

PMMY: MUDRA LOAN

The Pradhan Mantri Mudra Yojana (PMMY) is an initiative launched by the Government of India in April 2015 aimed at providing financial support to small and micro enterprises. The scheme is designed to foster entrepreneurship, boost employment, and promote the growth of the unorganized sector in the economy. Under PMMY, loans are extended to individuals and businesses for various purposes, primarily to help them start or expand their operations.

The loans under PMMY are classified into three categories based on the stage of development of the business.

Shishu Loans category is aimed at new enterprises and provides loans up to Rs 50,000. It is primarily designed for entrepreneurs starting their businesses or for micro-enterprises seeking initial funding. Shishu loans are particularly beneficial for individuals in sectors such as retail, manufacturing, and service industries who need a small amount of capital to get their operations off the ground.

Kishore loans are intended for businesses that are more established and are seeking additional funding for expansion. The loan amount ranges from Rs 50,001 to Rs 5 lakh. This type of loan is suitable for small enterprises offering to scale their operations, enhance their product offerings, or improve their market reach.

Tarun Loans provides financial assistance for more developed enterprises requiring funding between Rs 5 lakh and Rs 10 lakh. These loans cater to businesses that have already established a market presence and are looking for significant capital to drive further growth or innovation.

To avail of Mudra loans under PMMY, applicants must meet certain eligibility criteria.

In Business Type, the applicant must be involved in a micro or small enterprise. This includes businesses in sectors such as manufacturing, services, and trading. A good credit history and credit score can significantly enhance the chances of loan approval, although loans are provided without any collateral up to certain limits. A well-structured business plan detailing the use of funds, projected revenues, and growth strategy may be required.

The application process for Mudra loans is straightforward. Prospective borrowers can apply for Mudra loans online through the Mudra website or through various partner banks and financial institutions. Applicants need to provide essential documents, including identity proof, address proof, business registration, and a detailed business plan. Financial institutions evaluate the application, assess the creditworthiness of the borrower, and determine the loan amount based on the proposed business.

Mudra loans under PMMY come with several advantages.

Borrowers are not required to provide collateral for loans up to Rs 10 lakh, making it easier for entrepreneurs with limited assets to access funds.

Many banks offer loans at competitive interest rates, often lower than market rates, to promote entrepreneurship among the economically weaker sections.

The repayment terms can be adjusted based on the borrower's cash flow and business needs, which helps in managing financial pressure.

PMMY supports a wide array of sectors, including agriculture, manufacturing, retail, and service industries, thus promoting comprehensive economic development.

While the Mudra scheme has been instrumental in supporting entrepreneurship, it also faces some challenges.

Many potential borrowers, especially in rural areas, remain unaware of the scheme and its benefits. Increased awareness efforts are crucial for maximizing the scheme's impact.

Some banks may have stringent credit evaluation criteria that can make it challenging for certain borrowers, particularly first-time entrepreneurs, to secure loans.

In some sectors, there is intense competition, and businesses may find it challenging to sustain growth even after receiving funding.

The Pradhan Mantri Mudra Yojana has emerged as a vital tool for fostering entrepreneurship in India, providing essential financial support to micro and small enterprises. The tiered loan structure-Shishu, Kishore, and Tarun-ensures that businesses at various stages of development can access the necessary capital to grow. With no collateral requirements, competitive interest rates, and flexible repayment options, Mudra loans play a critical role in empowering individuals and boosting the Indian economy.

As the government continues to promote this initiative, enhancing awareness and simplifying the application process will be key to reaching a broader audience and driving the growth of entrepreneurship across the country. The success of PMMY will ultimately depend on the collective efforts of financial institutions, government bodies, and aspiring entrepreneurs to create a thriving ecosystem for small businesses.

GLOBAL HUNGER INDEX 2024: WHERE INDIA STANDS?

