Factors Responsible for Slowdown of Indian Economy 2020 and Methods to Mitigate Them

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Abstract

This is a narrative paper explaining about major causes of economic slowdown of Indian economy and methods to mitigate them. Among various previous related studies, majority of them focuses on lack of innovation and investment while some of them focus on sluggish demand and few blamed on unfavorable government policies as main reasons behind the economic slowdown. Overall in this conclusive paper problems and methods to cure economic slowdown are written simultaneously. In the paper, problem of economic slowdown is studied in depth and efforts being made to discover its causes in previous three decades (1990-2020). In this study, things like corruption, demonetization and inflation are also taken into consideration as causing factors of slowdown. Finally, the paper concluded that generating employment is not possible only through shifting to labour intensive technique. The special attention is given to services sector instead of agriculture and services sector but alone it won't do any miracle to uplift the economy. The collaboration of government policies and Private Capital as Public private partnership (PPP) will turn Indian economy into a super strong economy in the world.

Keywords

Restructuring economy, Sluggish consumer demand, Agro-mercantile, Less than 5 percent, Pandemic.

1. Introduction

Indian economy is a powerful economy (market) in the world. Indians has immense skills like Indian handicrafts, furniture's and services are highly demanded in foreign market which is helpful in making the country prosperous, but in the present scenario we are facing great economical slowdown. The situation is not only prevailing in India but things are going almost same everywhere. Due to rising trade barrier and increasing geo-political tensions IMF downgraded global GDP estimate several times in 2019.[17] Most of the Economists are worried about the current situation of Indian economy, as once India remain among the fastest mounting economy in the world.[1]

The main causes of Indian Economic slowdown 2020 can be bifurcated into two major conditions:

- Neglecting the nature of India economy which is a labour intensive due to availability of large human resources. The negligence turns on the poverty, unemployment and many more macro economic problems.
- Sensitive nature of the Indian economy which gets influenced by many external and internal factors like gulf war, cold war, drought, flood, Border disturbances, global crises, Non-Performing Assets(NPA), Demonetization, Failure of Automobile industries, sluggish consumer demand, and many more. The percentage of influence depends on reliance of the economy on the respective factor.

During 1991, Economic reform was introduced in India focusing on-Liberalization, Privatization and Globalization (LPG), licensing was liberalized, industries were privatized and economy was globalised. Positive side of this economic activity known to everyone but we never gave much importance to the negative side. This negative side was meager but it was prevailing and was much more responsible for sowing the seed of slowdown of the economy in long run.

Elaborating the three terms separately we get, Liberalization- as above said licensing and other industry related government polices was liberalized. Lots of new fraud companies was opened on paper to attain easy loan, it raised the problem of loan defaulter. This all resulted into a new problem of shadow economy. There wasn't any special regulation to check on those loan defaulters.

Due to Privatization more resources were in the hands of private entrepreneurs. With the launch of the "New Industrial policy 1991" which states that "Government will fully protect the interests of labour, enhance their' welfare".[18] It forced entrepreneurs to move towards capital intensive technique instead of labour intensive technique. This movement of choice of technique started a disturbance in the economy and situation get in worst day by day; it raises the level of unemployment. The situation became so crucial that even in 2015 the NITI (National Institution for transforming India) Ayog Vice-chairman Arvind Panagariya charged companies with not investing in labour intensive sector. According to him, Every year, 12 million people enter the labour force market but the industry wants to invest in capital-intensive sectors such as auto parts, automobiles, machinery, chemicals or areas requiring special skills such as software, telecom, pharmaceuticals instead of labour-intensive sector such as food processing, electronic assembly, leather products,"[6] and after ignoring the actual problem these entrepreneurs are now worried about fall in demand of automobile industry.[27]

Then Indian government started a mandatory Corporate social responsibility (CSR) policy to incline them towards social uplift, private entrepreneurs has to invest their profit in areas such as education, poverty, gender equality and hunger.[13]

Globalization has opened Indian economy for the whole world. The inclination towards western culture made Indians copying western style and Indian goods were replaced by foreign goods. These blind practices made India a dumping ground for some foreign countries.[19]

