

SHADOW PRICING - A MEASURE OF COST BENEFIT ANALYSIS

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Abstract

Shadow pricing of economic inputs and outputs is used in project analysis when some idealized assumptions of neoclassical economics are violated in the real world. Shadow prices can potentially serve as substitutes for distorted market prices in some cases, but not in others. This paper concentrates on project evaluation done in developing countries. It's needed to evaluate key economic resources in a few sectors or areas such as Imperfect market condition, wage rate, exchange rate, capital cost, inflationary pressures etc. Basically, it is used for framing public policies, for project evaluation and for programming purpose. Cost-benefit analysis (CBA) is used for project evaluation.

Keywords: Shadow pricing, Capital, Cost benefit, Equilibrium, Project evaluation.

Introduction

Shadow prices are prices indicating the intrinsic or true value of a factor or product in the sense of equilibrium prices. These prices may be different for different time periods as well as geographically separate areas and various occupations (in the case of labour). They may deviate from market prices. Shadow prices can potentially serve as substitutes for distorted market prices in some cases, but not in others.

Even though shadow costs have been utilized in government driven research, the utilization of shadow costs in the confidential area is turning out to be progressively more normal, as organizations attempt to assess the social effects of their choices. As the craving for

Natural, Social and Administration (ESG) contributing has developed so has the requirement for organizations and fiscal backers to assess the cultural effects of their creation and venture decisions. This pattern should be visible with the responsibilities made by most worldwide companies to decreasing their CO2 emanations and recognizing the effect their business exercises have on society.

Objectives of the Study

1. To bring out the meaning and the significance of shadow pricing
2. To display the merits and demerits of shadow pricing
3. To exhibit the uses of shadow pricing in cost benefit analysis

Positive Shadow Price

The graphs below show how shadow prices might interfere with resource allocation that is efficient. A

positive shadow price is seen in Figure 1 when the social marginal cost is lower than the private marginal cost. An illustration of this is immunisations; after obtaining one, you are less likely to spread contagious diseases, which benefit other members of society. The cost of making vaccines is known as the private marginal cost (PMC), but the net social benefit of receiving a vaccination is deducted from the PMC to determine the social marginal cost (SMC).

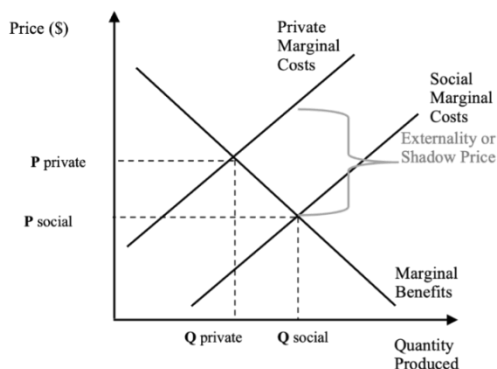


Figure 1: Positive shadow price
Negative Shadow Price

A negative shadow price is seen in Figure 2 when the social marginal cost exceeds the private marginal cost. Pollution is one instance of this; damaging toxic waste substances dumped into waterways have a detrimental influence on fish populations.

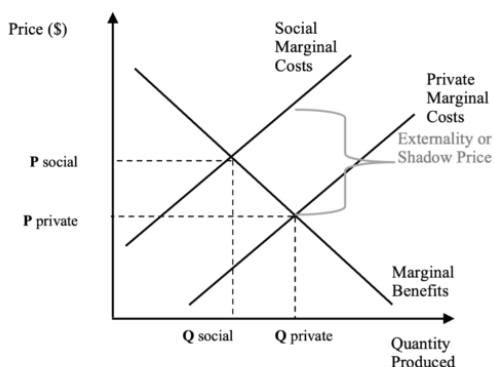


Figure 2: Negative shadow price
Need & Determination of Shadow Prices

In developing countries for project evaluation the distribution of factors on the basis of market prices is imperfect because there exist fundamental disequilibria which are reflected in mass underemployment at existing wage levels,

in the deficiency of funds at existing interest rates and in the scarcity of foreign exchange at the prevalent exchange rate. In such a situation, the equilibrium level of wages would be much below the market wage, the equilibrium interest rates would be higher than their market rates, and the equilibrium rate of exchange would be lower than its market rate. So the shadow prices are emphasized for the following reasons:

1. Imperfect Market Mechanism:

The price mechanism operates imperfectly in developing countries. Market prices do not correctly reflect relative scarcities, benefits, and costs due to the absence of perfect competition. Institutional factors distort the existence of equilibrium in the product, labour, capital and foreign exchange markets. Thus prices fail to reflect and transmit the direct and indirect influences on the supply side and the demand side.

All such difficulties are overcome with the help of shadow prices. Fiscal, monetary and other policies also help in bringing the market prices of products labour, capital and foreign exchange in conformity with their shadow prices and thus make investment projects a success.

2. Wage Rates:

In developing countries, there exist fundamental disequilibria in the labour market which are reflected in mass underemployment and unemployment at existing wage rates. In such economies, wages are much lower in the non-organised agricultural sector. Besides wages are much higher than the opportunity cost of labour in the industrial sector where labour is organised in strong trade unions. Therefore, unadjusted market wages of labour cannot be used for calculating the cost of such labour on investment projects because, the equilibrium level of wages would be much below the market wage in the rural sector.

At this point, Economists suggest that the shadow price of such labour can be fixed anywhere above the zero marginal

products of labour, and with the increase in the marginal product of labour, its shadow price can also be raised to the market level of wages.

3. Capital Costs:

In developing countries, there is a wide disparity between the prevailing interest rates in different regions and areas. In the capital market, the market rate of interest is much higher than the bank rate. Therefore, the equilibrium interest rate would be much higher than its market rate. If unadjusted market price of capital is used in calculating the cost of capital on investment projects, it would underestimate the real cost of such projects.

To overcome this problem, the shadow rate of interest can be estimated on the basis of interest rates paid by private investors. But while so doing, it is essential to allow for a social rate of discount for calculating the social benefits and costs of an investment project where its net present value (NPV) is calculated as $NPV = \sum_t B_t C_t / (1+i)_t$

Where B_t is the expected gross benefit of the project at time t , C_t is expected gross cost of the project at time t , and i is the social discount rate at time t . The social discount rate is the government's borrowing rate on long-term securities. So it differs from the market rate of interest. If the social discount rate is higher, short-period projects with higher net benefits are preferred, and if it is low, long-period projects with lower benefits are chosen.

4. Exchange Rate:

The acute scarcity of foreign exchange leads to balance of payments difficulties in developing countries. As a result, the current rate of foreign exchange is much lower than in the black market and the equilibrium exchange rate is lower than its market exchange rate.

To solve this problem, an artificial equilibrium is achieved in the balance of payments by fixing a higher shadow exchange rate than the official exchange

rate. For this, weight is attached to the cost of foreign exchanges in the project.

Suppose the shadow price of foreign exchange is 50% higher than its market value, the net effect of a project on the balance of payments should be given a weight of 0.5. This is equivalent to valuing foreign exchange costs and earnings at a price of 1.5. Tinbergen suggests the calculation of the shadow foreign exchange rate based on the 'black' and 'free' rates of exchange.

5. Inflationary Pressures:

Developing countries suffer from inflationary pressures because the market mechanism operates imperfectly due to a number of socio-economic and administrative obstacles.

So, actual market prices do not reflect social benefits and costs. Some prices are fixed by the government. Others are free, but are influenced by restrictive trade practices or monopolies. Still others are influenced by quantitative controls.

When prices rise, there is overvaluation of domestic currency. The prices of imported goods for projects underestimate their real cost. Thus there is need for shadow prices in the case of investment projects in different sectors of the economy.

A factor that is expected to be in short supply should have a shadow price higher than its market price, while a surplus factor should have a lower shadow price than its market price. Thus the shadow price is the price which would prevail if prices were equilibrium prices.

Limitations of Shadow Prices

1. Shadow price calculations require the availability of data. In contrast, accessible data are difficult to find in less developed nations.
2. Establishing intrinsic value requires full equilibrium in all markets, but underdeveloped economies lack this knowledge, making shadow prices corresponding to intrinsic values arbitrary.

3. Shadow prices are difficult to ascertain in underdeveloped countries due to the assumption of full employment equilibrium and the need for complete knowledge of demand and supply functions.
4. The static concept of shadow prices is problematic in project evaluation due to its timeless nature, as it values inputs and outputs at fixed shadow prices, which is unrealistic for long-term investment projects.
5. Shadow prices in the economy challenge private enterprises, which buy inputs and sell outputs at market prices, while the government uses them for project evaluation without monopoly.
6. Determining shadow prices in high capital-intensity projects is challenging due to the unique construction plans of the two projects, making it impossible to determine labour, capital, and foreign exchange inputs.

Uses of Shadow Prices:

Despite the above limitations, the shadow prices possess the following uses:

1. In Project Evaluation:

Shadow prices are a convenient tool for evaluating investment projects in different sectors of the economy. They are used for evaluating the effects of a project on the national income which are also known as external effects. This is done on the basis of costs-benefit analysis where both costs and benefits are calculated at shadow prices. Cost Benefit Analysis (CBA) is a traditional tool used to evaluate regional development project. The core of CBA is epitomized by economic analysis – evaluation and quantification of the effects on the society.

2. In Public Policy:

The success for development planning depends upon the correct operation of public policy. Shadow prices are intrinsic prices on whose correct determination depends the success of a plan to a considerable extent. In developing countries, investment projects in the public sector cannot be profitable

unless the prices of labour, capital and other inputs and foreign exchange rates are determined in shadow prices.

Though very often shadow prices are rough estimates, yet the state should try to bring market prices close to the shadow prices of products and factors through monetary, fiscal and other measures for the success of the plans.

3. In Programming:

Shadow prices have much importance in programming. In the context of developing countries, programming means the optimum use of investment whereby there is no difficulty in the production process. But, in reality, the difficulties of supplies of factors, rise in market prices and the scarcity of foreign exchange are found in such economies. All such problems are overcome with the help of shadow prices. The use of fiscal, monetary and other policies by the state help in bringing the market prices of products, factors and foreign exchange in conformity with their shadow prices and thus make investment programming a success. Thus shadow prices are a useful and important device for the success of project evaluation, public policy and investment programming.

4. In share market:

Investment in options is a high-yield, high-risk economic activity. Investing at high rates of return exposes investors to certain risks. Additionally, this risk is increased by the nature of options trading because high leverage is one of the key aspects of options investment. Investors should therefore investigate with great interest and urgency how to quantify initial capital, risk tolerance, and preset leverage, as well as how the distribution of input factors affects the expected return of their portfolios. Resources are scarce and contribute only marginally to the objective function, which is reflected in the shadow price. It serves as a crucial foundation for investors to realise a rational distribution of resources.

Shadow Pricing when Goods are in Fixed Supply

As indicated, to measure project costs, the LMST approach usually relies on converting the market prices of the inputs required by a project into their shadow prices. An exception occurs when the supply of an input is fixed (e.g., due to an import quota). If the fixed supply is binding, then a project will increase the market price of the input, thereby reducing the consumption of it by current consumers. Therefore, in this case, the opportunity cost of using the input in the project is the consumption forgone by consumers.

Shadow Price of Labour

Shadow prices of labour are of critical importance in conducting CBAs in developing countries. However, shadow-pricing labour raises some special issues. First, to determine the shadow price, one needs the market wage. This is often difficult to determine for unskilled workers. Second, different types of labour have different APRs. Specifically,

APR of type j labour = Shadow price of type j labour ÷ Market wage of type j labour

If the labor market for skilled workers is functioning well, then the actual wage is a reasonable approximation of the market wage and, therefore, the social opportunity cost of hiring workers for a project. If a conversion factor is available, the shadow wage can be obtained by multiplying the CF for skilled workers by the project wage. If a CF for skilled workers is unavailable, then one can use a sector specific CF or the SCF.

A special case occurs when a developing country must hire skilled workers from abroad:

- Typically, foreign workers would not be given standing.
- The shadow cost of hiring foreign workers depends on the fraction of earnings they send out of the country. Because earnings sent out of the

country result in a direct loss of foreign exchange, they have an APR of 1.

- In principle, the value of each item that workers from abroad purchase in the country should be multiplied by its APR, but this is usually impractical because the necessary information is unavailable. Thus, all earnings that remain in the country would be multiplied by the economy-wide CCF.
- Therefore, the shadow wage for foreign workers = $[h + (1-h)(CCF)]PW$, where h is the fraction of wages sent home and PW is the project wage.

Unskilled workers for a project in a developing country are ultimately drawn from the countryside. Even if a project is located in a city, workers in the country will be drawn to the city for employment. A model developed by John Harris and Michael Todaro suggests why this occurs. The model is based on two observations about developing countries:

- 1) Unemployment is very high in urban areas.
- 2) Earnings are typically higher in urban areas than in rural areas.

Given these observations, Harris and Todaro suggest that rural workers often migrate to cities to find work, even though some are not able to find jobs. They postulate that the probability that a rural worker will obtain a job upon migration to a city = $(L-U)/L = E/L$, where L is the size of workforce in city, U is the number unemployed, and $E = L-U$ is the number of employed workers. Therefore, the model implies there is an incentive to migrate from country to city as long as $RMW < UMW \bullet (E/L)$, where RMW is the rural market wage, UMW is the urban market wage, and $UMW \bullet (E/L)$ is the wage migrating workers expect to receive (on average). Consequently, according to the model, migration only stops when $RMW = UMW \bullet (E/L)$. At this point, however, urban wages will continue to exceed rural wages.

Conclusion

Market prices might not reveal the actual value of an item, product or service. So, in order to capture the actual value of the product or services in question, we might need to use shadow prices. Hence, it is crucial to point out that there are additional types of market distortions, such as tariffs, quotas, price supports, etc., that can make it challenging to choose the right shadow price to use in order to reflect the true value of the good or service on the market. A project that shows a profit at these shadow prices made a positive contribution to society's welfare. Even though shadow price has many limitations such as inadequate data availability, difficult to establish intrinsic value of a factor or product in under developed countries, static, timeless etc., it is used for evaluation of project, framing public policies, in programming etc.

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A CASE STUDY OF CASHEW INDUSTRY IN TAMIL NADU

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Abstract

The cashew nut processing industry is essential to the Indian food processing industry. The cashew is frequently referred to as "both a poor man's crop and a rich man's meal." The growers, merchants, distributors, processors, supermarkets, and retailers are all involved. One important source of income is the cashew processing industry. Processing cashews is a labor-intensive industry that has historically employed many rural women. Gaining a thorough grasp of the Cashew Processing Sector, its place in the global market, the problems it is facing, and its potential in the future is the goal of this study. The current study makes an effort to look at the profile of the Indian cashew industry while doing this, covering cashew processing and foreign trading. More than 60 countries throughout the world utilize Indian cashew kernels because of their superior quality, flavor, and look. Unfortunately, it was discovered that India's cashew production has fluctuated recently. Despite its rapid growth, India's cashew industry has been hurt by low-quality cashew that is grown in some areas, primarily as a result of incorrect harvesting methods, insufficient drying of the nuts and a lack of storage and warehouse facilities for dried cashew nuts.

Keywords: *Cashew, Cashew Industry, Food Processing Industry, Marketing Aspect, SWOC frame work, and PESTLE Analysis.*

Design

This study utilizes secondary data sources for analysis, including websites relevant to the cashew industry, Google Scholar publications, and other sources. The literature is also utilized to examine the industry's position inside the SWOC and PESTLE framework analyses.

Findings

According to the report, certain incentives are necessary for the cashew industry to achieve a higher rate of production and export growth in the future.

Value

This essay focuses on the development of the cashew sector in India

in regard to its present state and potential for the future. According to the findings and their interpretation, the Indian Cashew Industry needs to get ready for the rising domestic demand and make a more significant contribution to the nation's economic development.

