian Economy) website of RBI

ii) CMIE Reports

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Employee Training and Development

Chinmaya Kumar Das*

Abstract

Employees are the vital stake holders of any organization. All organizations need to grow. For any organization, people, processes and systems are the three vital pillars for growth. It is of paramount importance that all these three pillars remain relevant as the organization grows and enters different phases in its life cycle. While the processes and systems can be fine tuned once in a while to suit the life cycle of the organization, the people, that is the employees need constant motivation, counseling, skilling, and reskilling and other HRD interventions so that they can be upgraded to fulfill the organizational goals. Employees constitute an important cog in the organizational wheel. Hence, overall development of the organization depends on the development of the employee. Today globalization of the economies is compelling organizations to rethink and reorient their future strategies. It is a fact that organizations that change with time can adapt to the demands of the market and can survive. Hence, we can say that constant transformation is the pre-requisite to their survival and growth. Further, globalization and opening of the national economies have increased competition & market forces determine the fate of organizations. This breakneck competition is forcing several organizations to struggle for survival. This has often made the management of these organizations to take suitable measures to develop, retrain, and deploy their work force to meet emerging challenges. The changing business environment has also put pressure on the HRD functionaries to justify their existence and to redefine and reorient their role. Organizations both in the public & private sector are trying to put in place new strategies to meet the emerging challenges in unison with the regulators & the Governments of the nations. Organizations in the public sector are required to fulfill national objectives of nation building and simultaneously provide social justice and sustainable employment opportunities. Similarly Public sector banks have played a significant role in the ongoing socio-economic transformation of the national economy. During post reform period, PSBs had undergone basic changes in their structure and functioning to stay competitive. But they are yet to match their private sector counterparts in terms of performance and positioning in the market. Of course there are several factors attributing for difference in performance levels of various banks. But the basic difference lies in the management of the work force and their skilling & reskilling to get the desired output. Knowledge gaps can be removed & performance levels can only rise by training of the employees. Hence employee training and development are the core activity of any organization to stay ahead in the journey of achieving excellence.

Key words: Employees, Organization, Process, System, Globalization, Skilling, Reskilling, Bank, HRD, Training, Development.

Introduction

While it is accepted that training & development are the keys to the growth of any organization, with the ongoing technological advancement and changing

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nature of skills required, the number of knowledge workers/employees is increasing & the number of unskilled is also reduced to a great extent.

This is relevant to the sectors like telecommunication, information technology, engineering industry and service sectors like banks etc. These knowledge workers have different expectations and have different set of focus and it is the key responsibility of all the organizations that employ them to sooner or later understand this.

It is needless to say that, we have to focus on these knowledge workers in a multifaceted way from learning and development point of view. Firstly, this set of employees need autonomy, flexibility in work place. Secondly, this category of workers need a supportive management and institutional infrastructure. Thirdly, they look forward to a lot of opportunities for learning.

Lastly, the knowledge workers need challenging assignments, so that they can use their knowledge, skill & competency. It is important for a forward looking organization to resonate the aspirations and expectations of the employees with the requirement/ goals of the organization. Specifically, if we analyze this issue in the service sector industry like banks, we can concentrate on two key areas i.e. generating leadership quality and nurturing/managing talent. We often see that banks, both PSBs and private, try to attract quality manpower both from the market and laterally. But, post induction how this manpower is nurtured can create strong/dynamic organizations with desired capabilities. Progress of new generation private banks in the last two decades, has shown that autonomy, right leadership and enterprise are important to attract and retain talented knowledge workers. The PSBs are also not falling back in this regard. It is evident from the fact that traditional Personnel Departments looking after employee management/deployment have been rechristened as HRD & Capacity Building Department. This can go a long way in achieving higher level of success for the banks in their core activity i.e. Business Process Reengineering & Growth.

Learning Organizations vis-à-vis employee Training

An organization can really be successful, if it harnesses its resources at its command in an optimum manner. Here, the role of the management actually becomes critical. The organization has to reorient its policies, practices and systems to manage the knowledge worker. Customized employee oriented suitable policies should generate trust, freedom, flexibility, nurture the employees, encourage participation & stimulate communication amongst the employees. Unprecedented changes and growing trends of globalization are forcing organizations to develop learning as well as training capabilities to prepare the employees to face the competition. Multitasking, retraining are the tools required to galvanize the existing workforce to face the ensuing competition. Training can be given both by the academic circles and the industry leaders & supervisors. Both can share their knowledge, experience and can learn from each other. Training & development not only increases the capabilities of an individual, but it increases the capabilities of the organization too. To stay competitive, an organization needs to stay ahead of its peers. New & innovative ideas should be encouraged & if possible implemented. But, it is also a fact that, new ideas are copied at a faster rate than they are generated by competitors. Organizations need to learn faster than their competitors to survive.

Now let us define a learning Organization. Experts say that a learning organization is one, where the following activities are carried forward:

a) People express their capacity to create desired results.

b) New and expansive patterns of thinking are nurtured and creativity is encouraged.

c) Organizational vision, value and aspiration are given more importance than individual jobs, goals and targets.

d) There is continuous learning over a life time.

Employee training and development, can optimally take place in a learning organization which is interested in superior economic performance, improvement in productivity & customer satisfaction for gaining competitive advantage. It is natural for any organization to develop and retain employees' energies and a committed work force to respond to and manage change. It is of crucial importance that the hurdles in the path of development are removed. A strong learning infrastructure, visionary leadership & a tradition of achieving excellence pave the way to effect changes. We often see that the change process is often slowed down by these self created hurdles.

Training Policy & Vision Document

It is needless to mention that any forward looking, learning oriented organization should have a training policy that is well documented/ drafted & expresses the statement of intent of the top management. All well structured modern organizations, commercial or institutional prepare their annual business strategies based on policy decisions. Training, being an important subsystem, of the overall management by objectives (MBO), it should be properly aligned with the corporate business plan and policy. Moreover, this will provide a clear sense of direction to all the stake holders associated with training. The training policy is an important document and it should be well crafted and diligently documented. We can highlight some critical dimensions of the training function as follows. Now-a-days all organizations talk of increasing the bottom line. For the top management of an organization, training is a costly proposition. It is traditionally visualized as an investment. Hence, they say that training should be converted to business.

Let us study the training activities of an organization from various dimensions as under.:

a) Defining the objectives of training.

b) Need for alignment of training with operations & the modalities.

c) Establishing the training set-up & the structure.

d) Expanding the role of training through research/consultancy & activities.

e) Criteria for selection of the trainers and their development.

f) Norms for sourcing of training resources

g) Planning/regulating training of the employees.

h) Coordinating & monitoring of the training activities.

i) Conducting training need analysis.

j) Identifying the thrust areas with skill/ knowledge gaps and devising suitable programmes to fill these gaps.

k) Analysis of the scope of converting training into business.

l) Evaluation of training programmes & assessment of trainers.

m) Use of Information Technology/E-learning in training programmes.

Further, the mission statement of the organization and the mission statement of a training system should resonate to demonstrate the organization's commitment to a continuous process of upgrading its operational efficiency and productivity by effective learning. Of late, organizations are realizing the fact that training system is an important business partner which plays a pivotal role in transforming the human capital into a professional, competent and committed workforce empowered to contribute to the growth of the organization.

Now, let us take a bird's eye view of the prime objectives of a training system, aligning itself to the business strategies of the organization, as under:

a) The system should remain committed to the corporate objectives, ensuring a shared vision.

b) It should bring about attitudinal changes in the work force vis-à-vis organizational goals.

c) It should make the work force aware of the socio-economic changes affecting the organization.

d) It should motivate human resources to be part of change management by creating awareness about critical issues.

e) It should help harness potential of the human capital.

f) It should encourage implementation of the best management practices and development.

g) The system should help functional units in solving their operational problems.

h) The system should develop into a referral centre for resolving the organizational issues.

To achieve all these parameters, training system should prepare a training strategy and annual training plan to help the organization transform itself into a "Learning Organization". Optimally, an effective functional partnership should be established amongst the top management, the line managers and the training vertical. This organic linkage can be established if "Employee Training" figures as an important system in the annual business plan. Secondly, we have to identify knowledge and skill gaps in the operational units and align them with the training schedules. Thirdly, steps should be initiated to involve the training system in the business process and bring about attitudinal changes in the mindset of the frontline and back office employees to serve the customers, face competition and nurture a symbiotic relationship with colleagues. Traditionally, organizations have viewed training programmes as supervisor/executive development workshops, may be conducted in house classroom or by external agencies. There is less emphasis on arranging/ developing programmes for the grass root workers, who work on the shop floors in manufacturing sectors & man the counters in the service industry like banks. But of late, organizations have started to understand the importance of giving training to the employees doing routine functions down the line. No doubt there will be value addition as far as improving productivity is concerned.

Now-a-days most of the Public Sector Undertakings (PSUs) & many large and medium sized private sector establishments have adopted Human Resources Development (HRD). However, training in industry is implemented on an adhoc basis. In many organizations there is no systematic approach, as far as training is concerned. The objectives of training are not well identified. Matters are complicated with no survey of training needs. Generally, training is viewed as a temporary break or respite from the repetitive busy work life and tedious industrial environment of a grass root worker. Training programmes are conducted to achieve the statistical figures. No training need analysis exercise is carried out and only randomly employees are nominated to training programmes irrespective of the fact that whether there is an actual need for training or not.

Employee Training-Multi skilling- The Focus Points

The society and businesses have undergone seminal changes and there is a total paradigm shift in the working style of organizations. Customers at the market place are becoming more demanding. They expect lower cost, better quality speedy and better services. Manpower of any organization is the most valuable asset. All organizations have certain values, ethics and beliefs. To meet the new challenges and global competition, the employees need to learn more than one skill to save them from redundancy. Otherwise, the people will lose their market value and may not be further required by the organization. Hence, organizations need to develop the skill of the employees, retain them and redeploy them to meet the emerging challenges. Technology can be an important facilitator in this venture. Hence, individuals and organizations need to adopt strategies coupled with technology for multi skilling. We may all agree that, this is the definite way of increasing employee productivity, quality and reduce cost to gain a competitive advantage. Multi skilling enables an employee to perform multitasking activities. It fulfills a number of objectives. These can be listed as below:

a) Reduction in response time; b) improving motivational level; c) increase in flexibility; d) improvement in utilization of manpower; e) increasing responsibility and recognition; f) growth & advancement; g) achievement and learning.

Multi skilling equips employees with better chances for further deployment & re-deployment.

Training/Productivity/Attracting and retaining talent - related issues in Banks

Business organizations of the future have to pay more attention to the customer. It is an accepted fact that income generation can only come from a satisfied customer. Because profit is the only bottom line and others are just overheads. Customer has to be satisfied to retain business and organizations have to concentrate on this aspect. Meaningful research can result in reorganizing and redefining jobs, carrying out survey of existing jobs, estimate and plan the manpower, redefine the skills, retrain employees, plan their careers and redefine wages.

Manpower is the most important asset of any organization. One of the most important issues faced by the organizations today is the changing business environment & retaining the talented people. This issue is a core problem for all organizations. Organizations with the most talented people call the shots in the market today. Future of the organizations is decided by the quality of manpower they possess and strive to retain. The million dollar question raised by the organizations today is what these talented people can do to propel their institutions to greater heights. As far as banking is concerned, banking industry in India mostly comprises of PSBs with market share of 74.12 percent in total business as on FY15. The private sector banks constitute 21.44 percent and foreign banks have a market share of 4.44 percent. Though having a lion's share of business, PSBs have not been able to convert the talent in these banks into profitable business due to hierarchical bureaucratic set-ups, archaic employee management systems, redundant annual performance management systems and other limitations. But, after ushering in the second phase of banking sector reforms, PSBs have moved on to 'market driven competitive banking' from 'fully regulated banking regime'. Manpower planning & training in the PSBs were largely hierarchy oriented with no specific training programmes for building leadership & meeting challenges of the market place. Those who had attained leadership positions were mostly self-made and set their own pace. With opening up of the banking sector and new players entering the market place, numerous challenges are faced by the banks to retain market share & retrain their manpower. Presently the banks have come to realize that it is important to recognize people not as numbers but as Human Resources linked to their potentiality to perform and achieve business results. Now, managing HR function is considered as an important function and the concept of "Strategic HR" has come in. Employee Training and Development is one of the core concerns of the "Strategic HR". It is expected that the PSBs will move away from "one size fits all" model to empowering people with the right training & grooming to develop business leaders who can drive change passionately. Thus, it can be summarized that training and development issues are one of the most important criteria to encourage better business standards, risk taking ability and organizational development. PSBs which constitute the majority share of the business also have to multitask to implement many of the government sponsored schemes at a fast pace. Presently under the government's guidelines for financial inclusion of the unbanked areas, the approach has to be far more aggressive in direct participation in economic upliftment of the society. The additional burden of the PSBs for social banking, coupled with staying at par with other banking sector market players as far as commercial profit is concerned, need more focused attention on training and grooming activities. The full potentiality of the Human Resources can be realized only when Employee Management Systems and Talent Management Systems are geared up to meet the emerging challenges of the market place.

Strategic Training Plan and Organization Development

The trainees need to apply what they have learnt in the classroom to real life projects. In the present hour, comprehensive training is the need of the hour. Training should not be restricted to the classroom. Now-a-days the demand for technology based training is rising. As the product life cycle gets less day by day, training institutes have to provide, maintain and update new information that is timely and cost effective. Organizations have to evolve strategic training plans to define the purpose of the firm and establish goals, set clear focus of the business and thus enhance efficiency. It also inculcates a sense of ownership and optimum use of resources. We must realize that to make a training successful, two things are absolutely essential. They are the instructor's concern for the trainee's learning and the trainee's receptiveness. Trainers should try to make learning effective by constantly monitoring the various issues. They are motivating the learner to learn, setting standards for performance, using appropriate techniques & applying the same to real life situations.

A strategic training plan must concentrate on the following points:

i) How long a training programme must continue

ii) Preparing a suitable training budget

iii) Training need analysis

iv) Identifying the groups

v) Programme designing

vi) Types and methods of training

vii) Follow up procedures, evaluation of training & feedback

ix) Performance Appraisal

Similarly, Individual Training Needs Analysis Information must be prepared to make a training programme successful. We can identify the same as follows:

i) Does the participant have the ability to successfully achieve work objectives?

ii) Does the person have the right attitude for the job?

iii) Does the participant have specific area of interest and experience?

iv) Does the participant have interpersonal skills to work flexibly in a team?

v) Whether the participant demonstrates suitable maturity level?

vi) What is the level of productivity post training?

vii) Has the participant done a SWOT Analysis of himself?

ix) Assessing past training experience

x) Whether the training programme fulfills organizational goals?

Recently Organizations are concentrating on life cycle Training Programmes. It is felt that as an employee goes up the ladder in an organization, his individual output, aspirations and training needs undergo continuous change. No doubt the organizational set-up, culture, resources & contribution of all stake holders play important roles in making training programme successful.

A trainer should interact with a trainee by preparing him, explaining him the job, provide demonstration, and have the trainee practice the job & monitor his progress. The former plays an important role of a facilitator by providing the right motivation, knowledge, skills, attitudes and fulfilling expectations of the learner. Trainers need to adopt to various methods of training to make training programmes interesting and successful. Normally, these methods can be divided into two types. They are cognitive & behavioral methods. Cognitive method comprises of lectures, demonstration, group discussions and computer based training programmes. The behavioral methods comprise of business games, case studies, in basket techniques role plays. Lately, organizations are adopting another Method, known as Management Development method. This method comprises of two parts. They are i) On the job training ii) Off the job training.