Rich Indian entrepreneur's goes one step ahead and started buying foreign machinery and it took jobs of many industrial labours. In this way we started behaving like capital intensive country. The employment opportunities started shifting from industrial sector to services sector. India will become a nation with an estimated population of more than 1.3bn by 2021 [22] Its majority of population is youth which shows incredible human resource. According to Planning Commission / Niti Aayog, "In next 14 years 183mn aspirants are expected to join the workforce" that alone cannot be absorbed by the services sector.[22] But still we are only focusing towards services sector and want to reach level of full employment. While maximum numbers of people are directly or indirectly employed in agriculture and allied sectors.[21]

During world economical crises of 2008, Indian economy was sturdy sufficient to scrap the crises but suddenly indian workers were sent back from their working countries in the name of cost cutting. So India faced a post effect of the world economical crises. which gets more visible upto 2011. Eonomical slowdown of 2011 has other add-on factors like mounting inflation, decrease in investments and decrease in FDI due to investors doubting about the government's obligation to economic reform.[8]

In 2014, post-election economic reform, changed perception of investors resulting a rise in Foreign direct investments and the Indian exchange rate get stronger. In years 2014 to 2016 the Indian economy bounce back to normal. Despite having a higher economical growth rate, various national banks were struggling with Non-performing assists(NPA) results in very limited credit creation.[8]

Suddenly in 2016, demonitisation was announced by indian government. It acted as a major cause of imbalance in Indian economy because it influenced the incoming FDI alot. The benifit of Indian demonitisation was taken by stronger western economy, they worked well as a pulling factor to foreign investors, who were previously investing in the Indian economy, changed their mind and shifted towards western countries.[24]

Introduction of GST in 2017 was a favourable move of the Indian government towards uplift of Indian economy and helped in rising FDI limits in various sectors. [8]

2018 India emergesed again as a strong economy, IMF ranked India 142nd based on GDP (nominal) and 119th based on Purchasing power parity (PPP) in 2018. In 2019 UNCTAD forecasted indian's growth rate to be 6 percent from 7.4 percent due to constant decline consumer demand.[28]

INDIA 2020

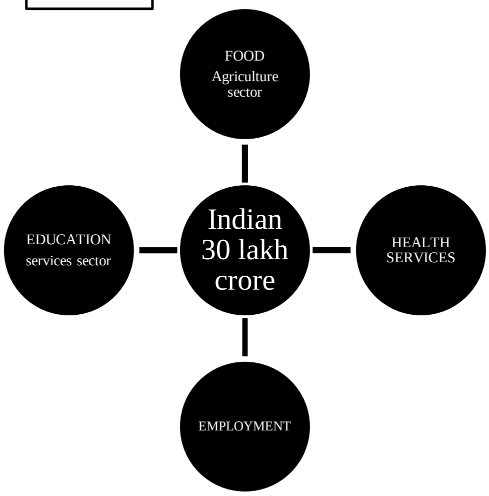

FIG-1

Figure 1: shows India's Total Revenue 30 lakh crores. The ordinary Indian, who is earning an average salary below than the taxable income, want the government to allocate the fund is such a way that their major basic demands get fulfilled :

- Reasonable Food items
- Health services
- Education
- Employment opportunities.

But their basic needs are hindered by Inflation, fake degree holder medical practitioner, still prevailing Macaulay education system where your degrees are actually useless because it is not professional. Prevailing corruption that promote brain drain etc.

2. Factors Responsible for Indian Economical Slowdown 2020

There are so many factors responsible for slowdown of Indian economy but it is very tough to accumulate each and every influential factor. So here, efforts have made to access the major factors responsible for economical slowdown like Agriculture, Manufacturing, Services, and various other factors are elaborated below-

Agriculture

India is a country with rich agriculture resources like best quality land, perennial rivers, abundant human resources but this sector is losing its importance due to lack of research work or investment in this field. We don't have proper cold storage for storing our surplus produce that leads us to running shortage at the end of the season. Presently very few industries are there in food business due to its perishable nature of product. Although government is providing subsidies to the marginal farmers for losing their produced crop due to drought and flood but it won't work out at national level agriculture growth. Agriculture favoring policies like Green revolution mainly focuses on cereals production and we attain a satisfactory position in it, but we need to focus on Horticulture and Floriculture. We can boost our Agro exports via proper participation of government and private sector because, it has a huge employment opportunity and favorable for our structure of economy.

