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ASEAN and Indian Business Perspectives: Contemporary Approach

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Preface

The Association of Southeast Asian Nations (ASEAN) is a regional grouping that promotes economic, political, and security cooperation among its ten members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. India and ASEAN member countries have been in a synergistic partnership for many years. The year 2021, marks the 30th anniversary of the India- ASEAN partnership and the year 2022 has been announced to be the India-ASEAN friendship year. ASEAN is at the center of India's Act East Policy and India's Indo-Pacific vision.

The two regions have comparable economic development levels; they both have fast increasing marketplaces and are working to overcome infrastructure issues. These similarities open the door for continued and more diverse trade in goods and services, as well as business-to-business engagement between India and ASEAN, allowing both countries to benefit from the investment needs of modernizing industries and increasing domestic consumption trends in their respective markets.

India's merchandise exports to ASEAN expanded at a compound annual growth rate (CAGR) of about 5% from US$23 billion in 2010 to US$36 billion in 2018, while its merchandise imports from the 10-member bloc increased at a CAGR of about 8% from US$30 billion in 2010 to US$57 billion in 2018. India's exports to ASEAN totaled US$31.49 billion in 2019-20, while its imports totaled US$55.37 billion. Economic cooperation in terms of free movement of goods, services, and capital has helped both India and ASEAN. The ASEAN-India Free Trade Agreement (AIFTA) was signed in 2009 with this rationale in mind. The trade agreement has improved bilateral trade significantly.

The synergistic collaboration, along with the geographical proximity of ASEAN countries and India would facilitate trade and investment, exchange of energy, promotion of tourism, and increase of communication links.

This book explores the contemporary approach and the promising avenues of business growth and partnership in ASEAN and India. Avant-grade research by accomplished academicians brings to the forefront the opportunities, strategies, challenges, and issues impacting the businesses in ASEAN member countries and India.

MSME Crucial for Growth of India's Exports emphasizes on the diving force of Micro-small and medium-sized enterprises (MSMEs) in economic development and encourages equitable growth of the economy. There are various constraints that the sector has to tackle to overcome the hardship with limited resources available to them to be a superior export performer and make the MSMEs export more sustainable and competitive in the global market. This paper highlights the impact of the COVID-19 pandemic on the export of the MSME sector and its post-recovery period.

Consumer Behavior towards Ban of Chinese Applications and Growth of Made in India applications with the help of ASEAN countries throws light on the consumer perception towards Chinese apps like TikTok, PUBG, Shareit etc. These apps were banned by the Indian Government mainly due to security threats made by them and Covid 19 became the last nail in the coffin. To fill the void created by this ban many homegrown apps like Mx taka-tak, Jio's share, Kaagaz Scanner etc., quickly surfaced. They were trying to attract consumers who were deprived of their favorite app. This article critically analyzes the apps that replicated the banned Chinese apps and highlights the customer acceptance and satisfaction using the same.

FII Inflows and Indian Stock Markets Dependency on FII details that healthy financial market leads to wealth growth and serves as a connection between savings and consumption, meeting the short-and long-term financial needs of both households and corporations through effective mobilization and surplus allocation. Foreign institutional investors (FIIs) are one of the most important sources of liquidity for Indian markets. If FIIs invest large sums in Indian stock exchanges, it indicates that they have strong faith on the markets and an optimistic view on the economy. FIIs, on the other hand, have become net sellers as a result of the current global financial crisis and a liquidity and credit freeze on international markets (on a day-to-day basis). This chapter probes the experience of FIIs in India.

Mergers and Acquisitions: Harnessing the resources to boost banking sector shows that the most favoured way used by businesses to grow and expand in the market is mergers and acquisitions. It is a process of growing quickly and efficiently by entering new markets and by integrating technologies. Due to bad loans, NPAs and pandemic have led to a shortage of capital in the Indian banking system. Banks are fearing to lend money as the future of the economy is uncertain. But the government has been forcing banks to lend money in order to boost economic activity by increasing liquidity in the market. In order to overcome these problems, banks are looking for domestic and cross-border consolidations like ABIF (ASEAN Banking Integration Framework).

Examining the impact of Organizational Support for Psychological Adaptation of expatriates: A study in the Banking Sector in Singapore highlights challenges firms face in retaining Expatriates. Firms have realized the importance of managing expatriates for their overseas operations to ensure they remain motivated and achieve higher levels of performance. The chapter highlights the importance of providing financial and family support to expatriate employees that facilitate adaptation.

Perception of White-Collar Employees towards 'Gender Equality Culture'-Mumbai discussesthe recent global surveys that identified significant differences in perceptions of equality and its realities. This article identifies cultural differences at the individual level in terms of their perception of gender equality. It undertakesa quantitative study by adopting the scale developed and validated by Sharma (2010) within the framework of the Personal Cultural Orientations instrument and used only one dimension: gender equality. The six items on the scale were evaluated using reliability and validity techniques. It explores the gender perceptions scores between men and women.

India-Opportunities for Electronic Goods Export explores the opportunity India holds for ASEAN member countries for the trade of Electronic goods. The Indian Government expects at least INR 52,000 crore investment in electronic component manufacturing under the production linked incentive skills, making it a sector of tremendous growth potential. This chapter assesses the pull factors to boost electronic export and challenges for the growth of electronic goods export

E-commerce-the way forward in ASEAN and India, highlights thateveryone from individuals to organizations and even governments are shifting activities digitally. Technologies like IoT (Internet of Things), analytics, and cloud computing have resulted in the establishment of a direct connection between the vendors or suppliers and the customers. It brings to fore the changing landscape of the commerce in various cultures and nations. The article discusses the scope and growth potential of e-commerce, the major key drivers, and emphasizes on the challenges impeding its exponential growth in the ASEAN region.

India - Opportunities for Electronic Goods Export discusses that the Indian Electronics market is exponentially growing and India earns most of its income via exports of electronics. As Electronics plays such a huge role across a whole range of technologies, collaborations between different designers, manufacturers and producers are often needed. This article spells out the pull factors that boost electronic export. It also lists the challenges for the growth of electronic goods export. The Government expects at least Rs 52,000 crore investment in electronic component manufacturing under the production linked incentive skills. Although the numbers look impressive, the analysis pointed out that value addition is limited. There are also some serious challenges due to which the small and medium-sized (SME) electronic manufacturers are struggling. India’s Electronics production in 2015 represents 6 Billion worth of exports, India must seize the opportunity to conquer this market even though India hasn’t had a lot of luck so far. This article details the shortcomings and proposes ways to make this a lucrative sector for India.

An Exploratory Study on India-China Trade in Electronic Good with Reference to Mobile Phones focuses on the import of smartphones from China and various factors associated with the smartphone manufacturing ecosystem existing in India. It explores India's capability and potential for becoming a leading smartphone manufacturer thereby reducing dependency on China. Schemes like Production Linked Incentive Scheme (PLI) aims for large-scale electronics manufacturing, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) & Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme would provide the impetus for local entrepreneurs and bring India one step closer from becoming independent from China's trading partner for electronics goods.

MSMEs-Growth Engine for Economy discusses the performance of MSME sector in India. MSMEs are highly favourable to the large industries as they provide necessary support for the growth of these industries. This leads to the development of economicand social factors in the country by nurturing entrepreneurship and facilitating employment opportunities with an effective cost of capital. With the revised MSME definition greater investment supplemented with increased output thus nudging export capabilities are expected. This article explains the opportunity for this sector in India to achieve its economic growth and become an integral part of the world’s supply chain with its exports.

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MSME Crucial for Growth of India's Exports

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Abstract

Micro-small and medium-sized enterprises (MSMEs) have been identified as the driving force for economic development and encourage equitable growth of the economy.

The purpose of this paper is understanding the role of MSME towards the growth of India's export and also an attempt to explore the performance growth and the upcoming plans to facilitate the export growth of MSMEs in India. There are various constraints which the sector has to tackle to overcome the hardship with limited resources available to them to be a superior export performer and make the MSMEs export more sustainable and competitive in global market. MSMEs can prove to be a boon for Indian economy in near future.

The gap of this paper is that the earlier paper which we had referred to were dated till the early 2020, and this paper highlights the impact of COVID-19 pandemic on the export of MSME sector and its post recovery period.

Keywords: MSME, Export, Indian economy, Growth.

Introduction

Micro Small and Medium Enterprises is one of the flourishing sectors which plays a vital role in the growth of Indian economy, by employment generation, as they employ about 124 million (as for Feb, 2020) people across the country. It has been recognized as a catalyst in promoting growth and development. (MSME is classified as small, micro and medium enterprises on the basis of their capital investment and their annual turnover. As per the new classification, the business which has the initial capital of less than 1 Crore and annual turnover of less than 5 Crore, it is classified as micro enterprise; and investment with less than 10 Crore and 50 Crore with turnover of 50 Crore and 250 Crore is classified as small and medium enterprise respectively.) MSMEs play important role in providing employment opportunities to the masses and they also help in industrialization of rural & backward areas, therefore, reducing national imbalances, as well as ensuring equal distribution of national income and wealth. MSME is one of the sectors to survive and grow at a significant rate. The MSME segment accounts for 31% of India's GDP and 45% of exports which amounts to $149.22 billion. There are approximately 55.80 million MSMEs employing nearly 124 million people out of which, 14% are women-led enterprises and 59.5% are in the rural areas out of which only 8.2 million are registered MSMEs and the rest 47.6 million are un-registered MSMEs. Export is considered to be the major backbone of every country's economy and India being an emerging country, export plays a pivotal role in its development.

The MSME enterprise is classified on the basis of their paid-up capital and their annual turnover.

New MSME Classification		
	Investment	**Turnover**
Micro Enterprise	Less Than Rs1 Crore	Less Than Rs 5 Crore
Small Enterprise	Less Than Rs10 Crore	Less Than 50 Crore S
Medium Enterprise	Less Than Rs50 Crore	Less Than 250 Crore S

Source: www.msme.gov.in

In monetary terms, the budgetary allocation to MSME for the year 2020-21 was Rs. 7,572.20 crore for credit support, capital, and interest subsidy and innovations. MSMEs are an integral part of the supply chain, and also contribute about 40% of the overall exports while giving opportunity to the rural sector to grow, innovate and trade with foreign entities. There are approximately 21 sectors, with 7,500 commodities produced by the MSMEs and exported to 192 countries. The exported commodities have been segregated on the basis of top 10 exported commodities and the commodities registering the highest growth rate. Analysis of the types of commodities exported provides a clear understanding that MSMEs are engaged in the production of almost all commodities (EX: - gems and jewelry, pharmaceuticals, cement, sugar, handlooms and handicraft). The various problems which are faced by MSMEs while doing trade with foreign nation have also been discussed in this paper. There are many barriers which need to be overcome for easing the process of export for MSME's. It will also help us evaluate the contribution of MSME in India, highlight various government schemes for MSME export promotion and study the influence of various factors on performance of MSME export growth.

Literature Review

Prof. Shailendra Patil & Dr. R.R. Chavan (2020) in his research paper ‘ANALYSIS ON EXPORT PERFORMANCE: MSMEs IN INDIA’ suggested the study of Export performance and competitiveness of Indian MSMEs that can be improved and promoted by working on the key performance areas of the sector.

Israr Ahmed & Dr. Shaukat Haseen (2017) in his research paper ‘GROWTH OF MSME SECTOR AND ITS CONTRIBUTION TO EXPORTS OF INDIA IN POST REFORM PERIOD’ suggested the study of MSME sector and its role in propelling the economic growth, employment and export of the country.

Dr. Surendar Gade (2018) in his research paper 'MSMEs' Role in Economic Growth-a Study on India's Perspective', attempted to examine the contribution of MSMEs Sector in the nation's growth and also the areas which are required to strengthen the MSMEs sector.

Ms. SubinaSyal (2015) in her research paper 'Role of MSMEs in the Growth of Indian Economy' highlights the growth of MSMES andthe opportunities available for the MSMES in the Indian economy.

Objective of the Study

1. The purpose of this paper is to develop complete understanding about the role of MSME in Indian export.
2. To highlight various government scheme for export promotion.
3. To study the various factors which influence the performance of MSME export.
4. To study the impact on export during the time of pandemic.
5. This research paper will examine the recent trends and development of export in MSME and its economic growth.

Research Methodology

The present study is descriptive in nature. It is mainly based on secondary data. The aim of this paper is achieved by analyzing the data by the means of qualitative and quantitative research methodology. The major sources of secondary data include various published books, journals, periodicals, dissertation & thesis, annual reports on MSMEs, annual reports on basic statistics on Indian Economy.

The major parameters of this research paper are namely No. of MSMEs, production, Employment, Export and India's total exports have been used for examining the performance of MSMEs exports. The data collected from different sources are tabulated and classified systematically to make the study more scientific.

Discussion

As MSME largely consist of business which is located in rural India, to help them shine in the international as well as in domestic market there are various initiatives which government has come up with which helps them to plan, organize and promote their business. There are various boards which was set up by ministry of Micro, Small and Medium Enterprise. Some of the boards are listed below: -

Coir Board

It was established in the year 1953 to support and develop the traditional coir industry of India which employs over 7 lakh people. There are many coir products which has been produced by the industry, products such as coir composite which is used as a substitute of wood and plywood's which are exported to various nations such as USA, Netherlands and Korea.

KVIC Board

KVIC stands for Khadi and Village Industry Commission. It is an apex organization under the Ministry of Micro, Small and Medium Enterprises, with regard to khadi. Khadi refers to hand spun and hand-woven clothes and the basic raw material for khadi are silk, cotton or wool. These raw materials are sourced from various parts of the country. Khadi industry is characterized as a labor-intensive industry, and KVIC was set up to plan, promote, facilitate, organize and assist the development of the industry.

NSIC

NSIC is National Small Industries Corporationis set up by Indian Government Enterprise under MSME, which operates all across the nation through a network of Technical Centers and offices, to support and promote MSMEs Sector by providing combined support services encircling Finance, Marketing, Technology and other Allied Services.

Export is one of the most essential aspect of any economy and to boost export form one of the largest sectors, government introduced many promotional schemes such as providing services like market survey where the MSME can get therequired information regarding the process of export and market demand. Some of those schemes are as follows: -

The MAI (market access imitative) scheme is an export promotion scheme, designed to stimulate India's exports on the basis of the aided premises. The plan is defined in the Focus Product and Focus Country to deal with the explicit market and specific objective of development. These activities qualify for financial assistance: marketing ventures abroad, legal compliance support, project advancement consideration, and so on.

Market development assistance scheme was introduced where Entrepreneurs shall receive funding to gain an interest in the export of trade. It helps exporters to perform export advancement exercises. The plan offers to subsidize up to 90 per cent of MSMEs' interest in foreign trade fairs/exchange designations in respect of back-and-forth air tolls. Similarly, the plan considers subsidizing the creation of an exposure material area and challenging enemy.

STP (Software Technology Park) Scheme is a 100% export-oriented business software development plan for export use. The endorsements are provided under the Single Window Clearance Mechanism. All imports of software and hardware into STP units are completely duty-free and imports of second-hand capital products and re-exports of capital goods are also permitted.

The EOU (Export Oriented Unit) scheme provides a globally aggressive duty-free regime combined with better infrastructure for export production. Units are permitted to import or secure a wide range of products, including capital goods, raw materials, packing materials, components, consumables and other specified equipment classifications, locally without payment of duty.

The objective of the EPCG (Export promotion capital goods) scheme is to encourage the import of capital goods for the supply of quality products and ventures in order to increase the export intensity of India. EPCG Scheme permits the importation of capital goods for pre-production and post-production under zero customs obligations.

MEIS (Merchandise Export from India scheme) has been presented to the indicated markets for the tariff of explicit products. Grants for exports of specified products to informed MEIS market place will be payable as a recognized free on-board value.

During the time of pandemic every sector was badly affected and to revive those sectors government had came up with few initiatives to help speed up the recovery of the sector. As the part of "*Atmanirbhar Bharat*" initiative government has announced a₹50,000 crore equity infusion through fund of fund, which will increase liquidity among the MSME by encouraging private sector to invest in them which will provide support to stressed MSME. The fund is expected to encourage MSMEs to expand their size as well as their capacity and list themselves on the main board of the stock exchanges with the equity infusion.

To ensure that the local small and medium enterprise doesn't face any unfair competition from large foreign companies which have huge capacity to bid on tender the government came up with an initiative called "vocal for local" which notifies that there would be no global tender floated which is more than Rs200 crore, which will give the small In a notification, the Department for Promotion of Industry and Internal Trade (DPIIT) has said only suppliers with local value addition of a minimum of 20% will be allowed to bid. Class-I local suppliers (those that ensure value addition in excess of 50%) will get preference. In most cases, if the lowest bidder is a Class-I supplier, he will get the contract. However, if the lowest bidder is a Class-II supplier with local value addition of between 20% and less than 50%, the contract will go to the lowest Class-I bidder. Global tenders can be floated for procurement of up to Rs 200 crore only under exceptional circumstances, that, too, with the approval of the finance ministry's expenditure department.

Earlier the MSME was classified on the basis on their initial investment of plant and machinery/equipment for manufacturing and service enterprise and there was a threshold of 10 crore, but as per the new classification there was no differentiation made between manufacturing and service sector and the threshold was raised to 20crores, with that many more business institutes can register themselves under the Ministry of Micro, Small and Medium Enterprise and reap benefits out of it.

In another initiative to boost the growth of the sector the government of India had announced Rs 3 lakh crore Emergency Credit Line Guarantee Scheme for Medium, Small and Micro Enterprises (MSMEs) under the "*AtmaNirbhar Bharat Abhiyan*" to help them tide over the economic distress being faced due to the COVID-19 pandemic.

Under this scheme, MSMEs borrowers with up to Rs 25 crore of total borrowing could avail an additional 20 percent of the loan outstanding from banks, NBFCs and other financial institutions (FI). This incremental lending by banks and financial institutions will go up to Rs 3 lakh crore in total and it was 100% guaranteed by Government of India. The borrower had 1-year moratorium of repayment and the interest was capped at 9.25%, this scheme had also aimed at helping stressed borrowers who are not in default with standard account were eligible to take loan.

Ministry of MSME is continuously encouraging and facilitating it by transforming into digitally empowered fraternity, MSME databank was set up in an attempt to get online census of MSME in the country which so far has been done in physical mode. However, they are transforming this process by collecting data from a digital web portal on real time basics; it will collect the information on basics of investment, turnover, no of employees, product & services and credit rating related to joint ventures, technology transfer, export & import on machinery and membership of association. The salient feature of data bank is that it is web-based data application which is accessible 24/7, it also gives exclusive access to government departments and PSUs is provided to search for their procurement needs, which will give MSME an opportunity to work and would also allow governments to design future schemes in a better way.

There are various factors which influence the number of products which is being exported to various nations-

Domestic GDP

Domestic GDP gives asnapshot of the economy and estimate its size and growth. Higher the GDP deeper is the pocket of the citizen living in that economy. If the income rises at home, more imports may be bought. Households will buy more products, and some of these will be imported. The rise in domestic demand may also encourage some domestic firms to switch from the foreign to the domestic market. If this does occur, exports will fall.

Foreign GDP

If the income of the foreign nation rises, foreigners will have the capacity to buy more products and this gives the opportunity to the exporter to export more products to that country which will lead to the growth of export.

Trade restrictions

Trade restrictions refers to an artificial restriction on the trade of good and/or service between two or more countries.However, this term is controversial because one faction may see a trade restriction while the other may see it as a way to protect inferior, harmful and dangerous products. There are various trade restrictions such as TARIFFs, Import quotas, NON-TARIFF Barriers, voluntary export restrictions. Lower the restrictions easier the trade can take place.

The Country's Exchange Rate

An exchange rate is the value of a country's currency vs. that of another country or economic zone. How many U.S. dollars does it take to buy one Euro? A fall in a country's exchange rate will make that countries product cheaper and make the importing goods expensive which will reduce the imports and increase their exports.

Country's inflation rate

If the country has a relatively high rate of inflation, domestic households and firms are likely to buy a significant number of imports. The country's firms are also likely to experience some difficulty in exporting. A fall in inflation, however, would increase the country's international competitiveness and would be likely to increase exports and reduce imports**.**

Productivity

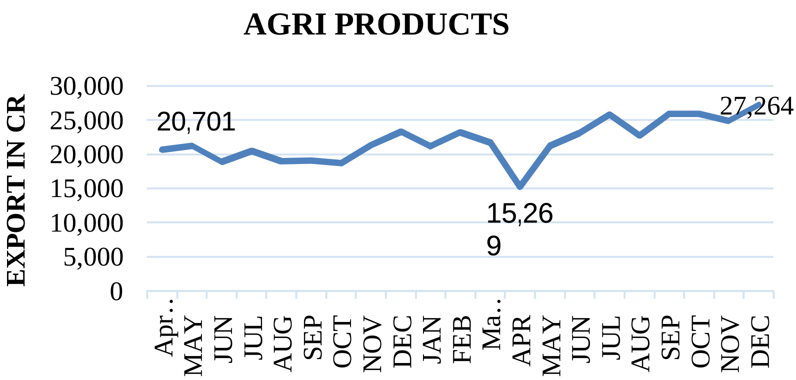
It measures how efficiently production inputs, such as labour and capital, are being used in an economy to produce a given level of output. The more productive a country's workers are, the lower the labour costs per unit and cheaper its products. A rise in productivity is likely to lead to greater number of households and firms buying more of the country's products-so exports should rise and imports fall**.**

Top 5 nations to which MSME exports are:

COUNTRY	EXPORT (₹ in Cr.)
USA	269,561.87
CHINA P RP	114,049.12
UAE	84,485.35
HONG KONG	53,806.06
SINGAPORE	46,909.48

Source: Ministry of industry and commerce

Indian MSME's accounts for 45% of total Indian export which amounts to $149.22 billion the major commodities which are exported are agricultural products, gems and jewellery, leather and leather products, marine products, engineering products and textile products. Export production of MSME sector was badly affected during the time of pandemic (march-June 2020) except some.