Paper Type

Case Study- based Research Analysis

INTRODUCTION

The standard of living of individuals around the world has undergone significant fluctuation as a result of globalization and liberalization. The food processing industry in India has seen tremendous transformation throughout the age of liberalization, and it has been able to apply specialized innovative development strategies to compete on the international market [1]. In reality, among other industries in the food processing sector, India was the first nation to enter the global cashew trade. In its 3650 cashew processing mills spread around the nation, the nation processed about 1.14 million tones of cashews. From 170 units in 1959 to over 3500 units in 2008, there were more processing mills. About 95% of the 500,000 people working in the Indian cashew industry were rural women [2]. While the unorganized sector makes up 54% and the organized sector 46% of the cashew processing units, respectively. Only half of the 1.5 million tones of annual demand for cashew processing in India is met by the current crop. To accommodate growing demand, India purchases raw cashews from the Congo, Tanzania, Indonesia, and Thailand [3]. India exports processed nuts to Germany, Australia, Canada, the Netherlands, the United States, the United Kingdom, and the United States [4].

On May 21, 2011, in Budapest, Hungary, a historic agreement was signed by the major cashew producers, key players in the industry, the United Nations Economic Commission for Europe

(UNECE), the Food and Agriculture Organization of the United Nations (FAO), and the International Nut and Dried Fruit Council (INC) to support the growth and sustainability of the cashew nut industry. By encouraging their use and consumption, starting nutritional and health studies, promoting food safety, developing quality standards, and promoting nutritional and health research, the Global Cashew Council seeks to increase public awareness of the nutritional and health benefits of cashews. Due to its excellent flavour and unique texture, cashews from India are eaten in more than 60 different countries and are becoming more and more popular as a favoured ingredient in a variety of foods including chocolates, dates, ice creams, and other desserts. It can be salted, dried, roasted in oil, coated with chocolate, spice, honey, etc. Although the cashew nut was first introduced to India as a crop for soil conservation, as the country gradually learned about the nut's commercial value, it grew to become the largest cashew grower in the world. Indian cashews are highly valued for their quality, appearance, and flavour on the international market, where they make up more than 65% of all cashew kernel exports.

PRESENT SCENARIO OF CASHEW INDUSTRY IN INDIA:

About 500 years ago, the Portuguese brought the cashew tree, a native of eastern Brazil, to India. Ago. The cashew tree was first planted in the Indian state of Goa, from where it soon spread to the rest of the nation. Cashew nut export revenue reached \$566.76 million in FY 2020. April 2019 to Cashew exports reached \$566.82 million in March 2020. From April 2020 to March 2021, cashew exports were US\$ 420.17 million, with US\$ 40.44 million exported in March 2021. In April 2021, cashew exports reached a total of US\$ 49.71 million [5]. The Covid-19 epidemic was just one of several factors that caused

the Indian cashew yield to decline by around 50,000 tonnes in 2021–2022 according to the International and Dried Fruit Council (INC). In addition to being the second-biggest producer of raw cashews in the world after Ivory Coast, India is also the greatest consumer of cashew kernels. The production of raw cashews for India is expected to increase from 7, 42,000 tonnes in 2019–20 to 6, 91,000 tonnes in 2020–21, according to the International and Dried Fruit Council (INC). In 2020–21, it is anticipated that the world's raw cashew output will reach 37, 22,000 tonnes, with a total supply of 39, 24,000 tonnes and carryover inventories of 2, 02,000 tonnes [6]. The INC predicts that in 2020–21, the global tree nut crop will exceed 5.4 million metric tonnes. While crops of walnuts, cashews, macadamias, hazelnuts, and

Brazil nuts are anticipated to be similar to last year's, crops of pine nuts, pistachios, almonds, and pecans are predicted to be significantly higher than last year's. Table 1 below displays the installed capacity and the state-by-state share of processing units. With a total installed capacity of 1643 thousand MT and an average installed capacity of 0.4 thousand MT, the nation has 3940 cashew processing facilities. With 55.8% of them, Maharashtra has the most. However, Kerala has the highest installed capacity at 36.5%. India mostly exports cashew nuts and very little juice from the shells of cashew nuts. The value of cashew exports increased by 7% between 2021 and 2022, from US\$ 420 million in 2020–21 to US\$ 452 million in 2021–22.

Table 1
State-wise Share of Cashew Processing unit and Installed capacities in India

States	Processing units (Nos.)	Share of processing units (%)	Capacity ('000 MT)	Share installed capacity (%)	Average installed capacity	Utilization	
						Indigenous	Import Total
Tamil Nadu	417	10.6	400	24.3	1	294 519	225
Kerala	432	11	600	36.5	1.4	67 387	320
Andhra Pradesh	175	4.4	100	6.1	0.6	92 92	0
Karnataka	266	6.8	300	18.3	1.1	45 65	20
Maharashtra *	2200	55.8	50	3	0	20 20	0
North Eastern States	22	0.6	10	0.6	0.5	15 15	0
Orissa	350	89	120	7.3	0.3	11 11	0
West Bengal	30	0.8	8	0.5	0.3	8 8	0
Chhattisgarh	3	0.1	5	0.3	1.7	0 0	0
Total	3940	100	1643	100	0.4	573	565
						1138	

Source: <http://dccd.gov.in/stat.htm> *Includes 1850 small scale cottage industry

Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, the Union Territory of Goa, Maharashtra, the North Eastern States, Orissa, West Bengal, and Chhattisgarh are among the states that have cashew industries. In the recent past, the crop experienced quality and quantity losses due to the Covid19-induced lockdown during the prime harvesting season. Typically, the tea mosquito and other pests harm cashew crops. Due of the delayed flowering, many trees only had one flowering cycle. In the near future, Indian demand is anticipated to stabilize and increase. The internal and external variables affecting the cashew industries in India are the main topic of this essay.

CASHEW INDUSTRY IN TAMIL NADU

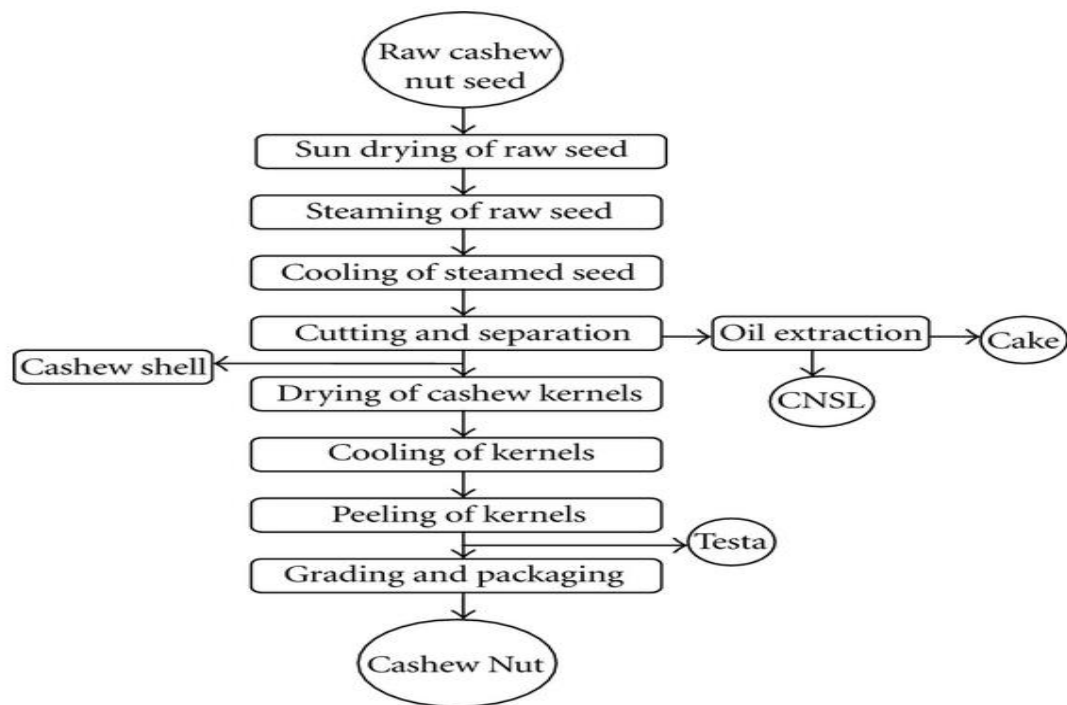
Together with business and farmers, Tamil Nadu has worked extremely hard to become the nation's top producer of raw cashews. The State is taking action to double the production and quadruple the area under cultivation. The business has set a target of producing 1,50,000 metric tonnes (MT) year and doubling the amount of land used for cultivation to 1.20 lakh hectares. By concentrating on high-yield cultivars and increasing the area under cultivation, Tamil Nadu hopes to become the world's top producer of cashew nuts. The State is also offering financial support to small-scale businesses, particularly rural women entrepreneurs. Due to the expansion of the exporting community, notably on the west coast where rural units are generating 100,000 metric tonnes of cashew kernels, Tamil Nadu is competitive in the import and export market thanks to the amenities offered by the New Mangalore Port Trust (NMPT) and consistent container services. The Cashew Export Promotion Council of India (CEPCI) offers a number

of services to kernel exporters, such as helping them discover consumers, deal with kernel importers, and get quality certificates. Members of CEPCI are entitled to consultation services, financial benefits for process and product improvements, and financial assistance for the mechanization of cashew factories.

SUPPLY CHAIN ANALYSIS OF CASHEW INDUSTRY

Cashew nut agriculture includes the collection of nuts, distribution of domestic and imported nuts, processing of raw nuts, and gathering and selling of processed nuts. One of the crucial stages in the cashew supply chain is processing. Producers, processors, and traders make up the cashew supply chain. There are three types of producers: small-scale, medium-scale, and large-scale. The processing industry consists of individuals who process cashew fruit, kernels, roast nuts, and do so on a small, medium, or large scale. Small, medium, and large-scale community buyers and exporters are included in the trading subsector. Between the producer and the processor, traders serve as a conduit. In important cashew-producing regions, a lot of wholesale retailers and processing firms establish collection centres during the harvesting season. The tiny dealers who purchase the nuts from the farms sell them to these gathering centres. The nuts are sold by small vendors in primary and rural markets to producers, who subsequently sell to metropolitan markets. Only a small number of cashew importers sell to sizable roasting and salting businesses, which then sell to retailers. Then, these businesses put themselves in a package and market to the general public under their supermarket brand name.

Fig 1: supply chain including international link



REVIEW OF LITERATURE

Soniyo Yomichan* (2020) Cashews are a significant commodity in cross-continental trade and a significant source of foreign exchange for several nations, including India. The raw cashew kernels are traded and processed along the value chain, which spans the nations that cultivate the crops, those who process them, and those that consume them. More than 90% of Guinea-Bissau's export revenue comes from cashews. For processing, almost the entire crop is sent to India, namely to Kerala. Since India processes more than 90% of Guinea Bissau's cashews Guinea Bissau nuts are highly favoured across the globe due to their high processing output.

Reema Jenifer D'Silva¹ & Ganesh Bhat S. (2021) the standard of living of individuals around the world has undergone significant fluctuation as a result of globalization and liberalization. India's food processing industry has seen tremendous transformation throughout the liberalization era, and it has been able to adopt customized creative development strategies to compete in the global market. Only half of the 1.5 million tonnes of

annual demand for cashew processing in India is met by the current crop. To accommodate growing demand, India purchases raw cashews from Thailand, Indonesia, Tanzania, Congo, and India must develop and utilize its agricultural resources to the fullest extent possible if it is to keep up with the growing global demand, maintain market share, and stay ahead of the quickly emerging competitors in the global market.

David Gomez a* (2022) Farmers of cashews are important players in the value chain; nevertheless, because they typically do not control the cashew market's worldwide pricing, they suffer the greatest losses. The overall cost of cashew nuts varies from year to year depending on a variety of factors. The world's supply and demand, exchange rates, weather, past production levels, governmental policies, regulations, or ports are just a few of the variables that have had a significant impact on cashew producers over time. Market channels and low raw cashew nut prices are found to exacerbate poverty and lower farmers' purchasing power. Low returns are not a result of poor market channels or low raw

cashew nut pricing in the research area because most cashew trees can produce for 15 to 20 years. The study comes to the conclusion that inadequate market channels and poor raw cashew nut pricing may contribute to an increase in job losses in plantations.

OBJECTIVES OF THE STUDY

This study is focused on the comprehensive analysis of the cashew industry. The main objectives of the study area:

1. *To have a comprehensive knowledge of the cashew industry in India with special reference to Tamil Nadu.*
2. *To assess the industry's position through the strength, weakness, opportunities and challenges (SWOC) frame work.*
3. *To understand the position of the cashew industry through PESTLE Analysis.*
4. *To suggest the strategies formulated to retain the market position of the cashew industry in the international market.*

RESEARCH METHODOLOGY

The Cashew Industry is highlighted in this study's secondary data sources, which focus on the food processing industry. In addition, the SWOC framework and PESTLE analysis are used in this study to identify the growth potential and the competitive strategy the company should use for long-term growth. With the aid of data gathered from journal papers, the websites of the Global Cashew Council, and the Cashew Export and Promotion Council-Tamil Nadu, a thorough study has been presented.

SWOC ANALYSIS OF CASHEW INDUSTRY

The most popular technique for assessing and examining a company's competitive role is the SWOC framework. Its primary goal is to assess corporate strategies in order to create a business strategy that aligns the organization's assets and skill sets with customer demands. This paradigm is used by

organizations to assess their own advantages, disadvantages, opportunities, and difficulties as well as those of their rivals and products. SWOC is a thorough evaluation of the operational environment of the industry that aids in the projection of several environmental factors and their integration into the organization's decision-making. The following Strengths, Weaknesses, and Opportunities have been identified after a thorough examination of the substantial literature on this industry.

Strengths

The cashew industry has the following strengths

- One of the most traditional sectors in the nation, cashew processing employs thousands of workers, the most of whom are rural women. The transfer of surplus labour from the traditional sector of agriculture to the contemporary sector of industry contributed to higher productivity and lower operating costs.
- India has acquired good production and post-production technologies for cashew cultivation and post-harvest operations in the cashew industry because to high levels of research, development, and technology infusion.

Weaknesses

The cashew industry has the following Weaknesses

- Imports of raw cashew nuts decreased as a result of the introduction of the import tariff. As a result, processing in the nation ceased to be profitable, and many processing facilities started to scale back operations or shut down, which decreased exports.
- Production of cashews is further impacted by inadequate post-harvest facilities, poor labelling, value addition, branding, and packing materials.

Opportunities

The cashew industry has the following Opportunities

- There are numerous cashew products with added value in India, such as Phalguni Cashew from Mangalore. They offer a variety of varieties of cashews, including deep-fried, dried, oil-roasted, salted, spice-coated, honey-coated, and so on. Additionally, they offer cashews in convenient consumer packs of 500g, 250g, and 100g, in whole, half, and small pieces. However, due to their exceptional flavour and unique texture, cashews can be added to candies, dates, ice cream, and other foods.
- The export of cashew kernels can satisfy future export projections with the aid of Cashew Export Promotion of India (CEPCI), and there are opportunities for cashew processing of its by-products like Cashew Nutshell Liquid (CNSL).

Challenges

The Cashew Industry has the following challenges to face:

- The processing and export of cashew kernels is developing in cashew-producing nations.
- As cashew kernels are processed and sold by these developing nations, India faces fierce competition from Vietnam and Brazil in the export of cashew kernels.

FINDINGS

The cashew tree can continue to produce while adjusting to changing soil conditions. Cashew can be grown in poor soils, although it performs much better in rich soils. A great reforestation alternative has been identified: the cashew tree. The tree slows water flow, lessens flash floods, and minimizes soil erosion when it is planted in steeply graded regions.

- Crops are significantly impacted by cyclones and other extreme weather. During the cashew tree's flowering

and fruiting seasons, diseases and pests appear, which lowers output.

SUGGESTIONS

Indian production could reach one million tonnes in 15 years if clonal material of high-yielding cultivars can be utilized for replanting in the rapidly ageing areas. To boost sales, the cashew business must perform marketing research. The industry must also apply quality labels when packaging. The cashew business must maximize its use of publicity and advertising to connect with the general public.

CONCLUSIONS

Global output and cross-border trade have changed over time as new prospective competitors have entered the cashew sector. Cashew is an important crop that generates income from exports and has the potential to improve the lives of the local community while also empowering the most vulnerable individuals in rural areas. The cashew nut is a significant cash crop for farmers and has the potential to generate income from exports and jobs for developing nations since it is the most valuable processed nut on the world commodities market. India used to have agricultural processing facilities, and the cashew sector still used the old-fashioned method of burning cashews. Women used to pedal to break the cashew nuts in the past, which led to low productivity and a high cost of production. Due to the invasion of automated cashew processing facilities and the use of steam boiling for cashew processing, which produced no waste, the future of traditional cashew processing is now bleak. If India wants to keep up with the expanding global demand, maintain market share, and remain ahead of the swiftly developing competitors in the global market, it must develop and utilize its agricultural resources to the best extent possible.

