

## Dynamic leanings of India's Economic Democracy: An Appraisal

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### ABSTRACT

It has been argued by many scholars and researchers that understanding the blend of economic growth with the theoretical discourse of democratic elements is not an easy task. Instead, one has to be more cognizant while finding the intertwined relationship between both. Though, it was not a complex action to trace the ample evidence as plethora's of scholars firmly believed that both have inter-relational similarities with each other. Thus, this paper will highlight the significant changing but emerging trends of the Indian economic democracy and evaluate its dynamic trends.

**Keywords:** Economics, Democratic elements, Inter-relational, and cognizant.

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### 1. INTRODUCTION

It is pointless to have political democracy in the absence of economic democracy. In economic democracy, the primary goal is to connect market forces with the fundamental ideal of democracy — which Mahatma Gandhi eloquently defined in the phrase Sarvodaya, which means "the well-being of all." A key focus on GDP growth that is "inclusive" has been maintained by the administration under Hon'ble Prime Minister Narendra Modi's leadership to establish economic democracy in India. According to Modi, who was speaking at the 'Advancing Asia' conference held in New Delhi on March 11, 2016, "India has destroyed the idea that democracy and rapid economic growth are incompatible." As a result, Indian economic growth has reached

Bringing the missing element of economic democracy to the world's greatest democracy, which may be equal within the polling booth — with one person, one vote, and every vote having equal weight — was difficult for the Modi administration. There is no such thing as equality, however, in the commercial place. Early in Indian democracy, a command-and-control economy seemed acceptable to a populace still

learning the ropes of political self-governance. There were several ways to enrich any interest group, the most important of which were direct control mechanisms such as public-sector businesses and public ownership of banks, price controls, and industrial and import licences. However, as the benefits of power and the opportunity for political elite rent-seeking diminished, so did growth due to inefficient resource allocation. As a result of the dissatisfaction with the model and the changing world environment, the government has decided to transition to a market-based economy with an unwavering emphasis on growth with equality. The core principle is to prevent any such concentration of wealth that inhibits the economic freedoms of the entire society.

It is dependent on which political party is in power in India that the share of management and rewards of growth enjoyed by different interest groups differ. But, on the other hand, the implicit notion appears to be that no political party can satisfy its followers unless the economy grows because only growth provides politicians with the ability to fulfil the interests of the groups they are elected to represent. For this reason, the Modi government has facilitated the development of an economic environment which has the characteristics of being both dynamic and compatible with democracy's promise of empowerment for all, intending to achieve "Sab Ka Sath, Sab Ka Vikas" and "Sab Ka Samman, Sabka Utthan."

## **2. THE ECONOMIC GROWTH WITHIN DEMOCRATIC ELEMENTS: THE NEXT LEVEL VISION**

The engine of a dynamic economy is the pursuit of a living. Because both agriculture and employment face significant challenges worldwide, the conventional routes of livelihood such as farming and jobs are rapidly losing their importance as sources of income. One of the only long-term solutions is entrepreneurship, and India is quickly transitioning into an era of self-employment through entrepreneurial endeavours. Various techniques are being used, and both government and non-governmental organisations are putting up significant effort to promote entrepreneurship culture on a large scale. It is pretty easy for GenNEXT to see how entrepreneurship fits into their worldview because it embodies all three of the essential characteristics of GenNEXT: initiative, innovation, and most importantly, independence. Meanwhile, the key objective behind this GenNEXT visions are -

- To bring together all young entrepreneurs, particularly those who have benefited from the MUDRA, Start-Up, and Stand-Up India initiatives, who have achieved some level of success or are striving to attain this level of success.
- To investigate the feasibility of establishing a communal mentorship structure for the growth of mutual entrepreneurship.
- To investigate the feasibility of stimulating innovations among young entrepreneurs and facilitating networking among them.

A platform for young entrepreneurs and self-employed individuals would be created, together with encouragement, networking, and mentoring, according to India's President, Shri Ram Nath Kovind. For him, strengthening our nation's democratic traits through business and entrepreneurship is crucial for economic success. Thus, political democracy cannot be strong without economic and social democracy, and the financial position of the poor must be improved. As we all know, various initiatives have been launched in our country to promote "Sabka Sath, Sabka Vikas" and "Sabka Samman, Sabka Utthan." These

all aim to strengthen economic and social democracy. The premise behind these projects is that if someone needs support, they should be financial 'Atama Nirbhar,' i.e., self-sufficient.