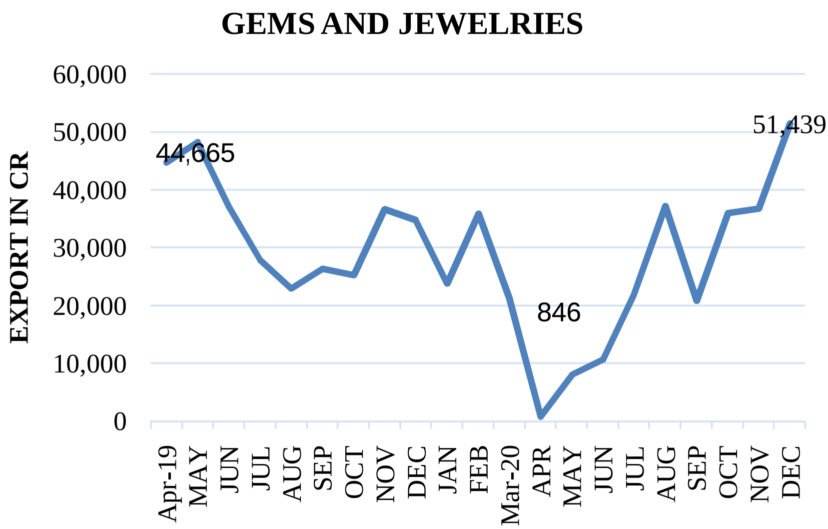


Year: 2019-21

Figure 1.Export of Agricultural Products

Agricultural products had a total export of Rs 488,317 Crore for the FY2019-2021 agricultural products mainly included rice(other than basmati), basmati rice, spices, sugar, raw cotton, oil meals etc, it was the least affected sector because it was the one sector which was dealing with essential food commodities and it was not feasible to restrict its production and government had allowed the agricultural activities to carry on during the time of complete lockdown and saw a 16.06% of year on year growth in 2020.The major agricultural products are exported to countries like USA, UAE and Bangladesh.

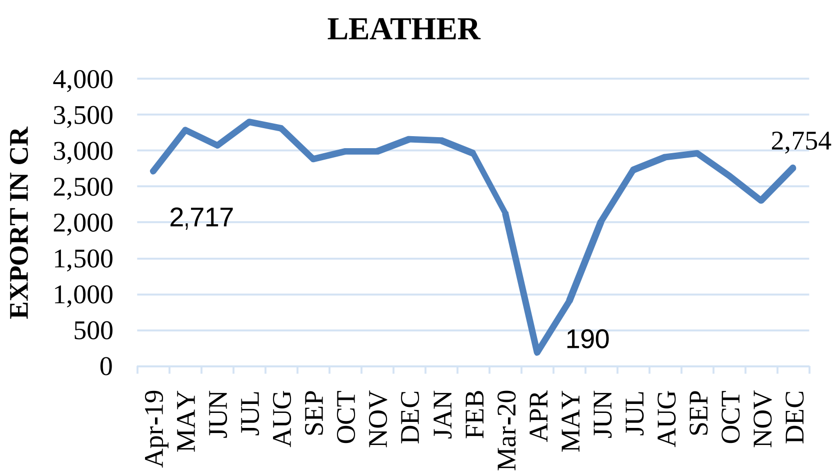
Gems and jewelries are the sector which was already struggling to make their mark into the global market and had a very unstable export in the past years and during the time of total lockdown I.E April 2020, their exports were just ₹846 Crore as compared to Rs21, 250 Crore in March 2020, and after 8 months they are still struggling to get back to their normal level of export.



Year: 2019-21

Figure 2.Export of Gems and Jewelries

The commodities which were exported were pearls, precious and semi precious metals, gold, silver, other precious and base metals which were exported to countries like USA, HONGKONG and UAE.



Year: 2019-21

Figure 3.Export of Leather Products

Leather had a stable export though out the year leather industry exports products like leather footwear, leather goods, finished leather, leather garments, raw hides and skins, saddlery and harness. During the month of April 2020 their export level shoot down to Rs109 crore, as compared to Rs2134 crore in the month of March 2020, leather commodities are majorly exported to countries like USA, Germany and UK.

Year: 2019-21

Figure 4.Export of Textile Products

Textile industry is majorly situated in the rural part of the country and they operate with limited resources and infrastructure, and the raw material was sourced from various parts of the nation. Textile industry mainly produce products like readymade cotton, cotton fabrics made-up, manmade yarn fibers, cotton yarn, readymade manmade fibers, handicrafts, carpets, coir and coir materials, and it was exported to countries like USA, UAE and Bangladesh.

Conclusion

The role of MSMEs in economic activity is manifested in both tangible and intangible ways. MSMEs provide employment and ultimately self-dependency. On the strength of an affordable and high-quality product portfolio, India's MSME sector is now at the forefront of global development. The MSME sector is frequently referred to as a developing economy's "engine of growth". Exporting MSMEs play a significant role in the Indian economy, according to the above facts and Figure. We started with an overview of the sector in India and looked at some recent trends that highlight the sector's growth and importance in the Indian economy. We looked at the number of units, production efficiency, jobs, and export contribution of MSMEs. We had also addressed the export promotional schemes, which had also received preference and incentives through the system to set up their units. The paper also discusses MSMEs boards such as the COIR board, KVIC board, and NSIC board. MSMEs in the Indian economy have shown tremendous growth and excellent output, thanks to the contribution of MSMEs boards, export promotion schemes, and effective measures taken by the government from time to time to promote the growth and development of MSMEs.

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02

Consumer Behavior towards Ban of Chinese Applications and Growth of Made in India applications with the help of ASEAN countries

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Abstract

Last year, as a reaction to Covid-19, Indian government banned many Chinese mobile applications. The boycott of China's applications began mainly due to the India-China border dispute. We saw the same response in the top hash tags, posts and videos on banning Chinese applications on social media and online. 267 applications were already banned in India. Notable apps were TikTok, PUBG, Shareit, and CamScanner. Apps were banned due to security threats made by them and Covid 19 became the last nail in the coffin. People had differed opinions about this decision, most people supported this decision, but few people felt that it was a way to take revenge on China. There were alternatives that emerged in the market, such as Instagram reels, Mx taka-tak, Jio's share, Kaagaz Scanner, and soon Fau-g to be launched as another PUBG alternative (the most popular gaming app) made in India and giving impetus to the campaign-'Atmanirbhar Bharat' and soon people started adapting to this change.

This research throws light on the consumer perceptions about the ban and to understand if Indian players would be able to match the consumer expectations of the banned applications.

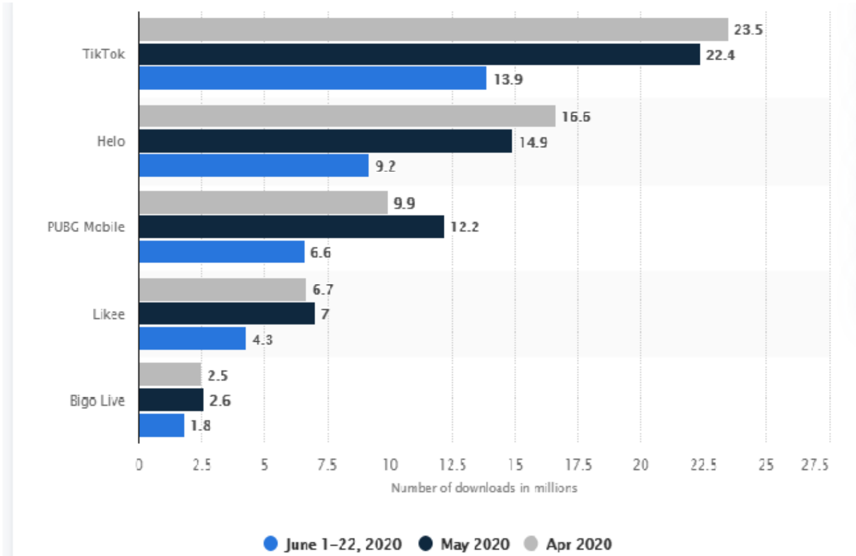
Despite enormaous positive aspects of Chinese applications like a better interface, better features, speed, user-friendliness, convenience etc, consumers whole heartedly want to support the decision by the Government for security reasons.

Along with development of indigenous applications, we can make use of different apps developed in ASEAN countries as immediate alternatives.

Keywords: Consumer behavior, Chinese Applications, Banned Applications, TikTok, ASEAN countries, Atmanirbhar Bharat, Covid 19, Market Research.

Introduction

The border anxiety among China and India on the LAC in Ladakh region, which escalated around early May 2020, induced a backlash in opposition to Chinese cellular apps in India. TikTok, Helo, and other different famous Chinese apps noticed a dip in download. The mini video making app TikTok, which said 611 million downloads from India in the first area of 2020, witnessed a 38 percentage decline-a lack of 8.5 million-in its new downloads from May to June 22, 2020. In last few days of June, the Indian authorities banned fifty-nine Chinese cellular apps, claiming that the apps had been carrying out sports that threatened sovereignty, integrity and defense of India, protection of nation and public order. After a month, forty-seven extra Chinese apps which might be the clones of the fifty-nine banned programs had been delivered to the ban list, even as the Indian authorities determined to look at 275 different Chinese apps for any violations of protection risks. In the early September, India prolonged the variety of banned apps to 267 amid the escalating border tensions.



Statista (2020). China: impact of border dispute on Chinese mobile app downloads in Indian market Retrieved 3 June 2021

Research Objective

1. To examine the Indian consumers' perceptions towards the ban of Chinese Application.
2. To understand the opinions of users of the alternative apps on Chinese applications as compared to alternatives.
3. To understand the expectations of consumers from the alternatives to various Chinese applications that emerged after the ban.

Research Methodology

Literature review to understand the scenario and background. Then primary online research in Mumbai metro amongst youth who are likely to be the primary consumers of mobile apps.

Review of literature

Burning issues between the two important BRIC countries started in Galwan valley after a long cordial relationship for years. The data of Indian users was not safe if used in various Chinese applications.

This step taken by the Government to ban these applications aroused self-assurance *(Nandini, 2020)* within the residents of India that the attempt to cause any damage to our country or residents, would not be tolerated. The Indian Government would give them a befitting response for betrayal of trust. Although, the move has been criticized at global level but it isn't always unfastened from cons. The move will enhance the opportunities for Indian citizens to show their calibre in app development and encourage Indians to come to be self-reliant.

The Press Information Bureau (PIB) notice announced the specified applications as 'malignant', referring to a few of these applications for apparently empowering unapproved transmission and transferring of user information to workers arranged at foreign countries.

The motives proved that against the client safety and the sovereignty of India. According to the Jan Samvad an association of digital assembly, Union Minister of Communication and IT Ravi Shankar Prasad announced banning of Chinese applications as Digital Strike (Virtual strike). The authorities stated these applications to be confined to apply under section 69A of the IT Revision Act, 2008. As this change in act lets in the Central authorities to dam public get entry to any statistics online- whether or not on cellular apps or websites.

People's beliefs control the marketplace in numerous ways, right from economic system and security. TikTok, a Chinese mobile application created a direct and oblique impact on Indian rural consumers. Given India 's awareness of such apps and their engagement and dedication to use these applications for entertainment, it was imperative for policymakers to study consumer sentiments on popularity of such apps *(Shenoy & Mahendher, 2020).* TikTok had great response on various social media platforms and changed the perspective of entertainment in the rural areas (Purnell, 2021). Many people in fact started their careers via these applications, but everything came to a standstill after ban. A lot of investment needs to be done on research and development (R&D) in technology in Indian companies so that this creative spirit does not die away.

The Chinese authorities referred to this as unfair and disturbingPublic protection exemptions of the WTO Rules. Surprisingly, they blocked overseas websites for like Facebook, Youtube, Twitter and WhatsApp immediately. Some of the application developers that were gaining benefits from the Indian Clients started facing huge losses because of the ban. Byte Dance Limited is a Chinese worldwide web innovation organization (Beijing) having applications like Vigo, Helo, TikTok underwent a noticeably terrible blow after the shun.

The lack of earnings impacted the application producers. TikTok's figure Byte Dance Ltd. informed a community courtroom docket that it was dropping generally $15 million each month due to the boycott, as in line with a Reuters report.

Research Gap

Literature is available on the factors determining Indian consumer psychology towards Chinese e-products and also the consumer sentiment after the ban of large user base apps like TikTok and PUBG. The existing literature discusses about Government policies and how it will benefit the growth of the nation. However, the perceptions related to the alternative applications provided by Indian companies are not studied to that extent. We also plan to comment on how ASEAN countries can contribute to the development and promotion of apps of Indian origin.

Secondary Research

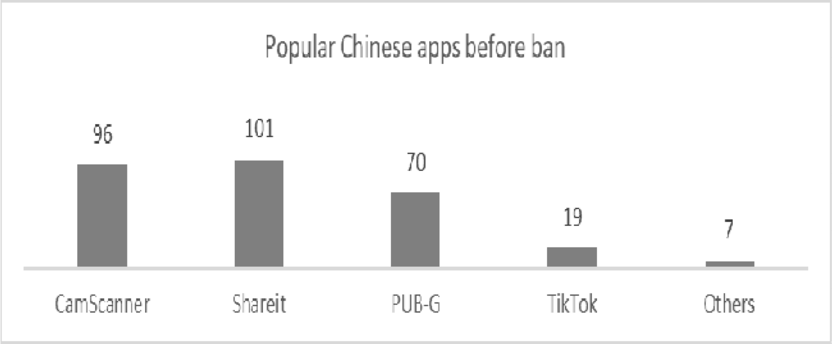
The limitation is forced by Central Government by an interim order through a 'geo-block', that is a technological measure which ensures admittance to content dependent on the client's IP address. People having installed these applications in their cell phone are able to access them, however cannot update to the latest versions. Also, new users cannot download it anymore from the Google play store or Apple store.

Simplicity in usage and convenience made these Chinese applications increasingly popular in India. Tik tok created a buzz by gaining popularity amongst rural users who could portray their talent and be abreast with the latest trends.

At that point one cannot ignore the consequences of these applications as they were addictive and made people fall for it without thinking about what they would have to deal with. The boycott by the Public authority of India, in turn hit the psychological well-being of those individuals.

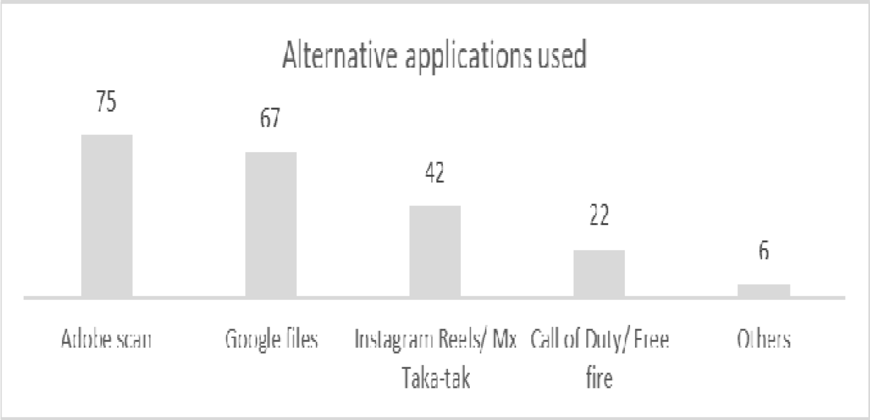
Primary Research study

A survey amongst college going youth withing the age group of 15-25 years was conducted. (Total sample size: 138, The sample considers 87% students (<25 years of age) out of which 65% are male students. 91.6% people were using Chinese applications before they were banned.



Shareit, Camscanner and PUB-G were the most popular apps amongst the sample respondents. Some other applications like TikTok, Club Factory, Shein, UC Browser, etc. were also used by the sample.

60% of the total respondents support the Government decision. 33% males are more indifferent about the decision as against 16% females.13% users were against the decision, as they thought it to bea decision taken due to the political grudges between India and China. Despite any opinion about the ban, 80% of the consumers immediately shifted to the alternatives of banned applications. The alternative included Google Files, Adobe Scan, Instagram reels/Mx Taka-tak, Call of Duty/Free Fire etc.

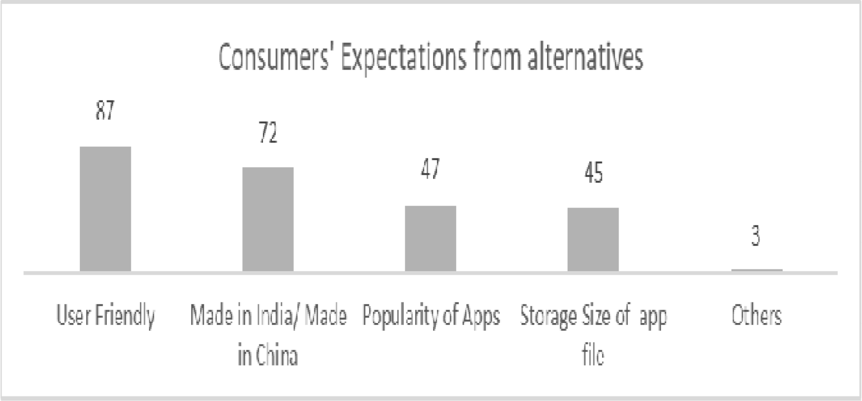


We can see here that majority of the respondents were students who used scanning applications like Cam Scanner heavily during online education. After the Ban there was a huge spike in the user base for apps like Adobe Scan, Google Files and Google Drive.

For Chinese apps, features were the most important consideration for users. However, after the ban, the users seem to be in a comparison mode. For the alternatives that emerged in the market after the ban, user friendliness comparable to Chinese counterparts was at most important.

Ranking	**Chinese Applications**	**Alternative to Chinese Applications**
Features of the app	1	2
User Friendly Interface	2	1
Satisfaction level	3	3
Value for Money	4	4

Users are willing to have some basic features comparable with the banned Chinese applications, most importantly User friendliness. Some other features are whether they are made in India/ China, storage size, popularity of the application etc.



Alternative applications

In the absence of the TikTok 65% of the urban population had a viewpoint that they would shift to an alternative that is non-Chinese, according to data by YouGov which is an Internet-based market research and data analytics firm.69% of the millennial were ready to switch to alternatives when compared to 54% of the GenZ. Even 70% of men accepted the change when compared to 59% of women. *(Gandhi, 2020).* After the TikTok ban, Indians spend half as much time on short video apps as they used to *(Mulye, 2020).*

Instagram Reels is a feature by Instagram which is quite similar to TikTok and is getting very popular in India. Instagram users have the feature of recording and editing video clips of 15 to 30 seconds and add music and effects to them and even have an option to share them in stories, Check Feed, and the new Reels tab in user profile. After TikTok's ban, Instagram Reels became the most popular app for the youth. Every seven out of ten Indians said that they would prefer reels as a platform than any other platform, a new report of government said. The platform, which is Facebook's Alternative to Tiktok has a hold on Indian Market and 62% of the urban Tiktok users would continue with this alternative.

Categories	Chinese Apps (Banned)	Indian Alternatives	Global Alternatives
Social Media	Tiktok, Kwai, Helo, Likee, MI Community, Hago, Weibo, Bigo Live	**Chingari, Mitron, Roposo**	Instagram, Snapchat, Facebook, Periscope, Dubsmash,
Chat / Messaging	WeChat, We Meet	**Hike, JioChat**	WhatsApp, Telegram, Messenger, Signal
Ecommerce	Shein, AliExpress, Club Factory	**Flipkart,Myntra, Ajio, Koovs**	Amazon, H&M, Zara
File sharing	Shareit, Xender	**Jio Switch**	Files by Google, Send Anywhere, WeTransfer
Photography	Sweet Selfie, Wonder Camera, Photo Wonder, Meitu, SelfieCity, Beauty Plus, YouCam Makeup	**LightX**	B612, Snapseed, Adobe Photoshop Express, Adobe Lightroom Express
Video Editing	U Video, V fly Status Video, Vmate, Viva Video – QU Video Inc, Mi Video – Xiaomi, DU Recorder	-	KineMaster, PowerDirector
Productivity	Camscanner, ES File Explorer, Baidu Translate, Vault- Hide	**Doc Scanner**	Adobe Scan, MS Office Lens
Browser / Email	UC Browser, CM Browsers, APUS Browser, QQ Mail, DU Browser	**Epic Browser, Jio Browser**	Chrome, Firefox, Opera, Microsoft Edge
Security/ Antivirus/ Utility	Virus Cleaner, DU Cleaner, Clean Master, DU battery saver	**Jio Security**	Avast Antivirus, AVG, Norton, McAfee
News	Newsdog, UC News, QQ Newsfeed	**inShorts, Shortpedia, DailyHunt**	Google News, Flipboard
Games	Clash of Kings, Mobile Legends	**Ludo King**	Clash of clans
Navigation	Baidu Map	**MapmyIndia**	Google Maps, Apple Maps, Waze

Source: Google Play Store

DataLabs by Inc42

Call of Duty is an exceptional first-person shooter game developed by TiMi Studios which is based in USA and is published by Activision and Garena for Android and iOS platforms. It was first unveiled on October 1, 2019. The game has witnessed one of the largest mobile game launches in history, and has generated over US$327 million with 250 million downloads by June 2020. Call of Duty Mobile, Garena Free Fire, Fortnite, and Battleground Royale has reportedly seen steady growth in users over the past few months, especially since the PUBG Mobile ban in India. *"PUBG Mobile ban in India had a transitory impact on slowing down the mobile gaming in the country. Beyond the initial state of shock, users took to other games such as Call of Duty and Garena Free Fire,"* says Prabhu Ram Head-Industry Intelligence Group CMR. Based on the survey conducted on eight cities of India, CMR reports that Call of Duty Mobile saw a 67 percent increase in gaming following the PUBG ban. This is followed by Garena Free Fire with 47 percent increase, Fortnite with 36 percent, and Battleground Royale with 34 percent.

Opportunity-Indian Developers

Google even raises issues with Chinese applications and after the ban it has paved a path for various Indian developers to make a new application and use it to fullest, as the ban has created an opportunity for Indian user's engineers and developers.

Alternatives to famous Chinese applications like TikTok are gaining importance, Chingari that is an application created in India which is a substitute of TikTok and has seen an astonishing increment in downloads after the boycott of TikTok as the users of Tiktok needed a made in India alternative desperately.