On the job training is divided into four parts. They are a) Coaching b) Job rotation c) Understudy & d) Multiple management.

Off the job training is divided into ten methods. They are a) Case study b) Incident method c) Role playing d) In-basket method e) Business game f) Sensitivity training g) Simulation h) Conference i) Lecture etc.

Organization Development

It is defined that Organization Development (OD) is a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organization so that they can better adapt to new technology, market, challenges and the dizzying rate of change itself.

Organization Development comprises of following steps:

a) Problem recognition b) Organization diagnosis c) Feedback d) Development of change strategy e) Intervention f) Measurement and evaluation

Training programmes can play an important role to increase effectiveness of the organization, maximize employee efficiency, ensure discipline & adopt to organizational changes. The growth of the organization depends on strategic decisions taken by the management & implementation of these decisions by the employees. The training and development activities are vital to facilitate the implementation process by imparting the required training to improve the competence of the employees and to effectively implement the management decisions.

A Training professional can be profitably linked to the development of the organization by adopting the following practices:

a) keeping on increasing inventory of motivating thoughts

b) Striving for continuous improvement

c) Stimulate the trainee to perform on desired goals

d) Understand and adapt psychological and behavioral tools

e) Improve the Organizational Efficiency

f) Set organizational goals, keeping pace with changing times

g) Innovate and develop latest teaching programmes and methodology

h) Able to evaluate employee training programmes

i) Prepare Training Need Analysis and training budget

j) Be an effective facilitator to provide the right training environment

k) Orient the employees to facilitate them into job roles

l) Obtain meaningful feedback

m) Adopt cost control measures and prepare training budget

n) Design training programmes to suit the organizational needs

o) Conduct Training Survey

Conclusion

The present century is a time of path breaking changes manifested by glorious uncertainties, global competition, short life cycles of products, rapid technological obsolescence and survival of the fittest. The present world order comprises of economic turbulence in nations, changing corporate patterns & expectations. Customer expectations are undergoing continuous changes. Hence Institutions both in the manufacturing & services sector are deeply affected. Organizations which quickly adapt to competitive advantage, customer orientation, professionalism and a spirit of entrepreneurship can remain afloat in the market place & avoid redundancy. No doubt employee training & developmental activities can play a yeoman's role in fulfilling these dreams.

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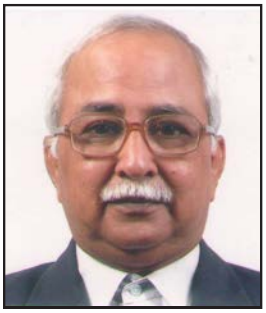

Use of Internet of things (IoT) in banking

Sunil Bakshi*

Introduction

Revolution in technology has dissolved the geographical barriers making geography as history. This is particularly through internet and mobile technologies that have changed the speed and mode of connectivity and communications. Internet helped in forming a huge network of computers and mobiles. Now, this network is expanded by connecting devices other than computers to the internet so that anyone can access, command and control these devices remotely. This Technology is known as 'Internet of Things' (IOT).

The term Internet of Things generally refers to scenarios where network connectivity and computing capability extends to objects, sensors and everyday items not normally considered computers, allowing these devices to generate, exchange and use data with minimal human intervention[1].

"The Internet of Things is the intelligent connectivity of physical devices driving massive gains in efficiency, business growth, and quality of life."[2]

Projections for the impact of IoT on the Internet and economy are impressive, with some anticipating as many as 100 billion connected IoT devices and a global economic impact of more than $11 trillion by 2025[3].Various organizations have predicted that the use of IoT is increasing rapidly and there will be more than 20-50 billion devices connected through internet by 2020. Considering these projections and trends towards IoT become reality, there shall be a paradigm shift in technology usage, implications and issues particularly due to the fact that most interaction with the Internet comes from devices than human beings.

Internet of things has been used in different industries like manufacturing, telecommunication, healthcare, smart cities, smart buildings and more. Although it is not yet considered by bankers however most technology leaders have predicted that this technology can be used by banks for improving customer relations and marketing of banking products. Currently, banks are using IoT for smart buildings and ATM monitoring but can IoT be effectively used for proactive control and management of loans and advances to reduce NPAs and increase profitability? This paper elucidates this concept with some practical examples and use cases.

Keyword

- **Internet of Things (IoT)**: Specially designed devices that can be connected over internet for command and control.
- **Hypothecation:** Goods pledged with bank to get loan but are in possession of borrower for business purpose.
- **Pledge:** Creating charge of a bank on the goods purchased with finance from banks.
- **Cash-Credit:** Type of loan account that can be used as current account.
- **Non-Performing Assets(NPA):** Loans given by the bank that has high-probability of going bad.

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- **Bad Debts:** Loans (NPA) that may not be recovered.
- **Bank Guarantee:** Document issued by the bank as guarantee on behalf of its customer providing assurance to beneficiary that bank shall pay on behalf of customer to the claimant.
- **Letter of credit:** Letter issued by bank providing assurance to foreign seller that price of goods purchased by the customer shall be paid.
- **E-Paper:** Paper with embedded electronic chip that can store data.
- **Cloud Platform:** Set of applications hosted on a cloud where data from IoT can be collected, stored, processed and shared with authorized users.

What is the NPA problem?

Banks accepts deposits and provides loans from these deposits. If the loans are not recovered or become NPA, banks still have to re-pay the depositors on due date along with applicable rate of interest whereas for NPAs, banks cannot account interest income and have also to make provision. This affects the profitability of Banks and reduces the capital of Banks impacting capital adequacy norms. In order to ensure profitability of banks, Reserve Bank has adopted prudential norms for classifying loans (assets) of the banks and provide for possible loss before hand.

A loan/asset is called non-performing asset when it stops generating income for banks. In other words, when interest on the loan account or the installment is not recovered in 90 days since it becomes due, it becomes non-performing asset. There are three categories of NPAs:

- **Sub-standard asset:** when the instalment or interest is overdue for more than 90 days.
- **Doubtful asset:** An asset that is substandard for 12 months.
- **Loss asset:** The banks and RBI have considered the loan cannot be recovered and has to be written-off.

Ideally, banks should have gross NPA level of less that than 2% of total loans and advances. Increasing NPA levels not only erodes the profits of banks but may also erode the capital of the banks which is contributed by the stakeholders. Current level of NPA in Indian Banks is almost at 8.9% of total advances.[4] This has resulted in many public sectors banks declaring losses due to high provisions being made from the operating profits thus making them weaker. Weak banks are anathema for country's economy.

Overview of IoT

The concept of combining devices with computers, sensors, and users through networks to monitor and control devices has been in vogue for many years. The use of RFID, although having smaller range is for devices/user identification by retail stores is one such example. The recent confluence of several technologies has now enabled connecting and controlling devices using larger networks like internet.

Using sensors that collect and provide data for monitoring and controlling devices using internet based applications is a growing trend. This has helped industries in many ways. Some examples are:

- An air conditioner that can be controlled remotely through an application on users mobile;
- Manufacturer tracking product being used by customer for maintenance and fault finding helps the technician/engineer attending the service call, thus, reducing the downtime;
- Banks monitoring ATMs for adequacy of cash available and also for appropriate functioning;
- Used in healthcare to monitor patients and collecting data required for diagnosis and treatment.

A device fitted with sensors that collects necessary data and transmits over networks to a platform where using cognitive technologies (also referred as Artificial Intelligence) the service provider or manufacturer can monitor the function of connected devices. (Figure 1)

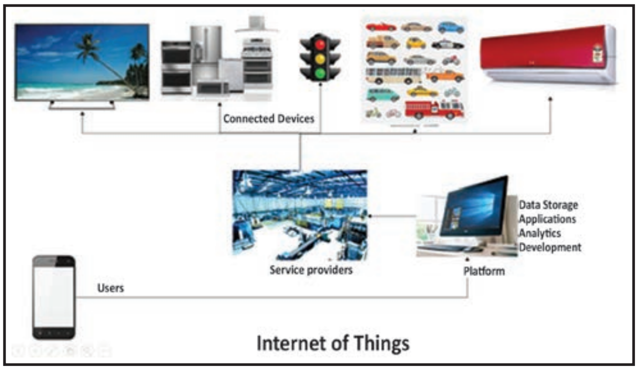

Figure 1: Internet of Things

Devices capable to connect internet have sensors that are configured to store basic data and collect the performance data about the device including identification and ownership. These devices once connected on Internet are allotted an IP address. The data about all such devices is stored on a Platform to which these devices are connected.

Typical implementation of IoT

A typical IoT implementation requires following components:

- **Devices or Objects:** Devices or objects are designed, developed and manufactured by organizations. For example Car, Refrigerators, TV, AC etc.
- **Information technology:** While making these manufactured devices / objects, designer embed Information technology within the device based on the expectations and objectives. For example, a Car manufacturer may wish to monitor the proper functioning of car and provide feedback to the driver/owner as well as maintenance service provider. Data required for these feedback must be collected, analyzed and presented. A smart car may inform driver/ owner about low pressure in wheels, or availability of fuel and nearest station using GPS services or a maintenance service provider may locate a broke-down car using GPS signal sent by the car and so on.
- **Operation Technology (Service provider):** Many devices on their own may not be able to store and process the data. However, they can transmit the data over internet to a platform that can store, analyze it and provide feedback. For example, a car sensor may only provide data and platform service shall provide feedback after analyzing the same. A platform requires servers and applications, data storage, processing capability and is connected with devices on internet.

  A platform can be private or public cloud depending upon data access requirements. Many times there can be other entities that need access to the device data and feedback. For example, if a car meets with an accident, the platform may transmit the data to nearby police station and hospital.
- **Smart Devices/Objects:** These are the devices that are used by the users such as smart phones that are connected to the device for command and control.

Components in implementation of IoT may be represented as: (Figure 2)

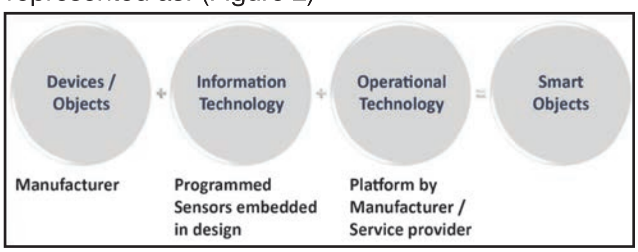

Figure 2: IoT components

A platform consists of components that enable:

- Deploy applications that are used to monitor and control connected devices.
- Remotely collect data from connected devices.
- Security of data, connectivity and devices.
- Manage connected devices.

- Provide access to users/service providers and third party as required.

The IoT platform is independent and is a channel between the device hardware and the application, which will integrate with connected device to interact with device applications, and implement features and functions required for IoT.

Implementation of IoT requires establishing communication channels. Depending upon the intended use, different models are used to connect devices, are of following four types:

- **Device-to-Device:** Where devices are connected with other devices for sharing of data and controlling commands.
- **Device-to-Platform:** Where devices are connected to a platform (Set of servers with applications and communication channels) that collects data from devices, stores and analyzes the data, controls applications etc. These platforms are generally hosted on cloud (private, community or Public).
- **Device-to-Gateway:** In case the data from device is being used by multiple users a gateway is used to divert the communication depending on nature of communication.
- **Back-End Data-Sharing:** Where the data about connected devices is shared with other entities from the platform or back-end.

Figure 3 depicts a typical industrial IoT implementation.

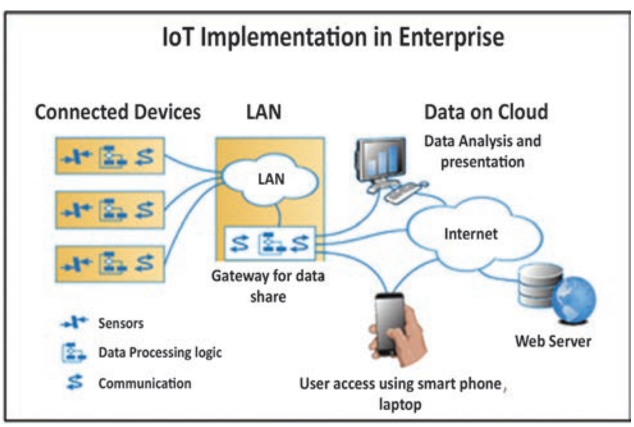

Figure 3: Typical IoT Implementation.

Current Use Cases

Smart Manufacturing: IoT offers a mechanism to get real-time feedback from operations on the shop floor. This helps monitoring the performance against planned performance, and to take necessary decision to adjust the operational cycle to address the market changes and unforeseen situations. This feedback mechanism in 'IoT for assets' including the manufactured products and the manufacturing equipment is part of IoT platform. The data generated from IoT is integrated with product life-cycle management (PLM), manufacturing planning process, and other systems to provide an accurate position to management.[5] (Figure 4)

Connected Products: The product manufactured (e.g. refrigerators, Vehicles, etc.) are installed with IoT sensors that collects the data on product performance which can be compared with defined outcomes to benefit the customer. The data collected from these devices provide feedback of how a product is performing along with environment in which it is working. This information can help service providers (Manufacturer or service centers) to fine-tune the performance of the product and consider changes in for future design of products and services. Mahindra's electric car 'Reva' is an example of a connected product, in which the business can and monitor product performance.[6]

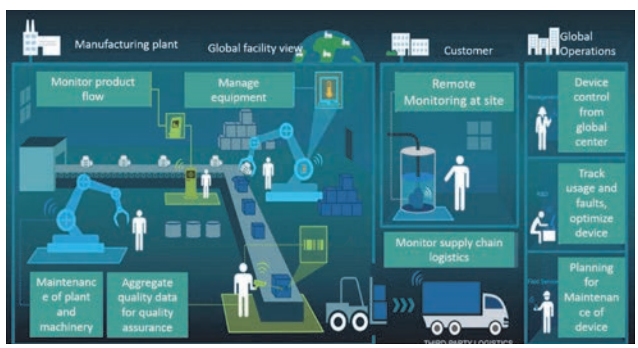

Figure 4: IoT in Manufacturing

Product as a Service: Many manufacturers have designed products and leased them, instead of selling so as to reduce the high cost of ongoing operations/maintenance and requirement of skilled resources. Thus, they provide “product as a service”. Customers use the services provided by the product and the pay only for the actual usage of the product. Consumers can be entered into a contract with OEMs leading to a better sharing of risks. IoT as a technology becomes an enabler for this model as the service and maintenance can be handled remotely based on the performance data provided by the IoT enabled product. Skilled resource visiting the site of use can be reduced drastically.

Self-Healing Products: Products that can communicate two-way with service/command center helps in repairing products remotely. A farm of wind turbines where power generation is controlled based on the demand for power at a particular hour of the day and the wind conditions, as implemented by Bharat Light and Power[7].

IoT as a Service: This model is becoming more popular as manufacturers hire platform services from organizations that offer IoT as a plug and play service. Manufacturing companies want to focus on their core competency and may not want to implement the processes for recording and transmitting the readings of instrument, storage, analytics, and alerts required for IoT products. Companies prefer to partner with specialists in this area and consume the services offered on a pay-per-use model.

