

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 3770 Cities in 175 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	KNOWLEDGE MANAGEMENT: STRATEGY FOR SUSTAINABLE COMPETITIVE ADVANTAGE <i>DR. HARESH BAROT</i>	1
2.	NON GOVERNMENTAL ORGANISATIONS AS AGENTS OF DEVELOPMENT: THE CASE OF LAPO IN BENIN METROPOLIS OF EDO STATE, NIGERIA <i>ONUGU, CHARLES UCHENNA & TAIWO ABDULAHI OLABISI</i>	4
3.	DETERMINANTS FOR COMMERCIAL BANKS IN FINANCING SME (WITH SPECIAL REFERENCE TO MEERUT DISTRICT, U.P., INDIA) <i>KALI RAM GOLA & P. K. AGARWAL</i>	9
4.	INVESTIGATING THE IMPACT OF ECONOMIC VARIABLES ON INTERNATIONAL TOURIST ARRIVALS <i>CHENG-WEN LEE, WEN-CHUAN FU, KUO-SUNG HSIEH & YI-CHANG LEE</i>	14
5.	A STUDY ON THE IMPACT OF PERSONAL EFFICACY ON JOB MOTIVATION AND JOB SATISFACTION AMONG WORKING WOMEN WITH SPECIAL REFERENCE TO THOSE WHO ARE STAYING AWAY FROM HOME <i>JAYASRI INDIRAN</i>	20
6.	EMERGING PROFILE OF WOMEN IN INFORMATION TECHNOLOGY SECTOR IN GOA <i>DR. SHARMILA BORKAR</i>	27
7.	INDIAN CAPITAL MARKET: AN OVERVIEW <i>DR. SHANKAR T. BATTASE & SUNANDA SHANKAR</i>	34
8.	CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY: A REVIEW <i>KOMAL CHAUDHARY</i>	37
9.	AUDIT PLANNING: MATERIALITY CONCEPT <i>CHANDRA KANT PARMAR</i>	41
10.	EMPOWERING WOMEN THROUGH PROACTIVE NATIONAL INITIATIVES: A CATALYST FOR HUMAN DEVELOPMENT <i>MANBIR KAUR DHALIWAL</i>	44
11.	NATIONAL FOOD SECURITY ACT OF INDIA AND RELATED CONCERNS <i>SWAPNAMOEYEE PRIYABHASINI PALIT & MAMITA DASH</i>	49
12.	ECONOMIC AND ECOLOGICAL ANALYSIS OF LEATHER SOLID WASTES IN VELLORE DISTRICT, TAMIL NADU <i>T. AASIF AHMED & DR. B. MOHAMED RAFEEQ</i>	55
13.	A STUDY ON CUSTOMER SATISFACTION TOWARDS SAKTHI MASALA IN COIMBATORE CITY <i>S. THANGAMANI & E. ARTHI</i>	57
14.	CUSTOMER SATISFACTION OF SMALL SCALE RETAIL OUTLETS IN COIMBATORE CITY <i>J. SAMUEL CAESER PICKENS & P. STARMINI</i>	61
15.	MICRO FINANCE, SELF HELP GROUPS AND ECONOMIC EMPOWERMENT OF WOMEN IN ODISHA <i>DR. BANDANA PATHAK</i>	66
16.	FACTORS OF SPECIFIC JOB SATISFACTION AND GENERAL JOB SATISFACTION <i>TRUONG HONGNGOC & MARIA KATHRINA DIAZ</i>	71
17.	THE CURRENT SCENARIO OF GOLDEN FIBRE: A SPECIAL STUDY ON JUTE IN THE CONTEXT OF INDIA <i>RUSHA SARKAR</i>	77
18.	WOMEN EMPOWERMENT AND ITS IMPACT ON AGRICULTURAL PRODUCTIVITY: THE CASE OF KERSA DISTRICT IN EASTERN HARARGHE ZONE, ETHIOPIA <i>TADELE MELAKU CHALLA</i>	85
19.	IMPACT OF FDI ON INDIAN ECONOMY: AN INTER- COMPARATIVE STUDY BETWEEN CHINA AND USA <i>IRAM KHAN</i>	89
20.	GEOGRAPHICAL ASSESSMENT OF FINANCIAL INCLUSION IN INDIA <i>PURUSHOTTAM KUMAR ARYA, HIMANSHU MISHRA & AAKASH UPADHYAY</i>	93
	REQUEST FOR FEEDBACK & DISCLAIMER	99

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

KNOWLEDGE MANAGEMENT: STRATEGY FOR SUSTAINABLE COMPETITIVE ADVANTAGE

DR. HARESH BAROT
DEPUTY REGISTRAR
SWARNIM GUJARAT SPORTS UNIVERSITY
GANDHINAGAR

ABSTRACT

Today's emphases on Competitive Advantage, added value, and improved productivity, a firm's management needs to create, innovate, monitor, and protect its knowledge inventory. More specifically a Knowledge Management environment means a focus on generating new knowledge; transferring existing knowledge; embedding knowledge in products, services, and process developing an environment for facilitating knowledge growth; and accessing valuable knowledge from inside and outside the firm. When this happens, it is enhancing enterprise competitiveness. Some sources claim that 20 percent of an Organisation's knowledgeable personnel can operate 80 percent of the Organisation's day-to-day business. The business resources manage can play an important role in identifying the knowledge core of the Organisation, recommending ways to preserve this critical core, and building a robust, long range plan to ensure top-quality operations. Unless a company reviews its core knowledge and takes to manage it, it is subject to potential disaster resulting from resignations, turnovers, loss of its competitive edge and its like. This paper is an effort to highlighting an importance of top quality executives. In Most Corporations, the management of knowledge is still uncharted territory. Few executives understand how to make the most effective use of their company's knowledge. They may know about tangible assets like the physical plant or existing inventory but their returns are not properly evaluated with regarding their Expertise and Knowledge and More Executives turnover, resignations resulting thereof. Moreover this paper highlights other crucial problems of Knowledge Management.

KEYWORDS

Knowledge Management, Advantage, Strategy.

INTRODUCTION

Knowledge management is the most recent subject in today's highly competitive era. Firms have always been leaning toward accumulating and applying knowledge to create economic value and competitive advantage and the need to do it has never been more. Knowledge Management has often been perceived as a technology only for preserving and enhancing the knowledge base of a company. 21st century is called Knowledge Era and the organizations that can manage as well use its knowledge competitively is able to survive and grow.

KNOWLEDGE & INFORMATION

Most of the time, Knowledge is confused with Information. Therefore, it is necessary to differentiate the knowledge and information. Only collection of data is not called information¹. In order to generate Information, a link or interconnectivity between data is required. Hence, we can say that the relationship between pieces of data or between pieces of data and other information is known as Information. Generally information has a tendency to be relatively static in time and linear in nature. Due to this feature of static nature information is not able to answer the questions, which starts from 'Why' or 'How' i.e. the information does not indicate how the data is likely to change over time. These kinds ('Why' or 'How') of questions can be solved out with the help of knowledge only. Thus we can say that Knowledge is advance stage of Information and information is advance stage of Data. Information provides answers to all the questions starting from, who, where, when, what but it is unable to answer the question which asks why and how and to solve these problems Knowledge is required³

KNOWLEDGE MANAGEMENT

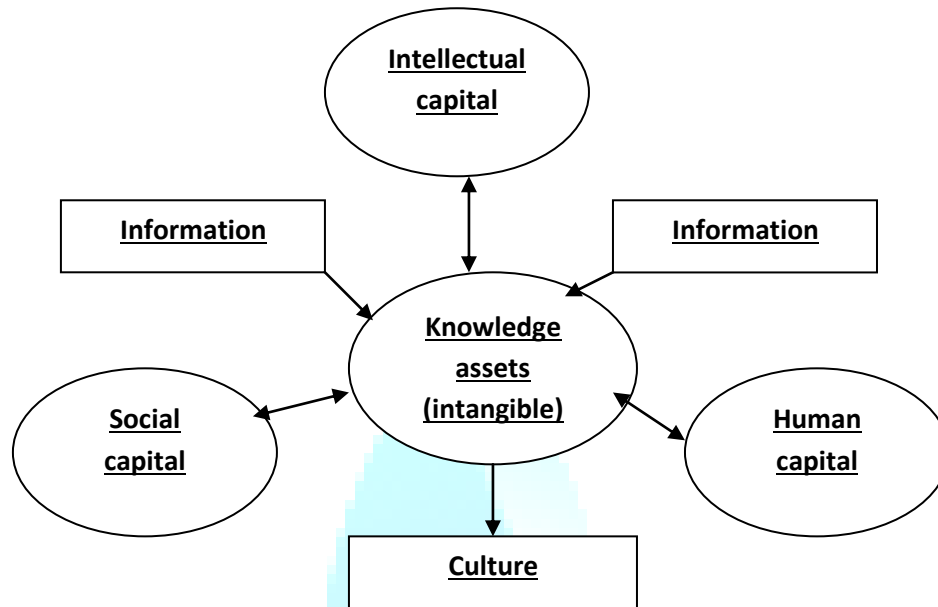
KM is a set of processes, tools and structures that aim to leverage collective abilities of the organisation's knowledge workers in a business situation. Doing it effectively means effective knowledge management.

Internal structure⁴ consists of patents, concepts, models, computer and administrative systems. These are created by the employees and are thus generally "owned" by the organization, and adhere to it. Sometimes they can be acquired from elsewhere. Also the culture" or the "spirit" belongs to the internal structure. The internal structure and the people together constitute what we generally call the "organization".

External structure⁴ consists of relationships with customers and suppliers, brand names, trademarks and reputation, or "image". Some of these can be considered legal property, but the bond is not as strong as in the case of internal assets because investments in them cannot be made with the same degree of confidence.

From the above explanation it is clear that the core competence of any organization lies in the hands of intangible assets as the tangible things can be copied but the intangible ones cannot be. If the organization is well equipped with all these assets and if it manages it competitively and effectively then it will be able to defeat almost all its competitors. In today's cutthroat competition an organization cannot sustain itself if it is not able to satisfy its manpower, information and other intangible assets. Knowledge management aims to manage the ways in which we create, discover, exploit, disseminate and retain the expertise, understanding and practical know-how that individuals and organizations possess.

¹ Gene Bellinger, 2004



Knowledge management process is applicability differ as per the corporate of different countries. After so many debates and survey done by different authors, knowledge management process is identification, Knowledge goals, Generation, Storage, Distribution, and Application.

Identification – find the need where and what they want. That mean in business process where actually firms want to create KM, which part they want to make more weight.

Knowledge goals – define knowledge goals as per firm necessity. Simply after consideration of firm requirement, knowledge goal establishment should be done.

Generation – keep in mind that KM is not a technology. It is an activity enabled by technology and produced by people. After completion of goal establishment knowledge generation is next step, which include knowledge creation, capturing tacit knowledge.

Storage – as a part of process after knowledge generation, it is stored codified in a manner amenable for transfer and effective use. Knowledge codification knowledge codification is organizing and representing knowledge before authorized personnel access it.

Distribution –Merely making knowledge available is not considered to be knowledge distribution. It is transmission and sharing. The goal is to promote and facilitate knowledge sharing, collaboration and networking.

Application – after completion most part of process, remain is application. Knowledge storage and distribution the knowledge utilization is most important. This step is resulting the whole process.

KNOWLEDGE MANAGEMENT AND EMPLOYEE

Improving the productivity of knowledge workers is one of the most important challenges for companies that face the transition from the industrial economy to an economy based on information and knowledge. Knowledge management is a part of corporate culture, which supports the active exchange of information, knowledge and experience between employee and departments.² Successful companies of the 21st century will be those who do the best job of capturing, storing and leveraging what their employees know³.

KM WITH HVK

From the below case study of HVK explanation it is clear that the core competence of any organization lies in the hands of intangible assets as the tangible things can be copied but the intangible ones cannot be. If the organization is well equipped with all these assets and if it manages it competitively and effectively then it will be able to defeat almost all its competitors. In today's cutthroat competition an organization cannot sustain it self if it is not able to satisfy its manpower, information and other intangible assets.

CASE OF HVK

"When HVK went on a shopping spree and acquired 10 telecommunications companies over a three-year period, it faced a serious challenge: How could the \$3 billion manufacturer of telecommunications equipment ensure that its technical support agents knew enough about newly acquired technology to provide quick and accurate answers to customers on the phone? And how could HVK bring new agents up to speed on all the company's products?"

HVK's technical support agents—500 engineers scattered in 14 call centers around the globe—field approximately 10,000 questions every month about the company's products. Before the acquisitions, agents had relied on Tactics Online, an extranet where they and customers could search for frequently asked questions and text documents. As new agents and products joined the company's ranks, HVK wanted to supplement the website with a more comprehensive knowledge management system. As engineers from the newly acquired companies came on board, however, they were hesitant to share their knowledge about the products they had been supporting. "They felt that their knowledge was a security blanket that helped guarantee their jobs,"

BUILDING ON A KM FOUNDATION

When HVK began evaluating knowledge management technologies in the spring of 1998, the concept of sharing knowledge among agents was nothing new. Agents were already accustomed to working in teams of three or four people, gathering in war room fashion to solve customers' technical issues. And a year earlier, HVK had started basing a percentage of agents' quarterly bonuses on the amount of knowledge they submitted to Tactics Online as well as their involvement with mentoring and training other agents. "Each agent was expected to teach two training classes and write 10 FAQs to earn their full bonus. When Company brought new companies online, the new agents received the same bonus plan. This approach allowed company to build a very open knowledge-sharing environment.

To augment Tactics Online, HVK chose software from Service Ware Technologies, in part because its technology would integrate easily with the company's Remedy CRM system, which agents use to log incoming calls from customers and track other customer interactions. Companies division spent six months implementing the new system and training agents. The system—dubbed Knowledgebase—is linked to the company's CRM system and is powered by the Oracle

² Kai Martines 2003 edition

³ Nitin Noharia

database. The integrated view of HVK's customers and products provides agents with a comprehensive history of interactions. Technical support agents can, for example, put markers in the database and immediately pick up at the point where the customer last spoke with another agent.

CHANGING ROLES

Knowledge base has changed the agents' roles. Level 1 agent, for example, now do more in-depth troubleshooting because they have more information available at their fingertips. In fact, they solve twice as many calls themselves (50 percent instead of 25 percent) in a shorter time (10 minutes versus 30 minutes). Since Level 1 agents can handle more calls, this group has doubled in size during the last few years.

The transition wasn't quite as painless, however, for the Level 2 and Level 3 agents. Indeed, their roles changed significantly. "Rather than simply submitting HTML pages to Tactics Online, they were now asked to analyze the problems in a very procedural way and create diagnostic trees. That's a more analytical way to think through a problem. Most of these guys had thought in terms of 'what is the fastest way to solve a problem' rather than 'what is the most efficient way to solve a problem."

With hundreds of people submitting solutions, HVK tended to get a lot of wheel reinvention. "There can be five or six ways to solve the same problem, but there's one way that's most efficient." To unearth and disseminate the most efficient solutions, agents were required to flowchart each of their solutions for the first three months following Knowledgebase's launch. It's amazing how many agents were unconscious of their own methodologies," "It was somewhat painful, but they eventually felt they benefited because they understood how they solve problems."

As a result, agents now create technical solutions for customers in the most efficient—and logical way possible instead of simply offering a "quick and dirty" solution. Think of the difference between simply being told what keys to strike on your PC and being taught how your software works and the logic behind executing a certain sequence of keystrokes. Once you actually understand how the product works, you can use the software more effectively and resolve more problems yourself.

Agents also had to change the way they present the solutions to customers. Engineers wanted to provide a lot of detailed information yet we needed a degree of simplicity for customers. Most of the time, the immediate focus is on what a great collaboration tool this is and how it overcomes geographical distance among agents. Then I have to remind agents that this is a tool that we want customers to use and that they'll have to organize, write and present the content with customers in mind."

MAKING IT WORK

Manager spent a lot of time working with the Level 3 agents to make their solutions less complex and streamline the review process. "We had to go through two iterations of how to organize and present the content. Customers tend to think in terms of the product and then the problem. But engineers often think about the problem first and then the product."

RESULT: Customers often wouldn't fully understand the solution. At the same time, HVK had to work at easing Level 3 agents' concerns that making them responsible for reviewing solution content would suddenly turn them into technical writers.

HVK confronted cultural issues as well. Business needs are different in different parts of the world. What may be normal business practice for Americans may not be common elsewhere. In Europe, for example, the value of the KnowledgeBase system was not readily accepted. But once employees there saw that customers could use the system to solve some of their own problems, they got on board. Such an experience has been incorporated into how HVK approaches KM. "We sometimes have to introduce the idea of knowledge management over time, validate it, and then move forward.

To ensure that agents continue contributing new knowledge to Knowledge Base, HVK uses rewards. Besides bonuses, knowledge contributors receive recognition during meetings and in a newsletter. Rewards help feed this culture. Peer pressure also plays a role. Everyone wants to contribute because it's the right thing to do. You also have to make sure that the system works well and that employees use it long enough to see it work. It has to be embedded in training and fully integrated into daily operations so that it just becomes part of how you do business" (Source:- <http://www.cio.com>)

CONCLUSION

The benefits of knowledge management (KM) cannot be debated, but the creation of a knowledge portal is only the beginning of a stream of challenges. Making it a part of the organizational culture is perhaps the toughest of all. For many individuals, hoarding knowledge is power, and it is not so easy for them to imbibe the true spirit of knowledge sharing. There are others who take pride in being individualistic, and are not willing to learn from the experiences of others. Effective knowledge management is about leveraging the collective ability of knowledge workers for business gain. For most organizations, a successful KM initiative apparently means reducing the time to market; cross-departmental effectiveness and workforce motivation are other key factors.

REFERENCES

BOOKS

1. competing through knowledge by Madhukar shukla Published by response books
2. Knowledge management by Ellis M. Awad, Hassan M. Ghaziri Published by Pearson Education.
3. Knowledge management by Ganesh natarajan , sandhya shekhar, Nitin nohria Published by tata Mcgraw hill
4. Knowledge management by kai mertins, Peter heising, jens vorbeck Published by Springer
5. Knowledge management by M.L. saikumar, S.Sreenivasa Murthy Published by institute of public enterprise.
6. The knowledge management toolkit by amrita tiwara Published by Pearson Education asia

WEBSITES

7. <http://www.datamatics.com>
8. www.cio.com
9. www.expresscomputeronline.com
10. www.google.com
11. www.indiaonline.com
12. www.lancoglobal.com
13. www.roell.net
14. www.tcs.com

NON GOVERNMENTAL ORGANISATIONS AS AGENTS OF DEVELOPMENT: THE CASE OF LAPO IN BENIN METROPOLIS OF EDO STATE, NIGERIA

ONUGU, CHARLES UCHENNA
PROFESSOR & HEAD
DEPARTMENT OF AGRICULTURAL ECONOMICS & EXTENSION
NNAMDI AZIKIWE UNIVERSITY
AWKA

TAIWO ABDULAHI OLABISI
LECTURER
DEPARTMENT OF COOPERATIVE ECONOMICS & MANAGEMENT
NNAMDI AZIKIWE UNIVERSITY
AWKA

ABSTRACT

Economic development is one of the major goals and objectives of any nation. But developing economies are struggling to meet up with the numerous demands of her people, as most of the citizens are living below poverty line. Therefore, this study assessed lift above poverty organization (LAPO) in Edo State as a platform for development in Nigeria. The study was conducted in Benin City where the researchers used both simple random sampling technique and judgmental non-random sampling technique to select 32 LAPO staff and 380 LAPO beneficiaries. Data generated were descriptively analyzed, while inferential statistics was used to test the formulated hypotheses. The study results revealed that LAPO has contributed significantly to the development of their beneficiary communities in terms of providing them with economic growth facilities, infrastructure, education; entrepreneurship skills development; etc. Also, the result indicated that the beneficiaries agreed that LAPO services have contributed positively to enhance their livelihood by empowering them economically and socially. To strengthen LAPO service delivery towards economic development, the researchers recommend that LAPO should be financed adequately so as to meet up with the needs of their beneficiaries. They should also extend their area of coverage as well as encourage beneficiaries to actively participate in LAPO activities.

KEYWORDS

Non Governmental Organization (NGO); Developing Economies, lift above poverty organization (LAPO).

INTRODUCTION

The optimal development of a nation requires harnessing of the country's assets; its human capital and natural resources to meet the numerous demands of its citizens (Uwhejewe Togbolo, 2005). But this is not the case in developing economies where the nation's government struggle to meet up with the numerous demand of its people. According to Blliot, Fernandez, Garilao; cited in Uwhejewe-Togbolo (2005), the Non-Governmental Organization (NGO) sector may be better placed to articulate the needs of the citizens. They argue that NGOs provide services, and development, particularly, in remote areas. They opine that NGOs encourage changes in attitudes and practices necessary to curtail marginalization as well as to identify and redress threat to the environment. They also believe that NGOs are better equipped to nurture the productive capacity of the most vulnerable groups, such as the disabled, children, youth and the women. The NGOs are those private organizations that pursue activities to relieve suffering, promote interest of the poor, protect the environment as well as provide basic social amenities and undertake community development (World Bank 2001).

Non Government Organisations (NGOs) formed the third sector of Nigeria economy as they are organisations not conventionally for profit making. The concept of NGO came into use in 1945 following the establishment of the United Nations Organisation (UNO) which recognized the need to give a consultative role to organizations which were not classified as neither government nor member states (Willett, 2002). Therefore, there are so many NGOs across Nigeria operating within the third sector of the economy. This study focus on the activities and programmes of Lift Above Poverty Organization (LAPO) in Edo State of Nigeria. LAPO is an NGO with clear and broad aim of rendering assistance to people in a bid to enhance and facilitate their socio economic inclusion for sustainable livelihood. According to Omofonmwan and Odi (2009), LAPO was established in 1986 to address the hardship created by the implementation of Structural Adjustment Programm (SAP) and as at April 2006 LAPO has empowered a total of 1,483 women across Nigeria socially and economically. The mission of LAPO is to assist beneficiaries through its activities and programmes to break out from the poverty circle. Also, LAPO mission include to assist members to overcome factors beyond lack of fund; illiteracy, inequality, low self esteem as well as environmental challenges. LAPO focuses on empowering its members so as to actively and effectively participate in the informal sector with emphasis on micro enterprise development; to enhance leadership skills; literacy status; political participation among women; and, to conduct investigations on the nature and causes of poverty. In pursuance of LAPO objectives, they have involved their self in micro business management to enhance better loans' utilization and efficient funds management through training. According to report cited in Omofonmwan and Odi (2009) they confirmed that LAPO has disbursed the woping sum of N658,000,000 as micro loans to their client in 2004 and this figure jumped to one billion and hundred and five million naira (N1,105,000,000) in 2005 and this represent 67% over the previous years disbursement. LAPO also provides opportunity for women to learn vocational skills such as sewing, food processing, confectionary, soap making and a host of other income generating activities to alleviate poverty (www.google.com.ng). Therefore, the activities and services of LAPO to its members will have a great and positive impact on the economic development since the members are being empowered socially and economically and as such will reduce the burden from the government shoulder in terms of job creation and alleviation of poverty as well as infrastructural development.

PROBLEM STATEMENT

Nigeria governments at various levels have been working round the clock to achieve development through their various poverty alleviation policies and programmes. However, these have not yielded the much anticipated results as the people are still struggling to survive within the economy (NBS, 2007). Therefore in order to complement the efforts of the government several Non Governmental Organizations (NGOs) are established within the framework of law, with mission to pursue activities that will relieve peoples' suffering, promote interest of the poor; protect the environment and provide basic social services, as well as undertake community development (Lekorwe and Mpabanga, 2007). LAPO shares this vision with the mission to make it a reality. Indeed, many studies have been conducted on the role of NGOs in development (Omofonmwan and Odi, 2007) but much have not been done on LAPO. Meanwhile, information suggests that LAPO has made great strides spread across Nigeria and within the West African region. But not much has been done empirically to validate these claims. Thus, these necessitate this study, with focus on LAPO development activities in Edo State of Nigeria.

STUDY OBJECTIVES

The broad objective of this study is to explore the potential of NGOs as agents of development using LAPO, in Edo State Nigeria, as a case point. Specifically, the study is designed to:

- i. Ascertain LAPO’s developmental activities being rendered to its beneficiaries.
- ii. Assess how LAPO activities has improved the livelihood of its beneficiaries.
- iii. Examine the extent LAPO activities has contributed to community development in Edo state.
- iv. Identify the challenges confronting LAPO beneficiaries in accessing its services and make recommendations that will strengthen their delivery.

STUDY HYPOTHESES

- H₀₁: The opinion of LAPO beneficiaries are not significantly different on the improvement of their livelihood through LAPO services.
- H₀₂: The opinion LAPO staff and the beneficiaries significantly differ on the contribution of LAPO services to community development in Edo State.

LITERATURE REVIEW

CONCEPT OF NON GOVERNMENTAL ORGANIZATION

The concept of NGO came into use in 1945 following the establishment of the United Nations Organization (UNO) which recognized the need to give a consultative role to organizations which were not classified as either government nor member states (Willet as cited in Lekorwe and Mpabanga, 2007). They further stated that the term NGO is broad and ambiguous and covers a range of organizations within civil society; from political action groups to sport club and this make the clear definition remain contestable. Similarly, Turner and Hulme cited in Lekorwe and Mpabanga (2007) sees NGOs as generally registered organisation, community groups, professional association, trade unions, cooperate charity organizations whose aim is to improve the well being of their members and those areas in which they operates. They further see NGOs as part of the third sector or not for profit organization. As such, it is believed that the primary aim of establishing any NGOs is not to maximize profit but to complement government efforts with the upliftment of peoples’ livelihood especially the poor and the vulnerable groups. In the same vein Manan and Shefgat (2013) opined that NGOs are recognized as central partners for donor organizations, governments as well as the private sectors and have further made strong ties among themselves at local level, national and at the world level.

NGO should be privately owned and sufficiently autonomous in its activities, that is independent of direct government control or interference (Lekorwe and Mpabanga 2007). Also World Bank (2001) stated, NGO is a private organization that pursues activities to relieve suffering, promote interest of the poor, protect the environment as well as provide basic social amenities and undertake community development.

NGO AND COMMUNITY ECONOMIC DEVELOPMENT

Development is referred to as the total transformation of conventional or pre-modern society into the form of technology, as such, rural development is known as a process of making the quality of the life and economic well being of inhabitants residing in isolated and relatively sparsely populated areas (Manan and Shafgat 2013). Similarly, Cabaj, Ketison et al; and, Brown as cited in Gibson (2005) sees community development as a process by which community members obtain power to change their social, economic or cultural situation and this process involves local people striving towards priorities or goals that are established by themselves, for themselves, usually based on common geography, common experiences and common values. They further stressed that, common community economic development strategies include downtown revitalization, business development and social enterprise development.

It must also be recognized that NGOs have already engaged in becoming specialized actors in providing services of the public and private sector, as they provide technical and consultant expertise, manage micro finance institutions or commercialise agricultural products. As for the role of NGOs in rural development, it was revealed in the study conducted by Suresh cited in Manan and Shafgat (2013) that major rural development programmes of NGOs were agricultural programmes, health programmes, human resource development programmes, community development and industrial and trade programme. All these programmes are targeted at given people the sence of economic and social inclusion for them to take control of their life. Similarly, Omofonwan and Odia (2009) observed the role of NGOs towards the development of the society in general and they concluded that NGOs enormous and inexhaustible activities cut across all sphere of human endeavours. These activities are carefully designed to solve people problems and the process empowers them.

RESEARCH METHOD

A survey research design was adopted for this study and this was carried out on LAPO branches across Benin metropolis in Edo State Nigeria. Benin metropolis is an ancient city located in the mid west of Nigeria which is the state capital of Edo state. According to Wikipedia (2013), Benin City has an estimated population of 1,47,188 as at 2006. Most of its inhabitants are artisan; civil servants and farmers. Benin City is also known for its many historical site and symbol with rich and diverse culture. Moreso, its traditional institution, represented by the Oba of Benin, is highly revered, very strong and has indeed lasted for centuries.

In Benin metropolis, LAPO has 188 branches with 125 staff and they are servicing 108,40 clients (beneficiaries). Therefore, the researchers used judgmental and simple random sampling technique to select 32 staff and 380 LAPO beneficiaries. Thus, the sample is 412 respondents (both staff and beneficiaries). Data generated through the distribution of structured questionnaires were analysed using both descriptive and inferential statistics.

RESULT AND DISCUSSION

LAPO DEVELOPMENTAL SERVICES TO BENEFICIARIES

TABLE 1: DISTRIBUTION OF RESPONSES ON THE LAPO DEVELOPMENTAL SERVICES TO BENEFICIARIES

S/N	LAPO Activities	Service Provider (LAPO Staff)		Recipient of Service (Beneficiaries)	
		Frequency n = 32*	Percentage (%)	Frequency n = 380*	Percentage (%)
i.	Provision of micro credit facilities to clients	32	100	380	100
ii.	Giving leadership training and capacity building	37	84	258	68
iii.	Skill acquisition programmes e.g. soap making	30	93	306	80.5
iv.	Health care service delivery to poor	12	37	94	24.7
v.	Farm produce processing activities	31	96	241	63.4
vi.	Rural infrastructural project e.g. water	29	90	296	77.8
vii.	Adult education scheme	32	100	374	98.4
viii.	Encourage group formation and development	23	71	199	52.3
ix.	Community sensitization on gender equality	26	81	278	73.1
x.	Saving mobilization among women	32	100	380	100
xi.	Training on how to establish micro enterprise project	32	100	327	86.1
xii.	Agricultural extension service delivery	18	56	42	11.1
xiii.	Social empowerment and human rights	30	93	286	75.3

Source: Field Survey, 2013

* Multiple Responses

The above table 1 revealed the developmental services of LAPO to its beneficiaries and the findings showed that the responses of both LAPO staff and beneficiaries correlates on the core developmental services provided to the beneficiaries. These services include provision of micro credit facilities (LAPO staff

responses = 100% while beneficiaries responses = 100%); skill acquisition programmes (LAPO staff = 93% and beneficiaries = 93%); leadership training and capacity building (LAPO staff = 84% and beneficiaries = 68%); rural infrastructural projects (LAPO staff = 90% while beneficiaries responses = 77.8%); adult education scheme (LAPO staff = 100% and beneficiaries = 98.4%); community sensitization on gender equality (LAPO staff = 81% and beneficiaries 73.1%); savings mobilization (LAPO and beneficiaries responses are 100%); training on how to establish microenterprise projects (LAPO staff = 100% while beneficiaries = 86.1%); and social empowerment and human rights activities (LAPO staff = 93% while beneficiaries responses is 75.3%). All these services rendered are targeted towards empowering the beneficiaries which will eventually trickle down to the economic development. We note also that these services rendered by LAPO according to Jhingan (2006) are indicators to economic development.

TABLE 2: SHOWING THE OPINION OF RESPONDENTS ON HOW LAPO SERVICES HAS CONTRIBUTED TO THE LIVELIHOOD OF BENEFICIARIES

S/N	Contribution to Livelihood	Recipient of Service (Beneficiaries)	
		Mean (\bar{x})	Decision
i.	Facilitates mobilization of credit and capital to start up business	380	Contributed
ii.	Acquired skills for production of soap, cake etc	3.94	Contributed
iii.	Promotes self confidence and self esteem	3.26	Contributed
iv.	Opportunity to establish and manage own business	3.08	contributed
v.	Help to improve the savings habits of beneficiaries	3.75	contributed
vi.	Improvement on literacy level through adult education	3.51	Contributed
vii.	Improves leadership quality and business management	2.83	Not contributed
viii.	Creates awareness on personal health issues	1.69	Not contributed
ix.	Self reliant and reduces over dependent on spouse	3.37	Contributed
x.	Increases farm productivity	3.15	Contributed
xi.	Improvement on home management and child rearing	2.94	Not contributed
xii.	Promotes social empowerment and knowledge of ones right	3.72	Contributed
xiii.	Facilitates networking/experience-building among beneficiaries	3.48	Contributed
	Grand mean	3.27	Contributed

Source: Field Survey, 2013

The result shown in table 2 above was derived from 5 point likert scale with threshold of 3.0, that is, any variable with mean of < 3.0 indicates that LAPO services has not contributed to beneficiaries livelihood, while any variable with mean that is ≥ 3.0 justify that LAPO services have contributed to the livelihood of its beneficiaries. As such, the table shows that LAPO has contributed to the advancement of its beneficiary’s livelihood as the grand mean (3.27) justify this claim. Specifically, it contributed positively in 10 variables as captured in the table out of the 13 listed livelihood areas.

TEST OF HYPOTHESIS ONE (H₀₁)

H₀₁: The opinions of LAPO beneficiaries are not significantly different on the improvement of their livelihood through LAPO services.

In order to affirm or reject, the percentage responses of the respondents from table 1 was compared with average rating of 70% as standard for beneficiaries livelihood improvement. This was done to prove the normality of available data, where observed frequency was tested with Kolmogorov-Smirnov test (0.834). Similar test (Kolmogorov-Smirnov) was used for expected frequency (0.729). Therefore, both result (Expected and Observed) shows that P-values are greater than 0.05 which implies that, the available data were normally distributed.

As such T-test was used to analyse the hypothesis and the result is presented in the table 3 below.

TABLE 3: PAIRED T-TEST RESULT TABLE

	N	Mean	St Dev.	Se Mean
Observed	13	70.05	27.32	7.58
Expected	13	70.00	0.00	0.00
Difference	13	0.05	27.32	7.58

95% CI for mean difference = (-16.46, 16.56)

T-test of mean difference = 0 (Vs not = 0)

Thus; T-value = 0.01

P-value = 0.994

DECISION

The P-value of 0.994 is an indication that the observed values are not significantly difference from the expected value. This implies that there is existence of enough evidence to accept the null hypothesis and conclude that, the opinion of LAPO beneficiaries are not significantly different on the improvement of their livelihood through LAPO services.

This result of the hypothesis further strengthens the claim of the descriptive statistics of table 2.

LAPO CONTRIBUTION TO COMMUNITY DEVELOPMENT

TABLE 4: THE CONTRIBUTIONS OF LAPO TO COMMUNITY DEVELOPMENT

S/N	LAPO Contributions	Service Provider (LAPO Staff)		Recipient of Service (Beneficiaries)	
		Frequency n = 32*	Percentage (%)	Frequency n = 380*	Percentage (%)
i.	Promotes economic-growth by funding of small scale businesses	31	100	380	100
ii.	Enhance infrastructure and amenities development e.g. water scheme, transportation etc	32	100	318	83.7
iii.	Help in the protection of the environment	8	25	74	19.5
iv.	Promotion of peace and conflict resolution among inhabitants	10	31.3	26	6.8
v.	Facilitate farming technology diffusion and adoption among farmers	27	84.4	238	62.6
vi.	Reduces human trafficking and child abuse	30	93.8	276	75.3
vii.	Promotion of reproductive education among women	29	90.6	298	78.4
viii.	Improves literacy level through adult education	32	100	309	81.3
ix.	Improves quality health cares services and disease	26	81.3	282	74.2
x.	Enhances employment generation and reduction of rural urban migration	32	100	364	95.8
xi.	Promotes social empowerment and human rights	22	68.8	261	68.7
xii.	Provides microcredit and enterprise training	32	100	371	97.6
xiii.	Promotes research on development issues	14	43.7	94	24.7

Source: Field Survey, 2013

* Multiple Responses

Table 4 above revealed how LAPO has contributed to the community development, as the responses from both service providers (LAPO staff) and the recipient of service (beneficiaries) showed that, in some major areas of development that LAPO has contributed positively to community development.

Some of the area where LAPO has contributed includes; the promotion of economic growth by funding businesses (LAPO staff responses = 100% and beneficiaries responses = 100%); enhanced infrastructural/amenities development (LAPO staff = 100% while beneficiaries = 83.7%); facilitates farming technological diffusion and adoption (LAPO staff = 84.4% while beneficiaries = 62/6%); reduces human trafficking and child abuse (LAPO staff = 93.8% while beneficiaries responses = 75.3%); improves literacy level (LAPO staff = 100% while beneficiaries = 81.3%); improves the quality of health care services (LAPO = 81.3% and beneficiaries = 74.2%); enhances employment opportunities and reducing rural urban migration (LAPO staff = 100% and beneficiaries = 95.8%); and, provision of microcredit and enterprise training that enhance credit utilization (LAPO staff = 100% while beneficiaries responses = 97.6%).

TEST OF HYPOTHESIS TWO (H₀₂)

H₀₂: The opinion of LAPO staff and its beneficiaries significantly differ on the contribution of LAPO services to community development.

In order to achieve good result, responses of both LAPO staff and beneficiaries in table 4 were subjected to test of normality using Kolmogorov-Smirnov test.

Staff: P-value = 0.903

Beneficiaries: P-value = 0.845

Therefore, the P-values are greater than 0.05 which implies that, the available data were normally distributed. As such, parametric test of T-test was used and the result is presented in the table 5 below:

TABLE 5: PAIRED T-TEST AND CI (LAPO STAFF AND BENEFICIARIES WITH 70% RATING)

	N	Mean	St Dev.	Se Mean
LAPO staff % rating	13	78.38	27.58	7.65
Beneficiaries % rating	13	66.82	30.66	8.50
Difference	13	11.56	8.71	2.41

95% CI for mean difference = 6.30; 16.82

T-test of mean difference = 0 (Vs not = 0)

T-value = 4.79

P-value = 0.000

DECISION

Considering the average (mean values), the mean for LAPO staff responses rating is 78.38 and that of beneficiaries is 66.82 which implies that the rating of LAPO staff is significantly higher than that of beneficiaries. In conclusion the P-value is < (less than) 0.05, which implies that there is existence of enough evidence to reject the null hypothesis and accept the alternate. That is, both LAPO staff and beneficiaries do significantly have the same opinion on the contribution of LAPO services to community development.

This result further affirmed the result of table 4 which shows that LAPO have really contributed to the community development through their various developmental services delivery.

CHALLENGES THAT LIMITS LAPO SERVICES ACCESSIBILITY

TABLE 6: DISTRIBUTION OF RESPONSES ON THE CHALLENGES THAT LIMITS THE ACCESSIBILITY OF LAPO SERVICES TO BENEFICIARIES

S/N	Challenges	Service Provider (LAPO Staff)		Recipient of Service (Beneficiaries)	
		Frequency n = 32*	Percentage (%)	Frequency n = 380*	Percentage (%)
i.	High interest rate charge by LAPO.	29	90.6	356	93.7
ii.	Insistence on collateral and guarantor before granting loan request.	10	31.3	279	73.4
iii.	Incompetent among LAPO officials and leadership.	2	6.3	281	73.9
iv.	Illiteracy among beneficiaries.	27	84.4	174	45.7
v.	High rate of LAPO membership fees.	11	34.4	201	52.9
vi.	Short loan repayment period.	29	90.6	348	91.6
vii.	Poor loan/project monitoring and inspection to evaluate progress among beneficiaries.	32	100	293	77.1
viii.	Poor funding of LAPO activities.	30	93.8	374	98.4
ix.	High cases of loan default.	31	96.9	124	32.6
x.	Small amount of loan/credit given to beneficiaries.	32	100	380	100
xi.	Using LAPO credit for unproductive activities/project (e.g. burial, wedding etc).	32	100	247	65
xii.	Difficulty in the adoption of new technology among clients.	22	68.8	225	59.2
xiii.	Failure to make use of skills acquired in LAPO.	28	87.5	304	80
xiv.	Family problem and extended family.	21	65.7	261	68.7
xv.	Ineffective/poor training of LAPO beneficiaries	29	90.6	368	96.8

Source: Field Survey, 2013

* Multiple Responses

Table 6 above shows the various challenges in the delivery of LAPO services. The findings revealed that, there are some serious challenges that hindered LAPO in delivering services to the beneficiaries. Its observed that the responses of the beneficiaries are mostly similar to the views of LAPO staff. These challenges include, high interest rate charged by LAPO (LAPO staff responses = 90.6% while beneficiaries responded with 93.7%); short loan repayment period (LAPO staff = 90.6% and beneficiaries = 91.6%); poor monitoring and inspection to evaluate progress among beneficiaries (LAPO staff = 100% while beneficiaries = 77.1%); poor funding of LAPO activities (LAPO staff = 93.8% and beneficiaries = 98.4%). Also, the responses of both LAPO staff and beneficiaries are the same (100%) on the small amount of credit given to the beneficiaries; it was also revealed that LAPO beneficiaries are not effectively and poorly trained (LAPO staff = 90.6% while beneficiaries = 96.8%).