■ PARVEEN KUMAR

Despite self-sufficiency and record food grains production, something ails accessibility, affordability and nutritional security of food in the country? The report of Global Hunger Index 2024 speaks in volumes of persistent flaws and an imbroglio in different aspects of our food production chain. In 2024 GHI analysis India falls under 'serious' category along with 41 other nations including Pakistan and Afghanistan. Despite a plethora of pro farm policies and farmer centric schemes, the country is not showing visible improvement in Global Hunger Index. In 2022, India ranked 107th out of 121 countries and with that rank, India had also slipped 6 positions from its 2021 rank of 101 making it the country having the highest child wasting rate among children. Again in 2023 GHI report, India stood at a position of 111 out of 125 countries indicating a hunger severity level categorized as 'serious' for the country. India's GHI score in 2023 was 28.7 on a 100-point scale where 0 is the best score (no hunger) and 100 is the worst. In 2024, the country has again stood with a league of nations which are placed in 'serious' category in terms of hunger.

The report that aims to comprehensively measure and track hunger at the global, regional, and country levels is calculated on the basis of four indicators viz undernourishment referring to the share of the population with insufficient caloric intake; Child Wasting i.e. share of children under age five who have low weight for their height reflecting acute under-nutrition; Child Stunting depicting the share of children under age five who have low height for their age reflecting chronic under-nutrition and finally child mortality describing the mortality rate of children under the age of five. Based on the values of the four indicators, the GHI determines hunger on a 100-point scale where 0 is the best possible score (no hunger) and 100 is the worst. On the severity scale, the countries with a score of less than or equal to 9.9 are in low level of hunger category; those with score in between 10 to 19.9 fall under moderate category of hunger and those with a score of 20-34.9 are categorized as countries with serious levels of hunger; 35-49.9 fall in alarming and those with a score greater than or equal to 50 placed in the extremely alarming category. Each country's GHI score is classified by severity, from low to extremely alarming. Undernourishment data are provided by the Food and Agriculture Organization and Child Mortality data are sourced from the UN Inter-agency Group for Child Mortality Estimation (UN

IGME). Child wasting and stunting data are drawn from the joint database of UNICEF, the World Health Organization (WHO) and the World Bank among others. Based on indicators like undernourishment, child stunting, child wasting, and child mortality across 127 countries; the top 10 hungriest countries in the world in 2024 are Somalia, Yemen, Chad, Madagascar; Democratic Republic of Congo, Haiti, Niger; Liberia, Central African Republic, Democratic People's Republic of Korea. In the Global Hunger Index (GHI) of 2024, India has been placed in the 105th position, categorizing it as 'serious' in terms of hunger analysis. India has got a GHI score of 27.3 which places it in serious category. This is a big jolt, given the position of our South Asian neighbours like Bangladesh, Nepal, and Sri Lanka in GHI 2024. All these countries fall into the 'moderate' category of hunger level. However, if we see and compare the GHI score, India where hunger level was categorized as 'alarming' in 2000 with a score of 38.4, has shown gradual improvement over the years. But definitely this improvement is not enough and what the country had aspired to be. The data extracted from the Global Hunger Index 2024 report is shocking as well as alarming. It is hard to believe but GHI 2024 reveals that about 13.7 per cent of India's population suffers from undernourishment, 35.5 per cent of children under the age of five are stunted, 18.7 per cent of children experience wasting and what a tragedy that 2.9 per cent of children do not reach their fifth birthday. These figures reflect some deep-rooted issues in our production and distribution system.

At the global level too, the situation is pathetic. According to United Nations WORLD Food programme (WFP), about 350 million people around the globe today are undergoing the most extreme conditions of hunger and out of those almost 49 million people are on the verge of famine right now. Besides, over 820 million people suffer from chronic undernourishment, with about 60 per cent of women and five million children below five years of age dying of malnutrition related causes each day, as per Food and Agriculture Organization (FAO). The world has to achieve Sustainable Development Goals (SDGs) by 2030 and of 17 SDGs; SDG 2 is concerned with eliminating hunger in all forms and work for a Zero Hunger world. From GHI 2024, it appears that the goal of achieving zero hunger by 2030 appears challenging given that 42 countries are still facing alarming or serious levels of hunger. Overall, the world today stands at a GHI score of 18.3, a small decrease from the 2016 score of 18.8, catego-

rized as moderate. It is further unfortunate that the progress against hunger has slowed down with 22 countries witnessing an increase in hunger since 2016, while in 20 countries, the progress has largely stalled. Notably, in 5 countries Fiji, Jordan, Libya, Syria, and Venezuela the hunger situation has gotten even worse than in 2000. The 2024 GHI results highlight challenges affecting the world's poorest countries, amplifying structural inequalities. GHI is an instrument utilized by international humanitarian agencies to estimate and track hunger levels.