Connected Supply Chains: On time and accurate delivery of supplies to shop floor and delivery of products to the business partners/customer is a concern today. On-line shopping experience in the retail requires tracking of order by the seller as well as purchaser is becoming a need of the hour. Consumers can use any channel of communication (PCs, smart phones, digital stores, and a store) and request a delivery in any location (home, nearby store, or locker). Supply chains are gearing up to cater to such demanding models and IoT can be the supporting technology for ongoing monitoring of the location and other conditions of products and the shipment. Most courier services offer these services today.

Asset tracking: Another extension of IoT is tracking the assets stored at different locations for their availability, movement and availability by the large organizations with multi-location operations.

Use cases in Banking

Banking is a service industry and do not deal with devices. Hence, bankers think that IoT technology can be useful for banks may be for their own asset tracking and smart office buildings that house the offices of bank and for monitoring ATMs. However, technology thought leaders differ with these view. According to Deloitte although IoT is about physical devices and financial transactions, these are based on information from intangible source and the source of this information is related to the physical world. For example, stock price of a logistics firm’s or a manufacturer may depend on the number of packages shipped, or number of machines produced or trading rate of wheat futures may change based on rainfall levels.

Banks also provide finance to acquire physical goods that are IoT enabled. Data from these devices can be used by banks to build the profile of customer depending on use of such devices. For example, lenders could partner with manufacturers to proactively make credit offers to individuals if their purchased items are likely to fail or needs replacement. Banks can also monitor the condition of pledged assets in order to determine the recoverable value of the asset to determine with greater accuracy any discounts or penalties for preferred or unacceptable use.[8] In terms of retail banking, IoT can be used to assist customers with tellers and kiosks equipped with sensing technology that will be able to authenticate customers using biometrics linked with Aadhaar. Another example can be collecting data from sensors connected field devices in manufacturing and agriculture and livestock to monitor the activity and condition of industrial and agricultural businesses.[9]

However these thought leaders are primarily focusing on using IoT for enhancing customer experience and market reach by the banks. These use cases have a major limitation associated with privacy. Banks may not have access to devices owned by customers. In this paper we shall be discussing use case which is related to monitoring of loans and advances before they become NPA (go bad), by using IoT Technology by connecting assets pledged or hypothecated to banks which bank can access legally.

Types of Finance provided by banks to customers

Banks provide different types of advances to customers. We are considering the advances that are most used and where IoT can be most useful. (Figure 5)

1. **Hypothecated moving assets:**

   Hypothecation is legal term that refers to the granting of a hypothec to a lender by a borrower. In practice, the borrower pledges an asset as collateral for a loan, while retaining ownership of the assets and enjoying the benefits therefrom. Since, the possession of such asset is with the borrower, as per banking practice the borrower must provide information to all about the charge of bank on such assets.

   Banks provide finance to the organizations for acquiring and use of assets for the business purpose. For example:

   - Purchase of Vehicles by transport operators for renting the services.
   - Individual vehicle loans.
   - Stock for trading purpose. For example Vehicle dealer and manufacturer, retail shop keeper, wholesale trader, etc.
   - Acquiring of machinery for manufacturing plant which is installed and used for producing goods.
   - Acquiring inventory for manufacturing products and also finance against stock of finished products.

2. **Pledged/Hypothecated Inventory:**

   Banks also provide finance to the manufacturers, wholesale and retails traders. This finance is against pledge of goods that are required by the borrowers subsequently. The difference between hypothecation and pledge is that in case of pledge, goods are in possession of banks and are released against payments when these are required. The goods consist of inventory of finished goods or goods to be sold based on demand. For example, a car manufacturer may have stock of cars ready to sale, however, banks cannot create a charge on such assets with registration authority. Banks then arrange to keep these goods in their custody and release them against payment which manufacture gets from retailer or customer. In this case, Banks have to arrange for custody of such goods. For which banks have two options:

   1. Hire a storage which is in control on banks with necessary staff for protection and controls like security personnel, storekeepers etc.
   2. Storage may be provided by the borrower and bank have to arrange for its staff for control. In this security shall be provided by the borrower.

Since the custody is with banks it is less likely that a borrower can misuse these goods. However there are some challenges such as:

- Cost for personnel and storage for bank.
- Knowledge of bankers about the nature of goods in custody. Borrower may provide empty cartons or low quality stock with very low realizable value that do not cover loan.

3. **Immovable assets financed by Banks:**

   Finance is provided by the banks to the manufacturers for building plant and purchasing and installing machinery required for manufacturing. These machines are used for manufacturing activity and are fixed at the factory shop floor. It is difficult (though not impossible) to move these machines due to its size and nature. However, a wilful defaulter may replace such machinery for old machines or dummy machines. Considering banker's lack of expertise in identifying such replacement, banks are at loss.

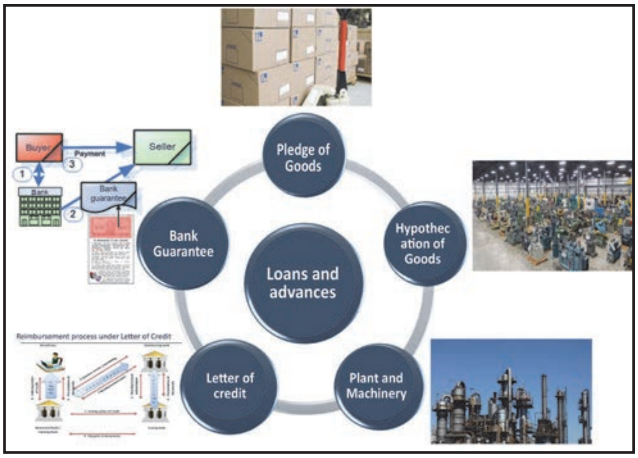

Figure 5: Loans and Advances

4. **Documents using IoT:**

   In banking, there have been various frauds involving fake or duplicate documents. The most notorious has been the fake experience and degree certificates submitted by the employees in IT sector. Business organizations deal in documents and they need a mechanism for easy verification of documents[10], a startup has to come up with a chip-based e-paper which can be used to print secure document and can easily be verified by using a mobile App by anybody. The detailed verification can be done by accessing IoT platform hosted on the cloud.

This technology can be used by banks for issuing secure documents such as Bank Guarantees, Letter of Credit, Fixed/Time Deposit Receipts, No Objection Certificates etc. that can be easily verified by any third party using mobile app. or using internet service.

It has been observed in past that bank's customers have used fake documents particularly Bank Guarantee and Letter of Credit since third party rely on such document as assurance that when presented to the bank it will realize the amount mentioned in the document. Since it is matter of reputation bank may have to honor the Guarantee or letter of credit and pay to the beneficiary.

Current Challenges faced by the banks

The issue of NPA in Indian Banking Industry, particularly for public sector banks, is becoming huge and is directly affecting the performance of banking sector. NPA of public sector banks constitute over 90 percent of the total bad loans of the industry. Many of them have reported losses on account of huge NPAs in the December 2016 and March 2017 quarters. Investors are dumping shares of these banks while there is a sense of uncertainty prevailing on the extent of troubles in the banking sector.

When bank provides loan for purchase of assets these assets are pledged /hypothecated to banks. Hypothecated assets are owned by and are in possession of the borrower and banks has legal right to access them. Banks face a challenge in detecting mis-use of such assets by customers except for vehicles where the vehicle registering authority notes the charge of bank on vehicles registered with them. It is responsibility of borrower to repay bank's loan as and when assets are disposed. However, many times banks comes to know about such disposal only when the borrower defaults in repayment schedule and the loan becomes non-performing asset (NPA).

Banks can monitor the performance of loan account but cannot monitor the end-use of assets acquired with bank's finance. Once, banks realize that account is likely to go bad, they need to track the assets acquired using Banks's finance for, possible recovery of loan amount. Some method used by scrupulous customers to dispose assets are listed below:

Vehicles: Borrower disposes the vehicle before registering with vehicle registration authority. The title is in borrowers' name and possession with third party. It will be difficult for the banks to locate and take the possession of vehicle. This can happen while purchasing the vehicle. Bank need to finance before the ownership is transferred to the borrower with an understanding that borrower shall provide the signed copy to registration authority, which borrower avoids deliberately.

Borrower dismantles vehicle and is not available for bank to take possession in case of default.

Plant and Machinery: These are fixed at a location and difficult to move once installed. However, if the borrower decides to dispose-off such assets without informing bank it is not impossible. Moreover, many times bank officials may not be in position to identify assets that are acquired through bank's finance due to lack of expertise.

Inventory and Stock of finished goods: These assets are easily movable and are used by the borrower for business. It is most difficult for bank to track the movements of such assets. For example inventory is consumed to manufacture product that will be part of finished goods and subsequently sold to customers. It is expected that borrowers use bank's account for acquiring inventory and depositing sale proceeds. However the misuse of facility can be noticed by the banks after the fact when the account becomes inoperative. Many times it has been observed that same goods are hypothecated by multiple borrowers or to the multiple banks creating issues for multiple banks.

Limitations currently faced by banks in asset monitoring

Currently bank's monitor pledged assets by periodic visits of bank's officials at location/site where such assets are stored/used by the borrower to ensure that these are still in possession of borrower and are in appropriate use. However, this has following limitations:

- Cost of visit by officials both travel and time.
- Knowledge of bank's official to identify the appropriate asset. All bank's officials may not understand difference between one machine with another.
- Packaged goods. It is difficult to ascertain if the package is empty or not and if it is not empty does it contains appropriate goods? This can be ascertained by either reviewing label on package or opening of package. Labels can be faked and goods may not be of right value or quality.
- Movement of assets before and after visit of bank's officials. Some borrower's forms cartel and gets finance for same goods from multiple banks and move these assets whenever bank's officials visit for inspection.
- Verification of vehicle is most difficult since they are moving and are not at one location.
- Ascertaining inventory of small retail goods is practically not possible for banks.

Benefits of IoT

IoT provides facility to track assets without making visits by bank's officials. This can help banks in many ways. Some benefits are:

- Savings of cost for travel and inspection.
- Improved productivity of per officials as they can focus on other tasks.
- Early warning of any movement of assets which will help bank in taking remedial action without loan turning into a NPA,
- Locating vehicles to ensure they are in use or not.
- Bank's may come to know about the problems of borrowers much early and can provide remedial support to recover from the position, before it is too late.

- In case of wilful default or intentional disposal of assets, Bank can take move quickly to locate and taking possession of asset.

There is cost associated with the sensors and using services of data service provider for bank's owned devices, Use of IoT will first benefit the customer in managing their assets and it will enable banks to play a proactive role in monitoring use and movement of assets.

The cost of IoT implementation may not be very high, as generally it involves basic sensors and some additional devices and uses connectivity available with most customers. Hence, the additional cost may not be high and could be shared by customer and bank. You may not provide exact costs but provide generic ideas.

The most critical success factor for ensuring successful implementation of IoT is not just the cost of hardware but understanding assets, business processes and practices of customers and to update their loan monitoring process.

Considering the benefits of early detection of problems related with loan account going bad and resulting into loss for banks.

How IoT (connected devices) can help banks in monitoring assets?

1. Banks can coordinate with the manufacturer of assets that are IoT enabled and request for access to the data from these assets for tracking and status check. This can be done particularly for the assets acquired by Bank's finance.
2. Banks can use IoT enabled containers/storages for retail goods/spare parts inventory that is pledged and to be released against payment. In this case bank need to acquire and fit the sensors that are connected and can provide information on any movement. In this case banks can use customer's storage and save of storage and personal monitoring.
3. The challenge is about retail goods that are used for day-to-day business operations like work-in-progress inventory or retail goods at stored. However with the technology used by AmazonGo[11].

   (AmazonGo has come up with e-enabled store where customer do not have to wait for billing and payments. Customers walks in such store with activating an app on smart phone. Customer picks up items as that are to be purchased. The items picked are captured by the app. and as customer walks out bill amount is debited from the e-wallet or bank account of customer.)
4. Document credit like Bank Guarantee or Letter of Credit is issued by the bank to the third parties in favor of customer in order to provide assurance to third party that banks shall honor the payments in case customer fails to deliver goods and/or services promised. Bank can use IoT enabled e-paper to provide such assurance with information as to how third party can verify the genuineness of the document presented to them by the Bank's customer. This will prevent misuse by photocopying the documents or producing fake documents.

Process for using IoT by Banks

Implementing IoT is not a one-time measure done at disbursement or at stage of procurement, but has to be constantly monitored. Hence, loan monitoring process has to be updated by banks and IoT usage has to be mandated and included as part of loan process. Monitoring is required depending on the risk assessment related to the goods that are financed by the bank. Banks need to add following activities the processes to ensure:

1. Sanction of loan

- Identifying devices purchased by bank's finance that are IoT enabled and get customer's authority and consent for getting monitoring access form the service provider/ manufacturer.

- In case of such devices are not IoT enabled, consider attaching Bank's sensor that will provide data for monitoring. Bank may use outsourced service provide for collecting and processing the data from devices installed by banks.
- In case of import-export finance, banks can attach sensor to the container that contains the exported goods or request the seller/ sellers bank to do so and get access for tracking.
- In case of Letter of Credit and Bank Guarantee issue them on e-paper with information to beneficiary as to how to authenticate the documents.

2. **Monitoring**
   - Define the process for monitoring using data received from sensors. Banks need to define the risk indicators for identified and assessed risk and a threshold requiring action on part of banks to determine location, use, tear and wear of assets.
   - Action may require visit to the site where assets are located.
3. **Possible indications of loan becoming sub-standard or NPA.**
   - This will require analysis of the causes of failed recovery on time and decide upon action to be taken.

Security Issues in IoT

IoT implementations present new and unique security challenges. Attackers can use (misuse) connected devices to launch an attack. With billions of devices connected on internet, if compromised can be used to launch a distributed Denial of Service attack (DDoS). Also compromised device can affect the security of entire ecosystem of an organization that is using such connected devices. Which includes banks that are connecting to monitor the assets. Addressing these challenges and ensuring security in IoT products and services need to be included in bank's security program. Banks also need to ensure that the customers are aware of such threats and have appropriate protection mechanism in place.

Connected devices provide data necessary for operations and monitoring, users need to trust that data provided by IoT devices are secure. Poorly secured IoT devices and platforms can serve as potential entry points for cyber-attack and expose user data to theft. Implications of such compromise can be global. Banks must ensure that the sensors acquired and used by them are secured.