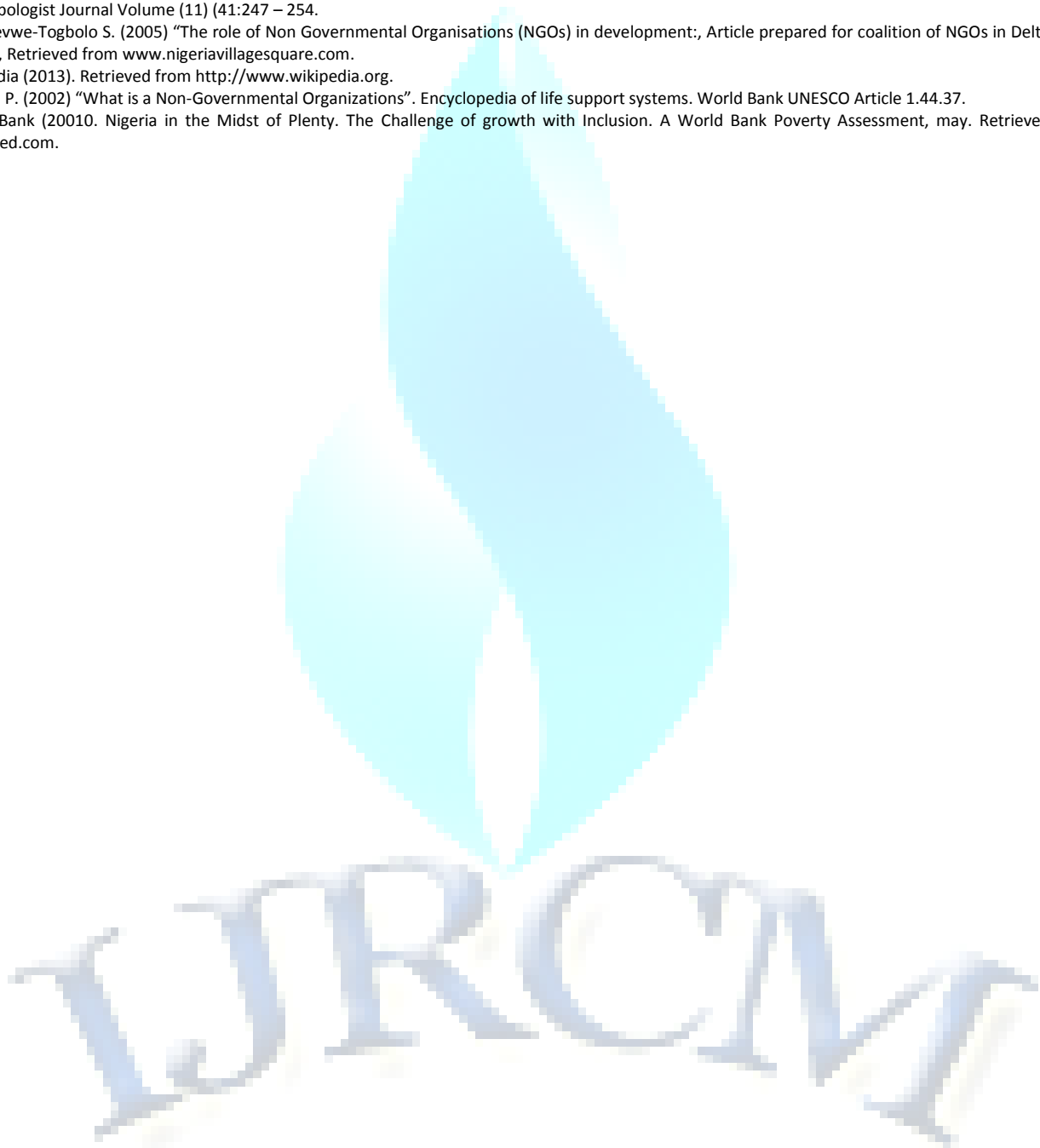
CONCLUSION AND RECOMMENDATIONS

As demonstrated in this study, Non Governmental organizations are increasingly becoming veritable agents of development in particularly developing countries. The current study attests to this as LAPO through its activities as opined by both its service providers and beneficiaries has contributed to individual and community development in key socio-economic sectors: credit access; vocational skills acquisition; business establishment and growth employment opportunities; agriculture; education and health social empowerment and human rights; self reliance and self esteem. However, despite the aforementioned positive development limitations, some challenges still persists that limits there optimal performance. Notable among which are the high interest rate charged on loans; shorter duration of its loan; small amount of loan provided; and, weak project and loan monitoring.

Efforts should be made to not just sustain the developmental thrust of LAPO amongst its benefitting communities as it has expanded within Nigeria and West African Countries. Equally, organization like it that abound, should emulate their initiatives. Government of developing economies with high rate of poverty should develop enabling policies and strategic support that promotes the emergence of well organized, widely spread and viral NGOs that service our communities as key partners and complementary agencies of rural development.

REFERENCES

1. Gibson R. (2005) "The role of cooperatives in community economic development", Rural Development Institute (RDI) working paper #2005 – 3, Canada, Brandon University.
2. Jhingan M.L. (2006). The Economics of Development and Planning. New Delhi: India Vrinda Publications (p) Ltd.
3. Lekorwe M. and Mpabanga D. (2007) "Managing Non Governmental Organisations in Bostwana", the Public Sector Innovation Journal Vol. (12)(3) 10.
4. Manan, A. and Shaffgat, R. (2013) "Role of NGOs in Rural Development of Pakistan", Retrieved from www.google.com.
5. NBS (2007). Nigeria Poverty Assessment (harmonized). National Bureau of Statistics, Abuja.
6. Omofonmwan, S.I. and Odia L.O. (2009) "The Role of Non Governmental Organizations in Community Developments" Focus on Edo State Nigeria, Anthorpologist Journal Volume (11) (41):247 – 254.
7. Uwhejevwe-Togbolo S. (2005) "The role of Non Governmental Organisations (NGOs) in development:, Article prepared for coalition of NGOs in Delta State Nigeria, Retrieved from www.nigeriavillagesquare.com.
8. Wikipedia (2013). Retrieved from <http://www.wikipedia.org>.
9. Willets, P. (2002) "What is a Non-Governmental Organizations". Encyclopedia of life support systems. World Bank UNESCO Article 1.44.37.
10. World Bank (2010). Nigeria in the Midst of Plenty. The Challenge of growth with Inclusion. A World Bank Poverty Assessment, may. Retrieved from www.ited.com.



DETERMINANTS FOR COMMERCIAL BANKS IN FINANCING SME (WITH SPECIAL REFERENCE TO MEERUT DISTRICT, U.P., INDIA)

KALI RAM GOLA
ASST. PROFESSOR
SHARDA UNIVERSITY
GREATER NOIDA

P. K. AGARWAL
PROFESSOR
SHARDA UNIVERSITY
GREATER NOIDA


ABSTRACT

Banks are the main source of external finance for SMEs. The financing of small and medium-size enterprises (SMEs) has been a subject of great interest both to policy-makers and researchers because of the significance of SMEs in the private sector. They play a very significant role in the growth of the Indian economy, accounting for 45% of industrial output, 40% of exports, employing 69 million people; the contribution of these units to GDP may touch 22% in 2013. SMEs financing shows that bank credit is the major source of external finance for the SMEs. Both small and large banks play a vital role in financing SMEs. The objective of the study is to identify major decision factors used by commercial banks for financing SME's. To study the risk associated in financing SME's, factor analysis is used. The study found the following main factors which act as the driver for the financing decisions, with the help of factor analysis. They are: lack of collateral, number of defaults made by the firm with reference to previous loans, track record of the firm or owner, bad credit record, unaudited statements and lack of information about the profit earned by SME. The influence of these factors decides the risk associated with the SME lending.

KEYWORDS

Bank finance, Banking market structure, Financial constraints, Small and medium enterprises.

INTRODUCTION

 SME is the abbreviation for Small and Medium Enterprises. The critical role of the MSME sector in the social and economic development of our country is well known in terms of employment generation, exports and contribution to Gross Domestic Product. These enterprises can be called as the backbone of the GDP of India. In recent years the SME sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low capital cost. The labour intensity in the SME sector is estimated to be almost four times higher than the large enterprises. The major advantage of the sector is its employment potential at low capital cost for which, three critical enablers are required. Firstly, better infrastructure, second- the increased access to risk capital and the third - creating a culture of innovation." MSMEs are important for the national objectives of inclusive growth i.e. growth with equity and inclusion.

*The SME sector has been contributing significantly to the manufacturing output, employment and export between 2003-2004 & 2007-2008 the SME sector registered average annual growth in the number of units & employment of around 4.1% & 4% respectively. SMEs always represented the model of socio-economic policies of Government of India which emphasized judicious use of foreign exchange for import of capital goods and inputs; Labour (*Economic survey 2008-2009)

Post globalization, SMEs is exposed to greater opportunities than ever for expansion and diversification across the sectors. Indian market is growing rapidly and Indian entrepreneurs are making remarkable progress in various sectors like Manufacturing, Food Processing, Textile & Garments, Retail, IT and Service sector. The small enterprise sector has continued to contribute immensely in creating large scale job opportunities across the space and in the process, helped reduce inter-regional rural-urban disparities in growth. Certain products belonging to this sector have also been consistently figuring in the export basket during the recent decades, although the export performance in the global market has been unimpressive and the level of threat has also enlarged.

MSME ACT-2006

Particular	Manufacturing (investment in P&M)	Services (investment in equipment)
Micro enterprise	Up to 25 Lakh	Up to 10 Lakh
Small enterprise	Above 25 Lakh & up to 5 Crore	Above 25 Lakh & up to 2 crore
Medium enterprise	Above 5 Crore up to 10 Crore	Above 2 Crore & up to 5 Crore

Source: <http://dcmsme.gov.in> 15

BANKING SECTOR FINANCING

STRUCTURES OF SME FINANCING

Financing by banking institutions form the most important source of external financing for SMEs. This is due to the dominance of the banking sector as the main intermediary in the financial systems. The banking sector has a wide range of generic short, medium and to a lesser extent, long term credit and various supplementary financing instruments including trade credit, export financing, factoring and discounting. Some banks also provide special loans targeted at priority sectors and key segments of the population as identified by the Government. There are also several credit cooperatives/credit funds, microfinance Institutions and financing companies. Letters of credit are offered by some commercial banks to facilitate trade financing but the SME are unlikely to be the main beneficiaries.

SOURCES OF SME FINANCING

SMEs draw financing from a variety of sources. Around 30- 40% of SMEs in India rely on internal Savings, retained earnings and borrowings from family, friends and money lenders (collectively known as 'informal sector') as opposed to the 60-70% which have access to formal sector finance (banks, capital markets, venture capitalists etc.) Bank's lending to the Micro and Small enterprises engaged in the manufacturing or production of goods specified in the first schedule to the Industries (Development and regulation) Act, 1951 and notified by the Government from time to time is reckoned for priority sector advances. However, bank loans up to Rs.5 crore per borrower / unit to Micro and Small Enterprises engaged in providing or rendering of services and defined in terms of investment in equipment under MSME Act, 2006 are eligible to be reckoned for priority sector advances. Lending to Medium enterprises is not eligible to be included for the purpose of computation of priority sector lending.

Secured
Business LoansWorking
Capital LoansBill
Discounting

Cash credit

Bank overdraft

LITERATURE REVIEW

Financing SMEs .An Industry Perspective R. Seshasayee, July-Sept 2006: Small and Medium Enterprises (SMEs) are critical to the nation's economy. They contribute approximately 40% of India's domestic production, almost 50% of total exports and 45% of industrial employment. More important, they are the second largest manpower employer overall after agriculture. SMEs in India are mostly in the unorganized sector and are the source of livelihood for millions of people. Despite their economic significance, SMEs face a number of bottlenecks that prevent them from achieving their full potential.

Dietsch and Petey (2008) investigated a specific issue relating to capital requirements for bank's SME loan portfolios, namely the diversification potential within large portfolios of SMEs. Extending the standard one-factor credit default model to multiple factors, which takes into account size, sector and location, they computed economic capital allocations for large portfolios of French SME loans. They found that two opposing effects are at play when estimating aggregate credit risk for an SME loan portfolio: on the one hand, diversification decreases economic capital; on the other hand, a more complete representation of default rate dynamics in such a framework increases economic capital.

Coluzzi et al., (2008), studied the indicator of financing constraints for five euro area countries (Germany, Spain, France, Italy and Portugal). They found that young and/or small firms in principle grow faster than larger and older firms. At the same time, they also face considerably more severe financing restrictions than other firms. Also, firms of the manufacturing and construction sectors are more likely to feel financing constraints, which may be attributable to the high capital intensity of these sectors. As could be expected, increased sales – which reflect better success of the chosen business model – lessen financing constraints. Regarding the impact of financing constraints on growth, the authors found that more cash flow fosters growth. The probability of financial obstacles (proxied by age, size and other firm features) is found to affect growth for all countries except for Germany. The effect of higher leverage is ambiguous: it fosters growth in some countries (Spain, France and Italy) while it hampers growth in Germany and Portugal.

Mr. S.K. Chhabra, (2009) - has conducted a study on Role of scheduled commercial banks in socio-economic development of Nagaland. The paper also evaluates the performance of commercial banks in terms of various parameters, in which SMEs play a part. Nagaland is an industrially backward state. Till date the state is industrially represented by 10 medium and large industries, 1900 SSI units, the government of the state is desperately trying for the development of SME's in the state. Commercial banks are expected to provide adequate and timely assistance in view of the backwardness of the state; both commercial banks and financial institutions are also expected to make adequate concessions through the various conditions and norms, for commercial banks and term loan. The findings show that banks have to ensure increased credit flow.

Mr. Bisman & Neelam Goela have investigated (2010)-The SIDBI: Retrospective on SME finance: in Indian journal of economics: This paper reports on an investigation into country, regional development and the macroeconomic financing function of SIDBI, examining how the SIDBI fulfilled its role with respect to fostering the start-up and growth of SME's in lesser developed regions of India. This paper states, aspiring entrepreneurs, as well as owners of existing SME'S may face difficulties in obtaining loan finance from commercial banking organizations. Due to interest rate change, lack of collateral or security for loans and risk factors, components of supply gap on the part of SME owners concerning their awareness of sources about availability of funding(for a review see, hulmea et at.2003) development banks act to bridge the aspects of the finance gap. This paper finally suggests that the SIDBI has not been the panacea from small business in particular regional area. However, several factors served to exculpate the SIDBI from fulfilling its role of providing finance to SME'S in line with national objective to eradicate regional imbalance.

Prof Björn Berggren, Lars Silver found in a Research paper in 2011 on "Financing entrepreneurship in different regions: The failure to decentralise financing to regional centres in Sweden. The purpose of the paper is to analyse the financial search behaviour of small and medium-sized enterprises (SMEs) in different regions and the perceived importance of different external financiers for these firms. The findings show that large differences exist in the financial search behaviour exhibited by firms in the four different types of regions. In the metropolitan areas, firms are more active in searching for new owners, especially professional investors. In smaller municipalities, banks dominate as the most important financier. The paper fulfils an important role in elaborating on the use and importance of different types of financing in various regions.

OBJECTIVES

The present study has been undertaken with the following objectives:

1. To identify the major decision factors considered by commercial banks for financing SME's.
2. To study the risk associated in the financing of SME's by commercial banks.
3. To identify the major grounds for rejecting the loan proposals from SME's.

RESEARCH METHODOLOGY & SAMPLING PROCEDURE

Research is based upon primary and secondary data. A set of 100 Questionnaires filled and returned by the officials of different commercial Banks in Meerut distinct was taken as the sample for this study, in which 76 officials responded. The sample was heterogeneous in product and process. Factor analysis was used to analyze the data.

DATA ANALYSIS AND INTERPRETATION

FACTOR

/VARIABLES Q3.1 Q3.2 Q3.3 Q3.4 Q4.1 Q4.3

/MISSING LISTWISE

/ANALYSIS Q3.1 Q3.2 Q3.3 Q3.4 Q4.1 Q4.3

/PRINT INITIAL CORRELATION KMO EXTRACTION ROTATION

/FORMAT BLANK (.4)

/PLOT EIGEN

/CRITERIA MINEIGEN(1) ITERATE(25)

/EXTRACTION PC

/CRITERIA ITERATE(25)

/ROTATION VARIMAX

/METHOD=CORRELATION.

FACTOR ANALYSIS

[DataSet2] C:\Users\Admin\Desktop\bank sheet.sav

CORRELATION MATRIX						
	Prob: Collateral	Prob: NPA	Prob: Interest rate	Prob: Size of SME	Non-registered org	Unaudited statement
Correlation	1.000	.539	.293	.167	.037	-.062
	Prob: Collateral	1.000	.539	.293	.167	-.062
	Prob: NPA	.539	1.000	.361	.371	.112
	Prob: Interest rate	.293	.361	1.000	.240	.137
	Prob: Size of SME	.167	.371	.240	1.000	.171
	Non-registered org	.037	.112	.137	.171	1.000
	Unaudited statement	-.062	.050	.113	.133	.171

CORRELATION MATRIX		
	Non-registered org	Unaudited statement
Correlation	.037	-.062
	Prob: Collateral	.037
	Prob: NPA	.112
	Prob: Interest rate	.137
	Prob: Size of SME	.171
	Non-registered org	1.000
	Unaudited statement	.287

KMO AND BARTLETT'S TEST		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		
		.647
Bartlett's Test of Sphericity	Approx. Chi-Square	57.403
	Df	15
	Sig.	.000

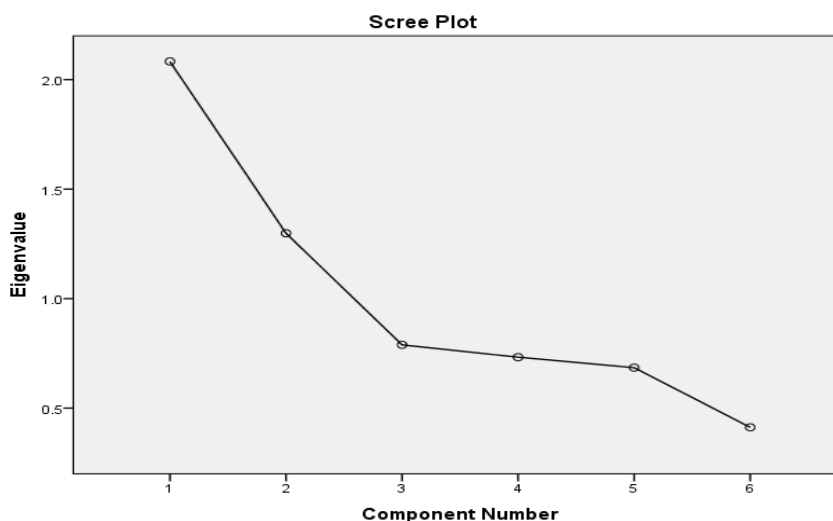
COMMUNALITIES		
	Initial	Extraction
Prob: Collateral	1.000	.649
Prob: NPA	1.000	.714
Prob: Interest rate	1.000	.429
Prob: Size of SME	1.000	.396
Non-registered org	1.000	.565
Unaudited statement	1.000	.629

Extraction Method: Principal Component Analysis.

TOTAL VARIANCE EXPLAINED						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.083	34.717	34.717	2.083	34.717	34.717
2	1.299	21.642	56.358	1.299	21.642	56.358
3	.789	13.149	69.508			
4	.733	12.211	81.718			
5	.685	11.411	93.129			
6	.412	6.871	100.000			

TOTAL VARIANCE EXPLAINED			
Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	2.002	33.363	33.363
2	1.380	22.996	56.358

Extraction Method: Principal Component Analysis.



COMPONENT MATRIX ^a		
	Component	
	1	2
Prob: Collateral	.673	-.443
Prob: NPA	.809	
Prob: Interest rate	.655	
Prob: Size of SME	.609	
Non-registered org		.666
Unaudited statement		.758

Extraction Method: Principal Component Analysis.^a

a. 2 components extracted.

ROTATED COMPONENT MATRIX ^a		
	Component	
	1	2
Prob: Collateral	.780	
Prob: NPA	.845	
Prob: Interest rate	.624	
Prob: Size of SME	.526	
Non-registered org		.743
Unaudited statement		.793

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.a

a. Rotation converged in 3 iterations.

COMPONENT TRANSFORMATION MATRIX

Component	1	2
1	.947	.322
2	-.322	.947

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

FINDINGS

After undertaking the study, the following findings emerged about the drivers of the bank financing for SMEs. Bank respondents have shown mixed preference for SME financing. Among these categories banks prefer partnership firms and Ltd. Companies. The study says that financing SMEs is not highly risk associated. The impediments faced by banks are the reasons why SME loans are rejected.

Bank considers following major factors about an SME while financing it-

Component-1

- Availability of collateral.
- No of default firm made in previous loans (NPA)
- Interest rate.

Component-2

- Non-registered organization.
- Unaudited statements

CONCLUSION

India has a vibrant SME sector that plays an important role in sustaining economic growth, increasing trade, generating employment and creating new entrepreneurship in India. SMEs mainly approach banks for their external financing. But there are many obstacles in financing a firm for the banks. The Government of India encourages entrepreneurship by providing various kinds of benefits. As a result many of unemployed people start SMEs. Their main motive is to overcome the unemployment situations and to analyse their ability to run a business. As a result it reduces the probability of the success. This is the main obstacle faced by each bank in SME lending. Based on the study conducted, we find that some of the major factors which act as the driver for the financing decisions are- lack of collateral, lack of bankable business plan, Number of defaults made by the firm during previous loans, lack of track record of the firm or owner, bad credit record, and lack of information on SME. The influence of these factors decides the risk associated with the SME lending. Banks should take into account these factors as the drivers while choosing an SME for financing.

REFERENCES

- B Sobha Rani* and D Koteswara Rao March,2008 financing small enterprises: recent trends icfai journal of entrepreneurship development; mar2008, vol. 5 issue 1, p6-22, 17p, 7
- Bartholdy,J. and Mateus,C. (2003). "Financing of SME's: An Asset Side Story".
- Beck,T and Maksimovic,V. (December 2003). "The Determinants Of Financing Obstacles".University of Maryland.
- Beck,T. and Demircuc,A. (February 2006). "Small and Medium-Size Enterprises: Access to Finance as a Growth Constrain
- Berger,A. and Udell,G. (1995). "Universal Banking and Future of Small Business Lending".New york University
- Cziráký, Dario,Tišma, Sanja,Pisarovi..., Anamarija nov 2005 determinants of the low sme loan approval rate in croatia. Small business economics;, vol. 25 issue 4, p347-372, 26p.
- Das, K. (2008), micro, small, and medium enterprise in India: unfair fair, Gujarat, India: Gujarat institute of development research working paper series no.181 (January).
- Dr. Brychan Thomas and David Pickernell investigate (2011), in a research paper "Graduate entrepreneurs are different: they access more resources International journal of entrepreneurial behavior & research, vol-17, Iss: 2, pp 183-202.
- Govinda sharma (2011) do SME's need to strategize; business strategy series volume: 12 issue: 4 2011.
- Jun Su, Yuefan Sun (2011) informal finance, trade credit and private firm performance; nankai business review international volume: 2 issue: 4.

11. Kenneth g. Stewart · j. C. H. Jones August 2009: are sports teams multiproduct firms? Received: 9 may 2006 / accepted: 2 april 2009 / published online: 22 © springer-verlag 2009.
12. M.H. Bala Subrahmanya (2007) development strategies for Indian SME's promoting linkages with global transnational corporations; management research news volume: 30 issue: 10 2007.
13. Mr. S.K. Chhabra (Dec 2010), Role of scheduled commercial banks in socio-economic development of Nagaland, finance India, the quarterly journal of Indian institution of finance, vol, xxiv no.4, pages 1313-1330.
14. Neil Moore (2012) English professional football clubs: can business parameters of small and medium-sized enterprises be applied, sport, business and management: an international journal, volume -2 issue: 3.
15. Prof Björn Berggren, Lars Silver (2011) investigates Research paper on "Financing entrepreneurship in different regions in journal of small business & enterprise development, vol-17, lss: 2, pp 230-246
16. Statistical booklet of Meerut district-published by department statistics visas bhavan Meerut.
17. The economic times of India SME BUZZ, Dec 6, 2010.
18. The SIDBI: a Retrospective on SME financing (Dec 2010), Jayane Bisman and Neelam Goela, Indian journal of economics and business, vol:9, no.4 pages 803-820.
19. Tyagi, R. K.¹2010, dynamics of corporate and stakeholders perspective of corporate social responsibility: a case of sports goods industry meerut. American journal of economics & business administration; 2010, vol. 2 issue 2, p169-171, 3p
20. Vepa Kamesam: Financing for entrepreneurship and SMEs - an Indian perspective BIS Review 40/2003



INVESTIGATING THE IMPACT OF ECONOMIC VARIABLES ON INTERNATIONAL TOURIST ARRIVALS**CHENG-WEN LEE****PROFESSOR****DEPARTMENT OF INTERNATIONAL BUSINESS****CHUNG YUAN CHRISTIAN UNIVERSITY****TAIWAN****WEN-CHUAN FU****RESEARCH SCHOLAR****COLLEGE OF BUSINESS****CHUNG YUAN CHRISTIAN UNIVERSITY****TAIWAN****KUO-SUNG HSIEH****LECTURER****DEPARTMENT OF ACCOUNTING****SOOCHOW UNIVERSITY****TAIWAN****YI-CHANG LEE****RESEARCH SCHOLAR****DEPARTMENT OF INTERNATIONAL BUSINESS****CHUNG YUAN CHRISTIAN UNIVERSITY****TAIWAN****ABSTRACT**

This paper uses an econometric model of the panel data and GMM methods to explore the impact factors regarding the number of visitors to Taiwan for sightseeing. The empirical results of this paper shows that the unemployment rate, real GDP, price level and crime rates are the factors with a significant negative relationship with the number of visitors to Taiwan for sightseeing, while the foreign exchange rate is the factor with a significant positive relationship. On the other hand, return on the stock shows an insignificant but negative relationship, while the growth rate in the number of international tourists to Taiwan in the previous period shows an insignificant but positive relationship. The above results may be evidenced that the growth in the number of tourists to Taiwan is related with the domestic job market, economic growth, prices level and social security issues, because growth in the number of tourists to Taiwan can increase employment of manpower, and the fall in prices level and the reduction in social security problem can enhance the growth in the number of tourists to Taiwan, but with limited help to economic growth. These findings also suggest that local authority should adjust the economic transformation of tourism industry, and be more active in planning guidelines to induce enterprises invest more in tourism industry. The conclusions or predictions of this paper may provide a reference as basis for policy-making and then adjust the implementation of related policy.

KEYWORDS

Economic growth, Exchange rate, Panel data analysis, Tourist arrivals, Unemployment rate.

JEL CLASSIFICATION NUMBERS

L83, C33.

1. INTRODUCTION

Tourist income becomes more and more important to the economic growth of any countries. According to the research report issued by World Travel & Tourism Council (WTTC), although all of the economies were seriously hit by global financial crisis, sightseeing activities are still continuously mounted, and contribute to drive the growth of the global tourism industry, mitigate the impact caused by each countries' economic downturn, and thus promote both the standard of living and growth in personal wealth for practitioners in tourism industry. It was estimated by United Nations World Tourism Organization (UNWTO) that the number of international sightseeing passengers will show multiplication phenomenon, from 1995 to 2013, and up to 2013, the accumulated numbers of sightseeing tourists all over the world has reached 10 billion 87 million people. In addition, according to the WTTC assessment, in 2014 the global travel and tourism industry will grow 4.3%, slightly higher than the 3.3 percent growth rate of the world economy, and thus creating the world's economic output value of more than \$ 2.248 trillion, increasing more than 103 million jobs globally, and effectively reduce unemployment rates in every countries. Therefore, it is worth of concern to observe the impact on the overall economy induced by tourism resources.

We know that once the foreign exchange rate depreciation occurs, it will be theoretically more favorable to travel to Taiwan, to export and exportation economic growth, as well as to stock market, but is likely to cause prices up in imported goods, prices level fluctuation upwards, as well as concerns in inflation. When prices level continues to rise over exchange rate fluctuations, those who want to travel to Taiwan will probably be deterred. If such phenomenon occurs, whether the tourism industry and job market are affected is worth of research. But so far few literatures focus on the study regarding the relationship between sightseeing activities and social security issues. Therefore, this paper tries to explore this issue by investigating the linkage and relationship between the crime rate and sightseeing activities.

In addition, after examining most of the related literature, it is found by this study that variables generally selected to research the issue regarding sightseeing demands are: GDP, CPI, foreign exchange rates, accommodation prices and transport costs (Kulendren & Witt, 2003; Lim & McAller, 2002; Akinboade and Braimoh, 2010; Akhtar and Shah, 2012; Singh, 2014; Babu and Valli, 2014). The literature also shows that most of the operating variables selected are: income, exchange rate and price index. Therefore, this study also uses these economic variables to investigate the factors that would affect the growth of the number of visitors to Taiwan for sightseeing. In addition, Baker and Stockton (2014) according to the study the crime rate will be included as explanatory variables.

In the study of tourism, traditionally econometric models and time series model are employed as research tools. Recently, research methods such as unit root test, cointegration test, error correction model and causality model are used to study the Dynamic Time Series (Tang, 2011 ; Brida and Risso , 2010). These methods are mainly applying time series or cross-sectional data analysis, so it is relatively easy to overlook the information provided by other sections. It is believed that the effects on variables caused by changing of time cannot be captured by cross-sectional analyses, and only average effect of influence caused by independent variables to dependent variables can be reflected. On the other hand, the effects on a specific variable caused by other variable cannot be investigated through time series analyses, and only the influence on dependent variables caused by changing of time can be taken into account. Since this study is to explore the growth in the number of tourists to Taiwan, beyond the way only considering one single facet data, we take breakthrough data analysis research methods capable of time series and cross-section information by simultaneously considering data of both sections, in order to investigate the impact on the growth in the number of tourists to Taiwan derived from the factors: historical real GDP, CPI, the US dollar against the NT dollar exchange rate, unemployment rate, stock market, and crime rate. The empirical results will provide government agency and sightseeing tourism industry with information and insight for their planning and management.

2. LITERATURE REVIEW

Tourism industry is an important industry of great potential in today's twenty-first century. development of tourism industry can attract a large number of international tourists, increase employment opportunities offered from tourism-related industries and obtain significant foreign exchange earnings, and thus contribute to the country's economic development (Chakrabarti, 2014; Harini and Indira, 2014).

King et al. (1993) considered relevant negative impact of crime, pornography, gambling, etc., as often the byproducts derived from sightseeing activities. But the relationship between sightseeing activities and crime is still uncertain, although local residents often believe that the relationship exists between sightseeing activities and crime. Balaguer and Cantavella-Jorda (2002) investigated the causal relationship between the Spanish tourism income and economic growth, and the results showed there is a long-term relevant relationship between revenue from tourism industry and GDP. It was also evidenced that the growth in tourism industry can also improve economic growth. Lim and Mcaller (2002) described that there is a long-term equilibrium relationship between the tourist arrivals to Australia and some key Malaysia macro-economic variables, and also a long-term equilibrium relationship between transportation costs, exchange rates and demand of international sightseeing demand. But there is no long-term equilibrium relationship between real income and other variables. Kim et al. (2006) investigated the causal relationship between economic growth and the number of tourist arrivals, demonstrating a long-term equilibrium relationship between each other to prove the increase in foreign tourist arrivals could enhance economic development, and economic growth could also lead to growth in tourism market. In exploring the relationship between tourism industry development and economic growth, they pointed out that there is a causal relationship between Taiwan's economic growth and the number of tourists to Taiwan for sightseeing. Brida et al. (2008) explored the relationship between Mexico tourism industry development and economic growth, and showed sightseeing activities lead the economic growth in Mexico. Lee and Chang (2008) investigated the causal relationship between long-term tourism development and economic growth, by utilizing the application of heterogeneity panel cointegration test results, and showed that there exists one-way tourism development impact on the economic growth in OECD countries, while two-way effects in non-OECD countries, but no significant relationship in Asian countries.

Chen and Chiou (2009) investigated the causal relationship between tourism industry development and economic growth both in South Korea and Taiwan, by utilizing EGARCH-M model, and found that there exists a two-way feedback relationship in South Korea between tourism industry development and economic growth, i.e. each other will be influenced, while one-way effect relationship in Taiwan, as only sightseeing activities lead economic growth. Akinboade and Braimoh (2010) analyzed the contribution of international tourists to South Africa's economy, using multi-variables VAR model, and the empirical results showed that there exists a long-term Granger causality relationship between revenues from international sightseeing activities and economic growth. Belloumi (2010) analyzed the relationship between revenues from international sightseeing activities and economic growth in Tunisia, and found that one-way effect relationship exists, as only demand in sightseeing leads economic growth. By utilizing Johansen co-integration model and Granger causal relationship model, Brida and Risso (2010) examined the relationship and impact between demand in sightseeing travelling to South Tyrol Italy and local economic growth. The results showed that one-way effect relationship exists, as only demand in sightseeing leads economic growth. Katircioglu (2010) verified the hypothesis that the growth in tourist arrivals to Singapore leads its economic growth, and found there exists a long-term equilibrium relationship between demand in international sightseeing and economic growth. Narayan et al. (2010) examined the relationship between demand in international sightseeing and economic growth in the four Pacific island countries, namely Fiji, Papua New Guinea, Solomon Islands and Tonga. The empirical results showed that both the number of tourist arrivals and the amount of consumption affect short-term and long-term changes in GDP in every our Pacific island countries. Based on the findings from the above literature discussed, there exists a significant impact and a causal relationship between tourism industry development and economic growth, exchange rates, consumer price index, unemployment rate and stock prices. These findings can be used as the empirical basis not only to support theoretical models utilized in this study but also as to support comparative analysis for empirical results found in this study, in order to fulfill the intended objective of this study.

3. METHODOLOGY

3.1 EMPIRICAL MODEL

This study uses research methods based on panel data to analyze the relationship between growth rate in the tourist arrivals from various countries and macro-economic and social variables, and to explore the degree of impact on the willingness of travelers from various countries to visit Taiwan for sight-seeing brought by the factors such as economic growth (GDP), price level (CPI), exchange rates, unemployment rates, stock prices and social security. The model used in this study can be depicted as follows:

$$TRG_{i,t} = \alpha + GDP_{i,t} + CPI_{i,t} + EX_{i,t} + UR_{i,t} + SR_{i,t} + CR_{i,t} + \varepsilon_{i,t} \quad (3.1)$$

Among the above items, $TRG_{i,t}$ on behalf of the growth rate in the number of tourist arrivals from top 10 countries to Taiwan for sight-seeing; $GDP_{i,t}$ on behalf of real GDP growth rate, compared with last month's real GDP, in Taiwan; $CPI_{i,t}$ on behalf of the general consumer price index in Taiwan; $EX_{i,t}$ on behalf of the US dollar exchange rate against the NT dollar; on behalf of unemployment rate in Taiwan; on behalf of the issuance weighted average stock Index (monthly rate of return) in Taiwan; on behalf of rate in criminal population (person / 100,000).

3.2 PANEL DATA MODEL

There are two basic regression models based on panel data: the fixed effects model and the random effects model. The difference between these two models is the way of sampling: a particular sample is used in the fixed effects model while sample from random sampling is used in the random effects model. The explanations and comparisons for the fixed effects model and random effects model are undertaken as follows.

3.2.1 THE FIXED EFFECTS MODEL

The fixed effects model, also known as the Least Square Dummy Variable Model (LSDV), is applicable to the individual subset within a population with high degree of differences and the low degree similarity. The intercept term in this model illustrates the different characteristics among cross-sectional data for of each variable, allows the differences between each variable, and presents a fixed intercept term α_i , which represents different types of cross-sectional sample with an intercept not change over time. The model is as follows:

$$Y_{it} = \sum_{j=1}^K \alpha_j D_{jt} + \sum_{k=1}^K \beta_k X_{ikt} + \varepsilon_{it} \quad (3.2)$$

represents the growth rate in the number of tourist arrivals from the "i" country to visit Taiwan in the period of "t"; $i = 1, \dots, N$, denoting in the same time, cross-sectional sample of the different countries; $t = 1, \dots, T$, representing the study period; $k = 1, \dots, K$, representing the number of explanatory variables; α_j is expressed as a fixed intercept term; D_{jt} for dummy variables, $j = i$ the value of dummy variable is set to 1, and the value is set to 0 when $j \neq i$; X_{ikt} is expressed as the sample value of the "k" explanatory variable in the "i" sample during the period "t"; ε_{it} is expressed as the error term.

3.2.2 THE RANDOM EFFECTS MODEL

The random effects model, also known as the Error Component Model, employs a random sampling way to select sample, and the intercept will not change over time. The information contained in the weighted matrix represents the interrelationship between N numbers of sequential residual term. The random effects is assumed that μ_i is deemed as a random variable from sample "i"; that is, it could be seen as a kind of disturbance term as residual term, and each sampling "i" at different points of time is all fixed. Model is as follows:

$$Y_{it} = \alpha_i + \sum_{k=1}^K \beta_k X_{ikt} + \varepsilon_{it} \tag{3.3}$$

Among items above, α_i in the random effects model represents an α_i intercept term in random patterns, of which the formula is as follows:

$$\alpha_i = \alpha_0 + \mu_i \tag{3.4}$$

If the above equation is input into (3.3), then the equation (3.3) can be rewritten as:

$$Y_{it} = (\alpha_0 + \mu_i) + \sum_{k=1}^K \beta_k X_{ikt} + \varepsilon_{it} \tag{3.5}$$

Among the above items, Y_{it} represents the value of the explained variable for "i" country, in "t" period; i = 1, ..., N, denoting in the same time, the different cross-sectional sample; α_0 denoting the intercept term randomly produced; μ_i denoting the error term of intercept term; t = 1, ..., T, representing the study period; k = 1, ..., K, representing the number of explanatory variables; X_{ikt} representing the value of "k" explanatory variable from "i" country during period "t"; α_i representing the intercept term from random pattern; ε_{it} representing the error term $\varepsilon_{it} \sim (0, \sigma^2)$.

In selecting econometric models, the most commonly used method is Hausman Test proposed by Mundlak (1978), which emphasizing the importance in examining whether there exist a correlation relationship between the intercept term (μ_i) and explanatory variable (X_{ikt}) in the Random Effects Model. If a correlation relationship exists between the intercept term (μ_i) and explanatory variable (X_{ikt}), the estimated results would be biased. In such cases, the estimated results from the fixed effects model would be efficient and consistent, and therefore the fixed effects model should be adopted. On the contrary, if there is no correlation relationship between the intercept term (μ_i) and explanatory variable (X_{ikt}), the estimated results from the random effects model would be efficient and consistent, and the estimated results from the fixed effects model would be consistent, but would be inefficient. Therefore, the random effects model should be adopted.

3.3 PANEL GMM

GMM was introduced in 1982 by Lars Hansen, which extends the concept of dynamic difference allocation implicit in the dynamic difference method to all the expectations of the relationship. No specific allocation assumptions required, and allows non-independent distribution, GMM is with the following three qualities: (1). GMM is not limited to dynamic difference condition as dynamic allocation (such as mean, variance and skewness, etc.), but can be any expectations for the relationship. (2). GMM allows the number of dynamic difference condition more than the number of parameters. (3). GMM is not required to obey an independent sample distribution, as long as the stability of the sample distribution is sufficient for requirements of certain weak distribution, such as the Law of Large Numbers and Central Limit Theorem.

Early in the study on GMM, if the form the current values of dependent variables affected by previous values of dependent variables is AR (1), the endogenous problem will then exist, and therefore the estimates derived from empirical study would violate traditional OLS assumption, with bias on the estimates. In pure time-series dynamics model, although based on the assumption that T estimate is unbiased, when $T \rightarrow \infty$ the result is still the same. The main question about Panel data dynamic model is: when dependent variable (Y_{it}) is the function of individual effect μ_i , the time-lag explained (dependent) variable ($Y_{i,t-1}$) is also the function of μ_i ; even the residual term are in the absence of serial correlation, this correlation still exists. In the situation of standard panel data, T is normally small, and the progressive nature of panel data estimation formula is based on $N \rightarrow \infty$, not on $T \rightarrow \infty$. As a result, LSDV and GLS are all biased and inconsistent. Fixed effects under $[\beta, \alpha]$ estimates can be regarded as the N-type individual average estimate.