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EFFECTS OF DIGITAL MARKETING ON BRANDS

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Abstract

Direct marketing servicing has served as the foundation for the growth of the field of digital marketing over the past 10 years. Today, Brand marketers have more direct and indirect channels of connection with their target clients as a result of the rise in personal devices and their use. The study focuses on effects of digital marketing on consumer product branding. This article focuses on the interactions between various brand attributes, customer behaviour, corporate performance, social media, and influencer marketing. Due to progresses of digital marketing, consumers are more aware of enterprises and their market expansion. Several digital marketing tools, such as affiliate marketing, blogging, mobile marketing, SEO, and email marketing has been discussed in this article.

Keywords: Brand Communication, Digital Branding, Digital Marketing, SEO.

Introduction

In today's time, we don't need an introduction to digital marketing. Digital marketing is already very popular in today's world because of Internet which has opened the gateway of tremendous digital marketing opportunities for businesses. By utilizing different channels of digital marketing, businesses cannot just share their product and services online; additionally, they can gain clients for their business, entice them, and can convert them to boost their ROI. The speed and straightforwardness with which digital media transmits data and support a business is astonishing. Brand plays a crucial role in the field of digital marketing by influencing its effectiveness and success. A brand is more than just a logo or a product it encompasses the overall

perception, reputation and values associated with a company product, or service. Digital marketing leverages various online channels and strategies to promote brands and engage with target audiences.

Objectives of the Study

1. To bring out the meaning of digital marketing
2. To explain the impact of digital marketing on brands
3. To highlight the significance of digital marketing on brand awareness

Digital Marketing

Digital marketing is a general term for any steps a company takes to connect with customers through electronic technology. Digital marketing promotes and sells products or services to prospective customers through online

platforms such as email, social media, mobile marketing, online customer communities, webinars and other video-based content.

Brand

A brand, in the eyes of marketing experts, is a good or service that distinguishes itself from competitors. Design, packaging, and advertising components work together to form the brand and set the product beyond its rivals.

Impact on Brand Products by Digital Marketing

Brand Visibility: Digital marketing gives brands the chance to become more visible and connect with more people. Brands may improve their online visibility and draw in more potential customers by using strategies like search engine optimization (SEO), pay-per-click (PPC) advertising, and social media marketing.

Consumer Engagement: Through a variety of channels, including social networking sites, email marketing, and online forums, digital marketing enables firms to interact directly with consumers. Brands can strengthen connections, boost loyalty, and promote repeat business by actively engaging with customers, attending to their needs, and offering helpful material.

Online Reputation: A brand's reputation is very important in the digital age. Consumer perceptions are significantly influenced by online reviews, ratings, and customer feedback. Negative comments can damage a brand's reputation while positive reviews and testimonials can increase a brand's credibility and inspire new buyers. Reputation management solutions that keep an eye on internet reviews and act quickly on them are part of effective digital marketing strategies.

Market Reach and Targeting: By using demographic and behavioural segmentation, digital marketing enables firms to precisely target the people they want to reach. Brands can target specific client segments with marketing messages by using data analytics and user profiling,

maximizing the impact of their efforts and raising conversion rates.

Competitive Environment: There is fierce competition among brands for the attention of the same audience in the world of digital marketing. To keep one step ahead of the competition, brands must continuously evaluate and modify their digital marketing strategy. To set you apart from rivals, this entails keeping up with new trends, utilising cutting-edge technologies, and providing distinctive value propositions.

Sales and Conversions: At the end of the day, digital marketing is all about generating sales and conversions. Brands may improve their website design, user experience, and marketing funnels to boost conversion rates and increase revenue by putting effective conversion optimization tactics into practice.

Significance of Digital Marketing for Brands

Brand Awareness and Perception: Digital marketing plays a vital role in building brand awareness and shaping customer perceptions. By creating compelling and consistent messaging across digital channels, brands can increase their visibility, reach a broader audience, and establish a positive brand image. Effective digital marketing efforts can help create brand associations, evoke emotions, and establish trust, ultimately influencing how customers perceive and interact with the brand.

Customer Behaviour and Decision-Making: Digital marketing has the power to influence customer behavior and decision-making processes. Through targeted advertising, personalized messaging, and persuasive content, brands can capture the attention of potential customers, educate them about their products or services, and guide them through the buying journey. Digital marketing techniques such as retargeting, social proof, and urgency tactics can also motivate customers to take action,

resulting in increased conversions and sales.

Customer Engagement and Relationship Building: Digital marketing provides opportunities for brands to engage with customers on various digital platforms. By leveraging social media, email marketing, chat bots, and interactive content, brands can foster meaningful relationships with their audience. Regular communication, timely responses, and providing valuable content can enhance customer engagement, loyalty, and advocacy, ultimately driving repeat purchases and positive word-of-mouth.

Data-Driven Insights: Digital marketing generates vast amounts of data that can be analyzed to gain valuable insights. By leveraging analytics tools and tracking customer interactions, brands can understand customer preferences, behavior patterns, and purchase habits. These insights enable brands to refine their marketing strategies, tailor their messaging, and optimize their campaigns for better results. Data-driven decision-making can lead to improved targeting, more effective messaging, and increased return on investment (ROI).

Business Performance and ROI: Digital marketing efforts directly impact business performance and return on investment. Through effective digital marketing strategies, brands can generate leads, drive website traffic, increase conversions, and ultimately boost sales and revenue. Digital marketing allows for precise tracking and measurement of key performance indicators (KPIs), enabling brands to evaluate the success of their campaigns, optimize their marketing spend, and make data-backed decisions to achieve better business outcomes.

Role of Social Media in Marketing

- Social media refers to online platforms and websites that enable users to create, share, and interact with content. Twitter, Facebook, and Instagram are well-known social apps and social networking sites such as LinkedIn,

YouTube, and Snapchat helps to influence the market easily. Through these platforms, individuals can engage in a range of activities like exchanging pictures, videos, ideas, and opinions with friends, family, and even complete strangers. These platforms provide business with the prospect to engage with a big audience and build a strong brand presence. Business can create official pages or profiles on these websites in order to interact with customers, publish information, carry out marketing effortlessly, and even conduct direct transactions. Social networks are strategically used to achieve certain marketing goals such as increasing brand awareness, increasing website traffic, or generating leads.

- Influencer marketing is a type of advertising that focuses on teaming up with important people or content producers, also referred to as influencers, to advertise goods or services. Influencers frequently have a sizable social media following and are recognized as authorities in their fields. They could be social media influencers, bloggers, business leaders, or celebrities. Influencer partnerships are a common strategy used by brands to increase engagement with their target market. Influencers provide content showcasing or promoting the brand's goods, and because of their reliability and authenticity, they have the power to influence their followers' purchasing decisions. Sponsored posts, product reviews, giveaways, brand ambassadorships, and even long-term relationships are just a few examples of the many different ways influencer marketing may be used.

Conclusion

In conclusion, digital marketing affects consumer behavior, business performance, and brand awareness by raising consumer awareness of the brand, forming perceptions, influencing choices, encouraging customer engagement,

utilizing data-driven insights, and ultimately promoting the achievement of business objectives. Digital marketing has a huge impact on a brand's product on a number of levels, such as visibility, engagement, reputation, targeting, market share, and sales. Brands may be able to improve their market position, increase the size of their consumer base, and accomplish their corporate goals by successfully utilizing digital marketing.

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DIGITAL FINANCIAL INCLUSION – THE PATHWAY TO RURAL TRANSFORMATION**S. PAULINE JANNET**Assistant Professor in B.Com (A&F)
Women's Christian College
Chennai**Abstract**

This study aims to show that the change of rural India's economy begins with digitalized financial inclusion. It is crucial to include rural residents in digitalized financial inclusion because 70% of the population lives in rural areas and works mostly in agriculture and related industries. India's GDP cannot increase unless measures are taken to increase the share of rural income that is earned. Because of the financial illiteracy of the rural population, the government has undertaken numerous attempts to make financial services and products available to them so as to empower them. The government has introduced numerous programmes as part of the Digital India and Bharat Net programmes to include them in the realm of inclusive financial digitization and SMART governance. The rural population has changed positively as a result of programmes like the Pradhan Mantri Jan-Dhan Yojana (PMJDY), UPI, Aadhar, and others. Numerous studies show that the use of technology in rural India is increasing exponentially. When compared to previous decades, there is an increase in the proportion of rural residents using digitalized financial services. This demonstrates how rural India is transforming.

Keywords: GDP, Financial Inclusion, Digital India, Bharat Net Programme, PMJDY, UPI Empowerment, SMART Governance, Rural India, Digitalised Financial Services

INTRODUCTION

The main topic of this chapter is how the financial sector's digitalization has transformed rural India. Given that 68.8% of Indians live in rural areas and that more than 70% of the labour force is employed in agricultural and its allied activities, this study is crucial for the Indian economy. Agriculture and related industries continue to dominate the job market. India's rural areas must be improved before it can become a developed economy. **Paramasivan. C**

(2011) financial inclusion is the provision of affordable financial services to various poor/low-income groups who are often excluded from the financial system. Despite the growth of the banking sector in the last three years, a significant portion of households, especially in rural areas, remain out of the reach of financial institutions. An important step in bringing the financially excluded into the financial sector is the promotion of microfinance in India. To significantly alter the socioeconomic landscape of rural areas it

is important to incorporate collaborative technologies in the financial sector.

Objectives of the study are:

- *To recognize the significance of digital financial services for rural communities*
- *To identify issues rural residents encounter while utilizing these services*
- *To give suggestions to overcome the challenges*

Financial sector digitalization

The current workplace environment is governed by a concept known as "digitalization." With the goal of transforming India into an information economy and a society where people are empowered by technology, the Indian government recently unveiled the Digital India Programme. The concept of digitalization has been heavily influenced by all economic sectors, and the financial sector is no exception. The hope of raising the country's GDP has grown as a result of the application of contemporary technology in the financial sector, particularly rural areas.

Meaning of financial inclusion

It is the process of making financial accessible and affordable to everyone. Financial inclusion must be implemented if everyone is to benefit from financial services. By removing the barriers that keep people from participating in the financial sector and using its services to raise their level of living, financial inclusion aims to make financial products and services affordable and accessible to everyone. Digitalizing it is essential to increase the effectiveness of financial inclusion.

Significance of financial inclusion in rural areas

A section of the economy known as the financial sector is made up of businesses and institutions that offer financial services to wholesale and retail clients. Millions of consumers and businesses in rural and distant places may have easier access to financial products as

a result of technological advancements and the digitization of financial services. The use of digital banking may be especially advantageous to micro and small businesses, encouraging creativity and innovation and, as a result, driving economic growth. Digitalization, which is mainly focused with giving customers better services and possibilities to earn more in the near future, plays a significant role in increasing financial inclusion.

Key components of digital financial inclusion

Broadly speaking, "digital financial inclusion" refers to excluded and underserved communities having digital access to and use of formal financial services. Such services ought to be responsible, responsive to the demands of the clients, and reasonably priced for the suppliers. Any such digital financial service must have three essential elements: a digital transactional platform, retail agents, and the use of a device by customers and agents to conduct transactions via the platform, most frequently a mobile phone.

- A customer can use a device to send or receive payments and transfers and to store value electronically with a bank or nonbank that is allowed to store electronic value thanks to a digital transactional platform.

- Customers can exchange cash for electronically stored value and then exchange stored value back for cash thanks to retail agents who are equipped with digital devices connected to communications infrastructure. Agents may also carry out other tasks, subject to existing law and the agreement with the major financial institution.

- The customer device may be a digital one (such as a mobile phone) that transmits data and information or a physical one (such as a payment card) that is connected to a digital one (such as a POS terminal).

Goals of digitalized financial inclusion with regard to rural people

- To assist people in obtaining affordable financial services and products, such as deposits, loans, insurance, payment services, and fund transfer services.
- To create suitable financial institutions that can meet the requirements of the underprivileged. Financial inclusion strives to develop and maintain financial sustainability so that the less fortunate people have a certainty of finances that they struggle to have.
- To create a wide range of institutions that provide reasonable financial help so that there is enough competition and a wide range of options for customers.
- To raise the benefits of financial services' awareness across society's economically disadvantaged groups.
- To develop financial products that are appropriate for the less fortunate members of society.
- To improve financial literacy and financial awareness in the country.
- To bring in digital financial solutions for the nation's economically underprivileged citizens,
- To reach the country's poorest citizens living in the most remote areas through mobile banking or financial services
- To provide tailored and customised financial solutions to the poor in accordance with their needs.
- There are a lot of governmental and non-governmental organisations working to promote financial inclusion. These organisations are committed to facilitating the receipt of documents that have received official approval.

Need for digitalized financial inclusion in rural areas

Financial inclusion improves the nation's financial system overall. It improves the accessibility of financial

resources. Most significantly, it makes saving more difficult for poor people living in both urban and rural locations. In this way, it consistently aids in the advancement of the economy.

Due to their precarious situation, many impoverished people are prone to being duped and occasionally even exploited by wealthy landlords and unlicensed moneylenders. Financial inclusion can assist to change this dire and dangerous scenario.

In order to secure their meagre financial resources for the future, financial inclusion involves incorporating the poor in the established banking system. There are many households with farmers or artisans who lack the means to properly save the money they make after putting so much effort into their work.

Importance of digitalized financial services as regards the rural population

- Recent improvements in the availability and cost of digital financial services globally have the potential to help millions of poor people transition from formal digital financial transactions on secure digital platforms. In addition to credit, insurance, savings, and financial education, money-transfer services, microloans, and insurance, other financial services can be provided and used as a catalyst.
- It lowers the dangers of theft, loss, and other financial crimes posed by cash-based transactions, as well as the lower costs related to doing business with informal suppliers and using cash.
- Digitization will make it easier to keep databases and records on digital platforms, which will cut down on the need for time-consuming paper-based paperwork.
- Gives customers the option to send or receive payments any time, day or night, seven days a week.
- Self-help groups (SHGs) could be one potential channel for promoting

and accelerating digital financial inclusion in India by using digital means to enhance financial inclusion for women.

- By using devices that transmit and receive transaction data and connect to a bank or non-bank authorised to store electronic value, it enables clients to make or receive payments and transfers and to store value electronically.
- Availability of formal financial services, such as payments, transfers, savings, credit, insurance, and securities. As customers become accustomed to and trust a digital transactional platform, the migration to account-based services typically grows over time. Payments made by the government to individuals, such as conditional cash transfers, that permit the use of digital stored-value accounts could pave the way for the financially excluded into the financial system.
- Digital finance has the potential to increase the gross domestic product (GDP) of digitalized economies by facilitating easy access to a larger range of financial products and services (and credit facilities) for individuals and small, medium, and large businesses, thereby increasing total expenditure and so GDP levels. Digital finance has the strength to provide banking services to poor people in developing countries with affordable, convenient, and secure. Digital finance can also assist improve the financial system and economic stability, benefiting customers and the economy as a whole.
- Customers residing in rural areas can easily access digital finance and be benefitted behaving more control over their own finances, the ability to send and receive money instantly, and the chance to keep and accept money in real time.

Key players in the path of digital financial inclusion in rural areas

The Pradhan Mantri Jan Dhan Yojana

A programme called Jan-Dhan Yojana (PMJDY) encourages access to digital finance. When it was introduced in August 2014, it followed an established tradition of bank-driven financial inclusion programmes in India. According to data, the accessibility income gap widened between 2011 and 2014 before starting to close after 2014. In 2011, only 27% of Indians with the lowest incomes had a bank account, compared to 41% of those with the highest incomes (a 14 percent difference). The gap increased to 16% in 2014 (43 percent vs. 59 percent). By 2017, the difference had only decreased to about 5%. By 2017, the gap had closed, with 79 percent of Indians living in rural areas holding a bank account, compared to 76 percent of Indians living in urban areas.

Government-to-Person (G2P) payments and Direct Benefit Transfers (DBT):

According to the Journey Map Report from March 2019, "the government's Direct Benefit Transfer (DBT) programme, which currently oversees 433 schemes from 56 ministry divisions, has been strongly related to PMJDY." 11 Direct Benefit Transfer (DBT) is a government-led initiative that entails a number of programmes where benefits are directly transferred to recipients, usually through state organisations.