Security experts have already indicated that devices can be used for launching an attack. For example, an unprotected refrigerator or television in the US that is infected with malware might send thousands of harmful spam emails to recipients worldwide using the owner's home Wi-Fi Internet connection[12]. Perhaps an Internet-connected TV may be disconnected from internet if it gets compromised, but it may not be possible to turn off a smart utility power meter or a traffic control system or a person's implanted pacemaker if they fall victim to malicious behavior:

Risk associated with security can be mitigated reasonable by adopting best practices listed below.

a) **Risk assessment:** Users, Designer and Developers must perform a risk assessment using best practices (e.g. ISO 31000) to understand possible risk associated with connected devices to be developed and used.

b) **Good Design Practices:** Engineers and developers of connected devices must adopt standard secure developing practices to make them more secure based on risk assessment.

c) **Cost benefit analysis:** Cost benefit analysis has to be done for the IoT devices based on various process related costs. These cost must also consider the cost involved in implementing controls to secure device, platform, data and communication. Considering the reduced cost of electronic devices it may not be a major issue, however, it is better to ensure in advance.

d) **Standards and Metrics:** Develop appropriate metrics to measure the performance of processes including security.

e) **Data Confidentiality, Authentication and Access Control:** The process for implementing IoT must be considered at design and development stage so that appropriate security can be implemented. Particularly privacy related data must be encrypted by the application. Similarly, access control mechanism can be part of application including a role for banks for monitoring.

f) **Scalability of design:** IoT devices are designed for longer life than non-IoT devices. There is possibility of changes in data requirements from the device. The designer can consider this aspect and make a scalable design so that additional data fields can be added subsequently.

g) **Collective Responsibility of designer, platform service provider and device user:** Security is responsibility of every stakeholder and must work collectively to ensure security.

h) **Compliance:** IoT devices are must comply with legal and regulatory requirements. For example Provisions of Indian IT act 2000, amendment 2008 are applicable to connected devices.

i) **Device life cycle:** Like all devices IoT devices also has life cycle. The manufacturer must have a plan for updating or replacing IoT devices.

Conclusion:

Changing landscape of technology has brought paradigm shift in life style of society. Banking is no exception to it. The new technologies like block-chain and digital currency, Mobile-based banking, Aadhar enabled banking, etc. has changed the landscape of banking. Internet of Thing (IoT) although not impacting the way banks work, it can be used by banks as a user of their customer data to better secure and monitor bank's assets with customer. Banks and industry must come together to adopt this new technology to make it better society.

Timely monitoring of assets that are IoT enabled shall help banks in controlling the loans and advances and banks can take quick action in recovering the loans that are likely to go bad. It will also control the NPA position of banks and improve profitability of banks. Reduced level of NPAs enhance possibility of Bank's survival thus contributing to economic growth.

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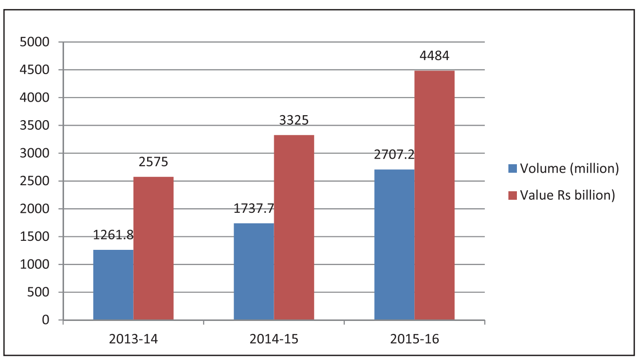
Digital Banking : The Game Changer

Girish Mainrai*

Disruption has become a buzz in every sector latest being telecom with the launch of Jio mobile services. Companies are breaking established structures with regard to business models, formats, revenue or service delivery. Examples are plenty like Ola and Uber in Taxi service, IRCTC in ticket bookings, OYO in hotel bookings, OLX in sale/purchase of second hand goods. Banking is no exception where digital banking is transforming the way in which customers transact with banks. Digital banking is omnipresent, whether it is fund transfer, bill payments, shopping, ticket bookings or account opening. Things which were once unimaginable now seems so easy like withdrawal of funds without even a bank account, card to card money transfers, splitting of bills in card payment, transaction by waving the card, requesting remittances, transactions through social media to name a few. An indicator of rising popularity of digital banking could be the volume and value of total card payments which is increasing YOY basis as shown in the figure below.

Figure -Total Card payments (Credit Cards, Debit Cards and prepaid Payment Instruments)#



#Source- Reserve Bank of India Annual Report 2015-16

The popularity of digital banking is on account of number of reasons which are

a. The biggest driver of digital revolution in banking is convenience. By means of digital banking customers can now transact 24x7 thus overcoming the biggest hurdle of brick and mortar banking. Transferring money both intra and inter banking are possible with a click of a button.

   Banks provide host of non financial transactions through digital banking such as account statement, stop payment of cheques, updating personal information in account, debit card pin change online opening of recurring deposit and fixed deposit, to name a few.

b. The other reason is changing demographics as more than fifty percent of India's population is below 35 years which is hooked to social media. This segment likes to be online 24X7 and prefer dealing through gadgets rather than through humans. The same is applicable in banking as a typical Gen Y and Z customer enquires about cards, mobile banking and internet banking while opening the account in a bank. This segment which constitutes major chunk of India's population has contributed in a great way in popularizing digital banking. The ability to handle mobile and computers has lead to easy adoption of IT enabled products by youngsters.

c. Another big contributor to rising interest in digital banking is incentives offered by banks in the form of loyalty programmes. Most of the banks are offering rewards points on usage of Alternate Delivery Channels (ADC) which can be redeemed for movie tickets, mobile recharge, gift cards and merchandise. Some banks are offering cash backs instead of redemption.

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d. Other way of incentivizing is through co-branding with retail chains wherein customers get special discounts for using a particular bank's digital products. For example SBI has co-branded card with Big Bazaar. This entails a win-win situation both for the bank and the retailer.

e. Some banks are indirectly popularizing by way of punitive measure for non-usage of digital products like levying transaction cost for transacting through branch after certain threshold may be 10 or 15 transactions per month.

f. To encourage digital banking some banks are not charging or charging less fees for transacting through this medium.

The banks are pushing digital banking as it offers several advantages which are as under-

i. Low transaction cost - The cost of transaction through digital banking is much less as compared to branch banking which positively impacts operating expenses on account of reduction in man power requirement and errors committed by staff.

ii. The other advantage is reduction in footfall which has ancillary benefits. The efficiency of branch once measured by the numbers of customers visiting branch or through average no. of vouchers is now gauged by reduction in customer footfall. This has twin advantage in terms of improved customer service and customer acquisition. Banks are setting up specialized branches with least manual intervention like SBI bank's In touch where customer can fulfill most of their banking needs though digital intervention.

iii. The other advantage of digital banking is that the onus of accuracy passes on to the customer with regard to the transaction. To quote an example the bank has to pay penalty for entering incorrect PAN number while remitting taxes whereas through digital banking the customer is himself responsible for the same.

iv. Data Mining - Digital banking offers scope for data mining which can be applied in many areas like, product customization, judging customer preferences, marketing, product innovation and modifications in existing product. Transaction monitoring and data analysis becomes very easy with digital banking which has the potential for targeting even an individual customer.

v. Banks are compelled to shift to digital banking due to changing customer preferences and to augment its brand image. Every now or then we hear about new digital initiative by one or the other bank. A bank solely relying on brick and mortar strategy will be considered laggard by the customers particularly Gen Y & Z customers. Banks are now coerced to adopt digital banking.

Initiatives - There are number of initiatives under digital banking like cards, internet banking, mobile banking to name a few, but two initiatives which are currently in news especially during this period of demonetization. The first being mobile wallets and other one UPI (Unified Payment Interface) which is touted to transform digital banking space.

Mobile wallets - Mobile wallet is just like physical wallet in electronic form. In a normal wallet you put currency notes which are used in day to day transactions whereas mobile wallets are charged through cards, net banking or through offline mode. Offline modes means charging through the vendors just like mobile recharge. Once the money comes in electronic form it can be used for remittance either to another wallet or to a bank account. Most of the mobile wallets allow creating contact for transferring money for which IFSC code & A/C no. of beneficiary is required. The other benefits of these wallets is in utility payments and shopping both online and offline. The popularity of mobile wallets is increasing on account of incentives offered by these companies. Incentives are in the form of either cash backs, rewards points or special offers on shopping though the wallet. Some service providers have developed their own wallets like Ola money in case of Ola cabs. With increasing penetration of smart phones the popularity of wallets is bound to surge. Another initiative which is dubbed as game changer is UPI.

Unified Payment Interface (UPI) - It is a smart phone based system from NPCI (National Payments Corporation of India) that integrates multiple bank accounts of participating banks in a single mobile application. The unique feature of UPI is that the customer is able to send or request remittance which is called Push or Pull feature by NPCI. Remitting money through mobile or internet banking requires IFSC code and account number but this is done away in the case of UPI. The beauty of this interface is that two factor authorization (2FA) occurs at one go, as the smart phone acts as one of the factor and M-PIN as second factor. UPI provides convenience of both wallet and account so there is no need to charge as in case of mobile wallets. The pull feature has huge potential for application for billers as they can schedule their demand from customers. For example telecom companies can schedule payment of rent from their postpaid customers. UPI is a win-win situation for all i.e. banks, customers and merchants.

Registration for UPI - Registration is easy and hassle free as depicted below in figure 2.

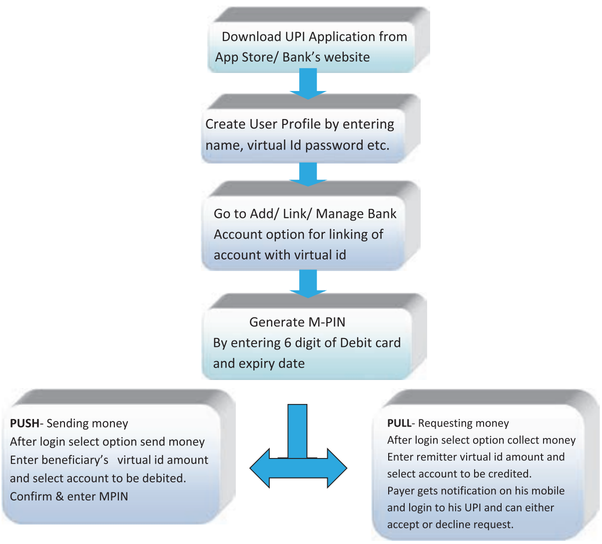

Figure 2. Registration Process for UPI

Challenges/Pitfalls - While digital banking has become important channel of service delivery, banks have to meticulously plan and implement it as this may back fire. Absence of proper ground work and improper roll out may be suicidal for bank as this lead to adverse impact on the image of the bank. Bank may encounter certain pitfalls / challenges in its initiatives which are:

i. Pre-launch testing - Pre-launch testing the product is very important. The bank must meticulously test the initiative before launching in terms of availability, accessibility, convenience, compatibility, customer support etc. Sometimes to project its image as innovator some of these aspects gets ignored which may hamper the image of the bank. The bank should fall into innovator's fallacy as new initiatives are launched every now and then by different banks.

ii. Design - The product should be customer friendly and easy to handle and operate without compromising on security. There should be perfect balance of ease & security as both the factors are critical for the successful adoption of the product. This leads to our next criteria of security.

iii. Security - Recent news about compromising data of nearly 32 lacs card highlights another challenge faced by the banks in implementing digital banking. The product should be robust enough to handle security threats. Many aspects have to be taken into consideration like preventive measures, control measures, threshold limits. triggers etc while devising the product.

iv. Outsourcing - Another issue which the news about the cards brought forth is outsourcing. Whether outsourcing is to be used or not and to what extent and at which stage, i.e. product development, marketing, or in customer support etc.

Conclusion - Digital banking has now become the need of the hour, which banks are now pursuing in a big way. The demonetization step of the government highlighted the importance of doing cashless transactions. Individuals who are adept to digital banking are the least affected. Newspapers are loaded with statistics on downloading of mobile wallets and photograph depicting tea vendor accepting payments through wallets has gone viral on social media. Banks are now adopting digital banking as a philosophy either by choice or on account of changing customer preferences. It is one aspect which no bank can afford to neglect.

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पुनर्परिभाषित विकास - समावेशी विकास

सुबह सिंह यादव*

एक उपयुक्त प्रश्न जो भारतीय विकास रणनीति के बारे में उठाया जा सकता है, वह है, क्या विकासगत रणनीति ने समावेशी विकास सम्यक परिणाम दिए हैं? यह सत्य है कि विगत 65 वर्षों में भारत ने उल्लेखनीय विकास किया है और इस विकास यात्रा के दौरान हम अल्पविकसित राष्ट्रों की श्रेणी से निकलकर विश्व की विशालतम अर्थव्यवस्थाओं में से एक हो गए हैं । विगत वर्षों में दुनिया में आए उतार-चढाव के बावजूद हमने सतत विकास प्रक्रिया को बनाए रखा और हाल ही में भारत ने 7.5 प्रतिशत की विकास दर प्राप्त की है । विश्व बैंक की नवीनतम रिपोर्ट में भारत को दुनिया की तीव्रतर विकास दर वाली अर्थव्यवस्था के रूप में परियोजित किया गया है । इस ताजा रिपोर्ट के अनुसार भारत 2015-16 में 7.5 प्रतिशत, 2016-17 में 7.9 प्रतिशत और 2017-18 में 8 प्रतिशत की विकास दर हासिल करेगा । आर्थिक सूचकांक भी विगत एक वर्ष में विकास के आंकड़ों में महत्वपूर्ण सुधार दर्शाते हैं। कुछ पीछे मुडकर देखें तो विदित होता है कि आर्थिक सुधारों के बाद उदारीकरण के शुरू होने के साथ भारत की विकास दर प्रभावी तरीके से बढ़ी है। हमारी विकास दर ग्यारहवीं पंचवर्षीय योजना (2007-12) के दौरान 7.8 प्रतिशत, दसवीं पंचवर्षीय योजना (2002-07) में 7.6 प्रतिशत और नौवी पंचवर्षीय योजना (1997-2002) में 5.6 प्रतिशत रहा। यह सब विगत विकास दर की तुलना में काफी असाधारण थी और हम **"विकास की हिंदू दर"** से बाहर निकलकर ऊँची विकास पटरी पर आ गये हैं । उपरोक्त वर्णित विश्व बैंक की रिपोर्ट के अनुसार मौजूदा वर्ष में विकास की दृष्टि से भारत चीन से कहीं आगे बढ़ जाएगा तथा उभरती हुई बाजार अर्थव्यवस्था के बीच भारत पसंदीदा देश बन सकता है । परंतु समाज के पिछडे एवं कमजोर वर्ग हमारे विकास की वर्तमान प्रक्रिया से लाभान्वित न हो सके। इस विकास ने कुछ सीमा तक बाजारवादी तथा संवेदनहीन होकर समाज के वंचित लोगों को काफी विपरीत रूप से प्रभावित किया है तथा साथ में सामाजिक, सांस्कृतिक एवं आर्थिक ढांचे को नकारात्मक रूप से प्रभावित किया है। यदि हम सहस्त्राब्दि विकास लक्ष्यों (एमजीडी) की उपलब्धियों की प्रवृत्तियों पर दृष्टिपात करें, तो विदित होता है कि एम जी डी रिपोर्ट 2015 में उल्लेखित 18 में से केवल चार संकेतक ही सही ढंग से कार्य कर रहे हैं। प्रश्न यह है कि आखिरकार आर्थिक विकास और सामाजिक संबंधों के बीच इस तरह का तालमेल क्यों नहीं है? इसका सीधा-सा अर्थ यह है कि आर्थिक विकास समय के साथ आर्थिक नतीजे में बढत का परिचायक है लेकिन आवश्यक नहीं कि यह वृद्धि समाज के सभी वर्गों द्वारा सृजित हो या समान रूप से उनके बीच वितरित हो ।

समावेशी विकास क्यों?