Estimation of random effects model is even more obvious. Because the time-lag dependent variable ($Y_{i,t-1}$) and the compound residual term ($\mu_i + \varepsilon_{it}$) produce more complex correlated relationship, and each random effect μ_i are incorporated into each of the observation group i . The problems mentioned above imply the dynamic Panel data model need to be solved by other means. The GMM method proposed by Arellano and Bond (1991) and Arellano and Bover (1995) in literature can be used to cope with the problems faced by the dynamic estimation model.

Arellano and Bond (1991) developed a method of measuring first differencing GMM. If there is an estimation formula as follows:

$$y_{it} = \alpha y_{i,t-1} + \chi_{i,t} \beta + \varphi_i + \varepsilon_{it} \quad i = 1, \dots, N \quad t = 2, \dots, T \tag{3.7}$$

In the above model, φ_i represents individual effects, and ε_{it} is error term, which meets the white noise assumption. The following formula can be obtained by first difference:

$$\Delta y_{it} = \alpha y_{i,t-1} + \Delta \chi_{i,t} \beta + \Delta \varepsilon_{it} \tag{3.8}$$

If required to solve the endogenous problem and let $cor(\Delta y_{i,t-1}, \Delta \varepsilon_{it}) \neq 0$, by using appropriate instrument variable, let the following matrixes fulfilling the moment condition:

$$E[y_{i,t-s} \Delta \varepsilon_{it}] = 0$$

$$E[\chi_{i,t-s} \Delta \varepsilon_{it}] = 0 \quad \text{for } s \geq 2; \quad t = 3, \dots, T \tag{3.9}$$

But when the inter-strain sustain exists between dependent variables, namely (3.7) where the α term tends to 1, its effectiveness as instrument variables of one-period lagged variables will be weak Instruments, resulting in the increase of coefficient variance and the effect in its unbiasedness in a small sample. Therefore, Arellano and Bover (1995), Blundell and Bond (1998) proposed to combine tools and variables into the first difference Level of System GMM, so that it meets:

$$E[\Delta y_{i,t-s} (\varphi_i + \varepsilon_{it})] = 0$$

$$E[\Delta \chi_{i,t-s} (\varphi_i + \varepsilon_{it})] = 0 \quad \text{for } s = 1 \tag{3.10}$$

But generally, the number of instrument variables in System GMM is more than that in first differencing GMM, and may have a greater bias in the estimate. By the law to numerical analysis, Hayakawa (2007) found that the estimates bias from System GMM is small in a finite sample. In addition, System GMM can directly employ the original time-lagged variables or the differential as instrument variables, not necessarily further find other variable to replace the instrument variables. As a result, for the Panel data gathered from short sample period and large sample size, System GMM is the preferred choice.

3.4 SELECTION OF VARIABLES

The data used in this study for dependent variables are from the Taiwan Directorate-General of Budget, Accounting and Statistics (DGBAS). According to DGBAS's data-base, the areas of tourist to Taiwan by their area of residence can be classified into Asia, America, Europe, Oceania and Africa, and 19 countries. Since the statistic data about Vietnam are initially gathered in 2012, and the number of tourist to Taiwan from other non-Asian countries or regions is mostly less than 100,000 tourists (about 10,000 -70,000 passengers) every year, Vietnam and those countries or regions less than 100,000 tourists annually are not included in the sample, due to the less number of tourists to Taiwan annually and the total aggregate ratio less than 10% of total tourists. Therefore, the countries or regions with more than 100,000 visitors to Taiwan for sightseeing in 2011 are included in this study, resulting in 10 countries or regions (5.52 million tourists in total and accounted for 90.69 % of total number of tourists) as the sample of this study. The monthly growth rate of the sample, in months from January 2002 to December 2013, the aggregate data of 12 years (144 months) of seven variables in total, or 10,080 data items, are used in this study for Panel data analysis.

The growth rate in the number visitors to Taiwan (TGR) for sightseeing is used as dependent variable, and the six independent variables are: the economic growth rate(GDP), consumer price index (CPI), Taiwan dollar exchange rate (EX), unemployment rate (UR), stock return (SR) and crime rate (CR). The 10 countries or regions mentioned above are Hong Kong, Macao, China, Japan, South Korea, Singapore, Malaysia, Philippines, Indonesia, Thailand and United States. The macro-economic data about economic growth rate, consumer price index, exchange rate, unemployment rate, stock return are supplied by Taiwan Economic Journal (TEJ) data-base, and the crime data are from the DGBAS. The details of the above variables are aggregated and described in Table 1.

TABLE 1 SAMPLE DATA DESCRIPTIONS

Variable	Definition	Measurement	Sources of data
TGR	Growth rate of tourist to Taiwan	Based on residence of the countries	DGBAS
GDP	Economic growth rate	Increase in real GDP monthly (%)	TEJ
CPI	Consumer price index	Aggregate CPI in Taiwan	TEJ
EX	Foreign exchange rate	Exchange rate between NTD to USD	TEJ
UR	Unemployment rate	Unemployment rate in Taiwan (%)	TEJ
SR	Stock return	Taiwan weighted-average index (monthly return)	TEJ
CR	Crime rate	Percentage of criminals (person/100,000)	DGBAS

Note : (1)DGBAS represents Taiwan Directorate-General of Budget, Accounting and Statistics.
 (2)TEJ represents the data-base provided by Taiwan Economic Journal.

4. EMPIRICAL RESULT

4.1 THE FIXED EFFECTS MODEL

For the variables economic growth rate, consumer price index, exchange rate Exchange rate, unemployment rate, stock return and crime rate and the variable growth rate in the number of tourists to Taiwan , using the fixed effects model analysis under confidence interval of 90%, the unemployment rate and stock price returns presents a significant and positive impact, while the consumer price index, exchange rate, and the crime rate exhibit negative but insignificant impact, with the economic growth rate shows positive but insignificant impact, as shown in Table 2.

TABLE 2: THE STATISTICS OF GROWTH IN THE NUMBER OF TOURISTS TO TAIWAN FROM EACH VARIABLE—THE FIXED EFFECTS

Variables	Coefficient	Std. Error	t-statistic	p-value
C	67.3624	54.2512	1.2417	0.2146
UR	2.5585	1.3888	1.8423	0.0656
GDP	2.1248	1.1822	1.7973	0.0725
EX	-1.0389	0.8440	-1.2310	0.2185
SR	0.2480	0.1203	2.0626	0.0393
CPI	-0.4153	0.3670	-1.1316	0.2580
CR	-0.0123	0.0650	-0.1895	0.8497

Note: (1) * , ** and *** represent 10%, 5% and 1% significant level.

(2) UR represents unemployment rate, GDP represents economic growth rate , EX represents exchange rate, SR represents stock return, CPI represents consumer price index, CR represents crime rate.

4.2 THE RANDOM EFFECTS MODEL

For the variables economic growth rate, consumer price index, exchange rate, unemployment rate, stock return and crime rate and the variable growth rate in the number of tourists to Taiwan, using the random effects model analysis under confidence interval of 90%, the unemployment rate and stock price returns presents a significant and positive impact, while the consumer price index, the exchange rate between USD and NTD, and the crime rate exhibit negative but insignificant impact, with the economic growth rate shows positive but insignificant impact. The results of the random effect model are generally the same with that of the fixed effects model, as shown in Table 3.

TABLE 3: THE STATISTICS OF GROWTH IN THE NUMBER OF TOURISTS TO TAIWAN FROM EACH VARIABLE—THE RANDOM EFFECTS

Variables	Coefficient	Std. Error	t-statistic	p-value
C	79.4708	86.0465	0.9236	0.3559
UR	4.0455	2.2026	1.8367	0.0665*
GDP	0.8837	1.8750	0.4713	0.6375
EX	-1.1315	1.3386	-0.8452	0.3981
SR	0.4485	0.1907	2.3517	0.0188**
CPI	-0.4760	0.5821	-0.8177	0.4136
CR	-0.1274	0.1032	-1.2350	0.2170

Note: (1) * , ** and *** represent 10%, 5% and 1% significant level.

(2) UR represents unemployment rate, GDP represents economic growth rate , EX represents exchange rate, SR represents stock return, CPI represents consumer price index, CR represents crime rate.

4.3 HAUSMAN TEST RESULTS

In this study, both the fixed effects and random effects models are used to explore the impacts brought by various variables on the growth rate in the number of tourists to Taiwan for sightseeing. In order to avoid the correlation between the intercept term and explanatory variables, and thus resulting in estimate bias, this study uses the Hausman Test to confirm the optimum effect of each model, and then chooses the optimum effect model to explain the relationship between the explanatory variables. It is found by this study that the random effect model is better for each variable in explaining the growth rate in the number of tourists to Taiwan for sightseeing, as shown in Table 4.

TABLE 4: THE ANALYSIS OF HAUSMAN TEST RESULTS

Model	Chi-Sq. Statistic	Prob.	Select
Each variable to TGR	0.0000	1.0000	random effect

Note: (1) * , ** and *** represent 10%, 5% and 1% significant level.

(2) TGR represents growth rate in the number of visitors to Taiwan for sightseeing.

4.4 THE EMPIRICAL RESULTS FROM THE ANALYSES OF DYNAMIC PANEL DATA MODEL

By utilizing the variables one-period lagged growth rate in the number of tourist to Taiwan for sightseeing TGR (-1), the economic growth rate, consumer price index, the exchange rate, unemployment rate, stock return and crime rate, the dynamic analyses through Panel data model (GMM) are conducted on the growth rate in the number of tourists to Taiwan for sightseeing. With 90% confidence interval, the unemployment rate, the real GDP, CPI and the crime rate is

significantly in negative relationship; the exchange rate is significantly in positive relationship; return on stock price is in negative but insignificant relationship; one-period lagged growth rate in the number of tourist to Taiwan for sightseeing TGR (-1) is in positive but insignificant relationship. The reasons why these results obtained maybe due to the growth in the number of tourist to Taiwan for sightseeing is correlated with job market, economic growth, prices level and social security issues, but in reversed direction. It may be obvious that the growth in the number of tourist to Taiwan for sightseeing can increase employment of manpower, and the fall in the price level and reduction in social security problems can enhance the growth in the number of tourist to Taiwan for sightseeing, but with limited help to economic growth. It also indicates that the adjustment and transformation of domestic economy and the participation in the multinational regional-based tariff trade organizations should be actively in planning and making decision by the Government in Taiwan. Especially in the recent two years, the economic growth rate in Taiwan was significantly lower than the average of global economic growth rate. The governments may well encounter bottlenecks, but still no specific guidelines for the industry in Taiwan, as shown in Table 5.

TABLE 5: THE RESULTS OF DYNAMIC PANEL MODEL ANALYSIS

Variables	Coefficient	Stand. error	T value	P value
TGR(-1)	0.0693	0.0929	0.7453	0.4562
UR	-121.9094	46.6676	-2.6123	0.0091***
GDP	-12.5960	6.8109	-1.8494	0.0646*
EX	71.6812	16.9307	4.2338	0.0000***
SR	-0.4354	0.3782	-1.1510	0.2499
CPI	-27.3575	10.5761	-2.5867	0.0098***
CR	-0.6191	0.3060	-2.0230	0.0433**

Note: (1) *, ** and *** represent 10%, 5% and 1% significant level.

(2) UR represents unemployment rate, GDP represents economic growth rate, EX represents exchange rate, SR represents stock return, CPI represents consumer price index, CR represents crime rate.

5. CONCLUSION

This paper focuses on exploring the correlations between the growth rate in the number of tourist to Taiwan for sightseeing and real GDP, inflation, unemployment rate, exchange rates, stock prices and crime rates. Previous literature on the study of tourism issues often utilize linear calibration mode for empirical research. In general, for the relevant non-stationary state time series economic variables, the pseudo-regression problems may exist. Therefore, some researchers will treat the economic variables by differential process, in order to maintain sequence in state order, and to produce reasonable results. The main method is to analyze the data from time series or cross-sectional data, so it is relatively easy to overlook the information provided from other sections. In addition, if data from low frequencies sources, it is often ignored that the number of sample will be reduced after differential processing of its variables, a new problem of insufficient test thus derived. In order to solve this problem, this study utilizes data that meet the characteristics of time series, and uses Panel data analysis model to avoid ignoring information only in cross-sectional or time series. The heterogeneity issue among the variables also can be effectively controlled, allows the presence of heterogeneity among individuals, and reduces multicollinearity problem. The conclusion reached should be better than that form linear model.

In studying the correlation between the tourists to Taiwan from the ten countries or regions for sightseeing, when random effects model is used, unemployment rate and stock returns exhibit significant and positive impact; the consumer price index, the exchange rate between USD and NTD, and the crime rate exhibit a negative but insignificant impact; the economic growth rate shows positive but insignificant impact. To change the random effect model into the dynamic Panel data model to assess the relationship between the variables, it is found that the unemployment rate, the real GDP, CPI and the crime rate is significantly in negative relationship; the exchange rate is significantly in positive relationship; return on stock price is in negative but insignificant relationship; one-period lagged growth rate in the number of tourist to Taiwan for sightseeing TGR (-1) is in positive but insignificant relationship. The reasons why these results obtained maybe due to the growth in the number of tourist to Taiwan for sightseeing is correlated with job market, economic growth, prices level and social security issues, but in reversed direction. It may be obvious that the growth in the number of tourist to Taiwan for sightseeing can increase employment of manpower, and the fall in the price level and reduction in social security problems can enhance the growth in the number of tourist to Taiwan for sightseeing, but with limited help to economic growth.

Based on the above findings, it is obvious that the growth in the number of tourists to Taiwan for sightseeing has certain degree of relevance with the each variable. When planning local tourism policies, the government in Taiwan should be properly response to the changes in each variable through understanding the relationship between them, as well as how to continuously expand Taiwan tourism through the inter-ministerial collaborative support to tourism policy implementation.

REFERENCES

1. Arellano, M. and Bond, S. (1991), "Some tests of specification for panel data: Monte Carlo evidence and an application to employment equations," *Review of Economic Studies*, Vol. 58, No. 2, pp.277-297.
2. Arellano, M. and Bover, O. (1995), "Another look at the instrumental variables estimation of error components models," *Journal of Econometrics*, Vol. 68, pp.29-51.
3. Akhtar, S. and Shah, A. M. (2012), "Contemporary approach towards evaluation of sustainable tourism development: A Case Study of GOA, " *International Journal of Research in Commerce and Management*, Vol. 3, No. 1, pp.98-105.
4. Akinboade, O. A. and Braimoh, L. A. (2010), "International tourism and economic development in South Africa. a Granger causality test," *International Journal of Tourism Research*, Vol. 12, No. 2, pp.149-163.
5. Balaguer, J. and Cantavella-Jorda, M. (2002), "Tourism as a long-run economic growth factor: the Spanish case," *Applied Economics*, Vol. 34, No. 7, pp.877-884.
6. Babu, K.V.S.N. J. and Valli S.K. M. (2014), "CRM implications in tourism sector," *International Journal of Research in Commerce and Management*, Vol. 5, No. 10, pp.28-29.
7. Baker, D. and Stockton, S. (2014), "Tourism and crime in America: A preliminary assessment of the relationship between the number of tourists and crime in two major American tourist cities, " *International Journal of Safety and Security in Tourism / Hospitality*, Vol. 1, No. 5, pp. 1-25.
8. Belloumi, M. (2010), "The relationship between tourism receipts, real effective exchange rate and economic growth in Tunisia," *International Journal of Tourism Research*, Vol. 12, No. 5, pp.550-560.
9. Blundell, R. and Bond, S. (1998), "Initial conditions and moment restrictions in dynamic panel data models," *Journal of Econometrics*, Vol. 87, No. 1, pp.115-143.
10. Brida, J. G., Carrera, E. J. S. and Risso, W. A. (2008), "Tourism's impact on long-run Mexican economic growth," *Economics Bulletin*, Vol. 3, No. 21, pp.1-8.
11. Brida, J. G. and Risso, W. A. (2010), "Tourism as a determinant of long run economic growth, *Journal of Policy Research in Tourism, Leisure and Events*, Vol. 2, No. 1, pp.14-28.
12. Chakrabarti, A. (2014), "Economic development and tourism in Sikkim: A critical review," *International Journal of Research in Commerce, Economics and Management*, Vol. 4 No. 3, pp.16-21.

13. Chen, C. F., and Chiou-Wei, S. Z. (2009), "Tourism expansion, tourism uncertainty and economic growth: new evidence from Taiwan and Korea," *Tourism Management*, Vol. 30, No. 6, pp.812-818.
14. Harini, K.V. & Indira, M. (2014), "Trends in economic contribution of tourism industry to Indian economy," *International Journal of Research in Commerce, Economics and Management*, Vol. 4, No. 7, pp.21-24.
15. Hayakawa, K. (2007), "Small sample bias properties of the system GMM estimator in dynamic panel data models," *Economic Letters*, 95(1) , pp.32-38.
16. Katircioglu, S. (2010), "Research note: Testing the tourism-led growth hypothesis for Singapore– an empirical investigation from bounds test to cointegration and Granger causality tests," *Tourism Economics*, Vol. 16, No. 4, pp.1095–1101.
17. Kim, H. J., Chen, M. H. and Jang, S. S. (2006), "Tourism expansion and economic development: the case of Taiwan," *Tourism Management*, Vol. 27, No. 5, pp.925-933.
18. King, B., Pizam, A. and Milman, A. (1993), "Social impacts of tourism: host perceptions," *Annals of Tourism Research*, Vol. 20, No. 4, pp.650-665.
19. Kulendran, N. and Witt, S. F. (2003), "Leading indicator tourism forecast," *Tourism Management*, Vol. 24, pp.503-510.
20. Lee, C. C. and Chang C. P. (2008), "Tourism development and economic growth: a closer look at panels," *Tourism Management*, Vol. 29, pp.180-192.
21. Lim, C. and McAller, M. (2002), "Time series forecasts of international travel demand for Australia," *Tourism Management*, Vol. 3, pp.389-396.
22. Mundlak, Y. (1978), "On the pooling of time series and cross section data," *Econometrica*, Vol. 46, No. 1, pp.69-86.
23. Narayan, P. K., Narayan, S., Prasad, A. and Prasad, B. C. (2010), "Tourism and economic growth: a panel data analysis for Pacific island countries," *Tourism Economics*, Vol. 16, No. 1, pp.169–183.
24. Singh, D. (2014), "Analysis of medical tourism", *International Journal of Research in Finance and Marketing*, Vol. 4, No. 7, pp.36-43.
25. Tang, C. F. (2011), "Old wine in new bottles: Are Malaysia's tourism markets converging?," *Asia Pacific Journal of Tourism Research*, Vol. 16, No. 3, pp.263–272.



A STUDY ON THE IMPACT OF PERSONAL EFFICACY ON JOB MOTIVATION AND JOB SATISFACTION AMONG WORKING WOMEN WITH SPECIAL REFERENCE TO THOSE WHO ARE STAYING AWAY FROM HOME

JAYASRI INDIRAN
ASSOCIATE PROFESSOR
SCMS COCHIN SCHOOL OF BUSINESS
MUTTOM

ABSTRACT

A woman, as wife is the better half of a man, if employed, she is the best asset of not only him, but also of her total family. Though, money is a sole vital factor for a competent living, the source of it is also equably much significant. Not only for the husband, but also for parents, an earning daughter is a better financial supporter till her marriage, at times even after marriage. Growing globalization thrusts the importance of women employment not only locally but also globally. But how far they feel personally efficacious to undertake their employment challenges is a research issue. This idea provoked the researcher to delve into this study on the Impact of Personal Efficacy on Job Motivation and Job Satisfaction among Working Women with special reference to those who are staying away from home. The study intends to find out the impact of personal efficacy along with certain conducive factors with which these variables can / cannot be influential on job motivation and job satisfaction among working women.

KEYWORDS

Working women, Personal efficacy, Job Motivation, Job satisfaction, Organizational culture and Stay away from home.

1. INTRODUCTION

A woman, as wife is the better half of a man, if employed, she is the best asset of not only him, but also to her entire family. Though, money is a sole vital factor for a competent living, the source of it is also equably much significant. Generally the source happens to be a job. Hence, for a family man, his earning alone is not copious for a happy life. Wife's employment, in that sense, is a significant and inevitable source for a better maintaining of a family. Not only for the husband, but also for parents, the earning daughter is a better financial supporter till her marriage, at times even after marriage. It is pertinently avowed by Nehru. J., (2002) as..... "In order to awaken the people, it is the woman who has to be awakened. Once she is on move, the family moves, the village moves, the nation moves." A Study on the impact of personal efficacy on working women with special reference to those who stay away from home" is the title of this study. Growing globalization thrusts the importance of women employment not only locally but also globally. But how far they feel personally efficacious to undertake their employment challenges is a research issue.

1.1 WOMEN IN EMPLOYMENT

The United Nations in 1975 centered International Women's Year on three themes embodying goals for women. They are,

- Promotion of equal rights for men and women
- Integration of women in development and
- Women's role in strengthening peace.

The first two relate to work and all the three relate to status. Way back in 1970s many employers in many fields of work and industry, from secretarial work to mill labour, invariably fancy women workers as they are generally more diligent, hard working and less entangled in agitations and disputes. But, now the situation is despotically changed to a remarkable level that women stand at par with men at all levels and assay that social progress can be measured with terseness by the social position of the female sex.

Repugnant to the common perception, a large percent of women in India work (Sunanda. S., 200), the national data collection agencies avowed the fact that there is a solemn under-estimation of women's contribution as workers (Meena. A., 2005).

However, there are far fewer women in the paid workforce than there are men. In rural India, agriculture and allied industrial sectors employ as much as 89.5% of the total female labour. In overall farm production, women's average contribution is estimated at 55% to 66% of the total labour. According to a 1991 World Bank Report, women reckoned for 93% of total employment in dairy production in India. Women constitute 51% of the total employed in forest-based small-scale enterprises, (Neelam. Y., 2005).

1.2 PAST STATUS OF WOMEN

For centuries, women had been subjugated by the male of the species and every effort was made, through social customs and behaviour, to ensure that she did not look beyond the four walls of hearth and home. She was treated like property and kept as such. But two centuries ago, with the advent of the industrial revolution and two world wars in which a large number of women took up jobs that were formerly the exclusive domain of men, they began to assert themselves. The movement began in the west, and gradually divulged to all parts of the world, (Mohini. C., 2005).

The position of women in a society caters a precise measure of the development of that society. The study of women's position is vital as it manifests the trend of social change as a whole. Some of the momentous and niggardly integrated components of women's position are: role in the family, role in the society, economic role, sphere of activity and sphere of forbidden activity, etc. The study of a woman's economic role as well as of what her position is as a worker would definitely throw light on her position or status in a society. In order to discern women's traditional roles and their plights, the ensuing paragraph fathoms to contrive the cruel position of women in ancient India. Previously the following were the predicaments ventured as mental illness and role deviation for which divorce was obtained:

When the wife.....

- a. Did not know how to do housework
- b. Failed to consummate marriage on the first night
- c. Acted familiar with strangers despite being warned
- d. Cried in front of guests at the bride reception ceremony
- e. Received gifts with her left hand
- f. Despite being an upper caste woman, did not bathe daily
- g. Put too much salt and pepper in the food,
- h. Made parathas when asked to make chappathis
- i. Boiled two packets of milk when only one was required
- j. Gave a rude reception to relatives of the husband
- k. Wastes soap while washing clothes and
- l. Wastes money

Uma, D.K., (2006) has opined that in Indian society, the status of women has changed from time to time depicting the position of women in society as an index to the standard of social organization. The status of any given sections of population in society is insinuatedly conjunct with its economic position which depends

on rights, roles and opportunities for participation in economic activities. The economic status of women is now avowed as betoken of society's stage of development. Though India is committed not to discriminate any citizen on the bases of sex, caste, religion, language and area, yet the women have been and still are subservient to discrimination in many ways. In five Year Plans, women could not obtain their due share. Nearly half of our population is women but they are lagging in comparison to the man in every walk of life.

The state of women in the world in general and in Asian countries like India, Pakistan, Bangladesh, and Nepal in particular, is not highly indemnified. A complex web of cultural, social, and economic factors interact to concede, women an abject status, (Singh. D.P., and Singh. M., 2005).

Asha. K., (2006) has observed that woman worldwide does most of the unpaid sustenance work at home, besides the paid work outside. Rural woman is the most affected by this type of gender inequality. However, the urban Indian woman is in a much better situation today. Being both educationally and economically privileged, she can be self-sufficient. But, because she is often not able to find a suitable partner, she is either living single or has to marry into a family, where she all too often becomes victim of domestic violence.

The status and role of women is vacillating all over the world. Women's stepping out of the confines of the house hold has multiplied their roles and responsibilities. They have to shoulder their domestic responsibilities as well as assay themselves in the professional arena. But the balance between the two fronts is guileful exercise. The tilt on any side leads to a state of conflict generated from the related role, (Nilima. S., 2005).

Women though created equal by the creator, were subject to numerous discriminations that were placing them on a lower stratum than men. They were denied voting rights, denied equal pay for equal work, denied literacy, and were subjected to various gender-based and social biases. The plight of women in developing countries was more commiserate. These resulted in frustration among women all over the world against existing system and they started a movement to secure their just rights (Shilaja. N., 2006).

Discrimination - social, political, economic, cultural and of opportunity - and unequal treatment led many women leaders to fight for getting equal rights and equal opportunities. The first step towards this goal was the attainment of right of suffrage by women which was denied to them since long. Thereafter through steady and sincere efforts of women leaders and liberal attitude of government, deliberations and discussions were held and women became successful in getting their legitimate demand of equal rights and opportunities. The present empowered status of women in human society is the result of a long fight undertaken by many women activists.

1.3 WOMEN EMPLOYMENT FOR EQUALITY

The Annual Report of the World Bank (1989) absolutely narrates that the impecunious families are most dependent upon woman's economic productivity. Thus, in modern times, women that too, salaried women work hard not only as wives and mothers, but also as inevitable bread winners of the family. Women are also significant contributors of family income, with more than 55 per cent of employed women bringing in half or more of it, (Fortune. 2001).

Though she is important, though her earning is solid prop, though her status is a credit and identity for the entire family, as hush, quiescent and unquestioning spectator, she is much mortified both in personal and professional spheres. According to Moghadham (1995), a recent analysis denoted that economic restructuring seems to affect women more adversely than men. In Eastern Europe the proportion of unemployed women seems to be growing consistently in the recent past. Women are pondered as more expensive employees due to bountiful benefits women workers enjoyed in the past. Hence, lay offs include more of women. Even then, she commits herself to her organization, but whether her job or her employer organization considers anything for her, is again an interrogation to be responded.

As women only form the rudiments and are cementing force of any community, it is essential to respond these interrogations. This inquisitive and persevering inclination only made the researcher to delve into the areas of Job Satisfaction and Job Motivation of Working Women.

The Universal Declaration of Philadelphia (1944) annexed to the International Labour Organisation Constitution proclaims that..... "All human being have the right to pursue their material well being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity".

"All human beings are born equal in dignity and before the law" is the essence of the Universal Declaration of (Philadelphia) Human Rights (1944). These statements show green signal for women employment.

The Five-Year Plan, 1978-83 also hints that as far as the employment of women in anywhere is concerned, conscious and unconscious biases of employers operate against women's recruitment in various occupations. It is the power structure of traditional families and communities which thwarts women from seeking and obtaining competent education and outside employment and thereby securing an independent status.

The need for total entanglement of women in the process of change, progress and development may be defined as a social, political and economic process of change. To be just and to sustain the development, participation of all classes, races and gender is to be ensured. Development has also been termed as a process, which augments people's choices, reducing their vulnerabilities and increasing their competencies.

Discrimination of any nature to any gender, class or group is a grave menace to the development and progress of a country. So, women and men as equal members of the society, have the right to the equality of opportunities and treatments. The right to buttress one self and to contribute to the economic well being of one's family is as essential for women as men. In fact, majority of women want and need to work, and their income earning capacity is essential for their own survival and that of their families too.

According to the survey of International Labor Organization, (1994) the percentage of women (15 years old and more) in the total active population in India is 24 %. It also shows the sectoral distribution of the dexterous women population in India as 78% in Agriculture, 10% in Industry, and 12% in Services.

Women now account for half those employed in total (Brown. R.K.N., 1990), but only a fraction of those are employed in managerial positions (Grint. K., 1991). For example, in 1986 only 1.8% of managers at National Westminster Bank were women (Crompton. R., 1989). With growing recruitment to the ranks of junior and middle management, the issue of gender has become crucial in understanding the track that organizations will ensue in the next century. This has been a marked change from the composition of the workforce in the 1950s. Figures suggest this change will happen sooner rather than later, with a general increase in jobs for women and a decline in those for men (Evans. L., 1990; Jonung. C., and Persson. I., 1993). With the consistent rise in single parent families, manifestations of the immense inherent intelligence and the better communication skills of women (Panorama, BBC 1, 1994), there has been a surge in women's employment.

However, the overall low women participation should not be expounded as disinterest on the part of women or because of social prohibitions. On the contrary, women in the frugal sections of the developing and under-developed countries, who constitute the majority of workers, are left with little option but to work because of commiserate financial situation. That is to say, there are millions of women in many of such countries with no formal education but with plenty of basic unfulfilled needs and craving for some extra monetary benefit which could only come from engaging in some economic activities. It is imperative, thus, to provide these women with some avenues for earning an income (Radha and Devi. D., 1984).

According to Bhowmick. P.K. 2005, women, as a separate target group, account for 407.8 million (including girl children) as per 1991 census and constitute 48.1 percent of the country's total population are still now have-nots even among the have-nots, because historically and traditionally women are gainsaid the vital rights of taking decision and share in her family income. Women in whichever economic class are thus completely dependent on men, resulting in their lack of bargaining power even in matters of marriage, divorce and remarriage etc. not to speak of the absence of any rights whatsoever in matters related to land, other properties and her personal of family income. The principles of gender equality and equity and protection of women's rights have been the prime concerns in Indian thinking right from the days of independence. It is a myth or reality.

Indira. Y.K., and Sambasiva. R.B. (2006), are of the notion that the Gender inequality is now assenting to exalted heed. Women and children constitute nearly 67% of the Country's total population. The Governments are ardent to ensure that women are empowered both economically and socially and they become equal partners in national development along with men.

TABLE NO. I: PARTICIPATION OF WOMEN IN EMPLOYMENT

Year	No. of Women Workers (In Thousands)	Percentage of Total Women Population	Percentage of Total Labor
1951	40,539	23.30	28.98
1961	59,402	27.96	31.53
1971	31,298	11.66	17.35
1981*	45,000	14.00	20.22
1991 @	91,397	22.69	29.02

* Excluding Marginal Workers

@ Including Marginal Workers

Source: India Labor Year Book (1987)

It can be discerned from the above figures that except during 1971 and 1981, in all other periods the contribution of female manpower is significant to the total population of work force.

1.4 MOTIVATING FACTORS FOR WOMEN EMPLOYMENT

A dissection of the causes for women employment, especially the motivating factors for women employment, suggests not only monetary needs but also other needs as motivators, as propounded by Maslow. A. H., (1954). In his motivation theory, the hierarchies of variety of needs are shown. Likewise women employment is motivated by different needs. They are as follows:

- 1 Death of husband
- 2 Desertion by husband
- 3 Escape from boredom or social affiliation
- 4 Illness of husband
- 5 Insufficient wages of husband
- 6 Monetary need
- 7 Non-support by husband
- 8 Personal esteem
- 9 Poor living standard
- 10 Preference for work outside the home
- 11 Security against future contingencies and
- 12 Self fulfillment

There are of course, some de-motivating factors that hinder women employment. Some of them are:

- 1 Discouragement from husband / in-laws
- 2 Incompatibility with husband's job requirements
- 3 Lack of desire to work
- 4 Lack of skills and
- 5 Non-availability of suitable jobs (Ahuja. R., 1999)

Besides the above all, social traditions, economic structure, level of women's education, the socio – economic organization of production, etc., swayed the entry of women in employment, society's attitude towards women in general, attitudes towards wage employment and employed women whether by women themselves, by men or society at large, attitudes of employers' in terms of women employment, education / training opportunities of women, the pace of growth and development and the overall opportunities available in the country, the competency of women to combine work with other household and child rearing responsibilities, situational support whether at home in terms of household work, availability of organized crèches, women's access to information and guidance on career choices, etc., are some of the major factors swaying participation of women in employment.

1.5 CHANGES IN THE ROLE OF WOMEN

As a result of social and cultural conditionings, many women are unaware of the range of opportunities accessible to them in today's world. To combat this conditioning, women equipping for their role in the twenty first century are selecting role models that will succor them break away from traditional anticipations.

Such role models are those women who have the competency to plan a career and equip for continued advancement, discern what they want and ask for it, make decisions, live with the consequences and conversant from the process, aware that equal rights come with equal responsibilities, seek out opportunities that enhance their competencies and status and unravel the qualities of cooperation, dependability, self – control, and expertise in some area.

With these competencies many women today, embrace the perils as opportunities for success, recognition and financial security. They also persist to strive for equal pay and equal opportunity for professional elevation, but they are also banding together with men to acquire rights that succor them counteract their work and family lives.

Traditional identity is for the male breadwinner in masculine occupations, which tends to devalue a female identity at work. There is need for women to be heedfully better than comparable men at the same job to be considered as equals (Hochschild, A., 1983; Riska. E., and Wegar. K., 1993). Thus, for women, the assumption of woman role models - the organization woman - proved extremely difficult, (Livingston. D.W., and Luxton. M., 1989).

Headless of all the changes in the role of women in today's society, they still have the primary and sometimes sole responsibility for childcare. Therefore, the invariably diffusing new role of women in the twenty first century includes restructuring of home and work environments so that they are compatible with each other. Sellers. P., (1996) opined that many women juggle work and family roles. This often causes personal conflict, and the higher they raise in an organization, the more that work demands of them in terms of time and commitment. Nelson. D.L. and Burke. R.J., (2000) had found that women perceive more job demands than men in both the male-dominated and female-dominated occupations.

Among Fortune's (2001) List of "the 100 Best Companies to Work For", 63 of the companies notify that at least 30 per cent of supervisory managers are women. Coy. P., (2000) has pointed out that currently, women participation has jumped to 60 per cent from 50 per cent two decades ago, and the long-term trend toward earlier retirement has recently been reversed. Only 10 per cent want to stop working altogether when they retire from their jobs.

According to an article published in Fortune (2001) only from 1972 onwards women started questioning the feasibility of having a family and sustaining a job at the same time. By the mid-1980s, they took it for granted that they could contrive both, and by the mid-1990s, 89 per cent of young women said they expect to have both a family and a job.

An article published in Business Week (2000) has portrayed that many women executives pay high personal price for their organizational status in the form of broken marriages or never marrying at all. As a result, many women are seeking out organizations that are not only women friendly in their hiring and promotion standards but are also family friendly in their employment practices.

1.6 TYPES OF WORK DONE BY WOMEN IN RURAL AREAS

According to Mithreyi. K., (1996), the types of work done by women in India can be classified into the following categories:

- Wage and Salaried Employment
- Self – Employment outside the household for profit
- Self – Employment in cultivation and household industry for profit
- Self – Employment in cultivation for own consumption
- Other subsistence activities in all allied sectors like dairying, other livestock rearing such as, poultry, goats, pigs, etc., and fishing, hunting, and cultivation of fruit, and vegetable gardens

- Activities related to domestic work, such as fetching fuel, fodder, water, forest produce, repairing of dwellings, making cow-dung cakes, food preservations, etc. and
- Domestic work, such as cooking, cleaning, caring of children, the aged and the sick.

1.7 TYPES OF WORK DONE BY WOMEN IN URBAN AREAS

Majority of the women workers in the urban work force are employed as nurses, midwives and health visitors, clerks and stenographers, factory workers, teachers, etc., in the formal sectors.

The following are the 20 common and most stressful jobs in which women get employed as dissected by the Wisconsin State Journal, (1996):

- 1 Advertising Executive
- 2 Air Traffic Controller
- 3 Assembly-Line Worker
- 4 Attorney
- 5 Banker
- 6 Customer Service Representative
- 7 Firefighter
- 8 Medical Intern
- 9 Middle-Level Manager
- 10 Newspaper Editor
- 11 Police Officer
- 12 Politician
- 13 Public Relations Specialist
- 14 Real Estate Agent
- 15 Roofer
- 16 Salesperson
- 17 School Teacher
- 18 Securities Trader
- 19 Urban Bus Driver
- 20 Waiter/Waitress

A large section of them are engaged in informal sectors also. Women in urban informal sectors work as retail traders, merchants and shopkeepers, street vendors, hotels and restaurant keepers, domestic servants, sweepers, cleaners and related workers; laundry / washer women and dhobis, dry cleaners and pressers; livestock farmers, dairy farmers, poultry farmers, agricultural labor, other farm workers; spinning and winding workers, knitters, food preservers and canners; beedi makers, tailors, and dress makers, sewers and embroiders, potters and clay workers; rubber and plastic makers, paper and paper board makers, basket weavers and brush makers; packers, laborers and related workers.

1.8 GENERAL PROBLEMS OF EMPLOYED WOMEN

Priyanka. T., 2006, in her study discussed the problems and challenges faced by the Indian Women since ancient days. In Vedic age, the women were avowed to be innately incompetent for independence. Manu said, 'father defends her in childhood, husband defends her in youth, sons defend her in old age; a woman is never fit for independence'. For centuries they have been subject to torture, mal-treatment and all sorts of mis-behaviour. McClelland. D.C., (1961) had suggested the degree of the challenges offered by the environment, child-rearing practices in the family, interaction patterns of parents with their children, interactive factors associated with religion and social class and core religious and social values, all influence achievement motivations. This seems to be truer with working women.

Women employees face specific problems in each occupation depending upon the nature and area of work, level of their education and the predominant social set up as follows:

- Invisibility and under-valuation of women's economic contribution
- Double work day for women
- Wrong gender expectations
- Lack of economic independence
- Sexual harassment
- Shortage of sufficient accommodation and amenities
- Health problems

2. CONCEPT OF PERSONAL EFFICACY

One's postulation or conviction for doing something shall be termed as personal efficacy. Without any previous experience and satisfaction one cannot convict himself or his accomplishments, (Schaufeli. W.B., Leiter. M.P., Maslach. C. and Jackson. S.E., 1996).

Bandura. A., (1986) defines personal-efficacy as an individual's perceived ability to execute some target behavior. Thus, it reflects the perception of a personal capability to do a particular job or set of tasks.

Karl. K.A., O'Leary-Kelly. A.M., and Martocchio. J.J., (1993) and Janz. T., (1982) are of the outlook that a series of success combined with positive feedback build the employee's sense of personal-efficacy, and in turn lead to a heightened sense that "I can do this" and may often result in greater effort.

Bandura. A., (1994) defines personal-efficacy as the power to achieve a desired goal. For eg., Students with personal efficacy know that they as individuals control what is learned based on a belief in their abilities to apply effort and achieve a goal.

For Bandura. A., (1994) perceived personal-efficacy is defined as people's beliefs about their competencies to produce designated levels of performance that exercise influence over events that affect their lives. Self-efficacy beliefs determine how people feel, think, motivate themselves and behave. Such beliefs produce these diverse effects through four major processes. They include cognitive, motivational, affective and selection processes.

Personal-efficacy refers to satisfaction with past and present accomplishments and an individual's expectations of continued effectiveness at work. (Schaufeli. W.B., et al 1996)

Bandura. A., (1997) said that the competency for self-reflection – people reflect back on their actions/experience with a specific event/task and then cognitively process how sturdily they deem they can successfully accomplish this event/task in the future - provides the theoretical basis for personal efficacy. She also accentuated that regardless of cultural background, employees accomplish the greatest sense of personal efficacy and productivity gains when training is congruent with their personal orientation.

According to Stajkovic. A.D. and Luthans. F., (1998) personal-efficacy refers to an individual's conviction (or confidence) about his or her abilities to mobilize the motivation, cognitive resources and courses of action needed to successfully execute a specific task within a given context. The major factor in the success of goal setting is personal-efficacy. This is an internal belief regarding one's job – related capabilities and competencies. Personal-efficacy is different from self-esteem, which is broader feeling of like or dislike for oneself.

According to Sanjyot. P. and Sushama. C., (2000) people with low personal efficacy may believe that things tougher than they really are, a belief that may foster stress and narrow vision of how best to go about a problem.

