

## **INDIAN YOUTH: EMERGING POWER**

### **Introduction**

Youth as defined by the UNESCO - is “best understood as a period of transition from the dependence on childhood to adulthood’s independence and awareness of our independence as members of a community. Youth is a more fluid category than a fixed age group.

India comes across as a young nation with nearly 65 per cent of its population falling under the rough age bracket of “under 35”. The Indian population under the age group of 15-29, comprises 27.5 of the total population.

### **Youth Engagement**

- From the LGBTQ movement to the equal right for women’ and from environmental concerns to humans right.
- The youth can act ideally as a bridge between two generations. It is an age cohort that. If explained properly, can understand the need of flexibility in order to smoothen its own growth and development.
- The youth today understands that, absoluteness or autonomy alone will not offer solutions to all the problems. It has to be done in accordance with a close intertwining of units that would culminate into a working whole.
- The thing that hammers the wall of a rigid social system is the spirit of logic and argument and exploration, as used by the youth. The young today are no longer so rigid in matters of inter-dining and inter-community marriage.
- Technology as we know and interact within our day to day lives is a positive means of advancements.
- The digital environment in India has empowered the youth to stand up to the world in a more consolidated manner. It leads to faster communication, quicker learning and also links two geographically distant places on a common platform.
- Technology has enabled equal opportunities; at least in matters of accessibility and it is again to the credit of youth that they have

been in the forefront of learning and adaptation of new technology options.

- With more and more targeted and specific skill honing initiatives, the start-ups have broken the hegemonic nature of the handful of elite to initiate enterprises and provide services.
- According to the Annual Report 2016-17, The National Youth Policy, 2014 reiterates the commitment of the entire nation to the all round development of youth of India so that they can realize their full potential and contribute productively to the nation building process.

### **The objectives and priority areas under National Youth Policy 2014 are:**

1. Creating a productive workforce that can make a sustainable contribution to India’s economic development.
  - Education
  - Entrepreneurship
  - Employment and skill development
2. Healthy generation equipped to take on future generations.
  - Health-healthy lifestyle
  - Sports
3. Instill social values and promote community service.
  - Promotion of social values
  - Community engagements
4. Facilitate participation and civic engagements.
  - Participation in politics and governance
  - Youth engagement
5. Support youth at risk and create equitable opportunities

The Nehru Yuva Kendra Sangathan has been mandated for developing and engaging youth in nation building activities.

The National Service Scheme (NSS) develops the morale and humanistic personality through voluntary social service.

The disparity between availability and accessibility. Financial constraints or the social structure. Reason for the unawareness of youth crisis and mechanism to counter it.

As per Ministry Annual Report 2016-17, for the successful working of the National Youth Policy 2014 some suggested intervention enriching them are:

- Building system capacity and quality in education.
- Targeting youth outreach and awareness.
- Meeting customized programmes in entrepreneurship.
- Improving service delivery in the health sector.

#### **Government Initiatives:**

1. Skill upgradation Training programme (SUTP).
2. Promotion of Folk Art, Culture and Yuva Kriti
3. Mahatma Gandhi Yuva Swachta Abhiyaan and Shramdaan Karyakram: alert and engage the youth in contributing to the cleanliness drive and water conservation.
4. Life Skill Training for adolescents (Empowerment for Adolescents)

#### **Bridging the geographical and social barriers- Two programmes can be highlighted:**

- (i). **Tribal Youth Exchange Programme (TYEP):** left wing extremism affected tribal belt and tour them to other parts of the nation.
- (ii). **The North-East Youth Exchange Programme:** Nehru Yuva Kendra Sangathan in a joint effort with the Ministry of Youth Affairs and Ministry of Home Affairs, aims at a collaboration of North Eastern Youth with the Youth of Maharashtra to develop an understanding of socio-economic development and ethos of culturally diverse lifestyle.

#### **Conclusion**

The youth are not a ready laboratory to test the finished by-products of the state apparatus. Rather, they are the variables that should be utilized for creating new opportunities based on the skills of contemporary relevance.