RuPay:

To enable customers to use their newly opened PMJDY bank accounts for ATM cash withdrawals and POS (point of sale) payments, RuPay debit cards were handed to them. According to a report from the Ministry of Finance, GOI, "79 percent of the 330 million people with PMJDY plan bank accounts have been given a RuPay card." According to the Global Findex survey, the use of debit

cards in rural India has increased from 22% in 2014 to 33 percent in 2017.

Aadhaar:

Due to the Aadhaar number's status as a legally recognised identity for rural Indians looking to open their first bank account, Aadhaar's growth has been intrinsically tied to PMJDY. In the years 2016–17 and 2017–18, "the number of e-KYC validations with Aadhaar increased from 48 million to 138 million." Except for Assam, Meghalaya, and Jammu & Kashmir, "As of August 2018, Aadhaar had been seeded in over 83 percent of active PMJDY accounts." (Progress of PMJDY, GOI).

Demonetization and GST:

This might have been a driving force in rural India behind the sharp rise in digital transactions. Instead of demonetization, the growth at the start of 2016 seems to be the result of the development of UPI, which coincided with an improved business environment and the implementation of the GST.

Granting licenses to financial institutions at higher levels:

The period of financial inclusion in India from 2014 to 2018 also saw the emergence of a new differentiated banking system. The new legislative agenda in favour of differentiated banking has caused the competitive structure of India's financial and banking sectors to change. To promote competition and innovation, creating strategic models from various areas of traditional banking was encouraged, including some from fintech startups and international firms.

Payments Banks:

Payment banks were established with the intention of integrating non-traditional actors—such as telecommunications firms, fintech firms, business tycoons, and the postal system—into the formal banking system in order to employ already-existing channels to boost DFI through small deposits and payment. In terms of mobile banking transactions, Paytm Payments Bank conducts 124

million each month, 47% more than SBI, the next-largest bank. Aditya Birla Idea Payments Bank handled 0.35 percent of all transactions.

Small Finance and Microfinance Banks:

The goal of allowing and licencing a new layer of SFBs (Small Finance Banks) has been to employ digital technology to reduce the cost of banking services and increase their access to lower-income customers. Ten institutions, spread out across the nation, received licenses. According to MFIN data from March 2021, "As of June 2018, there were 17.6 million loan accounts, up from 17.3 million the year before and 15.8 million in 2016." Fintech: Examples of fintech include technological companies like Pine Labs and MsSwipe, as well as payment processing companies that handle P2P and retail payments. Thanks to the underpinning digital infrastructure offered by India Stack and the Aadhaar, many of these emerging fintech companies now have a sound business case. The emergence of e-commerce in India and the development of fintech in payments are closely related. From October 2016 to January 2017, "pre-paid instrument (PPI) transactions more than doubled (from 127 million to 296 million)" (RBI data).

Open Source Personal Data :

Digi Locker Aadhaar Authentication, BHIM, IMPS, and UPI - J-A-M ,Mobile Jan Dhan-Aadhaar, Four-layer India Stacks facilitated the use of digitized financial services.

Fintech:

Financial technology companies that process P2P and retail payments also contributed to the growth of DFS in rural areas.

Internet and smart phone usage:

India's quick rise in DFI has been made possible by the rate at which smart phones and low-cost internet have reached communities who have historically been underrepresented in the

digital economy. The former has profited from the drop in hardware prices.

Special Financial Products Offered For Attaining Financial Inclusion

The Reserve Bank of India has asked scheduled commercial banks (SCBs) to design and provide exclusive financial products to the economically weaker sections of society, keeping in mind that low-income people living in rural and urban areas have very limited access to financial products and services. Many of them only have a basic understanding of financial products and services such as microfinance, personal loans, crop loans, savings accounts, and savings plans. They are completely ignorant about credit cards and debit cards.

However, banks were instructed to issue cost-effective credit cards to the low-income groups of the society because they did not have access to instant credit facilities. Some of the unique financial products that have been offered to them are:

- **General Credit Cards (GCC):** The RBI requested banks to introduce and provide GCC facilities with a limit of up to Rs. 25,000 at their branches in semi-urban and rural areas.

- **Kissan Credit Cards (KCC):** The Reserve Bank of India also ordered banks to offer Kissan Credit Cards exclusively to small farmers who make extremely low incomes and have very little money, making it impossible for them to invest in proper farming equipment like tractors, fertilisers, pesticides, crop seeds, and storage facilities. For access to land to plant crops, they are compelled to rely on other affluent landowners. These Kissan Credit Cards are designed to make it easier for farmers to make quick purchases whenever necessary. Farmers frequently give up on making purchases.

- **ICT-Based Accounts via BCs:** The Reserve Bank also came up with a strategy to assist banks in reaching out to the unbanked members of society by

providing ICT-based bank accounts with the aid of business correspondents (BCs). Users of these accounts can electronically apply for loans and other forms of credit, make cash withdrawals, and make deposits. This kind of account makes banking affordable and straightforward.

- **More ATMs:** According to the Reserve Bank of India, many rural areas of the country lack sufficient automated teller machines (ATMs), which is impeding many of the residents' buying and selling operations. For these people, there should be more tangible cash available.

Impediments in the course of implementing digitalized financial services with regard to rural areas.

1. **Financial literacy:** People should not be literate just; this means that knowledge of how to read and write is insufficient. They should be financially literate, which is harder in rural places because financial literacy isn't seen as a major talking point. This happens when literate people find it difficult to complete the checks and other forms that banks supply.

2. **Digital Illiteracy:** People in rural areas are less accustomed to computers, cellphones, and the digital world. They don't even understand the fundamentals of using a computer or a smartphone. The issue is also getting worse due to a poor internet connection.

3. **Uncertainty and an unstable system:** People are often skeptical of digital transactions because they think that if they deposit money in a bank, it would be taken from them or blocked. Frauds further exacerbate the issue.

4. **Lack of infrastructure:** Mobile devices, internet access, energy, and financial services are underutilised. Even the biggest nationalised banks in India struggle to offer the most basic financial services in rural areas.

5. **Minimum number of transactions:** A person may switch to a more practical method of payment if they

conduct more transactions with the same retailer. However, because there aren't many trades in rural areas, especially near the end of the month, clients would be less likely to adopt the digital payment method in the long run.

6 .Data cost: Despite a modest early rise in digital money in rural and distant locations, rural economies continue to be primarily cash-based. Less wealthy people are more sensitive to data prices. Therefore, data costs are a fundamental barrier to rural people's access to digital financial inclusion.

7.Unavailability of digital services in regional languages: The vast majority of online financial goods, which are occasionally also available in Hindi and in English. Due to their illiteracy and unfamiliarity, the majority of rural residents are reluctant to use other languages, and they prefer digital financial goods in their own tongue.

8.Tendency to evade tax: Some store owners and business owners believe that the shift from a cash-based economy to one based on digital transactions will force small businesses and individuals who are not already paying taxes to do so.

- Maintaining a cash-based system makes more sense because buyers and sellers both prefer it. Lack of demand is one of the biggest barriers to the adoption of digital payments.

9. Lack of demand: Maintaining a cash-based system makes more sense because buyers and sellers both prefer it. Lack of demand is one of the biggest barriers to the adoption of digital payments.

10. Lack accessibility: A lot of individuals who live in rural and isolated locations still lack access to the network and digital infrastructure required to promote trust and regular usage of digital services.

Suggestions For Government, Regulators And Policymakers:

- By improving connectivity and infrastructure, maintaining

appropriate regulations, and encouraging remote areas to coordinate digital financial services, governments and authorities should encourage rural areas to accelerate and coordinate the growth of e-models that are in line with the needs of micro-enterprises at the base of the economic pyramid that aid in the transition of procedures from cash to digital. By driving up demand, assist in integrating micro-merchants onto official e-commerce platforms.

- A programme for developing digital skills should be offered. Through the inclusion of digital financial services, the advantages of economic development can be increased. Financial services will be more affordable as a result, and problems with data security and transaction accuracy will also be resolved.
- In the framework of the government's policies, financial inclusion does not receive enough attention. The government should assess the elements that influence each nation's level of digital financial exclusion and put in place an organised strategy for doing so;
- The government should prioritise a digital financial inclusion strategy based on digital skills and financial literacy. Having the proper digital skill and understanding of the use of each financial service and product will significantly affect financial opportunity access, particularly the growth of the usage of financial services other than saving and withdrawing money in villages.
- The policies of the government do not give financial inclusion significant consideration. The government should conduct an assessment of the factors affecting the degree of digital financial exclusion and establish a structured plan for doing so.

- Pro-poor financial products and services should be tailored based on people's needs since the majority of ICT policies are top-down and supply-driven. .
- Government activities on ICT should focus digital inclusion projects that ensure quick and affordable Internet connectivity in rural areas.

Conclusion:

Digitalized financial inclusion are not just essential; they are also required by the expanding economies of today. Additionally, it offers more specialized financial services that broadly aid the underprivileged. Unbanked people can use digital technologies to grow used to financial services. It also contributes to reducing the distance between financial institutions and their clients, which helps to retain a positive connection. Every economic agent in the country will be able to use formal financial services thanks to financial inclusion, contributing to the growth of the economy as a whole.

However, despite the fact that DFS is advantageous for these rural residents, many people are either unaware of it or have not adopted it. Therefore, the Government of India has been introducing several exclusive schemes for the purpose of introducing digitalized financial inclusion. These schemes intend to provide social security to the less fortunate sections of the society.

The future of digital finance is really bright. Financial independence would empower women and other underprivileged groups in society, which is a core goal of digitalized financial inclusion and digital banking. Adopting digitization in financial services and bringing the majority of the population into the banking system will aid in the country's growth and development. With a variety of digital financial instruments available, the consumer now has more choice than ever.

If standards, infrastructure, regulations, and strategy are implemented

properly, the communities can be well-served. It can be said with certainty that digital inclusion is effectively transforming rural India.

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DIGITAL FINANCIAL INCLUSION - THE PATHWAY TO RURAL TRANSFORMATION

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Abstract

This study aims to show that the change of rural India's economy begins with digitalized financial inclusion. It is crucial to include rural residents in digitalized financial inclusion because 70% of the population lives in rural areas and works mostly in agriculture and related industries. India's GDP cannot increase unless measures are taken to increase the share of rural income that is earned. Because of the financial illiteracy of the rural population, the government has undertaken numerous attempts to make financial services and products available to them so as to empower them. The government has introduced numerous programmes as part of the Digital India and Bharat Net programmes to include them in the realm of inclusive financial digitization and SMART governance. The rural population has changed positively as a result of programmes like the Pradhan Mantri Jan-Dhan Yojana (PMJDY), UPI, Aadhar, and others. Numerous studies show that the use of technology in rural India is increasing exponentially. When compared to previous decades, there is an increase in the proportion of rural residents using digitalized financial services. This demonstrates how rural India is transforming.

Keywords: GDP, Financial Inclusion, Digital India, Bharat Net Programme, PMJDY, UPI Empowerment, SMART Governance, Rural India, Digitalised Financial Services.

Introduction

The main topic of this chapter is how the financial sector's digitalization has transformed rural India. Given that 68.8% of Indians live in rural areas and that more than 70% of the labour force is employed in agricultural and its allied activities, this study is crucial for the Indian economy. Agriculture and related industries continue to dominate the job market. India's rural areas must be improved before it can become a developed economy. Paramasivan. C (2011) Financial inclusion is the provision of affordable financial

services to various poor/low-income groups who are often excluded from the financial system. Despite the growth of the banking sector in the last three years, a significant portion of households, especially in rural areas, remain out of the reach of financial institutions. An important step in bringing the financially excluded into the financial sector is the promotion of microfinance in India. To significantly alter the socioeconomic landscape of rural areas it is important to incorporate collaborative technologies in the financial sector.

Objectives of the study are:

1. To recognize the significance of digital financial services for rural communities
2. To identify issues rural residents encounter while utilizing these services
3. To give suggestions to overcome the challenges

Financial Sector Digitalization

The current workplace environment is governed by a concept known as "digitalization." With the goal of transforming India into an information economy and a society where people are empowered by technology, the Indian government recently unveiled the Digital India Programme. The concept of digitalization has been heavily influenced by all economic sectors, and the financial sector is no exception. The hope of raising the country's GDP has grown as a result of the application of contemporary technology in the financial sector, particularly rural areas.

Meaning of Financial Inclusion

It is the process of making financial accessible and affordable to everyone. Financial inclusion must be implemented if everyone is to benefit from financial services. By removing the barriers that keep people from participating in the financial sector and using its services to raise their level of living, financial inclusion aims to make financial products and services affordable and accessible to everyone. Digitalizing it is essential to increase the effectiveness of financial inclusion.

Significance of Financial Inclusion in Rural Areas

A section of the economy known as the financial sector is made up of businesses and institutions that offer financial services to wholesale and retail clients. Millions of consumers and businesses in rural and distant places may have easier access to financial products as a result of technological advancements and the digitization of financial services. The use of digital banking may be especially

advantageous to micro and small businesses, encouraging creativity and innovation and, as a result, driving economic growth. Digitalization, which is mainly focused with giving customers better services and possibilities to earn more in the near future, plays a significant role in increasing financial inclusion.

Key Components of Digital Financial Inclusion

Broadly speaking, "digital financial inclusion" refers to excluded and underserved communities having digital access to and use of formal financial services. Such services ought to be responsible, responsive to the demands of the clients, and reasonably priced for the suppliers. Any such digital financial service must have three essential elements: a digital transactional platform, retail agents, and the use of a device by customers and agents to conduct transactions via the platform, most frequently a mobile phone.

- A customer can use a device to send or receive payments and transfers and to store value electronically with a bank or nonbank that is allowed to store electronic value thanks to a digital transactional platform.
- Customers can exchange cash for electronically stored value and then exchange stored value back for cash thanks to retail agents who are equipped with digital devices connected to communications infrastructure. Agents may also carry out other tasks, subject to existing law and the agreement with the major financial institution.
- The customer device may be a digital one (such as a mobile phone) that transmits data and information or a physical one (such as a payment card) that is connected to a digital one (such as a POS terminal).

Goals of Digitalized Financial Inclusion with regard to Rural People

- To assist people in obtaining affordable financial services and products, such as

deposits, loans, insurance, payment services, and fund transfer services.

- To create suitable financial institutions that can meet the requirements of the underprivileged. Financial inclusion strives to develop and maintain financial sustainability so that the less fortunate people have a certainty of finances that they struggle to have.
- To create a wide range of institutions that provide reasonable financial help so that there is enough competition and a wide range of options for customers.
- To raise the benefits of financial services' awareness across society's economically disadvantaged groups.
- To develop financial products that are appropriate for the less fortunate members of society.
- To improve financial literacy and financial awareness in the country.
- To bring in digital financial solutions for the nation's economically underprivileged citizens,
- To reach the country's poorest citizens living in the most remote areas through mobile banking or financial services
- To provide tailored and customised financial solutions to the poor in accordance with their needs.
- There are a lot of governmental and non-governmental organisations working to promote financial inclusion. These organisations are committed to facilitating the receipt of documents that have received official approval.

Need for Digitalized Financial Inclusion in Rural Areas

Financial inclusion improves the nation's financial system overall. It improves the accessibility of financial resources. Most significantly, it makes saving more difficult for poor people living in both urban and rural locations. In this way, it consistently aids in the advancement of the economy.

Due to their precarious situation, many impoverished people are prone to being duped and occasionally even exploited by wealthy landlords and

unlicensed moneylenders. Financial inclusion can assist to change this dire and dangerous scenario.

In order to secure their meagre financial resources for the future, financial inclusion involves incorporating the poor in the established banking system. There are many households with farmers or artisans who lack the means to properly save the money they make after putting so much effort into their work.

