

**"AN ECONOMIC ANALYSIS OF THE IMPACT OF MSMEs ON GENERATING
EMPLOYMENT AND INCOME IN KARNATAKA."**

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of Karnataka's economy, contributing significantly to employment generation and income enhancement, especially in rural and semi-urban regions. This article delves into the multifaceted impact of MSMEs on Karnataka's economic growth, focusing on their role in creating jobs, boosting income, and fostering entrepreneurship. It also explores government initiatives such as the Karnataka Industrial Policy 2020-2025 and highlights the challenges faced by the MSME sector, including access to credit, skill gaps, and technological limitations. The article concludes by emphasizing the need for continued policy support to further unlock the sector's potential and promote inclusive economic growth.

Key Words : MSMEs, Employment generation, Income generation, Karnataka economy, Entrepreneurship , Rural development , Industrial policy , Skill development , Government support , Economic growth

Introduction

Karnataka has long been a leader in industrial development, with a diversified economy spanning high-tech sectors in cities like Bengaluru to traditional industries in smaller towns and rural areas. A key driver behind this growth is the state's robust MSME sector. MSMEs contribute to economic dynamism by creating employment opportunities, enhancing income levels, and promoting regional development. These enterprises cater to a wide range of industries, including textiles, food processing,

handicrafts, electronics, and IT services, making them a vital cog in Karnataka's industrial machinery.

In this context, MSMEs play a critical role in bridging the economic divide between rural and urban regions by providing job opportunities and fostering local entrepreneurship. Their capacity to innovate, adapt, and grow helps stimulate economic activity across sectors, providing a livelihood for millions.

Employment Generation through MSMEs

MSMEs are among the most significant contributors to employment in Karnataka, offering jobs across a diverse range of industries. As of 2021, the MSME sector in Karnataka has employed approximately **55 lakh** (5.5 million) people, both in formal and informal capacities. MSMEs are particularly prevalent in rural and semi-urban areas, where large industries are often absent, thereby addressing the issue of rural-urban migration.

Inclusive Employment

One of the major strengths of MSMEs is their ability to provide inclusive employment. Unlike larger industries, which often demand highly specialized skills, MSMEs can offer jobs to individuals with varied skill levels. This makes them an essential employment source for unskilled and semi-skilled workers, especially in regions where educational and training facilities are limited. Additionally, MSMEs contribute to the employment of women and marginalized communities, particularly in sectors like handicrafts and textiles.

Skill Development and Workforce Productivity

Another noteworthy contribution of MSMEs is in the area of skill development. Many MSMEs provide on-the-job training, thereby enhancing the skill sets of their employees. This not only improves workforce productivity but also increases the competitiveness of the sector. The availability of skilled labor, in turn, helps MSMEs grow and compete in both domestic and international markets.

Women and Marginalized Groups

MSMEs have also been at the forefront of promoting gender diversity and economic empowerment. Karnataka has witnessed a significant rise in women-led MSMEs, particularly in sectors such as textiles, food processing, and cottage industries. These enterprises offer women opportunities to become financially independent and contribute to their family incomes, thus enhancing overall social development.

Income Generation

In addition to creating employment opportunities, MSMEs are vital contributors to income generation in Karnataka. By providing livelihoods to millions, they ensure that wealth is more equitably distributed, particularly in rural and underdeveloped regions. This has a cascading effect on local economies, leading to increased spending power, higher local consumption, and greater overall economic activity.

Entrepreneurial Opportunities

The MSME sector encourages entrepreneurship by allowing individuals to start their own businesses with relatively low capital investment. Karnataka, with its supportive ecosystem for startups and small businesses, has witnessed a surge in new enterprises, particularly in semi-urban and rural areas. Government programs that provide credit and financial assistance have made it easier for individuals to take up entrepreneurship, further boosting income levels in the state.

Regional Development and Reducing Wealth Gaps

By establishing businesses in rural areas, MSMEs help reduce the wealth gap between urban and rural populations. Many of these enterprises are involved in agriculture-related industries, manufacturing, and services, which create a balanced income distribution. Moreover, MSMEs provide opportunities for local populations to become self-reliant, reducing their dependence on external sources for employment.