Manufacturing

Various studies clarifies that the decade of 70's and 80's was actually the revival period of manufacturing sector.[26,2] Some studies picked the main cause behind impediment industrial growth of 60's and 70's as sluggish domestic demand.[3] In present situation China and USA are two powerful economical competitor to each other but this wasn't in decade of 90's , the then China's manufacturing sector contribution to its GDP was about 40 percent while India's manufacturing sector contributing only 26 percent of its GDP at that time, but it was among highest contribution of manufacturing sector to India's GDP. China's example shows that we need to focus more on our manufacturing sector to give a strong base to our economy. In present scenario Indian manufacturing sector is giving just 15 percent contribution to the GDP, which is quite low. Ajay Sahai, Director General & CEO (FIEO) called it "ballooning trade gap," He said that free trade agreements too have impacted the country's trade balance. Rise in imports has contributed to rise in the country's trade deficit.[23]

Industrial sector witnessed high rate of growth in 1991-92 and reached peak growth at 14.9 per cent in 1995-96. Then it slowed down to 7.9 per cent in 1996-97, 4 percent in 1997-98 and 3.6 percent in 1998-99.[11]

Services

"IHS Markit India Services Business Activity Index" roses to 55.5 in January 2020, from 53.3 in December 2019.[13] India's services sector covers a large range of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction and IT sector is just booming. But still we are lacking behind in innovation in Health care and Education sector to build a healthy and productive workforce as well as stabilize population.[8]

FDI

Before India’s economic liberalization in 1991, there was no FDI in India, so there was a sudden high flow of foreign investment in the year of 1992. In the year 1992-1996 the flow of FDI was impending gradually. In 1997 Asian economical crises, FDI had a downward trend and faced a crash in year 2002 as a post effect of Kargil-war and then a overturn trend in year 2003. The global Economical crisis of 2008 was responsible for low FDI in year 2009, [12] but in 2008 when world economy was going through great economical crises, Indian economy was enjoying highest FDI.[7] Main fall in India’s own exchange led to the diminishing FDI in year 2012.[12] Make in India plan and FDI policy (2016) brought maximum number of sectors under the automatic approval route, with few exceptions in the negative list. FDI witnessed a growth of about US$ 60.08 billion means near about 8 percent in the year 2016-17.[15]

Exchange Rate

Currency values fluctuation depends on several factors. It includes a nation's economic activity and growth prospects, interest rates, and geopolitical risk. It creates economic uncertainty and instability, which affects capital flow and international trade. Exchange rates keep on fluctuating in every quarter of the year. On yearly basis in 1990-91 it was $17.94, in 1995-96 was 33.44, in 2000-01 weakened to 45.68, whereas in 2005-06 it was 44.27, in 2010-11was 45.56, 2015-16 was 65.46 and in the year 2018-19 the currency weakens up to 69.92.[5] According to basic rule of exchange rate states that weakening of home currency cause a favorable rise in exports of the country, but on the contrary India's imports are larger and exports are less, it is mainly due to lack of economic activities. Indian currency reached its all time low in the year 2018. It was insufficient foreign demand, lack of innovative idea towards the foreign market, lower returns, decreasing FDI and decreasing interest rate.

After economic reform Indian manufacturing industry has great influence over foreign market. There is a high demand of Indian goods (Drugs and furniture) in foreign markets.[20] It boost the Indian exchange rate and turns it into stronger exchange rate, whereas lack of demand cause weakening of exchange rate. There are so many other factors (Interest rate, Inflation rate, and government debt) which are harshly influencing the exchange rate.