Importance of Digitalized Financial Services as regard the Rural Population

- Recent improvements in the availability and cost of digital financial services globally have the potential to help millions of poor people transition from formal digital financial transactions on secure digital platforms. In addition to credit, insurance, savings, and financial education, money-transfer services, microloans, and insurance, other financial services can be provided and used as a catalyst.
- It lowers the dangers of theft, loss, and other financial crimes posed by cash-based transactions, as well as the lower costs related to doing business with informal suppliers and using cash.
- Digitization will make it easier to keep databases and records on digital platforms, which will cut down on the need for time-consuming paper-based paperwork.
- Gives customers the option to send or receive payments any time, day or night, seven days a week.
- Self-help groups (SHGs) could be one potential channel for promoting and accelerating digital financial inclusion in India by using digital means to enhance financial inclusion for women.
- By using devices that transmit and receive transaction data and connect to a bank or non-bank authorised to store electronic value, it enables clients to make or receive payments and transfers and to store value electronically.
- Availability of formal financial services, such as payments, transfers,

savings, credit, insurance, and securities. As customers become accustomed to and trust a digital transactional platform, the migration to account-based services typically grows over time. Payments made by the government to individuals, such as conditional cash transfers, that permit the use of digital stored-value accounts could pave the way for the financially excluded into the financial system.

- Digital finance has the potential to increase the gross domestic product (GDP) of digitalized economies by facilitating easy access to a larger range of financial products and services (and credit facilities) for individuals and small, medium, and large businesses, thereby increasing total expenditure and so GDP levels. Digital finance has the strength to provide banking services to poor people in developing countries with affordable, convenient, and secure. Digital finance can also assist improve the financial system and economic stability, benefiting customers and the economy as a whole.
- Customers residing in rural areas can easily access digital finance and be benefitted by having more control over their own finances, the ability to send and receive money instantly, and the chance to keep and accept money in real time.

Key players in the path of digital financial inclusion in rural areas

The Pradhan Mantri Jan Dhan Yojana : A programme called Jan-Dhan Yojana (PMJDY) encourages access to digital finance. When it was introduced in August 2014, it followed an established tradition of bank-driven financial inclusion programmes in India. According to data, the accessibility income gap widened between 2011 and 2014 before starting to close after 2014. In 2011, only 27% of Indians with the lowest incomes had a bank account, compared to 41% of those with the highest incomes (a 14 percent difference). The gap increased to 16% in

2014 (43 percent vs. 59 percent). By 2017, the difference had only decreased to about 5%. By 2017, the gap had closed, with 79 percent of Indians living in rural areas holding a bank account, compared to 76 percent of Indians living in urban areas.

Government-to-Person (G2P) payments and Direct Benefit Transfers (DBT):

According to the Journey Map Report from March 2019, "the government's Direct Benefit Transfer (DBT) programme, which currently oversees 433 schemes from 56 ministry divisions, has been strongly related to PMJDY." 11 Direct Benefit Transfer (DBT) is a government-led initiative that entails a number of programmes where benefits are directly transferred to recipients, usually through state organisations.

RuPay: To enable customers to use their newly opened PMJDY bank accounts for ATM cash withdrawals and POS (point of sale) payments, RuPay debit cards were handed to them. According to a report from the Ministry of Finance, GOI, "79 percent of the 330 million people with PMJDY plan bank accounts have been given a RuPay card." According to the Global Findex survey, the use of debit cards in rural India has increased from 22% in 2014 to 33 percent in 2017.

Aadhaar: Due to the Aadhaar number's status as a legally recognised identity for rural Indians looking to open their first bank account, Aadhaar's growth has been intrinsically tied to PMJDY. In the years 2016–17 and 2017–18, "the number of e-KYC validations with Aadhaar increased from 48 million to 138 million." Except for Assam, Meghalaya, and Jammu & Kashmir, "As of August 2018, Aadhaar had been seeded in over 83 percent of active PMJDY accounts." (Progress of PMJDY, GOI).

Demonetization and GST: This might have been a driving force in rural India behind the sharp rise in digital transactions. Instead of demonetization, the growth at the start of 2016 seems to be the result of the development of UPI,

which coincided with an improved business environment and the implementation of the GST.

Granting licenses to financial institutions at higher levels: The period of financial inclusion in India from 2014 to 2018 also saw the emergence of a new differentiated banking system. The new legislative agenda in favour of differentiated banking has caused the competitive structure of India's financial and banking sectors to change. To promote competition and innovation, creating strategic models from various areas of traditional banking was encouraged, including some from fintech startups and international firms.

Payments Banks: Payment banks were established with the intention of integrating non-traditional actors—such as telecommunications firms, fintech firms, business tycoons, and the postal system—into the formal banking system in order to employ already-existing channels to boost DFI through small deposits and payment. In terms of mobile banking transactions, Paytm Payments Bank conducts 124 million each month, 47% more than SBI, the next-largest bank. Aditya Birla Idea Payments Bank handled 0.35 percent of all transactions.

Small Finance and Microfinance Banks: The goal of allowing and licencing a new layer of SFBs (Small Finance Banks) has been to employ digital technology to reduce the cost of banking services and increase their access to lower-income customers. Ten institutions, spread out across the nation, received licenses. According to MFIN data from March 2021, "As of June 2018, there were 17.6 million loan accounts, up from 17.3 million the year before and 15.8 million in 2016." Fintech: Examples of fintech include technological companies like Pine Labs and MsSwipe, as well as payment processing companies that handle P2P and retail payments. Thanks to the underpinning digital infrastructure offered by India Stack and the Aadhaar, many of these emerging fintech companies now

have a sound business case. The emergence of e-commerce in India and the development of fintech in payments are closely related. From October 2016 to January 2017, "pre-paid instrument (PPI) transactions more than doubled (from 127 million to 296 million)" (RBI data).

Open Source Personal Data: Digi Locker Aadhaar Authentication, BHIM, IMPS, and UPI -J-A-M, Mobile Jan Dhan-Aadhaar, Four-layer India Stacks facilitated the use of digitized financial services.

Fintech: Financial technology companies that process P2P and retail payments also contributed to the growth of DFS in rural areas.

Internet and smart phone usage

India's quick rise in DFI has been made possible by the rate at which smartphones and low-cost internet have reached communities who have historically been underrepresented in the digital economy. The former has profited from the drop in hardware prices.

Special Financial Products Offered For Attaining Financial Inclusion

The Reserve Bank of India has asked scheduled commercial banks (SCBs) to design and provide exclusive financial products to the economically weaker sections of society, keeping in mind that low-income people living in rural and urban areas have very limited access to financial products and services. Many of them only have a basic understanding of financial products and services such as microfinance, personal loans, crop loans, savings accounts, and savings plans. They are completely ignorant about credit cards and debit cards.

However, banks were instructed to issue cost-effective credit cards to the low-income groups of the society because they did not have access to instant credit facilities. Some of the unique financial products that have been offered to them are:

- **General Credit Cards (GCC):** The RBI requested banks to introduce and

provide GCC facilities with a limit of up to Rs. 25,000 at their branches in semi-urban and rural areas.

- Kissan Credit Cards (KCC): The Reserve Bank of India also ordered banks to offer Kissan Credit Cards exclusively to small farmers who make extremely low incomes and have very little money, making it impossible for them to invest in proper farming equipment like tractors, fertilisers, pesticides, crop seeds, and storage facilities. For access to land to plant crops, they are compelled to rely on other affluent landowners. These Kissan Credit Cards are designed to make it easier for farmers to make quick purchases whenever necessary. Farmers frequently give up on making purchases.
- ICT-Based Accounts via BCs: The Reserve Bank also came up with a strategy to assist banks in reaching out to the unbanked members of society by providing ICT-based bank accounts with the aid of business correspondents (BCs). Users of these accounts can electronically apply for loans and other forms of credit, make cash withdrawals, and make deposits. This kind of account makes banking affordable and straightforward.
- More ATMs: According to the Reserve Bank of India, many rural areas of the country lack sufficient automated teller machines (ATMs), which is impeding many of the residents' buying and selling operations. For these people, there should be more tangible cash available.

Impediments in the course of implementing digitalized financial services with regard to rural areas.

1. Financial literacy: People should not be literate just; this means that knowledge of how to read and write is insufficient. They should be financially literate, which is harder in rural places because financial literacy isn't seen as a major talking point. This happens

when literate people find it difficult to complete the checks and other forms that banks supply.

2. Digital Illiteracy: People in rural areas are less accustomed to computers, cellphones, and the digital world. They don't even understand the fundamentals of using a computer or a smartphone. The issue is also getting worse due to a poor internet connection.
3. Uncertainty and an unstable system: People are often skeptical of digital transactions because they think that if they deposit money in a bank, it would be taken from them or blocked. Frauds further exacerbate the issue.
4. Lack of infrastructure: Mobile devices, internet access, energy, and financial services are underutilised. Even the biggest nationalised banks in India struggle to offer the most basic financial services in rural areas.
5. Minimum number of transactions: A person may switch to a more practical method of payment if they conduct more transactions with the same retailer. However, because there aren't many trades in rural areas, especially near the end of the month, clients would be less likely to adopt the digital payment method in the long run.
6. Data cost: Despite a modest early rise in digital money in rural and distant locations, rural economies continue to be primarily cash-based. Less wealthy people are more sensitive to data prices. Therefore, data costs are a fundamental barrier to rural people's access to digital financial inclusion.
7. Unavailability of digital services in regional languages: The vast majority of online financial goods, which are occasionally also available in Hindi and in English. Due to their illiteracy and unfamiliarity, the majority of rural residents are reluctant to use other languages, and they prefer digital financial goods in their own tongue.

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A STUDY ON ASPECTS OF INTERNAL MARKETING AND ITS IMPACT ON INDIAN GIG WORKERS

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Abstract

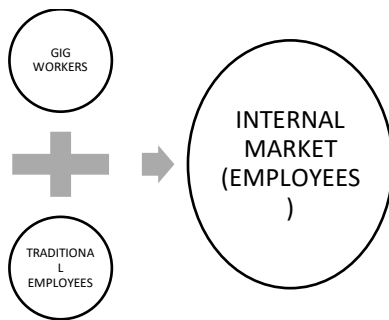
Employee-owner relationship has shown immense transformation over the years. Traditionally employees were being treated as slave but now the scenario has changed. With each passing era employee-owner relationship dynamics have been changing. New evolutionary concepts are giving due importance to employees. Human resource management treats employees as resources whereas internal marketing concept explains that employees are not only resources to an organization but internal customers as well. A satisfied customer is an asset to an organization; similarly a satisfied employee can fetch long term returns to an organization. Hence employees need to be treated as internal customers in order to achieve organizational objectives. On the other hand, there has been a rapid emergence of new class of employees known as Gig workers. They have unconventional non-committed and flexible way of working at organizations. Nowadays Gig workers are pervasive at all levels of the organization doing low skilled to high skilled jobs. Delivery boys, cleaners, data scientist, bloggers, cab drivers etc are all gig workers. ASSOCHAM in the year 2020 has projected that India's gig economy would increase at a compound annual growth rate of 17 percent to \$455 billion by 2023. Despite the remarkable rise the Indian gig workers are facing challenges. This paper aims to study the various aspects of Internal Marketing and analyze its impact on Indian gig workers for their betterment.

Keywords: internal marketing, employees, internal customer, gig workers, ASSOCHAM, marketing management, human resource management, skilled jobs, new class, organization.

INTRODUCTION

Internal marketing is the tactical approach of treating the employees as internal customers. In new age marketing management customers are regarded as king. Employees in an organization are substantial as they contribute in achieving organizational goals, objectives, vision and mission. A satisfied and motivated employee can benefit

an organization monetarily as well as non-monetarily. Internal marketing signifies employees as an internal market and jobs as internal product offered to them. Internal market has been segmented into two classes of workers such as gig workers and traditional employees or workers. The volatile and dynamic nature of business environment has given rise to new class of employees known as gig workers.

**Figure:1**

Gig workers are known for their unconventional way of working at organizations. The characteristics of gig workers are as follows

- Temporary
- Non-committed
- Flexible
- Low earning
- Autonomy

Gig workers are basically freelancers. Delivery agents, app based cab drivers, cleaners, data scientists etc are all examples of gig workers. Initially they were not treated as employees to an organization rather as contract workers. All the employee benefits such as minimum wages, overtime compensation, annual leave, severance pay, pension pay, employee provident fund (EPF) were denied to them. Fortunately the Code on social security introduced in the year 2020 laid down nine regulations to protect gig workers rights in India.

White Collared Gig Workers	Blue Collared Gig Workers	Pink Collared Gig Workers (Women Centric)
Digital marketers	Delivery boys	Housekeeping
bloggers	Drivers	nursing
Data scientists	Cleaners	caregiver

Literature Review

Cruz et al. (2020) researched on the topic “Analysis of the internal marketing dimensions in social economy organizations: study applied to co-

operativism in Ecuador”. The paper highlighted that internal marketing is a new and multi-dimensional approach. In order to maintain healthy and profitable relationship with the employees, the multi dimensional approach should be reasonably implemented.

Samanta, arfara. (2021) concluded in their paper “The impact of internal marketing on Green management of intellectual capital” that ultimate success of any organization lies within its people. The employees should be provided with healthy working environment and substantial welfare activities should be undertaken.

Musa et al. (2021) did analysis on the topic “Internal marketing in the last decade: a systematic review”. It was observed that Taiwan has the most number of research articles written on Internal marketing. Majority of the articles are empirical based study and survey happens to be the widely used method for data collection. This review was based on 82 IM articles from 33 countries. Year 2015 showed an immense growth of research on Internal marketing topic.

Bohnenberger et al. (2019) studied on the topic “Internal marketing: a model for implementation and development” and highlighted the need to segment the internal customers based on their characteristics. So that they can be influenced with Internal marketing tools to churn out long term benefits.

Alsura et al, (2016) researched on the topic “Impact of internal marketing practices on the organizational commitment of the employees of the insurance companies in Jordon” and concluded that rewards and incentives are the driving force for organizational commitment of employees.

Objectives

- To study the various aspects of Internal Marketing.
- To study the challenges faced by gig workers.

- To critically examine the viability of implementing various aspects of internal marketing on gig workers.

Methodology

The paper is based on analysis of various secondary sources.

- Journals
- News articles

Limitations

This research article is based on theoretical analysis and leaves scope for further on-field research work.

Aspects of Internal Marketing

Latest updates on gig workers

- Currently the gig workforce is 7.7 million and is expected to expand by 200 percent, making the figure reach 23.5 million in next 10 years.
- Women participation in the gig workforce has expanded from 18 percent to 36 percent.
- Start ups are among the first one to hire gig workers as they are light in pocket compared to the traditional workers.
- Large organizations are hiring gig workers for their various substantial business operations.

It is being observed that the demand for high skilled and low skilled

job is on trend whereas medium skilled job is on decline.(Fig 3)

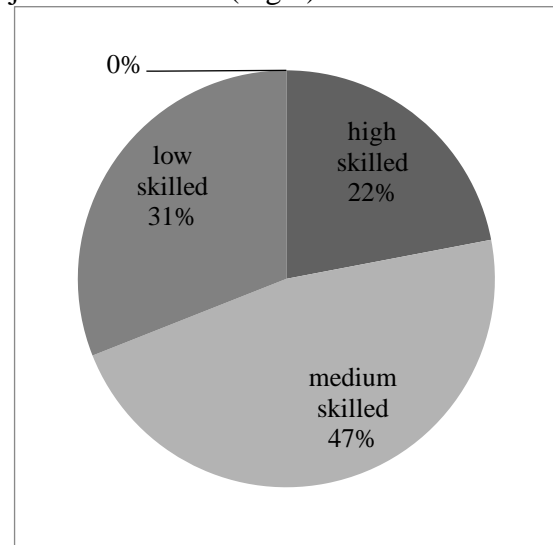


Figure 3
Challenges faced by gig-workers

BLOCKED ACCOUNTS- gig workers such as cab driver, delivery agents etc working on app-based platforms complain of having blocked accounts. This disabling of accounts by the concerned app based companies on the pretext of false accusations has increased the misery of gig workers.

HIGH-COMPETITION- surplus availability of gig workers at low cost has increased the competition among the gig workers and low payout.

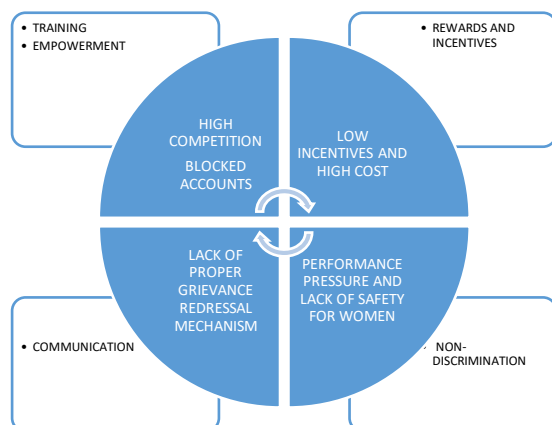
LOW INCENTIVES AND HIGH COST- To enable delivery and cab riding functions, gig workers need to fuel up their vehicles. Rising petrol prices has left heavy hole in their pockets thus negatively affecting their incentives. Some gig workers also incur high commissions but that reduces their net earnings.