विकास और वितरण के बीच इन असमानताओं को चिन्हित करते हुए भारत ने विकास को लेकर ऐसी रणनीति अपनाई है जिसमें समावेशन हो। बारहवीं पंचवर्षीय योजना के दृष्टिकोण पत्र का लक्ष्य देश में त्वरित, टिकाऊ तथा ज्यादा से ज्यादा समावेशित विकास प्राप्त करना था । इस धारणा के पीछे विकास की गरीबोंन्मुखी विचारधारा है, जिसका अर्थ ऐसे विकल्प से हैं जिसमें गरीबों को प्रत्यक्षत: लाभ पहुँचे । नीतियां और कार्यक्रम सामान्यत: उन लक्ष्यों को ध्यान में रखकर बनाये जाते हैं, जिनके अन्तर्गत उनका उत्पादनों पर कार्य करने की अपेक्षा गरीबों के बीच आय के पुनर्वितरण पर जोर हो । इसलिए निर्धनतम लोगों को लाभ पहुँचाने वाले समावेशी विकास को शीर्ष प्राथमिकता दी गई है । संभवत: भारत में विकास की प्रवृत्ति एवं गति में पाये गये अन्तर ने इस तरह की प्राथमिकता रखने के लिए हमें प्रेरित किया है। विविध क्षेत्रों में विकास का लाभ समाज के सभी वर्गों तक नहीं पहुँच पाया है । फलस्वरूप यह

***बैंक ऑफ बड़ौदा, सहायक महा प्रबंधक (सेवानिवृत्त) जयपुर**

विकास वंचितों एवं गरीबों के जीवन में सर्वांगीण योगदान नहीं दे पाया । संयुक्त राष्ट्र संघ विकास कार्यक्रम के मानव विकास सूचकांक में भारत का 135 वां स्थान इस बात का पर्याप्त सूचक है कि हमारे आर्थिक विकास के लाभों को अधिकाधिक समावेशी बनाने की आवश्यकता है ।

भारत में समावेशी विकास पर ध्यान केन्द्रित किये जाने की आवश्यकता इस वास्तविकता से उत्पन्न हुई कि उच्च विकास दर जो 2003-04 तथा 2007-08 के पहले की अवधि में प्राप्त की गई, उसमें रोजगार के बहुत सारे अवसर सृजित नहीं हो सके । इसे बहुत से लोगों ने विनोदपूर्ण शैली में रोजगार विहीन विकास की संज्ञा दी है क्योंकि ऐसे विकास से समाज के एक बडे वर्ग की आजीविका को उन्नत करने में किसी प्रकार की सहायता नहीं मिली । यद्यपि हाल ही के वर्षों में भारत ने आर्थिक प्रगति व सामाजिक विकास के बीच मौजूदा खाई को पाटने का प्रयास किया है । यह सही है कि इस क्षेत्र में कुछ सफलता भी मिली है, हालांकि यह सफलता कुछ ही समूहों एवं क्षेत्रों तक सीमित है । इससे देश के विकास के दावों और पैमानों को गंभीर चुनौती मिलती है । खुली और बाजार उन्मुख अर्थव्यवस्था का एक प्रमुख सिद्धांत है कि यदि गरीबों का हित करना है तो देश की आर्थिक विकास की दर को ऊँचा रखो। ऐसा इसलिए जरूरी है कि जब विकास तेजी से होगा तो समृद्धि आएगी और गरीब वर्ग को भी इसका लाभ होगा । असंतुलित विकास से संसाधन विहीन वर्गो का विकास अवरुद्ध हुआ है तथा भुखमरी, बीमारियां व अकाल स्थाई लक्षण बन गए हैं। विकास का लाभ वंचित एवं कमजोर व समूहों तक नहीं पहुँचने के कारण आर्थिक असमानता एवं निर्धनता बढ़ी है । विकसित देशों के बहुराष्ट्रीय निगमों ने संसाधनों एवं बाजारों का अत्यधिक दोहन किया । वैश्विक स्तर पर पूंजीवादी एवं साम्यवादी विकास मॉडल अन्तर्द्वंद्व उभरने लगे, वहीं भारत में सामाजिक न्याय एवं समानता के स्थान पर एक नई प्रकार की सामाजिक विषमता तथा असमानता पैदा हो गई और इस विषमता की खाई को कम करने के प्रयासों ने समाज में नई खाइयों को जन्म दे दिया । अभी पुरानी विषमताएं तो दूर हुई नहीं थी कि नई समस्याएं बढ गई। विकास की एकांगी प्रक्रिया ने वंचित समूहों को निशक्त बना दिया और विकास की धारा से वंचित लोग अधिक वंचित हो गए। सुधारों के प्रयास नाकाफी सिद्ध हुए । उत्तरोत्तर योजनाओं के बाद भी आर्थिक-सामाजिक विषमता की खाई को पाटना संभव नहीं हो सका । उपरोक्त परिस्थितियों में विकास के एक पुनर्परिभाषित आयाम के रूप में समावेशी विकास को देखने-समझने की आवश्यकता पड़ी और भारत की 12 वीं पंचवर्षीय योजना (2012-17) की सर्वाधिक महत्वपूर्ण अपेक्षा समावेशी विकास के रूप में उभरी जिसके अन्तर्गत 8 प्रतिशत विकास का लक्ष्य प्राप्त करना है। अब सरकार का विशेष जोर इस बात पर है कि हाशिए पर खड़े ग्रामीण, वनवासी और महिलाओं को कैसे मुख्य धारा में शामिल किया जाए, नीति-निर्धारकों का सरोकार यह है कि विकास की प्रक्रिया और परिणिति को संतुलित और समावेशी कैसे बनाए, तथा आर्थिक विकास अवसरों की उपलब्धता को समान वितरण के ढांचे में कैसे नियोजित किया जाए। इसका एक कारण यह है कि ग्रामीण भारत में आश्चर्यजनक बदलाव आ रहा है। कृषि का द्रुतगति से यन्त्रीकरण, परिवहन व्यवस्था में सुधार संचार एवं अन्य प्रौद्योगिकीय बदलाव आदि तेजी से परिलक्षित हो रहे हैं। सामाजिक आर्थिक बदलाव बैंकिंग लेन-देन में तेजी से हो रही वृद्धि में भी दिखाई पड़ता है। लेकिन समावेशी विकास की धारणा के लिए जिस ज्यादा प्रशस्त अवधारणा का प्रयोग किया गया है, उसके अनुसार भारत का रिकार्ड संतोषजनक नहीं है। इसके कारणों को संक्षेप में इंगित करना आवश्यक है:-

1) भारतीय कृषि की स्थिती ठीक नहीं है। कुछ विद्वानों का मत है कि कृषि फिलहाल मुश्किल दौर से गुजर रही है ।

2) शहरी क्षेत्रों में रोजगार के पर्याप्त अवसर नहीं बन रहे हैं कि कृषि क्षेत्र या शहरी अनौपचारिक क्षेत्रों के गरीबों को रोजगार मिल सके।

3) सरकारी रिकार्ड तथा अनेक अर्थशास्त्रियों की यह भी दलील है कि सबसे ज्यादा रोजगार निर्माण क्षेत्र में है और यह ग्रामीण क्षेत्रों में भी सबसे ज्यादा रोजगार के अवसर प्रदान करता है । सामान्यत: ऐसी नौकरियों में बहुत अधिक लाभ नहीं है और न ही इससे मजदूरों के कौशल में कोई समुन्नति होती है अर्थात इससे मजदूरों का कौशल भी बेहतर नहीं बनता है । इस विनिर्माण क्षेत्र का प्रदर्शन भी निराशाजनक है।

समावेशी विकास की अवधारणा और आयाम :-

समावेशी विकास का अर्थ है कि ऐसा विकास जिसमें उच्च वृद्धि का लाभ समाज के सभी वर्गो को मिले तथा गरीबी के स्तर को कम कर

रोजगार सृजन करें । इसमें अवसर की समानता प्रदान करना और शिक्षा एवं कौशल विकास के द्वारा लोगों को सशक्त बनाना भी सम्मिलित है ताकि समाज के हाशिए के लोगों को मुख्य धारा में लाने में सहायता मिले और उन तक तीव्र आर्थिक विकास का लाभ पहुँचे। आज समावेशी विकास भारतीय अर्थव्यवस्था का एक विराट धेय है। 21 वीं सदी के आरंभ में इस बात पर आम सहमति हुई कि विकास और वितरण को अलग-अलग देखने के स्थान पर एक ऐसा दृष्टिकोण होना चाहिए जहाँ पर ये दोनों पहलू एक-दूसरे के पूरक बने। विश्व बैंक के अनुसार समावेशी विकास में निरंतर अर्थव्यवस्था की वृद्धि, सभी क्षेत्र एवं देश की श्रम शक्ति शामिल है। समावेशी विकास की रणनीति गरीबी की रेखा से नीचे रह रहे वास्तविक लाभार्थियों को रोजगार के अवसरों में वृद्धि करके एवं सामाजिक सेवाओं को बेहतर ढंग से प्रदान करके इनके जीवन स्तर में सुधार लाने पर संकेन्द्रित है। समावेशी विकास से गरीबी में कमी आने की आशा की जाती है, स्वास्थ्य से जुड़े मामलों में व्यापक और महत्वपूर्ण सुधार होना चाहिए, शिक्षा का सार्वभौमीकरण तथा उच्च शिक्षा का लाभ एवं कौशल विकास सहित शिक्षा के स्तर में सुधार होना चाहिए । इससे लोगों को मजदूरी और रोजगार से बेहतर अवसर मिलने चाहिए और पानी, बिजली, सडक, स्वच्छता एवं आवास जैसी बुनियादी सुविधाओं के प्रावधान में सुधार होना चाहिए। विशेष रूप से अनुसूचित जाति/अनुसूचित जनजाति और अन्य पिछड़ा वर्ग की आबादी की जरूरतों पर ध्यान देने की जरूरत है। यह स्वीकार किया जाना चाहिए कि विगत दो दशकों में सम्पूर्ण आबादी और वंचित समूहों की औसत आय में वृद्धि हुई है, लेकिन समावेशी विकास के लिए हमें इससे कहीं असरदार नतीजे चाहिए।

विश्व बैंक ने समावेशी विकास को गति एवं विकास संरचना के रूप में परिभाषित किया है । यह वह गति है जिसके साथ कोई अर्थव्यवस्था आगे बढ़ती है । यह विकास की ऐसी संरचना है, जिससे लाभ अधिकाधिक लोगों तक अपनी पहुँच बना सकते हैं । तथाकथित "सामाजिक हाशिया सिद्धांत" के अनुसार समाज में हाशिए पर पड़े समुदाय मुख्य धारा के समुदायों की तुलना में महत्वपूर्ण रूप से योगदान करते हैं । वैश्विक रूप से प्रदर्शित व्यवहार पद्धति के भारत की विकास रणनीति के लिए महत्वपूर्ण प्रभाव पड़े हैं । भारत में सामाजिक रूप से पिछडे समूहों को कुछ सामाजिक संरक्षण एवं विशेषाधिकारों के योग्य माना है ।

समावेशी विकास में आर्थिक विकास, घरेलू विकास की उच्च दरें तथा अधिक राष्ट्रीय आय की प्राप्ति होती है, जिसका लाभ समाज के कमजोर वर्गों सहित सभी वर्गों तक समान रूप से पहुँचता है। भौगोलिक और आर्थिक असमानताएं घटती है तथा स्वास्थ्य, शिक्षा, स्वच्छ पेयजल, स्वच्छ पर्यावरण, पौष्टिक आहार जैसी बुनियादी सुविधाओं तक सभी की पहुँच समान रूप से होती है । विश्व बैंक ने 2006 में अपनी विकास रिपोर्ट में कहा है कि विकास केवल आर्थिक क्रियाओं के योग का माप नहीं है, बल्कि आर्थिक विकास की समावेशिता का मूल्यांकन है जिसमें आर्थिक लाभों के समान वितरण, सामाजिक सुरक्षा एवं पूर्ण सहभागिता जैसे कारकों पर ध्यान दिया जाता है । समकालीन भारतीय अर्थव्यवस्था सामाजिक व आर्थिक इतिहास के एक दिलचस्प दौर से गुजर रही है। आज भारत विश्व के सबसे युवा देशों में से एक है। भारत की कुल जनसंख्या में 50 प्रतिशत भाग 25 वर्ष की आयु से कम तथा 68 प्रतिशत भाग 35 वर्ष की आयु से कम है । अर्थशास्त्रियों तथा समाजशास्त्रियों का मत है कि सन 2020 में एक आम भारतीय की औसत आयु 29 वर्ष होगी, जबकि उस सतह की एक चीनी की औसत आयु 37 वर्ष होगी । अज भारत में कुल 35.6 करोड़ युवा हैं। सन 2030 में भारत में निर्भरता अनुपात यानी जनसंख्या आयु अनुपात केवल 0.5 प्रतिशत होगा जिसका निहितार्थ यह है कि देश की कुल जनसंख्या में से काम करने वालों की संख्या बहुत अधिक और निर्भर लोगों की संख्या कम होगी । ठीक इसी युवा ऊर्जा और उत्साह से लबरेज रहने के कारण ही भारत की संभावनाओं को बेहतर करार दिया गया है ।

सन 2005-10 के बीच विनिर्माण क्षेत्र में लगभग 50 लाख रोजगार समाप्त हो गए तो सेवा क्षेत्र में 2.8 करोड़ नये अवसर निकले। उद्योगों में रोजगार उत्पन्न हो रहे है, लेकिन अधिकांश नौकरियां असंगठित क्षेत्र में हैं, जहाँ कम उत्पादक तथा अस्थायी प्रवृत्ति के साथ कम आय व सामाजिक सुरक्षा का लाभ नहीं है । सेवा क्षेत्र में यद्यपि रोजगार की प्रकृति उच्च उत्पादक है, लेकिन हाल ही के वर्षों में सेवा क्षेत्र में रोजगार की गति बहुत धीमी रही है । देश के सामने कृषि क्षेत्र की उत्पादकता को बढ़ाते हुए उससे बाहर विशेष रूप से विनिर्माण क्षेत्र और सेवा क्षेत्र में उत्पादक रोजगार उत्पन्न करना सबसे बड़ी चुनौती है और इस चुनौती का सामना करके ही आने वाले दशकों में तीव्र और समावेशी विकास का रास्ता खोला जा सकता हैं । समाज में साधन विहीन वर्ग में बढ़ती सामाजिक एवं राजनीतिक इच्छा, जाति तथा अन्य पिछड़ा वर्ग भी विकास की दौड़

में अपने कदम रखने की भावना को संजोने लगे । सरकारी नीतियों के द्वारा इस जन चेतना को सम्बल मिला । फलस्वरूप एक समरस समाज स्थापित करने की दिशा में सार्थक प्रयत्न हुए हैं, कृषि क्षेत्र में मध्यस्थों जैसे कार्यात्मक लोगों की भूमिका सीमित है, लेकिन कमजोर वर्ग के लिए भू-स्वामित्व अधिनियम के विरुद्ध लाभ महत्वपूर्ण नहीं हुए हैं । इसी परिप्रेक्ष्य में हमें यह देखना होगा कि समावेशी विकास की धारणा प्रकृति एवं क्षेत्र को कैसे विस्तृत किया जा सकता है ।