The transforming youth shall be the torch bearers of a much sensitized, conscious and harmonious world.

Swami Vivekanand's words shall shine bright and true - **"Arise! Awake! And Stop not until the goal is achieved"**.

## **JOB CREATION: CHALLENGES AND WAY FORWARD**

### **Introduction**

Indian youth can contribute to higher economic growth if properly absorbed in the labour market. More than half (60.3 per cent) of India's population falls within the 'working' age category of 15-59 years and about a quarter (27.5 per cent) in the 'youth' category of 15-29 years. Adds around 10 million young people to the labour market every year. However, the number of jobs created each year is inadequate to absorb this growing population of youth in the labour market.

### **Worker Participation Rate (WPR)**

Worker Participation Rate (WPR) denotes the proportion of workers/employed persons to total population. WPR for the youth was 39.2 as against WPR of 59.3 for the older age group of 30 years and above.

WPR in rural areas is much higher than in urban areas.

WPR is around 3.5 times higher for young males compared to young females aged 18-29 years.

### **Industrial Distribution**

It shows majority of persons in age category of 18-29 years were employed in agriculture and allied activities (38.1 per cent) followed by trade, hotel and restaurant (19.4 per cent), construction (15.1 per cent), manufacturing (13.1 per cent) and other services.

This shift from agriculture is largely due to the fact that agriculture is not able to absorb more labour and because it does not offer remunerative jobs for the young entrants in the labour market who have better educational achievements.

### **Unemployment Rate**

Unemployment rate is the proportion of persons who were available for work but did not get work and are still seeking work. The unemployment rate for young females in the youth category was 20.0 per cent which is almost double that of young males (11.3 per cent).

Unemployment is higher in urban than in rural areas and for females compared to males.

Unemployment among youth rises with increase in the level of education. 35 per cent for

those who complete their graduate degree and above.

This means that the Indian labour market is not only creating inadequate jobs, but that discrimination prevails against females in recruitment and hiring practices in the labour market.

### **Government Initiatives**

Indian government has introduced a number of employment generation schemes to address this problem, such as, Prime Minister Employment Generation Programme (PMEGP), Swaranajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Make in India and Skill India.

### **Start-up India and Stand-up India**

The Start-up India and Stand-up India in January, 2016 to encourage entrepreneurship by providing assistance such as tax benefits and a mega start-up fund of Rs. 10,000 crores.

India has about 4,700 Stand-ups by December, 2016. However, these schemes have not been able to provide the desired results as over 200 Stand-ups initiated have closed down within a year.

Stand-up India's scheme was also launched in January, 2016 aimed to promote entrepreneurship among marginalized groups such as scheduled castes (SCs), scheduled tribes (STs), and women.

### **Pradhan Mantri Mudra Yojana (PMMY)**

Pradhan Mantri Mudra Yojana (PMMY) in April, 2015, to provide access to institutional finance to micro-small business units.

Under PMMY three kinds of loans can be sanctioned which signify the stage of growth/development and funding needs of the unit - Shishu (Rs. 50,000), Kishor (Rs. 50,000 to Rs. 5,00,000), and Tarun (Rs. 5,00,000 to Rs. 10,00,000).

### **Start-up Village Entrepreneurship Programme (SVEP)**

In Rural areas, the government is planning to launch the "Start-up Village Entrepreneurship Programme" (SVEP). The objective of the SVEP is to energize and streamline economic growth by providing necessary thrust from the grass roots, i.e. villages, towards creation of sustainable self employment opportunities.

### **Conclusion**

India is going through a phase of demographic transition due to which the proportion of youth in the total population is increasing and increasing number of youth require good education and steady creation of suitable job.

Therefore, employment creation needs to be part of macro and other economic policies. Regional inequality needs to be corrected so that local youth are able to get employment in the regions itself.

Further, there is need for suitable policies and programmes so that more and more women get employment. The country needs to move fast so that it realizes the demographic dividend. If it fails, the demographic dividend will turn into a demographic disaster.