Apparently, the promotion of an entrepreneurial culture in Indian society is shared equally by families, educational institutions, the private sector and entrepreneurs, NGOs, etc. The idea of being a 'job giver' instead of 'job-seeker' should be embraced. Undoubtedly, the government has operated many programmes under the umbrella of "development" that help the population. To establish political democracy, we must also enlighten and motivate people about their socio-political rights, policies, and opportunities, especially the marginalised sections of society. For Dr Ambedkar, a champion of social justice and the founder of Economic Democracy in Modern India, eliminating socio-economic inequity is crucial to strengthening political democracy. Justice for all citizens is required. As a result, various programmes such as Jan-Dhan Yojana, Mudra Yojana, Stand-Up India, and Start-Up India have been launched.

With the support of 30 crores Jan-Dhan Accounts opened in banks, the economy has grown tremendously, making society more financially inclusive. Domestic savings should be invested. Awareness of financial literacy will instil an entrepreneurial spirit while enhancing economic democracy. With the Jan-Dhan Yojana (JDY) and the Direct Benefit Transfer Scheme (DBTS), transparency and corruption have been improved. Further, financial institutions such as the Dalit Indian Chamber of Commerce & Industry (DICCI) and private sector entrepreneurs such as TATA, Reliance, and others can sponsor skill training programmes. We must consider ways to encourage youth and young entrepreneurs to take advantage of government programmes and non-government facilities such as NGOs, NBFCs, and the media and choose self-employment over job-seeking.

### **3. THE VISION OF ECONOMIC DEMOCRACY- OPPORTUNITIES AND ASPIRATIONS**

Economic democracy requires majority-driven solutions. Economic progress must meet everyone's basic necessities. Our financial systems must combine capitalism's efficiency with socialist values of justice and equity. According to economic meta-analysis, many countries have a "Demographic Window of Opportunity" spanning forty to fifty years. For example, South Korea began its Demographic Window of Opportunity in 1950 when its per capita income was lower than India's. After fifty years, the per capita income increased by 3,800%, and the country became developed. This is due to the Demographic Window of Opportunity, which began in China in 1980 and is expected to conclude in 2020. At this time, China changed utterly.

This window of opportunity has been open since 2005 and is expected to last until 2050. According to NSDC, this generation has a binding obligation to lead our country to the next level of wealth and growth. This group's latent potential can develop new entrepreneurs in the economy since NSDC is always trying to empower the vulnerable lower middle class and people living below the poverty line. This government's NSDC trains around 40 lakh people a year. In addition, NSDC added an entrepreneurship module to the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 40-hour training programme to foster entrepreneurship. NSDC also assists emerging entrepreneurs by providing venture capital funds.

SIDBI was founded in 1990 to encourage micro, small, and medium firms. Even though many firms had to confront terrible times during liberalisation in India, the spirit of entrepreneurship has enlightened to the following degree during the same timeframe. SIDBI realised that India lagged behind Bangladesh

and many African countries in understanding the importance of microfinance credit institutions in bringing inclusive and sustainable growth. So, in 1999-2000, SIDBI took the initiative and started establishing microfinance credit institutions in India.

Prime Minister Modi took this campaign to the next level with the MUDRA yojana. The MUDRA yojana is unique in that the government does not provide any freebies but rather encourages banks to make as many micro-loans as possible for young entrepreneurs. Since April 2015, more than 10.5 crore loans have been sanctioned in this category, substantially exceeding the total number of loans approved since independence. SIDBI is also promoting STAND-UP INDIA at [www.standupmitra.in](http://www.standupmitra.in). He appealed to all banks that every bank branch will grant at least one loan to persons from Scheduled Castes and Tribes and one loan to women to form their enterprises.

Former Prime Minister Indira Gandhi's "Gareebi Hatao" (poverty eradication) slogan has been abandoned by PM Modi. Instead, he invigorated Dalit Samaj's "Ameer Banao" spirit (make wealthy). As a result, Dalit youngsters now feel connected to the top leadership. More than 15% of the 10 crore Mudra beneficiaries are from Scheduled Castes (SCs) and Scheduled Tribes (STs), with over 91 lakh from Maharashtra alone. Stand-Up India, Skill India, Make in India, Sagarmala, Road corridors, etc., all offer various job opportunities.