Government Support and Policies

The government of Karnataka has implemented several policies and programs aimed at fostering the growth of MSMEs, recognizing their potential to generate employment and income. Key initiatives include:

Karnataka Industrial Policy 2020-2025

This policy is one of the most comprehensive frameworks to support MSMEs in the state. It aims to create employment for **2 million people** and attract significant investments into the MSME sector. The policy focuses on providing fiscal incentives, infrastructure support, and easier access to credit for MSMEs. It also promotes the creation of MSME clusters, where small businesses can benefit from shared resources, technology, and training.

Cluster Development Programs

Cluster development programs have been especially successful in Karnataka, where industrial hubs such as Peenya in Bengaluru, Belagavi, and Mysuru house thousands of small and medium-scale industries. These clusters not only create employment but also enable MSMEs to participate in value chains linked to larger industries. Access to technological innovation, markets, and training through such clusters helps improve income levels and sustains business growth.

Credit and Financial Assistance

Access to credit is often a significant barrier to the growth of MSMEs. To address this, the government has implemented several financial schemes such as the **Pradhan Mantri Mudra Yojana (PMMY)** and state-specific loans that target MSME growth. These programs provide easier access to credit, particularly for first-time entrepreneurs, women-led businesses, and rural enterprises, allowing them to scale their operations and generate higher revenues.

Challenges Faced by MSMEs in Karnataka

While MSMEs have made significant contributions to employment and income generation in Karnataka, they face several challenges that limit their potential:

Access to Credit

Despite government schemes, many MSMEs, particularly those in rural areas, struggle with limited access to formal financial institutions. High interest rates, stringent collateral requirements, and bureaucratic delays in securing loans hamper the ability of MSMEs to expand and modernize.

Technological Upgradation

Many MSMEs operate with outdated technology, which hampers productivity and limits their ability to compete in the global market. The lack of access to modern machinery, digital tools, and innovative practices remains a significant barrier to growth.

Skill Gaps

While MSMEs employ a large number of workers, there is often a mismatch between the skills available and the requirements of the industry. This issue is particularly prevalent in high-tech industries where specialized skills are required. Addressing this gap through enhanced vocational training and upskilling programs is essential for the long-term growth of the MSME sector.

Regulatory Hurdles

Complex regulatory frameworks and cumbersome compliance procedures continue to pose challenges for MSMEs. Simplifying these processes, along with providing better clarity on policy implementations, will encourage the growth of more enterprises in the sector.

Conclusion

The MSME sector in Karnataka plays a vital role in the state's economic development by generating employment, enhancing income, and fostering entrepreneurship. With government support, particularly through the Karnataka Industrial Policy 2020-2025 and other financial schemes, MSMEs have a strong foundation for growth. However, overcoming challenges related to access to credit, skill gaps, and technological upgradation is essential to unlock the full potential of the sector.

As Karnataka continues to promote industrial development and inclusive growth, the MSME sector will remain a cornerstone of the state's economic future, contributing significantly to both rural and urban prosperity.

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CONTRIBUTION OF SMALL AND MEDIUM ENTERPRISES (SMES) TO THE INDIAN ECONOMY: A RESEARCH-BASED ANALYSIS

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Abstract

Small and Medium Enterprises (SMEs) are a cornerstone of the Indian economy, contributing significantly to the country's industrial output, employment, and overall economic development. With over 63 million enterprises spread across diverse sectors such as manufacturing, services, and trade, SMEs play a pivotal role in creating jobs, driving innovation, and fostering entrepreneurship. This research paper delves into the multifaceted contributions of SMEs, highlighting their significant share in India's Gross Domestic Product (GDP), employment generation, and export performance.

SMEs account for nearly 30% of the nation's GDP, while providing employment to over 110 million individuals, making them the largest employer after agriculture. Furthermore, SMEs contribute approximately 48% of India's total exports, particularly in labor-intensive sectors such as textiles, leather, and pharmaceuticals. This paper explores sector-specific data to illustrate the importance of SMEs in regional development, reducing urban-rural disparities, and enabling inclusive economic growth.

Despite their numerous contributions, SMEs face considerable challenges, including limited access to finance, technological constraints, and regulatory hurdles. The study reviews government initiatives like the MUDRA scheme, Credit Guarantee Fund Scheme (CGTMSE), and Digital India, which aim to address these challenges and promote SME growth. Through a detailed analysis of case studies and policy interventions, this paper offers insights into how SMEs can overcome these barriers and enhance their competitiveness in both domestic and international markets.

