



## AN EVALUATIVE STUDY OF THE ECONOMIC PACKAGE INITIATIVES ON THE FINANCIAL WEAKER SECTIONS OF THE SOCIETY

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### Abstract:

*This paper attempted to study the economic initiative in India, Indian economy is growing at a growth rate of 6% which is substantial and satisfactory in comparison to Europe and other world. We are still known as fastest growing economy after china. But growth is an unsustainable. The benefit of growth is not reaching to the poor. We have in India absolute poverty which is a stigma on over growth and development. Inclusive growth is need of hour. 27.5% of our population still lives below the poverty line and known as weaker, oppressed and depressed section of the society. and Analyse financial weaker section issues and challenges, evaluate the role of economic initiative towards the financial weaker section We have in India absolute poverty which is a stigma on over growth and development.. Some suggestions regarding weaker section financing are direct subsidy should be given to the banks for financing this section so that loss and NPA of bank be reduced .Assistance should be provided by local NGO's for identification of poor. A separate segment of banking operation "Banking for weaker section" be created and result of banks be highlighted with this segment. Interest rate should be reduced & subsidized. Financial education for weaker section be spread with more involvement of educational institutions.*

**Keywords:** Economic weaker, Economic Initiative, Challenges, Role Of Economic.

### 1. INTRODUCTION

Finance is one of the important keys to successes. It provides leverage and direct help in poverty alleviation. Finance is a panacea for all the ills of weaker and poor section. In any economy banks are the catalyst of development. Indian banking system is contributing its smart role in development and stands as friend, guide and philosopher for weaker section. Commercial banks in India since nationalization are providing finance to weaker section under priority sector lending (PSL). In this system banks have some targets and sub targets of deploying fund and credit to preferred and desired

section and sectors of the economy. Preferred and desire section is weaker section and sectors are agriculture, small scale industries, small business man, education, housing and micro finance.

## 2. ECONOMIC INITIATIVE IN INDIA

Make in India, Digital India, Smart Cities, Skill India, Housing for All and Start Up India are the government's top priority economic projects. They collectively envision India as a high-functioning economy focused on industry, innovation and entrepreneurship; the promotion of investor confidence; job creation; the development of infrastructure; and achieving total digital connectivity.

The effectiveness of these programs, some barely few months old, cannot be fully assessed until they mature over the next several years. However, preliminary assessments can be made on the basis of industry projections, the level of collaboration between central and state governments, the commitment of private sector participants, and FDI flows.

India's manufacturing sector is stagnant in comparison its flourishing services sector. Make in India thus aims to boost investment and industrial production to increase the GDP share of manufacturing from the current 16 percent to 25 percent. To achieve this, the government has identified 25 focus sectors for development. 100 percent FDI is allowed in all sectors except Space (74 percent), Defense (49 percent) and News Media (26 percent). A key emphasis of this campaign is improving the ease of doing business in these sectors – faster clearances, transparency for permits and financing, as well as efficient e-governance mechanisms.

India currently exhibits a pronounced digital divide. While it has the second-largest online population in the world after China, more than a billion Indians still lack access to internet facilities. The government is trying to fix this imbalance through its Digital India initiative, which has three core areas – the creation of digital infrastructure, delivery of e-governance and digital services, and spreading digital literacy. Slated for completion by 2018 on the basis of a selective public-private-partnership (PPP) model, Digital India aims to connect 250,000 gram panchayats (village councils) in three years, build a national information infrastructure by March 2017 (at a cost of about US \$2.3 billion), and establish public Wi-Fi hotspots among other plans.

A huge obstacle in the way of India's development is its problematic infrastructure. The Smart Cities initiative aims to create cities where basic infrastructure is built on a sustainable model. Under the initiative, smart cities should also benefit from assured water and electricity supply, sanitation and solid waste management, urban mobility and efficient public transport, IT connectivity, e-governance and citizen participation and the safety and security of citizens. The Ministry of Urban Development has selected 100 cities and towns as future smart cities – every Indian state has at least one such city. The Smart Cities Council India has been formed and will be part of the U.S.-based Smart Cities Council – a collective of smart city experts and organizations operating in over 140 countries.