LACK OF PROPER GRIEVANCE REDRESSAL MECHANISM – Initially in order to address the grievances of the gig workers managers and concerned team leaders were there. But now that has been replaced by telephonic representative having no knowledge and control to cut cost of the organization.

PERFORMANCE PRESSURE- The gig workers are exploited on the pretext of getting higher ratings. As their incentives depends on their ratings given by the customers. Many workers get involved in terrible road accidents in order to get higher ratings for their on-time or quick delivery.

LACK OF SAFETY FOR WOMEN GIG WORKERS- it was reported that a women cab driver for an app based company was assaulted. No quick support from the companies end was made.

Fig 4 showcases that how the different aspects of Internal Marketing can be implemented to overcome the challenges faced by the gig workers in India.



Conclusion

- In order to educate them about the available government schemes such as e-SHRAM, NPS and PMSBY etc funds are required to support the welfare awareness programs for gig workers
- To make the gig workforce flourish labor laws should be modified and simplified for their better understanding.
- Taxation and compliances should be redefined so that the gig workforce can function without halt.

- In order to enhance women participation in gig economy equality should be practiced by the concerned stakeholders.
- Efforts should be made to upscale the skills of underprivileged workers who are beyond the purview of social security schemes.
- Re-skilling and multi-skilling workshops should also be arranged to order to increase the earning potential of low and medium skilled workforce
- By 2023 IT industry of India is going to enhance by 2.6 percent. Thus making it necessary to arrange new technology focused workshops to upgrade the technical skills of low skilled gig workers.
- Providing adequate health benefits should also be a matter of consideration like insurance schemes
- To make helpline numbers operational.

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ANALYSIS OF WOMEN'S ECONOMIC EMPOWERMENT IN TAMILNADU'S TIRUCHIRAPPALLI DISTRICT THROUGH A SELF-HELP GROUP

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Abstract

In recent years, women's empowerment has been a hot subject in establishing their standing. The analysis' goal is to reproduce the social impact of women's self-help groups, to analyze changes in the SHGs' social clause, to assess the influence of SHGs on people' social status, and to distinguish individuals' attitudes toward SHGs and their social impact. SHGs' revolutionary momentum has given women a crucial sense of self-assurance in their quest to become self-sufficient. Companies and foundations around the world have created SHG-led programmes to assist women in achieving economic empowerment, recognising the critical role they play. By using SHGs, campaigns have concentrated on women entrepreneurs. The research focused on SHGs' social advancement techniques and women's empowerment in Tamil Nadu, specifically in the Tiruchirappalli District. COVID-19 has had a severe impact on India, disproportionately affecting women working in the country's massive informal sector. It is the most significant impediment to social and economic progress. This study article focuses on the functioning of Women empowerment through SHGs progress.

Keywords: *Self-help Group, Women Empowerment, Personal Empowerment, Social Empowerment.*

INTRODUCTION

The majority of the great works accomplished by human civilisation can be attributed to groups as rather than a single person. In many aspects of the organisation, group decision-making and programme execution have long been used. The majority of well-functioning organisations, whether on a micro or macro scale, focus on the importance of

using a group approach to issue solving. The effect of joining self-help groups on women's empowerment in light of the importance placed on the group method while constructing any programme for rural women.

Increasing Self-Help Rural impoverished people who volunteered to organise themselves into groups in order to end their own poverty. They commit to making regular savings and merging those

funds. The group's members consent to using this common fund and any other funds they receive collectively under a common administration. The following general principles will be kept in mind during group creation. A self-help group under SGSY may have between 10 and 20 members. This number may be at least five in cases of modest irrigation and for those with disabilities

Due to the fact that gender inequality, along with its socioeconomic and cultural implications, affects both the developing and third worlds, women's empowerment and gender equality have recently gained enormous importance. However, the issue of gender inequality is more severe and linked to women's economic emancipation in the third world. Therefore, in order to lessen gender disparity, a number of initiatives are currently being implemented in third-world nations to empower women economically. The Self-Help Group (SHG) movement, which is growing in popularity throughout the third world, has emerged as the most notable of these projects.

Review of status of Research and Development in the subject

Basically 'SHG' is a small informal group of ten to twenty members who are homogenous with respect to social and economic background and come together voluntarily to promote saving habits among members and for a common cause which is to raise and manage resources for the benefit of group members' according to NABARD. These groups were first initiated by an NGO named MYRADA in 1984–1985. They had emerged during the same period when the 'Grameen Bank' became a formal bank in Bangladesh after the success of Mohammad Yunus' microfinance initiative in 1976 (Nayak, 2018). In India, various development programs to achieve the SDGs are designed to be delivered at the SHG level as a 'multi-sector' platform. Because

SHGs aim to empower women, they contribute to achieving SDG 5 (achieve gender equality and empower all women and girls), which, in turn, is a tool to achieve other SDGs (Dash, 2019).

Anand et al. (2020) tried to answer why women are increasingly participating in SHGs when empirical research shows that microfinance does not help increase incomes. They concluded that SHG participation results in significantly higher capability due to increases in quality of life compared to non-members, and this benefit becomes more pronounced with longer periods of participation. Unlike other measurements that only focus on the increase in income or household decision-making, the capability indicators measure several aspects of life quality: risk of future assault and discrimination, freedom of expression, and family support.

Jose et al. (2020) conducted a study on "Problems of women SHGs members in Ernakulam district" in Kerala. The main focus of this study was to identify the major constraints faced by SHGs women entrepreneurs. The findings of the study disclose that inability to manage business, lack of basic knowledge among SHGs members due to their illiteracy, frequent changes in formalities for availing loan, lack of adequate training, lack of family support, short period of repayment of loans, difficulty to fulfill government formalities, lack of experienced manpower, lack of self-confidence, lack of digital literacy, lack of infrastructural facilities etc. are the major problems faced by SHG members in Ernakulam district in Kerala.

Geethanjali & Prabhakar (2017) the study examined that India Women's employment growth rate in India is very low. Women's participation in self-help groups has obviously had a tremendous impact on poor women's way of life and style and has empowered them at various levels not only as individuals but also as members of the community's family and

society as a whole. rural women realized the importance of their numbers and became able to ask for their right entitlements for their children, such as equal wages, better working conditions, safety, education, nutrition, etc.

Rachit Gupta and Shalini Agarwal (2017) study was undertaken to identify women empowerment through Self Help Group. It focuses on the importance of SHGs in the lives of rural women. It was found that after entering the Self Help, economic conditions, personal development and social conditions have improved.

Paramasivan C and Subathra S (2017) Women in SC and ST are started their business, thus poverty is reduced and they employed in income generated activities as individual or as groups. Training, subsidies and bank loan supported them to lead their life and be a good decision maker. This enhanced their standard of living. In Tiruchirappalli district, SC/ST women come forward and involved themselves in entrepreneurial activities. The government increased the amount of subsidy year by year for improvement of SC/ST community.

Kappa Kondal (2014) conducted a study of women empowerment through Self-Help Groups in Gajwel Mandal of Medak District in Andhra Pradesh. In the present study, simple statistical tools adopted. Based on the analysis of women empowerment through self help groups in Gajwel, the major findings of this study revealed that, there is a positive impact of Self Help Groups on Women empowerment in Gajwel Mandal of Medak District in Andhra Pradesh.

Dhanalakshmi and Rajini (2013) looks at the literature around the self help groups (SHGs) movement in India. It is hoped that it will be useful to fellow researchers who are undertaking studies in this area. It exposes the historical background of self help groups in Indian context. This paper reviews literature on the subject's empowerment process in

relation to a self-help group as well as related literature. It is important to note that most literature has been focusing on empowerment as the outcome not as the process.

According to Ramakrishna, et al (2013) Self-Help Groups are formed for addressing their common problems. They make regular savings habit and use the pooled savings for the benefit of their members through a structured process of essential financial intermediation like prioritization of needs, setting self-determined terms for repayment and keeping records. The SHG Bank Linkage has made an adventure in the economy by transforming the formal banking services to rural poor and needy people particularly women group.

Shylendra (2013) attempted to identify and discuss some of the relevant conceptual and policy issues and the emerging lessons of the adoption of microfinance by cooperatives with a focus on the Self-help group (SHG)-Bank Linkage Programme (SBLP) in India. The findings reflect the severe constraints of cooperatives in realizing the twin goals visualized of the linkage viz. inclusion and sustainability. Despite a few noteworthy efforts by the cooperatives, the overall results of the linkage leave much to be desired.

Yadav (2013) conducted a study, the objective of which is to understand women empowerment through self-help-groups of Nagthane village. The primary data has been collected through questionnaire instruments and secondary data consists of books, journals, and websites. Thus the paper emphasizes that the SHGs are the effective instruments of women empowerment, and to made suggestions for well functioning of SHGs of women in general and Nagthane village.

DEFINING WOMEN'S EMPOWERMENT:

United Nations Population Information Network (POPIN) has

defined women's empowerment based on five components, which are as follows:

- Women's sense of self-worth.
- Their right to have access to opportunities and resources.
- Their right to have the power to control their own lives, both within and outside the home.
- Their right to have and to determine choices.
- Their ability to influence the direction of social changes to create a better social and economic order, nationally and internationally.

From the definitions of women's empowerment, as defined in the literature, we may visualise an empowered woman. An empowered woman is confident in her ability; she is capable of leading her life independently; she is socially as well as economically independent; she is opinionated, enlightened and has freedom from all sorts of domination; and finally she is someone who is capable of standing for her own rights.

"Anyone who stops learning is old, whether at twenty or eighty. Anyone who keeps learning stays young. The greatest thing in life is to keep your mind young".
– Henry Ford

Now we may formulate a new definition of women's empowerment based on the above.

ECONOMIC EMPOWERMENT FACTORS:

- **Economic Empowerment** Income level, Assets holding, Borrowing limits, Saving pattern Understanding banking operations, Knowledge of credit management, Repayment capacity, income generating activities.
- **Social Empowerment** Social awareness, participation in social gathering.
- **Personal Empowerment** Improvement the leadership qualities, Self Confidence, Improvement in logical and analytical thinking.

SCOPE OF THE STUDY:

The present study help to analyse the evaluation of women self help group. The scope of the study also covers the factors influencing to use the self help group. The study is focused on women self help group to the possibility of available prospect of self help group.

RESEARCH METHODOLOGY:

The research is a descriptive study based on primary sources. Data was collected using a questionnaire and an interview schedule. According to the data gathered, self-help groups have been lifesavers and have provided the necessary support for people to thrive during difficult circumstances.

Data Collecting Period : Six Months
(May 2022- October 2022)

Interpretation and Result : 2Months
(November 2022 – December 2022)

THE OBJECTIVE OF THE STUDY:

- To examine the identity and potential for empowerment of rural women through SHG activities.
- To examine the socioeconomic support provided by rural women-run SHGs throughout the pandemic, particularly during lockdown times.
- To identify the challenges SHGs experience in carrying out their income-generating operations in both regular and crisis conditions.

SIGNIFICANCE OF STUDY:

- Millions of women in our hamlets understand what unemployment means... Give them access to economic activity, and they will have access to power and self-confidence that they have never had before," Mahatma Gandhi wrote in Young India (1930).
- SHGs' revolutionary momentum has given women a crucial sense of self-assurance in their quest to become self-sufficient.
- Entrepreneurship is an innovative and easy strategy for overcoming

societal stigmas around employment and giving women the agency to break free from the constraints of servitude.

- Companies and foundations around the world have created SHG-led programmes to assist women in achieving economic empowerment, recognizing the critical role they play.

ORIGIN OF SELF HELP GROUPS

In 1975, Grameen Bank of Bangladesh founded by Prof. Mohaned Yunus. In India, NABARD (National Bank for Agriculture and Rural Development) was initiated in 1986-87. But It was implemented only in 1992 for the linkage of SHGs to banks.

CONCEPT OF SELF HELP GROUP (SHG)

A small group (15-20 members) voluntarily formed and related by affinity for specific purpose, is a group whose members use savings, credit and social involvement as instrument of empowerment. TNCDW (Tamil Nadu Corporation for Development of Women) defines SHG as a small, economically homogeneous affinity group of rural poor, voluntarily formed to save and contribute to a common fund to be lent to its members as a per group decision and for working together for social and economic uplift of their family and community.

CHARACTERISTICS OF SHGS

- Ideal size of SHGs is 10-20 members
- Group need not be registered.
- Only one member should join SHG from one family.
- The group consists of either only women or only men.
- Members have the same social and economic background
- Meetings should be conducted regularly

AWARENESS OF ABOUT SHG PROGRAMMES IN THE DISTRICTS:

SHG schemes have been extensively used by NGOs over a long period of time to increase the level of awareness of such programmes among the rural poor. It not only includes awareness about the existence of the group and the various benefits through such groups but also includes creating awareness about self – employment, savings, health, education and family welfare thereby making these women more empowered.

To test the awareness levels, the following hypothesis was constructed and put to test.

H₀: Women are aware of the functioning and existence of self – help groups in Trichy district.

H₁: Women are not aware of the functioning and existence of self – help groups in Trichy districts.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	71.527	2	35.763	134.131	.000
Within Groups	25.863	97	.267		
Total	97.390	99			

A one-way ANOVA was conducted to find the level of awareness of functioning of registered Self-Help Groups among women in Hassan and Trichy districts. The calculated P-value is 0.000 . which is less than the standard P-value of 0.05. Hence the null hypothesis is rejected and alternative hypothesis is accepted stating that there is a significant level of awareness among the women about the functioning and existence of SHGs in their Trichy.

FOR INCREASE IN ECONOMICAL LEVEL AS A OUTCOME OF JOINING SHGs:

One of the main reasons for women joining SHGs is because by undertaking activities through these groups, they earn a steady source of income. For some women this is the only source of their livelihood whereas for others it is an additional source of income.

In order to study the effects of economical growth after joining SHGs, the researchers have formulated the following hypothesis and put to test using Paired t-Test.

H₀: There is no significant increase in economic level of women after joining SHGs.

H₁: There is significant increase in economic level of women after joining SHGs.

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 INCOMEBEFORE & INCOMAFTER JOINING	100	-.088	.385

Paired Samples Test

	Paired Differences					T	df	Sig. (2- tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 INCOME BEFORE JOINING & INCOME AFTER JOINING	-210.750	21.713	2.171	-215.058	-206.442	-97.063	99	.000

The standard p-value of 0.05 and the tabulated p-value is 0.000 which is less than standard value. Thus we can reject null hypothesis and state that there is a significant increase in the income of the women after joining SHGs. By taking up income generating activities through SHGs, the rural women in the trichy districts have seen a rise in their income. Increased income means more money and improvement in the standard of living of the women and their family which ultimately leads to empowerment of the women in these Trichy areas.

CORRELATION BETWEEN NUMBERS OF MEMBERS AND FINANCIAL ASSISTANCE TAKEN BY ITS MEMBERS:

To verify there exists a correlation between the financial assistance to its members and the number of member who has taken such assistance, the following hypothesis was formulated and put to test.

H₀: There is no significant relationship between number of members of SHGs and Financial aid taken by them.

H₁: There is a significant relationship between number of members of SHGs and Financial aid taken by them.

Correlation

	members	members	financial aid
members	Pearson Correlation	1	.777
	Sig. (2-tailed)		.000
	N	100	.100
financial aid	Pearson	100	1
Correlation	Sig. (2-tailed)		100
	N		

The correlation coefficient value between members and financial aid taken from SHGs is 0.777. This value shows that there is a moderate degree of relationship between members and financial aid taken. The calculated P-value is equal to 0.000 which is more than the standard P-value of 0.05, thus, we reject the alternative hypothesis and accept the null hypothesis which signifies that there is a significant relationship among the members of SHGs and financial assistance taken from these groups by its members. Thus we can conclude that the members of these groups take financial help for various from the SHGs to which they belong.