The paper concludes with policy recommendations to further boost SME performance, emphasizing the need for improved financial access, technological modernization, market linkages, and simplified regulatory frameworks. By addressing these issues, SMEs can continue to be the driving force behind India's inclusive and sustainable economic growth.


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Keywords: Small and Medium Enterprises (SMEs), Indian economy, employment generation, GDP, exports, innovation, regional development, government schemes, financial access, technological constraints.

Introduction

Small and Medium Enterprises (SMEs) hold a strategic position in India's economic framework. They are recognized globally for their ability to foster inclusive growth, generate employment, and contribute to economic resilience. With over 63 million enterprises, SMEs operate across sectors such as manufacturing, services, agriculture, and trade. The diversity of this sector, combined with its ability to quickly adapt to market changes, has enabled it to remain competitive both domestically and internationally.

SMEs account for nearly 45% of India's industrial output, approximately 30% of the GDP, and about 48% of its exports. This research delves into these contributions, emphasizing employment generation, sector-specific performance, export contribution, and government policies aimed at promoting the growth of SMEs. Moreover, it identifies key challenges faced by the sector and provides policy recommendations for addressing them.

1. Employment Generation

One of the foremost contributions of SMEs is their role in generating employment. The SME sector employs more than 110 million people, making it the largest employer after agriculture. SMEs provide jobs across various skill levels and sectors, thus promoting equitable income distribution and social stability. A National Sample Survey Office (NSSO) report reveals that SMEs contribute to around 40% of India's non-agricultural workforce.

The decentralization of SMEs has also played a significant role in reducing migration from rural to urban areas by creating employment opportunities in smaller towns and rural areas. SMEs, particularly in labor-intensive sectors like textiles, leather goods, and handicrafts, have emerged as key players in offering employment to marginalized groups and women, contributing to inclusive economic growth.

Case Study: Handloom and Textile SMEs in Tamil Nadu

Tamil Nadu is home to a large number of SMEs in the textile sector. In places like Coimbatore and Tiruppur, SMEs specializing in cotton knitwear contribute significantly to India's export market. These enterprises employ over 600,000 people, primarily from local rural communities. The availability of employment in these areas has slowed the rate of migration to major cities, contributing to balanced regional development.

2. Contribution to Gross Domestic Product (GDP)

SMEs contribute around 30% of India's GDP, with the sector's presence in both the manufacturing and services industries. A study by the National Institute for Transforming India (NITI Aayog) highlights that SMEs in manufacturing contribute nearly 6.11% to India's total GDP, while the service sector SMEs add around 24.63%.

The ability of SMEs to contribute to economic output with minimal capital investment makes them highly efficient. As small businesses are often quick to adapt to changing market demands and technological advancements, they remain competitive in both local and international markets. Their flexible nature allows for easy adaptation to consumer needs and evolving market trends, which further drives economic output.

Sectoral Breakdown

- **Manufacturing SMEs:** The manufacturing sector, which includes industries like textiles, auto components, electronics, and engineering goods, benefits from the agility and cost-efficiency of SMEs. These businesses contribute to both domestic production and export markets.
- **Service Sector SMEs:** In sectors like Information Technology (IT), healthcare, hospitality, and logistics, SMEs have been pioneers in innovation and customer-centric service delivery. Their contribution is crucial for GDP growth, particularly in the face of increasing digitalization and service-based economies.

3. Exports Contribution

SMEs in India play a pivotal role in the country's export economy. Accounting for 48% of the total exports, SMEs specialize in key export sectors such as textiles, leather, engineering goods, and pharmaceuticals. Their ability to produce high-quality, cost-effective goods has enabled them to remain competitive in global markets, particularly in regions like North America, Europe, and Southeast Asia.

Indian SMEs benefit from a comparative advantage in labor-intensive industries, enabling them to provide products at lower costs than many international competitors. Government schemes like the Merchandise Exports from India Scheme (MEIS) and various Export Promotion Councils have provided SMEs with the necessary support to increase their global reach.

Case Study: Pharmaceutical SMEs in Gujarat

Gujarat is a hub for pharmaceutical SMEs that manufacture both generic drugs and bulk drugs for domestic consumption and export. SMEs in this sector contribute to over 40% of India's pharmaceutical exports. Their ability to meet stringent international quality standards while keeping costs low has made them key players in global healthcare markets, particularly in Africa and Latin America.