The existing atmosphere and ecosystem in India favour entrepreneurs from Scheduled Castes and Tribes in unprecedented ways. The policy environment in this country has never been better, and DICCI (Dalit Indian Chamber of Commerce & Industry) is helping SCs & STs take full advantage of it. As Buddha taught, "Be your own light" and "Madhya Marg" (Middle Way). Economic democracy requires majority-driven solutions. Economic progress must meet everyone's basic necessities. Our financial systems must combine capitalism's efficiency with socialist values of justice and equity. "Dalits are not only takers; they are givers," said one observer. And what better way to achieve this than for Dalits to become entrepreneurs (industrialists) themselves, welcome the unprecedented economic reforms and favourable climate for inclusive growth SCs & STs provided by the Modi government? Time has changed, and the younger generation views jobs very differently; therefore, even we should try to influence their attitudes. "Three economic issues need to be addressed: labour, capital, and technology. Skill plays an integral part in human capital or labour. According to NSDC, today's skills are crucial for India.

MSMEs should take advantage of shifting economic conditions to develop more robust, more inclusive, and globally competitive. SIDBI has been trying to finance, promote, and expand India's MSME sector since 1990. In addition, it has been addressing other credit and non-credit gaps to provide an enabling environment for MSME growth. Insights into various government programmes such as MUDRA and Stand Up India.

He highlighted the importance of marketing and how to attract more clients straightforwardly. Advertisers have learned how important it is to articulate and assign brands with real purpose. The importance of quality and content of the product is emphasised with an example of how Titan outmoded the HMT watches. Every successful business has a consequence, customer, and customer need. Once you have this knowledge, you can utilise it to persuade future and existing consumers that buying from you is in their best interests. A minimal viable product is a product with just enough features to satisfy early customers and offer input for future product development.

The importance of the Khadi & Village Industries Commission (KVIC) cannot be overstated. Surprisingly, PM Modi's promotional initiative has led to Khadi's yearly net profit growth of roughly 34%. Aside from that, Khadi has developed various new entrepreneurial programmes related to its goal, such as Market Development Assistance, Program for Promotion of Village Cluster- Rural Industry Service Center (RISC) for Khadi & Village Industry, etc. The Indian government has made many steps to create a culture of innovation and entrepreneurship in the country. Startup India initiative, Stand-Up India, MUDRA, Support to Training and Employment Programme for Women (STEP), Atal Innovation Mission (AIM). Despite the country's enormous youth population being hailed as a beautiful "demographic dividend," unemployment and underemployment data reflect an unpleasant reality. If India's youth are not offered substantial future prospects, they could become an economic burden rather than an asset. So, for example, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Skill Development Mission, etc.

#### **4. SUM UP:**

The unrest stems from an economic-political mismatch that lies beneath the fury about crony capitalism, incompetent government, and joblessness. We are fortunate to have a Prime Minister committed to economic and political democracy". To combine market forces with the essential ambition of democracy, Mahatma Gandhi aptly described as 'Sarvodaya' — literally, the well- being of everyone. After all, "India resides in its villages," as Mahatma Gandhi famously observed. Many unemployed youths have benefited from the Deen Dayal Upadhyay Swawlamban Yojana [DDUSY], which provides bank loans from Rs 10 lakhs to Rs 1 crore with a 30% subsidy. 'Vikas Issey tey mat,' said Pt. Deen Dayal Upadhyay in his Antyodaya philosophy. Vikas issey tey Kariye ki Garibi ki rekha se niche rehne wale log kitna aagey bdey hai'. (Development determines how far individuals living below the poverty line have increased, not who became affluent.)

Thus, Prime Minister Modi is announcing his working plans and other public welfare programmes based on his opinions. The primary goal of economic democracy, according to him, is to provide progress and opportunity to everyone. The true essence of economic democracy is to make the poorest into the richest. Jan-Dhan-Yojana, MUDRA, Kaushal Vikas Yojana are programmes and initiatives that aid the poorest of the poor. NITI Aayog is a great initiative to balance and equalize the collaboration and coordination between the Union and States, contrary to the opponents' views. By comparing China and India's situations, he emphasized critical factors for Economic Democracy's success. Prime Minister Modi is doing the same thing to strengthen economic democracy by creating jobs even in villages.

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