Food is recognized as third most basic human necessity after air and water as well as a basic human right under the UN's Universal Declaration of Human Rights and two legally-binding international covenants. Everyone deserves the right to access adequate food. It is a tragedy of present times that despite the world's farmers producing enough food to feed more than the global population; hunger still persists in so many forms. People all across the globe are witnessing the largest global food crisis in the agrarian history. The COVID-19 pandemic coupled with economic recession in major economies and the threats arising out of increasing temperatures all have contributed to rising hunger and starvation. In Indian case, food security is not an issue as we now produce more than sufficient food grains, the GHI 2024 might be a reflection of our state of nutritional security. The staple foods like wheat, maize and paddy no doubt fill bellies but quiet often these do not have enough essential vitamins and micronutrients. This leads to their susceptibility towards various diseases. Bio-fortification has the potential to address the issue of nutrient deficiencies. Biofortification is the process by which the nutritional quality of food crops is improved through agronomic practices, conventional plant breeding, or modern biotechnology. The present government is working on this and has started a no. of flagship programmes to ensure nutritional security of all. Biofortified varieties of different crops have been developed and have already been released. At the same time it is all necessary to go for mass awareness campaigns on nutritional security especially involving youth, adolescent girls, pregnant and lactating mothers. Promotion of Kitchen gardening, cultivation of millets and concept of 'Nutritional Thali' can also change the situation at ground level.

(The author writes on agriculture and social issues).

Caste System and Development: Contemporary Perspectives

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The caste system in India is the paradigmatic ethnographic instance of social classification based on castes. It has its origin in ancient India and was transformed by various ruling elites in medieval, early modern and modern India. It is consisted of two different concepts, varna and jati which may be regarded as different levels of this system. Despite attempts to create an egalitarian and modern society, the caste system remains as a prominent feature of the Indian society. Castes are often associated with certain occupations. They were arranged in a hierarchy with some castes considered superior to others. Casteism is considered as one of the greatest social evils affecting the socio-economic development as well as unity of society. When we think for a united, dignified and developed nation, casteism acts as a powerful social and political divisive force, causing conflicts, effecting peace, harmony and stability in society. Not only Hindus, with whom caste system is generally associated, all the Indians whether Sikhs, Muslims, Jains, Buddhists even Christians carry some vestige of caste system. It has been agreed by many statesmen, policy makers, observers and political leaders that in order to make India a strong, self-reliant, free of poverty, illiteracy and diseases, occupying a place of honour in world community, eradication of casteism is essential. It is very important to understand some misconceptions about caste system, reasons behind emergence and growth of casteism and its present role in our social system. There are numerous differences among observers and scholars about the exact definition of caste system. In its general fundamental aspects it can be described as a prescriptive system of status and hierarchy. It is a type of social stratification system based on gradation of endogamous kinship group with certain considerations of ritual purity reflected in restrictions on commensality and pollution and associated with traditional occupational specialization.

Caste system is linked with Varana system. Researchers trace the origin of caste system to about 2000 years back in economic, political and material processes of evolution. Caste has never been a fixed fact of Indian life. Before British rule caste affiliations were loose and fluid. It was the British colonial rule that treated caste as the institutional key stone of Indian society. Beginning with the first decennial census of 1871, the census became the main instrument of gathering information about the caste system and classifying it. Enumeration of population into rigid categories, especially with 1901 and 1911 census resulted in hardening of caste identities. Britishers used caste system as one of the instruments of divide and rule. They enforced caste affiliations very strongly. They institutionalised caste into the working of governmental institutions. Some castes were preferred for certain jobs such as police and army, while some were branded as criminal. Some laws were also passed keeping in view caste affiliations and making those allies of the regime. The immediate effect of this, according to the studies was that it increased caste consciousness and inter-caste competition. The arbiters of caste system were thus no longer part of the ritual order but rather external to it in politics and also in the national movement. The national leaders attempted to reduce the differences and subsume the social justice issues in national struggle but they did not succeed much. During Colonial rule, caste groups became identity conscious and organised. At the time of independence some of them were quite vocal in their concerns and demands. The framers of the constitution were committed to the formation of an egalitarian, equitable, fraternal society. The 1950 Constitution, therefore, eliminated caste system, as instrument of discrimination, restrictions of any kind, particularly the practice of untouchability, through fundamental rights of equality, liberty and freedom. At the same time, in accordance with the need of positive actions to eliminate age old depri-