4. Fostering Innovation and Entrepreneurship

SMEs serve as a crucial platform for innovation and entrepreneurship, driving India's transformation into a knowledge-based economy. Their size and decentralized nature allow them to adopt new technologies and business models faster than larger enterprises. With increasing digitization, SMEs in sectors like e-commerce, fintech, and renewable energy are emerging as front-runners in innovation.

Government initiatives like **Startup India** and **Digital India** have provided the necessary infrastructure, financial aid, and market access for SMEs to innovate. The **Atal Innovation Mission (AIM)** has been instrumental in fostering a culture of innovation by setting up incubators and research centers to support new ventures and technological advancements.

5. Regional Development and Reducing Disparities

One of the most critical contributions of SMEs is their role in reducing regional imbalances. SMEs contribute to industrialization in less-developed areas, creating economic opportunities in regions that lack infrastructure and investment. This reduces the strain on urban centers by offering employment and economic growth in rural and semi-urban areas.

Case Study: Artisan SMEs in Rajasthan

In Rajasthan, SMEs specializing in handicrafts and traditional arts have empowered local communities, particularly women and marginalized groups. These businesses provide a means of income to thousands of artisans who would otherwise lack economic opportunities. These SMEs contribute to both economic growth and cultural preservation, promoting sustainable development.

6. Government Initiatives Supporting SMEs

The Government of India has implemented several initiatives aimed at supporting the growth and development of SMEs:

- **Prime Minister's Employment Generation Programme (PMEGP):** Provides subsidies for new micro-enterprises in rural and urban areas.
- **MUDRA Scheme:** Provides collateral-free loans to micro and small enterprises for working capital and expansion.
- **Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE):** Offers credit guarantees for loans provided to SMEs, reducing the risk for financial institutions.
- **Skill India Mission:** Focuses on improving the skill set of the workforce employed in SMEs, enhancing productivity and innovation.
- **MSME Development Act:** Simplifies regulations and provides incentives for the registration of SMEs, allowing them to access benefits like subsidies, lower interest rates, and priority lending.

7. Challenges Faced by SMEs

Despite their significant contribution to the economy, SMEs face several challenges that hinder their full potential:

- **Access to Finance:** SMEs often struggle to obtain formal credit due to lack of collateral, high interest rates, and complicated documentation processes. According to a report by the Reserve Bank of India (RBI), nearly 40% of SMEs rely on informal sources of credit.
- **Technological Limitations:** Many SMEs lack access to advanced technologies and digital platforms, limiting their competitiveness in both domestic and international markets.
- **Regulatory and Compliance Burden:** Multiple regulations, complex tax structures, and frequent changes in policy create operational hurdles for SMEs.
- **Market Access:** SMEs face challenges in competing with larger businesses that have better marketing and branding resources. Limited access to international markets and digital platforms further restricts their growth.

8. Recommendations for Enhancing SME Performance

To unlock the full potential of the SME sector, the following steps are recommended:

- **Improved Access to Finance:** The government should enhance schemes that provide collateral-free loans and encourage financial institutions to develop SME-friendly products.
- **Technology Upgradation:** Providing subsidies and tax incentives for technological upgrades will help SMEs adopt new technologies and compete globally.
- **Market Access and Branding Support:** Government-backed trade fairs, digital platforms, and branding support can help SMEs gain greater market visibility.
- **Simplification of Compliance:** Regulatory frameworks should be streamlined to reduce the bureaucratic burden on SMEs, enabling them to focus on business expansion and innovation.

Conclusion

SMEs are indispensable to India's economic landscape, contributing significantly to employment, GDP, exports, and regional development. By fostering entrepreneurship and driving innovation, they are pivotal in building a resilient and inclusive economy. However, for SMEs to fully realize their potential, challenges such as access to finance, technology, and

markets need to be addressed. Continued government support and targeted policies will ensure that SMEs remain central to India's economic progress in the coming years.

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**MODI'S ADMINISTRATION AND INTERNATIONAL
RELATIONS- A REVIEW**

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Abstract

Changes in India's foreign policy have come about as a direct result of the leadership of Prime Minister Narendra Modi, who has presided over the country for the last several years. These trends have been characterised by a more aggressive posture towards major nations, a concentration on economic diplomacy, and an emphasis on enhancing India's strategic autonomy. Furthermore, these movements have been characterised by a focus on economic diplomacy. An emphasis on economic diplomacy has also emerged as a distinguishing feature of these adjustments in policy. These shifts in policy are distinguishable from one another in a number of ways, one of which is the increased focus on economic diplomacy. Because of this, it is of the utmost importance to carry out an in-depth examination of the efficacy of these policies as well as the impact they have had on India's international standing as well as the relationships it maintains with other countries. To that end, this paper will investigate the major tenets and distinctive features of the Modi administration's foreign policy towards India.