2.1 NEED FOR PERSONAL EFFICACY

A burly sense of efficacy augments human accomplishment and personal well being in many ways. People with high assurance in their capabilities approach difficult tasks as challenges to be mastered rather than as threats to be avoided. Such an efficacious outlook fosters intrinsic interest and deep engrossment in activities. They set themselves challenging goals and maintain sturdy commitment to them. They heighten and sustain their efforts in the face of failure. They quickly recuperate their sense of efficacy after failures or setbacks. They attribute failure to insufficient effort or deficient knowledge and skills, which are acquirable. They approach threatening situations with assurance that they can exercise control over them. Such an efficacious outlook produces personal accomplishments, reduces stress and lowers vulnerability to depression, (Bandura. A., 1994). Personal-efficacy is subjective verdict about how well an individual believes he is able to perform a specific task (Bruning. R.H., et al 1999).

In contrast, people who qualm their capabilities shy away from difficult tasks, which they view as personal threats. They have low aspirations and weak commitment to the goals they choose to pursue. When faced with difficult tasks, they dwell on their personal deficiencies, on the obstacles they will encounter, and all kinds of adverse outcomes rather than concentrate on how to perform successfully. They slacken their efforts and give up quickly in the face of difficulties. They are slow to recover their sense of efficacy following failure or setbacks. Because they view insufficient performance as deficient aptitude it does not necessitate much failure for them to lose faith in their capabilities. They fall easy victim to stress and depression, (Bandura. A., 1994). Hackman. J.R., et al. (1977) have found out that higher the positive psychological states present in a job, the greater will be employees' motivation on the job.

Personal-efficacy makes a difference in how people feel, think and act. In terms of feeling, a low sense of personal-efficacy is associated with depression, anxiety, and helplessness. Such individuals also have low self-esteem and harbour pessimistic thoughts about their accomplishments and personal development. In terms of thinking, a sturdy sense of competence facilitates cognitive processes and academic performance. Personal-efficacy levels can augment or obstruct the motivation to act. Individuals with high personal-efficacy prefer to execute more challenging tasks. They set themselves higher goals and stick to them (Locke. E.A. and Latham. G.P., 1990).

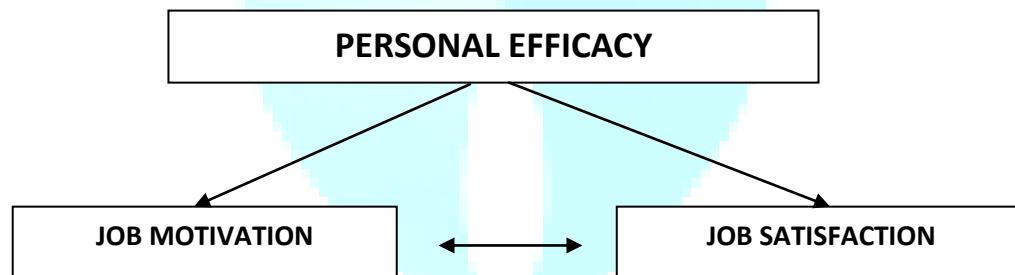
Rao. T.V., (1996) is of the outlook that, in many countries women contribute a good deal to the economic activity of the family either through household activities or through other direct income-generating activities. Women account for at least half the food produced in the developing world, and one-third of the waged labor force. Investing in women and their development by giving them access to education, training and credit for employment-generation activities is therefore likely to raise productivity in all sectors. Indeed, women seem to be central to the effectiveness of a broad range of investments in development. And to prolong with these economic capacities, they need to be satisfied with their jobs. They need to be motivated in order to get satisfied with their jobs, for which they also need to be performing well in an adoptable and conducive and favourable organizational culture. Their performance of course depends on extraordinary personal efficacy.

3. FRAME WORK OF ANALYSIS FOR THE PRESENT STUDY

There are three factors influencing the working relationship. They are, Environmental Factors, Organizational Factors, and Human Factors of which the Human factors include certain factors from the point of both employees and the organization such as, personality, morale and motivation which in turn, depend upon meeting of psychological and physiological needs satisfying employees' own expectations in the career achievement and job satisfaction and from the part of the employers, competence in knowledge and skill, interest in the job and commitment on the organizational objectives.

Keeping this fact in mind the researcher focused on the level of personal efficacy among working women. The idea of this study emphasizes the study of personal efficacy as an essential personal factor having impact on various other hygiene requirements such as job motivation, job satisfaction and perceived organizational culture. Though there are stimulation and power, the action, i.e., the performance depends upon the circumstance in which an individual works, essentially the impact of that environment on personal efficacy. This reality is justified in this study by analyzing the level of personal efficacy with that of the respondents' job motivation and job satisfaction.

CHART NO. I: FRAMEWORK OF ANALYSIS FOR THE PRESENT STUDY



Personal Efficacy is considered as one of the essential personal factors in this study. Even though there are women studies concentrating on women workers or women employees in organization, the present study has a uniqueness of its own, because of it is an attempt to relate Personal Efficacy to job motivation and job satisfaction among women employees.

4. REVIEWS ON THE PERSONAL FACTORS CONTRIBUTING FOR WOMEN'S EMPLOYMENT

Kamla. N., (1967) on analyzing "Women in Service Occupations" found that the relative importance of the different service groups varies greatly among men and women. For the men, public service is by far the most important group but for the women, educational service and the medical service are the most important. Public service provides employment to more than half of the men in modern sector. For the women educational service has a similar position. She reaches the conclusion that the service occupations are an important source of employment for women especially urban women where medical and health services provide employment to 25 percent of the women workers in the modern sector.

Kamla. N., (1968) finds that great majority of women work for agriculture or in the traditional rural industries where most of the women are family workers or single workers or single workers who combine the responsibilities of work and home.

Pichholiya. K.R., (1978) justifies the hypotheses that in the metropolitan city only those households who are in dire economic necessity send their women out to work. Women who prefer office jobs have higher education. And women coming from low income groups are likely to include a greater proportion of illiterates. Further, women who participate and have no skills come from the lower income groups.

Sahoo. B. and Mahanty. B.K., (1978) attempt to explain the difference in women participation rate is districts in Orissa in terms of a numbers of variables like sex-ratio percentage of scheduled caste/tribe population to the total population, spread of education, urbanization, etc. No single variable satisfactory explains the differences. The differences may be due to a host of causes – social, economic, geographical, historical and cultural. The pattern of workers participation shows that there has not been perceptible change in the structure of the economy: -industrialization, urbanization and education have not touched major portion of the population. Consequently women's participation rate has remained low.

Tripathi. B.L., (1978) concludes that the high women participation in the share-croppers group and low participation in owner cultivators, artisans and salaried and business groups could be due to the resources owned by the respective groups. The poor resource base in the former group necessitates the larger number of persons to seek work while the latter groups possessing, if not rich but with adequate resources could harvest sufficient without involving the women working force. The low participation rates for the artisans group in particular could also be attributed to the absence of infrastructural including marketing of the products.

Howard. A. and Bray. D., (1988) conducted a study at AT&T found no differences between men and women managers on their overall levels of leadership skills and it was found that women were better performers than men in many of the foundation skills, which required for effective leadership and management performance. It was also specifically found that women were found to be superior to their male counterparts in interpersonal skills, perception of social cues, work involvement, behavior flexibility, personal impact and freedom from prejudice against racial, ethnic and other social groups.

Researches have shown that primary education of girls is positively related to economic production, longevity, lower fertility and reduction in infant and maternal mortality, (UNDP, 1991).

Skilled and intellectual performance of roles, Extent of psychological comfort, Absence of symptoms of tensions and Social acceptability of behaviour (Lazarus, 1961) are found to be the most responsible factors influencing women in wage employment.

Deepa. M., (1992) has found that the level of job adjustment varied with the nature of job, length of service, access to power and future, and the level of home adjustment depends upon the structure of family, size of family, husband's and in-laws cooperation and self-esteem. She is also of the opinion that though working women spend their income mostly on raising the living standards, though they are accused of becoming proud, self-centered, arrogant and negligent, yet they manage to break through the shell of narrow domestic existence and participate in the larger life of the nation and even humanity.

5. RESEARCH METHODOLOGY

In this study the inquiry is about the level of job motivation and job satisfaction among working women as influenced by their personal efficacy.

5.1 OBJECTIVES OF THE STUDY

The present research study focuses on the following objectives:

- ❖ To find out the impact of Personal Efficacy on Job Motivation and Job Satisfaction of the women employees and
- ❖ To analyze the Interrelationship between the key variables.

5.2 SAMPLING

The Research design used for the study is descriptive in nature. The sample of the study is 228 working women residing in working women's hostels. Hence, the sampling frame is the hostels for working women in and around Coimbatore District. Out of 33 hostels, the working inmates of those 17 hostels only constituted the sample for the study. The type of sampling is purposive.

5.3 TOOLS DESCRIPTION

The study involves three dependent variables such as, Personal Efficacy, Job Motivation and Job Satisfaction.

TABLE NO. II: DATA COLLECTION TOOLS

Name of the tool	Name of the author	No. of items	Reliability / Validity
Personal efficacy Scale	Singh. A.P., and Kumari. P., (1997)	28 items including 3 negative items	R=0.7586
Job Motivation Scale	Akhtar. S.S., Sultan. S., and Manju (1997)	29 items (all positive)	R=0.91 & V=0.34 & 0.44
Job Satisfaction Scale	Ojha. H., (1997)	32 items (all positive)	R=0.8855 & V=0.8860

ANOVA or "t" – test were used for those results which were significant in Chi-square test. The classification of scores was made using mean as the measure of central tendency and standard deviation to classify responses as Low, Medium and High depending on the scores obtained by the respondents for different scales. This study is limited to the employed women who are residing in the women's hostels in and around Coimbatore District. The respondents were selected from organized sectors only. So, the findings of the study are not to be generalized to men or other sectors of employment.

6. DATA ANALYSIS

The data were analyzed with the help of SPSS PC+ package. This study analyzed all the variables using the tests of Chi-square and if there were significance results between variables, those data were subjected to ANOVA or "t"- test accordingly. The classification of scores was made using mean as the measure of central tendency and standard deviation to classify responses as Low, Medium and High depending on the scores obtained by the respondents for different scales.

6.1 PREDICTOR VARIABLES

TABLE NO. III: MULTIPLE REGRESSION ANALYSIS FOR PREDICTOR VARIABLES OF JOB SATISFACTION

S. No.	Items	B	Std. Error	't' Value	Significance
1	Age	0.314	0.432	0.726	NS
2	Educational Qualification	0.491	0.305	1.608	NS
3	No. of Dependents	0.176	0.348	0.505	NS
4	Salary	-0.353	0.341	-1.034	NS
5	Experience	0.083	0.375	0.220	NS
6	Previous Experience	-0.853	0.421	-2.029	*
7	Reading Habits	1.406	0.454	3.096	**
8	Personal Efficacy	0.143	0.027	5.318	**

R Value = .534
 R Square = .285
 F Value = 9.662

** - Significance at 1% Level
 * - Significance at 5% Level
 NS - Not Significant

Regression analysis emphasizes that the reading habits and the sense of personal efficacy have significant influence over their job satisfaction. Those who acquire wider knowledge through reading habits might get comparatively high level of job satisfaction. At the same time those who have felt high sense of personal efficacy also might have high influence on their job satisfaction (Ashforth. B.E., and Saks. A.M., (1996).

6.2 KEY VARIABLES

TABLE NO. IV: INTERRELATIONSHIPS AMONG KEY VARIABLES

Key Variables	Job Motivation	Job Satisfaction	Personal Efficacy
Job Motivation	1	0.464**	0.491**
Job Satisfaction	0.464**	1	0.463**
Personal Efficacy	0.491**	0.463**	1

** Correlation is significant at 1% level

From the above matrix of correlation it is clear that the sense of Personal Efficacy as a personal factor is also related to Job Motivation and Job Satisfaction.

7. CONCLUSION

The major finding of the study is that the sense of personal efficacy is a strong personal variable associated with job satisfaction of women employees. The multiple regression tests have also established the significance of personal efficacy for job satisfaction. Employers can by their training programs enhance the personal efficacy of the employees. Hence, besides technical contents the training programs have to develop self-confidence and self determination to employees. Apart from training Employers / HR managers can enhance personal efficacy through performance counseling.

REFERENCES

1. Ahuja, R. 1999. *Indian Social System*. New Delhi: Rawat Publications.
2. Akhtar. S.S., Sultan. S. and Manju cited in Pestonjee. M. 1997. *Third Handbook of Psychological And Social Instruments*. New Delhi: Concept Publishing Company. Vol.(2).
3. Asha. K. 2006. 'Single Women No Problem! : Challenging Indian Realities', Vol. (16). Pp. 184. Cited in www.en.wikipedia.org.
4. Ashforth. B.E. and Saks. A.M. 1996. 'Socialisation tactics: Longitudinal effects on newcomer adjustment', *Academy Of Management Journal*.
5. Bandura. A. 1994. 'Self-Efficacy', cited in Ramachandran. V.S. (ed.). *Encyclopedia of Human Behavior*. Vol. (4). New York: Academic Press.
6. Bandura. A. 1997. *Self – Efficacy: The Exercise of Control*. New York: W. H. Freeman.
7. Bhowmick. P.K. 2005. 'Empowerment of Rural Women: A Study Across the Three States Jharkhand, Orissa and West Bengal', Vol.12. Pp.96. Cited in www.en.wikipedia.org.
8. Brown. R.K.N. 1990. 'A flexible future in Europe?: Changing patterns of employment in the United Kingdom', *British Journal of Sociology*. Vol. 41(3).
9. Bruning. R.H., Schraw. G.J. and Ronning. R.R. 1999. *Cognitive Psychology and Instruction*. Upper Saddle River, New Jersey: Prentice-Hall Inc.
10. *Business Week*. 2000. 'The new debate over working moms', September.
11. Coy. P. 2000. 'The creative economy', *Business Week*.
12. Crompton. R. 1989. 'Women in Banking: Continuity and change since the Second World War', *Work, Employment and Society*. Vol. 3(2).
13. Deepa. M. 1992. 'Women, Family And Work', cited in Ahuja, R. 1999. *Indian Social System*. New Delhi: Rawat Publications.
14. Evans. L. 1990. 'The demographic-dip: A golden opportunity for women in the labour market', *National Westminster Quarterly Review*.
15. *Fortune*. 2001. 'The 100 best companies to work for', January.
16. Grint. K. 1991. *The Sociology Of Work: An Introduction*. Cambridge: Polity Press.
17. Hackman. J.R. 1977. Cited in Hackman. J.R., and Suttle. J.L., (eds.). *Work Design In Improving Life At Work*. Scott: Foresman and Co.
18. Hochschild. A. 1983. *The Managed Heart*. California: University of California Press.
19. Howard. A. and Bray. D. 1988. *Managerial Lives In Transition*. New York: Guilford.
20. India Labour Year Book, 1987. Cited in Joseph, M.P. and Ling, T.C. 1987. 'Supervisory role and subordinate job satisfaction in Indian context', *Indian Journal Of Industrial Relations*. Vol. 23(2). October.
21. Indira. Y.K., and Sambasiva. R.B. 2006. 'Empowerment of Women and Rural Development', Vol. 8. Pp.326. Cited in www.en.wikipedia.org.
22. International Labour Organisation. 1994. 'The world's women 1995 – Trends and Statistics', United Nations Publications. Cited in www.un.org/Depts/unsd.
23. Janz. T. 1982. 'Manipulating subjective expectancy through feedback: A laboratory study of the expectancy-performance relationship', *Journal Of Applied Psychology*. Vol. 67.
24. Jonung. C. and Persson. I. 1993. 'Women and market work: The misleading tale of participation rates in international comparisons', *Work, Employment and Society*. Vol. 7(2).
25. Kamla. N. 1967. 'Women in service occupations', *Economic And Political Weekly*. Vol. 1(1). January.
26. Kamla. N. 1968. 'Women in the working force in India', *Economic And Political Weekly*. Vol. 3(31). August.
27. Kamla. N. 1970. 'Female work participation and economic development', *Economic And Political Weekly*. Vol. 5(21). May.
28. Karl. K.A., O'Leary-Kelly. A.M. and Martocchio. J.J. 1993. 'The impact of feedback and self-efficacy on performance in training', *Journal Of Organisational Behaviour*. Vol. 14.
29. Lazarus. 1961. 'Women in wage employment', cited in Sujatha. G. 1997. '*Struggle Of Women At Work*', Delhi: Vikas Publishing House Pvt. Ltd.
30. Livingstone. D.W. and Luxton. M. 1989. 'Gender consciousness at work: Modification of the male breadwinner norm among steelworkers and their spouses', *The Canadian Review Of Sociology And Anthropology*. Vol. 26(2).
31. Locke. E.A. and Latham. G.P. 1990. *A Theory of Goal Setting and Task Performance*. New Jersey: Prentice- Hall.
32. Maslow. A.H. 1954. *Motivation And Productivity*. New York: Harper and Row.
33. McClelland. D.C. 1961. *The Achieving Society*. New York: The Free Press.
34. Meena. A. 2005. 'Dalit Women: Fear and Discrimination', Vol.7. Pp.381.
35. Mithreyi. K. 1996. Cited in Joseph. M. 1996. *Problems of Working Women*. Central Board for Workers Edu. Nagpur: Chakradhar Printing and Binding Works.
36. Moghadham. V.M. 1995. 'Market reforms and women's economic status'. Cited in Uner. K. and Silk. L. 1995. (eds.) *People, From Impoverishment to Empowerment*. New York: UNDP and New York Press.
37. Mohini. C. 2005. 'Women's Human Rights', Vol.6. Pp.223.
38. Neelam. Y. 2005. 'Education for Women', Vol.9. Pp.402.
39. Nehru, J. 2002. Cited in Sudhir, M.A. and Balakrishnan, A. 2002. *Empowerment of rural women labor force*. New Delhi: Anmol Publications Pvt. Ltd.
40. Nelson. D.L. and Burke. R.J. 2000. 'Women executives: Health, stress and success', *Academy of Management Executive*. Vol. 14(2).
41. Nilima. S. 2005. 'Womens March on the Path of Progress: A Study of Decadal Change in Role Conflict', Vol.11. Pp.190.
42. Ojha. H. 1997. Cited in Pestonjee. M. 1997. *Third Handbook of Psychological and Social Instruments*. New Delhi: Concept Publishing Company. Vol. 2.
43. Panorama. 1994. *British Broadcasting Corporation*.
44. Pichholiya. K R. 1978. 'Women Workers in Metropolitan City: A Study of Ahmedabad', *Indian Journal of Labour Economics*. Vol.XX. No. 4. January.
45. Priyanka. T. 2006. 'Indian Women', Cited in www.en.wikipedia.org. Vol.7. Pp.246.
46. Radha and Devi. D. 1984. 'Future prospects of employment of women in India', *The Indian Journal of Social Work*. Vol. 65(3). October.
47. Rao. T.V. 1996. *Human Resource Development – Experiences, Interventions and Strategies*. New Delhi: Sage Publications.
48. Riska. E. and Wegar. K. 1993. *Gender, Work and Medicine: Women and The Medical Division of Labour*. London: Sage.
49. Sahoo. B. and Mahanty. B K. 1978. 'Female Participation in Work in Orissa: An inter-district comparison', *The Indian Journal of Labour Economics*. Vol XX. No. 4. January.
50. Sanjyot. P. and Sushama. C. 2000. 'Role efficacy dimensions as a correlate of occupational self efficacy and learned helplessness', *Indian Journal Of Industrial Relations*. Vol. 35(4). February.
51. Schaufeli. W. B., Leiter. M. P., Maslach. C. and Jackson. S. E. 1996. *MBI – General Survey*. Palo Alto. CA: Consulting Psychologists Press.
52. Sellers. P. 1996. 'Women, sex, and power', *Fortune*. August.
53. Shilaja. N. 2006. 'Women's Rights', Cited in www.en.wikipedia.org. Vol.8. p.222.
54. Singh. D.P., and Singh. M. 2005. 'Woman and Empowerment: Experiences from Some Asian Countries'. Cited in www.en.wikipedia.org. Pp. 304.
55. Stajkovic. A.D. and Luthans. F. 1998. 'Self-Efficacy and work-related performance: A meta-analysis', *Psychological Bulletin*. Vol. 124.
56. Sunanda. S. 2006. 'Emergence of Elite Women in Politics'. Cited in www.en.wikipedia.org. Vol.10. Pp.228
57. Tripathi. B L. 1978. 'Female workers participation in rural areas – A case study in dpap', *The Indian Journal of Labour Economics*. Vol. XXI. Nos. 1 and 2. April – July.
58. Uma. D.K. 2006. (Ed.) 'Property Rights of Women', Cited in www.en.wikipedia.org. Vol.6. Pp.138.
59. UNDP. 1989 and 1991. 'Human Development Reports', *Inter-Sectoral Approaches to Human Resource Development For The 1990s And Beyond*. New York: BPPE.
60. Universal Declaration of Philadelphia. 1944. Cited in Joseph. M. 1996. *Problems of Working Women*. Central Board for Workers Education. Nagpur: Chakradhar Printing and Binding Works.
61. *Wisconsin State Journal*. 1996. 'Stressed out?', September.

EMERGING PROFILE OF WOMEN IN INFORMATION TECHNOLOGY SECTOR IN GOA

DR. SHARMILA BORKAR
ASSOCIATE PROFESSOR IN ECONOMICS
CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM

ABSTRACT

At the macro level, the presence of women employees in the IT sector is critical both from the progressive aspects of such inclusion and the various issues and challenges that it poses to the new age woman. The IT sector provides a platform for greater economic advancement and equal work opportunities for women employees. This paper, based on secondary and primary data, presents a profile of 50 women employees in the IT sector in Goa and attempts to understand various opportunities, issues, challenges faced by these women employees in this sector. The analysis of primary survey reveals that the IT woman finds working for long hours and the travel factor the most difficult part of her employment. She favours flexitime, and prefers better support systems at home, and expects the IT sector employer to offer her childcare and other facilities at workplace.

KEYWORDS

Information technology, women, job, employee.

INTRODUCTION AND BACKGROUND**RATIONALE AND CONTEXT OF THE STUDY**

The rationale for studying the critical role that women employees in the Information Technology sector play in our society and economy can be better understood when we consider some macro aspects. In the nation as a whole, where work participation rates for women are generally low, where there is a greater presence of women in the unorganised sector than in the organised sector, the Information Technology woman represents an advancement and progress in the economy and society. She is undoubtedly the new age woman, in terms of her levels of educational attainment and her career aspirations. The Information Technology industry is to be differently perceived from the rest of the employers. This because, it is showing an increasing participation of women employees over time. Also it shows continuous efforts to include gender sensitivity. One progressive step toward empowerment is the presence of women in more advanced and organised occupations, hence presence of these few women in the IT sector can be considered as a sign of women empowerment. In the labour market, participation of women professional employees in the software sector contributes towards a process called labour deepening. Here labour deepening happens when skills and gender component enhances the existing labour structure. (Basant, 2004). The Indian IT-BPO sector is a valued sector in terms of revenue generation, employment generation and value creation. National Association of Software and Service Companies (NASSCOM, 2010), the nodal body of Indian IT and ITeS firms, anticipates that owing to an increase in the global requirement for software technology products, the country's information technology sector has potential to generate huge revenues in near future. Both internationally and within the nation, it has powerful linkage effects. The industry has been playing a major role in Indian states and their regional development in terms of diverse pattern of employment generation, creating consumer spending, contributing to innovations, and its social responsibility towards education, health and awareness in society. As far as the gender dimension goes, the Information technology sector has unique application as it is a sector characterised by features and issues like strength of enrolment, retention of employees, specific skills required (communication and articulation of women employees). The sector currently is moving towards greater gender inclusivity. Though IT sector can be looked at as a sector that places a woman in a valued position, in terms of societal progress, empowerment, labour market deepening, it is not devoid of problems, issues and challenges. Long and at times odd hours of work, travelling, safety at and beyond workplace, need for support systems at work and at home are some of the many issues that characterise a woman's work in the IT sector. (Upadhyay 2007, Lavarasan 2008)

Goa and Information Technology-Goa is a state with a small geographical area and a population of 15 lakhs, yet it has made rapid advancements in the last 50 years of post-liberation era, in tourism, and industry. It is recognised as a state with one of highest per capita incomes in India. The emergence of the IT sector though is a recent development of the last 15 years. The presence of a few IT majors and a number of small players has opened up fresh avenues for women to enter the job market. It is estimated that there are around 200 women professionals in middle and higher end professional IT jobs in Goa. (This excludes the BPO sector). Thus, the existing Information Technology network is very small and yet to develop in terms of employment potential. The IT policy of Goa was gazetted on 17th November 2005, with an initiative to give a boost to the IT sector. When the government announced the IT policy, it stated thus- 'The Government of Goa is committed to making Goa a leading Information Technology State in India. It is committed to make Margao-Verna-Vasco-Panaji-Mapusa corridor, one of the leading centres for software development in the world. In order to make Goa a leading Information Technology State of India, the Government of Goa hereby announces its Information Technology Policy.' In a significant development towards securing employment for local youth, the government offered an incentive to IT entrepreneurs employing Goans in the IT industry and its enabled services at the rate of Rs 15000 per employee per annum. Also power and water tariff rebates were offered.

Experts at that time felt that it was an industry friendly policy that offered a number of incentives based on parameters which had been well thought of. Experts felt that there was a need to focus on its implementation, which was to be a bigger challenge. There are quite a few issues that need to be tackled said experts, like development of IT infrastructure, the proper implementation of the IT policy, and the rapid growth of IT related infrastructure (Nadkarni, 2011). So many years down the line, the Goa government has yet to offer an environment conducive to the growth of IT infrastructure, offered in other states. The neighbouring states like Maharashtra and Karnataka have offered longer term income tax concessions and excise exemptions, and have been liberal with the handling of land at concessional rates for developing software parks. The much proposed IT habitat envisaged at Dona Paula is yet to take shape, as various political considerations have also come as an impediment to the setting up of the much envisaged IT infrastructure in Goa. The popular perception one gathers from IT specialists and experts in Goa is that all favour the development of IT as it is a pollution free sector, capable of employment generation and revenue generation. If the sector develops, it would open up newer employment opportunities for men and women alike. A hugely spread education network in terms of government and private engineering colleges that train graduates for Information Technology and Computer sciences, a vast network of degree colleges that offer degrees in computer science, the introduction of IT as a subject for degree courses, and post graduate studies in Computer Applications have rendered immense opportunities for aspiring girl students. Besides, a generally conducive and safe atmosphere for females who seek education and jobs makes Goa a state capable of promise and potential for a woman IT professional.

OBJECTIVES

1. To present a profile of the woman employee in the information technology sector in Goa
2. To understand the opportunities, challenges, issues, perceptions of women employees in the IT sector.

RESEARCH METHODOLOGY

The paper has relied on both secondary data and primary data sources. Secondary data was used for purpose of reviewing the presence, potential of the women in Information Technology Sector in Goa. Primary data was generated and analysed at two levels:

1. At the first level, In depth interviews were conducted with the relevant experts in the Information Technology sector to understand their views on women employees and their scope and potential in the IT sector of Goa.

2. At the second level, a survey was conducted on around 50 women employees, from 5-7 organisations having software services in Goa.(However the names of the companies have not been revealed in this paper in order to maintain confidentiality which is requested by certain companies).

The sample size of 50 women constituted 25% of the Goa's total women employee base. This survey elicited information by asking close-ended and open-ended questions to employees. The close ended questions elicited information on general profiles of these women like

1. Age profile,
2. Parents' educational levels
3. Marital status,
4. Migration status,
5. The influences on their career.

The qualitative dimensions of women employees were studied with the use of open ended questions, which yielded important insights on the following major issues that currently affect the women in IT sector.

1. Women's opportunities, challenges, issues as IT employees.
2. Their gender perceptions on issues related to support systems, attitude of male colleagues, discrimination at workplace.
3. Their views on the IT job and its importance, their experiences of IT job, their perceptions of its merits and demerits .
4. Their opinions on facilities like flexitime for women, presence of support facilities like childcare centres at workplace.
5. Information on various qualitative dimensions of the job

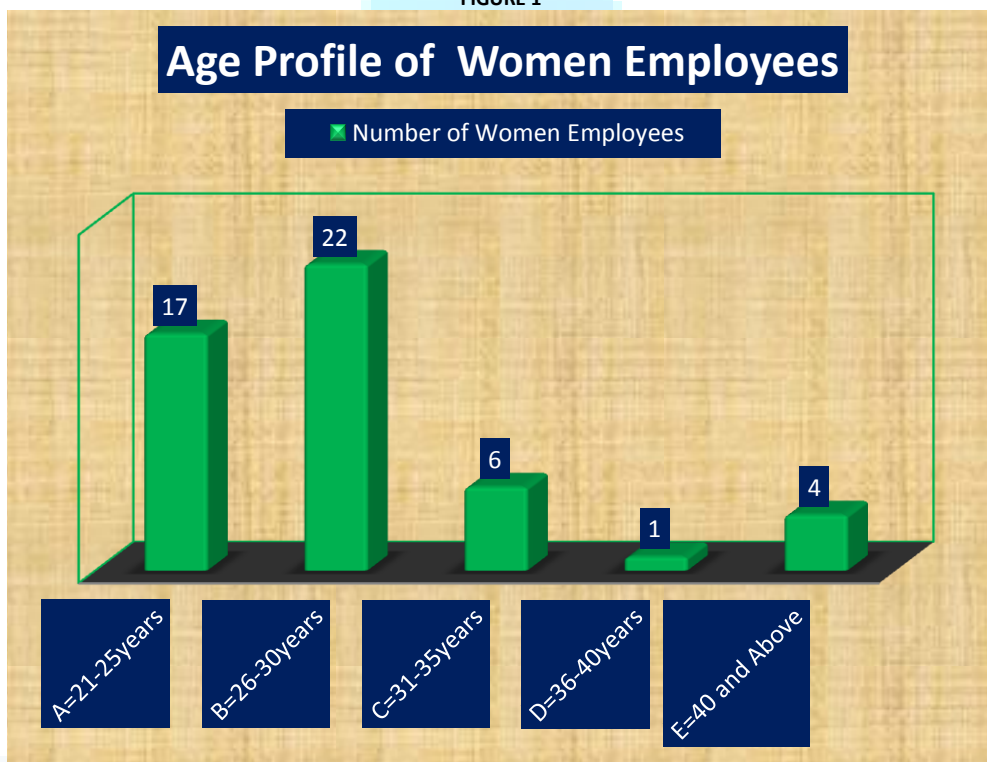
DISCUSSION AND FINDINGS OF THE STUDY

The section below presents the discussion and results of the primary survey of 50 women employees. Through the profile, an attempt is made to understand the presence, prospects, opportunities, issues and challenges of these women employees in the IT sector.

AGE PROFILE OF WOMEN

44% of the women belonged to the 26-30 age group,34% of women ,belonged to the 21-25 age group.12% belonged to the 31-35 age group, followed by 8% women in the 40 and above category. The least of them belonged to the 36-40 years age group.

FIGURE 1



Source: Author's own

EDUCATIONAL QUALIFICATIONS OF WOMEN EMPLOYEES

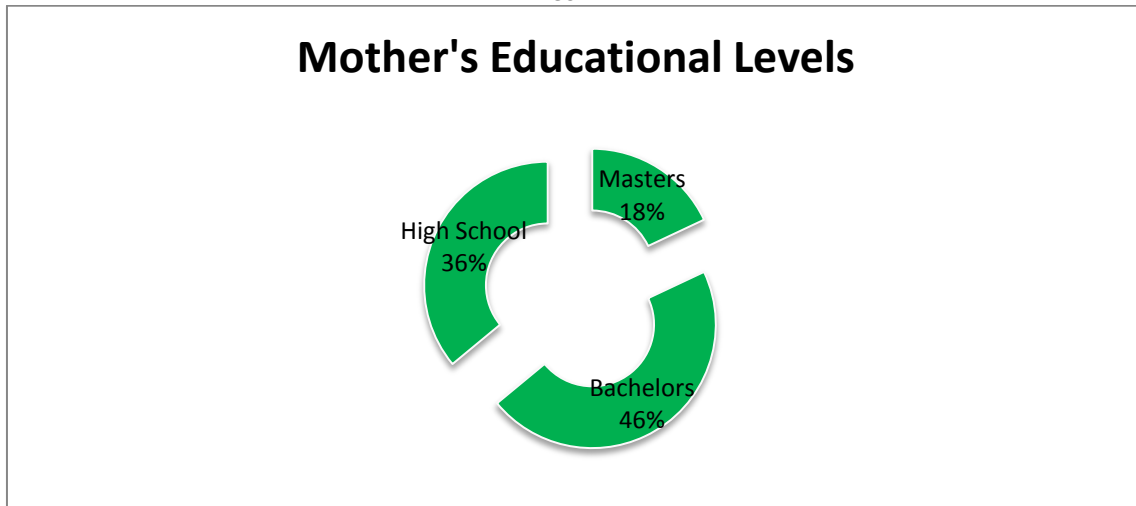
Educational Qualification.	No. of Women Employees
BE	34
MCA	7
M Tech	4
MBA	3
ME	1
MS	1

Source: Author's own

EDUCATIONAL QUALIFICATIONS

Out of 50 women,34 women had a degree in engineering,7 had completed their masters in computer applications,3 had postgraduation in business administration.Six of the women had done masters in their engineering profession.Out of these 4 had attained an M.Tech degree,1 had attained M.E. and 1 had attained M.S. degree.

FIGURE 2



Source: Author's own

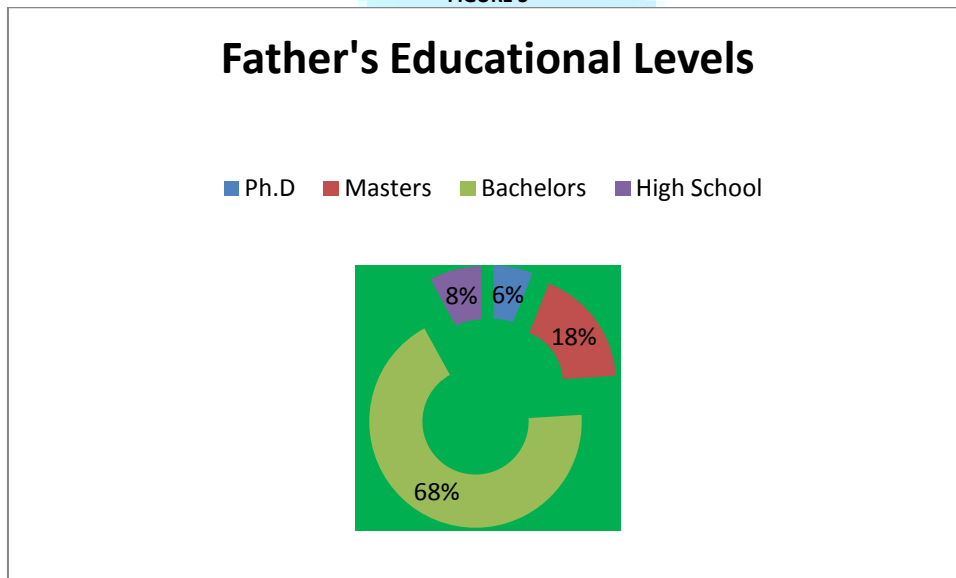
Mothers of all employees had good educational background. 23 mothers had a bachelors degree, 18 had completed high school and 9 had completed their masters.

FATHER'S EDUCATIONAL LEVELS

Similarly, fathers of all employees had good educational background. 4 fathers had a high school degree, 34 had a Bachelors degree, 9 had a Masters degree and 3 were Ph.D holders.

Thus, all the women employees surveyed had both parents with good educational backgrounds.

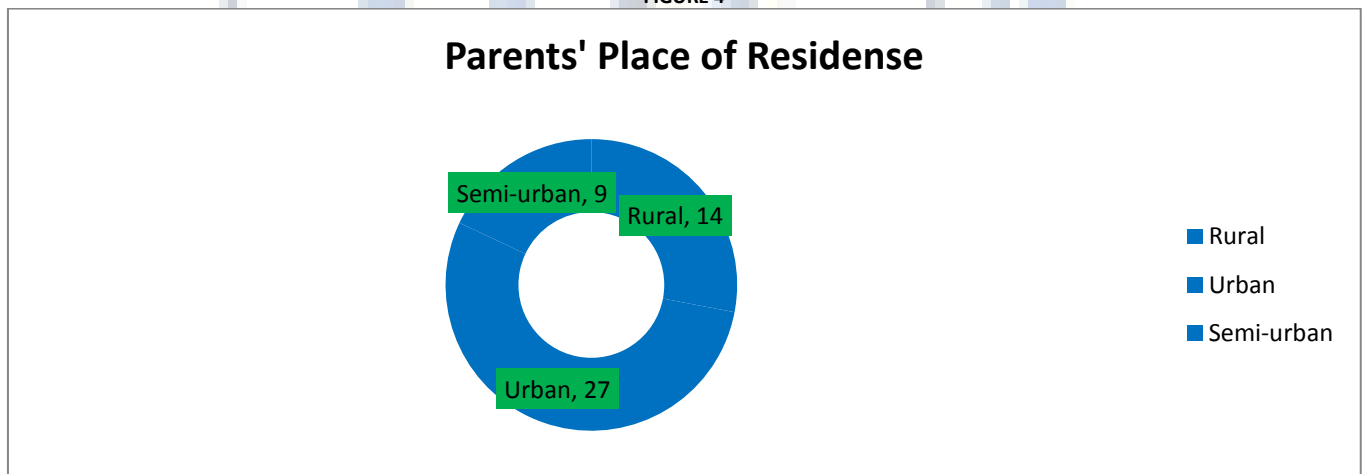
FIGURE 3



Source: Author's own

AREA OF RESIDENCE

FIGURE 4



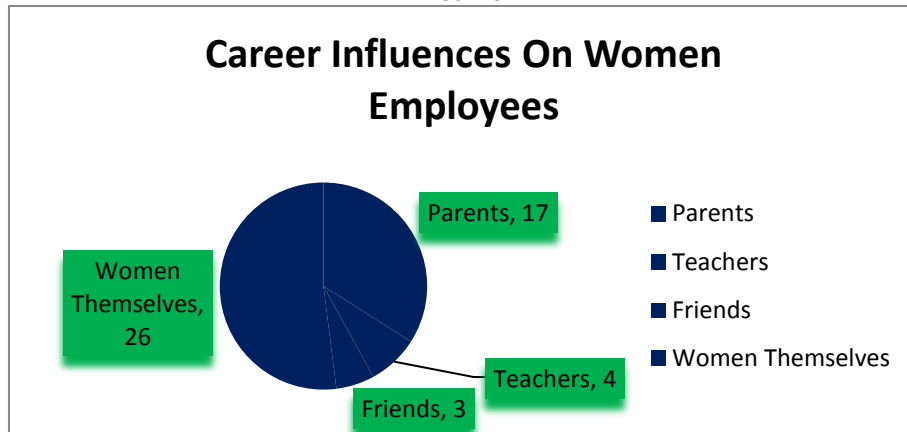
Source: Author's own

Out of the 50 women in the sample, more than half, that is 27 belonged to urban areas, 14 belonged to rural areas and the rest 9 belonged to semi-urban areas.

CAREER INFLUENCES ON WOMEN EMPLOYEES

The career that a woman takes up is often shaped by other important people in her early life like teachers and parents. When asked about who was the greatest influence in the early stage of their career, 26 women stated that they themselves decided on their career choice. For 17 women, their parents had been the most influential factor. 4 women appeared to have been influenced by their teachers. The rest 3 had been influenced by their friends. This means that though many women took up their careers on their own, some had been influenced by parents, teachers and even friends.

FIGURE 5



Source: Author's own

MIGRATORY FEATURES AND THE IT JOB

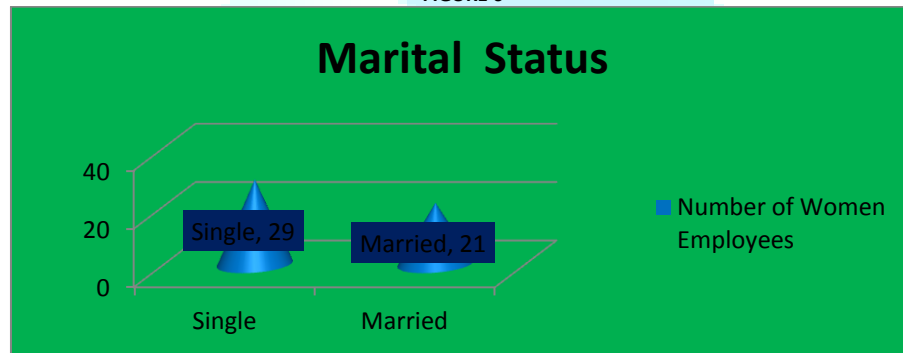
12 out of 50 women were not of native Goan origin and had migrated to Goa due to work reasons. The rest 38 employees belonged to Goa, were educated in the state and later were absorbed in the IT sector in Goa. Thus immigration of women had happened on account of the sector's employment opportunities. Also some women employees had friends who out migrated from Goa to other states in search of IT sector jobs.