Even 54% of people claimed to have used home grown apps like Roposo and are likely to use them in future when compared to these foreign applications *(DT Next, Aug 2020)*. Other regional social media apps such as Moj (47 per cent), Gana hotshot (44 per cent), Josh (42 per cent), Taka tak (42 per cent), Mitron (40 per cent) and Chingari (36 per cent) also were quite popular and likely to succeed, as per the survey. *YouGov, an Internet-based market research and data analytics firm.*

Mobile App	Launched In	Brief	Downloads (Google Play Store)
Social Media			
Chingari	2018	Founded by two Bengaluru-based programmers, the app is available in 9 languages	2.5Mn+
Mitron	2020	IIT Roorkee graduates claim ownership of the app, but source code has been bought from Pakistani startup Qboxus	10Mn +
Roposo	2014	Quickly becoming the go-to video-sharing app after TikTok; Adtech unicorn InMobi acruired Roposo in 2019	55Mn+
Chat / Messaging			
hike	2012	The only social media unicorn in India, recently moved into virtual experiences with HikeLand	10 Mn+
JIO Chat	2015	Launched as a value-added service for Jio subscribers	50 Mn+
Ecommerce			
Flipkart	2007	The biggest ecommerce player in Indian market, recently funded by Walmart	100 Mn+
Myntra	2007	Largest fashion ecommerce company, acquired by Flipkart	50 Mn+
AJIO	2016	Jio's fashion ecommerce app, which has exclusive deals with Reliance's array of foreign brands	10 Mn+
KOOVS.COM	2012	Headquartered in Gurgaon, it is popular for its catchy on-street collections at resonable costs	5 Mn+
Photo Editing			
LightX	2017	Delhi-based Andor Communications develops this free photo editor and photo background changer	10 Mn+
Utility			
Zoho Doc Scanner	2019	Built by SaaS unicorn Zoho, Doc Scanner is part of the company's suite of offerings for businesses	1 Mn+
Browsers			
JIO Browser	2019	Jio Browser has support for content discovery in eight Indian languages	10 Mn +
Epic Browser	2010	Created by Indian engineers on the opensource Mozilla platform, aim to provide a unique Indian browsing experience	100 K +
Security			
JIO Security	2017	Developed by Jio in partnership with Norton, exclusive for Jio sim users	10 Mn+
News			
inshorts	2013	Founded by IIT dropouts, introduced the now-popular card-based UI format for news briefs	10 Mn+
shortpedia	2017	Available in Hindi and English, a direct competitor to Inshorts	500K+
dailyhunt	2009	Created by two ex-Nokia employees, Dailyhunt is a content aggregator and a job search portal	100 Mn+
Navigation			
MapmyIndia	2004	One of the earlier startups in India, MapmyIndia has a deep presence in the IoT and navigation services space	1 Mn+

Source: Google Play Store

DataLabs by Inc42

The downloads of Chingari expanded from a million to hundred million within seven days, giving a positive indication for the Indian market and an inspiration for Indian application designers and organizations. Additionally, other Chinese applications have their substitute like Jio Meet application is an effective substitute of zoom meeting application which turned out to be well known in the new days because of people working from home. Zoom application was broadly utilized for online classes by schools, universities and was additionally utilized for online classes everywhere scale so its client base has moved to the India based Jio Meet application or Google Meet application.

In this manner the Indian organizations will increase their profitability. Adding to this, the Central Government's Aatmanirbhar Bharat application challenge is a humongous opportunity for all the individuals who are having technical background of software development and also gives opportunities for students of different age groups to showcase their skills through this initiative by Central Government.

India and ASEAN countries

From trade to security, Indian desire to take on China in the Southeast Asia region will be taken into consideration by how well it draws with ASEAN countries *(Banerjee, 2018).* With the rise in technological revolution, the data will definitely be the next oil and giving that power in the hands on Chinese could be a security threat for everyone. So India should work on developing its own applications with the technological support of ASEAN countries. The first step towards the digital India could be in the form of its UPI success. The National Payments Corporation of India, which successfully developed the Unified Payments Interface has developed a seamless way to make payments *(Dethe, 2019).* Even less than a year it crossed a benchmark of 100 million users. Recently NPCI launched its UPI payments system in Singapore and even it has made a bid to launch soon in Myanmar. This is one of the cases where ASEAN countries are collaborating with each other to further grow together. Even the Five-year plan states that in the era of digital age, participation and discourse on cultivating comprehensive development ought to be attempted, alongside with joint effort in cyber security strategies.

India and ASEAN should focus on guaranteeing more prominent monetary consideration. Innovative change and digitisation may significantly expand disparity in salaries, advanced admittance, and openings *(Yendamuri & Ingilizian, 2021).* Pay imbalance is a drag on development, may prompt social and political precariousness, and hinders request. Advanced partitions imply that pieces of the populace, normally the less wealthy, pass up the development of new monetary freedoms. Guaranteeing that the advantages of advancement lift the lower part of the pay dispersion is a test for India and most ASEAN individuals for the same. So to cure this problem India and ASEAN countries should work together to curb this issue *(ORF special report, 2018).*

The pandemic is speeding up the advanced future, with numerous customers making their first computerized buys and existing shoppers investing more time on the web. Across the region, total streaming time over cell phones developed more than 60% in nations like India, Malaysia, the Philippines, Singapore, Thailand and Vietnam, shoppers clock a normal 4.2 long stretches of versatile screen time every day, or 1.2 occasions the worldwide normal, with the more youthful ages going through as long as 5 hours, as indicated by a report from Hoot-suite. The bounty of data and decision will emphasize buyer collection conduct. Bain buyer research finds that generally 65% will switch brands if their top choices were not accessible. So the consumer behaviour is shifting more towards online in all ASEAN countries. So India could collaborate with ASEAN Countries to develop their own application ecosystem like China. China has its own set of applications, they totally ban the application from other part of the world that is why they are self reliant, what India can do is to collaborate with ASEAN countries and develop the alternatives to the Chinese as well as western applications, so that it has its own ingrown user base. This could accelerate the digital growth among ASEAN countries.

The next age would be digital and even the consumer behaviour is shifting towards digital channels. It is expected by 2025 that the Internet penetration rate in the ASEAN countries would be more than 85 percent. So to compete with China and even other western countries it is necessary for India and ASEAN countries to collaborate and work together as the true strength is in unity.

Conclusion

Chinese intervention in Indian valley fuelled the imposition of a ban. Even in the primary research, it was found that the Chinese applications had a better interface, better features but patriotism stood out distinctly along with the concern about data security. Anti- China sentiment played a major role in this. The major criticism on the alternatives was user-friendliness not even being comparable with the Chinese application. Some people condemned Indian Government to have rushed into making this decision instead of searching for a better option. People have started adapting to the Chinese alternatives pretty immediately but are still not completely satisfied with their performance as compared to Chinese applications.

We can use different apps from ASEAN countries as an alternative to Chinese apps, India can collaborate with them for technological mergers. Indian can also promote the made in India application in ASEAN countries as we can assure the security of these applications and this will lead to a good profit margin to the GDP of the country**.** Consequently, with time Indian alternatives would hope to substitute the Chinese alternatives regardless of their inadequacies. Taking a peek at the current situation, a modest bunch of innovation financial backers and pioneers are now promising new companies that are prepared to supplant the restricted applications.

This could be a blessing in disguise as this has made India to develop and improve significantly. With the support of ASEAN countries, we can together grow and become a major player in this market very soon.

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03

FII Inflows and Indian Stock Markets Dependency on FII

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Abstract

The expansion of the economy is aided by capital markets. Businesses need resources in order to expand and grow their operations. Capital markets, like debt and stock markets, play a key role in supplying liquidity to companies for product and service growth and diversification. A healthy financial market leads to wealth growth and serves as a connection between savings and consumption, meeting the short-and long-term financial needs of both households and corporations through effective mobilization and surplus allocation. FIIs are one of the most important sources of liquidity for Indian markets. If foreign institutional investors (FIIs) invest large sums in Indian stock exchanges, it indicates that they have strong faith on the markets and an optimistic view on the economy. FIIs, on the other hand, have become net sellers as a result of the current global financial crisis and a liquidity and credit freeze on international markets (on a day-to-day basis). Foreign institutional investors (FIIs) have had a mixed experience in India.

Keywords: Foreign Investors, Financial Markets, ASEAN, Economy.

Introduction

Financial markets are the backbone of any economy and facilitate the flow of funds between borrowers and investors. The development of financial markets in emerging economies such as India is one of the important factors driving economic growth. For the growing economy, financial markets serve as a catalyst. A sound financial market contributes to the creation of wealth and provides a link between savings and investment that meets both the household and the corporate sector's short-term and long-term financial needs through efficient mobilization and surplus allocation. Developed economies use financial markets to maintain their economic and social stability and to increase their level of economic activity. Dormant or developing economies are looking at financial markets to finance their BOP (Balance of Payments). FIIs are one of the most important sources of liquidity for Indian markets. If foreign institutional investors (FIIs) invest large sums in Indian stock exchanges, it indicates that they have strong trust in the markets and a good perspective on the economy. The advent of foreign institutional investors (FIIs) into Indian markets has had a mixed effect on our markets; on the one hand, they have increased the breadth and depth of our markets; on the other hand, at difficult times like these, they have also become important sources of speculation.

Review of Literature

Developing countries like India are normally scarce in terms of resources. So, by means of Foreign Direct Investment & Foreign Institutional Investors, they receive capital from foreign countries. Joshi, Desai & Choksi (2018) studied perception of market participants about major determinants of FII investment decision and the extent to which investors are influenced by FII investments.

Venkat raja (2018) gave an insight of Macroeconomic dynamics of foreign institutional investments which suggests that appropriate monetary and fiscal policy measures to stabilize interest rates, inflation and exchange rate are vital to ensure stable FII enclose to Indian Capital markets.

Douma, Kabir, and Rejie (2006) evaluated the influence of foreign institutional investment on emerging market business performance and discovered that foreign ownership had a favourable effect on firm performance. They also discovered that foreign investment had an influence on a company's connection with a business group. Foreign investors favoured enterprises with higher corporate governance as per study conducted by Aggarwal, Klapper, and Wysocki (2005).

Mukherjee (2002) looked at the various possible determinants of FII and came to the following conclusions: (1) Returns in the domestic equity market tend to cause FII flows; (2) returns in the Indian equity market is an important factor that has an impact on FII flows; (3) FII investors do not likely use the Indian equity market for the purpose of diversification of their investment; (5) Returns from exchange rate variation and the fundamentals of the Indian equity market

Gordon and Gupta (2003) established a correlation between foreign institutional investment (FII) inflows and NSE/BSE returns. They observed that FIIs act as market makers, investing at low prices and selling at high prices in order to profit. As a result, many researchers' findings on the causal relationship between FII net inflows, stock market capitalization, and BSE/ NSE returns are contradictory. As a result, it's crucial to determine if foreign institutional investors (FIIs) are the cause or effect of India's stock market fluctuations.

According to Rajesh Chakraborty (2001), FII flows to India have constantly risen in importance since the advent of liberalisation. The author investigated the interactions between these fluxes and other variables. FIIs are the largest players in the Indian stock market, according to Pal, P. (2004), and their effect on the local market is expanding. FII trading activities and domestic stock market turnover suggest that FIIs are gaining in importance at the margin, with FII trading accounting for a growing share of stock market turnover in India.

It is apparent from the literature review that the results are highly fragmented. Various studies have identified multiple variables as FII's governing factors. The study attempts to understand FII equity inflow from ASEAN countries and measuring the dependency of Indian Stock Markets on FII. The study also attempts to measure the volatility of NIFTY returns due to FII Equity sales over past 10 years. The study makes an effort to evaluate the dependency of the financial markets on the FIIs and how to make India self-reliant.

Scope of Study

It is apparent from the literature review that the results are highly fragmented. Various studies have identified multiple variables as FII's governing factors. The study attempts to understand FII equity inflow from ASEAN countries and measuring the dependency of Indian Stock Markets on FII. The study also attempts to measure the volatility of NIFTY returns due to FII Equity sales over past 10 years. The study makes an effort to evaluate the dependency of the financial markets on the FIIs and how to make India self-reliant.

Objectives of Study

- Assess the dependency of stock market performance on FII/FPI activity.
- The scope of self-reliance of financial markets.
- Explore the advantages of reducing the dependency on FPIs.

Research Methodology

The research is conducted for a period of approximately ten years from March 2010 to November 2020. The data is collected from NSE, SEBI and Money Control online databases. The independent variables are FII purchase percentage change, FII sales percentage change and NET inflow/ outflow. The NIFTY returns are the dependent variable. Statistical tools like regression, correlation and t-test are used for the analysis.

Analysis and Interpretation

Foreign investment in India started with the economic reform policy in 1991. The idea was to give impetus to several sectors suffering from a scarcity of funds for much needed capital.

To study the objectives set for the research following hypothesis has been formed.

Hypothesis

Null Hypothesis: There is no significant relationship between NIFTY and FII.
Alternate Hypothesis: There is a significant relationship between NIFTY and FII.

Table 1.Research Outcomes

	Coefficients	**Standard Error**	**t Stat**	**P-value**	**Lower 95%**	**Upper 95%**
Intercept	0.01103	0.004384	2.51595	0.0131	0.002354	0.019705
Change in Sales	-0.0748	0.019612	-3.81385	0.0002	-0.11361	-0.03599

- Regression analysis is performed between change in volumes of the FII and NIFTY Returns. P-value is 0.000213 which is less than 0.05 and absolute value of t-stat is more than 2. Hence it can be inferred that there is a significant relationship between change in FII sales and NIFTY Returns. So, Null Hypothesis is rejected.

Table 2.Regression Statistics

Multiple R	0.3217034
R Square	0.1034931
Standard Error	0.0489968
Observations	128

- Since R^2 is 10.35%, it can be interpreted that 10.35% variation in returns of NIFTY is due to the volume change in sales of FII. Since the market movement is volatile and is dependent on multiple factors, 10.35% is of high importance for a single variable.

Inflow from ASEAN (Singapore)

From our study we found out that Singapore is the highest income country among all other ASEAN countries and has the highest share of FII inflows into the Indian stock markets. So here is what we have found when we studied and analyzed the pre COVID-19 era's data.

- The above regression statistics is the result of the analysis of the two variables X (NIFTY) and Y (FII, Singapore) before the Covid-19 pandemic. Here the X and Y represent the relationship between NIFTY and FII inflows from Singapore respectively into the Indian Stock Markets.
- Multiple R signifies correlation. So, here in this scenario the correlation is positive and strong. Correlation = 1 is a perfect correlation and here the multiple R is around 0.87 which indicates a strong correlation between NIFTY and FII flow from Singapore.
- R square signifies the variation of dependence on NIFTY due to FII inflows from Singapore. Taking an inference from the above regression statistics, there is 76% variation in NIFTY due to FII inflow from Singapore during the pre-COVID-19 era.

Table 3

Regression Statistics	
Multiple R	0.87734794
R Square	0.7697394
Adjusted R Square	0.74095683
Standard Error	0.05567452
Observations	10

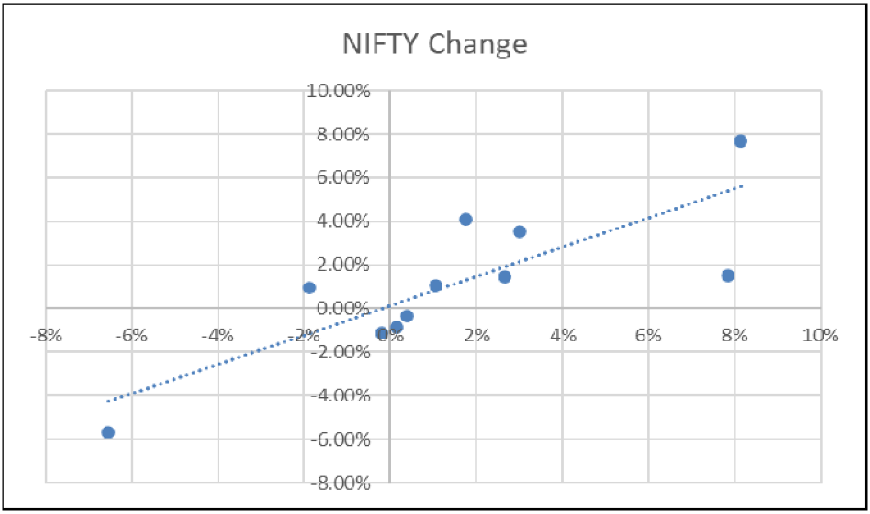

Chart 1

Post COVID inflows from Singapore

From our study we found out that Singapore is the highest income country among all other ASEAN countries and has the highest share of FII inflows into the Indian stock markets. So here is what we have found when we studied and analyzed post COVID-19 era's data.

- Similarly, in this case we are considering a situation of FII inflows from Singapore after the first wave of the Covid-19 pandemic. The reason for doing this comparison is that, during the first wave breakout of Covid-19 there was a Nation-wide lockdown imposed in India due to which there were no or very minimal economic activities. And the impact of this was also seen on the stock markets as well. There was a major crash in the markets taking the markets to an all-time low severity nearly to that of the 2008 crisis.
- In this case too there are two variables that are being regressed i.e., NIFTY and FII inflows from Singapore but this time measuring the post pandemic level of inflows.
- Multiple R signifies correlation. So, here in this scenario the correlation 0.86 which is positive and strong.
- R square signifies the variation of dependence on NIFTY due to the FII inflows from Singapore. Therefore, there is 66% variation in

NIFTY due to FII inflow from Singapore during the post-COVID-19 era.

Table 4

Regression Statistics	
Multiple R	0.815601
R Square	0.665205
Adjusted R Square	0.628006
Standard Error	0.020747
Observations	11

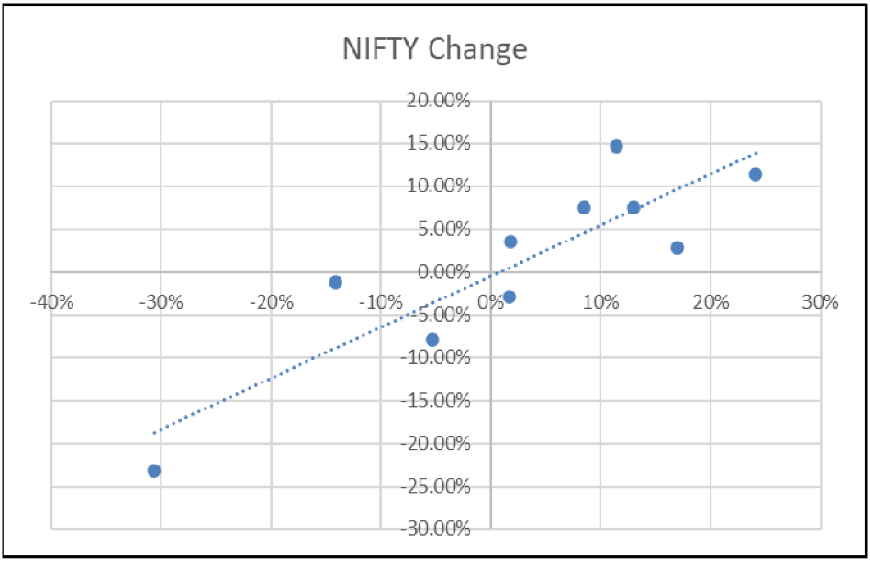

Chart 2

Table 5

	Coefficients	**Standard Error**	**t Stat**	**P-value**	**Lower 95%**	**Upper 95%**
Intercept	0.00115	0.006688	0.17	0.86728	-0.01398	0.01628
Change in Equity FII	0.67177	0.158859	4.23	0.00221	0.312407	1.031133

Further Scope

- In the future, the study's emphasis might be broadened to include the debt market in order to gain a greater knowledge of capital market development and growth.
- The study could also explain on how awareness can be increased within retail investors to reduce dependency from FII/FPI.
- The study also determines the extent to which stock market performance is influenced by FII/FPI activity, as well as the scope of financial markets' self-dependency and the benefits of lessening reliance on FPI/FII.

Limitations of Study

- The analysis focuses specifically on FII operation in equity and excludes debt securities, which may also have an impact on capital market growth.

Conclusion

Over the years, the Indian capital markets have seen some significant developments and reforms. Though the association was not extremely strong, there was a positive relationship between the indexes and FII inflows. The second portion of the investigation also finds a substantial quantity of evidence demonstrating a large amount of FIIs' stake of the Indian capital market, verifying FIIs' dominance. Because institutional investors exist, markets have grown more efficient. India's stock markets are a good investment since they are not reliant on the global economy and have a vast domestic market. In the Indian stock market, FIIs are acting as movers and shakers by injecting money into the market and encouraging other investors to invest. When indices rise in value, they draw money out of the market and cause it to tremble. Furthermore, Indian marketplaces provide a diverse range of sectors and enterprises. The sole element that influences FIIs' decisions is the potential for profit. They will invest if they believe a market has profit potential. FIIs have been drawn to the India market by company-specific success stories. The FII flow has exploded, and there is a correlation between these FII flows and changes in stock market indices like the Nifty. The R-square is also relatively low, suggesting that other factors may be contributing to the volatility of the Indian stock market. Other factors may have an impact and have a link with the stock market due to the lack of a substantial connection, demanding deeper investigation and the use of various statistical models to look into this issue.

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04

Mergers and Acquisitions: Harnessing the resources to Boost Banking Sector

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Introduction

The most favoured way used by businesses to grow and expand in the market is mergers and acquisitions. It is a process of growing quickly and efficiently by entering new markets and by integrating technologies. Due to bad loans, NPAs and to top it all, pandemic has led to shortage of capital in the Indian banking system. Banks are fearing to lend money as the future of the economy is uncertain. But the government has been forcing banks to lend money in order to boost economic activity by increasing liquidity in the market. In order to overcome these problems, banks are looking for domestic and cross border consolidations like ABIF (ASEAN Banking Integration Framework).

Review of Literature

Table 1.Review of Literature

Sr. no.	Topic Name	Author/ Author's Name	Outline of the Paper
1	ASEAN Financial Integration : Opportunities, Risks and Challenges	Aladdin D. Rillo Senior Economist, Asian Development Bank (ADB) Institute	This paper explains how ABIF is an option for improvising banking services by creating a semi-integrated banking system.
2	A Study on Mergers and Acquisition of Banks and a Case Study on SBI and its Associates	Ishwarya J Assistant Professor, Department of Commerce, BMS College for Women, Bangalore, India	The SBI and associates consolidation is studied in this paper studies while explaining its pros and cons
3	Post Merger Financial Appraisal of Royal Bank of Scotland & ABN AMRO Bank	Dr. RiteshDwivedi, Piyuesh Pandey	This paper estimates the financials of the Royal Bank of Scotland (RBS) after it acquired the ABN AMRO.
4	Need of Mergers and Acquisitions in Banking Industry of India	KanchanJatkar Asst., Professor RIHSM, Pune	This paper explains the intent, benefits and drawbacks of mergers and acquisitions in the Indian Banking Sector.