## MAKING A NATION OF JOB CREATORS

### Introduction

India needs 10 million jobs a year and global data shows that it is start-ups, not large enterprises that create net new jobs in any country, startups are also the centers of innovation and are a great way to enhance employment creation in the economy.

PM launched the Start-up India initiative on January 16, 2016. The objective is that India must become a nation of job creators instead of being a nation of job seekers.

Start-ups are usually small and initially financed and operated by a handful of founders or one individual. Offer a product or service that is not currently being offered elsewhere in the market, or that the founders believe is being offered in an inferior manner.

### Start-ups are essentially of two kinds:

- One that starts something ground up, something that no one has thought about and is often ground breaking. This type of start-up is difficult to create but once created often sees unprecedented growth.
- The second kind of start-ups are primarily the ones who do not want to reinvent the wheel. They are akin to adding old wine in a new bottle to create something new and innovative.

Entrepreneurship and start-ups are only a recent phenomenon in the country. Having a brilliant idea is different from making that idea a business success. A great mentor is often what separates success from failure by providing valuable inputs.

### Addressing Funding Challenges

Challenges of Funding, patents and creation of intellectual property remain.

The long process of registration of patents and lack of incentives for research and development is another bone of contention.

Around 90 per cent of funding for start-ups at present, comes from foreign venture capitals and domestic financiers could change the nature of innovation as well.

Around 94 per cent of new businesses fail during first year of operation. Lack of funding turns to be one of the common reasons.

### Funding mechanisms available in the market for start-ups:

**Pradhan Mantri Micro Units Development and Refinance Agency Limited (MUDRA)** - started with an initial corpus of Rs. 20,000 crore to extend benefits to around 10 lakhs SMEs. Shishu, Kishor and Tarun are three categories of loans available under the promising scheme.

**Bootstrapping or self funding** - Self-funding, also known as bootstrapping, is an effective way of start-up financing, especially when you are just starting your business.

**Crowd funding** - Crowd funding is like taking a loan, pre-order, contribution or investments from more than one person at the same time.

**Angel Investment** - Angel investors are individuals with surplus cash and a keen interest to invest in upcoming start-ups. They also work in groups of networks to collectively screen the proposals before investing. They can also offer mentoring or advice alongside capital. They prefer to take more risks in investment for higher returns.

**Venture Capital** - Venture capitals are professionally managed funds who invest in companies that have huge potential. They usually invest in a business against equity and exit when there is an IPO or an acquisition.

**Business Incubators and Accelerators** - Early stage businesses can consider Incubator and Accelerator programs as a funding option. Incubators are like a parent to a child, who nurture the business providing shelter tools and training and network to a business. Accelerators are almost or less the same thing, but an incubator helps/assists/nurtures a business to walk, while accelerator helps to run/take a giant leap.

**Microfinance Providers or NBFCs** - Microfinance is basically access of financial services to those who would not have access to conventional banking services. NBFCs or Non Banking Financial Corporations are corporations that provide Banking services without meeting legal requirement/definition of a bank.

## Government Initiatives

Start-up Action Plan has a 19-point agenda including incentives such as self certification for complying with labour and environment regulations, a panel of facilitators to help file patent and intellectual property applications, tax exemptions for seed funding, capital gains and three year holiday on income tax as well as a Rs. 10,000 crore financing support through a fund of funds for four years.

### Start-up India's 19-point Action Plan

1. Self-certification Compliance
2. Single Point of Contact via Start-up India Hub
3. Simplifying Processes with Mobile App and Portal (for registration, filing compliances and obtaining information)
4. Legal Support, Fast Tracking and 80 per cent reduction in patent registration fee
5. Relaxed Norms of Public Procurement
6. Easier and Faster Exit
7. Funding Support via a fund of Funds corpus of INR 10,000 crore
8. Credit Guarantee Funding
9. Tax Exemption on Capital gains
10. 3-years Income Tax Exemption
11. Tax Exemption on Investments above Fair Market Value (FMV)
12. Annual Start-up Fests (national and international)
13. Launch of World-class Innovation Hubs under Atal Innovation Mission (AIM)
14. Set up of country-wide Incubator Network
15. Innovation Centres to augment Incubation and R&D
16. Research Parks to propel innovation
17. Promote Entrepreneurship in Biotechnology
18. Innovation Focused Programs for Students
19. Annual Incubator Grand Challenge