MARITAL STATUS AND RELATED FACTORS

For a female employee, marriage plays a critical role in influencing many work related aspects like, flexible timings, hours of work, career growth, work-life balance, travelling, etc. In addition to this, marital status can affect the job when it concerns the woman's maternity and other breaks, the presence of support systems at her home etc.

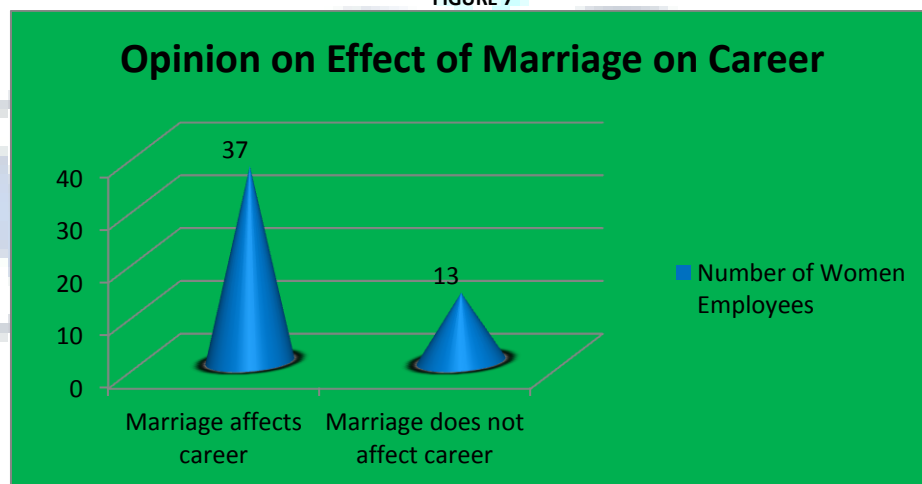
Out of the 50 women interviewed, 29 were married and 21 were unmarried. Majority of women (37 out of 50) were of the opinion that marital status of a woman does affect her career and decisions in a major way.

FIGURE 6



Source: Author's own

FIGURE 7



Source: Author's own

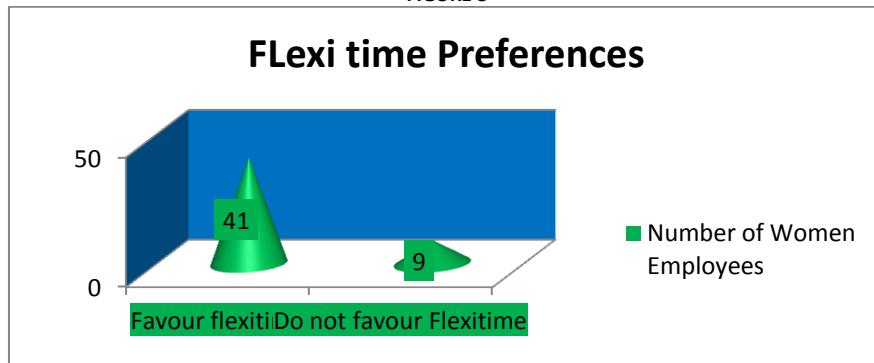
FLEXITIME PREFERENCES

Out of 50, majority of women (41 women) preferred flexitime, whereas only 9 did not favour the application of flexitime at workplace

Merits of Flexible timings for women: Majority of women who favoured flexitime viewed it as a great convenience for a female employee and felt that it could make child care easy, help to maintain work life balance, help them to fulfil family responsibilities in a better way, as also to attend to some personal priorities

and to do full justice to their career and homes. The women with kids often found it difficult to entrust the kids with maids and felt flexitime at work can greatly help resolve this issue.

FIGURE 8



Source: Author's own

Demerits of Flexible timings for women- The four reasons which the women felt can affect the implementation of flexitime are:

1. Flexible may pile up the workload for the woman eventually.
2. Flexible timings for women can cause delay of assigned work of the employee and affect overall team performance or entire project performance.
3. Some women feel that women employees should learn to manage with time, if they expect to be treated on par with men.
4. Sometimes, there is a tendency to stay back even when not required by the demands at home.

JOB PROFILE/OPINIONS OF WOMEN ON PROFESSION RELATED ASPECTS

OPPORTUNITY IN THIS IT SECTOR AS A WOMAN EMPLOYEE

The most important opportunities cited by women employees in the IT sector were taking on leadership roles, and onsite opportunities. They also felt that the IT sector provided opportunities for working with experienced people, and that they gained from such interactions. Most women tried to foresee good career avenues and bright future in the IT sector

THE BIGGEST CHALLENGE/ISSUE AT WORKPLACE FOR WOMEN EMPLOYEES

Working for 9 hours and beyond and the long hours of work was cited as the most critical challenge at workplace by the employees. The second biggest challenge which the women faced is late transport and its adverse effects. A few women found meeting work deadlines on time a challenge.

A FEW LEARNING OPPORTUNITIES IN THE JOB FOR WOMEN EMPLOYEES

The IT women felt that the sector trained them in technical and soft skills, and focused on developing their leadership skills and thus created enough exposure for them. The employees felt that the sector enabled them to have increased client interactions, and thereby helped them to enhance their communicative and interactive skills and gave them a sense of fulfilment.

FEW LOVED ASPECTS OF THE IT PROFESSION

The employees ranked 'good job environment' as the most loved aspect of the job. The other loved aspects of the job were, innovativeness involved in the job, working on client projects, being self-directed, opportunities to socialise, interactive opportunities with various people. Some women loved aspects related to knowledge seeking, self dependence, competitive environment and travel aspects of the IT job. Just a single woman felt that 'monetary gain' was the single most loved aspect of her job.

ONE MOST DISLIKED ASPECT ABOUT THE IT PROFESSION

Majority of women felt 'the long working hours' as the disliked aspect of the IT sector job, and they also favoured flexitime as a solution to this difficulty

RELATIVE RANKINGS OF JOB

The respondents were told to rank the importance of the following five major aspects in relation to their job

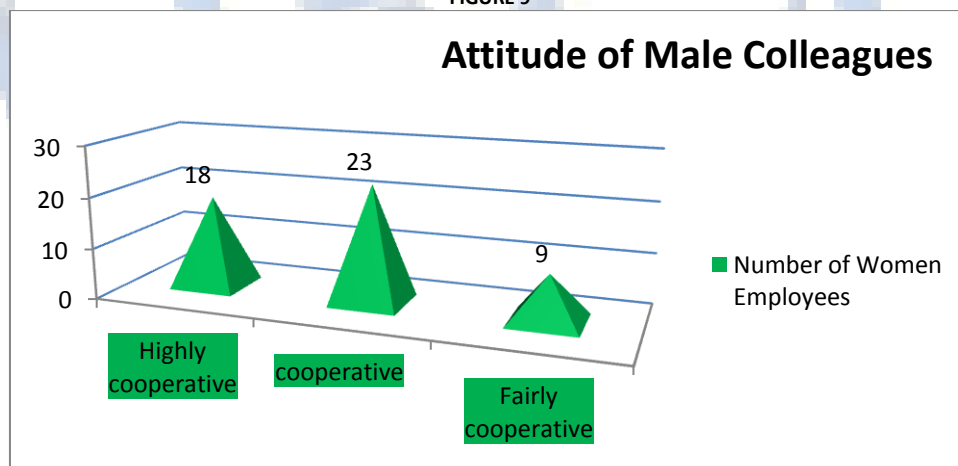
1. The monetary benefits of the job
2. The ability to feel empowered through the job
3. The feeling of being a worthy human being
4. The ability to socialise on account of the job
5. The sense of prestige associated with the job

The women accorded highest priority to prestige factor associated with the job. The second most important aspect to them was the feeling of empowerment they got as women. The ability to socialise was the third most favoured aspect followed by the monetary benefits of the job. The lowest priority was accorded to the ability of the job to make them better human beings.

TREATMENT AND ATTITUDE OF MALE EMPLOYEES AT WORKPLACE

23 women termed the attitude of their men employees at workplace as 'cooperative', followed by 18 women who termed it as 'highly cooperative', and 9 women who termed the attitude as 'fairly cooperative'. None felt that their male colleagues are uncooperative towards them.

FIGURE 9



Source: Author's own

BREAKS AT WORK

Out of 50 women interviewed, 27 had taken a major break after joining the work. Out of these 27, 12 took a break for meeting family obligations, 6 women had maternity break and 5 went on a break for health reasons. Only 2 women reported a sort of disconnect when they joined back after the break. The rest 25 had no problems getting back to work. 23 women had not taken any major break from work.

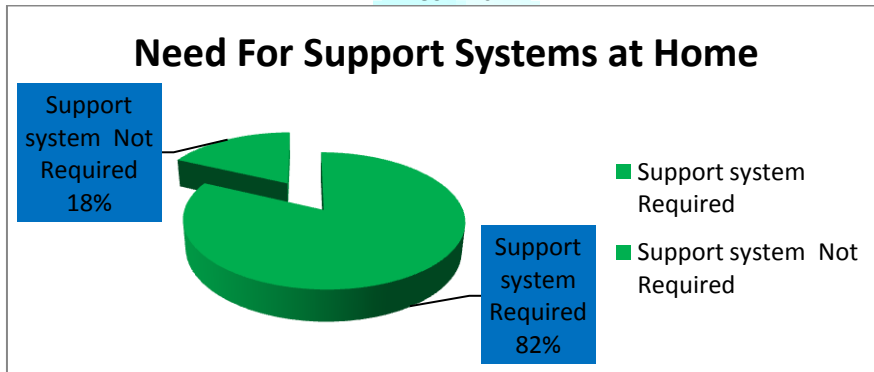
TABLE 2

Reasons for Major Break	Number of Women Employees
Maternity	6
Family Obligations	12
Health Reasons	5
No Break	23
Family +health reasons	2
Family +maternity reasons	2

THE NEED FOR SUPPORT SYSTEMS AT HOME

Majority of women strongly felt that women employees need better support systems at home, in comparison to men. This, they said could help them maintain a proper balance between work and home.

FIGURE 10

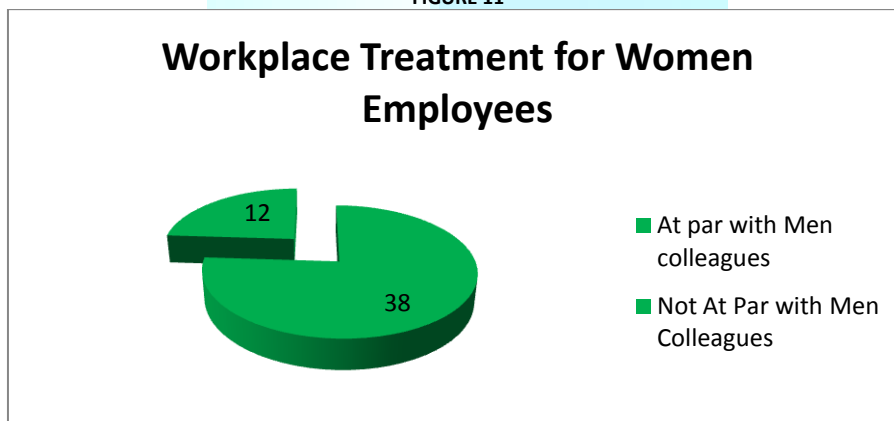


Source: Author's own

WORKPLACE TREATMENT FOR WOMEN EMPLOYEES

38 out of 50 employees feel they are treated at par with their men colleagues and their superiors never make them feel subordinated in comparison to their male counterparts.

FIGURE 11

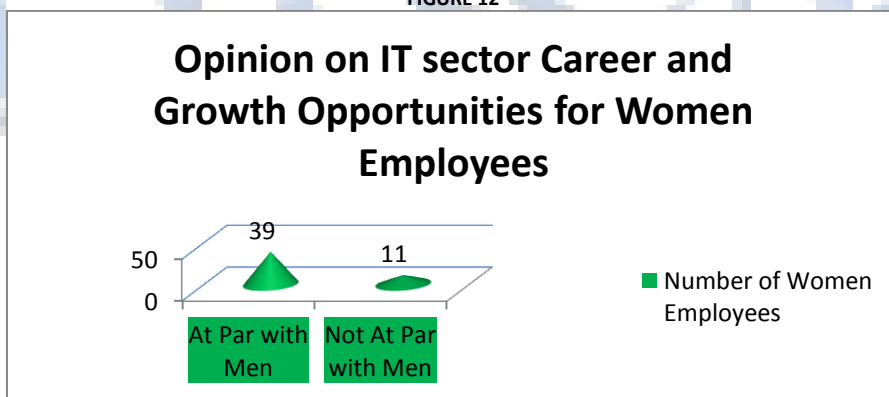


Source: Author's own

OPINION OF WOMEN ON IT SECTOR AND CAREER AND GROWTH OPPORTUNITIES FOR WOMEN EMPLOYEES

39 out of 50 employees opined that the IT sector offers women career growth and opportunities at par with their men colleagues. Most onsite and other training avenues were being equally made available to them, said many women. There was no discrimination overtly observed or sensed by the interviewed women at workplace.

FIGURE 12



Source: Author's own

SOME QUALITATIVE DIMENSIONS OF WOMEN'S WORK

Some of the comments made (or reactions) by women employees which are crucial to this study and deserve a quote are.

'During this time of my phase, when husband is out of station for long, it is really difficult. Only hope is my brother's wife, she is much more caring than my mother and father and husband. She supports me a lot even though she is not educated. She is my role model.' (A pregnant woman employee)

My mother forced me to take up more and more education. Father was OK with anything. But, my mother wanted me to be one step better than my other siblings. (A woman on her attainment of educational qualification)

My husband has his off on Thursday. Sometimes he forces me to stay back at home, which I don't like. (A married woman with a strong sense of independence)

CONCLUSION

At the macro level, the presence of women employees in the IT sector is critical both from the progressive aspects of such inclusion and the various issues and challenges that it poses to the new age woman. The IT sector provides a platform for greater economic advancement and equal work opportunities for women employees. The development of the sector is not uniform through the states. In Goa, the sector is nascent, but has potential due to conducive pre employment conditions like availability of good IT education. The network of private and public organisations is expanding, and women have avenues in these organisations. The primary analysis reveals some important findings

1. The IT woman is young, articulate, independent and ambitious.
2. Her parents (both mother and father) have good educational background.
3. She finds her job promising, yet experiences certain challenges and issues in relation to her job
4. She finds working for long hours and the travel factor the most difficult part of her employment.
5. She favours flexitime, and prefers better support systems at home, and expects the IT sector to offer her childcare and other facilities at workplace.

REFERENCES

1. Basant, Rani (2004) , *Labour Market Deepening in India's IT Sector– An Exploratory Analysis*, Economic and Political weekly, Dec 11.
2. Carol Upadhyay (2007), *Employment, Exclusion and Merit in the Indian IT industry*, Economic and Political weekly, May 19.
3. ET Bureau (2010), *NASSCOM Favours Flexible Working Hours for Women*, The Economic Times, 23 Nov.
4. Executive Summary retrieved from "NASSCOM Foundation.research.mhtml"
5. Lavarasan (2008) , *The IT/ITeS Sector and Economic policy at the Sub-National Level in India*, Economic and Political weekly , Nov 15, 2008
6. Nadkarni (2011), *Establishing Contacts, Building Relationships*, Goa Chamber of Commerce and Industry Report 30 Jan.
7. News Bureau (2010) *It Pays To retain Women At Workplace*, Hindu Business Line, March
8. Times news network, (2014), *IT Policy need changes to suit companie's requirements*, Times of India, Aug 13.



INDIAN CAPITAL MARKET: AN OVERVIEW

DR. SHANKAR T. BATTASE
HEAD & ASST. PROFESSOR IN COMMERCE
GOVERNMENT FIRST GRADE COLLEGE
SINDAGI, DISTRICT VIJAYAPUR

SUNANDA SHANKAR
ASST. PROFESSOR IN ECONOMICS
GOVERNMENT FIRST GRADE COLLEGE
BASAVAKALYAN, DISTRICT BIDAR

ABSTRACT

Capital market is a market where buyers and sellers engage in trade of financial securities like bonds, stocks, etc. The buying/selling is undertaken by participants such as individuals and institutions. Capital market in any country plays a pivotal role in the growth of economy and meeting country's socio economic goals. They are an important constituent of the financial system, given their role in the financial intermediation process and capital formation of the country. The importance of the capital market cannot be underemphasized for developing economy like India which needs significant amount of capital for the development of strong infrastructure. The entire paper is divided into three parts. In the first part we have discussed the conceptual framework of the capital market and in the next section, we have focused on the trends in the capital market in India. In the third section, we have discussed various issues and challenges of the capital market in India.

KEYWORDS

Financial system, Capital Market, Primary market, Securities, Challenges.

INTRODUCTION

Capital is considered as a nerve of any economy. In case of developing country like India Domestic capital is not sufficient to fulfill the requirement of economy.

Capital market is the backbone of any country's economy. It is an engine for economic growth, providing an efficient means of resource mobilisation and allocation. The literature is full of theoretical and empirical evidence that have established robust, statistically significant two-way relationship between the developments in the securities market and economic growth. Levine and Zervos (1998) argue that well developed stock markets may be able to offer financial services of different kind that may provide a different kind of impetus to the economic development. In India, Agarwall's (1999), study clearly supports the Levine and Zervos's argument and proves that the two main parameters of capital market development namely, size and liquidity, are found statistically significant to explain the economic activity

The Indian capital market is one of the oldest capital markets in the world. It dates back to the 18th century when the securities of the East India Company were traded in Mumbai and Kolkata. However, the orderly growth of the capital market began with the setting up of The Stock Exchange of Bombay in July 1875 and Ahmedabad Stock Exchange in 1984. Eventually 19 other Stock Exchanges sprang up in various parts of the country. In this chapter an attempt has been made by the

DEFINITION

Capital market is a market where buyers and sellers engage in trade of financial securities like bonds, stocks, etc. The buying/selling is undertaken by participants such as individuals and institutions.

Capital market consists of primary markets and secondary markets. Primary markets deal with trade of new issues of stocks and other securities, whereas secondary market deals with the exchange of existing or previously-issued securities. Another important division in the capital market is made on the basis of the nature of security traded, i.e. stock market and bond market.

Indian Stock Markets are one of the oldest in Asia. Its history dates back to nearly 200 years ago.

The Bombay Stock Exchange was inaugurated in 1899 when the brokers formally established a stock market in India. Thus, the Stock Exchange at Bombay was consolidated. After that more & more stock exchanges have emerged in India & this forms a huge capital market in India.

TWO TYPES OF MARKETS

Capital market is the financial market for the buying and selling of the long term debt or equity backed securities. The market channels the wealth of savers to those who can put it to long term productive use. Modern capital markets are hosted on computer based electronic trading system which can be accessed by entities within the financial sector. Markets may be classified as primary markets and secondary markets:

1) Primary Market: It deals with issue of new securities. Companies, government, and public sector institutions can obtain funds through sale of new stock or bonds issue.

2) Secondary Market: It is also called liquid market. In this market the securities are sold by or transferred from one investor to another. Thus, this market gives liquidity to the long term securities.

Capital market The year 2013-14 reaped accomplishments for Indian securities markets with benchmark indices, BSE Sensex and NSE Nifty registering all-time highs in the wake of high volatility observed throughout the year due to global headwinds. Indian stock markets extended their record breaking spree with the Sensex hitting a new peak and closing 22,386 on March 31, 2014, breaching the 20,000 mark touched during 2012-13. Nifty, too, crossed the 6,000 mark of 2012-13 and logged to a new lifetime high by closing at 6,704 on March 31, 2014. While Sensex observed a growth of 18.8 percent, Nifty recorded a growth of 18.0 percent.

The market capitalisation of BSE stood at ₹74,15,296 crore as on last trading day of March 2014 as against ₹63,87,887 crore at end March 2013 while its ratio to GDP stood at 65.3 percent for 2013-14. The market capitalisation of NSE was ₹72,77,720 crore at end-March 2014 compared to ₹62,39,035 crore as of end March 2013 while its ratio to GDP stood at 64.1 percent for 2013-14. The third national level stock exchange, MCX-SX, recorded a market capitalisation of ₹72,39,670 crore in 2013-14 and its ratio to GDP at 64.0 percent. The demat statistics at depositories, NSDL and CDSL exhibited an accelerating trend in terms of number of demat accounts and demat quantity. The number of demat accounts at CDSL and NSDL witnessed a growth of 5.4 percent and 2.9 percent respectively over the previous year. Moreover, the number of listed companies at NSE and BSE continued to rise. (Table 1 and 2)

TABLE NO. 1: DEMAT STATISTICS

Year	NSDL	CDSL	NSDL	CDSL
	Quantity (million shares)	Quantity (million shares)	Demat Accounts (in lakh)	Demat Accounts (in lakh)
2011-12	579801	133570	120.5	79
2012-13	686476	151792	126.9	83.3
2013-14	795503	177311	130.6	87.8

Source: NSDL and CDSL

TABLE NO. 2: NO. OF LISTED COMPANIES

Year	NSE	BSE	MCX-SX
	No. of Companies Listed	No. of Companies Listed	No. of Companies Listed
2011-12	1646	5133	Na
2012-13	1666	5211	0
2013-14	1688	5336	12

Source: NSE, BSE and MCX-SX

The trading activity rebounded slightly in the global listed derivatives markets in 2013, after suffering the largest decline in volumes in more than a decade. As per the Futures Industry Association (FIA) Annual Survey 2013, the total number of futures and options traded on exchanges worldwide reached to a level of 21.6 billion contracts, up by 2.1 percent compared to the previous year but still well below the levels seen in 2011 and 2010. Nonetheless, NSE's CNX Nifty Index options were the world's most traded options while, U.S. Dollar/Indian Rupee Futures at NSE and MCX-SX were ranked first and second respectively in terms of foreign exchange futures and options contracts traded in 2013.

The turnover in the Equity derivative segment exhibited an increase of 22.9 percent and stood at ₹4,75,75,571 crore in 2013-14. Amidst the volatile rupee during the year, the currency derivative segment turnover registered a decline of 23.9 percent to reach ₹69,80,855 crore in 2013-14. The oldest Stock Exchange, BSE, commenced its operations in currency derivative segment in November 2013 and recorded ₹2,44,312 crore turnover during November 2013 - March 2014. (Table 3)

TABLE NO. 3: DEMAT STATISTICS

Year	Turnover (Rs crore)			
	Cash Segment	Equity Derivatives	Currency Derivatives	Interest Rate Derivatives
2011-12	3478391	32158208	9896413	0
2012-13	3257087	38704572	8710504	0
2013-14	3341338	47575571	6980855	39944

Note: Cash segment of MCX-SX commenced its operations from February 11, 2013

Source: BSE, NSE, MCX-SX and USE

The introduction of cash settled Interest rate futures on 10-year Gol security in January 2014 heralds the beginning of a new era in the fixed income derivatives market. This step towards integration of the Indian Securities Market with the rest of the world may be seen as a path breaking initiative as it is expected to pave the way for various innovations at the derivative front in the time to come. Interest Rate Derivative segment at NSE also picked up the momentum in 2013-14 and the combined turnover of NSE, BSE and MCX-SX stood at ₹39,944 crore.

The foreign investments in India contributed by the FIIs/SAs stood at ₹15,93,869 crore in 2013-14, an increase of 19.3 percent over the previous year. On the same lines, FDI investments also witnessed a rise of 22.5 percent and assets under custody valued at ₹2,94,945 crore in 2013-14. (Table 4)

TABLE NO. 4: VALUE OF ASSETS OF FOREIGN INVESTORS REPORTED BY CUSTODIANS

Year	FIIs/As	Foreign Depositories	FDI Investments	Foreign Venture Capital Investment
	Amount (Rs crore)	Amount (Rs crore)	Amount (Rs crore)	Amount (Rs crore)
2011-12	1107399	143370	231841	35041
2012-13	1336557	157159	240731	54144
2013-14	1593869	190529	294945	48854

Source: SEBI

SEBI also succeeded in promoting and sustaining an efficient and robust global financial infrastructure with a view to streamline investor protection and to make investors confident and aware while investing in securities market. Various policy reforms in the area of Investor Grievance Redressal Mechanism have been embarked during the financial year. Foreign Portfolio Investors Regulations were notified in order to harmonize the different routes for foreign portfolio investments along with introduction of Institutional Trading Platform (ITP) for SME including startups, adoption of new CPSS-IOSCO standards of PFMI, launch of cash settled Interest Rate Futures, dedicated debt segment and many such reforms, elaborated in upcoming sections.

ISSUES AND CHALLENGES OF INDIAN CAPITAL MARKET

Opening of the financial markets will result in competition and greater efficiency. However, foreign participation will bring increased risk and exposure. Stability is thus need for financial markets for which safeguarding mechanism need to be established. The equity market in India is extremely vibrant but equity based funding solely, cannot lead the economy to growth. The debt market remains underdeveloped with a huge potential for increased activity. A strong hand is required to drive the long term financing of infrastructure, housing and private sector development. The road ahead for deepening the capital market need to be paved by the strong linkage between development of economy and the financial system. A greater measure of transparency is also required to built regulating procedures, to bring in a new dimension to financial market and take it to the next level. One of the challenges before the Indian capital market is expanding the investor base and provide them access to high quality financial service. With a population of more than a billion, a mere 1% of population participates in capital market and of that only a fraction is active. Investor participation is very shallow considering the size of Indian economy Trading volume in Indian capital market are lower as compared to other markets such as US, China, UK, Germany etc. Another Challenge faced by the investor is the cost involved in trading, which are comparatively higher in India, than in developed markets:

WAY FORWARD TO CAPITAL MARKET

- Investor education and regulation of mutual fund distributors
- Allowing AMCs to the flexibility to charge fees
- Innovative products across different asset classes
- Amending tax regime to encourage domestic AMCs to manage foreign funds from India
- Although higher investment by domestic institutional investors such as insurance companies, pension funds to make investment in capital markets
- Make implementation of proposal of SME stock exchange effective
- Allowing institutional investors to participate in commodity markets
- Reduction in current withholding tax of 20% on income from debt securities to encourage investment in debt market.

ROLE OF CAPITAL MARKETS IN AN ECONOMY

Provides an important alternative source of long-term finance for long-term productive investments. This helps in diffusing stresses on the banking system by matching long-term investments with long-term capital. Provides equity capital and infrastructure development capital that has strong socio-economic benefits - roads, water and sewer systems, housing, energy, telecommunications, public transport, etc. - ideal for financing through capital markets via long dated bonds and asset backed securities. Provides avenues for investment opportunities that encourage a thrift culture critical in increasing domestic savings and investment ratios that are essential for rapid industrialization. Encourages broader ownership of productive assets by small savers to enable them benefit from India's economic growth and wealth distribution. Equitable distribution of wealth is a key indicator of poverty reduction. Promotes public-private sector partnerships to encourage participation of private sector in productive investments. Pursuit of economic efficiency shifting driving force of economic development from public to private sector to enhance economic productivity has become inevitable as resources continue to diminish. Assists the Government to close resource gap, and complement its effort in financing essential socioeconomic development, through raising long-term project based capital. Improves the efficiency of capital allocation through competitive pricing mechanism for better utilization of scarce resources for increased economic growth. Provides a gateway to India for global and foreign portfolio investors, which is critical in supplementing the low domestic saving ratio

WHY INDIAN STOCK MARKET IS BOOMING OR POTENTIAL IN INDIAN STOCK MARKET

India Financial Market helps in promoting the savings of the economy - helping to adopt an effective channel to transmit various financial policies. The Indian financial sector is well-developed, competitive, efficient and integrated to face all shocks. In the India financial market there are various types of financial products whose prices are determined by the numerous buyers and sellers in the market. The other determinant factor of the prices of the financial products is the market forces of demand and supply.

The various other types of Indian markets help in the functioning of the wide India financial sector. Having fallen along with other world markets during last year's crash, it actually bucked the global trend and was nowhere near testing its multi-year lows. And on Monday, Indian shares hit a 25-month high. India's stock market returns over the past couple of years have actually beaten most other global markets. And with good reason... While it's still classed as an emerging market, India's strength comes from the fact that its internal market is not only huge, but also better insulated than China, Brazil, Russia and South Korea. It operates at its own pace, seemingly oblivious to what happens around it. With a population of over one billion, India has a huge edge over smaller emerging markets because it has the critical mass to withstand minor shocks to the system. India isn't reliant on a huge export market for the bulk of its growth. It has a huge, educated middle class. In fact, India's middle class population is larger than that of the entire United States. Of course, this middle class earns less on average than poverty line families in America, but it has the capacity to spend enough money to buy products that were once considered luxuries (washers/dryers, TVs, cars, etc). This generates tremendous economic activity without the issues of trade balance. Because of India's protectionist business nature, companies tend to thrive without the threat of multinational competition.

LOOPHOLES IN INDIAN STOCK MARKET

Almost every successful stock trader has learned ethical ways of how to hack the stock market. Not hack the stock market in illegal terms, but finding ethical ways to take advantage of certain stock loopholes. Taking advantage of market loopholes is one of the most common traits among the high achievers in trading stock. However, if you don't do it properly you may find yourself frustrated with your lack of results. In this article, I will discuss with you the most common mistakes stock traders make when learning how to use market loopholes to their advantage.

1. THEY DON'T PROPERLY PRIME THEMSELVES ON THE TRADING MARKET

There is a wide range of stock traders, ranging from novice to intermediate, to advance. Learning how to hack the stock market, novices must learn the real truth of the market rather than academic fluff. The real truth as in other forces that influence the price of a stock. While advanced traders may need to rethink what they think they know.

2. THEY DON'T LOOK FOR LOOPHOLES

Think of loopholes as a flaw in the system that is not caused by natural market forces that very occasionally pushed the price of a specific stock lower or higher. For example, it could be a group of traders acting from emotions or certain news that came out in the media, etc.

3. THEY DON'T CALCULATE A FAIR PRICE PER SHARE

It is critical to know how to value any share of stock. Most investors are very bad in valuing stocks and tend to buy stocks overpriced. To get the most return on investment when learning how to hack the stock market you must learn to buy stocks at a bargain. Most importantly, learning the criteria of picking a bargain stock

4. THEY DON'T FOLLOW A PROVEN SYSTEM FOR PLAN

When you know how to hack the stock market, you will not achieve maximum success until you formulate a system or plan that put it all together. A plan that includes, But not limited to, when to sale, when to buy, stop loss positions, triggers and most importantly what to buy. A trader can run into many mistakes that cause him/her to lose money if they do not know properly learn about the stock market and take advantage of market loopholes. If you do not want to find yourself frustrated with your lack of results, learn from the four common mistakes mentioned above

CONCLUSION

India being an emerging economy needs innovations and reforms in the financial market. Innovation and reforms not only add value in the existing technology and system but also lead to decrease in the cost of capital and mitigate the risk exposure of the capital market instruments. No doubt that there is a positive correlation between the finance and the economic growth of the country. Economic growth needs sound financial system which further requires the well developed financial market. So, if country wants constant economic growth it has to develop its financial market. Emerging economies like India depends heavily on the banking system for financing its capital needs. But banks which are highly protected in India hardly fulfill its funding requirements. Thus, there is the need to develop its capital market especially its bond market which is underdeveloped because of policies constraint. Also, India has a huge market for the infrastructure which requires huge funds. The creation of deep and innovative bond market can fill this gap. Steps have been taken up to develop the equity market but there is lots to be done in case of the bond market development. Reforms need to be initiated, bottlenecks need to be removed, policies need to be changed to deepen the bond market in India and to make it as competitive as the world best bond markets.

REFERENCES

1. Ahmad, Khan Masood; Ashraf, Shahid and Ahmed, Shahid (2005), "Foreign Institutional Investment Flows and Equity Returns in India", The IUP Journal of Applied Finance, March, pp. 16-30.
2. Ansari, Mohd. Shamim. 2011. Impact of Sub-Prime Crisis on India: An Empirical Analysis. In Proceeding of Global Financial Crisis: Issues, Concern and Challenges for India and Emerging Market Economies, 74-84.
3. Balakrishnan, Ajit. Brave new world of derivatives. Business Standard, November 11.
4. BIS. 2002. The Development of Bond Markets in Emerging Economies. BIS Papers 11. Basel: Bank for International Settlements.
5. BIS. 2006. Developing Corporate Bond Markets in Asia. BIS Papers 26. Basel: Bank for International Settlements
6. Economy Survey. 2010-11. Financial Intermediation and Markets. Chap.5: 99-132.
7. Gokarn, Subir (1996), Indian Capital Market Reforms, 1992-96: An Assessment, Economic and Political Weekly, April 13, 1996
8. Nayak, Jayendra P (1999): in India's Financial System: Getting Ready for the Twenty First Century, edited by James A Hanson and Sanjay Kathuria
9. Sengupta, Arjun K. 2008. The financial crisis and the Indian response. The Hindu, October 24.

CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY: A REVIEW

KOMAL CHAUDHARY
ASST. PROFESSOR
COLLEGE OF VOCATIONAL STUDIES
UNIVERSITY OF DELHI
DELHI

ABSTRACT

Since all of us are well aware about the concept of corporate social responsibility corporate governance well in basic terms but still there are a series of questions still being raised about its conduct execution and actual implementation in the economy. This has resulted in changes in the laws and the regulatory framework of India, with the introduction of companies act 2013 and its respective amendments in corporate social responsibility and Corporate governance has implied how crucial this is for Indian economy to set its standards high. Thus, this paper attempts to gather the information regarding corporate social responsibility and corporate governance in light of some scams & scandals in Indian context.

JEL CODE

M 14

KEYWORDS

CSR, corporate governance.

INTRODUCTION

The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CORPORATE SOCIAL RESPONSIBILITY, along with the dissemination of corporate social responsibility strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time. (Chawak, Smita, and Devanjali Dutta. "CORPORATE SOCIAL RESPONSIBILITY: TRENDS AND CHALLENGES."2014) Corporate sustainability essentially refers to the role that companies can play in meeting the agenda of sustainable development and entails a balanced approach to economic progress, social progress and environmental stewardship. CORPORATE SOCIAL RESPONSIBILITY in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring the social and environmental impacts of conducting business, that is, how profits are made. Hence, much of the Indian practice of corporate social responsibility is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks. Corporate social responsibility (corporate social responsibility is coming under the light of everyone day by day. The meaning of corporate social responsibility is manifold. For instance, on one hand, it denotes the responsibility of an organization towards the environment and society in which it operates. It involves providing innovative solutions to societal and environmental challenges. On the other hand, it exhibits the ethical behavior that an organization exhibits towards its internal and external stakeholders (customers as well as employees). Corporate social responsibility involves various voluntary efforts in which companies engage themselves in order to giving back to the society. Corporate social responsibility is an act of engaging the practices of a company in a more economical, social and environmental sustainable manner, while simultaneously recognizing the interests of its entire stakeholders. Through corporate social responsibility, the organizations can better serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations (International Journal of Business and Administration Research Review, Vol.1, Issue.7, Oct - Dec, 2014)

RESEARCH METHODOLOGY

Exhaustive literature survey regarding the topic and related concepts has been done. Secondary data inclusive of quantitative and qualitative data as well as collected from various sources including books, research papers, newspapers, magazines, and websites is used for the purpose of study.

LITERATURE REVIEW

Governance ratings have positive and significant impact on corporate financial performance. But like any other research, the future researchers should attempt to overcome the limitations present in their study. These studies argue that good governance fosters good financial performance. Further it was found that ratings of company along employees-related and environmental dimensions also significantly influence corporate financial performance. The control variable firm size is also found to have significant impact on corporate financial performance.

(Oct. 2013, Impact of Corporate Governance on Corporate Financial Performance, Priyanka Aggarwal1)

"Everything is connected to everything else" is often called the First Law of Ecology. Helping human society to prosper in the 21st century requires that we recognize the importance of living in balance with our physical environment and treating each other with dignity and equity.

"The future belongs to those who understand that doing more with less is compassionate, prosperous and enduring and thus more intelligent, even competitive. (Chawak, Smita, and Devanjali Dutta. "CORPORATE SOCIAL RESPONSIBILITY: TRENDS AND CHALLENGES."2014)

The 2013 Act has introduced several provisions which would change the way Indian corporate do business and one such provision is spending on Corporate social responsibility activities. corporate social responsibility, which has largely been voluntary contribution, by corporate has now been included in law. Basis the corporate social responsibility provisions, as laid down under the 2013 Act and the draft corporate social responsibility rules made available for public comments, in this bulletin we bring out the key provisions, analysis and challenges relating to the compliance of these provisions for companies to consider.

COMPONENTS OF CORPORATE GOVERNANCE

Corporate Governance simply implies the way in which companies are run in an open and integral conduct. The Cadbury Committee of U.K. in 2002 defined corporate governance as – the system by which companies are directed and controlled. The crux of the corporate world lies in promoting transparency and accountability and in fulfilling the fair expectations of all the stakeholders. Corporate governance is one such tool to achieve this goal and to safeguard the interests of various stakeholder groups. It involves promoting the compliance of law in letter and spirit, and demonstrating ethical conduct. The framework of corporate governance encourages efficient use of resources and also requires accountability for the stewardship of those resources. The three key constituents of corporate governance are - Shareholders, Board of Directors and Management.

COMPONENTS OF CG

- Board Size
- Separation of CEO and chairman

- Independence of the board from management
- Financial expertise of directors,
- No. of board meetings,
- Role of external auditors,
- Committees of board (Audit, Remuneration and Nomination)

(Oct. 2013, Impact of Corporate Governance on Corporate Financial Performance, Priyanka Aggarwal)

There may be no single universally accepted definition of corporate social responsibility, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of corporate social responsibility lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of corporate social responsibility has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. This is evident in some of the definitions presented below: The EC defines corporate social responsibility as "the responsibility of enterprises for their impacts on society". To completely meet their social responsibility, enterprises "should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders"

The WBCSD defines corporate social responsibility as "the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." According to the UNIDO, "Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. corporate social responsibility is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between corporate social responsibility which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of corporate social responsibility clearly goes beyond that." From the above definitions, it is clear that: • corporate social responsibility approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses. Corporate social responsibility needs to address the well-being of all stakeholders and not just the company's shareholders. • Philanthropic activities are only a part of corporate social responsibility, which otherwise constitutes a much larger set of activities entailing strategic business benefits. In recent years, the concept of corporate social responsibility has gained prominence from all avenues.

Corporate social responsibility and sustainability (corporate sustainability) is derived from the concept of sustainable development which is defined by the Brundtland Commission as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". An interesting case in point is the NVGs for social, environmental and economic responsibilities of business issued by the Ministry of Corporate Affairs in June 2011. Principle eight relating to inclusive development encompasses most of the aspects covered by corporate social responsibility clause of the Companies Act, 2013. However, the remaining eight principles relate to other aspects of the business. The UN Global Compact, a widely used sustainability framework has 10 principles covering social, environmental, human rights and governance issues, and what is described as corporate social responsibility is implicit rather than explicit in these principles.