Keywords: Prime Minister Narendra Modi, India's Foreign Policy, International relations.

Introduction

India's foreign policy has long seen the countries in its immediate neighbourhood as extending concentric rings that are bound together by a common cultural and historical background. Pranab Mukherjee, who was serving as President of India at the time and is now the country's Minister of Finance, had a meeting with George W. Bush in 2008. It is estimated that there are up to 44 million people of Indian ancestry now living and working in countries other than India. These individuals provide an essential connection to their own nation. In accordance with the legal systems of other nations, the Indian government has made it a top priority in its approach to foreign policy to protect the welfare of Indian nationals residing in other countries, both from a health and safety standpoint.

On May 26, 2014, Narendra Modi was selected to become India's 15th prime minister after leading the Bharatiya Janata Party (BJP) to a decisive win in the country's most recent general election. He accomplished this by guiding the BJP to a successful outcome. Modi has begun putting into effect his and the BJP's vision for the contemporary India, which was made possible by the solid electoral mandate he received and the nearly uncontested leadership he now enjoys. During his first year in power, Prime Minister Narendra Modi made a concentrated attempt to push a policy of increased participation in foreign affairs. His unceasing efforts to make India an appealing location for foreign commerce took him to a large number of other nations, and he returned from each of those countries with lasting memories of his travels there. He left behind a legacy of indelible memory. It was clear that

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EXAMINING INDIA'S FOREIGN POLICY UNDER THE MODI GOVERNMENT

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ABSTRACT

A government must put in place a cohesive set of foreign policy concepts, options, and actions in order to safeguard national interest goals overseas. Under the context of international relations, this assists the nation in achieving its goals. Foreign policy is responsible for establishing the national interest's objectives and then using national power to safeguard those objectives. The objectives of this research are to gain an understanding of India's foreign policy under the current administration of Prime Minister Narendra Modi; to learn Modi's stance on issues with India's neighbours and with those in power; to determine economic growth in India as a result of globalisation; to compare laws and policies relating to foreign trade that are prevailed in India and other developed countries; and to gain an understanding of the steps that the Indian government has taken to improve its relations with other countries. The outcomes of this study were based on secondary-source information. There was a thorough examination of the current literature. Quantitative and qualitative secondary data were gathered from a variety of sources, including books, periodicals, and newspapers. The goals of the study were attained via the use of reports, research papers, publications, journals, relevant ministry officials, and websites. As a result, the study's findings have important implications for policymakers, academics, and researchers.

KEYWORDS: Prime Minister Narendra Modi, India's Foreign Policy, International relations, Government

INTRODUCTION

India's foreign policy has always seen its near neighbours as forming a series of concentric rings united by a shared cultural and historical heritage. In 2008, then-President of India Pranab Mukherjee met with then-Vice President of the United States George W. Bush. Up to 44 million individuals of Indian heritage are believed to be living and working outside of India at present. These people are a lifeline to the rest of their country. The Indian government has made it a central tenet of its foreign policy to ensure the health and safety of Indian people living abroad in conformity with the legal systems of other nations.

After guiding the Bharatiya Janata Party (BJP) to a resounding victory in India's most recent general election on May 26, 2014, Narendra Modi was chosen to become the country's 15th prime minister. He was able to do so by leading the BJP to victory. With an overwhelming election mandate and almost unchallenged leadership, Modi has started implementing his and the BJP's vision for modern India. Prime Minister Narendra Modi made a concerted effort in his first year in office to promote a policy of more active involvement in international affairs.

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had a compelling personality, and this quality was mirrored in the remarkable commanding presence he shared with the people he worked with. Several of the talks that he gave to international audiences, especially Indians who were living outside of India, were compelling to the glitz and intensity of live concerts given by prominent singers.

The National Democratic Alliance (NDA) government led by Prime Minister Narendra Modi and the Bharatiya Janata Party (BJP) has been actively involved in foreign affairs throughout its two years in power. As of June 2016, Modi had participated in as many as 48 meetings overseas, both bilateral and multilateral. The Bharatiya Janata Party (BJP) has been the party in control of the National Democratic Alliance (NDA) during this period. Throughout the course of this time period, India has played host to a number of high-level delegations from a range of nations including the United States of America, China, the United Kingdom, France, and other countries. There have been seven occasions when President Obama has been present, with the most recent being his trip to India and his speech in front of a joint session of Congress in the United States.

