

Business Environment

UNIT -2

TOPICS:

- Concept of global economy
- Characteristics of global economy
- Labour Law
- Safety & Hazards:
- Women health policies
- Fiscal Policy, Industrial policy & Land acquisition bill

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Concept of global economy

Definition: A global economy is an economic interdependence established between the most influential countries that drives the worldwide economic environment. It is also the aggregate economic output, movement and influence of all countries.

What Does Global Economy Mean

The global economy can be defined as each individual country's economy added together but that is not the only way to portrait how the world economy works. The 20th largest economies account for 80% of the world's economic output and the five biggest economies are big enough to impact the whole world with their developments. If one of these five economies suffer from a natural disaster or any event that causes an economic downturn it will have sequels on the global economy due to the interconnections caused by international trade.

On the other hand, global financial markets are also ruled by the biggest economies since they possess a big load of resources that can be used to finance other country's endeavors and projects. These highly influential countries understand the leverage they possess by having these huge economic systems and they often employed them to push political agendas.

How does the global economy work?

The global economy refers to the interconnected worldwide economic activities that take place between multiple countries. ... This is an economic theory that refers to an economy's ability to produce goods and services at a lower opportunity cost than its trade partners.

Characteristics of global economy

The current global economy is characterized by the great importance of information technology, first; second, by the increasing importance of emerging economies. Third, the new importance of governments and fourth, the existence of global value chains that allow the production of goods in between several countries.

Labour Law

Labor law primarily concerns the rights and responsibilities of unionized employees. Some groups of employees find unions beneficial, since employees have a lot more power when they negotiate as a group rather than individually. Unions can negotiate for better pay, more convenient hours, and increased workplace safety. However, unions do not have limitless power.

Leaders must treat all union members fairly and refrain from restricting union members' rights to speech, assembly, and voting powers.

Necessity and Importance of Labour Law:

- Improves industrial relation i.e. employee-employer relations and minimizes industrial disputes.
- Prospects workers form exploitation by the employers or management
- Helps workers in getting fair wages
- Minimizes labour unrest
- Reduces conflicts and strikes etc.
- Ensures job security for workers
- Promotes welcome environment conditions in the industrial system
- Fixes rest pauses and work hours etc.

Safety & Hazards:

Safety hazards are unsafe working conditions that that can cause injury, illness, and death. Safety hazards are the most common workplace risks. They include: Anything that can cause spills or trips such as cords running across the floor or ice.

Workplace hazards :

- Chemicals.
- Ergonomic
- Physical
- Psychosocial

Women health policies

Women's health in India can be examined in terms of multiple indicators, which vary by geography, standing and culture. To adequately improve the health of women in India multiple dimensions of wellbeing must be analysed in relation to global health averages and also in comparison to men in India. Health is an important factor that contributes to human wellbeing and economic growth. Currently, women in India face a multitude of health problems, which ultimately affect the aggregate economy's output. Addressing the gender, class or ethnic disparities that exist in healthcare and improving the health outcomes can contribute to economic gain through the creation of quality human capital and increased levels of savings and investment.

Healthcare schemes in India

Under the National Health Mission, the government has launched several schemes like:

1. Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCH+A) programme essentially looks to address the major causes of mortality among women and children as well as the delays in accessing and utilizing health care and services. It also introduces new initiatives like the use of Score Card to track health performance, National Iron + Initiative to address the issue of anemia across all age groups and the Comprehensive Screening and Early interventions for defects at birth, diseases, and deficiencies among children and adolescents.
2. Rashtriya Bal Swasthya Karyakram (RBSK) is an important initiative aiming at early identification and early intervention for children from birth to 18 years to cover 4 'D's viz. Defects at birth, Deficiencies, Diseases, Development delays including disability. Early detection and management diseases including deficiencies bring added value in preventing these conditions to progress to its more severe and debilitating form
3. The Rashtriya Kishor Swasthya Karyakram

The key principle of this programme is adolescent participation and leadership, Equity and inclusion, Gender Equity and strategic partnerships with other sectors and stakeholders. The programme enables all adolescents in India to realize their full potential by making informed and responsible decisions related to their health and well-being and by accessing the services and support they need to do so.

4. The government of India has launched Janani Shishu Suraksha Karyakaram to motivate those who still choose to deliver at their homes to opt for institutional deliveries. It is an initiative with a hope that states would come forward and ensure that benefits under JSSK would reach every needy pregnant woman coming to government institutional facility.

- Since the rate of deaths in the country because of communicable and non-communicable diseases is increasing at an alarming rate, the government has introduced various programmes to aid people against these diseases.

In India, approximately about 5.8 million people die because of Diabetes, heart attack, cancer etc each year. In other words, out of every 4 Indians, 1 has a risk of dying because of a Non-Communicable disease before the age of 70.

According to the World Health Organisation, 1.7 million Indian deaths are caused by heart diseases.

5. National AIDS Control Organisation was set up so that every person living with HIV has access to quality care and is treated with dignity. By fostering close collaboration with NGOs, women's self-help groups, faith-based organizations, positive people's networks, and communities, NACO hopes to improve access and accountability of the services. It stands committed to building an enabling environment wherein those infected and affected by HIV play a central role in all responses to the epidemic – at state, district and grassroots level.