Research Objectives

1. To provide suggestions to curtail rising NPA.
2. To analyse the risk averse scenario of Indian banks.

3. To analyse pre and post-merger performance of ABN Amro and SBI and its associates.

Research Methodology

The research paper titled 'Need of Mergers and Acquisitions in Banking Industry of India' was used to understand the need of consolidations in the banking sector and know its applicability. Also, the research paper of Post-Merger Financial Appraisal of Royal Bank of Scotland & ABN Amro Bank was referred to analyse case studies such as the consolidation between ABN Amro and RBS and then SBI and its associates. After reviewing the research paper of ASEAN Financial Integration: Opportunities, Risks and Challenges, analysis is done on how ABIF is an option for improving banking services through integration of banking services. Various news articles of economic times and business standard were used to understand the current scenario of the banking system.

Findings of study

NPA-Non Performing Assets

NPA has become one of the greatest hurdles for the Indian Banking system. The impact of large NPA's was catastrophic as it decreased the additional provisioning, interest income, erosion in capital & lastly reduction in competitiveness. The government & banks had laid down some solutions to cope up with serious problems created due to NPA. Debt Recovery Tribunals (DRT's) were formed to deal with the Bad loans. The banks have come with the One Time Settlement System in order to make recovery of NPAs loans. Though these tribunals & schemes were notably successful, but the outcomes were not as per the expectations. Therefore, the route of acquisition can appear as a workable solution to transform the existing banking into a commercially feasible organization. The NPA problem in the financial sector has been disturbing for all the economies & India is not an exception for it. Reduction in NPA has become similar with the functional planning of financial intermediaries. Although the value of NPA is emulated in the

Balance sheet & it will impact the financial position of the firm. Yet it had a huge macro-economic effect. If these NPA's are not covered quickly then there will decline in the value of NPA's as the time is running and banks will receive the smaller portion against the amount.

As per the reports in The Wire of 2019, the banking sector required the mass recovery of NPAs very soon which still amounted to 7.9 Lakh Cr despite allocations by the Central government to the tune of over Rest 3 lakh crore for this. The Insolvency and Bankruptcy Code system is functioning, however passively. As of March 2019, the resolution of a bit over 90 stressed accounts resulted in recovery of simply Rs. 75,000 crores on claims of Rs. 1.75 crores as per reports of NDTV Profit.

The governing measures were issued by the Reserve Bank of India in April 2020 to keep a tab on rising NPAs in the books of banks. From the statement issued by RBI Governor Shaktikanta Das, it was clear that in respect of all accounts to which moratorium was allowed, there would be a halt for all such accounts to undergo Asset classification i.e. the NPA norm of 90 days will not be applicable, between the period 1st March 2020 to 31st March 2020.In other words we can say that the NPA identification period for this type of loans was increased to 180 days from the due date, rather than the current norm of 90 days.

The RBI had highlighted the concern around Rs. 50,000 crores accounts turning into NPAs in March 2020 (MSMEs). During March 1- May 31, 2020, moratorium benefit was available for all payments which were falling due. Now, as long as the account didn't turn into an NPA before March 1, such convenience could be employed by the borrowers. After making the arrangement for the huge problem of NPAs, there is a new challenge which is getting ready for the Indian economy. On September 2018, another category i.e. Non-Banking Financial Institutions (NBFC) & Infrastructure Leasing & Financial Services (IL&FS) defaulted on the loan payment. This incident created a huge impact not only on the banking sector but also on the bond market. The whole volume of bond issuance drops significantly after this incident.

Risk Aversion

The banking industry is fundamental for the availability of cash and credit in the Indian economy.

In Feb 2016, a ruling was issued by the Supreme Court that commands that staff of all banking corporations, foreign further as domestic, are ‘public servants’ under India's prevention of Corruption Act, 1988 (POCA). This suggests the danger of investigation and prosecution under the POCA faced by each and every bank officer currently for problems which are in association with fraud. Hence any decision concerning NPAs might come back beneath the scanner. This single step is probably going to discourage bank officers from taking critical business decisions. This can be a significantly worrying situation, as the expansive description of corruption under POCA and lowest restrictions on investigations, as highlighted by commentators at the time. Within the banking industry, such actions led to an increase in risk aversion.

Banks unwilling to give credit are damaging the credit flow of the productive sectors. With the pandemic, there is a high requirement for liquidity, the Reserve Bank of India has said that the banking industry must get out of this problem of risk aversion and start providing credit to the productive sector of the economy.

March 2020 saw a decline in bank credit to different sectors to 6.7 per cent, from 12.3 per cent in the earlier year.

Due to lockdown and economic uncertainty, public banks had huge funds but were not ready to lend, hence started parking these funds with the Reserve Bank of India at a rate of interest as low as 3.75 percent. There was slump in economic activity, a lack in credit demand and banks were worried about the increasing bad debts, because of which they parked in the month of May 2020 was around Rs 8 lakh crore per day with the RBI. The reluctance of banks to lend money led to an increase in risk aversion. Due to this risk aversion, banks were paying higher interest rates on fixed deposits, but were not ready to lend money to borrowers. Further, in order to cope up with the pandemic, there were temporary stoppage on loan instalments, postponement of interest payments and restructuring which affected the financial health of the bank.

The business of a bank is profitable when the lending rates are higher than the deposit rates. SBI Chairman Rajnish Kumar acknowledged that the excess funds were a prudent approach followed both by banks and borrowers during these times of uncertainty. A sum of Rs 8.1 lakh crore were deposited by the banks with the RBI under the reverse repo window, data released by the central bank showed on May 6. The previous day, the amount had been Rs 8.5 lakh crore, and on 4 May, it was Rs 8.4 lakh crore.

Not just a single country or a single economy, but the effects of pandemic are seen across the whole world. Every economy is trying to inject huge amounts of money for healthcare and related services.

As the socioeconomic impacts of the pandemic unfold across Asia and also the Pacific, efforts to inject trillions of greenbacks for emergency health responses and financial packages were continued by finance ministries. Economic rebound appears up in the air due to continuation of restricted borders and measures of lockdown.

This is worrying as lawmakers are confronting tough selections over the way to prioritize development outlay, whereas continuing to expand their squeezed fiscal situation.

Suggestions

As per our study, we found out that banks can overcome their issues through:

1. **Domestic and cross border consolidations through ABIF (ASEAN Banking Integration Framework)**

For the provision of improvised banking services to corporates, ABIF aims at creating a semi-integrated banking in the region and thus contributes in smooth functioning of banking activities which in turn will improve economic growth of the region. ABIF also focuses on bringing consistency in banking activities of all the countries involved, promoting strength of the region in the sector of banking, and improving the abilities of stakeholders in the banking and financial system. Thus, with the help of ABIF, greater market access will be made available to ASEAN banks and improved operations can be achieved by implementing Qualified ASEAN Banks (QABs) from every member country.

For the purpose of operation, Qualified ASEAN Banks will have flexibility similar to a domestic bank in host countries, subject to other rules and regulations. Each member country is eligible to recommend its own QAB(s) after considering the decided criteria for the nomination.

ABIF follows the following principles.

a) The qualified ASEAN banks will help develop deeper regional financial intermediation as the framework is supposed to be outcome driven and thus will result in increased regional economic growth and stability.
b) It is inclusive since ABIF focuses on crucial areas for integration which are, prudential principles, financial stability and capacity building.
c) Efforts are being taken by ABIF to involve all ASEAN countries on the basis of whether they are ready or not and their capability of banking integration.
d) Qualified ASEAN banks will be provided the flexibilities based on further arrangements which will take place between host and home countries. These flexibilities may be related to operations or flexibility with respect to the extent of access to be given.

Based on given guidelines for the nomination under ABIF, the nomination of a QAB candidate should be according to the criteria decided. Later, the nominated Qualified ASEAN Bank will be evaluated by a task force of ABIF. This task force will comprise the central bank and finance officials of the finance department of involved countries. They will work on approval of the nominated QABs based on standards of home country and international levels. For example, the Qualified ASEAN bank must have adequate capital level as per the required standards, the bank must have a good record, it must be stable and must be one of the first three domestic banks.

Once the approval is done, a negotiation will be held between host country and the home country regarding the conditions under which the QAB will operate as a domestic bank, based on selected QABs. This negotiation will also include a reciprocal agreement for access of the market to be given and the way it should be treated at national level, as well as supervisory and other regulations.

2. Lessons taken from foreign mergers

Acquisition of ABN AMRO: Scuffle between RBS Consortium & Barclays

The controversy over ABN AMRO was vital for the international banking system for a variety of reasons. At first, it concerned varied banks from numerous components of the globe. Therefore, it had an obvious impact on the key banking system globally. The fight between Barclays and RBS consortium had presented their offers ahead of ABN AMRO shareholders. On one facet, Barclays would keep the bank's co-operations intact and the strategic operations with Caribbean Development Bank (CDB) would possibly provide them higher accessibility within the growing Asian market. Where as on the opposite facet, although RBS-led syndicate would provide them a high take-over value, however might conjointly split the banks into 3 components i.e. RBS, Fortnis and Santandar.

The below table 2 explains the merger details of both the companies-:

Table 2.Merger details of ABN Amro and RBS

Barclays Purchase Consideration The bank had raised its proposition to €67.5bn from €64.1bn €42.7bn consisted of Barclays shares, and €24.8bn in cash. ABN Amro shareholders would have received €13.5 in cash and 2.13 Barclays' shares The new offer would price each ABN Amro share at €35.73	**RBS Purchase Consideration** € 71.1bn was its offer which included 93 percent cash component and the remaining in shares **RBS Consortium's Proposal** **RBS:** RBS would keep the whole ABN AMRO market of North America, international clientele and wholesale businesses globally excluding Brazil, Asia and Europe excluding Anton Veneta. wholesale businesses globally excluding Brazil, Asia and Europe excluding Anton Veneta.
Synergies ABN and Barclays estimate that this purchase would lead to annual pre-tax synergies of roughly €3.5bn by 2010.	**Synergies** Reduction of execution risk and a global recognition.

From the financial point of view, Barclays was far away from its powers to challenge the RBS bid. Barclays were not able to increase their bidding price due to the subprime loan crisis which had hugely dampened their finances which led to RBS winning the bid.

3. Comparison of profitability ratios of consolidation between foreign and Indian Bank before and post-merger

ABN Amro and SBI & its associates before and post consolidation performance is given below in Table No. 3 and Table No. 4 respectively.

Table 3.Performance of ABN Amro before and post merger

Profitability Ratios	Before Merger	After Merger	Status
Return on Assets	-0.96%	0.20%	Better
Return on Equity	-10.17%	-3.44%	Better
Net Profit Margin	-1.14%	0.26%	Better
Operating Profit Margin	2.05%	3.67%	Better

Table 4.Performance of SBI before and after merger

Profitability Ratios	Before Merger	After Merger	Status
Return on Assets	0.48%	-0.08%	Unfavourable
Return on Equity	7.93%	-1.49%	Unfavourable
Net Profit Margin	6.87%	-1.31%	Unfavourable
Operating Profit Margin	-10.45%	-18.66%	Unfavourable

While comparing the above Table no. 2 and 3, we can see that in terms of profits, post-merger ABN AMRO has benefitted more than SBI and its associates.

From the comparison between the international and Indian cases like SBI with its Associate Banks, Saraswat Cooperative Bank acquiring Maratha Mandir Cooperative Bank, and a plenty more on consolidation, a number of the problems could also be addressed. First of all, when it comes to foreign acquisitions, it becomes a fight between a large corporation attempting to take over another big corporation, it is a strategic decision. There is no interference from the government or any other parties. On the other hand, in Indian cases, mergers come with a compromise, wherein the stronger bank of the country controls, directs and therefore the weaker banks are compelled to abide by the directions. Then, in case of the international mergers, the main focus has been to increase their net worth and network through merging banks. However, in case of the Indian banks, the main reason to merge is to absorb the non-performing assets of the consolidating bank. This would sooner or later increase the non-performing assets of the consolidated bank. Lastly, Mergers within the foreign banks are a mutual consent to strengthen one another's position within the international market. However, the domestic consolidation commonly come about under the control of RBI directions with the only objective of rescuing a sick bank from turning into bankruptcy, therefore in order to decrease government interference and give less stress to the government about its functioning of the banks in the public banks, it is a good move from Finance Minister to bring all the stakeholders on board for privatization.

Applicability of Mergers and Acquisitions

Following are some cases of mergers and acquisitions with different intent which resulted in some benefits and drawbacks.

1. Acquisition of South Gujarat Local Area Bank by Bank of Baroda in the year 2004 due to Government obligations

Bank of Baroda was compelled to acquire South Gujarat Local Area Bank because of the decision made by the Government of India and RBI. The reason behind this decision was that South Gujarat Local Area bank was suffering from huge losses and their capital and reserves were declining. Customers of South Gujarat Local Area Bank benefited from this merger as they became the customers of a more secure and bigger bank.

2. Merger of Bank of Madura and ICICI Bank in the year 2001 which increased customers and income

ICICI had an intent of network expansion and didn't want to go through branch expansion procedures. Bank of Madura had huge volumes in the cash management business. Bank of Madura on the other hand, desired to deliver modern banking services to its customers, increase its shareholder's value and boost the careers of its employees.

ICICI benefited from this as the core fee income became Rs. 171 crores from Rs. 87 crores.

ICICI also saw an increase in the number of its customers, as there was an increase in it by 1.2 million new customers.

Bank of Madura had to face some challenges as they were new to technology and the working culture of ICICI was different.

3. **Canara and PNB Mergers which scaled up banks and decreased NPA's**

Examples of PNB and Canara Bank with March 2019 financials in the above 2 images show that there is a definite decrease in NPA's with the merging banks.

This merger has increased its deposits and advances and has enabled it to fill the gap of technology and build a strong and large team of employees.

4. **Merger of HDFC Bank with Centurion Bank of Punjab bringing expansion of network and increased conflict of interest in home loans**

The HDFC Banks' network of distribution was strengthened in the northern and the southern parts of India after this merger. For HDFC, the merger provided an addition to scale up, demography and human resources. The merged entity would increase profitability levels of Centurion bank of Punjab branches by taking advantage of HDFCs bias towards high rated corporate clients. This merger also provides an improved distribution with branches and ATMs.

But there were certain disadvantages in this entity that it will not give home loans due to the personal interest with parent HDFC and could even sell Centurion bank of Punjab's consumer debt book.

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05

Examining the impact of Organizational Support for Psychological Adaptation of expatriates: A study in the Banking Sector in Singapore

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Abstract

The strategic choice of expanding business internationally by MNCs has resulted in increased focus on International HR practices. One of the main challenges firms face in the context of MNC, is related to retaining Expatriates. These firms have realized the importance of managing expatriates for their overseas operations to ensure they remain motivated and achieve higher levels of performance. Existing studies provide evidence that higher levels of engagement and performance of expatriate managers encourage other domestic organizations to expand their operations globally to exploit locational and competitive advantages. In the international context these firms are required to recruit employees, develop them, and ensure they are motivated, and reward them. However, these firms must ensure that the transition is well supported by the organization (Brewster, Sparrow, Vernon & Houldsworth 2011). Although the approach and mechanism for some HR practices are similar in the international context based on the convergence perspective, there is a need to examine differences based on the divergence perspective across

different countries for theoretical and practice purposes (Brewster, 2004).

The purpose of this research is to examine the relationship between perceived organizational support and psychological adaptation. Based on in-depth literature review the research gaps were identified and objectives of the study were set. The study highlights the importance of providing financial and family support to expatriate employees that facilitate adaptation. The study attempts to contribute to the field of International HRM and discusses managerial implications before concluding. Future areas of research have been identified for the researcher.

Keywords: Perceived Organization Support, Expatriates, Psychological Adaptation, Cross Cultural Management.

Introduction

One of the key challenges that multi-national corporations (MNC) face is related to retaining competent expatriates. Expatriates play a key role when there is a need to transfer organization culture and knowledge to subsidiaries which impact the efficiency and global integration amongst the MNC's subsidiaries (Hong and Kim, 2019). Expatriates can be defined as employees who facilitate transfer of knowledge in terms of organization culture and practices, intellectual property and management styles from the head quarter to subsidiaries.

HR professionals play an important role in managing this transition and cultural adjustment of expatriates in the context of International Human Resource Management. This approach is even referred as sustainable human resource management (HRM) which focuses on HR practices that aims at achieving positive outcomes from human resources and contributing to long term survival and sustainability. (Kramar, 2014). Managing employees cannot be isolated from the particular cultural environment. To help expatriate employees adjust in a new cultural environment they require organizational support.

There is a need for organizations to adapt these support practices related to the host country specifications such as business practices, legal issues, and culture issues. Managing employees of different cultures, needs a strong sophisticated policy and also requires an international management team which will facilitate the mission of MNCs in different international settings. While standardization focuses on adopting a standardized approach of management practices from Head Quarter to subsidiary, localization advocates adopting on practices, employed by domestic firms in the host country the MNC operates. In the context of MNC's operating across borders, organizational support to expatriates plays a very important role. Supporting expatriates in the current situation due the COVID-19 pandemic has increased the role of HR professionals to support employees during transitions. Further, existing studies have not paid attention to the need to provide cultural training in the South Asia pacific context to Indian employees assuming cultural proximity.

While existing studies have examined the role of organizational support and employee performance (Liu, 2009) there is a need to examine the impact of perceived organizational support on Psychological adaptation. While most studies on cultural adaptation focus on.

Acculturation, which is a group level phenomenon, involving cultural change as a result of interaction between two distinct cultural groups. Psychological adaptation focuses on the individual level and psychological outcomes such as the ability to attain individual satisfaction in a new cultural setting based on clear understanding of personal ethnic identity. (Berry, Bouvy, Van de Vijver, Boski and Schmitz, 1994). The study makes an incremental contribution to organizational support for Psychological adaptation in the context of International HR.

Need of the Study

Existing studies provide evidence that higher levels of engagement and performance of expatriate managers encourage other domestic organizations to expand their operations globally to exploit locational and competitive advantages (Wu and Ang, 2011). There is need to provide organization support through HR practices to employees that can facilitated transition and cultural adjustment (Kramar, 2014). There are limited studies which examine the impact of organizational support on Psychological adaptation. The study is aimed at examining direct and indirect organizational support to expatriates and their families to ensure smooth transition to the host country for Psychological adaptation. It also aims at studying the support provided by the organization to the expatriate employees.

Objective of the Study

The objective of our research is to understand the importance of managing expatriates for their overseas operations as it is important to motivate employees so that their productivity is increased. The other objective is to not only examine the direct and indirect organizational support to expatriates and their families but also to ensure smooth transition to the host country. It is to understand the importance of holistic approach in the selection process and to investigate challenges faced by expatriate employees. We have further studied challenges like unknown environments, language barriers and cultural differences.

The paper focuses on a critical review of literature to examine perceived organization support (POS) in terms of financial support, career planning and cultural adjustment support to minimize the effect of culture shock in the post covid period in the Banking Sector in Singapore. In doing so, the paper revisits the role of HR in supporting expatriate employees.

Review of Literature

Guzzo et al. (1994) cited in Kraimer, Wayne and Jaworski (2001) is known to be the pioneering study to examine the impact of Perceived Organization Support (POS) and expatriate adjustment.

Perceived organization support indicated the employee-organization relationship by examining the perception of employees with regards to the extend the organizations value their contributions and cares for them through (Liu, 2009). These can include various aspects such an employee welfare programs, working condition and other forms of support specially to expatriate during transition. The findings of Wu and Ang (2011) indicated a positive relationship of supporting practices by organizations on cultural adjustment of expatriate employees. Various studies, (Cao, Hirschi, Deller, 2014; Gupta 2019; Kawai and Strange, 2014) provide evidence on the positive impact of POS on employee performance and intention to stay.

Based on the premise of the social exchange theory (Blau, 1964), when employees perceive higher level of support from their organization, they will extend more commitment to their role. This will also act as a mechanism to provide support to employees to cope during their foreign assignment. When employees believe that their organization is supportive of the career development, they will go the extra mile and display higher performance.

Psychological adaptation

Cross-cultural adjustment (CCA) of expatriates in cross-cultural context has gained a lot of importance in the global HRM context. The key challenges are the level of adaptation by expatriates in a new cultural environment. Cultural adaptation was categorized as psychological and by Searle and Ward (1990) as two different forms.

Kosic (2002) defined Psychological adaptation as the extent to which one adapts to the mental and physical well-being in the cultural context. Psychological adaptation to a brand-new country is usually seen because the extent to which a person is (dis)comfortable being within the relocated new culture (Ashford & Taylor, 1990; Searle & Ward, 1990). Integrating employees by providing support to expatriates supports psychological adaptation. Integration help in acculturation. If expatriates are made to develop a positive attitude towards the new society they will adapt faster. Not facilitating acculturation could otherwise lead to anxiety and a feeling of culture shock (Kosic, 2002)

Winkelman (1994) defined culture shock as a "multifaceted experience resulting from numerous stressors occurring in contact with a different culture" (p. 121). A concept originally conceptualized by Oberg (1954, 160), suggests that lack of cross-cultural adaptation by an individual contributes to culture shock and includes a variety of psychological reactions. It can result in cognitive fatigue and psychological disorientation. Different forms of culture shock are experienced by these employees in terms of communication, food habit, ethnocentrism, socialization and language which needs to be minimized through proper cultural training (Dowling and Welch, 2004; Rajasekar & Renand, 2013).

By proactive cognitive orientation and support to organizations can minimize the effect of culture short and help their employees working in a cross-cultural environment to adapt themselves (Winkelman, 1994; Laken Marloes, Marc and Paauwe, 2016; Gupta, 2019). Hence examining the effect of organizational support of psychological adaptation will draw attention of organizations on this dimension of support to their expatriate employees.