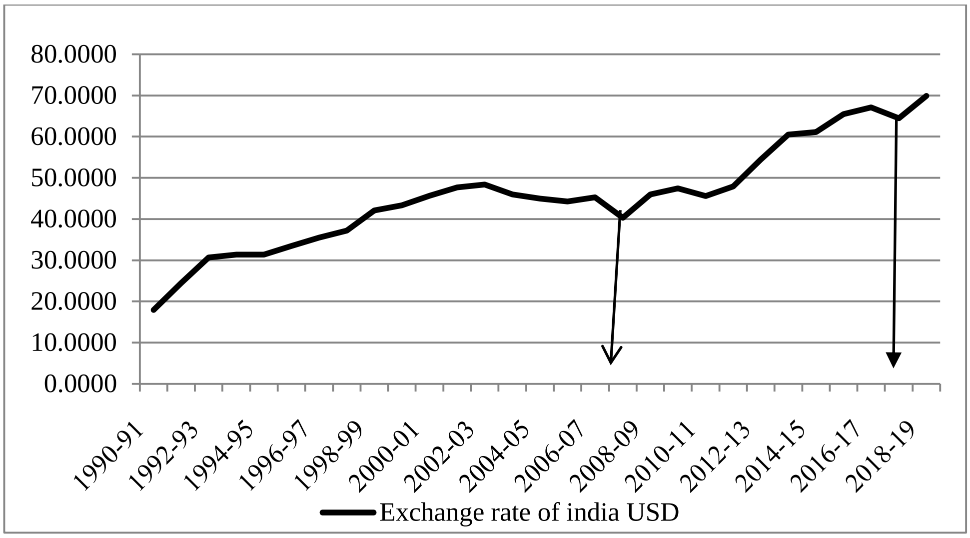

Figure 2: Exchange Rate of India USD

Source: *RBI archives, computed*

Fig. 2 Clearly illustrates the trend of fluctuation of Indian exchange rate with dollars in almost three decades. Within this period Indian currency cover a long distance from $1= 17.94 to $1 = 69.92.

Two major fluctuations in exchange rate was observed in past three decades. First fluctuation was observed in the year 2007-08, it was because of sudden increase in the FDI and other economical favourable factor and had made Indian currency strong, so in 2006-07 exchange rate was $1= 45.24 it changed to $1= 40.26 in 2007-08; Indian economy became so strong and was growing with such a speed that it once surpasses china in its first quarter. Second fluctuation was observed in the year 2017-18, this time it was due to launch of Good and services tax (GST) on 1st July 2017 which attracted the foreign investors and once again suddenly the currency get stronger. In 2016-17 it was $1= 67.07 changed to $1 = 64.45 in 2017-18.[14]

Non-performing assets (NPA)

It is also like normal loan and advances where principal or interest remain unpaid in their specific time period and it turn into NPA. It mainly rises due to aggressive lending practices, willful default, corruption and economical slowdown. The provision coverage ratio (PCR) of all SCBs increased sharply from 52.4 percent in September 2018 to 60.6 percent in March 2019. The Gross non-performing assets (GNPA) ratio may decline from 9.3 percent in March 2019 to 9.0 percent in March 2020.[16]

It declined due to government 4R's (Recognition, Resolution, Recapitalization and Reforms) strategy to boost up the bank system. (IBC) and (SARFAESI) Act and stressed assets management vertical etc.[25]

Growth in GNPAs March 2019	
Sub sectors	**1 SD Shock**
Mining	31%
Food Processing	24%
Petroleum	36%
Cement	42%
Metals	46%
Jewellery	28%
Construction	32%
Transport	27%
Power	38%
Telecom	54%

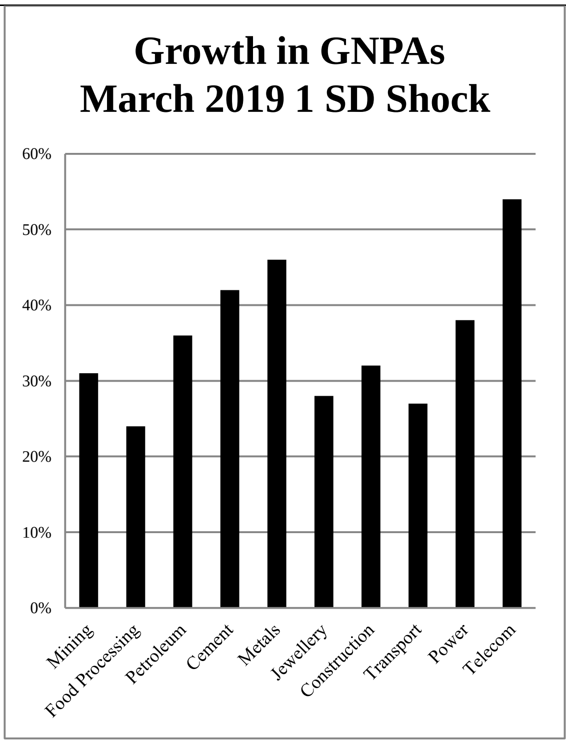

Figure 1: Growth in GNPAs March 2019

Source: *RBI publication report*

Table and graph clearly depicted that maximum 1SD (medium risk for loan advances) sub sectoral shock is in Telecom sector of around 54 percent, followed by Metals 46 percent and Cement 42 percent and so on. Although banking sector laxity turned into big jerk to the economy and to other investors.

