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Economy Growth Model at Present Scenario

Kritika Khurana

Assistant Professor, Maitreyi College, University of Delhi, Delhi, India

Abstract:

Our economy is passing through inflationary situation with recession in demand and industrial outputs. The main reasons are low disposable income, unfavorable balance of trade and balance of payments, increase in crude prices, natural calamities. The concept of traditional economics to rectify by overspending by government, deficit budgeting will not resolve the situation as we are connected by trade and finance with world over and their sickness spread like virus. We have to come up by using our inbuilt strengths. To start with, it is necessary to develop the patriotism and nationalism phenomena in every citizen over and above their cast, religion or traces. Such feeling will increase willingness to work and fight with every crisis of economy by forgetting self interest. This can be achieved with regular broadcasting of patriotic songs on every media. The reservations based on cast certificates be removed and care and support to be provided to every weaker section till education level and let the creamy layer have the opportunities to add more to economic development. Farm sector be planned with centralized support, proper planning of crops, canalization of water resources to save from floods on one side and same be used for generation of power, transportation and irrigation. The tourism be developed as India is rich in its heritage and culture and having simultaneously different weathers at different part of the country at the same time. The same can be improved by providing personalized services through P&T department and Banking sector having wide set ups right in every place. India be made educational hubs in the field of software and communications. The Tax reforms to tax the black money and channelizing of resources will increase per capita income and will by multiplier the growth of industry will meet the desired goal.

Keywords: Economic growth, economic development, inflation, taxation, agriculture

All the theories of micro and macroeconomics were based on the preemptive assumptions that every economy is having limited resources, factors of production and investment opportunities. Economy has to select growth pattern according to their topography, available technology and sources, needs of the economy to optimize the growth in GDP and per capita income along with consumer satisfaction on the one side and simultaneously distribution of income should reduce the gap between rich and poor and basic needs of everyone is supplemented to have the consensus for growth politically and socially.

The parity should be there in the distribution of the income so that unrest should not evolve and every factor of GDP should have their share in the Growth of the economy. The governance should be proper to collect the revenues, provide the basic amenities, health, and care and protect the economy from outside inferences and interferences. Socialistic cum competitive economy model i.e. Mixed economy pattern followed earlier has led to slow growth in infrastructure and social services due to lethargic and restrictive approach of Government and by Licensing and quota system had restricted the free competition, which lead to lopsided development and generation of inequality of income, growth of unaccounted money and dependency upon the export of the basic goods or agriculture product only to supplement the import of necessities.

Followed the tradition concept and rules to control the economic cycles by way of direct and indirect taxes without analyzing our strength and weaknesses, inflow and outflow of foreign reserves and impact on distribution of income and saving pattern of economy. Excessive investment without supplemented by saving and its multiplier impacts have led to inflation and reduce the real income of individual.

We have not analyzed our monopolistic strength in which no body can compete e.g. our topographic location and strength of ecological environment having all the seasons and environments, different cultures, different dresses, historical and devotional places, which are not fully explored for world tourism purposes to generate ample foreign exchange. Neither the infrastructure nor the incentives to visitor is provided.

In traditional economic growth model the elements of production and sources of investment were fluid within the boundaries of the economy and savings are boosted for reinvestments and which increases the income of factor of production and their low proportion of saving becomes more in absolute terms

Developing countries like ours were depending on deficit budgeting of the economy to mobilize the resources and investments were more than saving of the economy to develop infrastructure. Moreover, more dependence on external borrowing as ECB or by way of loan in the form of capital goods of old technology.

For growth taking overseas loans or aids which are on the terms and conditions which was detrimental to the interest of borrowing economy, i.e. they are extending loans/aids to procure the old technology from their country and charging heavy prices for the spares and tools along with the interest. Various advantages/ subsidies were provided to boost the particular sector looking to economic needs. Infact, developing economy is not able to compete in the international market due to low quality and higher cost of production and remains heavily dependent upon the exports of agriculture product, which were not sufficient to meet the import cost of current and capital goods including defense arms and ammunition.