(Handbook on corporate social responsibility in India by CII confederation of Indian industry, 2013-14/www.pwc.in)

Organizations must realize that government alone will not be able to succeed in its endeavor to uplift the downtrodden society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. Cause-related marketing and corporate social responsibility has provided companies with a new tool to compete in the market. corporate social responsibility refers to the corporation's obligation to all the stakeholders. It stems from the desire to do well and get self satisfaction in return as well as societal obligation of business. This could be a strategic marketing activity a way for a company to do well by doing good-distinct from sales promotion, corporate philanthropy, corporate sponsorship, corporate Samaritan acts and public relation

CODE OF CONDUCT

While the CII code was well-received and some progressive companies adopted it, it was felt that under Indian conditions a statutory rather than a voluntary code would be more purposeful, and meaningful. Consequently, the second major corporate governance initiative in the country was undertaken by SEBI. In early 1999, it set up a committee under Kumar Mangalam Birla to promote and raise the standards of good corporate governance. In early 2000, the SEBI board had accepted and ratified key recommendations of this committee, and these were incorporated into Clause 49 of the Listing Agreement of the Stock Exchanges. The Naresh Chandra committee was appointed in August 2002 by the Department of Company Affairs (DCA) under the Ministry of Finance and Company Affairs to examine various corporate governance issues. The Committee submitted its report in December 2002. It made recommendations in two key aspects of corporate governance: financial and non-financial disclosures: and independent auditing and board oversight of management. The fourth initiative on corporate governance in India is in the form of the recommendations of the Narayana Murthy committee. The committee was set up by SEBI, under the chairmanship of Mr. N. R. Narayana Murthy, to review Clause 49, and suggest measures to improve corporate governance standards. Some of the major recommendations of the committee primarily related to audit committees, audit reports, independent directors, related party transactions, risk management, directorships and director compensation, codes of conduct and financial disclosures Given the peculiar system of ownership, nature of the financial sector and business practices in each economy, it is imperative that the governance mechanisms are designed to suit their unique nature. Since the mid-1990s, several corporate governance guidelines and regulations have been prepared in different parts of the world. Some of these are:

- Cadbury Committee Report (1992)
- CalPERS- Global Corporate Governance Principles (1996)
- Market Specific Principles- UK and France (1997)
- Market Specific Principles- Japan and Germany (1997)
- Core Principles and Guidelines- USA (April 1998)
- TIAA-CREF- Policy Statement on Corporate Governance (September 1997)
- Business Roundtable- Statement on Corporate Governance (September 1997)
- Hampel Report on Corporate Governance- UK (January 1998)
- The Sarbanes-Oxley Act – USA (August 2002)
- The Higgs Report- UK (January 2003)

At the same time given the increasing interdependence and integration of financial markets around the world it is important that some degree of uniformity and coherence is established in laws of all countries. With this in mind the OECD Council, meeting at Ministerial level on 27-28 April 1998, called upon the OECD to develop, in conjunction with national governments, other relevant international organizations and the private sector, a set of corporate governance standards and guidelines. In order to fulfill this objective, the OECD established the Ad-Hoc Task Force on Corporate Governance to develop a set of non-binding principles that embody the views of OECD countries on this issue.

(CORPORATE GOVERNANCE IN INDIA: THEORY AND PRACTICE NATIONAL FOUNDATION FOR CORPORATE GOVERNANCE, SEPTEMBER 2004)

SCAMS & SCANDALS

Herewith are mentioned few scams which got the stakeholders, the economy of the corporations questioning about their integrity and conduct which is under the constant vigilance but still such happening haunt the investors till date. A few to mention are:

REEBOK INDIA

This is probably the biggest corporate scam after Satyam, at least of whatever has come to light. Reebok India, owned by Adidas AG, alleged a Rs.870 crore fraud by its former managing director (MD) Subhinder Singh Prem and former Chief Operating Officer (COO) Vishnu Bhagat, in a criminal complaint filed at the Gurgaon police's Economic Offence Wing in May, 2012. In March 2013, Adidas, the parent company, announced a 153 million Euros loss on account of the Reebok India episode. The two were accused of criminal conspiracy and fraudulent practices including stealing products by setting up "secret warehouses". There has been a grave failure of corporate governance as well since the company has also alleged that the former officials fudged accounts and indulged in fictitious sales causing a multi-crore dent to the company. In its FIR, Reebok has said that it carried out an internal investigation after certain fraudulent activities were noticed – which again points to the importance of internal checks for malpractices and corruption. Gurgaon police had arrested Singh and Bhagat along with three others — Sanjay Mishra, Prashant Bhatnagar and Surakshit Bhat. Allegedly, these individuals have been siphoning off funds by creating ghost distributors across the country and generating forged bills over the last five years.

Agencies probing the alleged Rs 870 crore corporate fraud in the operation of Reebok India have detected a systemic "mismanagement" in the business planning and running of the company.

The Income Tax department has alleged tax evasion of Rs 140 crore in the case. The IT department's first goal is to ensure that the company later does not claim any "bad debt". A bad debt is that amount that is owed to a business or individual and has to be written off by the creditor as a loss because the debt cannot be collected because of a host of reasons. As soon as the scam came to light, affairs of the company came under close government scrutiny. While the IT department documents investigated the accounts and imports of the firm, the Serious Fraud Investigation Office is probing the entire governance affairs of the company under Section 235 of the Companies Act. A forensic audit was conducted by the German arm of Ernest & Young – which revealed many falsification of documents and books.

VODAFONE WINS \$2.2-BILLION TAX BILL BATTLE

Vodafone Group PLC won a \$2.2 billion legal battle against the tax department in a Supreme Court ruling that analysts said would encourage foreign investment and clear the way for the company's planned initial public offering (IPO) in India. Capitalists and Laissez Faire enthusiasts applauded the judgment as a significant progressive judicial step. The tax demand was over Vodafone's \$11 billion deal to buy Hutchison's Indian mobile business in 2007. The UK-based company had appealed to the Supreme Court after losing the case in the Bombay High Court in 2010. The verdict sent Vodafone shares up as much as 2.5 percent in London. Vodafone, the world's largest mobile operator by revenue, had taken the position that Indian tax authorities had no right to tax the transaction which had taken place between two foreign entities in the Caymans Island and had no sufficient connection with India for attracting capital gains tax. The government on the other hand argued that the foreign entities are merely shell companies without any assets or operations except for the Indian company. The transaction between foreign entities was nothing but a sham to avoid taxes, and that there is sufficient connection with India to tax the transaction. Even if tax was due, the company had argued, it should be paid by the seller not the buyer.

KINGFISHER AIRLINES LOSES LICENSE TO FLY

The financially troubled Kingfisher Airlines lost its flying permit after a deadline to renew its suspended license expired. The Directorate General of Civil Aviation (DGCA) has suspended Kingfisher Airlines license to fly till further orders' pursuant to Clause 15 (2) of Schedule XI of the Aircraft Rules, 1937, after the airline failed to deliver a viable financial and organizational revival plan. The debt-ridden carrier was grounded since October 2012 after repeated strikes by workers over unpaid wages. Kingfisher owes various public sector banks \$1.4bn (£870m) in debts and has been frantically trying to raise funds after lenders refused to give fresh loans. The airline now owes money to staff, airports, tax authorities and its lenders and may have to be liquidated.

SAHARA TOLD TO REPAY \$3 BILLION TO SMALL INVESTORS

Unlisted conglomerate Sahara, one of India's biggest business groups was ordered by the Supreme Court of India after a prolonged legal battle with capital markets regulator SEBI to refund 174 billion rupees raised by "dubious" means from 22 million small investors. From 2008-11, they received 174 billion rupees through what is known as an optionally fully convertible debentures. The Sahara was also asked to pay 15 percent interest to the investors of the fund which has been illegally raised from the public without resorting to proper legal procedure. The Supreme Court, whose order reaffirmed an earlier ruling that the fundraising did not meet the rules, ordered two unlisted Sahara group firms to refund money they had raised with the interest within three months.

The judgment closed a much exploited loophole of the corporate fundraising laws in India and underscored an increasing assertiveness by India's judiciary and regulators as businesses and financial markets expand at a fast pace in Asia's third-largest economy.

SATYAM CASE

Five-and-a-half years after B Ramalinga Raju confessed the fraud he had committed at Satyam Computer Services, the Securities and Exchange Board of India, or Sebi, had found him and four others (former managing director B Rama Raju, chief financial officer Vadlamani Srinivas, vice-president G Ramakrishna and head of internal audit V S Prabhakara Gupta) guilty of committing "a sophisticated white collar financial fraud". It had levied on them a penalty of around Rs 3,000 crore and has barred the five men from accessing the securities market for 14 years.

(Blog, www.Startup.nujs.edu/blog major corporate sector scams April 2013)

RECOMMENDATIONS

Since the introduction of the new companies act 2013 does not guarantee the deep penetration of the corporate social responsibility initiatives and Corporate Governance at all levels of the corporations since it has taken into it fold small and medium enterprises, as well more finance and funds will usher in only if used judiciously in the right aspects and activities

Also, they have without an iota of a doubt established a bar at par with the international standards the set levels to attain for higher and deeper efficiency and effectiveness far and wide. Corporate social responsibility and corporate governance messages and strict laws have to be penetrated into the pipelines and setups of the masses for ensuring a transparent, fairness harnessing and value creating society.

CONCLUSIONS

Thus, we can conclude from the above mentioned scams & scandals which took place, that need of hour of the corporate governance and corporate social responsibility is a must. Both, corporate social responsibility and corporate governance responsibility make a good bundle and measure of efficiency and effectiveness. These indicate the level of the integrity and crafting ability with which the organization as whole should function. AS we have seen how the reputation and goodwill of the company have been tarnished, it should be learning for rest of the prevailing organization and a constant reminder for present and companies to make their mark surely and achieve great heights worldwide but be highly cautious at the same time, making these concepts their priority as a missionary objective. WE surely have many successful exemplary organizations like Wipro, Tata, Reliance, Hcl and many others in the queue creating a benchmark of world class standards in their activities and operations. Thus, corporate governance and corporate social responsibility have become a mandatory need of the hour for overall success and performance.

REFERENCES

1. Blog, www.Startup.nujs.edu/blog major corporate sector scams April 2013

2. (Chawak, Smita, and Devanjali Dutta. "CORPORATE SOCIAL RESPONSIBILITY: TRENDS AND CALLENGES." Abhinav-International Monthly Refereed Journal of Research In Management & Technology (Online ISSN 2320-0073) 3.4 (2014): 32-39.)
3. (DISCUSSION PAPER CORPORATE GOVERNANCE IN INDIA:THEORY AND PRACTICE NATONAL FOUNDATION FOR CORPORATE GOVERNANCE SEPTEMBER 2004(<http://www.nfcgindia.org/library/cgitp.pdf>)
4. http://gtw3.grantthornton.in/assets/Companies_Act-CORPORATE_SOCIAL_RESPONSIBILITY.pdf
5. (International Journal of Busines and Administration Research Review, Vol.1, Isue.7, Oct - Dec, 2014
6. (IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 13, Issue 3 (Sep. - Oct. 2013), PP 01-05 www.iosrjournals.org ,www.iosrjournals.org ,Impact of Corporate Governance on Corporate Financial Performance Priyanka Aggarwal1)



AUDIT PLANNING: MATERIALITY CONCEPT

CHANDRA KANT PARMAR
ASST. PROFESSOR
ST. XAVIER'S COLLEGE
KOLKATA

ABSTRACT

The basic objective of a financial audit is to express an opinion on the truth and fairness of the financial results. An auditor takes into consideration the financial as well as non financial information to form the opinion. Given the limited resources and time, an auditor needs to plan the audit in a proper way. Inter alia, the most important factors while framing the plan is 'materiality'. Generally materiality is defined as 'an omission or misstatement is material if knowledge of the omission or misstatement would influence the judgment of a reasonable person'. Materiality needs to be determined for individual items of financial statements and taken as a whole, ab ovo. Strictly speaking there is no thumb rule for determination of 'Materiality'. It depends on the judgment of Auditor. This paper explains the concept of materiality, its determination and practical application. Best estimate of materiality with proper planning helps the auditor to reduce the audit cost and effective use of resources.

KEYWORDS

audit planning, materiality concept.

INTRODUCTION

The basic objective of auditing a financial statement is to express an opinion on the financial statement based on the audit. This opinion basically requires the auditor to state whether the state of affairs and the results of the entity as ascertained by him in the course of his audit are truly and fairly represented in the financial statement under audit. The opinion about true and fair presentation of the financial statement depends, among other things, upon the judgment of materiality.

The concept of materiality is fundamental to the process of auditing. It covers all the stages from planning an audit to form an opinion at the last stage. Therefore it is an important and relevant consideration for an auditor who has constantly to judge whether a particular item or transaction or presentation is material or not in the process of recording to classification and disclosure requirements.

Materiality has been defined over the years by regulatory authorities, auditing standard setting bodies and auditors, among others. Generally, these definitions say that *an omission or misstatement is material if knowledge of the omission or misstatement would influence the judgment of a reasonable person*. SA 320⁴ requires that when establishing the overall audit strategy, the auditor shall determine materiality for the financial statements as a whole. Although the determination of materiality is a matter of auditor's professional judgment and is affected by the auditor's perception of the financial statement.

BASIC ESTIMATE OF MATERIALITY

The auditor considers materiality for the financial statement as a whole (overall materiality) and for particular accounts and disclosure (planning materiality). There are a number of factors that are to be considered while estimating the materiality. But there are no sets of thumb rule or standard formula that may be considered and applied consistently to find out the materiality. For example, ₹50,000/- may be material if an error affects the net income for a particular period whereas, an error of ₹75,000/- may be immaterial if it affects only in classification of expenses. So, determining materiality involves the exercise of professional judgment. According to SA 300⁵ planning an audit includes the need to consider, prior to the auditor's identification and assessment of risk material misstatement, *the determination of materiality*. However SA 320 does not explicitly require an auditor to quantify the amount of preliminary estimate of materiality, neither as a specific nor an approximation. But to make proper planning, quantification is the most practical way to go with. The auditors often use the percentage to a chosen benchmark to determine materiality as a whole for the financial statement. The most common benchmarks and percentage threshold for materiality judgment are as follows:

TABLE 1

Benchmarks	Materiality Threshold Percentage & Auditor's Judgment		
	Not Material	Likely Material	Always Material
Total Revenue	<1%	1% To 2%	>2%
Net Income	-	-	±1%
Total Assets	<1%	1% To 2%	>2%
Total Expenses	<1%	1% To 2%	>2%
Statutory Dues	-	-	Any Amount

The factors that may affect the identification of appropriate benchmark include:

- Components of financial statements on which users will focus their attention;
- The entity's ownership structure;
- Internal control deficiencies
- The relative volatility of the benchmark;
- Nature of the entity with respect to the industry and economic environment.

It is to be noted that for determining the materiality, the weight should also be given to *qualitative aspect of materiality* also. For example, an amount of ₹7000/- paid to government official for unauthorized movement of goods from one state to another, may be material though the quantitative benchmark considers this amount as immaterial. Similarly a pending legal case with the tax authorities have no bearing in financial statements if no provision has been made and as such have no quantitative material impact, but will be treated as material if the fact is not disclosed in the financial statement. Since qualitative factors generally relate to transactions that involve relatively small amounts, it would be expensive to plan audit procedures to search for them. Generally knowledge from the client's previous engagement and other factors which is a matter of auditor's judgment brings the picture in mind.

From the perspective of non-financial decision variables, the most important to decide audit materiality is internal control within the enterprise. The more the control framework ineffective it is more vulnerable to any kind of unexpected happenings. *If there are no doors in the house, thefts will definitely take away the precious articles. Again even if the doors are there but it is not locked properly, the same result will repeat. So to what extent control points are there and whether they are effective or not, should also be considered while determining the materiality.*

So while making the basic estimation of materiality an auditor should consider both quantitative as well as qualitative factors.

⁴ ICAI Standard on Auditing 320 (Revised) 'Materiality in Planning and Performing an Audit', Paragraph 10

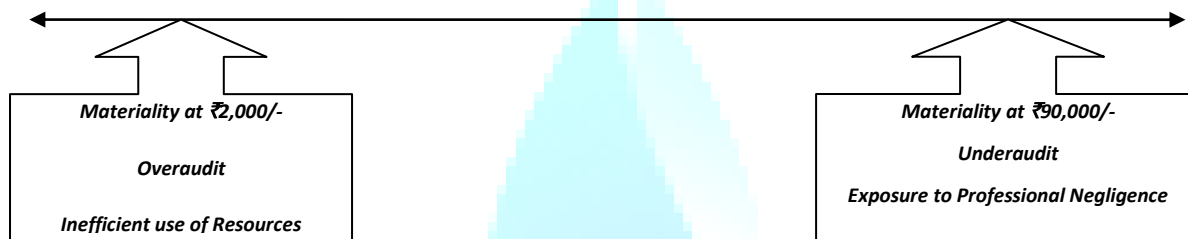
⁵ ICAI Standard on Auditing 300 (Revised) 'Planning an Audit of Financial Statements' Paragraph A3

MATERIALITY AND COMPONENTS OF FINANCIAL STATEMENT

The auditor’s basic estimation of materiality for the financial statement taken as a whole influences the appropriate nature, timing and extent of audit procedures for particular account balances and classes of transaction. As the total amount of error that would be considered material decreases, the more audit procedures to be applied to financial statement components increases and vice versa.

The whole estimated materiality computed above should be distributed to the components of financial statements. One such approach is to break down or allocate the preliminary estimate of materiality to each component of financial statements on the basis of the professional judgment. *The allocated broken materiality is called planning materiality which is relevant for a particular account or disclosure.* Planning materiality helps the auditor to determine the extent of allowable error for individual component of the financial statements and to what extent the evidence is needed for that component. For example, while checking of closing stock valuation the extent of substantive analytical procedure required may be based on planning materiality. Planning materiality might also be used in determining sample sizes for substantive procedures and to determine tolerable misstatement for each component. To determine the planning materiality for a particular class of transactions the auditor needs to be more cautious. For example, on a balance sheet date trade receivable account shows ₹3,00,000/- in the financial statement. Now if the auditor sets planning materiality at ₹2,000/- the auditor will end up by examining and evaluating almost every transaction. Whereas if the auditor sets planning materiality at ₹90,000/-, he may conclude almost without performing any audit procedures.

Trade Receivables ₹3,00,000/-



Because the threshold of what constitute material may never be at either of the extreme points, it is a matter of professional judgment to decide to what extent materiality will not affect an auditor’s opinion. Improper planning may lead to overaudit or underaudit. Overaudit may be the result of inefficient use of resources while underaudit may expose professional negligence.

ASSESSING EXPECTED ERROR

Materiality arising on account of expected error is a part of basic estimation of materiality. To an auditor an expected error is that the amount of error that is likely to exist in the financial statement based on the understanding of the entity’s business and the auditor’s experience in auditing the client in prior years. The auditor’s expectation of error that will remain uncorrected is influenced by the chances that the client will adjust the detected error. The more an entity is willing to adjust the financial statements for the auditor’s estimate of error, the less the auditor needs to consider expected uncorrected error. For example, in the last financial year the auditor came to know that there was a trade debtor who was expected to become bankrupt and no provision was made in the books of accounts as the amount was not material. Subsequently the debtor has become bankrupt but still management has not made any provision for the debtor. In this situation the expected error as decided by the auditor will go up because the management has not corrected the identified error in proper time.

Because it may be difficult for an auditor to identify the specific accounts in which expected error is likely to occur and remain uncorrected, most of the time an auditor simply reduces his basic estimate of materiality by expected uncorrected error. This practice will lead to lower the level of materiality and will increase more the substantive procedure in planning an audit.

DETERMINING CUT-OFF POINT: TOLERANCE LEVEL

An auditor needs to determine the tolerable error after the allocation of planning material to each component of financial statement by using a suitable formula and his professional judgment. Besides the mathematical formula, an auditor also checks the internal control within the enterprise. When an auditor designs the audit procedures he should make a cut-off point for each component of financial statement. The greater the cut-off point he decides based on the judgment, the lesser the substantive procedure needs to be followed. Here the auditor should always be conservative for safe side of the game because any mistake in the auditor’s best estimate may lead to underestimate or overestimate.

While determining the tolerable error so many factor needs to be considered. One such factor is the magnitude of the component to the financial statements taken as a whole. Generally the auditor pays more weights to the larger components of the financial statement. For example, a greater portion of basic estimation of materiality should be given to an imported machinery costing ₹15,00,000/- rather than purchase amounting to ₹1,30,000 of tools and spare parts. Another important factor for consideration of tolerable error is the unit cost of auditing. For example, greater tolerable error may be allocated to audit of inventory, that are expected to be relatively difficult and costly to audit fairly when compared to cash or loan from bank. *It should be keep in mind that cost of lock should not be more than the asset/s it protects.*

An auditor may also consider the variability of values in a component for determination of appropriate tolerable error of that component. As the variability of the value increases or decreases, it is more difficult to determine the cut-off point. As a result more tolerance may be given with high variability.

One more factor is the dependence of a specific item on another item. For example, the carriage inward is basically dependent on the purchase of goods. Now if the purchase of goods increases, the carriage inward expense should be less based on the logic that the goods are purchased in bulk. On the contrary, more transportation cost is obvious for more goods. As a result some auditors may allocate more tolerance error while checking of expense of carriage inward.

So to determine a suitable tolerable error for each component of the financial statement a simplified mathematical formula may be used which is as follows:

$$\text{Tolerable Error for a Component} = \sqrt{\frac{\text{Amount of Component}}{\text{Amount of all Material Components of the Financial Statement}}} \times \text{Preliminary Estimate of Materiality Less Expected Uncorrected Error}$$

Source: Using Materiality in Audit Planning by George R. Zuber, Robert K. Ellikot, William R. Kinney, James J. Leisenring; Journal of Accountancy, March 1983

The above formula is based on the magnitude of the component to the financial statements taken as a whole. A more comprehensive mathematical equation may be used for allocating the tolerable error considering the other factors also. But to develop such a complex model may exceeds the savings. It is to be noted that even after the developments of all these models the concept of materiality remains a matter of professional judgment.

USING TOLERANCE ERROR IN AUDIT PLANNING

Once the tolerance level for each of the component is decided the auditor starts the audit planning based on the level of tolerance. Generally, higher the level of tolerance, lower the required levels of test to achieve that precision and vice versa. So there is an inverse relation between tolerance level and audit test. For example an auditor may decide not to go through a loan account which has year-end outstanding balance of ₹50,000 considering a tolerance level of ₹30,000.

For achieving a certain level of precision the auditor may use statistical sampling⁶ as a means of test of details. Again the auditor may also use 'test check' if the tolerable error is very strong. On the other hand stronger tests would, in general, be the results of -

- Lower tolerance level;
- Non frequent nature of transactions;
- Exceptional or extra-ordinary item and etc.

As stated above for lower the tolerance level the stronger the test should be. For this purpose the auditor may take larger sample size, tests performed closer to the balance sheet date etc. The tolerance level derived from the mathematical formula does not always should be the cut-off point for the purpose of audit checking. For example, an amount of ₹30,000 is derived as tolerance level for bank balance by using a certain mathematical model. While the balance sheet shows a book balance of ₹1,15,000/-. Now as the bank balance is a very sensitive item tempering of which may result in serious issue, the auditor should not rely on the tolerance level and should satisfy him without any compromise. Similarly putting a tolerable amount in old Government dues is absolutely irrelevant for the purpose of audit checking. Because non-payment of Government dues may result in payment of penalty which when taken together may become material and a question of violation of laws and rules. So there is no hard and fast rule which can be set to determine the audit planning procedures based on the tolerance error. But still the auditor may use the tolerance level stated above to determine the materiality along with his best professional judgment.

REVISION OF MATERIALITY: CHANGE IN AUDIT PLAN

Materiality for the financial statement as a whole and for a particular class of transactions needs to be revised as the audit progresses. For example, during the process of audit if the auditor comes to know about a fraud, it needs to reduce the tolerance level and check more thoroughly resulting change in audit plan. So revision of materiality is a continuing process as the audit progresses and simultaneously change comes in audit plan, if required.

CONCLUSION

Planning an audit is based on the concept of materiality among other factors. So, to plan an audit efficiently and effectively consideration of materiality is basic and fundamental. To what extent an auditor should go for in-depth checking depends on the materiality that the auditor think fit for that particular financial statement. Unless an auditor decides the basic estimates of materiality of a financial statement, the auditor may be clueless that to what extent he should check the financial statements for the purpose of forming an opinion. So it can be concluded by saying that proper estimation of materiality along with the best professional judgment helps the auditor to properly design an audit plan which in turn results effective utilization of resources.

REFERENCES

1. George R. Zuber, Robert K. Ellikot, William R. Kinney and James J. Leisenring (March 1983), "Using Materiality in Audit Planning" Journal of Accountancy, pp. 42-54
2. ICAI Standard on Auditing 300 (Revised) 'Planning an Audit of Financial Statements'.

⁶ ICAI Standards on Auditing 530 (Revised) 'Audit Sampling'

EMPOWERING WOMEN THROUGH PROACTIVE NATIONAL INITIATIVES: A CATALYST FOR HUMAN DEVELOPMENT

MANBIR KAUR DHALIWAL
ASST. PROFESSOR
SRI GURU GOBIND SINGH COLLEGE
CHANDIGARH

ABSTRACT

For various historic and socio – cultural reasons, women are a vulnerable section of our society and several macro indicators related to education, health, employment, economic participation etc point towards an adverse status women vis – a – vis men. Empowerment of women is multifaceted. It involves aspects which are diverse and broadly range between – economic opportunity, property rights, political representations and social acceptance. Development and empowerment of women has been a priority in successive national plans and several public expenditure programmes are also directed towards this objective. The process of empowerment is taking place at many levels and so it is quite difficult to gauge the actual nature and extent of empowerment in improving status of women. This study aims at analyzing the extent of women economic empowerment with respect to the defining forces. It also aims at creating a panoramic view of the initiatives and results achieved since the times of women liberalization undertaken as a part of the Indian freedom movement. The objectives of this paper are to study the concept of women empowerment vis-à-vis and various policies related to women empowerment which have been introduced by the governments' policy to enforce the fundamental right of equality as enshrined in the constitution of India, to study the organization and their contribution which have been constituted at the national level aiming towards women empowerment and for analyzing the actual extent of women empowerment through indicators which are social, political in nature but have contributed towards economic development of women. This study has incorporated the various aspects and has synthesized the information taken from the government policies defining the scope and aims of financial planning through five year plans. The structural and economic importance of constituting national commissions aiming at women development has also been studied and discussed to arrive at the conclusions drawn. Women empowerment is not an isolated event that happens; it is an overlapping and significant society at large. Women empowerment thus cannot be achieved till the society comes together to achieve it. Political legislatives and various commissions can only bring in awareness but the real progress towards the aim is through the members of the society.

KEYWORDS

National Initiatives, Women empowerment, Economic indicators.

INTRODUCTION

Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems leads to the development of a good family, good society and ultimately a good nation.

PRESIDENT A.P.J. ABDUL KALAM

For various historic and socio – cultural reasons , women are a vulnerable section of our society and several macro indicators related to education , health , employment , economic participation etc point towards an adverse status women vis – a – vis men.

According to Richard H. Robbins, Allyn and Bacon, In Global Problems and culture capitalism “Women do two third of the world’s work, receive ten percent of the world’s income and own 1 percent of the means of production.’ This is the present picture of women workers in the era of globalization. The International Labour Organization (ILO) in the year 2000 had assessed that significant changes in world economy, such as rapid globalization, fast-paced technological progress and growing informalisation of work have greatly altered women’s labour market status in recent years.”

Empowerment of women is multifaceted .It involves aspects which are diverse and broadly range between – economic opportunity, property rights, political representations and social acceptance. Development and empowerment of women has been a priority in successive national plans and several public expenditure programmes are also directed towards this objective. The process of empowerment is taking place at many levels and so it is quite difficult to gauge the actual nature and extent of empowerment in improving status of women.

Prime Minister Dr Manmohan Singh at the 57th NDC in his inaugural address highlighted the following aspects:

Gender inequality is an aspect which deserves special attention. Women and girls represent half the population and our society has not been fair to this half. Their socio-economic status is improving, but gaps persist.... There can be no meaningful development without the active participation of half the population and this participation simply cannot take place if their security and safety are not assured. I urge all Chief Ministers to pay special attention to this critical area in their states.

There is a growing awareness that gender inequality is not only economically inefficient but also leads to social incoherence and it is detrimental to the developmental process of the nation. These facts highlight the importance for overall growth of the economy it is essential to ensure advancement of women in all spheres of life. It is possible to achieve gender equality only by bridging the gap between promise and performance. Empowerment of women, therefore, needs to get utmost priority in any national planning process. It is important to realize that women empowerment in all spheres (social, economic and political) is not a zero sum game. However, outcomes of administrative intent are not often realized .Women face gender specific barriers to access public services and expenditure.

Factors impacting women’s economic empowerment include:

- Violence: women are the predominant victims of conflict, sexual violence, injury, death, intimidation and human trafficking
- Lack of adequate access to education, training and technology
- Lack of access to clean water, sanitation
- Lack of access to responsible health care/reproductive health (one of the costs of widely available pre-natal screening in India has been the selective abortion of female fetuses, 10 million in the past two decades - this has led to one of the most skewed gender ratios in the world with 927 girls to every 1000 boys in 2001)
- Lack of access to credit/finance, safe work conditions, living/minimum wages
- Cultural practices, tradition, religious interpretations of women's status
- Women's lack of knowledge about rights and laws (economic, social, political, religious)
- Lack of adequate representation in decision-making positions and governance structures
- Need for comprehensive global statistical data on the informal economy and the collection of gender-specific data. Must be analyzed to bring out linkages between informal employment, poverty and gender inequality.

OBJECTIVES

This study aims at analyzing the extent of women economic empowerment with respect to the defining forces .it also aims at creating a panoramic view of the initiatives and results achieved since the times of women liberalization undertaken as a part of the Indian freedom movement.

The main objectives of this paper are:

- To study the concept of women empowerment vis-à-vis and various policies related to women empowerment which have been introduced by the governments' policy to enforce the fundamental right of equality as enshrined in the constitution of India.
- To study the organization and their contribution which have been constituted at the national level aiming towards women empowerment.
- Analyzing the actual extent of women empowerment through indicators which are social, political in nature but have contributed towards economic development of women.

This study has incorporated the various aspects and has synthesized the information taken from the government policies defining the scope and aims of financial planning through five year plans. The structural and economic importance of constituting national commissions aiming at women development has also been studied and discussed to arrive at the conclusions drawn.

NATIONAL COMMISSION FOR WOMEN

In January 1992, the National Commission For Women was set up by an Act of Parliament with the Specific mandate to study and monitor all matters relating to the constitutional and legal safeguards provides for women, review the existing legislation, to suggest amendments wherever necessary, and safeguard the rights and entitlements of women. The commission extends financial support to NGOs and educational institutions to conduct legal awareness programme to enable women to become aware of their rights.

The National Commission for Women was set up as statutory body in January 1992 under the National Commission for Women Act, 1990 (Act No. 20 of 1990 of Government of India) to:

- Review the Constitutional and Legal safeguards for women
- Recommend remedial legislative measures
- Facilitate redressal of grievances
- Advise the Government on all policy matters affecting women.

In keeping with its mandate, the Commission initiated various steps to improve the status of women and worked for their economic empowerment during the year under report. The Commission completed its visits to all the States/UTs except Lakshadweep and prepared Gender Profiles to assess the status of women and their empowerment. It received a large number of complaints and acted suo-moto in several cases to provide speedy justice. It took up the issue of child marriage, sponsored legal awareness programmes, Parivarik Mahila Lok Adalats and reviewed laws such as Dowry Prohibition Act, 1961, PNDT Act 1994, Indian Penal Code 1860 and the National Commission for Women Act, 1990 to make them more stringent and effective. It organized workshops/consultations, constituted expert committees on economic empowerment of women, conducted workshops/seminars for gender awareness and took up publicity campaign against female feticide, violence against women, etc. in order to generate awareness in the society against these social evils.

NATIONAL MISSION FOR EMPOWERMENT OF WOMEN

The National Mission for Empowerment of Women was launched by the Government of India on INTERNATIONAL WOMEN'S DAY in 2010 with the aim to strengthen overall processes that promotes all round development of women.

The key focus areas of the mission are:

- Access to health , drinking water , sanitation and hygiene facilities for women
- Coverage of all girls specially those belonging to vulnerable groups in schools from primary to class 12
- Higher and professional education foe girls / women
- Skill development : Micro , Credit ,Vocalational training , Entrepreneurship , SHG Development
- Gender sentization and dissemination of information
- Taking steps to prevent crime against women and taking steps for a safe environment for women

The mission has been continuously engaged in formulating schemes and programmes for poverty alleviation and economic empowerment of women; social empowerment and education; health and nutrition; empowerment of vulnerable and marginal groups in difficult circumstances

ECONOMIC INDICATORS OF WOMEN EMPOWERMENT

As per the 2001 Census, the total female population of India is estimated at 495.74 million. This is 48.3% of the country's total population. The figure shows that women and children are vital human resource of the country. Thus, they are considered to be the most critical determinant for its overall social – economic development

In India, right from the beginning of Five Year Planning (1951-1956) there has been endeavor towards the development of women. However the Sixth Plan (1980-85) has been marked by a clear shift in the approach, from 'welfare' schemes to 'development' oriented plans .The plan documents have over the years reflected the evolving trends in gender matters. Formal earmarking of funds for women began with the Women's Component Plan. However, gender sensitivity in allocation of resources starts with the Seventh Plan. The Seventh Plan introduced the concept of monitoring of 27 beneficiary oriented schemes for women by DWCD. The exercise continues and the number of schemes covered is being expanded.

The Eighth Plan (1992-97) highlighted for the first time a gender perspective and the need to ensure a definite flow of funds from the general development sector to women The plan document made the express statement that the benefits to development from different sectors not to pass women and special programmes on women should complement the general development programmes .The later , in turn , should reflect great gender sensitivity .

The Ninth Five Year Plan (1997-2002) adopted the strategy of Women's Component Plan under which not less than 30 per cent of funds/benefits were earmarked for all the women-related sectors and women-specific programmes. Special vigil advocated on the flow of the earmarked funds / benefits through an effective mechanism to ensure that proposed strategy brings forth a holistic approach towards empowering women. This plan made two significant changes in the conceptual strategy of planning for women development : Firstly, the plan attempted what is called 'Empowerment of Women' and secondly, it aimed at 'convergence of existing services' available in both women -specific and women -related sector.

The Tenth Five Year Plan (2002-07) also undertook steps to further strengthen the policy of Women's Component Plan and continued the strategy of empowering women as an agent of social change and development . For this purpose a sector specific three – fold strategy Social Empowerment , Economic Empowerment and Gender Justice had been adopted .Moreover the plan reinforces commitment to gender budgeting to establish its gender – differential impact and to translate gender commitments into budgetary commitments .

The Working Group on Empowerment of Women for the Eleventh Five Year Plan (2007-12) constituted by the Planning Commission in 2006, has emphasized the166 strengthening of Self-help Groups (SHGs) and community-based organizations for the empowerment of women.

The Twelfth Plan aims at catalyzing a growth process which has the structural characteristics that will promote inclusiveness This Plan relies on an extensive range of government programmes, which cover a wide variety of sectors, to help achieve the inclusive and sustainable growth. There are programmes in health, education, drinking water and sanitation, provision of critical infrastructure in rural and urban areas, programmes of livelihood support for the weaker sections and special programmes for the historically disadvantaged sections of our population, particularly the Scheduled Castes, Scheduled Tribes, OBCs, Minorities, and other marginalized groups.

CORE INDICATORS THAT REFLECT THE VISION OF RAPID, SUSTAINABLE AND MORE INCLUSIVE GROWTH ARE AS FOLLOWS

ECONOMIC GROWTH

- Real GDP Growth Rate of 8.0 per cent.
- Agriculture Growth Rate of 4.0 per cent.

- Manufacturing Growth Rate of 10.0 per cent.
- Every State must have an average growth rate in the Twelfth Plan preferably higher than that achieved in the Eleventh Plan

POVERTY AND EMPLOYMENT

- Head-count ratio of consumption poverty to be reduced by 10 percentage points over the preceding estimates by the end of Twelfth Five Year Plan.
- Generate 50 million new work opportunities in the non-farm sector and provide skill certification to equivalent numbers during the Twelfth Five year Plan

EDUCATION

- Mean Years of Schooling to increase to seven years by the end of Twelfth Five Year Plan.
- Enhance access to higher education by creating two million additional seats for each age cohort aligned to the skill needs of the economy.
- Eliminate gender and social gap in school enrolment (that is, between girls and boys, and between SCs, STs, Muslims and the rest of the population) by the end of Twelfth Five Year Plan.

HEALTH

- Reduce IMR to 25 and MMR to 1 per 1,000 live births, and improve Child Sex Ratio (0–6 years) to 950 by the end of the Twelfth Five Year Plan.
- Reduce Total Fertility Rate to 2.1 by the end of Twelfth Five Year Plan.
- Reduce under-nutrition among children aged 0–3 years to half of the NFHS-3 levels by the end of Twelfth Five Year Plan.

Year	Economic plan	Plan objectives	Objectives related to Women empowerment
1951 to 1956	First five year plan	1. Agriculture as well as community development 2. Energy as well as Irrigation 3. Communications and transport 4. Land rehabilitation 5. Social services 6. Miscellaneous 7. Industrial sector	Envisaged a number of welfare measures for women like, Central Social welfare board, Organization of mahila mandal, community development programmes, etc. (these objectives are not specifically highlighted as the basic objective of the plan)
1956-1961	Second five year plan	1. Development of the public sector, 2. Optimal allocation of investment between productive sectors, 3. Hydroelectricity project, Intensive agricultural development	Empowerment of women was closely linked with overall approach of intensive agricultural development programmes
1961-1966	Third five year plan	1. The Defense industry price stabilization. 2. Infrastructural development, 3. Educational development.	Female education, a major welfare measure
1969-1974	Fourth five year plan	1. Nationalization of banks, 2. Green revolution.	Continuing efforts for development in education
1974-1979	Fifth five year plan	1. Employment, poverty alleviation, and justice. 2. Self-reliance in agricultural production and defense. 3. Power generation and transmission. 4. Indian national highway system, tourism	Training of women, who need income and protection, women's welfare and development bureau, was set up for social welfare.
1980-1985	Sixth five year plan	1. Economic liberalization. 2. Price controls 3. Family planning	Shift from welfare to development, recognition of restriction to access to resource.
1985-1990	Seventh five year plan	1. Social Justice 2. Removal of oppression of the weak 3. Using modern technology 4. Agricultural development 5. Anti-poverty programs 6. Full supply of food, clothing, and shelter 7. Increasing productivity of small and large scale farmers 8. Making India an Independent Economy	Emphasized Need for gender equality and empowerment, through inculcation of confidence, generation of awareness of rights and training in skills for better employment.
1992-1997	Eighth five year plan	1. Curtailing population growth, poverty reduction, employment generation, 2. Strengthening the infrastructure, Institutional building, 3. Tourism management, Human Resource development, Involvement of Panchayat raj, Nagarapalikas, 4. N.G.O'S and Decentralization and people's participation	Empowering women at grassroots level through panchayat raj institutions.
1997-2002	Ninth five year plan	1. to prioritize agricultural sector and emphasize on the rural development 2. to generate adequate employment opportunities and promote poverty reduction 3. to stabilize the prices in order to accelerate the growth rate of the economy 4. to ensure food and nutritional security 5. to provide for the basic infrastructural facilities like education for all, safe drinking water, primary health care, transport, energy 6. to check the growing population increase 7. to encourage social issues like women empowerment	Adopted a strategy of women's component plan i.e. embarking certain percentage for women Specific programmes.
2002-2007	Tenth five year plan	1. Reduction of poverty, creating employment opportunities, 2. Reduction in gender gaps in literacy and wage, 3. Reduction in rate of population growth	Empowering through declaration of policy for empowerment of women. (2001).Policy was set to ensure survival protection and development of women and children.
2007-2012	Eleventh five year plan	1. Income & Poverty 2. Education Health 3. Health 4. Women and Children 5. Infrastructure 6. Environment	Reduce birth inequality. Ensure that at least 33 percent of the direct and indirect beneficiaries of all government schemes are women and girl children
2012-2017	Twelfth five year plan	1. Real GDP Growth Rate of 8.0 per cent. 2. Head -count ratio of consumption poverty to be reduced by 10 percentage points over the preceding estimates by the end of Twelfth Five Year Plan. 3. Generate 50 million new work opportunities in the non-farm sector and provide skill certification to equivalent numbers during the Twelfth Five year Plan	Eliminate gender and social gap in school enrolment (that is, between girls and boys, and between SCs, STs, Muslims and the rest of the population) by the end of Twelfth Five Year Plan. Mean Years of Schooling to increase to seven years by the end of Twelfth Five Year Plan.