Modi's ambition for foreign policy has been influenced by the broad, though fuzzy, bonnet of the BJP's electoral platform, which specified three essential areas for change. The boundaries were established in the BJP's manifesto for the 2014 election: improving India's sovereignty, in its interactions with China and Pakistan; improving New Delhi's image throughout the globe by using India's "soft power" in the West and among developing nations; His "Make in India" initiative, which envisions the country as a hub for international firms involved in manufacturing, and Prime Minister Narendra Modi has put a premium on the economy, stressing the need for investment in India's infrastructure. In addition to promoting direct investment from other countries, this initiative envisions the country as a hub for international firms involved in manufacturing. (Iain Hall, 2015). He is making an effort to strengthen links with India's bright population that has relocated to other countries, such as the United States of America and Australia. These organisations are well-known for their innovative ideas and have substantial amounts of money at their disposal. Modi has been successful in persuading East Asian nations to invest in India's infrastructure and establish numerous industries in the country. In return for Modi's participation in the Asia Infrastructure Investment Bank, Japan has committed US\$35 billion to the institution, which is run by China. At his inauguration, he called Pakistan's Prime Minister Nawaz Sharif, who expressed his desire to increase economic connections and build infrastructure in the part of the globe that has the least amount of connectivity. Moreover, Modi has extended an invitation to the heads of state of other South Asian countries. Modi has it in his plans to provide the South Asian Association for Regional Cooperation (SAARC) the financial support it need to enhance its infrastructure so that it can facilitate an increase in the volume of cross-border commerce. This is something that Modi has made a top priority.

India's Foreign Policy Towards Various Nations

In the present time, India's strategic position in the context of the global environment has had a significant impact on the manner in which it formulates its policies, both internationally and at the national level. One of these characteristics may be seen in India's foreign policy, which exemplifies rather clearly India's projection of its image as a growing global superpower through cultivating, maintaining, and strengthening ties with governments either in the immediate geographical proximity or outside.

Since it attained its independence, India has been working on a strategy to improve its standing as a progressive and progressive country on the world stage. Nonetheless, India's foreign policy has been influenced by a variety of external variables that have had

substantial adjustments in the world economic and political environment, particularly during the 1990s. These changes occurred as a result of India's involvement in the Indo-Pakistani nuclear deal. In the wake of the end of the Cold War, the disintegration of the Soviet Union, difficulties related to nuclear weapons, economic crises, and border disputes, India has very strategically and diplomatically manoeuvred its position in the global realm. This has allowed India to capitalise on opportunities and avoid potential threats.

Despite territorial issues with Pakistan, Bangladesh, and China as well as ties with superpowers like the United States, the former Soviet Union, and India, India has pledged to grow its cultural, regional, economic, and even political relations with these nations. This is the case despite the fact that India has ties with superpowers like the United States. Regardless of whether India's physical, political, or other barriers were broken in the past, the country's foreign policy has always maintained a steadfast stance. In view of the problems that are now occurring, it is not yet clear how India's foreign policy will handle the resolving disputes and growing its relations with other nations via its participation in organisations such as ASEAN and SAARC. This is an important question that has to be answered.

The relationship between Afghanistan and India has never been anything but cordial and friendly. Moreover, India has strong ties to the neighbouring countries of Bangladesh, Sri Lanka, and the Maldives. The relationship between Bhutan and India is characterised by respect on both sides and a sense of reliability. Despite the fact that India and Nepal have fraught relations for a variety of reasons, India is making efforts to improve its relationship with Nepal, which is one of its most immediate neighbours. This is the forum for a discussion of India's foreign policy towards other countries.

→ India's Relations with the United States under Modi Government

The Modi government has prioritised the connection between India and the United States since its victory in 2014. Under the term of Prime Minister Narendra Modi, the relationship between India and the United States has increased across the board, notably in the fields of defence, commerce, and diplomacy.

Alliance for Mutual Defense and Security: Defense and security cooperation between India and the United States has been one of the most fruitful areas of bilateral collaboration throughout Prime Minister Narendra Modi's tenure in office. Several agreements have been inked between the two nations, deepening their strategic alliance and boosting their defence cooperation.

