



Employment News



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State of the Economy

Foreign Direct Investment

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Foreign Direct Investment (FDI) has a significant potential for accelerating development in the recipient economy. Besides capital flows, FDI can generate employment opportunities, facilitate acquisition of new technology and knowledge, enable human capital development and create a more competitive business environment among other things. While FDI is generally expected to have beneficial effects, it is also vulnerable to certain adverse effects on the recipient economy. The costs to the host economy can arise from the market power of large foreign firms that may outweigh small domestic producers. This may have distorting effects in the economy in terms of loss of employment opportunities for some sections, aggravating regional disparities etc. Possibility of interference by multinational corporations in domestic policy processes is also a potential threat, particularly in underdeveloped economies, which might adversely impact policy priorities of the host country.

Foreign investment in India has two components, viz., Foreign Direct Investment (FDI) and foreign portfolio investment. According to the notion referred to globally, FDI relates to a long-term relationship with 'lasting interest' of the foreign direct investor in the country where such FDI takes place. For an investment to qualify as FDI, the foreign investor needs

to have a 10 per cent or higher share in a business or investment in a given company, whereas if the equity stake is less than 10 per cent, then such an investment falls under the foreign portfolio investment category. Until now, this has not been followed strictly in India. However, in the 2013-14 budget speech, the Union Finance Minister has proposed to follow such international norms in making the distinction between the two types of foreign investment; in order to examine the feasibility of following such a norm, the Union Government has constituted a separate committee, viz. "Committee for Rationalizing the Definition of FDI and FII".

As of now, in the Indian context in general, FDI comprises three components: (i) Equity, (ii) Reinvested earnings, and (iii) Other capital. Equity capital in FDI may be either greenfield investments (i.e. fresh investments), or brownfield investments (i.e. investments in /acquisition of existing shares in another company or by merging with another company). However, often brownfield investment is a hybrid of greenfield investment and Merger & Acquisition activity, and may be difficult to distinguish. Reinvested earnings (i.e. the undistributed corporate profits) is the difference between profits of a foreign direct investor and dividends distributed to its shareholders. Other capital indicates the inter-company debt transactions of FDI entities.

Modes of FDI inflows

According to the present regulatory framework, an Indian company may receive FDI under two routes -

(a) Automatic route: FDI is allowed under the automatic route without prior approval either of Government of India (GoI) or Reserve Bank of India (RBI) in all activities/sectors as specified in the consolidated FDI Policy, issued by the GoI from time to time; and (b) Government route: FDI in activities not covered under the automatic route requires prior approval of GoI, considered by the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, Ministry of Finance. FDI is strictly not permitted under either mode (automatic/government) in sectors like atomic energy, lottery business, gambling and betting, Nidhi Companies (i.e. mutual benefit society companies), and some other sensitive areas. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, GoI is the nodal department for the formulation of the policy of the government on FDI.

Modes of FDI outflows

Similarly, an Indian entity is allowed to make overseas FDI via either of the routes, namely, automatic or approval. Under the automatic route, an Indian entity is permitted to make FDI in overseas companies subject to certain condi-

tions and exemptions. There are a number of Indian as well as foreign banks authorized by the RBI for facilitating such overseas FDI.

FDI in India

FDI enabled plants in India are spread across various States, but with relatively high concentration in Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh and Karnataka. These States either possess a strong industrial base (like, Gujarat) or software hubs (like, Karnataka). This could also be attributed to their better infrastructure (e.g. roads and Power), among other factors. However, it has been pointed out that even among these few States, only a handful of cities have attracted significant amounts of FDI, e.g. Ahmedabad, Bangalore, Chennai, Hyderabad, Mumbai, Pune etc. indicating that the geographical distribution of FDI in India is somewhat skewed in favour of relatively large cities. High-tech industries, drugs and pharmaceutical sector, automobile industries, and services sector have been especially dominant in attracting FDI. In the services sector, financial services remain the most dominant sector in this regard, followed by banking and other services sector.

For a country like India, running current account deficits persistently, it could be

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JOB HIGHLIGHTS

UPSC

- Union Public Service Commission invites applications for various posts.
Last Date : 28.11.2013

ORDNANCE FACTORY

- Ordnance Factory Ambarnath requires 149 Electrician, Examiner, Machinist and Millwright.
Last Date : 21 days after publication

SAIL

- Steel Authority of India Limited, Rourkela requires 231 Operator-cum-Technician (Trainee) and Attendant-cum-Technician (Trainee).
Last Date : 29.11.2013

THE INDIAN NAVY

- The Indian Navy invites applications from unmarried men and women candidates for grant of Short Service Commission in executive branch (General Service/ Hydrocadre/ Information Technology/Naval Architecture) and Technical Branches.
Last Date : 29.11.2013

WEB EXCLUSIVES

Following item is available in the **Web Exclusives** section on www.employmentnews.gov.in :

1. India's Mars Orbiter Mission

Career

Communicating Through Design

An advertisement of a product, a political campaign or an awareness drive on environmental issues - the success of any communication strategy depends on its communication design. Whether it is a poster, video, print advertisement, exhibition space, mobile application or signage, the underlying design of the communication is what decides its prospects. What exactly is this communication design? Moreover, what is all the excitement about this field? Let us find out.

Communication design deals with developing an effective communication through design. It is all about using raw materials such as images, audios and videos and so on to communicate ideas effectively. This creative, interdisciplinary field is closely related to graphic art, digital marketing, liberal art, commercial art, visual communications and the like.

Communication designers study and practice design for the purpose of communication. They fuse traditional communication approaches with sophisticated modern technologies to create communication strategies. They operate seamlessly on physical and digital mediums to create typography, images, illustrations, animations and videos that inform, educate and amuse the target audience.

Applications

Communication design is a major driver of success of any initiative that requires approval of a large number of people. It is the backbone of activities like print and publishing, advertising, e-learning, packaging, marketing and branding. In fact, communication design is such a vast and powerful activity that it has emerged into a whole new field and discipline. Developments in digital technology have provided tremendous boost to the art and science of communication design. Now, the social media is giving it a new direction.

Thanks to the growing awareness about the power of communication, the emphasis on communication design is increasing. Be it commercial project, matters of public interest to non-profit initiatives, communication is taking the centre stage. On the other hand, in the recent years, creative industries have been recording a decent growth rate. Owing to these factors, the

communication design industry in India is flourishing. The opportunities for communication designers are increasing exponentially. Also, communication design is now a popular career choice among the youth.

Academics

As an academic option, communication design is available at Bachelor's and Postgraduate levels. Several institutes offer dedicated courses in communication design across the country. The courses impart knowledge of art, science, technology and aesthetics, which are the constituents of communication design. They cover various subjects like graphic design, animation, typography, brand communication and new media. The curriculum of these courses is a balanced mix of classroom studies, real-time projects, industry-visits, seminars, workshops, paper presentations, design festivals, design competitions, practical sessions and assessment tests.

Courses in disciplines related to communication design, like visual communication and graphic design offer it as a subject in the respective courses. Also, there are some institutes that offer courses in one or more specialised areas of communication design. For example, there are institutes that offer courses in animation film design, exhibition design, illustration design and visual effects. However, a dedicated programme will provide students exposure to various themes under communication design and equip them with knowledge and skills required to begin their career in the field. Specialisations on offer, reputation of the institute, total expenses, infrastructure and faculty are some factors students should consider while choosing the college.

Skill Set

Communication design is a creative, fascinating and challenging field of career. To succeed in this field, apart from strong technical skills, aspirants have to hone their soft skills and inculcate certain traits. For instance, when working with print medium, the idea must be put across in a single frame. To develop

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