This leads to inflationary pressure on the economy and pace of development was badly affected by unrest of the people and political and economic environment was deteriorated on the one hand besides increase in inequality of income and un-accountant money. The budgets were based on the data of accounted money (white money) and economy is losing the revenues on un-accounted money lead to growth of black money in geometrical progression due to multiplier effects.

In past, we observed that saving/ investments were moving among the three buckets of the economy i.e. (Real Estate, Shares market and Bullion market). If the one sector is bullish (upward) than other two sectors are under bear phase (downward) as there was no further induction from outside and expectation was to increase the returns. Now with the globalization the investment inflows / and outflows are as per wish of the investor and which tumbles all the buckets together. Economic activity falls under trauma.

In the present economic scenario to find the solution for development in economic activity with real growth in physical terms and to improve standard of living by maintaining the purchasing power of the currency in real terms. In view of the author to achieve the same it is necessary to analyze the strength, weaknesses and threats to evolve the growth MODEL instead of only depending upon the old theories.

S. No	Weaknesses	Strengths
1	Due efforts and road map is not set to explore the natural bliss, topological suitability and availability of options to find out the alternate sources of energy	Topological of India is having the such monopoly that it consists all seasons, mountains, rivers, oceans, deserts in comparison to other countries where there is high and low winter or summer only. It is the best destination for TOURISM of the entire world without competition and may have an alternate source of energy in the form of wind/solar /oceanic/recycling of waste and generation of energy.
2	Underutilization of production capacities due to lack of supplemental infrastructure i.e. marketing, storage, power, financial support, under employment	We all know that India is a rich country inhabited by poor shows we are rich in mines and minerals, but unable to explore properly to increase the National income
3	Non availability of Statistical data based on scientific research and analysis to forecast segment wise demand and supply for the coming short and long period to become guiding factors for entrepreneurs and agriculturist to move accordingly and reduce the risk of dumping or shortages.	Large population to become the part of wheel of growth if provided with the line and direction for growth either it is agriculture cropping, industrial or software development or changing the eating habits of the world with delicious varieties of food in India at different states like western countries are exporting their Junk food and habitat.
4	Lack of patriotism, Honesty, and sincerity in factors of production, economic policies as well as in governing and regulatory bodies.	The traditional art and culture products
5	Impairment of monitoring of fiscal and economic policies to eliminate the unaccounted (Black) money due to political ill will and lengthy legal procedures.	The think tank in the field of software and other higher education and cultural institution to part scientific old techniques of treatment of ailments by ayurvedic and natural pathies
6	Wastage of natural Resources in the form of flood or draughts	

Table 1

Growth Model to be adopted

Looking to objective of any economy to increase the standard of living with sustainable growth pattern. To achieve the same, our growth pattern should be according to our strengths by overcoming the weaknesses.

The most imported factor to start with is the DEMAND factor which is pulse of economy to boost production and savings, further leads to reinvestment into the production cycle with multiplier effects. Increase in demand within and from outside the economy based on our specialization

Farming And Industrial Growth - mainly items of crops/fruits be planned and allocated by channelized system so that it should not be more than demand to have fair returns to farming sector, supplemented by Farming institutes, providing the improved seeds, technology, proper soil testing, fertilizers and irrigational systems. The Government agencies should plan to steam line rain water

canalizing so that it is available for growth instead of destruction by way of floods. The increase in production and better prices will increase the income of farm sector as well as its allied activities will give boost further generation of jobs and flow of income in the economy. Considering the multiplier effects demand will be generated many fold Looking to disposal income of the farm sector demand for automobile, tractors, etc. will increase on one side and spending on other innovated household goods, mobile, Television etc. will increase. The demand of these will further increase the production of these items and ancillary units will grow also. The growth of the production cycle of one industry will boost other industrial sectors and will lead to Industrial growth.