समावेशी विकास की विलक्षणताएं इस प्रकार है :-

- गरीबी में गिरावट समावेशी विकास का एक महत्वपूर्ण संकेतक है।
- समावेशी विकास में नागरिकों के बीच अवसर और प्रतिष्ठा की समानता प्रदान करना भी सम्मिलित है। समावेशी विकास में वित्तीय, सामाजिक, शैक्षिक एवं बुनियादी ढांचा संबंधी समावेशन शामिल है ।
- आर्थिक परिवर्तन सामाजिक परिवर्तन का वाहक बनता है ।
- इसके माध्यम से गरीबों और असंगठित क्षेत्रों में कार्यरत लोगों के लिए सामाजिक सुरक्षा का जाल भी खड़ा किया जाता है।
- समावेशी विकास लोगों को बेकार पड़े निवेशों और अन्य अनौपचारिक साधनों में निवेश कर परिश्रम से अर्जित किये गए धन को खो देने की अपेक्षा शिक्षा, स्वास्थ्य और आवास जैसे क्षेत्रों में बैंक के माध्यम से अपने निवेश का विश्वासप्रद अवसर प्रदान करता है।
- समावेशी विकास की अवधारणा श्रम बल के एक बड़े हिस्से की सहभागिता अनिवार्य बनाती है, जिसमें किसी प्रकार की सामाजिक-आर्थिक पृष्ठभूमि की कोई सम्बद्धता नहीं होती और न ही विकास की पहुँच के साथ-साथ उत्पादन निर्माण के क्षेत्रों को ध्यान किया जाता है ।
- विकास के इस दृष्टिकोण में न केवल गरीबों के लिए बल्कि समाज के सभी वर्गों के लिए समान अवसर उपलब्ध करने के अतिरिक्त सामान्य विकास को भी शामिल किया जाता है ।
- हाल ही में समावेशी विकास में रोजगार सृजन, खाद्य सुरक्षा तथा वित्तीय समावेशन जैसे गंभीर मुद्दों पर ध्यान दिया गया है, जिन्हें पंचवर्षीय योजना के दृष्टि-पत्र में भी दर्ज किया गया है। यह 2014 की वैश्विक भूख रिपोर्ट से मेल खाती है, जहाँ भारत का स्थान 76 देशों में 55 वां है। यह रिपोर्ट 5 वर्ष से कम आयु के बच्चों, 5 वर्ष से कम मृत्यु दर तथा जनसंख्या में कुपोषण अनुपात की व्यापकता पर आधारित है ।
- समावेशी विकास की अवधारणा विकास तथा वितरण पर वैश्विक बहस का ही एक पूरक है ।
- देश की विशेष स्थिति के आधार पर, समावेशी विकास का सिद्धांन्त, प्रथा और आम सहमति अलग-अलग हो सकती हैं ।
- समावेशी विकास से अर्थव्यवस्था का आकार बढ़ता है, बाजारों और संसाधनों के संदर्भ में अवसरों की समानता सुनिश्चित होती है तथा सभी के लिए एक निष्पक्ष नियामक वातावरण का निर्माण होता है।
- उपरोक्त सुचालक वातावरण से व्यक्तियों के लिए रोजगार के अवसर संख्यात्मक एवं गुणात्मक रूप से बढ़ते हैं तथा व्यवसायियों और व्यक्तियों की उत्पादन क्षमता में सुधार होता है ।
- समावेशी विकास का मूल उद्देश्य मानव विकास तथा समाज के लोगों का अधिकाधिक कल्याण करके समतामूलक समाज का निर्माण करना है । यह विकास प्रक्रिया में आर्थिक संवृद्धि के साथ "सकल मानवीय विकास" जैसे विकास पर भी समान रूप से बल देता है ।
- समावेशी विकास का एक पक्ष कृषि विकास, औद्योगिक विकास, सामाजिक विकास, क्षेत्रीय विषमता में कमी, पर्यावरणीय संरक्षण और आय के समान वितरण पर जोर दिया जाना है।
- ऐसे विकास में साधनविहीन एवं वंचित लोगों के सशक्तिकरण पर ध्यान दिया जाता है ।
- समावेशी विकास जनसांख्यकीय लाभांश का लाभ उठाने में सहायक होता है ।
- गुणवत्तापूर्ण रोजगार समावेशी विकास का महत्वपूर्ण अंग है तथा इसे सुनिश्चित करने का सबसे उचित माध्यम है । अत: वर्तमान शिक्षा पद्धति को रोजगारोन्मुखी बनाने की महती आवश्यकता है क्योंकि उत्पादक रोजगार विकास के लिए बहुत आवश्यक हैं ।

- आर्थिक वृद्धि के समाविष्टीपूर्ण होने के मापदण्ड से आर्थिक विकास, समानता और समाविष्टी को व्यापक नीति का अविभाज्य अंग बनाना आवश्यक है।
- कृषि तथा ग्रामीण क्रियाओं के बढ़ते वाणिज्यीकरण की प्रवृत्ति के साथ ही अधिकाधिक मात्रा में लाभदायक गतिविधियों का सृजन करके समावेशी विकास को आसानी से प्राप्त किया जा सकता है।
- आज के बदलते परिप्रेक्ष्य में समावेशी विकास की सफलता भाषागत दायित्वों के समर्पण पर भी निर्भर है अर्थात हिन्दी तथा स्थानीय भाषाओं का योगदान अपेक्षित है ।
- विकास के साथ न्याय अथवा पुनर्वितरण समावेशी विकास का अन्तरंग हिस्सा है। सामाजिक न्याय भारतीय संविधान का एक मार्गदर्शक सिद्धान्त है जो योजनाबद्ध विकास के दौरान अविरल भाव से अभिव्यक्त हुआ है तथा इसे एक प्रयोजन मूलक अस्त्र भी बनाया गया है।
- समाज में ग्रामीण एवं शहरी क्षेत्रों में भूमि, पूंजी आदि के वितरण को अधिक समान बनाकर आय की असमानता को कम करके कुछ सीमा तक समावेशी विकास के लक्ष्य को प्राप्त किया जा सकता है।
- अर्थव्यवस्था को अत्यधिक उत्पादक, कार्यकुशल व विकासोन्मुखी बनाकर समावेशी विकास के लक्ष्य को तुलनात्मक रूप से जल्दी प्राप्त किया जा सकता है। इसके पीछे सोच यह है कि रोटी को बांटने से पूर्व इसका आकार बढ़ सके तभी आगे चलकर इसका वितरण ठीक हो पाएगा।

समावेशी विकास में बैंकिंग की भूमिका:-

समावेशी विकास में बैंकिंग की भूमिका न्यूनाधिक मात्रा में वित्तीय समावेशन को प्रतिपादित करती है अर्थात् इस संकल्पना के अन्तर्गत बड़ी संख्या में उपेक्षित एवं निम्न आय वर्ग के लोगों को कम लागत पर बैंकिंग सुविधाएं प्रदान करना सम्मिलित है । ऐसा चार करणों से आवश्यक हुआ-

1. देशभर में समाज के असुरक्षित और कमजोर वर्ग को निवेश के अवसर और आर्थिक वृद्धि का लाभ उपलब्ध कराने के लिए आसान शर्तों पर धन उपलब्ध कराना ।
2. अनौपचारिक क्षेत्र का हस्तक्षेप कम करना और संस्थागत वित्त स्रोतों का नियमित प्रवाह। उल्लेखनीय है कि ऋणग्रस्त किसान परिवारों में भी 46 प्रतिशत परिवार ऊँची दरों पर अनौपचारिक स्रोतों से ऋण प्राप्त कर रहे हैं।
3. देश के नागरिकों के लिए बेहतर जीवन स्तर एवं आय का उचित प्रबंध।
4. बैंकिंग संस्कृति का विकास करना तथा ग्रामीण अर्थव्यवस्था में महत्वपूर्ण बदलाव लाना। इससे अतिरिक्त देशभर में समान रूप से विकसित एवं बेहतर सामाजिक विकास संभव करना।

वित्तीय समावेशन की अवधारणा भारत के लिए नई नहीं है। निकोल्सन रिपोर्ट (1885) में उल्लेख मिलता है कि पराधीन भारत में भी नीति निर्माता अनौपचारिक क्षेत्र के दखल को कम करने के लिए संघर्ष कर रहे थे । देशी महाजनों के स्थान पर भूमि बैंक की स्थापना की आवश्यकता का उल्लेख एक ऐसा ही उपाय माना गया था। परिणामस्वरूप अन्य बातों के अतिरिक्त सहकारी साख समितियों को एक कानूनी आधार उपलब्ध कराने हेतु सहकारी साख अधिनियम, 1904 पारित किया गया । स्वतन्त्रता के बाद के वर्षों में वित्तीय पहुँच बढाने की संकल्पना को महत्व मिला । 1951 में “अखिल भारतीय ग्रामीण साख सर्वेक्षण” समिति जिसे लोकप्रिय रूप से गोरेवाला समिति के नाम से जाना जाता है, ने 1954 में प्रस्तुत अपनी रिपोर्ट में संस्थागत स्रोतों से प्राप्त कृषि ऋण की मात्रा को 0.9 प्रतिशत बताया । यह ऋण भी केवल “तकावी ऋण” के रूप में दिया जाता था जबकि कृषि ऋण में साहूकारों का अंश 24.9 प्रतिशत था। व्यावसायिक साहूकारों ने कुल आमदनी का 44.8 प्रतिशत उपलब्ध कराया । वित्तीय समावेशन की प्रक्रिया को आगे बढ़ाने के क्रम में 1955 में इम्पीरियल बैंक ऑफ इण्डिया का राष्ट्रीयकरण करके इसे सार्वजनिक बैंकों की परिधि में ला खड़ा किया और इसका नाम बदलकर भारतीय स्टेट बैंक रख दिया । उसके बाद 1967 में बैंकों पर सामाजिक नियन्त्रण, 1969 में 14 बैंकों तथा 1980 में 6 और बैंकों का राष्ट्रीयकरण किया गया । इस बीच 1975 में अध्यादेश के द्वारा एवं 1976 में अधिनियम के द्वारा क्षेत्रीय ग्रामीण बैंकों की स्थापना हुई । जुलाई 1982 में राष्ट्रीय कृषि एवं ग्रामीण बैंक एवं अप्रैल 1989 में सेवा क्षेत्र दृष्टिकोण अपनाकर वित्तीय समावेशन प्रक्रिया को कृषि सहित कुछ निश्चित क्षेत्रों में धन के प्रवाह को बढ़ाने के उद्देश्य से इन क्षेत्रों का प्रमुखता के आधार पर ऋण

देने की शुरूआत, औपचारिक वित्तीय संस्थाओं तक पहुँच को सुधारने की दिशा में कुछ अन्य उल्लेखनीय कदम है । इसी परिप्रेक्ष्य में भारतीय रिज़र्व बैंक ने 2005 में वित्तीय समावेशन के लिये कई कदम उठाने की घोषणा की ।

इस प्रकार भारत में बैंकिंग क्षेत्र वित्तीय सेवाएं प्रदान करने वाला महत्वपूर्ण माध्यम बन गया । दो चरणों में किये गये बैंक राष्ट्रीयकरण का एक प्रमुख उद्देश्य शाखा विस्तार के द्वारा बैंक रहित क्षेत्रों में शाखा प्रसार करना था। इसके बाद के दशकों में भी बैंक शाखाओं का तीव्र विस्तार हुआ । पिछले कुछ वर्षों में भारतीय रिज़र्व बैंक ने भौगोलिक विस्तार से संबंधित निर्णय बैंकों के स्तर पर छोड़ा अर्थात् बैंकों को प्रभावी रूप से यह निर्णय लेने की स्वतन्त्रता है कि उन्हें कितनी शाखाएं एवं आउटलेट खोलने हैं तथा इन सम्पर्क बिन्दुओं का स्थान शाखा से लगा हुआ हो या शाखा से दूर भी हो । इसका वांछित परिणाम भी मिला । 31 मार्च, 2014 की स्थिति के अनुसार बैंकों की शाखाएं निम्न प्रकार थी :-

(अ)	अनुसूचित वाणिज्य बैंक	1,16,415 शाखाएं
(ब)	क्षेत्रीय ग्रामीण बैंक	19,082 शाखाएं
(क)	शहरी सहकारी बैंक	9,526 शाखाएं
(ड)	बैंकिंग व्यवसाय प्रतिनिधि	3,98,408

इसी तरह 31 मार्च, 2013 की स्थिति के अनुसार देश में 93,448 प्राथमिक कृषि ऋण समितियां थी । इस प्रकार बैंकिंग के दायरे एवं पहुँच में वृद्धि हुई है, फिर भी वित्तीय सेवाओं की भारी मांग की पूर्ति नहीं हुई है । यह सोचनीय विषय है कि देश में 26 सार्वजनिक बैंक, 20 निजी क्षेत्र के बैंक, 44 विदेशी बैंक, 4 स्थानीय क्षेत्र बैंक, 56 क्षेत्रीय ग्रामीण बैंक और 2,700 सहकारी बैंक परिचालित होने के बावजूद भी केवल 40 प्रतिशत वयस्कों के पास ही बैंक खाते हैं । देश का केन्द्रीय बैंक इस तथ्य से अवगत है लेकिन साथ ही वित्तीय समावेशन के प्रति प्रतिबद्ध भी है । इसलिए रिज़र्व बैंक सेवा रहित एवं सेवाओं की कम पहुँच वाले इलाकों और जनसंख्या समूह में वित्तीय समावेशन बढ़ाने की संभावनाओं का विदोहन कर रहा है तथा इन बैंकों के बीच प्रतिस्पर्द्धा बढ़ाते हुए नवीन सुपुर्दगी माध्यमों, उत्पादों, इन्टरफेस आदि सहित अभिनव दृष्टिकोण को प्रोत्साहित करते हुए मितव्ययी सेवाओं की उपलब्धता सुगम बना रहा है । भारत सरकार और भारतीय रिज़र्व बैंक वित्तीय समावेशन की अतिविशाल आवश्यकता के पहलू से परिचित हैं। अत: इस दिशा में, सभी वित्तीय भागीदारों को इसके लिए प्रयासरत रहना चाहिए । इस हेतु भारतीय रिज़र्व बैंक ने सभी बैंक रहित गांवों में चरणबद्ध रूप से बैंकिंग सुविधाएं प्रदान करने हेतु एक सहायक एवं सहज वातावरण बनाया है :

1) प्रथम चरण में 2,000 से अधिक जनसंख्या वाले 74,414 बैंक रहित गावों की पहचान की गई। वहाँ बैंकिंग सुविधाएं पहुँचाने के उद्देश्य से विभिन्न चैनलों (आउटलेट) जैसे, शाखाओं, बैंक व्यवसाय प्रतिनिधि, सेटेलाइट शाखाओं, एटीएम आदि माध्यमों का उपयोग करने हेतु राज्य स्तरीय बैंकर्स समिति के माध्यम से विभिन्न बैंकों को आबंटित किया गया । इस प्रक्रिया के अन्तर्गत सभी बैंक रहित गावों को 2,493 शाखाओं, 69,589 बैंक व्यवसाय प्रतिनिधियों तथा 2,332 अन्य संपर्क बिन्दुओं द्वारा बैंकिंग सुविधाएं प्रदान की गई ।