### Conclusion

Once an enterprise is established, the process of industrialization is set in motion. Indigenous start ups will not only make the lives of the people easier through their affordable and convenient services but will also act as a major booster for the development and the progress of the Indian economy.

## FLAG BEARERS OF INDIAN CULTURE

### Introduction

When the world was still engrossed with claiming the religious and racial superiority of their respective tenets, a young Indian monk Swami Vivekananda lectured them on the significance of religious tolerance was back in 1893 at the World Religious Parliament held at Chicago.

Mahatma Gandhi, then a young barrister travelled to South Africa and for the first time experimented with his ideas of truth and non-violence which later became an invincible tool of peace and harmony in the world. He is believed to be the first "Pravasi Bhartiya" of India who endowed the world with something that could be cherished throughout the human civilization.

Indian ideas and values across the globe dates back to 2nd century CE when the young son and daughter of Mauryan emperor Ashoka went to Sri Lanka (Ceylon) and established Buddhism in South Asia.

### Indian Diaspora: A Youth Brigade

United Nations international migration report 2015 observes that the median age of all international migrants is just 39 years. Indian emigrants travelling far and wide are the youngest immigrants.

In 2015, India's diaspora population is the largest in the world i.e. around 25 million. Indian diaspora has a substantial presence in such countries of the world which were colonized by the Imperial British government.

Young energetic students and revolutionaries like Savarkar, Madam Bhikaji Kama, Madanlal Dhingra are some of the prominent names associated with India House in London. Ghadr movement in the United States of America and Canada.

### Globalization: The Pull Factor behind High Immigration

Rising production and labour cost in developed countries persuaded them to search for cheap alternatives and both Indian land and labour came in handy for their needs. It provided respectful employment to the jobless young Indian technical graduates.

## Silicon Valley: A Tale of Successful Indian Entrepreneurs

From 1980-2013, the population of skilled Indians increased from 206,000 to 2.04 million, roughly doubling every decade.

Indian immigrants had the highest level of education even surpassing the educational standards of native Americans.

Silicon Valley in the United States of America, which is the largest global hub of software technologies and startups has over the years acquired an Indian face.

Silicon Valley like Google, Microsoft, AMD, Adobe etc have Indian CEOs. Other big companies and startup firms like Facebook, Motorola, Reckitt Benckiser, Master card etc have Indian managers.

### Gulf Countries and Malaysia

The first type consists of highly skilled professionals, workers and students engaged in white collar jobs, who usually emigrate to countries like the USA, UK, Canada, Australia and New Zealand.

Semi-skilled and unskilled workers who have shown massive emigrating tendencies to the Gulf Countries and Malaysia.

More than 90 per cent of this expatriate class consists of Non Resident Indians (NRIs). Since, the work mainly consists of construction or manual works from blue collar areas, the effective working capacity reduces after a certain age, and hence, ageing population is least desired in such countries.

Kerala has the highest number of residents serving in Gulf countries. Young Kerala girls have successfully taken up the jobs of nurses and midwives in super specialty hospitals in Gulf countries.

### Brain Drain or Cultural Ambassador

India receives approximately \$70 billion as remittances from its expatriate community living in various parts of the world. Indian expatriate communities glorified the wisdom, culture and values of Indian land and civilization across the globe. Thus, India benefitted both culturally and economically from its expatriate community.

The departure abroad of a large number of well-trained Indians naturally has led to concerns about "Brain Drain" in India.

Expatriation rate of Indian doctors is around 10 per cent while the same rate in China is just 1 per cent.