Perceived Career Support to Expatriates

Kraimer and Wayne (2004) suggested that Career support was an important aspect of organizational support to expatriates. The re-emphasized claim of Rhoades and Eisenberger (2002) that organizational support with regards to career planning increased affective commitment, enhanced performance and reduces the intention to leave. Perceived Career support is the perception of an expatriate on the extend of career planning and support provided by the organization. (Heijden, Engen and Paauwe, 2009). Perceived career support refers to employee's perception value on how organizations provide career development opportunities by managing, caring and supporting their them in their career. Career support is important for younger employees as they are at the early stage of their career. Various studies have established a positive impact of career support on employee performance. Employees feel more when they see their organization providing support for their career. Based on the social exchange theory employees will feel obligated and will take the extra effort to adapt themselves to the new environment (Gupta, 2019). However, the impact of perceived career support on psychological adaptation is yet to be established. (Heijden, Engen and Paauwe, 2009).

Hence based on the positive link established which was on existing studies and the social exchange theory, the authors proposed the following hypothesis H1

H1: Perceived career support has a positive effect on psychological adaptation

Financial Support to Expatriates

Perceived Financial support can be defined as "the extent to which the organization cares about the employee's financial needs and rewards the employee's contributions in terms of compensation and employment benefits" (Kraimer and Wayne, 2004, p. 218). Financial support motivated performance of expatriates and facilitates cultural adjustment has a direct effect on retention (Laken Marloes, Marc and Paauwe, 2016).

The findings of Florkowski and Fogel (1999) established the importance of financial support to expatriates for work adjustment in a new cultural environment. The study Kraimer, Wayne and Jaworski (2001) advocated the importance of financial support to expatriates in addition to cross-cultural training and career counselling. Lack of any financial support to the expatriate would result in financial costs such as loss of spousal income, dual taxation and housing cost which affects the motivation to accept a foreign assignment. Financial support in the form of some compensation can contribute to better adjustment (Bashir, 2012).

Based on the findings the authors propose the following hypothesis H2

H2: Perceived Financial support has a positive effect on psychological adaptation

Adjustment Support

Perceived Adjustment support is the extent to which organization care about the adjustment issued of an expatriate such as his/her family) during a foreign assignment (Kraimer and Wayne, 2004). The role of family is very important in the context of expatriate success. Expatriates depend on their family during their foreign assignment for cultural adjustment (Sambasivan, Sadoughi and Esmaeilzadeh, 2017). Family disruption can cause higher culture shock and impact adaptation. Organizational support practices in terms of family and spousal adjustment has influenced the employee’s cross-cultural adjustment and intention to stay or quit (Bashir, 2012).

Family is an important stakeholder in the process of expatriate adjustment hence firms must provide necessary family adjustment support. Hence there is a need to examine the role of family. Additionally, adjustment support has a positive impact of expatriate adjustment. However, there are contradictory findings with regards to this relationship. A few studies (Kawai and Mohr, 2015; Pattie et al., 2013; Stroppa and Spieß, 2011 cited in Laken Marloes, Marc and Paauwe, 2016) did not find any significant relationship between Perceived Organization Support in terms of Adjustment Support end expatriate adjustment and hence there is a need to further examine the impact of these practices (Laken Marloes, Marc and Paauwe, 2016).

Based on the discussion the authors propose the following hypothesis H3

H3: Perceived family Adjustment Support has a positive effect on Psychological Adaptation

Research Methodology

The focus of the literature review was to analyses theoretical and empirical papers on the organization support strategies cultural adjustment, HR practices and impact of culture shock. Based on in-depth literature review, case studies and white paper study integrates existing studies. Study in the context of banking services in Singapore examines factors that organizations should consider before selecting and expatriate for a host country role.

Sampling

A stratified sampling data was collected from 37 employees working in a leading private Bank in Singapore who were of Indian Origin. 67.6% of the respondents were male and 32.4% were females. 51.4% of the respondents were in the age group of 25 to 34 and 48.6% between 35 to 45 years of age. In terms of designation, the respondents were a mix of General Manager-4%, Senior Manager-6%, Middle level Manager-17% and Entry level- 10%.

Scales

The constructs were measured using existing scales. Financial Support (3 items), Career Support (3 items) and Family Adjustment Support (5 items) were measured by scales developed by Kraimer and Wayne, (2004). Psychological adaptation was measured using the 8 Items scale by Demes and Geeraert (2014).

Scale Reliability and Validity

The reliability of the scales was assessed by analyzing the item-total correlations. Cronbach's alpha was measured to evaluate the scale reliability, and the scales indicated a good reliability with the value of >.70, all the items. Table 1, indicates the Cronbach's alpha estimated for each scale

Table 1.Cronbach's alpha of all scales

SR. No.	Scale	Cronbach Alpha
1	Financial Support	0.814
2	Career Support	0.924
3	Family Adjustment Support	0.916
4	Psychological adaptation (Reverse Code)	0.662

Results

All responses were collected using a Google Form and imported into SPSS for analysis, where a stepwise multiple regression analysis was run.

Primary Analysis

The Primary Analysis to understand the sufficiency of data was analyzed using Kaisen-Meyer Olkin Measure in SPSS. Table 2 indicates linear association between the organization support and Psychological adaptation (dependent variable) represented by R, the multiple correlation coefficient. Its high value denotes a good link.

Table 2.Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588[a]	.345	.286	3.07668

a. Predictors: (Constant), Financial Support, Career Support, Family Adjustment Support

The Independent variables such as Financial Support, Career Support, Family Adjustment Support were found to influence Psychological adaptation and explain a variance of 34.5 percent.

Hypothesis Testing

The statistical significance of regression model was computed to test our hypothesis and examine the impact of Perceived Organizational Support in the form of Financial Support, Career Support, Family Adjustment Support on Psychological adaptation of the expatriate employee. To test if the entire model was significant the significance of F was computed. In the ANOVA test, F value also helps to determine the P value which is the probability of getting a result based on the observed values. The following ANOVA Table (Table No.3) exhibits the significance value.

Table 3.Anova Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	164.867	3	54.956	5.806	.003[a]
	Residual	312.376	33	9.466		
	Total	477.243	36			

a. Predictors: (Constant), Financial Support, Career Support, Family Adjustment Support

b. Dependent Variable: Psychological adaptation

The significant F coefficient and significance value of less than 0.05, indicates that the variance described by the model is not due to chance.

To measure the significance of coefficients, in the multiple linear regression model, and test the hypothesis if Perceived career support (H1), Financial Support (H2) and Family Adjustment Support (H3) has a positive effect on Psychological Adaptation, t test was carried out. Table 4, outlines the findings of the regression analysis.

Table 4.Regression Analysis

Hypo	Independent	Dependent	Beta Value	T	Sign	Result
H1	Perceived Career Support	Psychological Adaptation	-.020	-.116	.908	Rejected
H2	Perceived Financial Support	Psychological Adaptation	.473	2.721	.010	Accepted
H3	Perceived Family Adjustment Support	Psychological Adaptation	.336	2.374	.024	Accepted

The table above indicates that Perceived Career Support does not have a positive impact on Psychological Adaptation of expatriates. The Significance vale of .908 rejects hypothesis H1, indicating that organizations support in terms of career management does not aid in acculturation. H2 ($t=2.721$; $p<.05$) and H3 ($t=2.374$; $p<.05$) are accepted indicating that Perceived Financial Support and Family Adjustment Support play an important role in Psychological Adaptation of expatriates.

Discussion

The objective of the study was to examine the impact of Perceived organizational support in the form Financial Support, Career Support, Family Adjustment Support on Psychological Adaptation. The findings indicate that keeping an employee aware about career opportunities available in the organization does not support Psychological Adaptation. This could be as the respondents were employees over 25 years of age and they did not depend on the organization for career support. The findings of this study are in contradiction to the findings of Heijden, Engen and Paauwe (2009) which suggest that career support influences the expatriates to adapt to foreign business customs and norms. The findings re-enforce that employee perception with regards to Financial Support, providing and financial incentives and allowances and additional benefit financial benefits in expatriate assignment influence Psychological Adaptation and reduced the impact of culture shock.

The findings of the study, highlights the importance of providing pre-departure training, exhibiting interest in family well-being and providing assistance at every stage contributes to Psychological Adaptation and facilitates smooth transition. Organizations must design pre-departure orientation, counselling sessions and interaction with family members to help the expatiate adapt the new cultural environment. Thought perceived career support may not impact adaptation, it will have a positive impact on the psychological contract with the firm and based on the social exchange theory motivate the employee to reciprocate to the firm (Heijden, Engen and Paauwe, 2009; Bashir, 2012; Sambasivan, Sadoughi and Esmaeilzadeh, 2017)

Conclusion

Organizational support in the form of form Financial Support, Career Support, Family Adjustment Support play an important role in the Psychological Adaptation of expatriate employees. This adaptation helps in reducing the culture shock and helps in acculturation of home country employees. Providing financial and family support is a best practice that firms can integrate in their HR practices to help cultural adjustment of expatriate employees. MNCs can reduce cost of turnover by if they retain employees and will be able to transfer home country cultural values to the host country through the expatriated employees. With increasing internationalization, best practices in International HRM related to cross-cultural training cannot be under estimated. HR professional must develop the required skills to help organizations to manage their operations across border. In the context of IHRM they must provide strategic support to help expatriates in adapting to the new cultural environment. An interesting finding of this study is that when organizations provide financial support, the adaptation is higher which acts as a strong motivating factor. Even though career support may not contribute to psychological adaptation, career development as an HR practice can influence performance and reduce intention to leave. The study highlights the importance of pre-departure training and family support to expatriates as a strategic HR practice in contributing to the overall welfare of the expatriate.

There are number of limitations in the study that need to be acknowledged. The sample size is very small and hence to increase the probability of generalization, a larger sample would be required. The study is based on the perception of the respondents; hence caution is suggested to make conclusions on the impact of the organizational support. There is also a possibility that the organization provides a wide range of career support to expatriates in terms of growth but is not well communicated to the employees. Organizational factors such as culture, performance management and training support has not been considered.

Further research could be carried out with a larger sample and the further analysis based on the demographic variable of the respondents could give valuable insights. The Home country influence could be further examined by including a mix of respondents from different home country in a host country.

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06

Perception of White-Collar Employees towards 'Gender Equality Culture'-Mumbai

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Abstract

The recent global survey identified significant differences in perceptions of equality and its realities. A number of studies indicate a gender gap in the world, but data on perceptions of gender equality among the research community are scarce. This study sought to identify cultural differences at the individual level in terms of their perception of gender equality.

This quantitative study adopted the scale developed and validated by Sharma (2010) within the framework of the Personal Cultural Orientations instrument and used only one dimension: gender equality. The six items on the scale were evaluated using reliability and validity techniques. Data were collected from 72 white-collar employees in Mumbai using a stratified probability random sampling technique.

Descriptive and inferential statistical techniques (independent T-test) used for data analysis and hypothesis testing. Findings from the study indicated that there were no significant differences in gender perception scores between men and women. The rationale for the results was then reviewed in light of previous literature. The findings of the study have both theoretical and practical implications for all stakeholders in India.

Keywords: Perception, Gender Equality, White-collar Employees, Mumbai, Organization Culture.

Introduction

According to the recent Global Gender Gap (2020), achieving gender equality will take another century, given the current rate of progress resulting from a global pandemic. There is an increase in the level of literacy, millennials concentrate on professional and professional development, the female workforce was actively involved in industrial employment and white-collar employment, but men and women still saw the concept of gender equality differently. According to the CNBC report, a global survey found significant differences in perceptions of equality and its realities (Boorstin J., 2018, March 6). The study conducted by García-González J, Forcén P, Jimenez-Sanchez M (2019) clearly, a number of studies have revealed gender gaps around the world, but data on perceptions of gender equality in the research community are scarce. Various research studies have revealed that gender diversity on boards is important because it brings a broader collection of experiences, perspectives and backgrounds that enhance decision-making. In addition, in 27 countries, sexual harassment remains the top issue facing women and girls worldwide (IPSOS-2018, March, 6).

In India, the issue of gender discrimination is quite prevalent. Society has taught all generations that men are superior to women. Due to culture and tradition, women have assumed the subordinate role. However, the Indian legal system and women's education have realized that men and women need to be equal on all parameters, namely, inherited property, vocational training and employment opportunities, remuneration. Yet men and women have a different perspective on gender equality. As a result, this study assesses the perception of white-collar workers.

Review of Literature

Gender Equality (GEQ) represents the way men and women perceive equality in terms of social roles, abilities, rights and responsibilities

(Schwartz & Rubel, Lifschitz, 2009).Organizational culture refers to shared beliefs, assumptions and values held by members of the organization (Trice& Beyer, 1993; Schein, 2010). Organizational culture can contribute to gender inequities because it restricts people's ideas about what is possible: their strategies for action (Swidler, 1986). In other words, when people are confronted with a problem in their workplace, the organizational culture - who we are, how we act, which is fair-provides only a certain range of behavioural responses. With organisational cultures marked by greater gender inequality, women may have fewer hopes and expectations in terms of promotion and wage increases (Kanter, 1977; Cassirer & Reskin, 2000).In addition, organizational cultures characterized by gender inequality, organizational decision-makers believed that women had less capacity to lead, less professional engagement, and less emotional stability than men. (Eagly et al., 1992; Heilman, 2001). The workplace has sometimes been described as an inhospitable place for women because of the many forms of gender inequity present. (Abrams, 1991).The study by Garcia-González, Forcén & Jimenez-Sanchez (2019) provided clear evidence that men and women do not share the same views on gender equality. Castilla and Benard (2010) reported that men deserve their high status and women deserve their subordinate status to work. Kiser A.I.T. (2015) found significant differences in gender attitudes. Men were more likely to believe that men have more employment rights when jobs are in short supply. Women believed more than men that work was the best way for a woman to achieve independence.

There was very little literature on the perception of gender equality in the context of organizational culture. But, it appears that even in the 22nd century, men and women see gender equality from a diverse point of view. Therefore, the present study examined how white-collar employees from Mumbai perceives gender equality as an important element of the organization's culture.

Methodology

A descriptive design with a quantitative approach was adopted. The survey methodology employed with the statistical analysis to achieve the study objectives.

Objectives of the Study

The overall goal of the study is to identify cultural differences at the individual level based on their perception of gender equality.

1. To find out the level of perception of 'Gender Equality' amongst white collar employees.
2. To compare the perception of gender equality between men and women in the context of the organization's culture.

Hypothesis of the Study

There was no significant difference in the mean scores regarding perception of Gender Equality between men and women'

Significance of the Study

The study has undertaken the 'Personal Cultural Orientations Instrument' and adopted only one measure of 'Gender Equality' and was applied to white collar young generation. More precisely, in our country, there have been questionable discussions about sexual harassment in the workplace. Before any incident of sexual harassment in the workplace, it is important to understand employees' perceptions of gender equality. The perception and attitude towards women should be assessed in order to prevent incidents of sexual harassment in the workplace.

Sampling Framework

The stratified sampling technique was used to select the survey samples. India has about 18.1 million white-collar employees (Das, G. Mint 24th May 2021). There were a predetermined criteria for the selection of samples as follows-

a) The sample unit is to be part of the white-collar work.
b) He or she must be located in Mumbai region.
c) The respondent must be familiar with computer and English.

However, entrepreneurs and government employees not undertaken as samples. Throughout January and February 2021, 125 Google forms were distributed in Mumbai to white-collar employees. From 125 completed forms only, 101 were received for the study. Following a thorough review, only 72 forms were considered appropriate for further analysis.

Details of Tool Used

The scale was developed and validated by Sharma (2010) as a part of the Personal Cultural Orientations instrument. The instrument measures the ten dimensions of culture based on Hofstede 1980, 1991) namely- Ambiguity Intolerance; Gender Equality; Independence; Inter dependence; Masculinity; Power; Prudence; Risk Aversion; Social Inequality and Traditions. This study employed only one dimension, that is, gender equality.

The scale of ‘Gender Equality’ measures the extent to which a person views males and females as equal in terms of social roles and emotional capacity (caring, ambitious, and aggressiveness). There are five items in the scale as follows-

- Men do not have to be the sole bread winner in a family
- It is ok for men to be emotional sometimes.
- Men can be as caring as women
- Women can be as ambitious as men.
- Men and women can be equally aggressive.

The first part of the scale covered demographics such as age, gender, education and the sector or industry in which they are currently employed.

Reliability and Validity of the Scale

The Cronbach Alpha value of the scale is 0.718. Additionally, principal components analysis (PCA) performed through SPSS version 21. The Kaiser-Meyer-Olkin values for scale, exceeding the recommended value of .6 (Kaiser, 1970, 1974) and the Bartlett's Test of Sphericity (Bartlett, 1954) reached statistical significance. Principal components analysis indicated the presence of only one component with eigen values 2.537 which exceeded 1. The percentage of variances indicated the 50.74 and 'Varimax rotated solution' loaded with one component.

Data Analysis

Demographic Details

All respondents were from the different sectors: financial services, IT and retail. However, 84% of respondents fell into the 18-29 age group. Moreover, 51% were men and 49% percent were women.

Descriptive Statistics

Table 1.Descriptive Statistics

Variable	Group	N	Mean	Standard Deviation
Perception of Gender Equality	Male	37	22.86	2.66
	Female	35	23.17	2.56

Source: Prepared

The table above demonstrates that all respondents had a higher positive perception of gender equality.

Inferential Statistics

An independent test was performed to discover the perceptual differences between men and women regarding gender equality.

Table 2.Independent 't' Test

Independent Samples Test										
		Levene's Test for Equality of Variances		**t-test for Equality of Means**						
		F	**Sig.**	**t**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
									Lower	Upper
Perception of Gender Equality	Equal variances assumed	.222	.639	-.497	70	.621	-.30656	.61700	-1.53713	.92400
	Equal variances not assumed			-.497	69.984	.620	-.30656	.61628	-1.53571	.92258

Source: Prepared

Findings of the Study

An independent t-test has been conducted to compare perceptions of gender equality between men and women. There was no significant difference in the scores of perceptions **of Gender Equality** for men (M=22.86, SD=2.66) and women (M=23.17, SD=2.56); t(70)=-.497, p=0.621 (two-tailed). By observing the significance level for Levene's Test (p =0.639) for this variable, the variance for the two groups was the same and this data set does not violate the assumption of equal variances. The extent of the differences in the Means (mean difference = 99.97%) was negligible (eta squared = 0.003 and 0.3%). Consequently, the hypothesis 'There was no significant difference in the mean scores regarding perception of Gender Equality between men and women', was retained.

Discussion and Conclusion

From above findings concluded that the white-collar employees have similar perceptions of gender equality. The white-collar employees feel that there is equality in terms of social roles and emotional capacity. The following can be the reason for similar perception of the respondents-

- The data were collected from white-collar employees, which indirectly suggested that they were educated**.** Azza Karam (n.d.) discussed in UN Chronicle as *Education is the pathway towards gender equality*. Due to education, women became aware about their rights and freedom.
- While doing white collar jobs, employees have to exert mental efforts instead of physical efforts. Therefore, the respondents have similar perceptions of gender equality.
- The prevailing circumstances of post-covid, the Indian society has realised the men can not be the sole bread-winner in a family.
- As discussed above that 84% respondents were from the age group of 18 to 29 and these millennial generation born and brought up in such environment where men and women have to be equal in all

fronts of life. Therefore, they may have a positive perception of gender equality.

- Many instances of Mass Media and Indian Legal system imbibed on the mind of the young generation that women can be ambitious and aggressive like men. However, even men can be emotional like women.

Limitations of the Study

This study sought to capture perceptions about gender equality for white-collar employees in the workplace. However, the study examined only a limited number of samples of white-collar employees. Furthermore, blue-collar workers from Mumbai were not included in the study. Blue-collar workers discriminate against women at every phase of their working life.

Suggestions and Recommendations

Although our Constitution has provided a fundamental right to equality for all citizens of India, but our culture and societal traditions have nonetheless permeated discrimination between men and women. Our education system teaches each student gender equality, but the cultural and social impact breeds discrimination. This perception has an impact on workplace behavior that eventually leads to unfortunate incidents of sexual harassment. The perception of gender equality contributes to various aspects of organisations which are: structure, organizational culture, leadership, strategy, HR systems and organizational climate. Hence, the study recommends that there should be a periodic training program to build a perception of gender equality among employees to prevent incidents of sexual harassment. This study has contributed to existing knowledge on gender studies. The findings of the study may be useful for senior management and HR managers to maintain a positive perception of gender equality.

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07

E-commerce-The way forward in ASEAN and India

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Abstract

The use of E-commerce is widely increasing in all forms of businesses today. With the advent of IT and increased use of Internet technologies, E-commerce has grown and advanced. Changing technology has led to changes in the methodology for business transactions. The trends observed across the various regions in the world still largely differ. The aim of this study is to explore the status of E-commerce in India and select ASEAN nations. In recent years, several large international companies have made significant investments in local online marketplaces.

This study gives detailed information on E-commerce trends in context to the market size, growth drivers, strategies followed, challenges faced and the opportunities available across the ASEAN region and India. Technologies like IoT (Internet of Things), analytics, and cloud computing have resulted in the establishment of a direct connection between the vendors or suppliers and the customers. It brings to fore the changing landscape of the commerce in various cultures and nations. The article discusses the scope and growth potential of e-commerce, the major key drivers, and emphasizes on the challenges impeding its exponential growth in the ASEAN region.

Introduction

E-commerce or electronic commerce is growing rapidly year by year. People have become more comfortable to and are adopting to this modernized and reliable channel. It is a digital era. Everyone from individuals to organizations and even governments are shifting activities digitally. Technologies like IoT (Internet of Things), analytics and cloud computing have resulted into the establishment of a direct connect between the vendors or suppliers and the customers. With the help of Internet, these E-commerce technologies facilitates the evaluation and comparison of prices, easy payments via cards or online payment bank systems for completing transactions, availability of customer reviews, personal updated recommendations and improved logistics to deliver the products to make the experience more customer friendly. In India too, various social E-commerce marketplaces are available and E-commerce has become a powerful tool to fulfill our requirements and needs in the fastest possible manner.

Asia benefits the most from the cross-border e-commerce and trade (Chen, 2017). The next exponential growth in this region is poised to come from digital transformation of existing and new organizations by implementing new technologies, new mindset and new tools. E-commerce has dramatically changed the retailing canvas. By bringing in digital technologies like Artificial intelligence, big data and machine learning ecommerce players can now better predict the demand and serve the customers.