In 2016, the United States designated India as a Significant Defence Partner, clearing the way for further cooperation in areas such as the sharing of defence technology and participation in joint military exercises. The two countries have also signed a Logistics Exchange Memorandum of Agreement (LEMOA), a Communications Compatibility and Security Agreement (COMCASA), and a Basic Exchange and Cooperation Agreement (BECA) for Geo-Spatial Cooperation to facilitate closer cooperation in the defence and security sectors. Also, the two countries have partnered on programmes to increase investment and job creation. Between 2014 and 2020, American corporations are projected to invest more than \$45 billion in India, making the United States a significant source of foreign direct investment (FDI) in India. In addition, the Modi government has implemented a series of reforms designed to make it easier for businesses to operate in India. This has contributed to an increase in investment from the United States and other countries.

→ India's Relations with Russia under Modi Government



His tireless pursuit of making India a desirable place for international trade carried him to many other countries, and he brought back fond memories of each. His legacy will be remembered forever. He had an engaging personality, and his coworkers reflected it in their wonderful sense of camaraderie with him. There have been several comparisons made between the glamour and intensity of his presentations to worldwide audiences, particularly Indians living outside of India, and those of famous performers performing in front of sold out arenas.

Foreign policy has been a priority for the National Democratic Alliance (NDA) administration headed by Prime Minister Narendra Modi and the Bharatiya Janata Party (BJP) for its whole two years in office. As of June of this year, Modi has already attended a (BJP) for its whole two years in office. As of June of this year, Modi has already attended a many as 48 bilateral and multilateral meetings abroad. Throughout this time, the Bharatiya Janata Party (BJP) has served as the NDA's ruling party. Throughout this time period, India has hosted a number of high-level governmental delegations from countries including the United States of America, China, the United Kingdom, France, and others. With his recent up to India and his address to a joint session of Congress in the United States, President Obama has been present seven times.

After just one year in power, it was evident that Prime Minister Modi was enjoying his position as India's foreign policy leader. As a direct consequence of his efforts, the international community's impression of India has shifted dramatically. To achieve this goal he advocated for a proactive and constructive role for India in global and regional affairs, as well as a positive outlook on the future of India's economy. Yet Modi's suggested approach to India's foreign policy would undoubtedly prioritise the promotion of economic interests.

The 2014 election of Narendra Modi as India's new prime minister was successful despite the fact that he had just a limited understanding of global affairs. With his image as a strong and powerful leader as well as his ideological commitment to Hinduism, which is another term for Hindu nationalism, many people anticipated that Modi would steer India's foreign policy in a different path. In other words, a large number of individuals anticipated his establishment of the Modi Doctrine. The fact that he visited East Asian nations like as China and Japan while serving as Gujarat's chief minister led many to anticipate that he would put a high diplomatic priority on ties with these nations. In 2005, his application for a visa to visit the United States was refused because of an incident that happened between two factions in 2002, when he was president. The occurrence happened during his term in office. Many people believed that between him and the United States would deteriorate as a consequence of this disagreement. No one anticipated the degree to which he would get involved in global political matters. Fewer even had predicted his early acceptance of Pakistan and the United States, much like his partnerships with governments from every continent. This lecture will cover the fundamental themes behind Modi's foreign policy approach to India.

Modi's ambitions for foreign policy have been inspired by the BJP's campaign platform which outlined three critical areas for reform, although with hazy boundaries. These limits were outlined in the 2014 election platform of the BJP, enhancing India's sovereignty in dealings with China and Pakistan, enhancing New Delhi's global image by utilising India's "soft power" in the West and among developing countries. Prime Minister Narendra Modi has prioritised the economy and emphasised the necessity for investment in infrastructure via his "Make in India" project, which sees the nation as a manufacturing powerhouse for multinational corporations. In addition to encouraging foreign investment, this strategy sees the country as a manufacturing centre for world-



companies. He is attempting to develop ties with the intelligent population of India that has moved to nations such as the United States and Australia. These organisations are well-known for their creative ideas and have access to large resources. Modi has been successful in encouraging East Asian countries to invest in India's infrastructure and build various companies. In exchange for Modi's involvement in the Chinese-led Asian Infrastructure Investment Bank, Japan has pledged US\$35 billion to the organisation. After his inauguration, he spoke with Pakistan's Prime Minister Nawaz Sharif, who indicated a desire to strengthen commercial linkages and construct infrastructure in the least connected region of the world. Modi has also extended an invitation to the leaders of other South Asian nations. Modi intends to offer the South Asian Association for Regional Cooperation (SAARC) with the financial assistance it needs to improve its infrastructure in order to promote a rise in the amount of cross-border business. This is something that Modi has prioritised.