Ninety percent of the professionals trained in genetic engineering and biotechnology migrate to the USA after the completion of their studies leaving Indian laboratories.

### Demographic Dividend to Diasporic Dividend

Its demographic dividend domestically and diasporic dividend internationally. Young Indian Diaspora spread across all the major countries of world is the biggest tool of Indian soft power. India not only benefits from the high remittances sent by them but also from the research and development work undertaken by the Indian diaspora abroad.

### Programmes dedicated for Brain Gain are:

- **Pravasi Bhartiya Divas:** An annual meeting held every year to celebrate the achievements of Indian diaspora and felicitate them for their efforts for establishing links between India and their countries of residence.
- **Merger of PIO and OCI cards:** The merger of both these cards has been done with the intention to facilitate hassle free entry of persons of Indian origin into India and ensure their long-term residency without having the necessity to visit police station every now and then.
- **Youth Pravasi Bhartiya Divas:** The government inaugurated this scheme to connect with the youth, the new generation of pravasis growing up all over the world.
- **Pravasi Bhartiya Kendra:** Stay at a new home in New Delhi known as Pravasi Bhartiya Kendra.
- **Vajra-Visiting Adjunct Joint Research Faculty:** This scheme is envisioned to contribute to the nation's growth in science and technology.
- **Know India Programme (KIP):** The objective of this program is to help familiarize Indian Diaspora youth, in the age group of 18-26 years with Indian land and their ancestors and share their views, expectations and experiences and to bond closely with contemporary India.

## Conclusion

USA, UK and Australia have announced to curtail the work visas to highly skilled Indians. Saudi Arabia also introduced Nitaqat scheme which protects its domestic work spaces from outsiders.

Yemen, Sudan, Kenya or Iraq, Indians very often get stranded in war like situations. Complex GAAR procedures prevent many willing expatriate Indian investors to invest in Indian startups.

Young population is an asset domestically as well as internationally, so to train them according to the specific needs of the countries more dedicated schemes like Pravasi Kaushal Vikas Yojana needs to be floated.

## QUALITY EDUCATION FOR EMPOWERING INDIAN YOUTH

### Introduction

The demographic dividend is never a burden on any nation but a window of opportunity. Empowerment is necessarily a process of inculcating values to equip the learner lead a life that is satisfying to the individual while being in accordance with the cherished values and ideals of the society.

It is imperative not only for national but also for personal development which can be pursued by promoting youth rights, youth activism and their active role in making community decision.

### Transforming India

The vision can only be fulfilled by the motto of Ministry of Human Resource and Development (MHRD) - "Education for All, Quality Education". Access, Equity and quality followed by talent and skill promotion.

In the current scenario the Enrolment Rate (GER) in Higher Education (HE) in India is much lower (22 per cent) than world's average (28 per cent).

We aim to enhance our GER to only 30 per cent which is possible only by at least doubling the number of existing institutions providing tertiary education to make HE accessible.

The density of the scientists and engineers in India is one of the lowest in the world. The goal of "Quality Education" can only be achieved by run-way of "Education for All".

The nation's economic growth, today, is primarily based on its service sector (66.1 per cent) which demands soft skills of the highest order and the upcoming contribution of technology sector (9.2 per cent).

After the two major quantitative issues of access and equity, third is of qualitative aspect of education. The developed countries have been proved to be opportunistic by not only draining Indian economy but brains too.

### Crunches

- Lack of quality and motivated teachers and mentors- being non promising, less paid and least recognised profession in the country.

- Faculty crunch or adhocism- most of the even top institutions of the nation have empty chairs of regular heads, seasoned faculty and experienced researchers.
- Paucity of funds especially in state institutions.
- Least prioritized budgeting from nation's GDP (3.3 per cent) make the biggest education system of the world, hollow vessels sound more.
- Interfering and overpowering political and bureaucratic setup.
- Inability of senior academicians and researchers to implement their visions of ages.