Another obvious difference between e-commerce and traditional business is that e-commerce activities entail fewer intermediaries. Hence the service criteria, especially in information, payments, and logistics has been amplified.

Singapore, Malaysia and Indonesia, members of the Association of Southeast Asian Nations (ASEAN) member countries-Singapore, Malaysia and Indonesia, have been among the world's largest markets with the greatest online shopping penetration rates. Global e-commerce growth will account for a growing share of private consumptions increments over the next five years.

Literature Review

Various research articles and reports were studied to understand the current and future of e-commerce in ASEAN region and in India.

The world wide e-commerce revenue pegged at US$1.6 trillion in 2018 is anticipated to grow to US$2.7 trillion by 2023.The ASEAN region that boasted of more than 350 million internet users and overall market size of USD 72 billion in 2018 (Statista 2019), is expected to grow by annual CAGR 25%-30% for the next 10 years to create the ASEAN ecommerce market of more than USD 100 Billion by year 2025 (Google and Temasek 2019).

Figure 1 shows the expected projections of e commerce revenue in relation with Gross Domestic Product (GDP) for the world and ASEAN countries, with the base year as 2018.

It can be seen that e-commerce growth in ASEAN countries is expected to be much higher than the rest of the world. This above average growth can be contributed to the free trade and market integration with China and India.

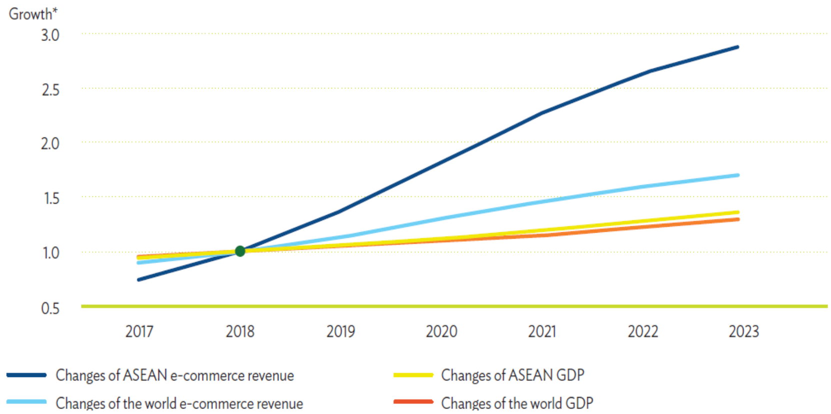
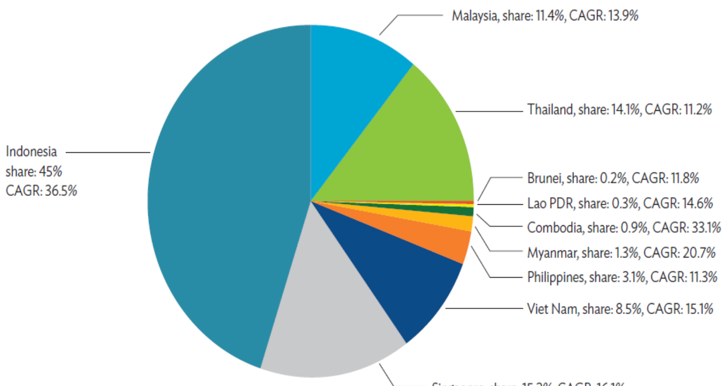


Figure 1.The share of ASEAN ecommerce revenues and CAGR. Clearly the leader is Indonesia followed Singapore and Thailand.



CAGR = compound annual growth rate.
Source: The author. Raw data from Statista (2019).

Figure 2.Country Share in the Regional Market

For e-commerce to flourish, a digitally integrated ecosystem that supports seamless flow of products, services, technology and information. International Telecommunication Union (ITU) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) (2019) propose better connectivity which can be reliable and safe. Hence their report states that "broadband adoption should be not just available, accessible, relevant and affordable, but also safe, trusted, empowering users and leading to positive impact" (ITU and UNESCO 2019: ix)

Baldwin (2016) discusses that a new type of globalization can be created with digitalization. This new pattern of globalization will lead to a shift in the division of labour and create new strategies for national development (Baldwin 2016, as Kimura (2018). Empirically, the World Bank (2009) estimates by increasing the penetration of wired- broadband has led to an increase in GDP by GDP by 1.2% to 1.4%. Kimura and Chen (2018). According to Chen (2017, 2019), for ecommerce to boom in ASEAN region, the following factors are critical - (i) reliable and high speed internet connectivity, (ii) logistics to facilitate the free flow of goods and services, (iii) financial connectivity to facilitate cash flows, and (iv) seamless links between cyberspace and the physical parts of the e-commerce network.

Research Objective

Based on the existing literature, the authors intend to study the (i) major challenges and growth drivers of E-commerce in ASEAN member countries and India and (ii) impact of social media in driving adoption of e-commerce.

Analysis and Findings

Based on the parameters mentioned under the research objectives and the research question, we have analyzed the following growth drivers impacting the E-commerce sector.

1) Government initiatives

Digital India, make in India, Start-up India, Skill India, Innovation Fund are few of the initiatives introduced by government in recent years. The timely and effective implementation of such programs will likely support the expansion of E-commerce within the country. The initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. are measures of digitization launched by Indian government. The 5G network rolled out will help boost E-commerce in India.

Whereas, in the ASEAN countries like Thailand, the Government Push for Thailand 4.0, the Thai government launched its “Thailand 4.0” economic model to reposition and strengthen the country’s economy from one that is production-based to one that is knowledge and services-based.

The government initiated both private and public sectors to make E-commerce accessible to citizens. Government has introduced an initiative named Pracharat Internet which is a project targeting villages where telecommunications and Internet services are not available. Under the project, people living in these areas will be provided with Internet speeds of 30 Mbps/10 Mbps to utilize online for healthcare access, educational purposes, or explore business opportunities.

The Indonesian government has finally adopted the initiative to outgrow the growth of e-commerce in its border. The government aims to reduce taxes for locals investing in start-ups and make easy taxation procedures for e-commerce start-ups with a turnover of less than Rs 4.8 billion a year so that the final income tax will only come to 1%.

2) Internet penetration

Internet is the fuel required for E-commerce functioning. Since internet is one of the prima facie need for E-commerce therefore there is a need to provide continuous uninterrupted internet service. Internet provides buyers in E-commerce platforms opportunity of window shopping and making reconciliation between different varieties, types and models of products and comparisons of their prices across various E-commerce vendors. Accessible internet on smart phones and other devices has led to a remarkable upliftment to E-commerce. For India, it has it can be said that there is huge scope of growth of E-commerce sector since the internet penetration is yet to see its peak which stands at 48.48% in 2019. Though it can be said that these figures are low but it also means that almost half of India which is 1.37 billion is having access to internet and have potential to shop online. When we talk about Indonesia the figures of internet penetration are better than India which is 68.34% in the year 2019. Whereas for Thailand it is 72% which is of course a boon for E-commerce sector in these countries.

3) Smartphone adoption

After internet the other major growth driver has been smartphones adoption. $119 billion worth of goods and services are being sold through mobile devices as per reports ABI research reports in 2015 which will grow exponentially in years to come. Smartphones helps in ease to access internet and to access various E-commerce apps and websites. Moreover, the use of smartphone gives users information about their transaction on E-commerce website or apps anytime anywhere at their convenience. The localization and personalization with the help of smartphones is immensely uplifting E-commerce sector. India has approximately more than 39% smartphone users. Whereas

Indonesia and Thailand were 63% and 72% respectively which is much higher as compared to India. There definitely India not only has a lot of work to do with regards to improving smartphone adoption but also it has huge scope with respect to making remarkable growth in E-commerce sector.

4) Logistics

Logistics holds the responsibility of efficient and timely delivery of the products and therefore even holds the responsibility of satisfying the customer which will ultimately result in repeat purchases. There are various aspects to logistics like Billing, Labelling, Inventory management, Warehousing and many more. One of the major aspects because of which India's E-commerce companies are flourishing is because of its logistics channel which is spread far and wide, and functioning at optimum level. The major players in Indian E-commerce sectors are Delhivery, Ekart, Amazon.com, Aramex, Blue Dart express, Mahindra logistics, etc. This is the area where Thailand and Indonesia have got a lot work to do since they don't have their rail transport running as efficiently as India's.

5) Evolution of new payments option

For Thailand the government is trying to increase card usage while spending online. They have also 5,50,000 electronic data capture terminals to aid card payments for online shoppers. The government also gives tax rebates to sellers to further boost this. The Indonesian central bank has announced to replace QR codes with QRIS which will have a single integrated platform for all transactions across the cities

Influence of Social Media

In recent years, social media has witnessed a vast transformation, customers everywhere use social media to extract information or gain knowledge about the product they are looking for. With the high use of social media, it has become evident for company to monitor consumer behavior and act according to it. Studying consumer behavior does not only help to understand consumer perception and interest but also helps the company to improvise on current strategies and adopt new ones. Every 7th person in this world uses Facebook, so an updated and multifunctional page can help companies attain a lot of business. Twitter is used by companies to provide required updates and helps is customer service. Short, delightful and knowledgeable videos on YouTube helps companies engage customers and build a brand value. Instagram is used to display content and products via images. LinkedIn is a website which is purely used for business, employment and networking related work. However, from the above-mentioned platform, Facebook leads as the top social networking site followed by YouTube, Instagram and Twitter. India has 320 million Facebook users whereas Indonesia and Thailand have 150 and 52 million users respectively. Thailand tops the list of internet users visiting social media with 78.7% whereas Indonesia has 61.8% users and India has 32.3% users.

Features of E-commerce

- **Technology being the mediator-**Where E-commerce is involved buyers and sellers meet on an online platform and no face-to-face interactions are involved. Therefore, technology plays a significant role.
- **Omniscience-**When you have an E-commerce website you can say that your store is visible around the world and it can be accessed from anywhere and at any time.
- **Intercommunication-**Through E-commerce technologies there is two-way communication between buyers and sellers. On one hand sellers have opportunity to communicate through their websites. Whereas on the other hand buyers have the opportunity to communicate through various online order forms, product reviews, writing their experiences. This has led to improvement in many ways possible.
- **Information Transfer-**Transfer of information has been at peak after E-commerce came into picture. Reliable information delivery at an unprecedented speed has also been a driver for its growth.

- **Completion of business process electronically-**At places where E-commerce is involved the transaction are majorly performed electronically. This also helps in systematic record keeping of transactions.
- **Interdisciplinary-**E-commerce implementation requires knowledge and knowhow in various disciplines like technology, legal and social issues. Apart from the above-mentioned disciplines knowledge of consumer behavior as well as marketing tools is important in designing an interactive website.

Challenges of E-Commerce

Nowadays people are more likely to buy and sell products over Internet services using e commerce websites. With increasing users and flexibility of usage, there arises challenges and drawbacks.

- **Poor Infrastructure:** Internet is most important infrastructural tool for E-commerce. Hence, uninterrupted, high bandwidth, speedy connection is important. Other infrastructural challenges include network provision, secure connection, developments of payment gateway and service providers.
- **Cybersecurity:** Cybersecurity is an essential tool as it defines cyber laws which is responsible to maintain trust, ensure smooth business, data privacy, maintain content rights in an e commerce business. Indonesia ranks 2^{nd} in terms of cyber security, India ranks 15^{th} whereas Thailand ranks 34^{th}.
- **Consumer's perception:** In comparison to traditional service processing methods, e commerce seems to be artificial, imaginary and fabricated. Consumer feels the dependency of Internet and are concerned about data privacy. Consumers are exposed to possible frauds, threats, spoofed information and risk of identity which raises fear and discomfort in perceiving E-commerce.

Conclusion

Studying the E-commerce trends across these different regions shows different approaches needed to expand. The ASEAN nations have to target strategic maximization of the existing population as majority of their population has access to and is well adopted to Smartphones and Internet usage. These nations are striving towards innovation and resilience.

They need to focus more on aggressive marketing campaigns in order to entice the audiences and increase engagement. The ASEAN nations can focus on increasing revenues from the existing users by incorporating bundling/tying techniques and offering fidelity rebates or loyalty discount schemes. On the other hand, India needs to primarily expand by overcoming the current challenges and creating a more educated and trustworthy digital society as India faces the problem of digital illiteracy. E-commerce remains far away from the majority. Hence, localization of services would help acquire more customers in Tier II and Tier III cities. The focus needs to be towards enlargement of E-commerce and developing digital services in areas besides the metropolitan cities.

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08

India-Opportunities for Electronic Goods Export

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Abstract

India has become a member of the ASEAN Regional Forum in 1996 In August 2009 India has signed a free trade agreement with ASEAN member countries to remove the import tariff on more than 80%of traded products. This has led to the great opportunities for India and ASEAN countries to increase their export.

The Indian Electronics market is exponentially growing and India earns most of its income via exports of electronics. Electronics enable engineers and inventors to create solutions that tackle the world's problems and improve lives. As Electronics plays such a huge role across a whole range of technologies, collaborations between different designers, manufacturers and producers are often needed. Though electronics is a market that is eternally evolving and changing, but to compensate we do have brilliant minds that can come up with significant upgrades that can conquer the market. This research has tried to find out the pull factors to boost electronic export. Here we have also tried to find out the challenges for the growth f electronic goods export. The Government expects at least Rs 52,000 crore investment in electronic component manufacturing under the production linked incentive skills. Although the numbers look impressive, the analysis pointed out that value addition is limited. There are also some serious challenges due to which the small and medium-sized (SME) electronic manufacturers are struggling. These are some of the

factors to be looked upon to sustain the place in the market. There are some sustainability measures we can look upon in order to overcome these issues. Certain measures to sustain only goes further to prove that electronics will become the next market India to conquer. As Information about India's Electronics production in 2015 represents 6 Billion worth of exports, India must seize the opportunity to conquer this market even though India hasn't had a lot of luck so far, But India's skill set that urges development and has the power to make a considerable impact in this field as well.

Keywords: Electronics, India, Growth, Export, Significant change.

Introduction

The Indian Electronics market is exponentially growing and India earns most of its income via exports of electronics and goods. Though electronics is a market that is eternally evolving and changing, but to compensate we do have brilliant minds that can come up with significant upgrades that can conquer the market.

The electronics industry is also responsible for the creation of new technology that all consumers use or will be using in the future. There are lots of different subsets of the electronics industry.

History of Exports of electronics goods in India

In the 1960s, the Indian electronics industry began. However, it was implemented following the sweeping economic growth which occurred in the globalization of trade. Two strong factors motivated economic transformation around the world: the goal to accelerate economic growth and accelerate the rise of export-oriented industries.

The domestic electronic industry also gave a positive nod to the policies of the government.

The Indian Electronics Industry has always been a great opportunity for investors who see India as a potential investment opportunity. Due to its growth, Employment has also considerably increased. trade Begin by finding source number seven in the source list: Large numbers of electronics engineers and electronics technicians are employed to design, develop, test, manufacture, install, and repair electrical and electronic equipment such as communication equipment, medical monitoring devices, navigational equipment, and computers, as shown in a report filed to the Institute of Management Technology on 2015-01-28.5 million television sets, 6 million radios, 5 million tape recorders, 5 million electronic watches, and 140000 videocassette recorders were developed in 1990. The Indian engineering sector is large and varied and provided around 12 % of India's exports in the mid-1990s. Three subsectors, electronics, and motor vehicles are dynamic in all the sectors.

Need of Study

The need to study growth is mainly to find out the dynamics of the electronic industry. Also, to know its impact on India’s GDP as Electronic Industry Contributes majorly to the GDP of India. The Growth Graph is exponential and there are high chances that it can grow even more due to the pull factors mentioned above.

Objectives of the study

- To analyze the performances and opportunities for the electronic goods manufacturing industry during covid-19
- To understand the electronic market scenario at the global and domestic level
- To find out the factors determining the electronic manufacturing industry in India

Research Methodology

The data was collected from a secondary sources like magazines, journals, research reports. also, the various databases have been used like ProQuest, J-gate, Ebsco for the literature review purpose.

Data Analysis

Electronics industry post COVID-19

In this lockdown, electronics have become a vital part of every household, from wifi to the tv, to the house systems and mobile phones, along with laptops, and air conditioners all those constantly evolving. Many companies also took advantage of the idle time that people were spending at home during quarantine and then subsequently launched ad campaigns on the internet to increase sales and promote products as impulse buying had increased a whooping % this quarantine.

Covid struck down many businesses but boomed online businesses as people had just one connection to the rest of the world and that was through electronics, and everyone being home from their jobs, and continuously being on their phones or laptops only brought more attention to electronics and brought about a rapid change and development in electronics to suit the needs and tastes of customers. Online businesses boomed and the online advertisement sector experienced unprecedented growth due to all manufacturers wanting to promote online.

Electronic market at global and domestic level

The market is ever-evolving and is usually determined by the forces of demand and supply. A company in order to get on the lists of customers has to constantly keep a check of the rising trends, the competitors' pitches, the changing demand, and other factors.

The global market is a lot of areas to cover but also uncovers a sea of possibilities that then open to unchartered doors to innovation and improvements. Technology similarly is a very volatile market and while it definitely invites hits and misses of its own. The range of possibilities and new products is endless.

With electronics, there is a new product launching each month, or even each week for that matter. The evolution of electronics has only grown due to the constant study of the market and the study of how to make a product more customer-friendly. How to approach different target markets in a skilled and unique way as to trademark a particular thought process or any entity, which then creates a monopoly with a specific customer group, the most common example being an apple, and how they target teens, and learn their tastes and aesthetic to then modify and bring out new products, which only attract more and more new generations.

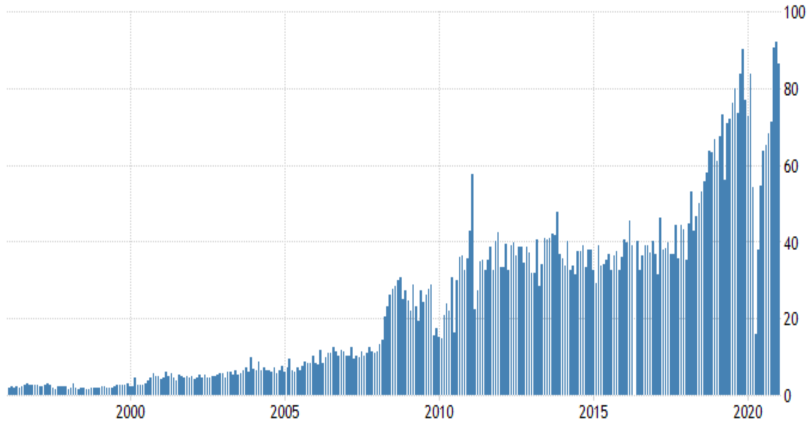
It all comes to the theory of “CUSTOMER IS THE KING” and how everyone must evolve in order to stay in the race that is evolution.

India being a developed country, encourages products that suit all price ranges, the population being humongous, it is only fair that all new launching products get a fair launching pad and a landing zone.

All three types of people that are found in India: the rich, the middle class, and the poor, provide a market that is undeniable and can help any company explore relentlessly along the lines of innovation and new possibilities.

Electronics are a huge part of manufacturing in India, and under the make in India movements more and more companies like mini and oppo have come up and made it their USP, hence conquering markets at all levels, the rich, the middle class, and the poor, only then will the company be able to determine and take into consideration a fair judgment about how and what new steps they could take and what new adjustments they could make in order to do better, or conquer more of the market.

As we can see, gradually increasing exports of electronics goods from 1991 to January 2021.



India Exports of Electronic Goods 1991-2021 Data

Government Schemes

SPECS

Scheme (SPECS) provides an incentive of 26% on the capital expenditure for growth of the industry.

The scheme gives a financial incentive of 25% on capital expenditure for the identified list of electronic goods.

The PLI Scheme

PLI Increase incremental production and get inventive. This means, increase your production and earning the incentive.

For a period of five years, the PLI Scheme will provide corporations with a 4% to 6% incentive on incremental sales (over a base year) of goods manufactured in India and fell into some of these target segments.

NPE 2019

According to the policy's roadmap, many schemes, initiatives, projects, and measures for the growth of the ESDM sector in the country will be developed.

The NPE 2019's major impacts will lead to the formation of many schemes, initiatives, projects, and other activities for the growth of the ESDM sector in the country, in conjunction with the relevant Ministries/Departments.

Potential domestic demand and government plans to enhance electronic exports are both pull factors.

One of the important pull factors because of which Electronics exports in India has highly impacted is abhorrent trade relations between China and the U.S. due to COVID. In recent years, the government has launched some schemes to boost the local manufacturing of electronic goods.

Scope for future growth

India is on the list of most rapidly developing countries in the world, But still, it is lagging in the competitive electronics manufacturing industry. India has witnessed rapid growth in recent years, But still, it highly relies on electronic goods import. Despite this, it is expected that the consumer electronics and appliances market in India will be the 5th largest in the world by 2025.

There is a significant change in the government policies mainly related to the regulatory and business conditions. The government has introduced various initiatives such as MAKE IN INDIA and DIGITAL INDIA to support and encourage domestic manufacturing. According to the national policy for electronics NPE, There will be a significant rise in the demand for electronics in India over the coming years.

This rising demand for electronics goods has given India the scope for electronic system design and the manufacturing sector to flourish. There is a huge demand for mobile phones, televisions, and various other electronic products. During this COVID-19 Pandemic, Various electronics manufacturing companies have made their mind To set up their manufacturing plants in India.

The most essential parameter for the growth of the electronic manufacturing industry in India is to develop the SME sector. This small-medium enterprise will provide The Indian manufacturing industries with all the electronics parts required for the production of electronic goods this will also boost job creation.

The NATIONAL ELECTRONICS POLICY 2019 was just approved by the union cabinet, with a focus on increasing local electronics output. In ESDM, NPE 2019 intends to boost domestic manufacturing and exports. A turnover of 400 billion US dollars. This policy is expected to provide employment for approximately 10 million people by 2025. the main purpose of this policy is to develop a manufacturing base for the electronics industries in India.

In order to empower citizens with the knowledge of how to utilise IT and mobile devices, the Indian government seeks to empower at least one person per family with digital literacy skills. Companies like Apple, Samsung, Intel, Wistron, Pegatron, Tesla among 36 Companies looking to invest in India. The Government expects at least Rs 51,000 crore investment in electronic component manufacturing under the production linked incentive skills.