FINDINGS:

- The study also demonstrated that women's income increased significantly after joining SHGs.
- Additionally, it was observed that the women in these districts were aware of the existence, operation, and advantages of SHGs.

- We can also draw the conclusion that women's employment rates significantly increased after joining SHGs.
- More than 90% of the women concur that joining SHGs has improved their standard of living.
- Some of the ladies also stated that they felt socially and economically independent. They are more confident in themselves and are more informed about global issues.

SUGGESTIONS:

- Since the majority of self-help group members are illiterate, these SHGs can take the initiative to provide the bare minimum of education to improve their state.
- Government and NGOs should develop self-help group programmes to encourage entrepreneurship among

Karnataka's rural women in order to increase employment.

- According to the report, SHGs have increased rural women's employment and income. Illiterate women in metropolitan areas need to be included in these programmes, which must be expanded.
- SHGs should hold exhibitions in both urban and rural locations to advertise the goods produced by their members. This programme will raise awareness and expose the rural women members to a wider audience.
- This will lead to an increase.

CONCLUSION:

For the most part, self-help groups adhere to the motto "for the people, by the people, and of the people." Grameen Bank of Bangladesh is the organisation that came up with the concept of self-help groups. Prof. Mohammed Yunus of Chittagong University was its creator. It was established in 1975. However, the push for Self-Help Groups started in India in 1989 from Uttar Pradesh. The establishment of SHGs significantly improved the lives of women, to the point that the activity within the women's movement encouraged the government to formulate policies and strategies that would ultimately benefit rural women, society, and the entire nation. The members of a woman's family and community also gain from her empowerment through SHGs, in addition to herself. Numerous banks, such as Grameen Banks, provide funding for their development, fostering both the rural and national economies in the process. Self-Help Groups are generally known to be tiny, volunteer organisations made up primarily of women from the same socioeconomic background who live in rural areas. They create these self-help

organisations with the intention of using them to solve their collective and economic difficulties. NGOs, or non-governmental organisations, support several self-help groups.

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A STUDY ON PAYROLL SYSTEM OF ZOMATO DELIVERY EMPLOYEE

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Abstract

This study examines the payroll system of Zomato, a prominent online food delivery platform, with a specific focus on the compensation and benefits provided to its delivery employees. The objective is to understand the key elements of Zomato's payroll system, including payment structure, incentives, deductions, and overall employee satisfaction. By analyzing this system, we aim to shed light on the effectiveness and fairness of Zomato's payroll policies and identify potential areas for improvement. The findings of this study can serve as valuable insights for Zomato and other similar companies operating in the gig economy. Zomato, a leading food delivery platform, has revolutionized the food delivery industry by providing convenient and quick services to customers. However, concerns have been raised regarding the fairness and efficiency of the company's payroll system. This study aims to evaluate the existing system, identify potential areas for improvement, and propose recommendations to enhance efficiency and fairness for Zomato's delivery employees.

Keywords: employment, zomato, payroll systems, food delivery, restaurants, satisfaction.

1. INTRODUCTION

In today's rapidly evolving digital age, online food delivery platforms have experienced exponential growth, revolutionizing the way people order food. Among these platforms, Zomato has emerged as a prominent player, connecting consumers with a wide range of restaurants and providing employment opportunities for thousands of delivery

personnel. Zomato has revolutionized the food industry by bridging the gap between customers and restaurants through its user-friendly mobile application and website. With its vast network of delivery partners and restaurant partners, Zomato has created a thriving ecosystem that requires a robust payroll system to manage the compensation of its workforce. The efficient management of a company's

workforce is crucial for its success, and one key aspect is the payroll system. The payroll system is responsible for ensuring accurate and timely compensation to employees, encompassing various factors such as attendance, working hours, bonuses, incentives, and deductions. A well-designed and streamlined payroll system not only boosts employee morale but also fosters organizational efficiency. We will also look at how Zomato has revised its pay structure in response to fuel price hikes and strikes by delivery partners. Finally, we will discuss the importance of recognizing Zomato's delivery executives as employees, rather than just independent contractors. The findings of this study will not only contribute to the existing literature on payroll management but also offer practical recommendations for Zomato and other organizations operating in similar industries. It is our belief that a comprehensive understanding of Zomato's payroll system will shed light on innovative strategies that can optimize payroll processes, enhance employee satisfaction, and ultimately contribute to the overall success of the organization.

2. OBJECTIVES :

- To analyse the calculation and processing of employees salaries, wages, bonus and any other forms of compensation.
- To identify Zomato grows and expands its delivery workforce to the payroll system.

3. RESEARCH METHODOLOGY :

The study is based on secondary source in the form of research papers and websites. On this secondary data which is payroll system of delivery employee among different areas in this study.

WHAT IS PAYROLL SYSTEM

A payroll system is a software application or process used by businesses to manage and automate the calculation and disbursement of employee wages, salaries, bonuses, and deductions. It is a crucial part of human resource

management and ensures that employees are paid accurately and on time. A payroll system refers to a comprehensive software or set of processes that organizations use to manage and automate the tasks related to employee compensation and the processing of payroll. It encompasses all the activities involved in calculating employee wages, withholding the appropriate taxes, and issuing payments to employees.

3.1 ZOMATO PAYROLL SYSTEM :

The Zomato payroll system is a system implemented by the food delivery platform Zomato to manage the payroll process for its employees. Zomato is an online food delivery and restaurant aggregator platform that operates in numerous countries. The payroll system is responsible for calculating and managing employee salaries, including factors such as hours worked, bonuses, deductions, and taxes. It ensures that employees are paid accurately and on time. The system may also handle other payroll-related tasks, such as generating pay stubs and managing employee leave balances.

3.2 COMPONENTS OF A PAYROLL SYSTEM MAY INCLUDE:

Employee Information Management: Storing and managing employee data such as personal information, employment details, tax information, and bank account details.

Time and Attendance Tracking: Tracking employee work hours and attendance, which can be integrated with the payroll system to calculate wages accurately.

Salary Calculation: Calculating employee salaries based on factors such as hours worked, hourly rates, overtime, commissions, bonuses, and deductions (such as taxes, insurance, and benefits).

Tax Calculation and Compliance: Determining the appropriate tax deductions based on employee earnings, considering local tax regulations and compliance requirements.

Payroll Processing: Generating and distributing employee pay checks or electronic transfers based on the calculated salaries and deductions.

Payroll Reporting: Generating reports related to payroll data, such as pay stubs, tax reports, and year-end summaries.

COMPENSATION:

Base Pay: Delivery employees usually receive a base pay, which can be an hourly wage or a per-delivery fee. This may vary depending on factors such as location, hours worked, and distance travelled.

Tips: Delivery employees may also receive tips from customers, which can provide an additional source of income.

BENEFITS:

Flexible Schedule: Food delivery platforms often offer flexible working hours, allowing employees to choose when they want to work.

Bonuses and Incentives: Some platforms provide performance-based bonuses or incentives to encourage timely deliveries, positive customer reviews, or completion of a certain number of deliveries.

Insurance: Depending on the country and local regulations, Zomato or similar platforms may provide some form of insurance coverage to protect delivery employees in case of accidents or injuries that occur during work.

Discounts: Delivery employees may have access to discounts or special offers on food or services offered by the platform or partner restaurants.

Equipment: In some cases, the company may provide delivery equipment such as bags, thermal containers, or safety gear.

Training and Support: Companies like Zomato may offer training programs or resources to help delivery employees enhance their skills and improve their efficiency.

3.3 SATISFACTION AND PERCEPTION :

Flexibility and Independence: Zomato delivery employees often appreciate the flexibility that comes with the job. They

have the freedom to choose their own working hours and can potentially earn a decent income by taking on more deliveries during peak hours. This level of independence can contribute to job satisfaction.

Workload and Time Constraints: The nature of the job as a delivery employee can be demanding, especially during busy periods. Employees may have to handle multiple orders simultaneously, deal with traffic congestion, and meet strict delivery timelines. This can sometimes lead to stress and dissatisfaction if the workload becomes overwhelming.

Customer Interactions: Interactions with customers can greatly impact an employee's perception of their job. Positive experiences, such as friendly interactions and appreciation from customers, can enhance job satisfaction. On the other hand, negative interactions or complaints from customers may affect the employee's morale.

Job Security: In the gig economy, where Zomato delivery employees are often classified as independent contractors, concerns about job security may arise. The absence of traditional employment benefits like health insurance or paid time off may also be a source of dissatisfaction for some workers.

Communication and Support: Effective communication and support from Zomato management can positively influence employee satisfaction. Clear instructions, timely updates, and a responsive support system can help address concerns and create a positive work environment.

3.4 CHALLENGES AND ISSUES :

Wage Calculation: Zomato operates in multiple cities and regions, each with its own minimum wage laws and regulations. Ensuring accurate wage calculation for delivery employees across different locations can be challenging, especially if there are frequent changes in wage rates or variations in overtime rules.

Working Hours Tracking: Delivery employees often work flexible schedules,

which can make it difficult to accurately track their working hours. Managing and verifying time logs, considering factors like breaks, overtime, and shift differentials, can be complex and prone to errors.

Commission and Incentives: Zomato may offer commission-based pay structures or performance incentives to its delivery employees. Calculating these accurately based on delivery volumes, customer ratings, and other metrics requires a robust payroll system capable of handling variable compensation components.

Integration with Third-Party Systems: Zomato's payroll system needs to integrate with various third-party systems, such as attendance tracking software, delivery management platforms, and payment gateways. Ensuring smooth data flow and synchronization between these systems can be a technical challenge.

Payment Discrepancies: Inaccurate payments or delays in disbursing salaries can lead to dissatisfaction among delivery employees. Payroll system issues, such as calculation errors or system glitches, may result in incorrect payments, causing financial hardships for employees.

Statutory Compliance: Compliance with local labor laws, tax regulations, and social security requirements is crucial for Zomato's payroll system. Failure to comply with legal obligations can result in penalties and legal disputes, making it essential to keep the system up to date with changing regulations.

Data Security: The payroll system contains sensitive employee information, such as bank account details, tax records, and personal identification data. Protecting this data from unauthorized access, ensuring encryption, and maintaining robust cyber security measures are vital to prevent data breaches.

Employee Grievances: Payroll discrepancies or issues can lead to employee grievances and impact their

morale and trust in the organization. Efficient resolution of these grievances through a responsive support system is crucial to maintain a positive employee experience.

3.5 LEGAL AND REGULATORY COMPLAINTS:

Minimum Wage Compliance: Ensure that the payroll system calculates and pays employees at least the minimum wage mandated by the applicable labor laws. This includes considering factors like hours worked, overtime, and any additional compensation or benefits required by law.

Payroll Taxes: Comply with tax regulations by accurately calculating, withholding, and reporting payroll taxes. This may include income tax, social security contributions, Medicare taxes, and other relevant taxes or levies. Ensure proper documentation and reporting to tax authorities.

Employment Classification: Properly classify Zomato delivery employees as employees or independent contractors based on the legal criteria in the jurisdiction. Ensure that the payroll system reflects the appropriate employee classification and adheres to associated legal requirements, such as providing benefits and protections for employees.

Record Keeping: Maintain accurate and up-to-date records of payroll-related information, including employee details, wages, deductions, and tax records. This information should be securely stored and easily accessible for reporting and compliance purposes.

Working Hours and Overtime: Comply with laws governing working hours, breaks, and overtime. Ensure that the payroll system accurately records and compensates for regular working hours, as well as any overtime hours worked, in accordance with the applicable laws and regulations.

Leave and Benefits: Ensure compliance with laws related to employee benefits, such as sick leave, vacation time, and

statutory benefits. The payroll system should accurately track and calculate these benefits based on the applicable legal requirements.

Wage Garnishment and Deductions:

Adhere to laws governing wage garnishment or deductions from employee wages. Ensure that the payroll system handles authorized deductions, such as taxes, benefits, and garnishments, as required by law.

Data Privacy and Security: Safeguard employee information within the payroll system and comply with data privacy laws. Implement appropriate security measures to protect sensitive employee data, including access controls, encryption, and regular data backups.

Payroll Reporting: Comply with reporting requirements imposed by relevant government agencies. This may involve submitting periodic reports, such as tax filings, wage statements, or employment-related data, to regulatory authorities.

Compliance Monitoring: Regularly review and update the payroll system to ensure ongoing compliance with changing legal and regulatory requirements. Stay informed about updates to labor laws and regulations that may impact the payroll process for Zomato delivery employees.

4. REVIEW OF LITERATURE :

Payroll systems are essential for managing the compensation of delivery employees in the gig economy. **Research by Dube et al. (2020)** highlights the need for robust payroll systems in ensuring fair wages and transparency in the gig work context. It emphasizes the importance of accurate time-tracking mechanisms and the integration of payment platforms to streamline payroll processes.

Studies by **Berg et al. (2018)** and **Chen et al. (2019)** explore payment models and incentives for gig workers. These studies argue that Zomato's payroll system should consider various factors, such as base pay, delivery bonuses, surge pricing, and tips, to motivate and retain

delivery employees. They emphasize the significance of designing a balanced incentive structure that aligns with both company goals and the needs of delivery workers.

The issue of fairness and transparency in payroll systems is crucial for Zomato and its delivery employees. **Research by Bapna et al. (2021)** emphasizes the importance of clear and understandable wage policies, transparent calculation methods, and real-time access to earnings information. These factors contribute to employee satisfaction, trust, and long-term commitment.

Automation and technological advancements have the potential to enhance the efficiency of payroll systems. **Research by Bamberger et al. (2019)** and **Choi et al. (2020)** highlight the benefits of implementing automated payroll systems, such as reducing errors, streamlining processes, and improving data security. Integration with Zomato's delivery management software and mobile applications can facilitate real-time wage calculations and prompt payment.

Managing the payroll system for Zomato delivery employees necessitates compliance with labor laws and regulations. **Research by Armenta et al. (2021)** stresses the importance of accurately classifying delivery workers as employees or independent contractors to ensure compliance with minimum wage laws, overtime regulations, and other labor protections. Proper classification and adherence to labor laws help protect the rights and well-being of delivery employees.

5. CONCLUSION :

Zomato's decision to revamp its payroll system for delivery employees demonstrates the company's commitment to streamlining operations and improving the employee experience. By leveraging automation, real-time processing, and transparency, Zomato successfully addressed the challenges associated with

its previous system. The revamped payroll system has not only improved efficiency and accuracy but also boosted employee satisfaction and trust. As the food delivery industry continues to evolve, Zomato's experience serves as a valuable example for other companies looking to optimize their payroll processes in a rapidly changing landscape.

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A STUDY ON STRESS MANAGEMENT AMONG EMPLOYEES IN ORGANISATION

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Abstract

Stress is a universal phenomenon that essentially manifests itself in humans as a result of pressure emanating from several experiences or challenging situation. Delay in job completion, deterioration of the power of organization and planning, increase in error rate during manipulative and cognitive task, depression and feeling of helplessness and over sensitivity are the major impact of stress on the productivity of professionals. In order to minimize stress, delegating some work, share burden with colleagues, leave and time off work with family and loved ones, as well as reducing work overtime ranked highest as strategies for stress management. Based on the findings, it was concluded that stress has a great impact on the professionals and thereby affects the level of productivity. It was therefore recommended that professionals should exhibit self-control and good self-esteem; engage in continuous professional development on skills for better organization, integration of work within specified project constraints and delegation of assignments, authority and breaking work into manageable parts so as to be able to cope with stress. An attempt has been made through this research paper to know the reasons of stress among the employees and the ways used by employees to cope with the stress generated at workplace. In the second part of the article some stress coping strategies, such as gaining social support, taking advantage of the programs targeting on stress coping, reduction of stress in the workplace by improving work environment and work organization, are explained.

Keywords: Stress, Stress Management, Industries, Workplace, Factors.

1. INTRODUCTION

An ever-increasing number of employees are encountering stress at work. They might be adapting to an

excess of work load, long working hours or quick changes in innovation, deadlines to meet evolving needs. The Nature of business has now changed and the possibility of an occupation forever has

been supplanted by an accentuation on execution. Stress is currently perceived as a legitimate wellbeing and security issue at work. Stress can prompt a scope of terrible and incapacitating emotions and manifestations, for example, cerebral pain, spinal pain, stomach upsets, nervousness and lethargy. This thus prompts absence of profitability, wear out and long term ailment if not averted. In this way, to oversee the pressure got significant for each association. Stress Management is getting to an ever-increasing extent consideration nowadays, especially in the private sector. There is nothing of the sort like peaceful activity. Everybody in their work is presented to pressure and tension as they overcome the obligations delegated to them. The research shows that a large number of employees are confronting high pressure due to their work and the explanations for this pressure incorporate long working hours, improper reward framework, job struggle, absence of employment independence, authoritative Culture, etc.