Demonetization

Demonetization policy was announced near the ending of year 2016. Its Aim was to give a death blow to the black economy or shadow economy but the policy lead to contraction of economic activities and turns into a big shock to the Indian economy. It had worst impact on SMEs, small traders, real estate, transport sector, consumer durable goods industry and many more. Demonetization of Rs 500 and Rs1000 had negative impact on rural areas and industries dealing in hardcore cash transactions. Demonetization had affected the standard flow of liquidity in short run and also worked as FDI push factor.[24] Demonetization had done some benefits to the peoples like trend of cashless transaction started, leakage of money shifted from household to bank and financial institution. Due to transparency in circulation of money increased resulted the government received more tax. For instance the sudden action of demonetization broke the channel of terrorism as most of the payment was performed in high denomination cash currency.

Goods and Services Tax (GST): GST was launched by government for the amalgamation of so many different Indirect taxes at various center and state level. Its purpose was also to eases the filling and collection method but unfortunately it raise the corporate tax and made the filling system more complicated. The revenue collections keep on decreasing because of proper implementation and prevalence of fake invoices and corruption. During September 2019, revenue collection has declined by 2.67 percent in comparison September, 2018.[8]

Corruption

According to assessment report India rank 80th among 180 countries. 80 percent Indians in their life time has given bribe for successful completion of their work. Its worst face has been seen in government policy implementation and government department. By 2016, India saw a reduction in corruption and its ranking improved to 79th place.[10] So many steps were taken by government to curb this issue like helpline no. which connects directly to central vigilance department or S.P of the area. Previous few scams responsible for our negative image building at world platform are, 2019 PMC scam (73 percent of total bank loan to HDIL company worth Rs. 6226 Cr, 2018 Punjab Maharashtra cooperative Bank (PMB) scam of Rs. 11600 Cr,[29] 2015 Urban shelter scheme scam Rs. 1078 Cr was released and only 208 house built.[4] and many more.

Sluggish Consumer Demand

Indian population is 2nd largest in the world and here sluggish demand is thinkable situation, According to economist, it is because of fall in purchasing power, demand postponement and demand leakage due to import of goods. To find exact reason behind sluggish demand a proper elaborated research is needed. Demand of goods rises with rise in disposable income and decreases with decrease in disposable income. Inflation is also responsible for postponement and decrease of consumer demand. According to Periodic labour Force Survey (PLFS) salaried rural Indian earns between Rs. 8500 to Rs.14000 and salaried urban Indian earns between Rs. 14000 to Rs18000. There is a general observation that consumers are more analytical towards purchase of those goods obtained by spending high proportion of their income whereas aren't very much analytical on purchases by spending less than 5 percent of their income. We call it "Less than 5 percent rule". China is following this important "Less than 5 percent rule" and brimmed the Indian market with those goods whose price are very low like kitchen products, gadgets, toys, garments etc. It results Chinese goods market is booming in India and destroying Indian goods market.[19] In Indian imports Chinese goods surpasses the USA.

China's R&D team is not only working on their domestic demand but also working on neighbour countries present and future demands, so our functions and festival like Marriage and Deepawali has only Chinese crackers and decorative lights.

3. Unfavorable Balance of Trade

- **Unfavorable Balance of Trade = Total Import > Total Export**
- **Increasing Import:** Presently India has very good weather forecasting system that we get alarm before arrival of natural calamity result minimization of life and property losses, but we don't have any system to forecast or predict the future demand. It results immediate import of agriculture produces at very high prices like Onion, Tomato's, Pulses and Rice. It is a kind of useless expenditure burden to the economy due to lack of proper storage of agriculture produce.
    - At least India should behave agro-mercantile in terms of importing agriculture commodities; it means produce those commodities whose factor of production is abundantly available in India.

- Almost 50 percent of our population is engage in agriculture sector and business related to it and still we have to import agro goods is a matter of unconscious economic policy.

- **Decreasing exports:** Our exports are uncompetitive due to its low quality and lack of innovation. High tax rates are also responsible for being non-competitive in terms of price at international market. Proper innovation and research work is needed about consumer demands in home market and as well as various other nations. We have to focus more on their present and future demand. And then have to invest in that direction to attain maximum profit from export.