A few illustrative examples of gender initiatives in mainstream sector like Defense, Power, Telecom, Communication, transport, Commerce etc. are as follows:

- Priority in awarding commercial /domestic power connections for women entrepreneurs , widows , household headed by women
- Priority in allocation of industrial licenses / commercial plots / petrol pumps / and gas stations for women, women cooperatives / self –help groups etc .
- Tax incentives for industrial units that reflect high ratio of women days in workforce
- Incentives for introducing health insurance scheme for women particularly in unorganized sector
- Affirmative action to allocate ration shops , PCOs and cyber café for women
- Provision of more buses / reserved compartments for working women
- Preferential rates in bank loan for women

NATIONAL POLICY FOR EMPOWERMENT OF WOMEN 2001

The goal of this Policy is to bring about the advancement, development and empowerment of women. The Policy will be widely disseminated so as to encourage active participation of all stakeholders for achieving its goals. Specifically, the objectives of this Policy include

- (i) Creating an environment through positive economic and social policies for full development of women to enable them to realize their full potential
- (ii) The de-jure and de-facto enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres – political, economic, social, cultural and civil
- (iii) Equal access to participation and decision making of women in social, political and economic life of the nation
- (iv) Equal access to women to health care, quality education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security and public office etc.
- (v) Strengthening legal systems aimed at elimination of all forms of discrimination against women
- (vi) Changing societal attitudes and community practices by active participation and involvement of both men and women.
- (vii) Mainstreaming a gender perspective in the development process.
- (viii) Elimination of discrimination and all forms of violence against women and the girl child; and
- (ix) Building and strengthening partnerships with civil society, particularly women's organizations.

NATIONAL INITIATIVE TOWARDS ECONOMIC EMPOWERMENT

EDUCATION AND TRAINING	The educational initiatives of the government in providing education to the masses through its legislations like The right to education has brought education within the reach of the women who were earlier assigned menial home jobs as the poor parents found it a waste to educate the girl child . Economic incentives given to the students help in continuity of education.
HEALTH	The education of women has brought in awareness and knowledge about the means of keeping good health and hygiene. Nutritious food being served in schools ensures better health by providing one complete meal as a part of the educational process.
PARTICIPATION IN DECISION MAKING	Women have through various efforts of government and non government organizations become a decisive part of policy making through active participation. The increasing confidence has lead to better decision making at both micro level and macro level in economic, administrative and political fields.
MEDIA	Media too has played a major and a positive role in the empowerment and the upliftment of women in Indian society. Changing trends in the roles of women and voicing of concerns of harassment have lead to better understanding to most oppressed sections of the society. The power of the television and its reach into the interiors of the rural society has lead to transformation in the outlooks of orthodox and backward ideas.
INVOLVING IN POLITICAL POWER	Women have become a political front face at many levels. This has lead to issues related to women gain importance and has brought changes in the legislative and administrative fields.
FINANCIAL INCENTIVES BY GOVERNMENT	The economic plans of the government lay emphasis on encouraging women entrepreneurship through their micro finance and inclusion policy which among other benefits make loans easily available at concessional rates to the women entrepreneurs. State governments too encourage ownership of property through lower rates of registration.
GLOBALIZATION	Due to the shrinking borders of the country's trade and commerce between nations have reached levels where opportunity for the skilled is not limited to their own areas. If a region doesn't provide opportunities it leads to migration of skilled labour to other areas so governments through its policies retain the skilled workers by providing them better opportunities. It leads to economic and social development and bring along empowerment to the masses.
TAX BENEFITS	To encourage women entrepreneurship and to discourage the old system of family ownership where women played no part the government each year in its budget allocates special tax benefits and incentives to women. It not only brings the women tax payers out in the society but also give them legal rights through manifestation of share in family incomes which they were denied in the past.

CONCLUSION

There is a requirement to analyze the growing concept of gender equality at national level, to explore the efforts that have taken place in promoting equality to the second sex by reviewing the working of the women's commission and agencies constituted and pursuing for this cause. Transforming the prevailing social discrimination against women has become the top priority, and is happening concurrently with increased direct action to rapidly improve the social and economic status of women. In this way, a synergy of progress is being achieved .This however needs to be reinforced time to time so that it achieves it desired aims in the stipulated time period.

Now a days, women have broken their ill-social fetters and are ready to face the contemporary challenges without any help and hesitation and consequently, March 8, is formally observed and celebrated in several countries, including India as The International Women's Day. It marks the milestones of integrated achievements towards the equality in rights, status and dignity of women and their equal participation in economic, social and cultural development in contemporary world scenario. The shift in focus has been towards women who till the last century have been contributing to all aspects of the growth of society but from the background and without any acknowledgment of the same.

Society is always in a continuous process of evolution. In the Indian context, it will take several decades for these imbalances to be ratified as these are deep rooted and being in practice over the ages. Educational of both men and women will lead to change in attitudes and perceptions. It is not easy to eradicate deep-seated cultural values or alter tradition that perpetuates discrimination but the daintiness of the task cannot stop the initiative from being taken. The society gets positive inputs as well as negatives from each individual so our contributions however little do not go waste and helps to keep the wheel of change moving.

Women empowerment is not a n isolated event that happens, it is an overlapping and significant society at large. It affects both the male and the female population. The discrimination and harassment of the women through the ages of suppression has lead to the slow growth of Indian society as compared to the western societies which give equal rights to all its members. Women empowerment thus cannot be achieved till the society comes together to achieve it. Political legislatives and various commissions can only bring in awareness but the real progress towards the aim is through the members of the society.

REFERENCES

1. Richard H. Robbins, Allyn and Bacon, Global Problems and culture capitalism 1999, p. 354.

2. Schumpeter Joseph, The Theory of Economic Development, Oxford University Press, New York,1961
3. Sumangala Naik, 'The Need for Developing Women Entrepreneurs,' *Yojana*, Vol. 47(7), July 2003, p.37.
4. Arundhati Chattopadhyay, 'Empowering Women' , *Yojana* October 2006,p30
5. A Manohar , 'Voilence Against Women' *Yojana* October 2006,p35
6. Reva Nayyar 'Towards Gender Equity' , *Yojana* October 2006, p14
7. www.nationalcommissionfor women visited on 12th Nov ,2014
8. www.planningcommissionindia visited on 12th Nov, 2014
9. www.nationalmission for women empowerment visited on 12th Nov .2014



NATIONAL FOOD SECURITY ACT OF INDIA AND RELATED CONCERNS**SWAPNAMOYEE PRIYABHASINI PALIT****ASST. PROFESSOR****DEPARTMENT OF ECONOMICS****KIIT UNIVERSITY****BHUBANESWAR****MAMITA DASH****LECTURER****DEPARTMENT OF ECONOMICS****KIIT UNIVERSITY****BHUBANESWAR****ABSTRACT**

A major section of the population is malnourished fighting the menace of poverty and hunger. So a compatible food security act should address the issue of not only the quantitative aspects but also the qualitative aspects of food insecurity as reflected in terms of malnourishment and undernourishment. The proposed national Food Security Act (NFSA) aims to address the issue of providing food security to the Indian population. The policy makes special provision for the vulnerable groups like women and children and also seeks to reform the PDS. However there are a number of issues which has raised concern about the successful implementation and completion of the act in achieving its target. This includes the reform of the PDS system, issue of gap between MSP and the market price of these crops, protection of the small and marginal farmers, adequate and proper procurement of foodgrains, the subsidy bill hike and the financial feasibility and its compilation with the WTO Agreement on Agriculture. The present paper raises these concerns and tries to address them in the light of the existing facts and figures.

KEYWORDS

Articles of Agreement, Food security, PDS, WTO.

INTRODUCTION

Agriculture occupies a very important position in India because of its vital contribution not only in terms of foodgrain production but also in providing direct and indirect employment to a large section of the population. Its link with the industrial and service sector is immense through the provision of inputs of production as well as the required labour force. Overall it fuels the economic growth of the nation. All said and done, its most important contribution is to ensure the food security of the entire nation. The proposed National Food Security Act aim at addressing the issue of hunger and undernourishment of a large section of the population in the country. However the proper implementation and success of such a massive programme has raised many concerns which need to be adequately addressed in an overall perspective. This relates to the problems of procurement, storage, efficient and uncorrupted functioning of the PDS system, compliance with the WTO Agreement on Agriculture, hiked subsidy bill etc. There is also concern for failure of procurement in case of unnatural climatic conditions as Indian agriculture is still largely dependent on the vagaries of monsoon due to dominance of small and marginal farmers and inadequate irrigation facilities. This paper raises some of these issues and attempts to address these concerns in the light of the existing facts and figures. For this purpose the paper has been divided into three sections. The first section deals with the issues of the proposed Food Security Act, the second section discusses the WTO AoA and the third section attempts to address these concerns in the light of the existing facts and figures.

ISSUES OF FOOD SECURITY IN INDIA

In India, more than 500 million people live on an income of less than \$1.25 per day. A major section of the population is malnourished fighting the menace of poverty and hunger. To carry this argument further, there is a divergence between the prevalence of poverty of expenditure (measured in terms of per capita income) and poverty of under nutrition (measured in terms of intake of calories). Though the 'poverty of expenditure', has declined over the years, the 'poverty of under-nutrition', has increased. So any Food Security Act based on poverty measures would be flawed if it fails to take into account the large scale existence of undernourishment in the country. According to figures while the poverty of expenditure has declined from 45.6% in 1983 to 33.8% in 2009-10, the Poverty of under-nutrition has increased from 66.1% to 90% over these years. So a compatible food security act should address the issue of not only the quantitative aspects but also the qualitative aspects of food insecurity as reflected in terms of malnourishment and undernourishment.

The proposed National Food Security Act (NFSA) aims to address the issue of providing food security to the Indian population. It seeks to cover 75% of the population with a 50% urban and 90% rural population coverage. For this purpose the households would be categorised as priority and general households. The priority households would receive subsidised foodgrains of 35kg per month fixed at Rs 3 kg for rice, Rs 2 for wheat and Rs 1 for millets. This is estimated to be covering 46% of the rural areas and 20% of the urban area population. The general households would receive 20 kgs of these subsidised foodgrains at a price not more than 50% of their Minimum Support Price (MSP). The policy makes special provision for the vulnerable groups like women and children and also seeks to reform the PDS.

However there are a number of issues which has raised concern about the successful implementation and completion of the act in achieving its target. The bill seeks to provide only 35.71% of the 14 kg of foodgrain requirement per month per person as recommended by the Indian Council of Medical Research. Also its limitations to provide only some cereals and not including protein food like pulses etc would not address the issue of malnutrition. Also in the absence of adequate monitoring of the PDS system, the Act would again be a breeding ground of hoarding and corruption. Last as government is going to be the single largest taker and disposer of foodgrains after the implementation of the act, the issue of price settlement in the open market for the excluded lot has to be adequately addressed. Again the small and marginalised farmers would be left out as they need the protection of the government in the infrastructure, monetary and market facilities. So along with this a fair price of their products has to be ensured. About the financial aspects, the huge rise in the subsidy bill in the face of the present financial crisis of the government which would arise due to the bill has to address the feasibility issues in this aspect.

The expert committee on the NFSA set up by the Prime Minister has not only studied the feasibility but has also recommended ways for its sustainable implementation. According to it, the actual foodgrain requirement would be 54.04 million tonnes in Phase I and 58.58 mt in the Final phase (rather than 49.38 and 55.59 mt respectively as projected by the NAC) taking into account the off-take of wheat and rice at 95% for AAY and BPL household's 3 year average. It is 85% for the APL households over this period. And again this off take price at present is more than the price proposed by the NFSA. A 100% offtake prediction puts the requirement at 58.76 mt and 63.98mt respectively. Along with its 8 mt for running the various welfare measure schemes, 2 mt as buffer stock to recycle the stored grains to avoid deterioration puts the total requirement at 68.76 mt and 73.98 mt based on the population projection of October 2011 for phase I and October 2013 for Phase II of the programme.

Regarding the amount of procurement over the years, there is seen a fluctuation in different years depending on the productivity which in turn is dependent on the natural conditions. As the agriculture in India is still subject to irregularities of monsoon due to lack of adequate irrigation facilities, it increased in some years while declined in the drought hit years. Keeping the procurement trend over the years, the expert committee assumes a procurement of 30% of the overall production which implies 56.35 mt in 2011-12 and 57.61 mt in 2013-14. A higher procurement level would push up the open market price which will hamper the purchase of both the priority and general households as the given facility is not going to cover their overall monthly consumption according to the estimation of their average monthly per capita consumption (MPCE) of wheat and rice by the rural and urban household estimated by the NSSO's 2004-05 consumption expenditure survey. The estimated subsidy required for Phase I works out to be Rs 85584 crores and for the final phase to be Rs. 92060 crores estimated by the expert committee against Rs. 71837 crores and Rs. 79931 crores respectively as estimated by the NAC. This would be an additional subsidy of Rs. 28,884 crores and Rs.35360 crores in phase I and the Final phase according to the expert committee estimation on the assumption of a 100% offtake of these foodgrains. Along with this there would be the additional cost of storage over and above the existing capacity of 42.5 mt, increased MSP for increased procurement and supplying the subsidised foodgrains at MSP to the non-entitled households.

WTO AGREEMENT ON AGRICULTURE (AOA)

The AoA aimed at removing all barriers to trade of agricultural products and to reform the sector was agreed upon by the member countries of the WTO for the first time in 1995. It covers the agricultural products like milk and its related products, live animals and their product such as meat and other leather products, cereals such as rice, wheat etc. This also includes fibres (such as silk, wool, and cotton), tobacco, alcohol etc. However forestry and fish products are excluded from this category.

The AoA necessitates reforms in 3 main areas i.e., market accessibility, Domestic support and subsidies to exports.

1. MARKET ACCESSIBILITY: As far as accessibility to market is concerned it is through reduction of non-tariff barriers and removal of all forms of quantitative barriers and replacing them with tariffs. The developed countries have to reduce their tariff by 36% with a minimum reduction per product by 15% within 6 years from 1995 to 2000 while the developing countries have to do this by 24% with a 10% minimum reduction per product. The LCDs were exempted from any such reduction with a commitment of not raising their existing rates.

The distortion in this aspect against the developing countries was obvious. The developed countries had already a very high tariff rate and so a 36% reduction was minimal and thus could continue with their high tariff. The developing countries with a low tariff were only given an option of a slight lesser reduction rate and a time period. Again those who went for tariffication of their quantitative restrictions were protected under 'special safeguard', provision under which they could protect their farmers in case of above specified limit import increase or a fall in price. Thus the developed countries could continue with their 'trade distorting' options under a covered garb. Most of the developing countries which had no non-tariff barriers could not benefit from this process.

2. SUBSIDIES UNDER DOMESTIC SUPPORT MEASURES: The removal of subsidies under this aspect was categorised under 3 schemes (i) The Amber Box included the subsidies on inputs as well as the supporting price mechanism which affected production and so was 'trade distorting'. This is calculated in terms of the 'Aggregate Measurement of Support (AMS)', where $AMS = (GSP - ERP) \times (\text{Total quantity eligible for support}) / (\text{Total value of production of commodity})$. Thus the AMS is the difference between the price fixed for government support and a fixed External Reference Price (ERP) which is predetermined under the AoA. This is multiplied with the total quantity for which support is to be provided as percentage of the total value of production of the commodity (expressed in terms of administered price). Exception under this category is 5% for the developed countries and 10% for developing countries. Above this limit subsidy has to be reduced by 20% within 5 years by the developed countries and by 13% within 10 years by the developed countries (1995-2004). Complete exemption for the LDCs which have to keep it below the *de minimis* level which is the permitted level for the developing countries.

The Green Box included the subsidies on categories not directly related with production like aspects of marketing, research and development etc. The Blue Box includes the compensating subsidies provided to farmers for quantitative restrictions.

3. SUBSIDIES FOR EXPORTS: The subsidies provided on exports was to be reduced by 36% in value and 21% in quantity over 6 years by developed countries and 24% and 14% respectively over 10 years by developing countries.

OVERALL FEASIBILITY OF NFSA AND IMPLICATIONS OF WTO AOA ON IT

The overall feasibility of the NFSA has to be seen from all aspects i.e., not only from its non-violation of the WTO norms but also its sustenance keeping in view the production, procurement and distribution aspects.

As far as India is concerned, its NFSA's provisions do have some issues of violating the norms under WTO AoA but in a blurred way. Taking the case of our major foodgrain i.e. wheat and rice, though it has a positive price gap under certain methods of Fixed External Reference Price(FERP) but post adjustment with the currency depreciation and inflation in the country, the price gap turns out to be negative. The increase in the MSP after 2007 has again turned this price gap negative even after these adjustments. Again the calculated rice by AMS is above the *de minimis* limit by both production and procurement at FERP. A similar positive price gap using FERP for wheat as well as a large AMS above *de minimis* limit by both production and procurement is observed. However many issues is to be highlighted here. Foremost the non-product specific AMS in India for its inputs and services like fertilisers, electricity etc is below the *de minimis* level for all years which can be tapped to its advantage to calculate the overall AMS support. However a lot of complications exist in these limits depending on the various interpretations of the rules of AoA as well as the quantity to be used for calculation which needs to be resolved. Here it can be pointed out that the MSP on wheat in India is very much skewed towards wheat and paddy. Its MSP is very near to its market price such that it distorts the market by influencing the farmers' choice. A lot of gap exists which can be plucked here to come into terms with AoA where it violates. In brief, the disagreement with the AoA will be addressed if the subsidies are given to the consumers directly through cash transfers, there are no restrictions on exports which are trade distorting and if farmers are protected through non-product specific subsidies (i.e., subsidies on fertilisers and electricity) so that NFSA will not violate the WTO AoA.

FOODGRAIN PRODUCTION: As far as the NFSA is concerned, it has to be considered in light of the existing productivity and stock of foodgrains. Looking at the present scenario while the price of major foodgrains like wheat and rice are high in the market, the government has huge undisposed stock. There has been record production of wheat and rice in 2011-12 with a Total Central Pool of 80.5 mt which consists of 49.8 mt of wheat and 30.7 mt of rice. This section throws light on the crop productivity in India.

The investment in the agriculture and Allied sector has been very low in India. If we go by division, the percentage share of public investment in this sector in the Total GDP at 2004-05 prices has rather shown a decline from 0.5% in 2004-05 to 0.4% in 2011-12, while private share has increased from 1.8% in 2004-05 to 2.2% in 2011-12 as can be seen from Table 1. The matter is of more concern as it can be seen that the share of public sector has been declining over the years while that of the private sector has been increasing till 2009-10. However it has shown some decline in 2010-11 while increasing back again in 2011-12. The total share of investment in the Agriculture and Allied sector as percent of the total GDP therefore has shown an increase till 2008-09 to 2.9 after which it has started declining and is 2.6% in 2011-12.

TABLE 1: SHARE OF PUBLIC AND PRIVATE INVESTMENT IN AGRICULTURE AND ALLIED SECTORS IN TOTAL GDP*(2004-05) PRICES

Year	% share in Total		Total
	Public	Private	
2004-05	0.5	1.8	2.3
2005-06	0.6	1.9	2.4
2006-07	0.6	1.8	2.4
2007-08	0.5	1.9	2.5
2008-09	0.5	2.4	2.9
2009-10	0.5	2.3	2.8
2010-11	0.4	2.1	2.5
2011-12	0.4	2.2	2.6

Source: Central Statistics Office

*GDP at market prices (MP) ***,**, * -First, Second and Third Revised estimates

TABLE 2: AGRICULTURAL LAND USE IN INDIA (IN MILLION HECTARES)

S.N.	Classification	1950-51	1990-91	2000-01	2009-10(P)	2010-11(P)
I	Geographical area	328.73	328.73	328.73	328.73	328.73
II	Reporting area for land utilisation statistics	284.32	304.86	305.19	305.83	328.73
	(i) Net Area Sown	118.75	143.00	141.34	139.18	141.58
	(a-b)					
	(a) Total Cropped Area (Gross Cropped Area)	131.89	185.74	185.34	188.99	198.97
	(b) Area sown more than once	13.15	42.74	44.00	49.81	57.39
III	Cropping Intensity*	111.07	129.89	131.13	135.79	140.54
	Net Irrigated Area	20.85	48.02	55.20	61.94	63.60
	Gross Irrigated Area	22.56	63.20	76.19	88.09	89.36
IV	Net Area sown as % of reporting area of land Utilisation statistics	42%	47%	46%	45%	46%

Compiled from data of agricultural statistics; *Cropping Intensity is percentage of the Gross Cropped Area to the Net Area Sown

Source: Directorate of Economics and Statistics, Ministry of Agriculture

Table 2 shows the use of agricultural land in India. The main uses of land utilisation in India is under forest, land not available for cultivation which consists of non-agricultural uses and the barren and uncultivated land, land not cultivated which consists of pastures and grazing land, culturable waste land and those covered with tree crops and groves, fallow land and lastly net sown area or cultivatable land. The Net Sown area consists of the Gross cropped area minus the area where sowing of crops is done more than once. The Net sown area as a percent of the total land utilisation area after showing an increase from 42% in 1950-51 to 47% in 1990-91 has remain stagnant at 46% even in 2010-11. This shows that the total cultivable land has not increased area wise. Rather the increase in foodgrains is through more intensive cultivation which is reflected by the increase in area sown more than once from 13.15 in 1950-51 to 57.39 in 2010-11. However within the overall cultivable land variation in area sown for individual crops is observed with some crops showing increased area coverage while some other shrinking due to different factors like price support and other incentives. This can be marked from Table 3.

TABLE 3: AGRICULTURAL LAND USE IN INDIA OF MAJOR AGRICULTURAL CROPS BY % SHARE OF AREA TO GCA AND PRODUCTION (IN MILLION TONNES)

Crop	% share of area to total Gross cropped area		Increase /Decrease	1990-91	2000-01	2010-11	2011-12	2012-13	% increase
	2005-06	2010-11							
Rice	22.71	22.05	Decrease	74.29	84.98	95.98	105.30	104.40	41
Maize	5.01	4.22	Decrease	8.96	12.04	21.73	21.76	22.23	148
Wheat	0.85	14.99	Increase	55.14	69.68	86.87	94.88	92.46	68
Coarse Cereals	15.22	14.20	Decrease	32.70	31.08	43.40	42.01	40.08	23
Total Cereals	51.72	51.24	Decrease						
Gram	3.59	4.46	Increase	5.36	3.86	8.22	7.70	8.88	66
Tur	1.84	2.16	Increase	2.41	2.25	2.86	2.65	3.07	27
Total pulses	11.58	12.94	Increase	14.26	18.44	18.24	17.09	18.45	29
Total foodgrains	63.31	64.18	Increase	176.39	196.81	244.49	259.29	255.36	45

*Provisional

Source: Directorate of Economics and Statistics, Department Of Agriculture and Co-operation

Table 3 reflects the percentage share of area covered by some major crops cultivation to the Total Gross Cropped area over the time period 2005-06 to 2010-2011. It is seen to have decreased for rice, maize and coarse cereals while it has increased for wheat to a large extent from 0.85% in 2005-06 to 14.99% in 2010-11. The overall coverage to total cereals has decreased from 51.72% to 51.24% over this time period. The percent of area coverage has increased in case of pulses like Gram.Tur (Arhar). So the total % of area coverage under total foodgrains has increased due to increase in wheat as well as that covered by pulses. Observing the actual production change, it is seen that though the wheat production has shown an increase in area coverage by almost 14%, its production has increased by 148% for maize, 41% for rice and 23% for coarse cereals. Similarly the pulses and its varieties has shown varying increase in percentage over this time period.

According to Report of the World Food and Agricultural Organisation, 2011, India ranks first in the production of pulses and milk which are two of the main protein content food. It ranks second in the production of wheat, paddy rice, groundnut (in shell), fruits and vegetables etc. Yet millions of people in the country are hungry or malnourished. Its granaries are loaded with foodgrains, while the market price is inflationary for major foodgrains. This calls for the proper implementation of its food policy so as to ensure food security for the millions of poor in the country.

About the concern of drought or unnatural weather condition affecting the production possibility, the matter can to some extent be not of much concern if we observe the trend of rainfall over the years. Table 4 shows that out of 36 meteorological sub-divisions almost on an average 30 sub-divisions have excess to normal rainfall over the period 2001 to 2013. Only exception was 2012 which was a drought year with 13 sub-divisions getting deficient/scanty rainfall. So in this front also the setback approach in implementing the policy in the apprehension of an adverse situation will not be justified.

TABLE 4: SOUTH WEST MONSOON (1ST JUNE-30 SEPTEMBER)

Year	No. of Meteorological Sub-divisions@excess/ Normal rainfall	Deficient/scanty rainfall	% of Districts with normal/excess rainfall	Actual rainfall as % of normal rainfall (All India)
1990	32	3	88	119
1991	27	8	68	91
2001	30	5	68	92
2010	31	5	69	102
2011	33	3	76	101
2012	23	13	58	92
2013	30	6	72	106

*Total No. of Meteorological sub-divisions which was 35 upto 2001 is 36 onwards 2002

Excess Rainfall- >+20% of the Long Period Average Rainfall(LPAR) ,Normal Rainfall(N)- 19% < N<-19% of LPAR; Deficient Rainfall(D)- -20% < D < -59% of LPAR ; Scanty Rainfall (S)- -60% < S < -99% of LPAR

Source: Directorate of Economics and Statistics, Department of Agriculture and Co-operation

This programme can to a large extent be supplemented by Indian's export and import of agricultural commodities. India has also been the largest exporter of rice and wheat in the financial year 2012-13 worth 10.1 mt and 6.5 mt respectively. Along with this there is a positive growth projection for agricultural production over the years by OECD-FAO Agricultural Outlook -2013-22. Also measured in terms of Terms of Trade, the scenario is welcoming. With 1990-91 as the year, the Index of Terms of Trade (ITT) between agricultural and non-agricultural sector is found to improve from 100.9 in 2000-01 to 102.6 in 2009-10, according to the Directorate of Economics and Statistics, Department of Agriculture and Co-operation.

PROCUREMENT OF FOODGRAINS AND DISTRIBUTION: The procurement of foodgrains by the FCI is also full of flaws. For instance, 70% of the foodgrains are procured from states of Punjab, Haryana, Chattisgarh and Madhya Pradesh. This has not only lead to distortions of agricultural crop production but has also increased their prices by crowding out private players throughout the country. In many states like Karnataka, Kerala, Madhya Pradesh, Rajasthan etc., the state government gives bonuses over and above the MSP to influence the farmers to grow crops. This has distorted the production in favour of the bonus given crops. Also there is no uniformity maintained in these incentives given which varies from Rs 270 per quintal in Chattisgarh to Rs 450 per quintal in Kerala. In Madhya Pradesh this has not only led to tremendous increase in the area production but also in the overall distorted crop diversification with more bias towards subsidised and incentivised crops like wheat at the cost of other foodcrops, horticulture etc.

TABLE 5: STATEWISE PRODUCTIO AND PROCUREMENT OF WHEAT+RICE IN 2009-10

States	Procurement of Wheat+Rice as % of the Total Production	Rank	Rice Production(MT)	Rank	Wheat Production(MT)	Rank
West Bengal	7.46	12	14.34	1	0.85	8
Uttarkhand	16.41	9	-	-	0.85	8
UP	11.65	10	10.81	3	27.52	1
Tamil Nadu	22.68	8	5.67	6	-	-
Rajasthan	6.69	13	-	-	7.50	5
Punjab	74.32	1	11.24	2	15.17	2
Odisha	32.72	7	6.92	5	-	-
Maharashtra	4.15	14	2.18	12	1.74	7
Madhya Pradesh	49.83	4	1.26	15	8.41	4
Kerala	49.25	5	0.60	16	-	-
Karnataka	2.09	15	3.69	9	0.25	9
Jharkhand	0.66	16	1.54	13	0.17	10
Haryana	58.87	2	3.63	10	10.50	3
Gujurat	0.02	18	1.29	14	2.35	7
Chattisgarh	57.85	3	4.11	8	-	-
Bihar	11.44	11	3.60	11	4.57	6
Assam	0.24	17	4.34	7	0.06	11
Andhra Pradesh	48.29	6	10.54	4	-	-

Source: Directorate of Economics and Statistics, Department of Agriculture and Co-operation

Table 5 shows the production and procurement of wheat and rice as % of total production in 2009-10 in the different states. The states have been ranked according to the procurement from the state as % of their total production as well as in terms of their rice and wheat production separately. The lop-sidedness of the procurement procedure can be clearly marked. Punjab ranks first in terms of total procurement which goes well as it also ranks second in both rice and wheat production. But Haryana which ranks second in terms of % of procurement is ranked 10th in rice production and 3rd in wheat, Chattisgarh occupying 3rd rank in procurement has 8th rank in rice production and had negligible wheat production. Similarly if we mark Kerala, it is ranked 16th in rice production and negligible in wheat production yet 5th in terms of % contribution to procurement of its overall production. This call for decentralised procurement where the states can be asked to procure and distribute through designated FPS to the beneficiaries.

TABLE 6: PRODUCTION AND PROCUREMENT OF WHEAT AND RICE (2000-14) IN MILLION TONNES

Year	Production				Procurement	
	Rice	Wheat	Total(1+2)	Total foodgrain production	Wheat+Rice	Col 5 as ratio of Col.3
	1	2	3	4	5	6
2000-01	84.98	69.68	154.66	196.81	41.91	27.10
2001-02	93.34	72.77	166.11	212.85	41.18	24.79
2002-03	71.82	65.76	137.58	174.77	32.22	23.42
2003-04	88.53	72.16	160.69	231.19	39.62	24.66
2004-05	83.13	68.64	151.77	198.36	39.47	26.01
2005-06	91.79	69.35	161.44	208.60	36.88	22.89
2006-07	93.36	75.81	169.17	217.28	36.24	21.42
2007-08	96.69	78.57	175.26	230.78	51.43	29.34
2008-09	99.18	80.68	179.86	234.47	59.07	32.84
2009-10	89.09	80.80	169.84	218.11	53.98	31.78
2010-11	95.98	86.87	177.41*	244.49	53.22**	30.00
2011-12	105.30	94.88	187.82*	259.29	56.35**	30.00
2012-13	105.24	93.51	198.75	257.13	59.62	30.00
2013-14	106.54	95.91	202.45	264.77	57.61**	30.00

Note: *Projection as per Department of Agriculture and Cooperation, GOI

**Assuming an optimum procurement of 30% of the Total Production

Source: Database on Indian Economy, RBI's Data Warehouse; Report of The Expert Committee on National Food Security Bill, 2012-13; Economic Survey of India, 2005-06
 Table 6 shows the production and procurement of wheat and rice over the years. Wide fluctuation is observed in rice production decreasing from 93.34 mt in 2000-02 to 83.13 in 2004-05 and then a similar trend till 2009-10 after which it is seen to be increasing over the years. For wheat with a similar fluctuating trend over the years it shows an increasing trend from 2006-07. Obviously the same trend of variation is observed in the total production of wheat and rice combined. The procurement of these foodgrains as a proportion of their total production can be observed from column 6 of table 6. It shows a variation with the yearly production. It shows a decline from 27.10% in 2000-01 to 21.42% in 2006-07 after which it shows an increase till 2009-10. On an average over the years from 2000-01 to 2009-10 the procurement is assumed to be at an optimum level of 30% of the total production which thereby has been used to estimate the procurement amount from 2010-11 to 2013-14 by the Expert Committee for the NFSA appointed by the prime minister of India.

TABLE 7 (I) AND (II) REGRESSION RESULTS

i.Regression Results of Wheat+Rice procurement as a proportion of the total Production of foodgrains in the time period 2000-01 to 2013-14					
Multiple R	Adj R	R ²	se	Observation	
0.876	0.748	0.707	5.003	14	
ANOVA					
	df	SS	MS	F	Sig F
Regression	1	994.03	994.03	39.71	3.94E-05
Residuals	12	300.37	25.03		
Total	13	1294.407			
Y= -27.22 + 0.333 X se (11.897) (0.0528) t (-2.287) (6.3017) t _{0.05,12} = 1.782					
ii.Regression Results of wheat+rice procurement as a proportion of the total Wheat+Rice Production during the time period 2000-10 to 2013-14					
Multiple R	Adj R	R ²	se	Observation	
0.879	0.7729	0.754	4.948	14	
ANOVA					
	df	SS	MS	F	Sig F
Regression	1	1000.561	1000.561	40.860	3.44E-05
Residuals	12	293.845	24.487		
Total	13	1294.407			
Y= -36.54 + 0.49 X se (13.18) (0.0767) t (-2.772) (6.392) t _{0.05,12} = 1.782					

The regression results of total wheat and rice procurement as a proportion of the total foodgrain production is shown in Table 7(i). It shows that it is only 0.33 per 1 unit increase of the overall increase in foodgrain production. However the 't' test is significant showing a significant increase in the overall foodgrains procurement as a proportion of the overall production over the years in the chosen time period. This thus reflects the untapped potential which can be harnessed in case of increased requirement. However the issues like increased procurement would increase the open market can be addressed by issuing smart cards to the beneficiary households who can purchase the required foodgrains at a reduced price from retail shops owners designated for the purpose who can then be re-imbursed the subsidised amount by the government. This will in addition release the pressure of added procurement and storage cost to a large extent. The F test is also significant showing that there are wide inter years variations in the procurement of total wheat and rice as a proportion of the overall production of foodgrains in the country. Table 7(ii) shows the regression results of the total wheat and rice procurement as a proportion of the total wheat and rice production over the time period 2000-01 to 2013-14. The 't' value was found to be significant which indicated that the procurement of wheat and rice was a significant proportion of their overall production over this time period. However the significant F value also indicates that there are wide variations in the procurement in the in-between years. As can also be seen from Table 6 that the procurement as a proportion of the total wheat and rice production has shown fluctuations over the years.

India's agricultural market is facing a paradoxical situation of high production of food grains and yet inflationary food prices in the country clearly pointing towards the non-optimal management of this sector. Some of these loopholes need to be immediately plucked. A wheat stock of 10 million tonnes was to be liquidated along with other food grain stocks according to 2013-14 Kharif Price Policy Report. This was also to reduce the huge carrying cost of these foodgrains. The same trend of excess stock also continues this year. The locked value in these 'excess stocks', was estimated at more than Rs.64000 crores which need to be liquidated. In the absence of a specified limit for the buffer stock, the huge stock piled up not only leads to the deterioration of the available foodgrains but also causes shortages in the open market leading to their price rise. This point towards the huge untapped potential which if clearly plucked can go to a large extent in fulfilling the objectives of the NFSA.

Even as the food subsidies continue to increase, it has failed to reach all the beneficiaries. According to the Commission For Agricultural Costs and Price's calculations, there is a leakage worth 40% from these stocks with immense adverse effect on food subsidies and market prices of these foodgrains. While in some states like Tamil Nadu, Andhra Pradesh, Odisha and West Bengal the leakages is less than 25%, in other states like Maharashtra, Gujarat, Rajasthan, Karnataka and Himachal Pradesh these leakages are in the range of 25% to 50%. In Madhya Pradesh and Uttar Pradesh the leakages are as high as 50% to 75%. In Punjab and Bihar the leakages are more than 75%. In the face of such rampant corruption the actual beneficiaries are left out. There are many people with ration cards though not belonging to the beneficiary group while many poor do not have their names on the ration card lists. Again in the absence of adequate information to the beneficiaries about the exact quantities of food grains provided by the government, they do not receive the exact quantities which are rather sold by the retailers in the open market at higher prices.

To meet the upbeat target of the NFSA drastic reforms are required in the on-going process. This includes a reform of the entire PDS in line with the experimental success in states like Tamil Nadu, Chhattisgarh, Delhi, Uttar Pradesh, Madhya Pradesh etc. Though no uniform measures may be applicable for all states but it can include computerisation of the PDS through barcoding of food grains bags from FCI to FPS and then to the final beneficiaries. Use of Generic smart cards can enable the beneficiaries to avail the required quantity from FPS to open market. Along with these, increasing the storage capacity of the PDS as well as stopping corruption and leakages would ensure the success of the programme. Various suggestions in this regard include allotting the FPS to co-operatives, Self-Help Groups, State Civil Supply Organisation etc.

CONCLUSION

The NFSA is an innovative scheme reflecting an all comprehensive and vast outlook. Steps like cash transfers to the beneficiaries would not be the right alternative in this matter because the main aim of the act is to address and eliminate food insecurity and malnutrition which can be achieved only by a proper and adequate allocation of these foodgrains and cereals to the needy lot. Rather the feasibility is to be judged and as recommended by the expert committee in case of any shortage symptoms due to less procurement or production due to natural factors the availability to the general households can be adjusted depending on these factors. The observation of the above facts and figures shows that the apprehension is more because of the fear of failure in meeting the obligation rather than a severe attempt to implement the programme with strict reform measures. With gradual progress of the programme the mix of foodgrains can be extended to protein rich food items like pulses, fruits, egg etc which will not only address the issue of malnutrition but also leads to diversification of agriculture. Earlier the success of many such welfare schemes has either achieved their targets or have crafted the path to pick up the thread to continue. With a similar expectation the programme can be taken with a hope of good success.

REFERENCES

1. Balani, Sakshi (2013): Functioning of Public Distribution System, www.prsindi.org.
2. Basu, Deepankar (2013): Poverty, Undernutrition and Food Security in Contemporary India, www.sanhati.com.
3. Brink, Lars (2014): Support to Agriculture in India in 1995-2013 and The Rules of the WTO, International Agricultural Trade Research Consortium, Working paper#14-01, April, 2014.
4. Chandra, Neetu (2014): Robbing India's Poorest Half of the Foodgrain Meant For PDS is diverted through errors or corruption, www.dailymail.co.uk.
5. Das, Bhagirath Lal (2001): WTO Agreement On Agriculture: Deficiencies and Proposals For Change, Pub: Third World Network (TWN) Trade and Development Series, 17, ISSN: 983-9747-68-1.
6. Deodhar, Satish Y.: WTO Agreements and Indian Agriculture: Retrospection and Prospects, IIMA Working Paper#99-11-06.
7. Khor, Martin: The WTO Agriculture Agreement: Features, Effects, Negotiations And What Is At Stake.
8. Narayan, Sudha (2013): In the Balance The National Food Security Act Vis-à-vis The WTO Agreement on Agriculture, Working paper-2013-026, Indira Gandhi Institute of Development Research, www.igidr.ac.in/pdf/publication/wp-2013-026.pdf.
9. Pocketbook on Agricultural Statistics, 2013, GOI, Ministry of Agriculture, Department of Agriculture and Co-operation, Directorate of Economics and Statistics, New Delhi.
10. Price Policy For Rabi Crops-The Marketing Season 2014-15, Commission For Agricultural Costs and Prices, Department of Agriculture and Co-operation, GOI, New Delhi, July, 2013.
11. Ranga, Mamta and Deepti Sharma (2014): WTO and Indian Agriculture, Indian Journal of Applied Research, Vol.4 (6), ISSN-2249-555X.
12. Report of The Expert Committee On National Food Security Bill, www.eac.gov.in, 1/12/2014.

ECONOMIC AND ECOLOGICAL ANALYSIS OF LEATHER SOLID WASTES IN VELLORE DISTRICT, TAMIL NADU

T. AASIF AHMED
RESEARCH SCHOLAR
DEPARTMENT OF ECONOMICS
JAMAL MOHAMED COLLEGE
TIRUCHIRAPPALLI

DR. B. MOHAMED RAFAQ
ASST. PROFESSOR
DEPARTMENT OF ECONOMICS
JAMAL MOHAMED COLLEGE
TIRUCHIRAPPALLI

ABSTRACT

As we know that leather industry is currently believed to be one of the sectors supporting economic development of the country significantly by generating foreign currency. Different forms of solid wastes in quality and quantity, which emerge during the transformation of hides and skins into leathers. These solid wastes may pose a potential hazard to the human health or the environment when improperly treated, stored, transported or disposed off or managed. This study examine the various sources, types and quantity of leather solid wastes being produced by the leather industry and also evaluate the system of collection, transportation and disposal of leather solid wastes. The results found that Leather solid waste management is increasingly important from a global perspective of resources management and reduce the environmental impacts of industrial activities.

KEYWORDS

Solid Wastes Resource Management (SWRM), Economic and Ecological Management.

INTRODUCTION

The waste resources management issue has never received as much attention throughout the history of mankind as it has in the past couple of decades as a result of the disruption in the environmental balance resulting from the negative consequences of the industrial revolution and man's consumption of natural resources.

Solid waste is one of the most challenging issues in Leather industry. Apart from liquid and gaseous wastes, the solid waste generation from tanning process in the world is estimated at 6 million ton per year. The problems of Leather solid waste collection, transport, proper use and disposal have become a gigantic task. However if not properly managed, it can adversely affect environment, health and safety. But on the other hand, waste prevention, recycling, minimization & valorization; and the use of energy efficient process technologies are more and more desirable options in waste management.