2. Objectives:

A lot of research has been conducted into stress over the last hundred years. The main objective of the present research work is as follows

- The effect of stress on employees in organization.
- To study the different stress management techniques in managing the stress.

3. Review of Literature:

Charu M. (2013), he stated that higher stress is directly proportional to the quality of work life for IT professionals. He outlined a few factors namely fair pay structure, steady role demands, supervisory support, congenial job environment, capability fit of the job, role autonomy and stress that directly affect the quality of work life. *Sinha V. and Subramanian K.S. (2012)*, the study highlights that various levels of

organization experience different kind of organizational role stress. It also states that stress is influenced by various factors like shortage of resources, inadequacy within a person, and overload with a role, stagnation of a role and isolation and expectation of a role. *Cobb (1975)*, has the opinion that, "The responsibility load creates severe stress among workers and managers." If the individual manager cannot cope with the increased responsibilities it may lead to several physical and psychological disorders among them. *Berhem et al (2004)* in their study on A New Model for Work Stress Patterns 'describes the role of ambiguity is the main source of work stress and self-knowledge as the main coping strategy to overcome work stress. Work stress is believed to be one of the most important factors affecting productivity. *Singh and Sehgal (1995)* in their study on Men and Women in Transition: Patterns of Stress, Strain and Social Relations 'highlight the patterns of stress and strain among men and women as well as single- and dual-career couples. They found that male and female managers did not differ significantly on various stress dimensions. Difference in gender was however found in strains.

4. Research Methodology:

The study is based on secondary sources in the form of research papers and websites. On the basis of this secondary data the problem which is Stress Management among employees in different industries has been discussed in this paper. A few of self-observations have also been mentioned in context to Stress Management.

Meaning of Stress

Stress is the "wear and tear" of our minds and bodies understanding as we endeavour to adapt to our persistently evolving condition. Stress is commonly characterized as: "A versatile reaction to a circumstance that is seen as trying or on the other hand threatening to the

individual's prosperity." Stress is likewise a physiological and mental condition that prepares a person to adjust to a domain that is unfriendly or compromising. Stress is natural factor, depicting the results of a handicap to respond properly to physical or emotional dangers to the creature, regardless of whether real or on the other hand, envisioned.

● According to Richard S. Lazarus, "Stress as a condition or feeling experienced when a person perceives that demands exceed the personal and social resources the individual is able to mobilize."

● According to Hans Selye, "Stress is the body's nonspecific response to a demand placed on it."

Causes of Stress

There are different reasons for pressure.

1. Organizational:

elements like differentiation in pay structure, severe rules and guidelines, peer pressure, objectives clashes/objectives uncertainty, ineffective communication, less career openings, absence of workers investment in basic leadership, excessive control over the workers by the directors, and so on.

2. Individual:

Elements like, different desires which the relatives, companion, prevalent and subordinates have from the worker, inability to see such desires, job struggle which thus causes representative pressure. Other personal components causing pressure are different character qualities for example, being anxious, feeling time pressure, forceful, inflexible, and so on. Also, the family issues, individual monetary issues, unexpected profession changes all lead to stress.

3. Job related:

Factors like, dull nature of occupation, hazardous and undesirable working conditions, absence of secrecy, work disappointment, absence of employment association, and so forth.

4. Extra-authoritative:

Elements like in present day modern technology savvy world, stress has expanded, inflated, mechanical change, social duties and quick social changes are other extra authoritative variables causing pressure.

Personal

- Illness or injury
- Pregnancy and becoming a parent
- Infertility and problems having children
- Bereavement
- Experiencing abuse
- Experiencing crime and the justice system, such as being arrested, going to court or being a witness
- Organising a complicated event, like a holiday
- Everyday tasks, such as household chores or taking transport

Friends and family

- Getting married or civil partnered
- Going through a break-up or getting divorced
- Difficult relationships with parents, siblings, friends or children

Employment and study

- Losing your job
- Long-term unemployment
- Retiring
- Exams and deadlines
- Difficult situations or colleagues at work
- Starting a new job

Money

- Worries about money or benefits
- Living in poverty
- Managing debt

a. Stress Management:

Stress Management is the need of the hour. Notwithstanding hard we attempt to go past a stress situation, life appears to discover better approaches for worrying us and tormenting us with uneasiness assaults. Stress Management is to distinguish the sources of stress in your life starts with and to maintain distance from them.

Effects on the organisation may include:

- High absenteeism
- High labour turnover
- Poor time keeping
- Poor performance and productivity
- Low morale
- Poor motivation
- Increased employee complaints
- Increased ill-health, accidents and incidents reports

Some of these stress-relieving activities may work for you:

- Play with your kids or pets – outdoors, if possible.
- Take a walk in nature.
- Meditate or practice yoga.
- Work in the garden or do a home improvement project.
- Go for a walk, run or bike ride to clear your head.
- Read a book, short story or magazine.
- Meet a friend for coffee or a meal.

5. Conclusion:

It is inferred that in the present situation everybody i.e., a school going child or a worker have stress at various places. An excessive amount of pressure isn't useful for wellbeing. The executives needs to make a sound environment at work place and furthermore give vital preparing at all levels so that the stress can be limited and it prompts thriving and profitability. The entire management team can conduct various fun yet motivational activities in the organization. Instead of going for an annual excursion, it could be shifted to quarterly getaways. More psychological games should be introduced to know the exact feelings of an employee so that necessary measures could be taken. Weekly meditation and yoga sessions could be another way in dealing with stress because reason could be unlimited but problem will be the same.

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ROLE OF COMMERCIAL BANKS ON FINANCING THE AGRICULTURE SECTOR IN INDIA

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Abstract

Commercial banks play a crucial role in facilitating the economic progress of a nation by mobilizing and channelling the savings of individuals towards productive investments. They also contribute to economic growth by creating new demand deposits through loan disbursements and investment activities. Moreover, commercial banks support domestic and international trade by accepting and discounting bills of exchange. By ensuring compliance with Basel II regulations, all commercial banks in India, with the exception of Regional Rural Banks and Local Area Banks, have established a sound foundation for their operations. Given India's status as an emerging economy, the presence of a well-structured banking system is essential. Commercial banks serve as the primary means to generate the flow of credit in the market. With a scarcity of capital in India, banks can play a pivotal role in promoting capital formation, controlling speculation, maintaining equilibrium between demand and availability, and directing resources to desired sectors. When the banking system of a country operates effectively, efficiently, and with discipline, it leads to rapid growth in various sectors of the economy. Agriculture, being the backbone of India's economy, relies heavily on commercial banks for credit flow, employment generation in rural areas, and overall economic development. This research aims to explore the impact and significance of commercial banks in fostering these aspects, utilizing secondary data to provide valuable insights into their contributions to India's economic progress.

Keywords: Commercial Banks, Agriculture Sector, Micro Finance, Agro Indus Credit, KCCS

1. INTRODUCTION

The banking sector has undergone significant transformations with the advent of liberalization, privatization, and globalization. Credit plays a vital role in

the development of agriculture as it enables farmers to invest in new ventures and adopt advanced technologies. Agricultural credit holds great importance due to the unique role of Indian agriculture in the country's

macroeconomic framework and its significant contribution to poverty alleviation. Recognizing the significance of agricultural credit for promoting agricultural growth and development, there has been a consistent emphasis on strengthening the institutional framework for agricultural credit since the beginning of planned development in India. India has a high poverty rate, with 22 percent of the world's poor residing in the country. This alarming poverty incidence is a global concern, as poverty eradication is integral to achieving sustainable development goals.

Therefore, reducing poverty in India is crucial for global progress. Commercial banks are financial institutions that offer various services such as accepting deposits, providing business loans, and offering basic investment products. They primarily cater to corporations and large businesses, distinguishing them from retail banks that serve individual customers. Commercial banks hold a substantial share, approximately 48 percent, of the total institutional credit extended to agriculture, followed by co-operative banks with 46 percent and Regional Rural Banks (RRBs) with 6 percent. However, studies have revealed that many ordinary people still lack access to institutional credit. Various formal institutional agencies, including co-operatives, RRBs, scheduled commercial banks, non-banking financial institutions, and self-help groups, are involved in meeting the short- and long-term financial needs of farmers. Efforts have been made to strengthen the institutional mechanisms in rural areas, aiming to enhance agricultural financing and support.

Functions of Commercial Banks

Commercial banks play a crucial role in meeting the financial needs of various sectors such as agriculture, industry, trade, and communication, making them significant contributors to economic and social requirements. In

recent times, banks have adopted a customer-centric approach and expanded their range of services. The functions of commercial banks can be categorized into primary functions and secondary functions. The primary functions include accepting different types of deposits from the public, such as savings accounts, recurring accounts, and fixed deposits, which are payable after a specified period. Commercial banks also provide various forms of loans and advances, including overdraft facilities, cash credits, bill discounting, and term loans, to clients against appropriate security.

One of the most significant functions of commercial banks is credit creation. When granting a loan, banks do not provide cash to the borrower directly. Instead, they open a deposit account from which the borrower can withdraw funds. This process of granting a loan leads to the creation of deposits, known as credit creation by commercial banks. In addition to their primary functions, commercial banks perform several secondary functions, including agency functions and utility functions. Agency functions involve tasks such as collecting and clearing cheques, dividends, and interest warrants, making payments for rent and insurance premiums, handling foreign exchange transactions, buying and selling securities, and serving as trustees, attorneys, correspondents, and executors. Utility functions include providing safety locker facilities, offering money transfer services, issuing traveler's cheques, acting as referees, accepting various bills for payment (such as phone bills, gas bills, and water bills), providing merchant banking services, and issuing various cards like credit cards, debit cards, and smart cards.

Review of Literature

Akoijam (2013) emphasized the importance of a robust rural credit system to strengthen the economic position of agriculture and farmers in rural areas. To enhance the agriculture sector in India,

focus should be placed on increasing production, improving marketing, processing farm produce, and ensuring responsive rural credit. Creating an environment that recognizes agriculture as vibrant and responsive can make rural areas more attractive.

Anwar and Khan (2015) highlighted that the sustainable economic development of any economy relies on the sustainable development of the agriculture sector. Policies focusing on the commercialization and modernization of agriculture are essential for its growth.

Bashir and Hassan (2010) concluded that there was a positive correlation between credit provision by commercial banks to the agriculture sector and agricultural produce, specifically focusing on wheat production. This credit support led to improved living standards in rural areas, poverty reduction, and overall economic growth.

Bharti (2018) highlighted that in many developing countries, including India, agriculture was a major economic activity, and access to finance was a critical constraint for developing a profitable agriculture sector. Promoting microfinance institutions and implementing appropriate policies could address the issue of limited access to finance. Developing a self-reliant model rather than relying on subsidies or grants was deemed important, and ensuring access to suitable credit could transform agriculture into a profitable endeavour.

Das et al. (2009) conducted a study that indicated an increase in institutional credit to the agriculture sector in recent years, while the contribution of the agriculture sector to GDP had decreased. Unequal regional distribution was identified as a challenge in the distribution of institutional credit.

Dong and Featherstone (2012) found that credit constraints were one of the reasons for low productivity among small farmers. Insufficient access to credit

limited their ability to invest in labor, education, and resources, leading to lower productivity. This situation often forced farmers to migrate to urban areas in search of employment, which resulted in social problems and hindered the education of their children. By addressing credit constraints, farmers would have better access to credit and higher productivity, allowing them to stay in rural areas.

Maia, Eusébio, and da Silveira (2020) concluded that farmers engaged in large-scale agriculture, utilized modern farming techniques, and had access to farm credit demonstrated higher productivity compared to those lacking these characteristics.

Paramasivan C, & Pasupathi R (2017) Agriculture is the primary occupation and the major economic factor of India. It provides more number of employment opportunities and business strategies to the society. Mostly, peoples from India are concerning with agriculture sector directly and indirectly. Not only agricultural industries, agro based industries are also generating agro products and also it creates more employment opportunities to the peoples like farmers, agricultural workers, industrial workers, wholesalers, retailers exporters and others.

Paramasivan and Rajaram (2016) reviewed that micro insurance, an emerging concept in recent times, plays a significant role in socio-economic development by involving substantial investments. Initially introduced as a financial service within the microfinance sector, micro insurance has evolved into a distinct sector. This paper provides an overview of the general concepts of micro insurance.

Ponnarasu and Mohanraj (2017) stressed the need for new policies in Indian agriculture that address technology, infrastructure, power supply at subsidized rates, and the availability of fertilizers, seeds, tractors, and credit

through formal sources. These inputs are crucial for the development of a profitable agriculture sector.

Rajaram (2016) has found that risk is an inherent aspect of human life, and mitigating risk through financial alternatives is crucial. The insurance sector, as a component of the financial services industry, plays a vital role in mobilizing capital for both the economic progress of the nation and providing social protection for individuals.

Research Queries

How agriculture sector will create the Employment opportunities in rural areas?

Construction of various means of irrigation like dams, canals etc., generates employment in the agricultural sector.

How commercial banks increase the credit flow in agriculture sector?

Banks can open a network of branches in rural areas by providing agricultural credit.

How commercial banks help in alleviation of poverty?

Integrated Rural Development Programme (IRDP) contributes to poverty alleviation, focusing on the various administrative systems and methods used for identifying borrowers.

How commercial banks are helpful in economic development of India?

Commercial banks help for economy development by boosting capital formation in the country.

Findings and Policy Implications

The Reserve Bank of India (RBI) and the Indian Government are actively working to improve the current conditions of the agriculture sector in the country. This is bringing a sense of relief to rural communities, liberating them from the exploitative practices of money lenders. NABARD, as the apex institution for indirect financing in agriculture, plays a vital role as a supporter, advisor, and companion to farmers. The commendable progress made by NABARD in refinancing is noteworthy. However,

research indicates that 66% of the population still lacks access to banking services and affordable credit, making it difficult for poor farmers to sustain themselves. Disturbingly, studies reveal that 40% of Indian farmers resort to suicide due to their inability to repay bank loans. While commercial banks contribute 43.1% of total agriculture credit, they also pose additional challenges. The Indian farming community continues to face persistent challenges in accessing agricultural credit, highlighting the prevailing issues that hinder their access to financial support.

- High rate of interest on loan
- Lack of financial knowledge
- Cumbersome process of getting loan
- Bank staff is not cooperative
- Lack of security of collateral
- Fear factor about recovery process

The number of bank branches in rural areas has seen a significant increase, rising from 1,833 to 35,850. This policy implemented by the RBI has proven to be highly effective as it enables farmers in rural areas to easily access loans and gain a better understanding of the loan application process. However, a significant challenge remains for banks, as they need to extend their reach to cover the remaining 70,000 villages in rural areas. This expansion of banking services will have a positive impact on the flow of agricultural credit in India. According to the Reddy Report, the current agriculture credit flow in rural areas stands at only 18%. To address this issue, the government must take proactive measures to boost credit flow in the agriculture sector. Since a majority of India's population, approximately 78%, depends on the agriculture sector, its growth is crucial for generating employment opportunities and overall national development. The last recorded contribution of the agriculture sector to India's GDP was 3.4%.

Conclusion

The Confederation of Indian Industry has identified several key challenges faced by Indian agriculture, including high-cost credit, a distorted market, unproductive intermediaries, controlled prices, and inadequate infrastructure. Additionally, poor irrigation facilities, reliance on traditional technology and practices, low economic status of farmers, fragmented landholdings, lack of post-harvest infrastructure, and insufficient farm extension services have also contributed to the sector's struggles. To address these issues, banks should prioritize investments in crucial infrastructure such as irrigation facilities, processing units, storage facilities, and marketing activities. There are ample opportunities for banks to contribute to the improvement of agricultural infrastructure. This study highlights the significant role of commercial banks in the country's development. Comparatively, rural areas lag behind urban areas in terms of development, primarily due to lower credit flow and the relatively smaller contribution of the agriculture sector to India's GDP. It is only through the growth of the agriculture sector that overall economic development can be achieved in India.

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