### Obsolescence

- Out dated and rigid curriculum, non-uniformity in curricula, inability of conventional teaching pedagogy to hold back tech-savvy youth of today's.
- Shelled approach- designed curricula make youth of today literate but not educated with holistic development.
- Ill-equipped institutions of HE except federal funded institutions.

### Non-Involvement

- Lack of participation of employ and employer- designing curriculum has been centuries old practice done by either senior academicians or some time bureaucrats who are not the takers of the products of education system.
- Indian institutions are not holding rank in world's top institutions list because of their faculties but of their students. Since 2002-2016 the nation's out-put of scientific publications have almost increased five times.

### The various initiatives based on three prime factors of access, equity and quality are:

**Expansion of education:** for youth is being undertaken by the government at every level by establishing new institutions.

**Global Initiative of Academic Network (GIAN):** aimed at tapping the pool of scientists and entrepreneurs, internationally to encourage their engagement with the institutes of Higher Education.

**Impacting Research Innovation and Technology (IMPRINT) India:** with an aim to direct

research in the premier institutions into areas of social relevance.

**Uchhtar Aavishkar Yojana (UAY):** launched to promote industry specific need based research so as to keep up the competitiveness of Indian industry in the global market.

**National Institutional Ranking Framework (NIRF):** for ranking the higher education institutions

**Establishment of Higher Education Financing Agency (HEFA):** for creating capital assets in order to give a big push for building up robust higher education institutions.

**National Academic Depository (NAD):** for maintaining academic awards in a digital depository enabling online access and retrieval.

**Swayam Prabha:** a project for telecasting high quality educational programmes through 32 DTH channels on 24x7 basis.

**Swayam:** an indigenous IT platform for hosting the Massive Open Online Courses (MOOCs) for providing best quality education.

**National Digital Library:** for building a National asset for providing access to the knowledge repository in terms of books.

**Campus Connect:** Wi-Fi enabled campus by providing 1-GBPS Connectivity to universities and 10-MBPS connectivity to colleges.

**National Initiative for Design Innovation:** to ensure maximum reach of design education and practices.

**UGC-BSR Faculty Fellowship programme:** for strengthening Basic Science Research in Universities.

**Schemes for Strengthening Science Based Higher Education and Research in Universities and Colleges:** with an objective to promote excellence in research.

**The Skill India:** to provide appropriate skills primarily to unemployed youth, marginalized women and rural communities to explore employment opportunities and sustainable livelihood options for raising their life standards.

**Rashtriya Uchchar Shiksha Abhiyan (RUSA):** though education is State's responsibility but to promote the quality standards of state's



education system, federal funding under RUSA is given to the states to promote performance based education. It works on the “Carrot and Stick Policy”.

### Conclusion

To empower the youth, the education system, especially of arts and humanities and basic sciences, needs calculative reforms.

The four sided positive approach; student centric education systems (CBCS), employers need based curricula (NBCS), extended helping hand of government through its policies and missions and recognition and acceptance of such trained and talented youth by the society and world of work can empower youth and nation both.

With best of our wisdom, we conclude by making a quadrat approach model for empowerment of the Indian youth based on four pillars i.e. Education, Skills and Employment, Radical temperamental change and Government’s policies and initiatives.

## BRINGING YOUTH TO THE MAINSTREAM

### Introduction

Fifty years ago, on the fateful day of May 18th, 1967, Siliguri Kishan Sabha in West Bengal declared their support to few individuals of village Naxalbari who has suggested adopting armed struggle to redistribute land to the landless.

Government of India lays special focus on planning and execution of development schemes in such areas. Other than the Left Wing Extremism of CPI(M) majority affecting 34 districts, insurgency is also affecting few regions of North East India as well as Jammu and Kashmir.

### Government schemes for youth in the CPI (Maoist) insurgency affected ‘Red Corridor’

Left Wing Extremism (LWE) Division was created as a part of the Home Ministry. A more integrated, decisive and firm strategy of tackling the problem has evolved. Government plans to bring adivasis into the mainstream and at the same time strictly deal with the violence.