Manufacturing Laptops and tablets locally a $101bn opportunity for India and Lenovo to start manufacturing Apple, Samsung, Intel, Wistron, Pegatron, Tesla the lll among 37 Companies looking to invest in India.

Conclusion

The Indian electronic industry has improved throughout the board, not just in one sector. In spite of considerable success in the electronic sector, the small and medium-sized electronic manufacturers need improvement.

During our research, we have identified that in order to become an electronics manufacturing hub India needs to improve its infrastructure, domestic supply chain and logistics, design capabilities, and R&D, skill development, high cost of finance.

Indian electronic market is ever-evolving and changing and not to mention how brilliant minds can come up with significant upgrades that can conquer the market.

All these incentives are taken by the government only to go further to prove that electronics will become the next market India will conquer.

India must seize the opportunity to conquer this market, but India's skillset urges development and has the power to make a considerable impact in this field as well

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09

An Exploratory Study on India-China Trade in Electronic Good with Reference to Mobile Phones

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Abstract

The electronics industry in India is one of the most diversified and dynamic sectors, evolving rapidly with continuous innovations. China consolidated its position as the 2nd largest producer of electronic goods. China being the hub of the manufacturing, many countries, including India, are heavily dependent on it with respect to trade of electronic goods. Factors that make China a leading manufacturing hub are significant scale capital investments, low-cost goods, low taxes, duties and high production volume. However, recent events such as COVID -19 and Border disputes had a significant impact on trade. Due to COVID-19, many industries that manufacture electronic goods were shut down, so major exports were brought to a halt to avoid the virus's spread. India China relations were affected due to recent (5 May 2020) border disputes.

India is dependent on China for electronics goods, especially smartphones. India faced difficulties with meeting market needs. Owing to the global pandemic, the production of electronics goods in China has seen a steep downfall that directly impacted the Indian markets. This forced India to take significant steps to cope up with the increasing market demand. Union Minister for Electronics & IT, Ravi Shankar Prasad, has launched three major schemes to boost electronics manufacturing in the country. Production Linked Incentive

Scheme (PLI) aims for large-scale electronics manufacturing. The other two schemes, namely "Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) & Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme", were also launched. Apart from these schemes, India took some firm initiatives such as "Make in India" and "Aatma Nirbhar Bharat Abhiyan", which encouraged local entrepreneurs to participate actively and derive benefits-also attracted investments in India from foreign companies, which brought India one step closer from becoming independent from China's trading partner for electronics goods.

The current study focuses on import of smartphones from China and various factors associated with smart phone manufacturing ecosystem existing in India. Another objective is to understand India's capability and potential for becoming a leading smartphone manufacturer thereby reducing dependency on China.

Keywords: Production Linked Initiative (PLI), Electronics Manufacturing Clusters (EMC 2.0), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS), International Trade, India-China, Smartphones, Atmanirbhar Bharat, Make in India

Introduction

Communication plays a vital role in the social advancement of a country. Changes in telecommunication technologies have an impact on the evolving needs in the market. Therefore, the electronics industry is a sector that has to adapt to these changes as it provides a technological foundation for communication. Countries are achieving a great revolution in IT, especially smartphones, which can capture a huge market due to their productivity and better connectivity. China is one of those countries to achieve an apex position and dominate the market.

This has given China an upper hand in the trade of electronic goods with other countries. As a smartphone is an essential need in telecommunication, it has greater penetration in the market, and many smartphone manufacturing companies take advantage of these emerging demands.

Globally, smartphone vendors shipped a total of 275.1 million units in the first quarter of 2020, with over two-thirds of manufacturing done in China. About 37 per cent of total imports of electronics goods were made in India from 2019 to 2020. This shows that China has developed a remarkable lead in the global smartphone market and simultaneously increased India's dependency. Some of the reasons behind China being dominating country in the market are because of its characteristics like population where China has 1.39 billion people, which makes it the most populous country in the world, which helps bulk production, accommodate any seasonal industry requirement, creating economies of scale and catering to sudden rises in the demand schedule. Also, China's lower tax rates encourage the low production cost, thereby enabling the country to massive FDIs from companies looking to produce low-cost goods. At the same time, China remains considerate of the yuan's appreciation via selling yuan and buying dollars leading to a common currency and results in the weaker yuan making China’s exports more attractive.

This introduction helps to understand China’s manufacturing power and drives other countries to create a path to achieve the same dominant market stand.

Literature Review

China is a vibrant manufacturing hub for electronic items. It has acquired a dominant position in the electronic world market. China has been exporting its smartphones and other products required for manufacturing smartphones. India before the pandemic used to import over $75 billion worth of goods from China, which is the largest source of imports for India. Every month, India approximately imports mobile components worth ₹7,000-8,000 crore from China, contributing to an estimated 60 per cent of the market share of mobile phone sales in India. This excludes Apple, which is not entirely manufactured in China, and components that go to other non-Chinese brands. If we add these, China's total share in mobile phones could be over 75 per cent. However, its seen that there is a gradual decrease in import from China since 2019. India is trying to be completely independent by manufacturing the components. We can see a research gap between import and export too. India has increased its product export in other countries too. India has started manufacturing its own smartphones and import from other countries like Vietnam, USA but not from China.

The study of Jena. J et al. (2016) identified fifteen critical success factors that facilitate smartphone manufacturing in India. The study also focused on the main drivers of the ecosystem that required the attention of the decision makers.

Another study by Jena. J et al. (2017) provided an overview of ecosystem indices of successful smartphone manufacturing countries like China and South Korea. After comparing the key manufacturing parameters with India the study suggested creation of a conducive ecosystem for the growth of smartphone manufacturing and converting India into a manufacturing hub.

To further the agenda different schemes are launched to motivate Indian manufacturers to set up production infrastructure in India. Three major schemes to boost electronics manufacturing in the country are-Production Linked Incentive Scheme (PLI) targets large-scale electronics manufacturing. The other two schemes, namely Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, was also launched. The Indian government is even giving additional incentives to the manufacturers. Because of investment friendly ecosystem available, other foreign based companies have also started investing in India since the launch of the schemes.

Almost 1.35 crore billion has been invested by companies that have invested in China in the past years.

It can therefore be concluded that the way our country is launching different initiatives, that by 2025, we will be almost independent of China. Furthermore, we can see the difference between the pre-COVID and post COVID situation and how fast India is growing with a decreased in import and an increase in the export of products from our country.

Schemes Introduced in Make in India and Atmanirbhar Bharat

IT Minister Ravi Shankar Prasad, earlier in June 2020, announced the launch of a $6 billion plan to strengthen India’s electronic manufacturing. With him, Union Minister for Electronics has launched three major schemes to boost electronics manufacturing in the country. Production Linked Incentive Scheme (PLI) aims for large-scale electronics manufacturing. The other two schemes, namely "Scheme for Promotion of Manufacturing of Electronic Components & Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme", were also launched. This will generate manufacturing of electronics components worth Rs 10 lakh crore by 2025

- **Production Linked Incentives Scheme (PLI)**

Production-Linked incentive invites foreign companies to set up India units and aims to give companies incentives on incremental sales from products manufactured domestically. The Scheme also encourages local companies to set up / expand existing manufacturing units, thus generating more employment cutting down the country's reliance on imports from other countries.

Finance minister N. Sitharaman, while presenting the union budget, announced that the government plans to invest Rs 1.97 lakh crore on various Production Linked Incentive (PLI) schemes in the next five years, adding to the Rs 40,951 crore announced for the PLI for electronic manufacturing schemes.

- **Purpose of the PLI Scheme**

The PLI Scheme was widened to cover more products with the vision of:

1. Protecting identified product areas in India
2. Introducing non-tariff measures to make imports cheaper.
3. Acknowledging the relevance of exports in overall growth strategy while focussing more on the domestic market
4. Promoting domestic manufacturing by offering production incentives and encourage investments both from outside and within.

Eligibility criteria for PLI Scheme

An applicant must withstand the incremental investment (i.e. threshold criteria that is a minimum of ₹ ten crore for MSME or ₹100 crore for others and a maximum of ₹1000 crore) for eligibility of disbursement of incentive for the same year. To meet the minimum criteria of incremental investment for any year, the cumulative value of investment (including the year under consideration) done till such year over the Base Year (2019-20) shall be considered.

Incentives

A 4-6% incentive to mobile phone manufactures and other components manufacture such as transistors, diodes, resistors, capacitors and nano-electronic components as electromechanical systems. According to the Scheme, mobile phone manufactures who sell for ₹15,000 or more will receive incentives up to 6 per cent on outgrown sales of all such Indian made mobile phones.

Tenure of the Schemes

Tenure of the Production Linked Incentive Scheme is FY 2020-21 to FY 2029-30. The base year of the Scheme is FY 2019-20.

Scheme for Promotion of Manufacturing of Electronic Components & Semiconductors (SPECS)

It aims to target the manufacturing of electronic components and semiconductors through schemes that will help them meet domestic demand, increase value addition, and promote employment opportunities in this sector.

Eligibility

1. SPECS will apply to the diversification of existing units and investments in new units and expand capacity/modernisation.
2. The application can be filled till 31 March 2023.
3. The application can be filled with any entity registered in India.
4. An applicant can make multiple applications and /or for multiple locations.
5. The Scheme benefits will be available for a minimum investment made within five years from the date of acknowledgement of the application.

Incentives

SPECS offers a financial incentive of twenty-five per cent of the capital expenditure incurred for the manufacturing of specified components and semiconductor that (Policies, n.d.) (Atul bist, n.d.) (Policies, n.d.) (Tarun Pathak, 2016) (Yadav, 2014) (Atul bist, n.d.)constitute the supply chain of an electronic manufacturing ecosystem.

1. The capital expenditure shall include associated utilities and technology in plant, machinery and equipment for research and development.
2. To calculate the eligible capital expenditure, the total value of the refurbished plant, machinery and equipment (including R&D), whether domestically procured or imported, shall not succeed 20% of the total eligible capital expenditure.
3. The unit receiving incentives under SPECS will have to remain in commercial production for at least three years from the

commencement of production or one year from receipt of the last incentive.

The GoI's estimate incentive outlay under SPECS is INR 3252 Cr (i.e. approx. USD 425 million)

Tenure

The Scheme will remain open for applications initially for three years from the date of notification. Availability of incentives will be for the investment made within five years from the application's date of acknowledgement.

➢ **Electronic Manufacturing Clusters (EMC 2.0)**

Aims and Objectives

1. The Electronics Manufacturing Clusters (EMC 2.0) Scheme would support the setting up of both Electronics Manufacturing Clusters (EMCs) and Common Facility Centers (CFCs).
2. It is expected that these EMCs would ensure the growth of the ESDM (Electronic system and design manufacturing) sector and help develop the entrepreneurial ecosystem.
3. It will drive innovation and contribute to the region's economic growth by attracting investments in the sector.
4. It helps in increasing the employment opportunities, and thus tax revenues will also increase.
5. It will upgrade the electronics industry's infrastructure base and stimulate the electronics value chain.

Eligibility

1. **The requirement of Anchor Units**

a. Purchase/lease at-least 20% of the land area
b. A minimum investment commitment of INR 300 crore (INR 150 Crore for North-Eastern States, Hill States, UTs)

2. **EMC Projects**

a. Financial incentives of up to 50% of the project cost will be awarded, subject to a ceiling of INR 70 crore for every 100 acres of land.
b. New Projects:

i. Minimum Land Area: 200 acres (100 acres for North-Eastern States, Hill States, UTs)

ii. Overall ceiling: INR 350 crore per project

Expansion-Related Projects

c. Minimum Land Area: 100 acres adjoining (50 acres adjoining for North-Eastern States, Hill States, UTs)

d. 80% of saleable/leasable land should be allotted to ESDM units

e. At least 50% of land allotted should have started production activity

Common Facility Centres (CFC)

a. 75% of the project cost will be awarded, subject to a ceiling of INR 75 crore

b. Five electronics manufacturing units identified as users

Benefits

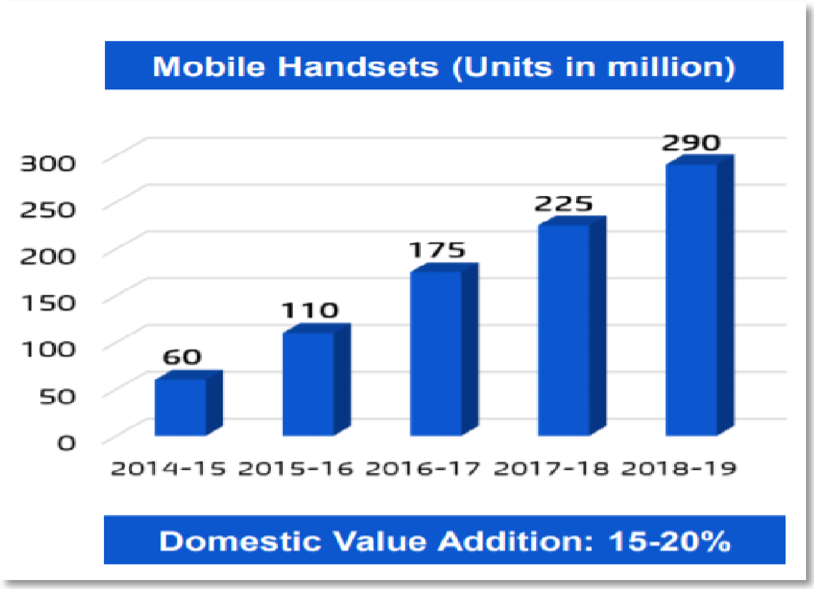
Creating a sturdy infrastructure base for the electronic industry to attract the investment flow in the ESDM sector and lead to more excellent employment opportunities. Following are the expected outputs/ outcomes for the Scheme:

1. Availability of ready infrastructure and Plug & Play facility for attracting investment in the electronics sector:
2. New investment in the electronics sector
3. Jobs created by the manufacturing units;

4. Revenue in the form of taxes paid by the manufacturing units

Tenure

EMC 2.0 will be open for application for three years. Additionally, a period of 5 years will be available for disbursement of funds as well.



Investment

Schemes approved by the government caught the attention of domestic manufacturers such as Lava, Bhagwati (Micromax), Padget Electronics, UTL Neolyncs and Optiemus Electronics.

It also attracted international mobile phone manufacturing companies under mobile phone segments, such as Samsung, Foxconn Hon Hai, Rising Star, Wistron and Pegatron.

2. Research Methodology

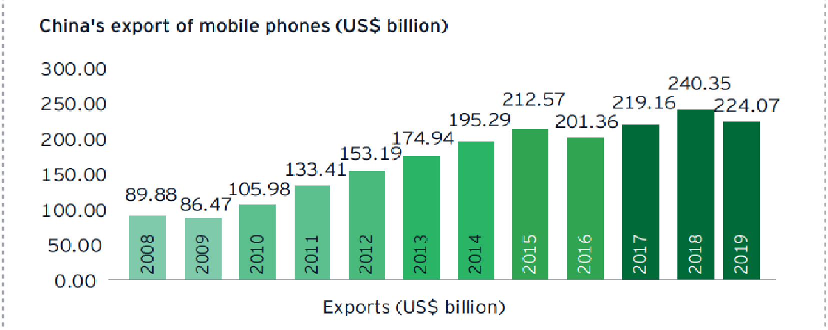
Research Design –The current study is an exploratory study based on secondary sources of data. The objective of the study is to understand the factors driving smart phone manufacturing in India in order to achieve self- sufficiency.

Data collection method - The data has been collected from various sites and web pages. Also, we had referred to some research papers for this purpose.

Research approach-Secondary research has been conducted by collecting data from various sources. Qualitatively as well as quantitatively examination, was done with the help of bar diagrams. The data which was collected was from recent years.

Data Analysis

A. China's export of mobile phones



Source: ITC Trade Map[44]

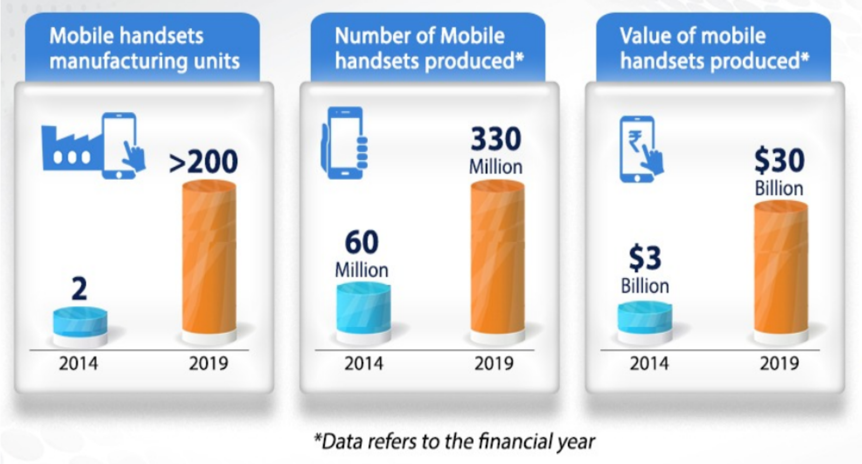
The above graph shows an upward trend with every coming year, and we can say that China plays dominant power above all other countries. Currently, China dominates not only smartphones but also smartphone brands globally. Of the world's top seven smartphones, five are Chinese: Huawei, Lenovo, Oppo, Vivo and Xiaomi, according to Beijing – based Counterpoint Research.

CK Lu, a senior director at research firm Gartner, said that things are changing with Smartphone brands seeking to mitigate risk and "not have production centred in just one country" says. According to him, the pandemic plays an essential role in risk calculations. After Chinese factories were forced to shut down earlier, smartphone makers strained to meet shipment targets and also China's share of global smartphone production fell from 75%in 2016 to 68% in 2019.

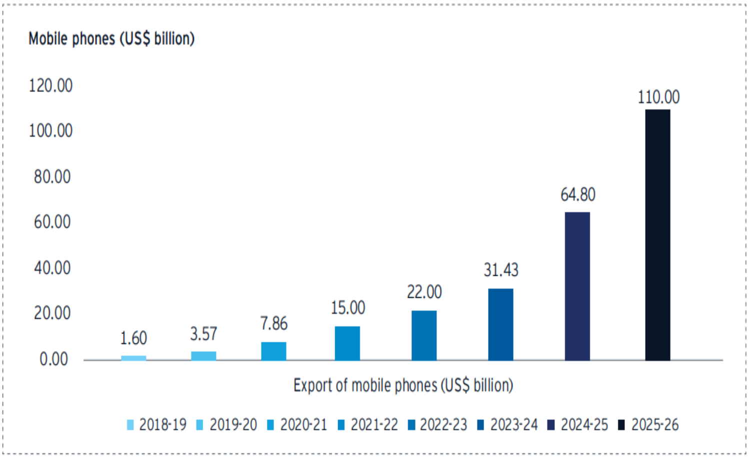
This highlighted a need to diversify production facilities. India is very efficiently working on this need and simultaneously trying to boost up local production. Due to certain factors like COVID -19, Border Disputes and trade tension between the US and China, India can be seen as a potential manufacturing replacement.

Findings

After analysing the relationship of trade of electronics goods, especially smartphones, between India – China, we studied various factors which act as a key towards the rise of independent India. Some of the factors on which we focused were schemes, initiatives and investments.



India was able to manufacture around 330 million smartphones and showed a growth of 200 per cent by the year 2019 itself, at a value of 30 million dollars. Also, in the last five years, more than 200 mobile phones manufacturing units have been set up in India. This has seen as a great opportunity by companies to consider India as a destination in the electronics system design and manufacturing sector and to be a part of the following manufacturing hub of the world.



The above graph observed that there is a gradual growth in the export of mobile phones past 2010-20 in India, but with the evolving market and its needs, we can expect substantial growth in the upcoming years. Even though China remains the leader in electronics manufacturing, firms are moving capacities to India to reduce dependency on the former. Incentives offered by the various schemes and with the initiatives introduced by India, local and international companies are attracted to invest and take advantage of these benefits. As a result, India's mobile phone export is expected to hit 100 billion dollars by 2025-26.

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10

MSMEs-Growth Engine for Economy

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Abstract

This paper is prepared with the objective to study an overview and performance of MSME sector in India. MSMEs are highly favourable to the large industries as they provide necessary support for the growth of these industries. This leads to development of economic and social factors in the country by nurturing entrepreneurship and facilitating employment opportunities with effective cost of capital. With revised MSME definition we are looking at greater investment supplemented with increased output thus nudging export capabilities. This paper is an attempt to explain the opportunity for this sector in India to achieve its economic growth and become an integral part for the world's supply chain with its exports. With success of MSME grievance redressal portal along with four new labour code passed to encourage formalization in employment, The Code proposes the establishment of a National Social Security Board for recommending to the central government the formulationof schemes for the various sections of un-organized, gig and platform workers while making conditions for legal strikes more stringent.

Keywords: MSME, Export, Labour Code, PLI, CHAMPION.

Introduction and Overview

Micro, small and medium enterprises MSMEs are the enterprise which are small in terms of size and value but are large in numbers which makes them an imperative sector for the growth of a nation. It Constitute over 90% of total enterprises in the country in most of the economies which makes them the backbone of economy of any country. Countries like China, Japan and Germany who are above India in terms of nominal GDP get more than half of their GDP from their MSMEs while India the 4th in terms of nominal GDP still makes 33% of its GDP from its MSMEs, this leaves India lots of potential to grow its economy with developing its MSMEs. India has large MSMEs base second only to China.

Problems Faced by MSME

1. **Credit conundrum:** The total credit need for MSME sector is around rupees 2600 lakh crore, but formal available credit to this sector is just rupees 1150 lakh crore.
2. **Large in-formalization:** The main reason for credit gap is the lack of formalization in MSMEsector. There are approximately 6.3 Cr. MSMEs but only 1.1 Cr. are register with GST and there are very less number of taxpayers.
3. **Regulatory problems:** Cumbersome government services and approvals makes entrepreneurs run around various government department like getting construction permits, enforcing contracts, tax process etc.
4. **Scaling up issues:** As per official estimates from 6.3 crore MSMEs approximately 99.56% are micro enterprises which means less than 1% is being constituted by small and medium enterprises.