- **Research and Development sectors:** We never have abundant fund for our research work or our innovations. According to IBM and Oxford Economics, "90 percent Indian innovative startup gets failed within 5 year of their launch."[31] India is lacking people like Steve Jobs that had not only employed himself but also employed millions of others around the world directly and indirectly. Around the world in terms of Research and Development, China is the top most spenders (PPP) in (R&D) with 2.19 percent of its GDP, while USA 2.74 percent and South Korea 4.29 percent of GDP and India only 0.85 percent of GDP. India's less spending towards R&D led to failure at many international frontiers.

4. Pandemic

The Covid-19 pandemic is termed as a worst disaster for the Indian economy. The economy was already suffering from a slowdown and corona going to degrade the economy to its lowest. Covid-19 influenced India late, in compare to other countries of the world, in the same manner as it was late influenced by recession of 2008. The pandemic lockdown period control most of the economic activities in any economy making most of the people unemployed. Every economy has to wait till the impact of pandemic eliminates. For uplifting the economic after elimination of pandemic recovery steps are more important.

For Post-pandemic recovery of the economy we have to do some needful:

- Private firms usually terminate their employees from their job or send them on LOP in the name of cost cutting. They should employee each staff at least for Ten days in a month and can be paid 1/3rd of their usual full salary. In this way if the firm maintain its cost-cut, in this way employees are monthly left with some continuous earning, and this will have a positive influence on the economy because these employees will be able to keep on creating market demand cycle.

- "Necessity is mother of inventions", so till the economy is not fully eradicating corona completely we have to promote "work from home", e-commerce and video conferencing.
- Government should allocate its fund in its best manner, as the Covid-19 resembles with "Spanish flu of 1918" which lasted 2 years. If needed strict action should be taken towards restricting its spread and to eliminate it completely. Because then only the Economical recovery stage will begin.

5. Unemployment

World highest unemployment rate recorded in Burkino fasco (77 percent), Syria (50 percent), Senegal (48 percent), Haiti (40.6 percent), India (8.5 percent), and Pakistan (6 percent), Russia (5.2 percent), Nepal (3 percent). This is unacceptable that small neighboring country like Pakistan and Nepal has lower unemployment rate than India. Alas! India is bestowed with rich natural resources and on the contrary suffering from massive unemployment. Although, in Jan 2020 a slight fall in rate of unemployment recorded as 7.20 percent which was 7.60 percent in Dec 2019. The rate of jobless in urban areas was recorded at 5.97, while in rural areas at 9.7 percent. There is an immense divergence in rate of unemployment of different states: Tripura, Haryana, Jammu & Kashmir and Delhi having the rates above 20 percent, while unemployment in Odisha, Puducherry, Meghalaya and Tamil Nadu were recorded below 2 percent.[22] One important reason behind the problem of unemployment is the craze of youth towards government jobs. This craze leads to the youth very unproductive during their most productive youthful time. Instead of enhancing their skills development, they are wasting their time and energy in preparing for various government exams.

To become an International economic superpower in the world, India needs more than 10 percent growth rate up to ten years. Higher sustained economical growth cannot be attained completely by service sector. It need a collaboration of manufacturing and agriculture sector, then the collaborated growth will take the economy forward to the next higher level and will create massive employment opportunities for the people.[23]

6. Case

India is presently facing lack of opportunities and it is due unclear structure of economy. It has huge human resource but no proper idea to utilize them. Maximum industries are using capital intensive techniques. By restructuring the economy we can appoint double of our population in production process. The concept is further explained in a hypothetical manner.

We are using two constrain: first labour intensive and second is labour cum capital intensive. We have restructured an economy with only land and natural resource available there. 'N' numbers of people assumed are living in the economy.

It is a closed type of economy. The constrain shows that, if we go with proper division of labor then also in fulfilling only major necessary demands we will be in shortage of labour force.

$$EG = Xa + Xt + Xh + Xm + Xe + Xo \ldots\ldots Xn \qquad (1)$$

Here,

EG1 = Village economical growth based on labor intensive technique.

Xa = People engage in Agriculture sector

Xt = People engage in textile sector

Xh = People engage in housing sector

Xm = People engage in Health sector

Xe = People engage in education sector

Xo = People engage in other activities

Xn = People engage in Nth activities

The condition of closed economy with abundant labour resource, each and every activities taking place only through labour's and as it is a closed economy leakage of demand is not possible here. So, full employment could be easily attained in such type of economy.