vation of some sections provisions for affirmative action for Scheduled Castes, Scheduled tribes and backward classes were also incorporated in the Constitution. It was expected that, in due course, with socio-economic development and transformation society will be socially integrated. During seven decades of independence while the influence of caste has been decreasing in social and economic spheres but still it has been gaining a stranglehold over the different fields. There has emerged new caste based organisations, growing polarisation on caste lines, violence and reservation conflicts. Caste has embedded itself firmly in the politicoeconomic fabric of the country.

Generally casteism means the tendency of caste or subcaste groups to maximise economic, social and political advantages of its members to the detriment of the other caste members and society as a whole. It is also an ideology of political allegiance to a caste group as primary and decisive, leading to blind group loyalty towards one's own caste believing that social, economic and political interests will be fulfilled through that. In the absence of well-developed political infrastructure of secondary groups the readymade primary caste groups emerged as the principal contenders for power and divisible benefits. Apart from participating in and influencing elections, caste is being used also as a pressure group to receive the benefits. An important aspect of this has been pressure for and against quotas. Sometimes casteism leads to violent protests causing huge loss of public property and diversion of resources towards maintenance of law and order instead of welfare and development. Paradoxically as caste has become somewhat less important in determining individual life chances, it has become more salient as a political identity and as an institutionalized element of civil society. There are many caste based educational institutions, hostels, housing societies etc. Some of them are playing the important role of bringing the deprived into the mainstream and fulfilling their aspirations. In general casteism is causing social disharmony. It is seriously affecting the socio-economic development and building of a new modern India.

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Accelerated growth of industrialization boosts economy



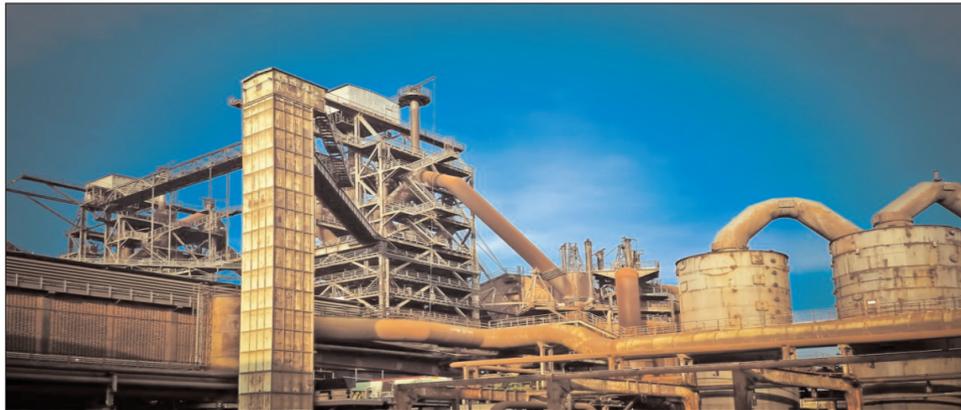
■ MOHAMMAD HANIEF

Industrialization plays a significant role in employment creation of any economy. Large-scale and heavy industries are not present in an acceptable statistics due to poor infrastructure and climatic disadvantages in Jammu and Kashmir. Only Micro, Small and Medium enterprises are growing in the union territory. The availability of raw material, cultural and climatic conditions is supporting those enterprises in growth. Small scale industrial units are manufacturing food products, beverages, silk, bricks, plastic products etc.

Jammu & Kashmir has a vast natural resource base which has enabled it to develop land for cultivating major fruits. With varied agro-climatic conditions, the scope for horticulture is significantly high. Food processing and agro-based industries (excluding conventional grinding and extraction units) thrives as Jammu and Kashmir has an ideal climate for floriculture and an enormous assortment of flora and fauna.