Following a district-wise approach of development has also been replaced now by adopting block level development planning. While inaugurating developmental projects worth Rs. 24,000 crore he said ‘Only plough on the shoulders and not guns can bring development. There is no future for violence. The future is only of peaceful means.

Since uneducated and unemployed youth are considered soft targets by insurgents to recruit and join the cadre, Government has worked out an integrated plan to educate the youth of the region. Under Sarva Shiksha Abhiyan, residential schooling faculty is being provided to all children.

For girl child Kasturba Gandhi Balika Vidhyalayas provide affordable and quality elementary education. Secondary education is ensured through Rashtriya Madhyamik Shiksha Abhiyan (RMSA). A number of KVs and Navodaya schools are also being opened up.

Additionally the government is preparing students for competitive exams through its institute ‘Prayas’. “Skill Development in 34 Districts Affected by Left Wing Extremism”.

The Police of Jharkhand has initiated a very unique initiative for the children of LWE affected

region Palamu of the state. This initiative called 'Taare Zameen Par' has cops collecting amenities like books, notebooks, clothes, bags, shoes, etc.

### **Govt. schemes for the youth affected by North-East Insurgency**

The Skill Development Ministry has planned State Skill Development Mission of few of the north eastern states.

The areas of training identified are as follows:

- Hospitality - (Cuisines, Food and Beverage, Pastry and Baking)
- Tourism - Tour operators, hotels, home stay, taxis to places of attraction etc.
- Nursing, Para medics
- Wellness and beauty
- Fashion designing and garments, handloom weaving.
- Essential technicians - Electrician, Plumbing, repair of ACs, Fridge, Mobile repair etc.
- Automobile - fitter, turner, mechanics, welding
- Soft skills for employability in any sector
- Retail merchandising
- Aviation - Cabin Crew Air Hostess, ground crew etc.

Early and growth stage start-ups in the field of IT, ITES, Food Processing, Healthcare, Tourism, Retail, Aggregation of services would get boost due the fund.

DoNER ministry is also offering subsidy incentives in NER for industrial and other units generating employment.

### **Govt. schemes for the youth affected by Terrorist organizations and insurgent groups of Jammu and Kashmir**

**UDAAN:** The Special Industry Initiative (SII) for J&K is funded by Ministry of Home Affairs and implemented by National Skill Development Corporation (NSDC). It aims to provide corporate exposure to the youth as well as provide corporate India with the talent available in the state.

**Sadbhavna:** Under Sadbhavna Army runs several important programmes for the youth of Jammu and Kashmir.

Army also runs National Integration Tour under Sadbhavna where students get to visit other states of the country and get a first hand view of the culture of their fellow citizens.

**Himayat:** Run under Ministry of Rural Development, Government of India's Deen Dayal Upadhyay Gramin Kaushal Yojana the scheme endeavours to train 1.24 lakh local youth of Jammu and Kashmir in job intensive vocational courses.

### **Conclusion**

The central government and the state government have come together to empower the youth of insurgency affected areas so as to motivate them to contribute to the growth of their areas and thus the country at large.

## GST - THE GAME CHANGER

### Introduction

The genesis of the introduction of Goods and Services Tax (GST) in the country was laid down in the historic Budget Speech of 28th February 2006, wherein the then Finance Minister laid down 1st April, 2010 as the date for the introduction of GST in the country.

Thereafter, there has been a constant endeavor for the introduction of the GST in the country whose culmination has been the introduction of the Constitution (122nd Amendment) Bill in December, 2014.

### Why GST?

Presently, the Central Government levies tax on manufacture (Central Excise Duty), provision of services (Service tax), interstate sale of goods (CST levied by the Centre but collected and appropriated by the States) and the State Government levy tax on retail sales (VAT), entry of goods in the State (Entry Tax), Luxury Tax, Purchase Tax, etc. It is clearly visible that there are multiplicities of taxes which are being levied on the same supply chain.

There is cascading of taxes, as taxes levied by the Central Government are not available as set off against the taxes being levied by the State governments. Further, a variety of VAT laws in the country with disparate tax rates and dissimilar tax practices, divides the country into separate economic spheres.