Previous Existing MSME classification

Classification	Micro	Small	Medium
Manufacturing Ent.	Investment < Rs. 25 Lac	Investment < Rs. 5 Cr.	Investment < Rs. 10 Cr.
Service Ent.	Investment < Rs. 10 Lac	Investment < Rs. 2 Cr.	Investment < Rs. 5 cr.

Revised MSME Classification

Classification	Micro	Small	Medium
ufacturing and Services	Investment < Rs. 1 Cr.& Turnover .< Rs. 5 Cr.	Investment < Rs. 10 Cr.& Turnover < Rs. 50 Cr.	Investment < Rs. 50 Cr.& Turnover < Rs. 250 Cr.

The table shows the old criteria for classification of MSMEs, and the lower part of the table shows the revised criteria, in which the turnover calculation for MSMEs inclusion will not include export proceeds made by the enterprises which will cover a greater number of enterprises under its umbrella which will not only help them to get the benefits that are exclusive to the MSMEs, but also promote export

Benefits to MSMEs

1. The MSMEs can avail collateral free and cheap loan on credit linked guarantee scheme which will help to have good working capital for running the enterprises smoothly. Reservebank of India (RBI) has also put MSME loan under priority sector lending [11].
2. 1% less interest on bank overdraft which will be good to avoid any late payment interests.
3. Easier and cheaper licenses for example if a MSMEs apply for ISO certification and get the said then they will be reimbursed by the government [11].
4. Lot of government tenders are only made available to MSME sector.
5. Up to 50% off on patents which is important to safe innovation in

this sector [11].

6. Tax rebate, wavier of registration fees, tax exemption on initial part of the commencementwhich is crucial to have stability in cash flow of the enterprise [11].

Objectives

1) To evaluate the contributions of MSMEs towards growth of India and to study factorsinfluencing the sectors in the country.
2) To highlight various government schemes for MSMEs promotion.
3) To review government incentives in different sectors like Active Pharmaceutical Ingredients, PLI, Equipment and National Infrastructure Pipeline.
4) To identify the issues faced by MSMEs and recommendation to sort out the same.

Literature Review

Dr. R. R. Chavan (2020) The research paper 'Analysis of export performance: MSMEs in India' was focused on MSME export products and the benefit they get from exporting from the government like the Zero Defect Zero Effect model, Merchandize Exports from India Scheme, Service Exports from India Scheme, etc. The researchers had an optimistic view point on the potential future of India's MSME. They mentioned to continue the research with a comparative study with respect to other proficient exporting countries. The following research will put further light on the remaining topics like problem of MSMEs, certain product opportunities, infrastructure importance for the development of the MSMEs, etc.

Dr. Suhail Mohommad Ghouse (2014) The research paper 'Export competitiveness of India: The role of MSMEs to play!' studied the export performance of India as well as successfully emerging nations with respect to MSMEs in those countries. This would help to increase efficiency of export performance in those countries.

Data Collection

One of the major factors that influence the exports from the MSME is the logistic cost and infrastructure of the country. Major economy around the world has 8-10 % logistic cost of their GDPwhile India has 14% of their GDP, which means the movement of goods and services are at higher prices with added time. Even when we compare with China, the current manufacturing hub of the world, the average cost to export or import one container in India is 72% higher than China. The government of India with regards to the above issue has set-up multi-modal logistic park (MMlP) which is a location which provide essential facilities like high volume warehouse, cold storage, yard easy custom clearance and many other to address the infrastructure issue of the country. Total 35 MMLPs is going to be prepared by the government in 35 different locations out of which 24 are going to be situated on the national corridors. The ministry of road transport and highways will be assisting the states for preparations of detailed project reports (DPRs) for logistic parks, the provision of road connectivity to the MMLPs, to coordinate with the ministries of railways and shipping for connectivity to other modes like rail and inland waterways. India's 1st MMLP is in Assam and Gujarat government has signs pact with Adani port to setup India's largest MMLP at Sanand in Gujarat with an estimate investment of 50,000 crore which will be connected to Delhi- Mumbai industrial corridor.

Government schemes for MSMEs

1. **Zero defect zero affect–**This scheme was introduced by the government to promote entrepreneur goods and services which stand on international standards. In this scheme if a MSME export goods or services and if it is successful then they can claim for rebate and subsidies from the government.
2. **Quality technology tools–**In this scheme there are expert institutes like quality council of India, consultancy development cooperation, standardize testing and quality certification who will help the entrepreneurs of MSMEs sector to upgrade their business model

incorporating new technology and advancement.

3. **Credit linked capital subsidy scheme–**This scheme encourages to use new machines in the business while government will give subsidy on these purchases. This government subsidy also acts as a guarantee for credit amount.
4. **Incubation–**Innovation and new ideas is sole purpose of this scheme as it provides 75%-80% financial assistance to individuals whose idea is approved by appointed committee.
5. **Women entrepreneurship–**This scheme empowers women entrepreneur by providing training, capital support and counselling to them.

Government Policies & Schemes

Government approves Rs 2 Lakh crore PLI scheme for 10 sectors

To make Indian manufacturers globally competitive, to attract investment and to enhance exports thegovernment of India approved Rs 2 lakh crore for 10 sectors includes Advance Chemistry Cell (ACC), Electronics and technology products, automobiles and auto components, pharmaceuticals and drugs, telecom and networking products, textiles products, food products, high efficiency solar PV modules, white goods and speciality steel. By decreasing cost of manufacturing and increasing investment from outside India, PLI scheme aims to make the share of the manufacturing sector inthe GDP to USD 1 trillion by 2025. Scheme working on increasing production of domestic manufacturer as well as to reduce dependency on imports by achieving better economies of scale to become export competitive. Cabinet approved this scheme in order to strengthening production capabilities of manufacturing sectors thereby motivating domestic industries to participate in global value chains. For telecom equipment sector which import huge amount of material, Union Cabinet approved around Rs.12,195 crore production-linked incentive (PLI) scheme. It will boost made in India products an definitely help Micro, Small and Medium Enterprises (MSMEs) to grow rapidly. In telecom equipment, government is hoping that production in the sector will increase by Rs. 2,44,200 crore, exports worth Rs 1,95,360 crore, 40,000 new jobs, and Rs 17,000 crore worth of tax revenue in the coming five years. The scheme will start from April 1, 2021. It will cover core transmission equipment, Internet of Things (IoT) access devices, enterprise equipment like switches and router, 4G/5G next-generation radio access network and wireless equipment, and access and customer premise equipment (CPE).

Government has given go ahead to the proposal of Rs. 18000 crore Production-linked Incentive(PLI) scheme for advance chemistry cell (ACC) battery manufacturing. Looking forward the emerging sector of electric vehicles few companies planning to produce lithium-ion cells in the country using advantage of subsidies offered in the scheme. PLI scheme gives local manufacturers a platform to boost exports, increase global competitiveness and to achieve economies of scale by producing cutting edge products. The government also looking forward to push India towards clean energy and transportation with a target of 450 GW of renewable power generation by 2020. Government also emphasizes on 360-degree supply of power from renewable energy including energy storage, through ACC batteries.

Active Pharmaceutical Ingredient (API) is nothing but active ingredient present in medicine. For example, to relieve pain an active ingredient is included in a painkiller. This is known as API. Active ingredient contained in medicine with small tiny amount, though it has a strong effect. Indiandrug companies are heavily dependent on china for the key starting material and API. API are basically starting material required to make a drug. We import almost 70% of APIs. India is known as pharmacy of the world and it is true to a large extent. We export almost 80% of the finished pharma goods across the world. However Indian manufactures still depend heavily on China for important APIs. So, in order to counter this dependency of India, Indian government has taken a series of strong measures to boost local manufacturing, they have approved a production linked incentive scheme under the theme of "Atmanirbhar Bharat". The Indian Government declared the plans to manufacturing of 53 critical APIs and intermediates locally. Also, government sanctioned around Rs 9000 Cr for bulk drug and Rs 3000 Cr for bulk drug parks in order to increase the competitiveness, easy access to standard testing and infrastructure, and improving the worth of the domestic bulk drug industry. If these bulk drug parks get proper attention with management, it will lower the manufacturing cost of bulk drugs in the country and ultimately results into increase competitiveness in the domestic bulk drug industry. Department of Pharmaceuticals (DoP) is planning to increase custom duty on imported APIs by 10-15 percent to support local production andpush India for self-reliant.

National Infrastructure Pipeline (NIP)

National Infrastructure Pipeline (NIP) is a group of infrastructure projects across India for period of5 years. NIP aims to complete 7,400 projects in coming years to boost economic growth of country, government of India on the other had put more than Rs 111-lakh-crore ($1.5 trillion) in it. An institution called National Bank for Financing Infrastructure and Development will be develop to strengthen financing infrastructure. NIP build the capital amount Rs. 20,000 crore and aims target of Rs. 5 lakh crore in coming three years. Some of the sectors in which NIP is interested are energy, social and commercial infrastructure, communication, water and sanitation.

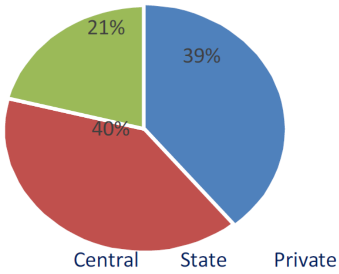
The government is to take three concrete steps into consideration:

- Create institutional structure
- Concentration on monetization of assets
- Increasing share of capital expenditure in central and state budget

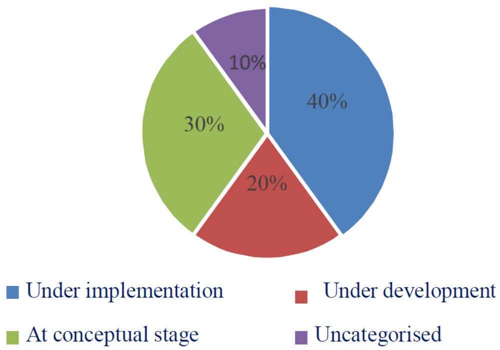
Contribution of Centre, state and private sector in NIP implementation:

The center (39%) and state (40%) contributing almost same amount in implementing the NIP inIndia, followed by the private sector with 21 % contribution.

Shares of central, state andprivate sector in NIP



Stage of Implementation

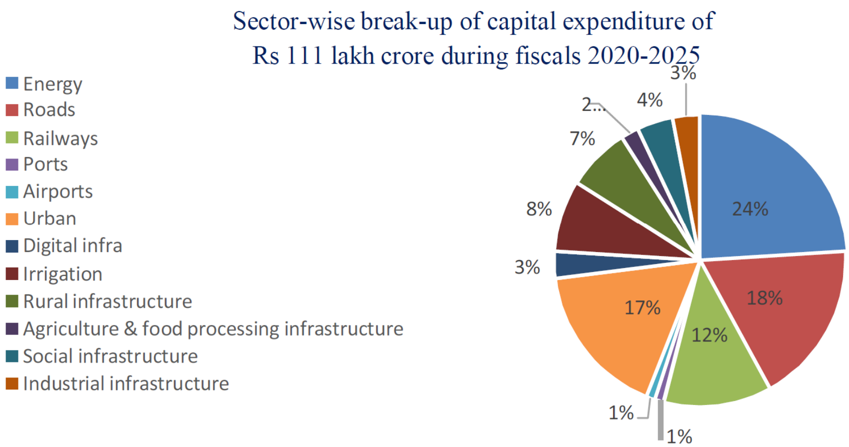


Source: PIRF submitted by ministries/ departments/state governments/ private sector

Stage of implementation of NIP

Rs 33 lakh crore (30%) worth of projects are at the conceptualisation stage, and Rs 22 lakh crore (20%) worth of projects are under development. Information regarding some projects worth Rs 11 lakh crore (10%) is not available. It is expected that greater clarity will be available in the next few months on these and will be updated in the subsequent NIP publications.

Sector-wise break-up of capital expenditure of Rs 111 lakh crore during fiscals 2020-2025



Source: Ministries/ departments/state governments/private sector

Ease of doing business

Ease of doing business explains the environment for doing business in the country. Country with good ease of doing business helps to foster an entrepreneurial environment which is one of the fundamental of MSME sector because it not only helps to build business but also helps the stakeholders to invest capital in this sector. The index of ease of doing business is published by world bank every year, currently ranking 160 countries on different parameters. India's ranking for 2014 was 142 rank but it has now improved to 63 rank some of the reason are Insolvency and bankruptcy code of 2016, Goods and services tax act 2017 and Decriminalization under companies act 2013. Although India has moved leaps and bounds in this index but when we compare to other powerful economy India is well behind desired rank.

Ease of Doing Business Rankings	
Country	Ranking (2020)
USA	6
United Kingdom	8
Germany	22
Japan	29
China	31
India	63

Champions Portal

The Ministry of MSME announced the launch of latest IT tools of Artificial Intelligence andMachine learning integrated on its portal, to aid the issues encountered by the Micro, Small, and Medium Industries-MSMEs. These latest tools have been implemented on its 'CHAMPIONS portal' which is a single window system for grievance redressal. Prime minister of India launched this website on 01.06.2020. This system consists of two modes, one at virtual space and other attechnology equipped offices space present in 69 locations across India. It is one of the best and leading platforms for MSME-grievance redressal along with quickly resolving issues. The ministryis planning on incorporating the industry 4.0 practices and standards into MSME and making the country ready for this change. The country is investing in technologies that are categorized under industry 4.0 and encouraging the MSME-industry to adopt and implement the same. MSME have now started manufacturing enabling and essential goods like motors, electronic screens and sensors etc. other such technologies. Artificial Intelligence and Machine learning is definitely set to help the industry as it is implemented to address and analyze the issues faced by MSME and help boost the economy. Intel-the tech giant has partnered with the government in this initiative. AI and ML toolsimplemented on the portal are up and running making them ready to use. The Ministry stated that Intel and its partners have worked on this project as part of pro bono and hence it was madeavailable to the country free of cost. AI and ML implementation has facilitated the machines adeptto learning, thinking and acting like human. This gives the ability to go beyond what rule-based automations cannot do and overcomes this limitation.

AI helped the MSMEs by providing social media insights related to their products and policy action via Facebook, Forums, online news Instagram, Blogs and Twitter which was earlier unavailable to them. Pre-existing system was dependent on complain, data and queries from the CHAMPIONS portal. The advent of these tools changed everything, now we are able to derive insights from the core of entire MSME sector even without the stakeholder accessing it. The insights sourced from data provided by the AI are easier to comprehend. It has made possible the emotion assessment of people working in the industry along with the people who depend on this sector in real time, making predictions and problem solving effective. The data could be sliced and diced in multiple ways previously unavailable with rule-based automation-based information management systems-MIS. The staff members irrespective of ranks can easily discover actionable points through this software. The data analysis is easily sharable in real time and live data links from central control room to control rooms spread across India. All the tedious work from tidying the data, modifying it, analyzing it will be carried out by AI, rendering free time to human resource to engage in other productive work. They have started enabling and optimizing CHAMPIONS portal with AI and ML technologies and deriving insights through same. Information intelligence and sentiment analysis based on social media data and online data are traced in real time and curated insights are provided. Information resource is enhanced via these tools and human resource is freed without compromising anything. The government is in the process of implementing second phase soon. This new phase will include management of grievance redressal in real time. Enhanced performance of control rooms and employees via chat-bots which are AI-enabled, detailed analytics across entire workflow in real time and greater stakeholder satisfaction are taken into consideration.

Labour codes

In the Indian constitution Labour comes under the concurrent List. The Parliament passed labourcodes to elucidate the country's archaic labour laws and give momentum to economic activity without compromising on benefits to the workers

Code on Wages Act 2019

The latest wage code eliminated the multiplicity of wage definitions and significantly reduced litigation along with compliance cost for employers. The Act conjugates minimum wage across the country to the skills of the employee and the location of employment. It attempts to ensures "Right to Sustenance" for every worker along with intentions of increasing the legislative protection of minimum wage.

It subsumes following four laws:

The Payment of Wages Act, 1936 The Minimum Wages Act, 1948 The Payment of Bonus Act, 1965 The Equal Remuneration Act, 1976.

Industrial Relations Code Bill 2020

The code makes it simpler for companies to hire and fire employees. Companies employing up to 300 workers are not expected to frame rules of conduct for employees in industrial establishments. Currently, it is mandatory for employers employing up to 100 workers. It recommends that workers in factories are obliged to provide notice at least 14 days in advance to employers if they wish to go on strike. Presently, only employees in public utility services had to provide notices to hold strikes. Now every industrial establishment employing 20 or more workers are required to have one or more Grievance Redressal Committees for disputes resolution arising out of workers grievances. The code also planning to set up reskilling funds to help up-skill employees.

Health, Working Conditions Code Bill, 2020

It states duties of employers and employees and envisages safety standards for different sectors, emphasizing on the health and working condition of employees, hours of work per day and per week, leaves allotted, etc. The code also acknowledges the right of employees on contract. The code gives employers flexibility to employ workers on a fixed-term basis, on requirement basis and irrespective of any sector. It also aims at providing statutory benefits like social security and wages to fixed-term employees at par with their permanent counterparts. It also demands that no worker will be allowed to work in any establishment above 8 hours a day and more than 6 days a week.

In an overtime scenario, employee must be paid twice the rate of their wage. It shall be relevant to small establishments also who employ up to 10 workers. The code tries to tackle the issue of gender inequality and women empowerment in workforce. Women are entitled to get employment in all establishments for any kind of job and with consent can work before 6 am and beyond 7 pm subject to proper safety conditions, working hours and holidays. This being the first time, the labour code now recognizes the rights of transgenders too. It makes it compulsory for industrial establishments to accommodate washrooms, bathing places and locker rooms for all male, female and transgender employees too.

Code on Social Security Bill, 2020

This is set to revamp nine social security laws namely-Maternity Benefit Act, Employees ProvidentFund Act, Employees' Pension Scheme, Employees Compensation Act, etc. The code attempts universalized social security coverage to those working in the unorganized sector, such as migrant workers, gig workers and platform workers. Provisions of social security will be made available to agricultural workers. The code cuts down time limit for claiming and receiving gratuity provided continuous service of five years to one year for all kinds of workers, including fixed-term workers, daily and monthly wage workers, contract labour.

CHAMPION Portal and Labour Codes

Creation & Harmonious Application of Modern Process for Increasing the Output and National Strength (CHAMPIONS) portal was formally launched by Prime minister on 1st June, 2020. The portal handled MSME grievances on the government's Centralized Public Grievance Redress and Monitoring System (CPGRAMS) and other MSME Ministry portals. CHAMPIONS portal's main goal is to help the MSMEs gain new opportunities in manufacturing and services sectors CHAMPIONS portal also helps MSMEs issues of finance, raw materials, labour, permissions, etc.

The government has fused 29 central laws into 4 codes. The government hopes to bring into effect new labor laws throughout the country from 1 April, 2021. The Code on Wages was passed in 2019 and Occupational Safety, Health and Working Conditions Code, the Industrial Relations Code and the Social Security Code were passed in 2020. The future holds immense potential for MSMEs and the economy of India overall. However, there is a need for better integration of government's MSME strategy with the general recovery plan for the economy. Both virtual/digital and physical infrastructure play vital roles here in facilitating a sustainable environment for MSMEs.

Labour Code Benefits

Amalgamation and simplification of the complicated laws: The three Codes simplify labour laws by incorporating 25 central labour laws that have been unchanged for almost two decades. It will give big boost to industry & employment and will mitigate the issue of multiplicity of definition and multiplicity of authority for businesses. Single Licensing Mechanism: The codes caters singlelicensing mechanism. It will give incentive to industries by ushering in significant reform in the licensing mechanism. At present, industries have to apply for their license under various different laws. Easier Dispute resolution: Simplification of archaic and complex laws dealing with industrial disputes and revive the adjudication process, leading the way for early dispute resolution. Ease of Doing Business: The industry experts and some economists believe such reform shall promote investment and enhance ease of doing business. It remarkably reduces complicatedness and internal inconsistencies, increases flexibility & modernizes regulations on safety and working conditions of employees. Other benefits for Labour: The three codes will support fixed term employment, curtail influence of trade unions and bolster the social security net for informal sector workers. The scope of Employees Provident Fund Organization (EPFO) has been widened covering all institutions with 20 or more workers.

Conclusion and Recommendations

Conclusion

The analysis of the above facts reveals that MSMEs are extremely important for powering the economy of the country in the next decade. The year 2020 enlighten the fact that the world cannot be too much dependent on a single entity which also opened the doors for others to grab opportunities, but there are of lot things that need to be fixed. The first thing is the mind-set of the country to become a self – reliant country and a manufacturing hub, which is a solution for the world's problem.

The vision of Atmanirbhar Bharat is a symbol of Indian government's plan for the coming years and one of the biggest difficulties for India to achieve this goal is the lack of infrastructure in the country, but we can see with the plans and schemes taken by the government through Multi-Modal logistics parks, National infrastructure program and product link incentive scheme we are on the right direction. Year-on-year India is making in progress in ease of doing business and this seems to be in the positive direction with changes in the labour code, Champions portal and other parameters. There are also various government schemes which promote proper environment for the growth of entrepreneurship by educating them and motivating them to excel in their endeavors.

Recommendations

1. Specialized MSME bond market, a platform where they can raise capital with low interest rate compared to other financial intermediaries' charges, and they will also be a viable high- yield instrument for investors operating in the bond market.
2. Creation of independent MSME regulators with help of which they can get proper advice to the changing environment and get aid as a last resort.
3. Improve in ease of doing business and reforming labour laws which hit the balance between rights of the labor and cost-effective labour.
4. Government should allow Input tax credit to large enterprise who

are dealing with MSMEs so that MSMEs can save capital in tax filling of GST, when monthly GST filling is not mandatory for MSMEs.

5. In order to improve ease of doing business for India to be in top 20-30 it must improve inother parameters.

- Stability of demand–Rising price of fuel, consumers conservative thinking for future because of the pandemic are few deterrents the government needs to focus and keep theinflation rate in between 2% - 6%.
- Dispute resolution–India takes 1445 days to resolve a dispute and enable a contract on the other hand China takes 496 days, Germany takes 499 days, japan takes 360 days and USA takes 444 days.
- India also needs to improve in parameters like registering property, paying taxes andresolving insolvency which has ranking of 166, 121 and 108, respectively.

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