INDIA'S FOREIGN POLICY UNDER MODI GOVERNMENT

Throughout the time that Prime Minister Narendra Modi has been in office, India's foreign policy has been characterised by a number of significant strategic advances and initiatives. The approach taken by the Modi administration to India's foreign policy is comprised of a number of crucial components, some of which are listed below:

1. **The Neighborhood First Policy:** Under the leadership of Prime Minister Narendra Modi, the government of India's current administration has made the "Neighborhood First Policy" one of the key cornerstones of its foreign policy. The goal of this strategy is to strengthen India's connections with the nations that are located in its immediate vicinity, notably Nepal, Bhutan, Bangladesh, Sri Lanka, and the Maldives.
2. **The Act East Policy:** Under the leadership of Prime Minister Narendra Modi, it is an additional component of India's foreign policy that is of critical importance. The purpose of this strategy is to improve India's connections with countries located in East Asia and Southeast Asia. Some of these countries are Japan, South Korea, and Australia.
3. **Balancing China:** Attempts to Rein in China's Growing Regional Role the Modi administration's foreign policy has made combating China's expanding influence in the area a top priority. To counterbalance China's rising clout in the region, India has strengthened its ties to the United States, Japan, Australia, and other countries in the area. This is done in an effort to offset China's growing influence in the region.
4. **Digital Diplomacy:** The practise of electronic diplomacy. The government led by Prime Minister Narendra Modi has put a significant focus on the use of digital diplomacy in order to communicate with people and governments located all over the world. Thanks to the use of social media and other digital platforms, India has been able to present a positive image to the rest of the globe and engage with people from all over the world.
5. **Economic Diplomacy:** A focus on economic diplomacy has emerged as a central tenet of India's foreign policy in recent years, thanks to the leadership of Prime Minister Narendra Modi. To encourage economic growth and raise the chance of attracting investments from other countries, the government has taken a number of different initiatives during the last several years. This initiative also encompasses the "Made in India" programme, which was developed with the intention of bolstering the domestic manufacturing sector of the nation and encouraging foreign investment.



Table 1: Comparing groups of figures

| | Narendra Modi (2014-2019) |
|--------------------------------|---------------------------|
| Prime Minister | 94 |
| Number of International Visits | 59 |
| Number of countries Visits | 186 |
| Number of Days spent abroad | |

Source: PMO, PMO Archive

Since independence, India's foreign policy has centred on enlisting foreign policy partners for the country's growth. Since the economic reforms of 1991, the process has been made more active by the Modi administration. With the continuation of policy, a shift in policy is sought. During Modi's administration, the government has requested billions of dollars in industrial and infrastructure investments from the U.K., Germany, France, Japan and the UAE, in particular. The governments have shifted diplomacy and development in the direction of quantitative outcomes. The objective of Prime Minister Modi's foreign policy trips has been the acquisition of technology, resources, and best practices.

The leadership style of Prime Minister Narendra Modi, which may be characterised as reactive in terms of foreign policy, is what gives the foreign policy of the Modi administration its particular character. A comparison of the foreign policies of the different regimes reveals that the different worldviews and personality traits of India's Prime Ministers have led to a paradigm change in the country's approach to international affairs in the 21st century.

CONCLUSION

To protect domestic interests abroad, a government must implement a consistent framework of foreign policy ideas, alternatives, and actions. In terms of diplomacy, this helps the country advance its objectives. National interests are best protected by the use of national power, which is the responsibility of foreign policy. Studying Modi's stance on issues with India's neighbours and with those in power, calculating the extent to which globalisation has contributed to economic growth in India, contrasting the foreign trade laws and policies of India and other developed countries, and learning how the Indian government has responded to these challenges are all goals of this study. Secondary data was used to support the findings of this investigation. The existing literature was extensively reviewed. Secondary data, both quantitative and qualitative, were culled from a wide range of print and online resources. Reports, research papers, publications, journals, pertinent ministry officials' websites were used to accomplish the study's aims. Hence, the study's results have substantial significance for researchers, educators, and policymakers.

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