2) द्वितीय चरण में 2,000 से कम जनसंख्या वाले बैंक रहित गांवों की पहचान की गई तथा उन्हें 31 मार्च, 2016 तक समयबद्ध तरीके से बैंकिंग सेवाएं उपलब्ध कराने हेतु बैंकों को आबंटित किया गया। राज्य स्तरीय बैंकर्स समिति से प्राप्त प्रगति रिपोर्ट के अनुसार बैंकों ने मार्च 2014 तक 1,83,993 गांवों में बैंकिंग आउटलेट खोले हैं, जिसमें 7,761 शाखाएं, 1,63,187 बैंक व्यवसाय प्रतिनिधि तथा 13,045 अन्य माध्यम सम्मिलित है। भारतीय रिज़र्व बैंक इस रोडमैप के अन्तर्गत बैंक द्वारा की जा रही है प्रगति की सतत् निगरानी कर रहा है ।

भारतीय रिज़र्व बैंक ने बैंकों को निदेशक मण्डलों द्वारा अनुमोदित वित्तीय समावेशन योजनाओं (FIP) के माध्यम से श्रेष्ठ प्रतिबद्धता के साथ वित्तीय समावेशन के संचरित एवं योजनाबद्ध दृष्टिकोण अपनाने को कहा है/ प्रोत्साहित किया है । वित्तीय समावेशन योजना का पहला चरण 2010-13 के अन्तर्गत क्रियान्वित किया गया। भारतीय रिज़र्व बैंक ने वित्तीय समावेशन की इस पहल के अन्तर्गत बैंकों के प्रदर्शन को मापने के लिए वित्तीय समावेशन योजना का सहारा लिया । प्रथम चरण की समाप्ति के साथ एक वृहद बैंकिंग जाल बनाया गया और भारी संख्या में बैंक खाते खोले गये । परन्तु साथ में यह भी पाया गया कि खाता खोलने और बैंकिंग आधारभूत ढांचा बनाने से लेन-देनों के मामलों के साथ धनात्मक सहसंबंध स्थापित नहीं हो सका क्योंकि इन खातों में पर्याप्त परिचालन नहीं देखा गया । वंचित लोगों द्वारा बैंकिंग सेवाओं तक पहुँच सुनिश्चित

करने की प्रक्रिया को जारी रखने के लिए बैंकों को सूचित किया गया है कि वे वर्ष 2013-16 के लिए एक नई तीन वर्षीय वित्तीय समावेशन योजना तैयार करें । बैंकों को यह भी सूचित किया गया कि उनके द्वारा तैयार की गई वित्तीय समावेशन योजनाएं (FIPs) भिन्न-भिन्न हों तथा नीचे शाखा स्तर तक व्याप्त हों ताकि वित्तीय समावेशन के प्रयासों में सभी भागीदारों की भागीदारी को सुनिश्चित किया जा सके और वित्तीय समावेशन योजनाओं के अन्तर्गत रिपोर्टिंग की संरचना में एकरूपता को सुनिश्चित किया जा सके । नई योजना में अब भारी मात्रा में खोले गये खातों में लेनदेनों की मात्रा पर ध्यान केन्द्रित किया जा रहा है । वित्तीय समावेशन योजना के अन्तर्गत 31 मार्च, 2014 तक बैंकों का निष्पादन, संक्षेप में निम्नानुसार है :-

1. बैंकिंग आउटलेटों की संख्या 3,84,000 तक पहुँच गई । इसमें से 1,15,350 बैंकिंग आउटलेट वर्ष 2013-14 के दौरान खोले गए ।
2. वर्ष 2013-14 के दौरान लगभग 5,300 ग्रामीण शाखाएं खोली गई इनमें से लगभग 4,600 शाखाएं टियर 5 एवं टियर 6 अर्थात बैंक रहित ग्रामीण केन्द्रों में खोली गई ।
3. वर्ष 2013-14 के दौरान लगभग 33,500 बैंक व्यवसाय प्रतिनिधि आउटलेट खोले गए, जिसके फलस्वरूप मार्च 2014 के अंत तक शहरी क्षेत्रों में बैंकिंग व्यवसाय प्रतिनिधि आउटलेट की संख्या 60,730 तक पहुँच गई ।
4. वर्ष 2013-14 के दौरान 60 मिलियन से भी अधिक आधारभूत बचत बैंक जमा खाते जोड़े गये, जिससे इन खातों की कुल संख्या 243 मिलियन तक पहुँच गई। गौरतलब है कि शुरूआत में इन्हें नो-फ्रील खातों के नाम से जाना जाता था। अगस्त 2012 में इसे आधारभूत बचत बैंक जमा खाता का नाम दिया गया और अब इसे जनधन खाता नाम से जाना जाता है। वित्तीय समावेशन को और अधिक प्रोत्साहन भारत की रंगराजन समिति (2008) की सिफारिशों से मिला । इस रिपोर्ट में गरीबों को जमा, ऋण, व्यष्टि बीमा और धन की सुरक्षित वापसी के लिए बैंक के विस्तार पर बल दिया था ।
5. वर्ष 2013-14 के दौरान 6.2 मिलियन लघु कृषि क्षेत्र ऋण के जुड़ने से 31 मार्च, 2014 को ऐसे खातों की कुल संख्या बढ़कर 40 मिलियन हो गई ।
6. वर्ष 2013-14 के दौरान 3.8 मिलियन लघु कृषित्तर क्षेत्र जुड़ने से 31 मार्च, 2014 की स्थिति के अनुसार इन खातों की संख्या 7.4 मिलियन हो गई।
7. वर्ष 2013-14 के दौरान बैंकिंग व्यवसाय प्रतिनिधि-सूचना और संचार तकनीकी आधारित खातों में लगभग 328 मिलियन लेनदेन किए गए जबकि वर्ष 2012-13 के दौरान 235 मिलियन लेनदेन किए गए।
8. इसके अतिरिक्त गुणात्मक रूप से कम से कम चार बैंकिंग उत्पादों की उपलब्धता और बैंक रहित क्षेत्रों में कम से कम 25 प्रतिशत शाखाओं को खोलने के लक्ष्य भी इस वित्तीय समावेशन योजना में शामिल किए गए थे।
9. किसान/सामान्य क्रेडिट कार्ड जारी किया जाना इस दिशा में अन्य महत्वपूर्ण कदम है ।

जनधन और उससे आगे:-

प्रधानमंत्री जनधन योजना के माध्यम से वित्तीय समावेशन योजनाओं को बहुत बल मिला है । इस कार्यक्रम के अन्तर्गत अब तक 18 करोड़ से भी अधिक खाते खोलकर एक विश्व रिकार्ड कायम करने की उपलब्धि अर्जित की गई है। परन्तु इस योजना की व्यापक सफलता का संकेत उस समय मिलेगा जब औपचारिक बैंकिंग प्रणाली निजी, अनौपचारिक ऋणदाताओं को बाहर कर देगी। जनधन योजना के लाभ को इसके लक्षित हितग्राहियों तक पहुँचाने के लिए बैंकों तक पहुँच आसान करनी होगी और बैंक व्यवसाय प्रतिनिधि के माध्यम से खोले गये खातों का दायरा बढ़ाना होगा। इसका अर्थ यह हुआ कि आज भारत में आधे गांव बैंक प्रभावी रूप से बैंक सुविधाओं से वंचित हैं, अत: वहाँ पर बैंकिंग आउटलेट खोलना बहुत आवश्यक है। दूसरा, जनधन योजना के अन्तर्गत लेनदेन की सीमा हटा लेने के बाद यह खाता बार-बार उपयोग करने की दृष्टी से ज्यादा आकर्षक हो जाएगा । जनधन की सफलता मुख्य रूप से निम्नांकित कारकों पर निर्भर करेगी -

1) बैंकिंग संस्कृति का विकास
2) खोले गये खातों का दायरा
3) बैंक व्यवसाय प्रतिनिधि चैनल के माध्यम से लेन-देन की प्रकृति ।

इसका सीधा-सा अर्थ यह है कि खोले गये खातों के सीमित दायरे और बी.सी.चैनल के माध्यम से होने वाले लेन-देन पर लगाए गये अवरोधकों से इसकी सफलता प्रभावित हो रही है । अधिकतर बैंकों में किसी खाते में एक दिन में धन जमा करने और निकालने की सीमा 1,500 रुपये से 10,000 रु. है । किसी एक लेन-देन में स्वीकृत की गई अधिकतम सीमा 50,000 रु. है। किसी भी लेन-देन में इस सीमा से आगे बैंकिंग व्यवसाय प्रतिनिधि को खाता धारक के साथ बैंक जाना होता है और उन्हें इस लेन-देन के लिए अनुमति लेनी होगी । प्रतिदिन 10,000 रु. से अधिक की अनुमति नहीं दी गई है ।

इस समस्या का एक अन्य जटिल पहलू भी है । सरकार की ओर से विभिन्न योजनाओं के अन्तर्गत लाभार्थी को प्रत्यक्ष लाभ हस्तान्तरण (DBT) के माध्यम से दिए जाने वाले पैसे या जीवन बीमा निगम के भुगतान (जो सामान्यत: विभिन्न सरकारी एजेंसियों द्वारा भेजे तो हैं) की सीमा बैंकों द्वारा जनधन खाता में लेन-देन की अनुमत सीमा से अधिक होता है, जबकि अधिकांश मामलों में खाताधारक ने अपना धन प्राप्त करने के लिए जनधन खाता संख्या दे रखी है।

कुछ विद्वानों का मत है कि वित्तीय समावेशन प्रक्रिया उसी स्थिति में स्थायित्व को प्राप्त कर सुदृढ हो सकती है, जब डाकघरों को बैंकिंग दायरे में विस्तार करने के लिए उपयोग में लाया जाए। आज डाकघरों में खातों की संख्या लगभग 28 करोड़ है, जिसमें से 13 करोड़ से अधिक जमा खाते और 11 करोड़ से अधिक आवर्ती खाते हैं । यह सत्य है कि समाज के सभी वर्गों को वित्तीय समावेशन के घेरे में लाने के लिए अनेकों प्रयास किए गये, लेकिन इन प्रयासों का लाभ बहुत कम दिखाई दिया । इस संबंध में दो नये कदम उठाए जा सकते हैं :-

(अ) राशन वितरण करने वाली उचित मूल्य की दुकानों का उपयोग जनधन योजना के खातों के लाभ के दायरे को विस्तृत करने के लिए किया जा सकता है ।

(ब) इसके साथ-साथ डिजिटल ईकोसिस्टम तैयार करते समय गांवों के सामाजिक आर्थिक ढांचे में बड़े बदलाव लाने में सहायक सिद्ध होंगे।

जनधन योजना के मिशन के तौर पर समावेशन की प्रक्रिया को लागू करने के समानान्तर रुपे डेबिट कार्ड और लघु बीमा प्रदान कर परिवारों को जोड़ने पर बल देती है। जनधन योजना का प्रभावशाली सामाजिक प्रभाव इसकी निम्न तीन सामाजिक सुरक्षा योजनाओं के साथ एक व्यापक सामाजिक सुरक्षा नेटवर्क खड़ा करने की क्षमता है -

(अ) प्रधानमंत्री सुरक्षा बीमा योजना

(ब) प्रधानमंत्री जीवन ज्योति बीमा योजना

(क) अटल पेंशन योजना

जनधन खाता को केन्द्र बिंदु मानकर ये योजनाएं नागरिकों को लाभ पहुँचाने के तरीके के बदलाव में सहायक सिद्ध होंगी । प्रौद्योगिकीय विकास तथा प्रौद्योगिकी की लागत में लगातार हो रही कमी जनधन योजना के लिए आशा की ढेर सारी किरणे प्रदान करती है। जनधन, आधार एवं मोबाइल (जे ए एम), क्रेडिट कार्ड और डेबिट कार्ड के उपयोग में प्रस्तावित छूट संयुक्त रूप से हमारी अर्थव्यवस्था और समाज में आदर्श बदलाव के लिए अभूतपूर्व स्थिति प्रदान करते हैं । सरकारी सेवाओं को प्रदान करने की प्रक्रिया में सुधार लाने के लिए विभिन्न राज्य सरकारों द्वारा सूचना एवं दूरसंचार प्रौद्योगिकीयों में निवेश के साथ बैंकिंग क्षेत्र का विस्तार व आधार संख्या में हो रही वृद्धि मिलकर नये प्रतिमान मंडित कर रहे हैं। अधिकतर परिवार 25 किलोमीटर की परिधि में अपना धन खर्च करते हैं और भारत का आर्थिक भूगोल की इस बात की पुष्टि करता है कि अधिकांश गांव 5 से 25 किलोमीटर की परिधि में बसे हैं ।

आधार समर्थित माइक्रो एटीएम (बी सी आउटलेट) रुपे कार्ड के उपयोग का अवसर देता है जिससे खरीद के भुगतान के लिए नगद के स्थान पर बायोमैट्रिक का उपयोग किया जाता है। यद्यपि इसके लिये कुछ निश्चित पूर्व शर्तों का पालन करना होता है। अब बैंक वह प्रारूप तैयार करें जिसके अन्तर्गत न्यूनतम समय में पैसे भेजे जा सकें । यदि प्रत्येक रुपे कार्ड में अन्तर्निहित तुरंत भुगतान सेवा (आई एम पी एस) पंजीकरण और नजदीकी क्षेत्रीय संचार टैग प्रदान कर दिया जाए तो उक्त सुविधा आसानी से प्राप्त हो जाएगी । इस प्रकार के डिजिटल ईकोसिस्टम में ऐसे समाज की कल्पना संभव है, जहाँ इलेक्ट्रॉनिक विनिमय पूरी तरह से नगदी लेन-देन का स्थान ले। भारत में जहाँ अधिकांश आबादी निरक्षर हैं, वहाँ उन्नत प्रौद्योगिकी और मोबाइल फोन इस दिशा में आशा की नवीन किरण प्रदान करते दिखाई देते हैं ।

इस जनधन योजना का मूलभूत उद्देश्य भारत के नागरिकों को बुनियादी वित्तीय सेवाएं (बैंक खाता एवं डेबिट कार्ड) उपलब्ध कराना है। यह

लक्ष्य डिजिटल इण्डिया के उद्देश्यों को पूरा करता दिखाई देता है । "मेरा खाता-भाग्य विधाता" के साथ शुरू की गई इस योजना में भारतीय समाज में गरीब वर्ग के लिए सब्सिडि सुरक्षित करना, ओवरड्राफ्ट सुविधा और पेंशन योजना दीर्घकालीन लक्ष्यों में शामिल है । इसका उद्देश्य सन 2018 तक 7.5 करोड़ परिवारों तक पहुँच बनाना है । प्रौद्योगिकीय विकास के माध्यम से प्रशासन को जवाबदेह और संवेदनशील बनाने की दिशा में सूचना प्रौद्योगिकी का प्रयोग करते हुए बिजनेस री-इन्जिनियरिंग के लेन-देन में सुधार किया जाएगा । विभिन्न विभागों के बीच आपसी सहयोग और आवेदकों को ऑन-लाईन ट्रेक किया जाएगा । इसके अतिरिक्त स्कूल प्रमाण पत्रों, वोटर पहचान पत्रों की जरूरत के अनुसार ऑनलाईन इस्तेमाल किया जा सकता है ।