6. Revised National TB Control Programme is a state-run tuberculosis control initiative of Government of India with a vision of achieving a TB free India. The program provides, various free of cost, quality tuberculosis diagnosis and treatment services across the country through the government health system.

7. National Leprosy Eradication Programme was initiated by the government for Early detection through active surveillance by the trained health workers and to provide Appropriate medical rehabilitation and leprosy ulcer care services.

8. The Government of India has launched Mission Indradhanush with the aim of improving coverage of immunization in the country. It aims to achieve at least 90 percent immunization

coverage by December 2018 which will cover unvaccinated and partially vaccinated children in rural and urban areas of India.

9. In order to address the huge burden of mental disorders and the shortage of qualified professionals in the field of mental health, Government of India has implemented National Mental Health Program to ensure the availability and accessibility of minimum mental healthcare for all in the foreseeable future.

10. Pulse Polio is an immunization campaign established by the government of India to eliminate polio in India by vaccinating all children under the age of five years against the polio virus.

11. The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced with objectives of correcting regional imbalances in the availability of affordable/ reliable tertiary healthcare services and also to augment facilities for quality medical education in the country by setting up of various institutions like AIIMS and upgrading government medical college institutions.

12. Since there are huge income disparities, therefore, the government has launched several programmes in order to support the financially backward class of the country. As about 3.2 crore people in India fall under the National Poverty line by spending on healthcare from their own pockets in a single year. The most important programme launched by the government is Rashtriya Arogya Nidhi which provides financial assistance to the patients that are below poverty line and are suffering from life-threatening diseases, to receive medical treatment at any government run super specialty hospital/ institution.

Fiscal Policy

Fiscal policy refers to the use of government spending and tax policies to influence economic conditions, including demand for goods and services, employment, inflation, and economic growth.

Types

Expansionary Fiscal Policy

Which stimulates economic growth, the government either spends more, cuts taxes, or both. The idea is to put more money into consumers' hands, so they spend more. The increased demand forces businesses to add jobs to increase supply. An expansionary fiscal policy is impossible for state and local governments because they are mandated to keep a balanced budget. If they haven't created a surplus during the boom times, they must cut spending to match lower tax revenue during a recession.

Contractionary Fiscal Policy

The second type of fiscal policy is **contractionary fiscal policy**, which is rarely used. Its goal is to slow economic growth and stamp out inflation. The long-term impact of inflation can damage the standard of living as much as a recession. The tools of contractionary fiscal policy are used in reverse. Taxes are increased, and spending is cut.

Industrial policy

Industrial policy is defined as the strategic effort by the state to encourage the development and growth of a sector of the economy. It refers to “any type of selective intervention or government policy that attempts to alter the structure of production toward sectors that are expected to offer better prospects for economic growth than would occur in the absence of such intervention” (Pack and Saggi, 2006) .

Industrial policies in India

India has had 8 industrial policies since independence. Industrial policy of 1948 - It decided the model of the economic system of India i.e. mixed economy. It also put industries under Central and State List such as coal, power, railways were in Central List and paper, medicines, cycles were in State List.

Objectives of industrial policies in India

The major objectives of industrial policy are:

(i) Rapid Industrial Development:

The industrial policy of the Government of India is aimed at increasing the tempo of industrial development. It seeks to create a favourable investment climate for the private sector as well as mobilise resources for the investment in public sector. In its way the government seeks to promote rapid industrial development in the country.

(ii) Balanced industrial Structure:

The industrial policy is designed to correct the prevailing lopsided industrial structure. Thus, for example, before independence, India had some fairly developed consumer goods industries. But the capital goods sector was not developed at all and basic and heavy industries were by and large absent.

So the industrial policy had to be framed in such a manner that these imbalances in the industrial structure are corrected. Thus by laying emphasis on heavy industries and development of capital goods sector, industrial policy seeks to bring a balance in industrial structure.

(iii) Prevention of Concentration of Economic Power:

The industrial policy seeks to provide a framework of rules, regulations and reservation of spheres of activity for the public and the private sectors. This is aimed at reducing the monopolistic tendencies and preventing concentration of economic power in the hands of a few big industrial houses.

(iv) Balanced Regional Growth:

Industrial policy also aims at correcting regional imbalances in industrial development. It is quite well-known that some regions in the country are industrially quite advanced e.g., Maharashtra and Gujarat while others are industrially backward, like Bihar, Orissa. It is the task of industrial policy to work out programmes and policies which lead to industrial development or industrial growth.

New Industrial Policy (2019)

The new industrial policy will subsume the National Manufacturing Policy, but its objectives will be far wider and it will handle issues such as promoting emerging technologies; building an innovation-driven economy; promoting high-quality industrial infrastructure; providing enhanced access to affordable capital,

Land acquisition bill

The term 'land acquisition' means forcible acquisition of land from an unwilling seller and is distinct from a land purchase from a willing seller. The Bill merges the land acquisition law with rehabilitation and resettlement (R&R) provisions.

In May 2015, the government introduced the “Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Second Amendment) Bill, 2015 in order to ease the process of land acquisition.