India has a unique demographic dividend. The country has a high proportion of working age population, while accelerated economic growth has increased the demand for skilled manpower. At the same time, India is also a very difficult country to source skilled labor. The Skill India campaign was launched this July to prepare graduates and workers alike for the skills needed by industry. The goal of the program is to train 400 million people by 2018 over the next seven years through the National Skill Development Corporation.

An estimated 1.77 million people live without housing in India, according to the 2011 census. Moreover, 65 million people live in slums – a figure that could rise to 104 million in 2017, by some estimates. Overcoming this housing challenge is the target of Housing for All. Under this mission, the central government is set to build 20 million homes for the urban poor by 2018, which will coincide with the 75th year of India's independence. This will require investments of up to US \$181 billion – the state exchequer has already committed US \$45 billion.

In his Independence Day address on August 15, Modi announced the government's latest initiative "Start Up India, Stand up India". The program is designed to promote financing for start-ups and incentives to boost entrepreneurship. Start-ups had already been a part of the government's campaign to promote job creation through entrepreneurship, and it is included in the objectives of the Skill India and Digital India initiatives. The Start Up India campaign will, however, see another form of assistance to people who want to start new ventures and businesses, particularly those from demographic groups that have experienced discrimination

### 3. OBJECTIVES OF THE STUDY

1. To study the economic initiative in India.
2. To Analyse financial weaker section issues and challenges

### 4. RESEARCH METHODOLOGY

In order to accomplish the said objectives researcher collected data from the secondary source such as RBI websites, Newspaper, Financial Magazines and Research Articles, official website of government report. Researcher employed the analytical research technique in order to study the economic initiative in India, in addition to this Analyse financial weaker section issues and challenges and evaluate the role of economic initiative towards the financial weaker section

### 5. ISSUES AND CHALLENGES OF FINANCIAL WEAKER SECTIONS

The concept of weaker sections refer to all persons who became suppressed, depressed, and oppressed because of socio-political, socio-economic or socio-religious reasons. Weaker section includes:

- Small and marginal farmers with land holding of 5 acres and less.
- Landless labourers.
- Tenant farmers and share croppers.
- Artisans, village and small industries.

- Beneficiaries of the integrated rural development program (IRDP).
- Scheduled castes and scheduled tribes.
- Beneficiaries' different rates of interest schemes.

## 6. CONCLUSION

Quantitatively, public sector banks have progressed well in priority lending but their qualitative aspect is to be evaluated. For instance over dues, bad debts and NPA have been serious problems faced by the bank in respect of advances made to the weaker sections of society private sector banks are lagging behind in PSL progress. There is a need to revise time to time the targets and sub-targets set by RBI for this scheme. Eligibility for SSI and SSB and weaker section should be redefined on a rational basis. Projects under PSL should be effectively checked and evaluated for the purpose of viability and efficacy. For the recovery of dues and NPA (Non-Performing Assets) in case of weaker section advances, the suggestion is, – A special model like micro financing (Bank linkage self help group) be formed, as in this model the recovery rate is nearly 95%. Projects for small scale infrastructure development in villages like road construction, electricity, drinking water and primary education projects should be preferred under priority sector lending and special sub-targets be set for the schemes.

Overall impact of priority sector lending scheme is positive. Banks are now deploying credit in the desired direction and providing an impetus to the rural economy. The future prospect of the PSL is bright in India. Some more suggestions regarding weaker section financing are direct subsidy should be given to the banks for financing this section so that loss and NPA of bank be reduced. Assistance should be provided by local NGOs for identification of poor. A separate segment of banking operation "Banking for weaker section" be created and result of banks be highlighted with this segment. Interest rate should be reduced & subsidized. Financial education for weaker section be spread with more involvement of educational institutions.

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