Government Role should be redefined to create a feeling of nationalism and patriotism by having the poems or songs of local languages throughout the day at every radio, Television and other media, so that instead of economy divided into sections on basis of cast, language or religion, everyone should have feeling that it is my country and its interest is first and loss of its productivity is my loss and labor reforms be made accordingly. The political set up be changed and their role should be to serve the country instead of exploiting by power and ill will. The power to spend public money is delegated to societies who are the ultimate beneficiaries. The developmental activities by way of technology development parks, water canalizing, alternate green energy sources such as wind, waves, energy by waste management and solar energy are developed so that reliance on petroleum products is reduced to save the forex outflow. The centralized procuring agencies, alternate sources of energy, best tourism exploration and Educational institute are supported and simultaneously development of infrastructure like road, rails, communication, law and order situation and hospitality in traditional forms be explored so that it gives its best return by increasing the turnover. Maintenance be ensured with proper accountability so that it is used for which it is created. Management of border issues within and outside country is resolved so that free-flow of goods, services and tourism is achieved.

Tourism India's location is on such altitude and longitude on hemisphere of the earth enriched with heritage, culture and different weathers at the same time but data shows that tourism has not yet take off.

“ The World Travel & Tourism Council calculated that tourism generated INR6.4 trillion or 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade. India has a large medical tourism sector which is expected to grow at an estimated rate of 30% annually to reach about ₹ 95 billion by 2015.

According to provisional statistics 6.29 million foreign tourists arrived in India in 2011, an increase of 8.9% from 5.78 million in 2010. This ranks India as the 38th country in the world in terms of foreign tourist arrivals. Domestic tourist visits to all states and Union Territories numbered 1,036.35 million in 2012, an increase of 16.5% from 2011. The most represented countries are the United States (16%) and the United Kingdom (12.6%). In 2011, Maharashtra, Tamil Nadu and Delhi were the most popular states for foreign tourists. Domestic tourists visited the states Uttar Pradesh, Andhra Pradesh and Tamil Nadu most frequently. Chennai, Delhi, Mumbai and Agra have been the four most visited cities of India by foreign tourists during the year 2011. Worldwide, Chennai is ranked 38 by the number of foreign tourists, while Mumbai is ranked at 50, Delhi at 52 and Agra at 66 and Kolkata at 99.

The Travel & Tourism Competitiveness Report 2013 ranks India 65th out of 144 countries overall. The report ranks the price competitiveness of India's tourism sector 20th out of 144 countries. It mentions that India has quite good air transport (ranked 39th), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 42nd). Some other aspects of its tourism infrastructure remain somewhat underdeveloped. The nation has very few hotel rooms per capita by international comparison and low ATM penetration. The World Tourism Organization reported that India's receipts from tourism during 2012 ranked 16th in the world, and 7th among Asian and Pacific countries. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector, including various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism.^[8] The Ministry also maintains the Incredible India campaign.

India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business, educational and sports tourism. Major tourist attractions across India are as under TajMahal, is considered as one of the Wonders of the World and most beautiful building by many. It is built by mughal emperor Shah Jahan in the memory of his beloved wife Mumtaz.

Khajuraho Temples are group of 20 temples which are known and admired for their intricate carvings and sculptures. It is also famous for its erotic sculptures. One of the major temple KandariyaMahadeva Temple alone have more than 870 statues, which is the similar number of carvings in whole site of equally intricate and beautiful Rani Kivav Stepwell.

Ajanta and Ellora Caves are manmade monasteries carved out from rocks. Ajanta have series of 30 caves, while Ellorahave 34. These caves are built between the 2nd century BCE to the 9th century CE. Ellora Caves have unique feature of having caves dedicated to Buddhism, Hinduism and Jainism all at one place. The major tourist attraction in Ajanta and Elloracaves is Kailasa Temple at Ellora. Kailasa temple, Ellora is a monolithic multi-storey building completely carved out of a single rock. It is also noted for its vertical excavation i.e. carving started from top of the rock and excavated downward to construct this building.

Hampi is a ruins of medieval city of Vijaynagara of Vijayanagara Empire. It is one of the biggest city ruins in India spread across 36 square kilometers. A group of monuments at city ruins of Hampi can be divided into Religious, Military and Civil category. The city ruins have seven layers of fortification and innermost fortification enclose the city and is best preserved. Hampi city ruins have several monuments which predates Vijayanagara Empire period including Virupaksha Temple, which is a pilgrimage for Hindus. It also attracts tourists for Bouldering adventure because of its vast landscapes with huge boulders.