समावेशी विकास की चुनौतियां :-

1.25 अरब जनसंख्या वाले देश में समाज के सभी वर्गों एवं क्षेत्रों के बीच विकास के लाभों को पहुँचाने में उपयुक्त तकनीक का प्रयोग करना सबसे बडी चुनौती है। डिजिटल इंडिया कार्यक्रम इसी चुनौती का सामना करने के लिए आरंभ किया गया है ताकि तकनीकी के प्रभावी और सक्षम प्रयोग से प्रशासन और सेवाओं को समाज के अन्तिम व्यक्ति तक पहुँचाया जा सके । डिजिटल मिशन का बुनियादी ध्येय तकनीक के प्रयोग से शिक्षा, स्वास्थ्य, कृषि और विनिर्माण क्षेत्र में आमूलचूल परिवर्तन लाकर आम लोगों के जीवन की सामान्य गुणवत्ता में सुधार लाना है । यह एक संतुलित कार्यक्रम है जो दीर्घावधि में सकारात्मक सामाजिक परिवर्तन की दिशा में उन्मुख होगा । इस कार्यक्रम को वर्तमान समय की जरूरतों और दूरगामी सोच को ध्यान में रखते हुए विशाल पैमाने पर तैयार किया गया है । इससे सरकारी तन्त्र की जवाबदेही और पारदर्शिता भी बढ़ेगी ।

"रिच इंडिया और वंचित भारत" का समेकन एक बड़ी चुनौती है । 1960 के दशक से भारत इस समस्या से जुझ रहा है । भूतकाल में भी इस दिशा में काफी प्रयास हुए हैं । वर्तमान में समावेशी विकास को उन्हीं प्रयासों के पूरक के रूप में देखा जा रहा है। इस समेकन के लिए **"सबका साथ सबका विकास"** नारे के अन्तर्गत हाशिए पर छूट गये और वंचित रह गए व्यक्तियों को प्राथमिकता देकर "रिच इंडिया और वंचित भारत" की खाई को काफी सीमा तक पाटा जा सकता है। सरकार को विकास में सभी की भागीदारी सुनिश्चित करनी होगी।

समावेशिता की अवधारणा तय करने में कुछ कठिनाइयां हैं। कतिपय विद्वानों ने इसके लिए औसत आय के साथ औसत उपयोग में परिवर्तन अर्थात् औसत आय में एक प्रतिशत परिवर्तन होने पर उपभोग में होने वाला परिवर्तन जैसे फार्मूले को अपनाया है। दूसरे विद्वान माध्य उपयोग के अनुसार औसत उपभोग में बदलाव आर्थात् माध्य उपभोग में एक प्रतिशत परिवर्तन होने पर औसत उपभोग में होने वाला बदलाव में परिवर्तन के हामी हैं । तीसरी विचारधारा समग्र गुणांक पर ध्यान केन्द्रित करता है जो जनसंख्या के उस हिस्से पर निर्भर करता है जो औसत उपभोग के 60 प्रतिशत से कम है । इसके अतिरिक्त राष्ट्रीय प्रतिदर्श सर्वेक्षण उपभोग व्यय को आधार मानता है । अत: उपरोक्त सभी विधियों को समन्वित करके एक उपयुक्त पद्धति विकसित करनी होगी ।

सामाजिक अन्तर्विरोधों, विकारों और पूर्वाग्रहों ने इन चुनौतियों को और भी बिकट कर दिया जो परिवर्तन सामाजिक परम्पराओं और मानकों से मेल नहीं खाता, समाज या तो उसे अस्वीकार कर देता है या मुश्किल से स्वीकार करता है । असंतुलित और सामाजिक रूप से प्रतिकूल विकास समाधान की बजाय समस्याएं पैदा करता है । जटिल सामाजिक संरचना, जनसंख्या के बड़े हिस्से की निर्धनता, क्षेत्रीय विषमता, भिक्षावृत्ति, भ्रूण हत्या, महिला अपराध, बालिकाओं का स्कूल बहिष्कार, महिलाओं के बारे में परंपरागत पूर्वाग्रहों, किसानों की दयनीय स्थिति, अकुशल श्रम शक्ति, बाजार और उदारीकरण का दबाव और शिक्षा की निम्न गुणवत्ता ऐसी समस्याएं है जो समावेशी विकास के सामने बाधा बनकर खड़ी हैं । विगत एक वर्ष में सरकार ने सूचना साझा करने, जनसंख्या के अधिकतम भागों का कौशल विकास करने, सामाजिक सुरक्षा के प्रावधानों को विस्तृत करने, विकास प्रक्रिया में लोगों की भागीदारी सुनिश्चित करने और विकास को धारण करने हेतु क्षमता संवर्द्धन का प्रयास किया है । इसका परिणाम समाज में आत्मविश्वास की वृद्धि के रूप में देखा जा सकता है। इन सभी चुनौतियों का समय रहते उचित समाधान ढूंढना होगा ताकि समावेशी विकास की धारणा को सही अर्थों में क्रियान्वित किया जा सके ।

उपसंहार :-

भारत के वर्तमान सामाजिक-आर्थिक पर्यावरण में समावेशी विकास न केवल आवश्यक अपितु अपरिहार्य है । कमजोर और वंचित लोगों में सकारात्मक आशा का संचार और प्रतिभा कौशल विकास का अवसर प्रदान कर जीवनस्तर में सुधार कर आत्मस्फूर्त बनाने से देश की प्रगति

का हिस्सा बन सकेंगे । सूचना प्रौद्योगिकी के साथ बैंकिंग का समन्वय करने से जनवितरण प्रणाली में दक्षता प्राप्त की जा सकती है । इसके अतिरिक्त एकीकृत प्रणाली से क्षेत्रों/समुदायों के बीच अन्तराल को पाटने में सहायता मिलेगी तथा राष्ट्र के सम्पूर्ण सामाजिक विकास को प्राप्त करने में आसानी होगी। महत्वपूर्ण बात यह है कि यहां राज्य सरकारों की महती भूमिका है । राज्य स्तर पर बढ़ते संसाधन 14 वें वित्त आयोग की सिफारिशों का पालन करते हुए तथा केन्द्र सरकार द्वारा प्रायोजित योजनाओं का आकार घटाने के साथ अब यह वांछनीय है कि राज्य सरकारे उपयुक्त योजनाओं की रूपरेखा बनाएं तथा उन्हें क्रियान्वित करें ताकि सामाजिक विकास के लक्ष्य को प्राप्त किया जा सके। समावेशी विकास की अवधारणा को कार्य आधारित अवधारणा में बदलना नीति निर्माताओं के लिए एक बड़ी चुनौती है। प्रधानमंत्री जनधन योजना ने असाधारण सफलता हासिल की है। इसी तरह से मुद्रा बैंक, सेतु (स्वरोजगार के लिए प्रतिभा का उपयोग) और "स्किल इंडिया मिशन" सरकार के मजबूत कदम हैं जो देश में कुशल श्रम और आजीविका के अवसर उपलब्ध कराएंगे । साथ ही प्रधानमंत्री जीवन ज्योति योजना, प्रधानमंत्री जीवन सुरक्षा योजना और अटल पेंशन योजना कुछ ऐसी योजनाएं हैं जो लोगों को टिकाऊ जीवन सुरक्षा तंत्र मुहैया कराएंगी। महात्मा गांधी राष्ट्रीय ग्रामीण रोजगार गारंटी अधिनियम (मनरेगा) में लोगों के जीवन की गुणवत्ता में सुधार लाया है और गांवों से हो रहे पलायन को रोकने में एक निश्चित भूमिका अदा की है । दूसरी तरफ किसान कार्ड, प्रधानमंत्री कृषि सिंचाई योजना और नेशनल एग्रीकल्चरल मार्केट कुछ ऐसी योजनाएं हैं जो कृषक समुदाय को बड़े पैमाने पर मदद करेगी । यह देश की सामाजिक-आर्थिक खुशहाली का एक महत्वपूर्ण संकेतक हैं । ये सभी योजनाएं अर्थव्यवस्था में रचनात्मक योगदान देने वाले और बाजार के लिए इन विचारों की उत्पादित इकाइयों में बदलने में सहायक माने जाते हैं । "मेक इन इंडिया" में यह आशा की जाती है कि इसका उद्देश्य रोजगार की संख्या में भारी इजाफा करने वाला और अर्थव्यवस्था के लिए उत्पादक सिद्ध होगा। बाजार में मुख्य भूमिका बैंकों, लघु वित्त संस्थानों, स्वयं सहायता समूहों, डाकघरों और मुद्रा बैंक की होगी । बैंकिंग संस्थानों से यह आशा की जाती है कि वे वित्तीय स्रोतों को खड़ा करने में भरपूर योगदान देंगे । डाकघरों, ग्रामीण क्षेत्रों में अपनी 1,40,000 शाखाओं की उपस्थिति से इन संसाधनों का लाभ आने के लिए नई योजनाएं ला सकते हैं । विभिन्न प्रकार की जमाएं, डाकघरों के माध्यम से लघु बचत स्रोत, स्वर्ण बाँड उपरोक्त वर्णित संस्थानों द्वारा चलाई जाने वाली अन्य योजनाएं हैं, जिन्हें बाजार में अपनाया जा सकता है । कृषि विकास के लिए शोध गति से विस्तार एवं कृषि में उन्नत बीजों को अपनाना होगा । नियोजन की प्रभावी नीति, पिछड़े क्षेत्रों में उद्योगों की स्थापना, कुटीर एवं लघु उद्योगों का विकास किया जाना चाहिए तथा उन्हें कच्चा माल, औजार व लाइसेंस व अन्य आधारभूत सुविधाएं उपलब्ध करानी चाहिए । सरकार द्वारा विद्युत आपूर्ति परिवहन संबंधी रुकावटों को दुर करने के लिऐ आवश्यक कदम उठाने होंगे। भारत को अपनी जनसांख्यकीय स्थिति का पूर्ण लाभ लेने के लिए कृषि में निवेश और तकनीक को बढ़ाने से लेकर विनिर्माण और सेवा क्षेत्रों में श्रम सुधारों को प्राथमिकता देनी होगी। शिक्षा में गुणात्मक सुधार लाना होगा। इसके अलावा कौशल विकास की योजना को और अधिक प्रखर बनाकर रोजगार की गुणवत्ता को सुनिश्चित करना होगा। प्राकृतिक संसाधनों का अविरल सर्वेक्षण गांवों में रोजगारोन्मुख नियोजन तथा युवा शक्ति का इष्टतम प्रयोग समावेशी विकास को सुनिश्चित करने के अन्य उपाय हैं।

BOOK REVIEW

Author: **Branko Milanovic**
Pages : 320
Reviewed by **Mr. Bibekananda Panda,**
Chief Manager (Economist), State Bank Staff College.

Global Inequality: A New Approach for the Age of Globalization

Milanovic, a Serbian-American, is an economist at the Luxembourg Income Study Centre and the City University of New York, has brought out the brilliant and thought-provoking essay on inequality, subsequent to his French counterpart Thomas Piketty.

Milanovic's book consists of four chapters. Chapter one talks about how global inequality has changed in the last two and half decades. Chapter two, the longest chapter in the book is about the determinants of long-run evolution of inequality within economies. Inequality cycles over past several centuries in some of the major advanced economies are discussed in the chapter. Subsequently, the importance of migration and opportunity in the inequality context is discussed in chapter three. The evolution of these two factors in widening the gap between the economies over the centuries is also discussed. Chapter four summarizes the lessons from chapter two and three. Combining Kuznet's wave and convergence hypothesis, it has summarized and linked the evolution of inequality in the current century.

In the beginning, the book has talked about the winners as well as losers of globalization. As said by the author, the biggest loser in the developed world is the middle class. Inequality as measured is seen rising within countries and falling between countries. Milanovic has interestingly depicted the pattern of global growth between 1988-2008, which reflected the rise of the global middle class and global plutocrats in high-income countries.

According to him in advanced economies, the incomes of the middle and lower-middle-class have stagnated over the last few decades while a global plutocracy of mobile individuals are seen commanding over an increased share of income and capital. The author advocated for a system of creating global citizenship for better tracking of individuals. Milanovic is quite pessimistic about future trends on inequality. With continuation of convergence, within-country inequality may well dominate once again, much as it did in the 19th century, making class more important than location.

The author has strongly supported Simon Kuznets in explaining his theory, describing it as a 'grand theory' of inequality. He named it as Kuznets waves i.e., alternating increase and decrease in inequality. He traces the first Kuznets wave over the century and a half which ended only in 1980s. As soon as the second wave began, jump started in many of the factors including technology, globalization, and pro-rich economic policies. Milanovic has given an extensive account of the benign and malign forces that reduced the inequality in the 20th century. He argues that inequality becomes unsustainable, but doesn't fall on its own. Rather it leads to wars, social strife, and revolutions which reduced inequality.

Milanovic is very much serious in talking about the growing inequality in United States. For him the level of inequality is already deep rooted and there is very little scope for reversing this to an egalitarian society. He called the present inequality in the United States as the 'perfect storm of inequality'. He is more positive about China than the United States. He argues that with the slowing down of the China's labour force, real wages may start to rise strongly. Political pressures and the need for a consumption led economy might force the government to shift incomes towards the middle and bottom.

According to him the worst form of inequality is where capital is freely mobile across borders and the rich dominate the political system. He proposed an equal endowment especially in terms of ownership of capital and education to tranquilize the growing pain of inequality. The recent surge of inequality in the West has been driven by the revolution in technology, just as the industrial revolution drove inequality 150 years ago. But even as inequality has soared within nations, it has fallen dramatically among nations, as middle-class incomes in China and India have drawn closer to the stagnating incomes of the middle classes in the developed world. For him a more open migration policy would reduce global inequality even further.

Lastly, Milanovic is very skeptical in talking about the negative consequences of expansion of the financial sector. As said by him financial sector contributes most to the inequality and least to the social value. He has proposed to limit the expansion of the sector to get the dual benefit of reduced inequality and financial stability. In a similar line with Piketty, Milanovic has proposed a tax on global capital which is rarely implementable as it needs strong global co-ordination.

In a nutshell, Milanovic's book is an easy and enjoyable read!

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I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.

31.03.2017

Dr. J. N. Misra
Signature of Publisher

Indian Institute of Banking & Finance

Micro Research Proposals for the year 2017-18

The Institute invites Micro Research papers every year, on topics identified by the Research Advisory Committee of the Institute.

The competition is open to life members of IIBF, who are presently working in banks and financial institutions. Members of the Institute are free to submit papers on original ideas on any topic including the following topics for Micro Research, 2017. (See important clause on copyrights below[1])

1. Training needs of future bankers
2. Role of Participation Lending Certificates in meeting Priority Sector requirements
3. Promise of the Insolvency and Bankruptcy Code
4. Emergence of Payment Banks
5. Small Finance Banks: Complimentary or Supplementary
6. Challenges and opportunities in Peer to Peer Lending
7. New perspectives from Analytics for credit appraisal
8. Cyber Frauds and remedial measures

The last date for submission of the paper is 31st January, 2018. For details regarding participation kindly visit www.iibf.org.in

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Indian Institute of Banking & Finance

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The Institute encourages empirical research in which the researchers can test their hypothesis through data (primary/ secondary) from which lessons can be drawn for the industry (banking & finance) as a whole. In this regard, the Institute invites Macro Research Proposals for year 2017-18 on the following topics. (See important clause on copyrights below[1])

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2. Consolidation of Banks in India and its impact on economy
3. GST - Impact on Banking & Financial Services
4. Issues and challenges in financing MSMEs
5. Efficacy of recent initiatives in NPA Management
6. Evolution of Bank v/s Non- Bank financing in Banking Industry including Capital Markets

The last date for submission of the proposal is 31st January, 2018. For details regarding participation kindly visit www.iibf.org.in

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