As Marshall said, "Wants are Unlimited", shows that we have tremendous scope of innovation to produce goods and employ labours. Generally, the economy working completely on capital intensive technique are actually ruled by machines and the economy completely running on labour intensive technique is not viable in speedy present time. In practice, there are no completely closed economies existing in world. [9] so, the above constrain is not very much viable.

Hence the second constrain,

EG2 = XaYa+ XtYt + XhYh + XmYm + XeYe + Xo Yo +…………….. + X nYn (2)

Here,

EG2 = Economical growth based on labor cum capital intensive technique.

XaYa = labor cum capital engage in Agriculture sector

XtYt = labor cum capital engage in textile sector

XhYh = labor cum capital engage in housing sector

XmYm = labor cum capital engage in Health sector

XeYe = labor cum capital engage in education sector

Xo Yo = labor cum capital engage in other activities

X nYn = labor cum capital engage in rest of the prevailing demands

We can innovate and add as many numbers of sectors to fulfill maximum requirements of living population because demands are unlimited that only need to be followed by purchasing capacity. Employing the people will raise their purchasing power, it will result raise in demand and the cycle goes on. In this way the problem of Unemployment will be eradicated.

7. Conclusion

Reason of slowdown:

1. Under Utilization of huge Indian population which is a best market – here people believe in fashion, luxury, social media trends. Make them spend more towards fulfilling their demands.
2. Lacking of manufacturing units make us prone to import maximum to fulfill need of huge population.
    - Export to china 16.34 percent while Import from china 63. It is not because of good quality product or we are attracted (Fashion) towards it but because we are left only with it as our home market is full of such Chinese products.
    - People of India majorly constitute middle and lower income group and they spend more in goods which has less money value. This less money goods market is totally being covered by the Chinese goods.
3. Lack of proper allocation of resources in Agriculture results huge demand followed by less supply which results huge inflation.

- This force the home government to buy product (like onion, tomato etc) from foreign market and avail them at subsidized rate in home market. It leads to huge unnecessary loss to National Income.
- It also promotes the injection of duplicate and bad quality products supplies into home market. In milk production: Around 68.7 percent of milk and milk products sold in the country is against (FSSAI) standard. WHO advisory states that, "If adulteration of milk and milk products is not checked instantly, 87 percent of Indian population would be ill with from serious diseases by 2025.[30]

8. Suggestions

With the above known list of reasons of slowdown, we can now look ahead and able to formulate number of steps that are needed immediately to eradicate the problem of slowdown of Indian economy. We can broadly classify these into three groups:

1. **Governmental action:** Few immediate government action are needed to accelerate the slowdown Indian economy:
    - No more profitable firm's disinvestment like LIC for instance it looks like a profitable deal but in long run it will act like another jerk to the job market as craze of government job is highest in India. Reducing government jobs will lead to rise in competition among jobseekers and also enlarge the list of unemployed. On the other hand government just on the trend of following western world culture won't able to let the economy run by only few industrialists.
    - For the betterment of the economy government have to take 50 percent compulsory stake in all middle and high level manufacturing and services industries. It will fruitful in both ways. Company will be bound to obey few social welfare rules and on the other hand government job craze will be minimized.
    - Government should initiate more towards food processing industries, mobile health care facilities and many more industries on public private partnership.

2. **Operational improvements:** In terms of innovation, research and development. Mainly we have to learn it from the leading exporter's countries of foreign trade. As mentioned above India is spending very less portion of annual budget on research and development, need to be increased. Some renowned industries are personally involved in research work. Their results are only limited to their websites. Their research works need to be authenticated and generalised to the people. Different awards need to start in various area of research to enhance the quality of research and it will also help in spreading awareness about the opportunities to other people.

3. **Strategic Decisions:** We as a citizen of India has some responsibility towards our own nation. We are equally responsible for the slowdown of our nation.
   - Don't we feel proud of having Lenovo (Chinese brand) instead of having Micromax (Indian brand).
   - If Indian version of some foreign goods is available in the market, we term it as local, replica, cheap quality. But we love to have Indian versions of foreign published books.
   - We have to think before buying anything because purchasing a foreign brand will directly sending your country earnings to other country. There are number of Indian people who are spending their hard core earned money on foreign goods just to show off their lavish status and lifestyle.

This economical slowdown is temporary and will be eradicated by taking small steps towards making our economy strong.

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