- Kerala Houseboats on Kerala Backwaters is a world famous tourist activity in India. Houseboats are traditionally meant for rice transport from nearby rice fields, but over the years transformed for taking tourists to the tour of Kerala backwaters with fully furnished boats with single or multiple bedrooms, living room, sit outs, kitchen and all with large windows overlooking surrounding natural beauty. Kerala backwaters is a unique ecosystem formed by 38 small rivers originating from Western ghats forming a large network of canals and lakes. Natural beauty, flora and fauna and seeing daily lives of people and how they use these backwaters while resting in houseboats is what attracts tourists from all over the world. Kerala is listed among “50 destinations of lifetime” by National Geographic Traveler magazine.
- Golden Temple or Harmandir Sahib is holiest shrine of Sikhism. Harmandir Sahib literally means a temple for all. It is built as a place of worship God for people of all religion. The kitchen in a temple serve free meal known as Langar to almost 40,000 to 100,000 visitors daily depending upon general weekdays or festival holidays.
- Goa is famous all over the world as a beach party destination. Goa also stands 6th in Top 10 Nightlife Cities in the world in National. Goa is visited by large numbers of international and domestic tourists each year for its beaches, places of worship and world heritage architecture. It also has rich flora and fauna, owing to its location on the Western range, which is classified as a biodiversity hotspot. Goa has two World Heritage Sites: the Bom Jesus Basilica and churches and convents of Old Goa. The Basilica holds the mortal remains of St. Francis Xavier, regarded by many Catholics as the patron saint of Goa. Some influences from the Portuguese era are visible in some of Goa's temples, notably the ShantaDurga Temple, the Mangueshi Temple and the Mahalasa Temple, although after 1961, many of these were demolished and reconstructed in the indigenous Indian style.
- Varanasi Ghats along the Ganges in one of the world's oldest continuously inhabited city of Varanasi is popular tourist attraction in India for foreign visitors. For Indians Varanasi is holy city of Lord Vishwanath and Ganges and is pilgrimage. Number of ceremonies and Pujas ranging from birth to death held and organized by the banks of Ganges at Varanasi ghats. Ghats means steps leading to the banks of rivers. These ghats and adjoining buildings are built by various kings from all over India. There are almost 100 Ghats along the Ganges in Varanasi. These ghats are for bathing on Ganges and for various Puja ceremonies and rituals. Taking sunrise and sunset boat rides along these Ghats are popular tourist activity, especially for non-Hindu tourists.
- Ladakh region in state of Jammu and Kashmir is a major tourist attraction among nature lovers and adventure tourists for its landscapes, Adventure, wildlife and driving through world's highest motorable road. Riding through its landscape is most popular among motorcyclists and touring adventure. Driving in world's highest road where there is less oxygen is also favorite among touring adventurers. It attracts tourist for its varied and surreal landscape which changes dramatically from snow-capped mountains to barren rocky mountains, greenery and even sand dunes with camel(Double humped Camel) in these mountains. Trekking down the frozen Zaskar River and searching a Snow leopard in Hemis National Park are some other popular adventure activity.
- Brihadeeshwar Temple or Big Temple is considered to be as ancient India's engineering marvel. It completed 1000 years of its construction in 2010 and its Vimana (Temple tower) is among tallest of its kind in the world with 66m height(216 feet). The nearest source of Granite is 60 km away from the site near Tiruchirappalli. This temple is known as the first building fully built by granite. It is finished within 5yrs[1004AD – 1009AD]. The Kumbam (Kalasha or Chikharam, the apex or the bulbous structure on the temple) is carved out of a single rock and it weighs around 80 tons. It is raised to the top by dragging on an inclined plane of 6.44 km.
- Rani Kivav is a Stepwell in a state of Gujarat. It is recently designated as UNESCO world heritage site, and is the only stepwell with the tag. It literally means “Queen's Stepwell” as it is built by queen Udaymati in the memory of her late husband Bhimdev I. It is very intricately carved 7 storey underground Stepwell, which is in excellent condition even being around 1000 years old. This magnificent east-facing step well measures approximately 64m long, 20m wide & 27m deep. A stepped corridor compartmented at regular intervals pillared multistory pavilions is a unique feature. It was one of the largest and the most sumptuous structures of its type.
- Kumbhalgarh Fort is a massive fort built on a hilltop 1100 metres above sea level, the fort of Kumbhalgarh has perimeter walls that extend 36 kilometres, it is the second longest continuous wall in the world, after Great Wall of China. The frontal walls are fifteen feet thick. Kumbhalgarh has seven fortified gateways. There are over 360 temples within the fort, 300 ancient Jain and the rest Hindu. From the palace top, it is possible to see kilometers into the Aravalli Range. The sand dunes of the Thar desert can be seen from the fort walls.
- Mehrangarh Fort is one of the most visited tourist attraction in India. The fort is situated 400 feet (122 m) above the city and is enclosed by imposing thick walls. Inside its boundaries there are several palaces known for their intricate carvings and expansive courtyards. Of these, Moti Mahal (Pearl Palace), Phool Mahal (Flower Palace), Sheesha Mahal (Mirror Palace), Sileh Khana, and Daulat Khana are notable. One also finds the fort museum comprising several palaces. This museum houses a collection of palanquins, Elephant howdahs, royal cradles, miniatures, armoury, turbans, musical instruments, costumes and furniture. The ramparts of the fort are home to not only several excellently preserved old cannon but also offer a breath-taking view of the city.
- Konark Sun Temple is a 13th-century temple dedicated to Sun God, Surya. The temple has been built in the form of a giant ornamented chariot of the Surya. It has twelve pairs of elaborately carved stone wheels which are 3 meters wide and is pulled by a set of seven horses (4 on the right and 3 on the left). The wheels of the temple are sundials which can be used to calculate time accurately to a minute including day and night. The temple follows the traditional style of Kalinga architecture. The original temple had a main sanctum sanctorum (vimana), which was supposedly 229 feet (70 m) tall, but due to the weight of this super structure and weak soil of the area the main vimana fell in 1837.[8] The audience hall (Jagamohana), which is about 128 feet (30