Creation of tariff and non-tariff barriers such as Octroi, entry Tax, Check posts etc. hinder the free flow of trade throughout the country. The large number of taxes creates high compliance cost for the taxpayers in the form of number of returns, payments etc.

### What is GST?

All the indirect taxes mentioned earlier are proposed to be subsumed in a single tax called the Goods and Services Tax (GST) which will be levied on supply of goods or services or both at each stage of supply chain starting from manufacture or import and till the last retail level.

GST is proposed to be a dual levy where the Central Government will levy and collect Central GST (CGST) and the State will levy and

collect State GST (SGST) on intra-state supply of goods or services.

The Centre will also levy and collect Integrated GST (IGST) on inter-state supply of goods or services. Provide a platform for forging an economic union of the country.

This tax reform will lead to creation of a single national market, common tax base and common tax laws for the Centre and States.

Another very significant feature of GST will be that input tax credit will be available at every stage of supply for the tax paid at the earlier stage of supply.

### Advantages of GST:

- Will help to create a unified common national market for India.
- Will mitigate cascading of taxes.
- Harmonization of laws, procedures and rates of tax between Centre and States and across States.
- Improved environment for compliance.
- Similar uniform SGST and IGST rates will reduce the incentive for evasion.
- Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services will lend greater certainty to the taxation system.
- Greater use of IT will reduce human interface between the taxpayer and the tax administration, which will go a long way in reducing corruption.
- It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment.
- Ultimately it will help in poverty eradication.

### Advantages to Trade and Industry:

- Simpler tax regime with fewer exemptions.
- Increased ease of doing business.
- Reduction in multiplicity of taxes.
- Elimination of double taxation on certain sectors like works contract, software and hospitality sector.
- Will mitigate cascading of taxes.

- Reduction in compliance costs - No multiple record keeping for a variety of taxes.
- More efficient neutralization of taxes.
- Simplified and automated procedures for various processes such as registration, returns, refunds, tax payments, etc.
- Average tax burden on supply of goods or services is expected to come down.

#### **Advantages to Consumers:**

- Final price of goods is expected to be transparent due to seamless flow of input tax credit.
- Reduction in prices of commodities and goods in long run.
- Relatively large segment of small retailers will be either exempted from tax or will suffer very low tax rates under a compounding scheme.

#### **Advantages to States:**

- Expansion of the tax base as they will be able to tax the entire supply chain from manufacturing to retail.
- Power to tax services, which was hitherto with the Central Government only, will boost revenue and give States access to the fastest growing sector of the economy.
- GST being destination based consumption tax will favour consuming States.
- Improve the overall investment climate in the country which will naturally benefit the development in the States.
- Largely uniform SGST and IGST rates will reduce the incentive for evasion by eliminating rate arbitrage.

- Improved Compliance levels.

#### **GST Council Meetings:**

- Rules for conduct of business in GST Council.
- Timetable for implementation of GST.
- The threshold limit for exemption from levy of GST would be Rs. 20 lakh for the States except for the Special Category States, as enumerated in Article 279A of the Constitution, for which it will be Rs. 10 lakhs.
- The threshold for availing the Composition scheme would be Rs. 50 lakhs. Service providers and some others would be kept out of the Composition Scheme.
- To compensate States for 5 years for loss of revenue due to implementation of GST.
- Adoption of four slabs tax rate structure of 5 per cent, 12 per cent, 18 per cent and 28 per cent. There would be a category of exempt goods and further a cess would be levied on certain goods.

#### **Conclusion**

Now the main thrust would be to create a nation-wide awareness among the stakeholders and public at large to remove their doubts/confusion and misgivings, if any, about the GST and its likely impact on businesses, prices especially of essential commodities and employment opportunities etc. Small businessmen and traders have to be fully briefed about the GST and related Legislations along with the procedure to file their tax returns on line and how to claim input tax credit wherever applicable among others.