Handicrafts are world famous and the traditional handicraft industry has emerged as a large industry. Due to its large employment base and export potential, the industry has been receiving priority attention of the government. Jammu and Kashmir is also famous for its small-scale and cottage industries such as carpet weaving, silks, shawls, basketry, pottery, copper and silverware, papier-mache, and walnut wood.

Topographically the union territory Jammu and Kashmir is divided into two regions i.e. Jammu and Valley of Kashmir. The Jammu region of J&K has a sub-tropical climate and the summer is hot. The temperature starts soaring in the month of March and is at its peak in the month of April. The maximum temperature in summer can go as high as 45 degree Celsius. Kashmir is quite pleasant with the temperature varying from 14 to 30 degree Celsius. Jammu and Kashmir is achieving new bench marks in Infrastructure development. Basic connectivity, provision of potable water for all, 24-hour quality power supply are among the priority Sectors. The road network is extended to all the habitations with population over 250 persons as per 2001 Census, facilitating growth and development across the Union Territory. World-class National highways, expressways, tunnels, bridges, flyovers,



are operational and have provided employment. Medium and Large Industrial development always remains a thrust area in the governments agenda. Annual Survey of Industries (ASI) of the government plays a pivotal role in assessing and evaluating the dynamics in the composition, growth and structure of the registered units in the manufacturing sector. The structure and function of the industrial sector is an important perspective of the Indian Economy. The well-being of the industries depends sternly on the formulation and promotion of industrial policies framed by the policymakers. To frame suitable industrial policies the policymakers need to be conscious of the quantified aspect of the existing scenarios in the industries in the country and it is the survey results of the ASI which serves the desired purpose.

The market size of food processing sector in India is estimated to reach US\$ 1,274 billion in 2027 from US\$ 866 billion in 2022, backed by changing lifestyle and food habits due to rising disposable income and urbanization. The food processing sector has grown substantially, averaging an annual growth rate of around 7.3%, during 2015-2022. The sec-

tor has contributed 10.54% of the gross value added (GVA) in Manufacturing and 11.57% of GVA in Agriculture sector in 2020-21.

India is the fifth largest economy in the world and expected to be the fastest-growing economy among major G20 countries, with GDP growth estimated to be around 8% in FY24. The food processing sector has become a key contributor to India's economy over the past few years, thanks to progressive policy measures by the Ministry of Food Processing Industries (MoFPI). The sector has performed exceptionally well with an impressive average annual growth rate of 7.3% from 2015 to 2022. It has significantly contributed to Gross Domestic Product (GDP), employment, and investment, accounting for 10.54% of gross value added (GVA) in Manufacturing and 11.57% in Agriculture sector in 2020-21. GVA in Food Processing sector has increased from Rs. 1.61 lakh crore (US\$ 24.60 billion) in 2015-16 to Rs. 1.92 lakh crore (US\$ 24.43 billion) in 2022-23 (as per First Revised Estimates of Ministry of Statistics and Programme Implementation).

India's diverse agro-climatic conditions allow for abundant production of cereals, pulses, fruits, and vegetables, making it a leading producer of various foods. India was a global leader in milk production contributing ~25% to global milk production, in 2022-23. The country ranked second in vegetables and fruits and egg production and fifth in meat production, respectively, in 2022-23. Additionally, India is the largest producer of spices in the world, with 11.26 million tonnes of major spices produced in 2022-23, as per the third advanced estimate by spices board of India. The food processing industry in India is still in its early stages, contributing less than 10% to the total food output. According to a Deloitte study on Level of Food Processing in India, processing levels were at 2.7% for vegetables, 4.5% for fruits, 15.4% for fishery, 21.1% for milk, and 34.2% for meat in 2020-21. A strong food processing industry is essential for our nation to tackle food and nutritional security issues. Processed food offers convenience, extended shelf life, easy transport to remote areas, and improved accessibility, serving as a valuable source of nourishment. Additionally, it offers our farmers increased opportunities for better price realization and expanded selling prospects.