m) tall, still stands and is the principal structure in the surviving ruins. It is also featured on NDTV's List of Seven Wonders of India and Times of India's List of Seven Wonders of India.

- Mountain Railways of India in UNESCO refers to the three railway lines built during British colonial rule in India that are still fully functional. This includes Darjeeling Himalayan Railway in West Bengal, Nilgiri Mountain Railway in Tamil Nadu and Kalka-Shimla Railway in Himachal Pradesh. Opened between 1881 and 1908 they applied ingenious engineering solutions to establish an effective rail link across a mountainous terrain of great beauty. The Mountain Railways of India exhibit an important cultural and technological transfer in the colonial setting. The world's highest multi-arch gallery bridge and the world's longest tunnel (at the time of construction) of the Kalka-Shimla Railway were the testimony to the brilliant engineering skills applied to make this dream a reality.
- Great Rann of Kutch The Great Rann of Kutch is a seasonal salt marsh located in the Thar Desert in the Kutch District of Gujarat, India and the Sindh province of Pakistan. It is about 7,505.22 square kilometres (2,897.78 sq mi) in size and is reputed to be the largest salt desert in the world. The Great Rann of Kutch, along with the Little Rann of Kutch and the Banni grasslands on its southern edge, is situated in the district of Kutch and comprises some 30,000 square kilometres (10,000 sq mi) between the Gulf of Kutch and the mouth of the Indus River in southern Pakistan. The marsh can be accessed from the village of Kharaghoda in Surendranagar District.
- Meenakshi Amman Temple is a historic functioning Hindu temple located on the south side of river Vaigai in around 2500 years old city of Madurai. There are an estimated 33,000 sculptures in the temple, and it was in the list of top 30 nominees for the "New 7 Wonders of the World". This temple is mentioned since antiquity in Tamil literature, though the present structure was built during 1623 to 1655 CE. The complex houses 14 gopurams (gateway towers) ranges from 45-50m in height, the tallest being the southern tower, 51.9 meters (170 ft) high. The complex is in around 45 acres (180,000 m²).
- Orchha was a medieval town established by Rudra Pratap Singh some time after 1501, as the seat of an eponymous former princely state of Central India, in the Bundelkhand region. Orchha marked for its abandoned buildings related to Bundelkhand royalty comprising several palaces, cenotaphs or Chhatris, Temples, Fort etc. which are great examples of unique architectural style of Bundelkhand region.
- Andaman Islands are developing into a major Tourism hub with its exotic looking beaches and pristine islands having equally exotic names, wonderful opportunities for adventure sports like snorkeling and Scuba diving.. Indian tourists do not require a permit to visit the Andaman islands but if they wish to visit any tribal areas they need a special permit from the Deputy Commissioner, Port Blair. Permits are required for foreign nationals. For foreign nationals arriving by air, these are granted upon arrival at Port Blair. According to official estimates, the flow of tourists doubled to nearly 300,000 in 2012 from 130,000 in 2008-09. The Radha Nagar beach of Andamans was chosen as one of Asia's best Beach in 2004.
- Chittorgarh Fort is one of the largest forts in India and probably the grandest after Kumbhalgarh Fort in the state of Rajasthan. The fort represents the quintessence of tribute to the nationalism, courage, medieval chivalry and sacrifice exhibited by the Mewar rulers. The rulers, their soldiers, the women folk of royalty and the commoners considered death as a better option than dishonor in the face of surrender to the foreign invading armies. This fort is wrapped in numerous beautiful stories. The fort is roughly in the shape of a fish has a circumference of 13 km (8.1 mi) with a maximum width of 3 km (1.9 mi) and it covers an area of 700 acres and fort complex comprises 65 important historical structures, among them 4 memorials, 4 palace complexes, 19 main temples and 20 functional water bodies.
- Mysore Palace is a historical palace in the city of Mysore in Karnataka, southern India. It is the official residence and seat of the Wodeyars the Maharajas of Mysore. Mysore is commonly described as the City of Palaces. Mysore Palace is now one of the most famous tourist attractions in India, after the Taj Mahal, and has more than 4 million visitors annually."(Source <http://en.wikipedia.org> .)

All these areas can be further explored and tourism to be increased . The existing available system of banking and post office network (which is now under stress after electronic media development), Indian railways be utilized by making traditional specialized trains and its catering services be utilized to provide personalized composite services as tour operators with touch of our traditions, art and culture. It will boost development and sources of income without investing much .

Educational Institutes with PPP system be developed to select the students at primary level according to IQ and aptitudes and provided all the facilities, education and skill developments looking to future demand and skill requirements in various factors of production in the economy .Also provide higher education to worldwide students to generate foreign income.

Social Reforms The quota and reservation system for SC/ST etc. should be abolished and in lieu weaker section of economy irrespective of its caste trade be provided with financial supports for survival and growth in education and other fields. This will lead to development of real creamy layer in all the fields of the economy. The creativity and quality services will be available in house for technology development. With the patriotism and available opportunities there will be no brain drain in the country.

The other role of the Government is to have self-reliant and grow within country without depending on wimps and wishes of foreigners as everyone is having self-interest first. The aids and investment from abroad will only add to worries and risky field for financial stability and to monitor the business cycles effectively. The foreign funds outflow for emergent uses is allowed instead of luxury and unproductive uses. The unaccounted money is the cancer of the society should be eradicated by making the transparency and direct taxes be transformed into indirect tax for different products and services so that disposal income of individual will increase and as any money white or black whenever where ever spend will attract tax and accordingly tax will be collected on all the income of the economy.

To discharge the social responsibilities Government should utilize the services of senior citizen as consultant of the respective fields from which they have retired as they will be best philosopher and guide and in turn provide them comfortable social life with moderate facilities. They should create an environment of work alcoholic.

Hard punishments for persons defying the rules and regulations, betraying the country, Economical wastage /pilferages / distraction are accountable and justice of law should be within time frame and failure to which will attract personal penalties.

This pattern of reforms in our social, monetary policies, governance system will lead to economic growth in real terms and standard of living will improve as real demand and supply will match and by effectively utilizing our under-utilized sources we can achieve our objective of Growth in the present scenario.

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