The paper is organized as follows: it presents a brief review of related literature, followed by a description of the data and methodology used in the analysis. Subsequently, it presents the empirical results and implications. Finally, it offers the conclusion with identifying the best findings, suggestions, and recommendations for policy formulation and practice regarding the planning, funding and design of waste management construction and renovation.

LITERATURE REVIEW

A thorough literature study is an indispensable component of all research which makes demarcate the boundaries of the research theme. In this study, the literature has considerable volume of research on the research theme, but the results are conflicting predictions concerning the leather solid wastes resource. Therefore, amongst the most debated issues in this context is industrial waste, the concern of which is not limited to a single country, but rather encompasses the whole world.

INDUSTRIAL SOLID WASTE

Industrial solid wastes resource refers to solid wastes resource generated in production activities that are not permitted to discharge into the environment. Industrial solid wastes are classed into organic wastes and inorganic wastes based on their components; into hazardous wastes and common wastes hold hazardous characteristics, they usually receive special attention.

Industrial solid waste pollution has become an increasingly serious problem in the world. The developing countries have to specially confront it. Every year, large quantities of ISWs are generated from the growing industries. However, there are no proper SWRM in the developing countries and done harm to the human being health and the environment. Now it has witnessed a changing perspective in waste management, which holds that waste should be recovered or disposed of without endangering human health and without using processes or methods which could harm the environment. Alternatively, the following should be discussed: How does one avoid avoid all environmental threats? What causes the environmental disasters the world is witnessing? Who's responsible for this? Should striving for economic growth be at the expense of the environment?

LEATHER SOLID WASTES GENERATION AND UTILIZATION

The State of the economy influences waste generation¹. Usually, greater economic prosperity and a larger urban population results in a larger amount of solid waste generation². Different forms of solid wastes in quality and quantity, which emerge during the transformation of hides and skins into leathers. These solid wastes may pose a potential hazard to the human health or the environment when improperly treated, stored, transported or disposed off or managed.

The solid wastes can be hydrolyzed and used as a useful byproduct (Ramamoorthy.G and others, 1989). "Wastes from one industrial process can serve as the raw material for another, thereby reducing the impact of industry on the environment" (Frosch and Gallopoulos, 1989). 800 kg of solid wastes per ton of rawhide are discharged by the leather industry (Ludvik J, 1996)³.

Leather waste can be divided into three kinds as follows

- Chrome-free leather waste, such as raw hide waste and limed hide waste, which is easy to be reused because of their simple components.
- Chrome-containing leather waste, such as chrome shavings, splitting and trimming waste of wet blue, which is difficult to be reused because of containing chrome.
- Dyestuff-containing leather waste, such as trimming and cut waste of leather, old leather products, which is very difficult to be reused because of containing chrome, dyestuff, fat liquor and retaining agent⁴.

J Kanagaraj and others (2006)⁵ pointed out that out of per ton of raw hide, 850 kg is generated as solid wastes in leather processing. Solid wastes are raw trimmings, fleshings, Chrome shavings, buffing dusts and keratin wastes which lead to sludge problem and choking of treatment pipes and finally results in reduction in efficiency of treatment plant. Raw trimmings and wet blue trimmings are useful in developing glue and gelatin. Keratin waste can be used as an

exhaustive aid for chrome tanning. Similarly, Fleshing waste can also be used as a tanning agent by proper chemical modification and develop glue, gelatin and poultry feed. Chrome and buffing dust are useful in developing retanning agent, poultry feed, fertilizer and landfill sites.

F. Langmaier and others (2005)⁶ the experiment also showed that wider use of chrome-tanned leather hydrolysate utilized as a biodegradable packing material for agricultural chemicals including herbicides, insecticides, pesticides, fertilizers etc.

LEATHER SOLID WASTES TRANSPORTATION AND DISPOSAL

Transportation is another key component in determining the economies of waste management. Smaller vehicles are utilized for solid waste transportation from collection points to dumping yard. Transportation of solid wastes over long distance is another problem which is often encountered as there are no relay centres.

Solid wastes containing protein and fat that constitute more than 60% of raw hide weight are disposed to the environment by leather factories without revolving them to good use. Depending upon the characteristics of the wastes, different types of disposal methods can be used for hazardous and non-hazardous industrial wastes. The most predominant and widely practiced methods for wastes disposal are: (a) Landfill, (b) Incineration and (c) Composting.

ENVIRONMENTAL AND HEALTH IMPACT ASSESSMENT

There are potential risks to environment and health from improper handling of leather solid waste. It causes all types of pollution and impacts on health are Skin diseases, Chemical Poisoning through chemical inhalation, Neurological diseases, Nausea & Vomiting and infectious diseases. Health and safety issues also arise from improper MLSWM. Proper leather solid waste management have to be undertaken to ensure that it does not affect the environment and not cause health hazards to the people living there.

DATA AND METHODOLOGY

The study is non-experimental. The study area was Vellore district of Tamil Nadu. The data gathered from literature and Questionnaires are analyzed and evaluated with the help of SPSS. Hypotheses and theories are compared thoroughly and related to each other. Samples of leather solid wastes from pre-tanning, post-tanning and finishing stage were examined and their characteristics have been determined within the scope of the study. Methodologies for analyzing waste management system include material flow analysis (MFA), cost-benefit analysis (CBA), and life cycle analysis (LCA). In this study, Descriptive statistics, gross margin analysis and Cost-benefit analysis were the analytical techniques used. Statistical tests (t-test and ANOVA test) used for testing the hypothesis.

RESULTS AND DISCUSSION

The following results obtained from the study

- ✓ It was found that out of per ton, 650-700 kg of leather solid waste generated during the transformation of raw hide to leather which containing protein and fat that constitute more than 65% of raw hide weight are disposed to the environment without turning them to good use.
- ✓ The study inferred that the perception of respondents (47%) is that it would be expensive if environmentally responsive methods are applied.
- ✓ 52% of the respondents believed that will be more satisfied with private enterprises to carry out the functions of leather solid waste collection, disposal and transportation generated in this study area.
- ✓ The study asked the respondents on their willingness to pay (WTP) anything financially for improved management of leather solid waste. Most (53%) of the respondents are willing to pay some amount of money in order to valued the benefits of improved management of leather solid waste. But 47% of the respondents are not willing to pay anything.
- ✓ In this study, 64% of the respondents believed that water content determination in leather solid waste, especially fleshing and shaving wastes which included higher amount of waste water that are not properly managed in this study area. That's why it degrades water and soil quality and also creates unpleasant odor in the air.
- ✓ The study reveals that some of the study area where leather solid waste not properly managed, it caused negative impacts on human health. 38% of the respondents affected by the following diseases; Skin diseases 18%, Chemical Poisoning through chemical inhalation 9%, Neurological diseases 3%, Nausea & Vomiting 2% and infectious diseases 6% were the impacts on health to the people working and living there.

The study also reveals that 30% of the respondents believed that it may causes the above mentioned diseases and 32% of the respondents physically well and good where leather solid waste properly managed.

- ✓ Cost estimates for the LSWM include capital costs and operation and maintenance (O & M) costs. The objective of cost estimates in this study area is mainly to serve the cost benefit analysis and recommendations that will follow. The study reveals that the benefits from marketing the produced recyclables and compost in the treatment facility has added value as benefits. Therefore, benefits have been estimated for this scenario, assuming that the produced compost will be sold at a affordable price. The discounted revenues from the selling this product have been subtracted from the present worth of O & M costs to obtain the net PW O & M costs. Finally, the study indicates that significant improvement in all environmental parameters due to the diversion of waste to recycling.

CONCLUSION

In this study, the technical, economical, and environmental aspects of leather solid waste management were investigated. The results showed that every year, large quantities of leather solid wastes are generated. However, there are no adequate treatment and disposal facilities and qualified personnel in the leather industry. All these have seriously hindered the development of leather industry and done harm to the human being health and the environment. Significant progress has been made in establishing corresponding management and legislation systems, in developing treatment and disposal technologies, and in turning the research results into industrial practice. As a result, the serious situation of leather solid waste pollution has been alleviated although this situation has not completely changed. However, many problems in the management of leather solid wastes need to be resolved.

ACKNOWLEDGEMENT

The whole research work was assisted by PG & Research Dept. of Economics, Jamal Mohamed College, Tiruchirappalli-20. Therefore, the authors are grateful to the department for their valuable support.

REFERENCES

1. J. Petts and G. Edulijee, "Environmental impact Assessment for waste treatment and disposal facilities," John Wiley and sons, Hoboken, 1994
2. S. Chattopadhyay, "Solid waste management in Kolkata, India- A Review," Waste Management, Vol. 29, No. 4, April 2009, pp 1449-1458
3. Ludvik. J, "Cleaner tanning technologies"- UNIDO report, 1996 pp 18-25
4. Zhiwan Ding, et al, "Reusing Technologies for different leather wastes, China Leather & Footwear Industry Research Institute, Beijing-16,
5. J. Kanagaraj, and others, "Solid wastes generation in the leather industry and its utilization for cleaner environment- A review" J. Sci.& Ind. R. Vol. 65, July 2006, pp. 541-548
6. Langmaier. F and others, "Hydrolysates of chrome- tanned waste from leather production," Int. J. Adhesion Adhesives, 2005, 25 pp 101-108
7. Puntener .A, "The Ecological challenge of producing leather," JALCA. 90 (7), 206, 1995
8. Marriappan. M, "Environmental protection initiatives in Indian tanneries" CLRI, Chennai 1997 pp 151-161
9. Tchobanoglous. G and others, "Integrated Solid Waste Management," McGraw-Hill, New York, 1993
10. Salvato J.A, "Solid waste management- Environmental engineering and sanitation," 4th Edition, Wiley, Hoboken, 1992, pp 205-209

A STUDY ON CUSTOMER SATISFACTION TOWARDS SAKTHI MASALA IN COIMBATORE CITY**S. THANGAMANI****ASST. PROFESSOR****DEPARTMENT OF COMMERCE WITH COMPUTER APPLICATIONS****DR. SNS. RAJALAKSHMI COLLEGE OF ARTS & SCIENCE****COIMBATORE****E. ARTHI****RESEARCH SCHOLAR****DR. SNS. RAJALAKSHMI COLLEGE OF ARTS & SCIENCE****COIMBATORE****ABSTRACT**

The study was undertaken to find out the customer satisfaction level towards Sakthi Masala. This study is also made to provide suggestion to the organization for the improvement of their products. The customer perception was thoroughly studied analyzed and interpreted using the primary data and secondary data was collected through questionnaire. Many management thinkers consider marketing to be the most critical function of a business. In a business organization, the marketing division generates the revenues essential for the survival and growth of the firm, the finance department like R&D, production and manufacturing use them to create products and services. But the real challenge to marketers lies in generating those revenues profitability, by satisfying customers in a socially responsible manner. Marketing deals with identifying and meeting human and social needs. One of the shortest definitions is the "meeting need profitability".. If the performance false short of expectation, the customer is dissatisfied. If the performance matches the expectation, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. The key to generated high customer loyalty is delivering of high customer value. According to Michael, in his delivering profitable value, a company must design competitively superior values propositions aimed at specific market segments, packed by superior value- delivery system. The customer-centered firms seek to create high customer satisfaction that is not its main goal. If the company increases customer satisfaction by lowering its price or increasing its services the result may be lower profits.

KEYWORDS

Advertisements, Buying Behavior, Customer Satisfaction, Pricing, Purchase Decision.

INTRODUCTION

SAKTHI MASALA" the Queen of spices as the household name among the millions today, Mr.P.C.DURASAMY, the Founder of the Company was a small time turmeric trader, from a village called Perundurai near Erode. He found SAKTHI TRADING COMPANY in 1975 and was doing Turmeric Trading for some time. Later, he entered into the arena of pure spice powders like Turmeric, Chilly and Coriander. His inquisitiveness let him to enter into masala world with dauntless. He encountered a lot of hurdles, since selling masala powders during those days to the oriental women who are traditionally conservative, was not that easy. It was the concept selling on "Easy Cooking" rather than marketing food products. With self -determination and persistent attempts he was able to get into the kitchens of our country and the rest of the world. SAKTHI TRADING COMPANY has transformed into SAKTHI MASALA PRIVATE LIMITED named after its brand name "SAKTHI" in 1997. Now SAKTHI MASALA manufactures over 50 varieties of Spice and Masala powders, over a dozen varieties of Pickles, Flour varieties, Appalams, Ghee and Sunflower Oil. Sakthi Masala gives value addition to the agricultural products which helps and encourages the farming community to market their produces. Furthermore, they generate a lot of employment opportunities to the agricultural labours and rural people. The Company employs mostly women and differently abled persons from the rural areas and makes them to lead an honorary life. The company has bagged with IS/ISO 9001:2008 certification from Bureau of Indian Standards, NewDelhi. The customers of SAKTHI MASALA are the house wives and those who need easy and quick cooking solutions. Restaurants, hostels, hotels, canteens are the other prominent consumers. SAKTHI MASALA reaches the houses located in every nook & corner of the country through its strong marketing network. Success of SAKTHI MASALA lies in the innovation of manufacturing procedures, as there were no definite machineries for specific production of spice and spice mixes. With the growing experience, suitable changes were made in order to match the requirements that made all the differences in manufacturing spice powders and spice mixes which retain the aroma and flavour.'Tradition and Technology perfectly blended' is the shibboleth of SAKTHI MASALA.

REVIEW OF LITERATURE

Rosa & colleagues (1978)⁷, product markets are socially constructed and evolve from interactions between buyers and sellers, products markets may not always be co incident with a single product category that buyers and sellers each need to make sense of their behaviors also accounts for the seemingly ad hoc nature.

MC Alister (1979)⁸, Stalin that items from multiple category jointly contribute to fulfill buyers wants, which leads to buyers selecting several different products usually on the same or proximate shopping occasions most complementary production used together fit into this classification even through they are not always purchased together.

Loken & john (1993)⁹ prominent features of one product may be used to describe similar features in another. Products that are community sold in the same store or displayed near one another may exert we at effect as on another's sales. A buyers observation of an products may influence impulse buying of another as a result of the kind of remainder promotional effect. A brand name that has strong association in one product category must transfer the association to other may be weak complements.

Erdem, tulin (1998)¹⁰, buyers make purchase decision in a dynamic market environment. Which affords them choices from enormous environment and number of products as well as influence from a diverse set of marketing efforts. Buyers may also be affected by the context of their products depends directly and indirectly on many things, including the current or previous marketing efforts of other product i.e, products in different related categories. The ideas that demand in one product category can be marketing efforts in another in new.

Bucklin Randolphe., Gray J.Russell and V.Srinivasan (1998)¹¹, product substitutability and complementarily have long been natural way to perceive inter category of relationship products are considered complements(substitute) if lowering(raising) the price of one product leads to an increase in sales of another.

⁷ Rosa & Colleagues (1978), "Socio cognitive dynamic in product market, JOM 63(special issue)", 64-77.

⁸ MC Alister(1979), "choosing multiple items from a product, JCR,6 (Dec) 213-24".

⁹ Loken & John(1993), Diluting brand beliefs when do brand extensions have negative impact? Journal of marketing 57 (July) 71-84.

¹⁰ Erdem, Tulin (1998), an empirical analysis of umbrella branding journal of marketing research, 35 (August) 339-51.

¹¹ Bucklin Randolphe., Gray J.Russell and V.Srinivasan (1998) " a relationship between price elasticity's brand switching probabilities", Journal of Marketing Research, 35(Feb),99-113.

A.K.Kakkappan (1999)¹², undertook a study on sakthi masala in coimbatore city with the intention to know the present condition of sakthi masala company in the city. An attempt was made to analyse the marketing operations of dairy industry in general at a macro level and coimbatore co-operative dairy in particular for an in depth study at micro level.

ANALYSIS AND INTERPRETATION

This section presents the analysis and interpretation of the collected data from the sample (size 160) respondents spread throughout the area of Coimbatore city. The focus of analysis is exploring the components of customer satisfaction.

H₀: There is no significant relationship between occupation and factor influenced towards sakthi masala.

H₁: There is a significant relationship between age group and monthly income of sakthi masala.

TABLE 1: PERCENTAGE TABLE ACCORDING TO THEIR PROFILE

S.NO	FACTOR	CATEGORY	NO.OF.RESPONDENTS	PERCENTAGE
1	GENDER	MALE	48	30
		FEMALE	112	70
		TOTAL	160	100
2	AGE GROUP	BELOW 25 YEARS	38	24
		26-35 YEARS	51	31
		36-45 YEARS	46	29
		ABOVE 46 YEARS	25	16
		TOTAL	160	100
3	OCCUPATION	SELF-EMPLOYED	31	19
		PVT EMPLOYEE	64	40
		HOME MAKER	65	41
		TOTAL	160	100
4	MONTHLY INCOME	BELOW 8000	16	10
		8001-10000	40	25
		10001-15000	65	41
		ABOVE 15000	39	24
		TOTAL	160	100
5	FAMILY SIZE	1-3 MEMBERS	47	29
		4-6 MEMBERS	89	56
		MORE THAN 6 MEMBERS	24	15
		TOTAL	160	100
6	FACTORS INFLUENCED	PRICE	18	11
		QUALITY	35	22
		TASTE & PREFERENCE	73	46
		PACKAGING	34	21
		TOTAL	160	100
7	AVAILABILITY	HIGHLY SATISFIED	71	44
		SATISFIED	64	40
		NEUTRAL	25	16
		TOTAL	160	100

Source : Primary Data

Table 1 indicates that:

- 30 percent of the respondents are male and 70 percent of the respondents are female.
- 24 percent of the respondents are falls under the age groups below 25 years, 31 percent of the respondents were between the age groups of 26-35 years, 29 percent of the respondents were between the age groups of 36-45 years and 16 percent of the respondents were above 46 years.
- 19 percent of the respondents were self-employed, 40 percent of the respondents were pvt-employee and 41 percent of the respondents were home maker.
- 10 percent of the respondents are belong to the income group of below Rs.8000, 25 percent of the respondents were income group between Rs.8001-10000 , 41 percent of the respondents were fell under the income group of above Rs.10001-15000 and 24 percent of the respondents were fell under the income group of above Rs.15000.
- 29 percent of the respondents are in the family size of 1-3 members, 56 percent of the respondents are in the family size of 4-6 members and 15 percent of the respondents are in the family size of more than 6 members.
- 11 percent of the respondents are influenced in the factor of price, 22 percent of the respondents are influenced in the factor of quality, 46 percent of the respondents are influenced in the factor of taste & preference and 21 percent of the respondents are influenced in the factor of packaging.
- 44 percent of the respondents are highly satisfied in the availability of sakthi masala, 40 percent of the respondents are satisfied in the availability of sakthi masala and 16 percent of the respondents are neutral in the availability of sakthi masala.

From the above, it can be conclude that majority of the respondents were using Sakthi masala are female, most of the respondents were falls under the age group 26-35 years, most of the respondents were engaged in home maker and majority of the respondents were falls under the income group below Rs.10001-15000, most of the respondents were in the family size of 4-6 members, majority of the respondents were influenced in taste & preference and most of the respondents were highly satisfied with the sakthi masala.

TABLE 2: CHI-SQUARE TEST

S.NO	FACTORS	CALCULATED VALUE	DEGREE OF FREEDOM	TABLE VALUE	RESULT OF 5 % LEVEL
1	Family size and quality of sakthi masala	12.651	6	12.592	Significant
2	Occupation and factors influenced towards sakthi masala	8.906	8	15.507	Not Significant
3	Gender and availability of sakthi masala	0.543	4	9.488	Not Significant
4	Age group and monthly income of sakthi masala	28.374	12	21.026	Significant
5	Monthly income and price of sakthi masala	13.632	9	16.919	Not Significant

¹² A.K.Kakkappan(1999), "A study of annapoorna masala in Coimbatore city, Tamilnadu", Unpublished Ph.D Thesis, Coimbatore: Bharathidasan University, 1999.

Table 2 indicates that:

- Chi - square test indicates that family size and quality as the Calculate value (12.651), which is greater than the table value (12.592) at the level of significance 0.5. Hence, the H_0 is rejected.
- Chi - square test indicates that occupation and factor influenced as the Calculate value (8.906), which is greater than the table value (15.507) at the level of significance 0.5. Hence, the H_1 is accepted.
- Chi - square test indicates that gender and availability as the Calculate value (0.543), which is greater than the table value (9.488) at the level of significance 0.5. Hence, the H_1 is accepted.
- Chi - square test indicates that age group and monthly income as the Calculate value (28.374), which is greater than the table value (21.026) at the level of significance 0.5. Hence, the H_0 is rejected.
- Chi - square test indicates that monthly income and price as the Calculate value (13.632), which is greater than the table value (16.919) at the level of significance 0.5. Hence, the H_1 is accepted.

TABLE 3: GARRET RANKING TECHIQUES

S.NO	FACTORS	RANK					GARRET'S SCORE
		1	2	3	4	5	
1	Price	1564	1320	1250	1872	1152	7158
2	Quality	4968	2880	1250	780	312	10190
3	Taste & Preference	5796	2160	850	897	504	10207
4	Packaging	1288	1320	2050	1209	1248	7115
5	Availability	1656	1860	2450	1443	600	8009

RESULT

S.NO	FACTORS	MEAN SCORE	RANK
1	Price	44.73	IV
2	Quality	63.68	II
3	Taste & Preference	63.79	I
4	Packaging	44.46	V
5	Availability	50.05	III

Table 3 indicates that:

The above table furnishes the Garret's Ranking Techniques results are analyzed by using mean score. 1st rank to taste & preference and their mean score is 63.79, 2nd rank to quality and their mean score is 63.68, 3rd rank to availability and their mean score is 50.05, 4th rank to price and their mean score is 44.73, 5th rank of packaging and their mean score is 44.46.

FINDINGS

Table 1: Percentage Table

- Majority (70%) of the respondents are the female.
- Majority (31%) of the respondents are the age group of 26-35 years female.
- Majority (69%) of the respondents are married.
- Majority (33%) of the respondents are graduates.
- Majority (41%) of the respondents are home maker.
- Majority (41%) of the respondents monthly income are Rs.10001-15000.
- Majority (56%) of the respondents family group are 4-6 members.
- Majority (91%) of the respondents are using the branded items.
- Majority (98%) of the respondents are aware of sakthi masala.
- Majority (26%) of the respondents mode of awareness was through friends & relatives and family of sakthi masala.
- Majority (46%) of the respondents are influenced by the taste & preference of sakthi masala.
- Majority (36%) of the respondents are using the quality of sakthi masala.
- Majority (41%) of the respondents are moderate feel the price of sakthi masala.
- Majority (44%) of the respondents are highly satisfied with the availability of sakthi masala.
- Majority (45%) of the respondents are highly satisfied with the level of sakthi masala.

Table 2: Chi-Square Test

- The chi-square test relationship between family size and quality of sakthi masala.
- The chi-square test relationship between occupation and factors influenced towards sakthi masala.
- The chi-square test relationship between gender and availability of sakthi masala.
- The chi-square test relationship between age group and monthly income of sakthi masala.
- The chi-square test relationship between monthly income and price of sakthi masala.

Table 3: Garret Ranking Techniques

The highest score is awarded to taste & preference of sakthi masala and the least score is awarded to packaging of sakthi masala.

SUGGESTIONS

- ❖ To create impact, the company should concentrate on various advertisement media.
- ❖ The taste & preference of sakthi masala is considered to the main factor of purchasing sakthi masala.
- ❖ The cost of sakthi masala should be moderate so it can be used by more number of peoples.
- ❖ To compete with other branded masala quality, price and packaging should be concentrated.
- ❖ Advertisement about sakthi masala should be more effective and attractive. Due to advertisement, it will create more customers to use and buying behavior is also increased.

CONCLUSION

Today there are number of brands of products available in the market which differ in price, taste & preference, quality etc., but customers prefer to purchase their brands due to various reasons. The attitude of customers may change their preference of the choice of the product that may influence because of various factors like price, appearance, performance etc., so the manufacturers may give more attention to the customer preference which may host the possession of the company in the market. The present study reveals that majority of the respondents preferred to buy sakthi masala for taste & preference, so the company should maintain it and increase the more number of customers.

REFERENCES

1. A.K. Kakkappan (1999), "A study of annapoorna masala in Coimbatore city, Tamilnadu", Unpublished Ph.D Thesis, Coimbatore: Bharathidasan University, 1999.
2. Bucklin Randolphe., Gray J.Russell and V.Srinivasan (1998) " A relationship between price elasticity's brand switching probabilities", Journal of Marketing Research, 35(Feb),99-113.
3. Day, Shocker & Srivasta (1977), "Customer oriented approaches to identifying product markets", *Journal of Marketing Research*, 14 (fall) 8-19.
4. Erdem, Tulin (1998), an empirical analysis of umbrella branding *Journal of marketing research*, 35 (August) 339-51.
5. Jayalakshmi Srikumar Marketable surplus marketing and income inequalities in rural Tamil Nadu, *Indian Journals of Marketing* vol XXXII, March-April 2002, pp 24-27.
6. Keshav Sharma and Deepak Raj Gupta knowing the rural customer of Indian Journals of Marketing, vol XXXII, July 2002 pp 15-22.
7. Loken & John, Diluting brand beliefs when do brand extensions have negative impact? *Journal of marketing* 57 (July) 71-84.
8. MC Alister, "choosing multiple items from a product, *JCR*, 6 (Dec) 213-24".
9. Rosa & Colleagues (1978), "Socio cognitive dynamic in product market, *JOM* 63(special issue)", 64-77.
10. Sarvad W.K, Emerging Dimension of behavior in rural area, *Rural Area Indian Journal of marketing* vol, XXXII, January-February 2002, pp 13-21.

BOOKS

11. Marketing – J.C.Gandhi
12. Marketing Management – Philip Kotler
13. Marketing Management – V.S.Ramaswamy
14. Modern Marketing – R.S.N.Pillai & Bagavathi
15. Research Methodology – C.R.Kothari

WEBSITES

16. www.google.com
17. www.inflibnet.com
18. www.wikipedia.com
19. www.yahoo.com



CUSTOMER SATISFACTION OF SMALL SCALE RETAIL OUTLETS IN COIMBATORE CITY

J. SAMUEL CAESER PICKENS

ASST. PROFESSOR

DEPARTMENT OF COMMERCE WITH C.A.

**DR. SNS RAJALAKSHMI COLLEGE OF ARTS & SCIENCE
COIMBATORE**

P. STARMINI

RESEARCH SCHOLAR

DEPARTMENT OF COMMERCE WITH C.A.

**DR. SNS RAJALAKSHMI COLLEGE OF ARTS & SCIENCE
COIMBATORE**


ABSTRACT

The project entitled "customer satisfaction of small scale retail outlets in coimbatore city" is carried out with an objective to determine the customer satisfaction. Retail is the sale of goods and services from individuals or businesses to the end -user. Now-a-days in the market the retailer faces the lot of competition due to the development of the departmental stores. The objective of this study is to find out the factors motivating the customer and the customer satisfaction of small scale retail sector in Coimbatore city. The secondary data was collected from related websites, books. The survey was conducted to 50 respondents by using direct questionnaire method. For distribution of questionnaire to the customer convenience sampling method was select. After collecting the data from the respondents it was analyzed using simple percentage method, Chi-Square and Weighted Average method. From the findings the researcher observed that the small scale retail store motivating the customer by the Quality, Fixed Price and Close to Residence and satisfied the customer by the Value for Money, Reasonable Price, Credit Facility, Convenient Location and Helpful. From the suggestion the researcher knew that the middle class people need variety of products with quality which are available in fixed and reasonable price. So the retailer has to concentrate on it and also they need to develop the small scale retail outlet convenient to the customer like meeting place and work place.

KEYWORDS

Customer Satisfaction, Retail Outlets, Competition, Reasonable Price, and Convenient Location.

INTRODUCTION

 Small-scale retailers are those retailers whose scale of operation is restricted to a small segment of the market and to a narrow range of products. They generally hold small stocks of the products of regular use. Such retailers are very large in number but account for a small portion of the total retail business. But, small-scale retailing is a very common, simple and flexible way of distributing the products to the end users. It incurs low operating costs and is usually owned and operated by a proprietor. The most important feature is that the small-scale retailers have a direct and personal contact with their customers. This form of retailing faces the problems of small capital, lack of professionalism and low purchasing power. Retail is the sale of goods and services from individuals or businesses to the end -user. Retailers are a part of an integrated system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through a wholesale, and then sells smaller quantities to the consumer for a profit. Retailing can be done in either fixed locations like stores or markets, door-to-door or by delivery. In the 2000s, an increasing amount of retailing is done using on-line websites, electronic payment, and then delivery via a courier or via other services.

REVIEW OF LITERATURE

Nisha Rathore (2000)¹³, the concept of retail is comparatively very old in Indian context. Before anybody knew about what retail is, we had kirana stores, medical stores and lot many other stores working surprisingly well all over the country. Recently with the entrance of big players like Wal-Mart or Reliance, people are getting idea of the traditional stores going to be vanished. But just to remind us, we should never forget how deep rooted is this old concept. The very modern organized stores have taken the idea of retailing nowhere else than from these old shops. The growth in the Indian organized retail market is mainly due to the change in the consumer's behavior. This change has come in the consumer due to increased income, changing lifestyles, and patterns of demography which are favorable. Now the consumer wants to shop at a place where he can get food, entertainment, and shopping all under one roof. This has given Indian organized retail market a major boost. Thus, in India it is quite sceptical that the organized retail will be ever able to overcome the unorganized retail completely. The values, cultures and beliefs of the customers prompt them to go the same retail shop where they can get the product required, at low price and with least waiting time for billing. No matter how lucrative is this sector and how bright is the market; the organized sector in retailing has to go a long way to understand the customer requirement.

According to Bloemer and Shroeder (2002)¹⁴ store image is the sum of all the store's attributes, in the way perceived by the consumer, through his or her experience with the store.

Paulins and Geistfeld (2003)¹⁵ found that when a store had an appealing merchandise selection, it became a key reason why that store was considered desirable. Conventional grocery stores tend to be larger than specialty grocery stores and are likely to carry a wider variety of products in its assortment than a specialty store

Carpenter and Fairhurst,(2005)¹⁶ showed that utilitarian shopping benefits and hedonic shopping benefits had a positive impact on satisfaction.

Eroglu et al. (2005)¹⁷ looked at the relationship between perceived retail crowding, shopping value and satisfaction and found that perceived retail crowding had a negative effect on shopping value and, in turn, satisfaction. If the shopping experience provides qualities that are valued by the customer, satisfaction with the store is likely to result.

¹³ Nisha Rathore, 2000, "A Study on Consumer Behavior towards Organized and Unorganized Retailing" Vol No: 1, Issue No.8. ISSN 2277-1166, pp- 65 – 69.

¹⁴ Bloemer, J.M.M., Odekerken-Schroder, G., 2002. "Store Satisfaction and Store Loyalty Explained By Customer- and Store-Related Factors". Journal of Consumer Satisfaction, Disatisfaction and Complaining Behaviour. 15, pp. 68-80.

¹⁵ Paulins, V.A. and Geistfeld, L.V. (2003), "The effect of consumer perceptions of store attributes on apparel store preference", Journal of Fashion Marketing & Management, Vol. 7 No. 4, pp. 371-85.

¹⁶ Carpenter, J.M. and Fairhurst, A. (2005), "Consumer shopping value, satisfaction, and loyalty for retail apparel brands", Journal of Fashion Marketing & Management, Vol. 9 No. 3, pp. 256-69.

Indian Council for Research in International Economic Relations (ICRIER) (2008)¹⁸, developed research report titled Impact of organized retail on the unorganized sector states that retail trade alone accounts for 41.83 percent job opportunities with 14.95 million employed in the sector. Establishments involved in retail trade claimed the highest percentage both in the rural (39.28 percent) and urban (45 percent) areas. It has been the most sought after activity amongst own account establishments with a share of 48.45 percent. In rural areas, 46.52 percent own account establishments were set up for retail trade while the percentage was 51.44 in agricultural activities giving the maximum number of jobs, with a share of more than 72 percent of the total establishments. Manufacturing establishments followed retail trade with 8.32 million people employed. Social and personal service activities employed 7.35 percent during review point.

NEED OR IMPORTANCE OF STUDY

The study was made to know about satisfaction level of the customers, because the retailer faces lot of the competition in the present scenerio. So, in order to help the retailers to carry on their business sucessfully, the study was made to know the factors that is to be enhanced and developed by the small scale retailers and create a close customer relationship to develop their business.

STATEMENT OF THE PROBLEM

Now-a-days in the market the retailer faces the lots of competition due to the developement of the departmental stores. So, the study was made to know the problems faced by the customer in the small scale retail outlets, to find the factors motivating the customer and to get the valuable suggestions.

OBJECTIVES

- To know the satisfaction level of the customer of a small scale retail store.
- To find the relationship between Demographic variables of the customers and the factors that motivates the customer.
- To present the findings and offer valid suggestions.

HYPOTHESIS

GOODS AND SERVICES: Goods and Services of the retail store include the variety, quality, availability and prompt service.

H_0 : There is no significance relationship between gender / annual family income and motivating the customer.

PRICE: Price is the amount that a person has to pay for the products or services that he/she are purchase. Price factor include the fixed price, reasonable price and affordable price.

H_0 : There is no significance relationship gender / annual family income and motivating the customer.

H_0 : There is no significance relationship between occupation/ education and customer satisfaction.

LOCATION: Location is the convenient place of retail store for customers. Locations are close to residence, work place and meeting place.

H_0 : There is no significance relationship between gender / annual family income and motivating the customer.

PRODUCT: Products is available in the retail store for customer. Product must be value for money, unique and trendy, variety and quality.

H_0 : There is no significance relationship between occupation/ education and customer satisfaction.

PROMOTION: Promotion is a facility provide for customer to promote the products. Promotion includes the credit facility, free gifts and discounts.

H_0 : There is no significance relationship between occupation/ education and customer satisfaction.

PHYSICAL ASPECTS: It is a physical structure of a small scale retail store it includes the convenient location, parking space and shop atmosphere.

H_0 : There is no significance relationship between occupation/ education and customer satisfaction.

PERSONNEL INTERACTION: Personnel interaction are helpful to create a customer relationship it include the salesperson's attentiveness and helpful to customer.

H_0 : There is no significance relationship between occupation/ education and customer satisfaction.

ANALYSIS AND INTERPRETATION

This section presents the analysis and interpretation of the collected data from the sample (size 50) respondents spread throughout the area of Coimbatore city. The focus of analysis is exploring the components of customer satisfaction.

TABLE 1: CLASSIFICATION OF THE RESPONDENTS ACCORDING TO THEIR PROFILE

S. No	Factor	Category	No. of. Respondents	Percentage
1	Gender	Male	22	44
		Female	28	56
		Total	50	100
2	Age	Below 30 Years	24	48
		30-40 Years	14	28
		Above 41 Years	12	24
		Total	50	100
3	Education	School Level	20	40
		Graduate	10	20
		Post Graduate	20	40
		Total	50	100
4	Occupation	Business	20	40
		Service	04	08
		Profession	06	12
		Household	10	20
		Others	10	20
		Total	50	100
5	Annual Family Income	Below Rs.300000	40	80
		Rs.300000 – Rs.500000	10	20
		Above Rs.500000	-	-
		Total	50	100

Source: Primary Data

¹⁷ Eroglu, S.A., Machleit, K. and Barr, T.F. (2005), "Perceived retail crowding and shopping satisfaction: the role of shopping values", Journal of Business Research, Vol. 58 No. 8, pp. 1146-53.

¹⁸ Indian Council for Research in International Economic Relations (ICRIER) report on Indian Retail, New Delhi, 2008.

A brief profile of sample respondents is presented in Table 1. The Table 1 indicates that:

- ❖ 48 per cent of the respondents are male and 56 per cent of the respondents are female.
- ❖ 48 per cent of the respondents are falls under the age groups below 30 years, 28 per cent of the respondents were between the age groups of 30-40 years and 24 per cent of the respondents were above 40 years.
- ❖ 40 per cent of the respondents were school level, 20 per cent of the respondents were graduates and 40 per cent of the respondents were post graduate.
- ❖ 40 per cent of the respondents were engaged in business, 8 per cent of the respondents are belong to the service, 12 per cent of the respondents were profession, 20 per cent of the respondents were households and 20 per cent of the respondents were falls under the other category (Government employee or Private employee etc.,)
- ❖ 80 per cent of the respondents are belong to the income group of below Rs.300000, 20 per cent of the respondents were income group between Rs.300000-500000 and 0 per cent of the respondents were fell under the income group of above Rs.500000

From the above, it can be conclude that majority of the respondents were satisfied with the small scale retail outlets are female, most of the respondents were falls under the age group below 30 years, maximum of the respondents are school level and post graduate, most of the respondents were engaged in business and majority of the respondents were falls under the income group below Rs.300000.

TABLE 2: GOODS AND SERVICES AND LEVEL OF CUSTOMER SATISFACTION

Goods & Services	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Variety	18	30	02	-	-	216 (27.62)	II
Quality	20	28	02	-	-	218 (27.88)	I
Availability	06	28	14	02	-	192 (24.55)	III
Prompt Service	04	10	26	08	02	156 (19.95)	IV

Source: Primary Data

The result (Table 2) from chi - square test indicates that goods and services (Variety, Quality, Availability and Prompt Service) are not significantly related with the Gender and motivating the customer as the Calculate value (6.712, 3.35, 4.584 and 9.2), which is less than the table value (9.488) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that goods and services (Variety, Quality, Availability and Prompt Service) are not significantly related with the Annual family income and motivating the customer as the Calculate value (0.554, 2.314, 1.49 and 3.222), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Table 2 gives an overall view of the customer satisfaction with the goods and services. Quality got the I rank, Variety got the II rank, Availability got the III rank and Prompt service got the IV rank.

TABLE 3: PRICE AND LEVEL OF CUSTOMER SATISFACTION

Price	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Fixed	20	26	02	02	-	214 (37.28)	I
Reasonable	16	24	10	-	-	206 (35.89)	II
Affordable	06	06	24	14	-	154 (26.83)	III

Source: Primary Data

The result (Table 3) from chi - square test indicates that price (Fixed, Reasonable and Affordable) are not significantly related with the Gender and motivating the customer as the Calculate value (5.882, 3.368 and 1.588), which is less than the table value (9.488) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that price (Fixed, Reasonable and Affordable) are not significantly related with the Annual family income and motivating the customer as the Calculate value (3.572, 7.418 and 5.212), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Table 3 gives an overall view of the customer satisfaction with the price. Fixed got the I rank, Reasonable got the II rank and Affordable got the III rank.

TABLE 4: LOCATION AND LEVEL OF CUSTOMER SATISFACTION

Location	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Close to Residence	24	20	02	04	-	214 (44.77)	I
Close to Work Place	04	08	24	14	-	152 (31.80)	II
Close to Meeting Place	04	02	08	24	12	112 (23.43)	III

Source: Primary Data

The result (Table 4) from chi - square test indicates that location (Close to Residence, Close to Work Place and Close to Meeting Place) are not significantly related with the Gender and motivating the customer as the Calculate value (2.112, 7.678 and 5.834), which is less than the table value (9.488) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that product location (Close to Residence, Close to Work Place and Close to Meeting Place) are not significantly related with the Annual family income and motivating the customer as the Calculate value (1.71, 6.874 and 9.464), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Table 4 gives an overall view of the customer satisfaction with the product. Close to Residence got the I rank, Close to Work Place got the II rank and Close to Meeting Place got the III rank.

TABLE 5: PRODUCT AND LEVEL OF CUSTOMER SATISFACTION

Product	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Value for Money	28	20	02	-	-	226 (26.71)	I
Unique and Trendy	18	26	04	02	-	210 (24.82)	III
Quality	22	24	04	-	-	218 (25.77)	II
Variety	14	16	18	02	-	192 (22.70)	IV

Source: Primary Data

The result (Table 5) from chi - square test indicates that product (Value for Money, Unique and Trendy, Quality and Variety) are not significantly related with the Education and customer satisfaction as the Calculate value (3.214, 13.076, 3.636 and 7.722), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that product (Value for Money, Unique and Trendy, Quality and Variety) are not significantly related with the occupation and customer satisfaction as the Calculate value (5.894, 11.536, 15.71 and 22.052), which is less than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is accepted.

Table 5 gives an overall view of the customer satisfaction with the product. Value for Money got the I rank, Quality the II rank, Unique and Trendy got the III rank and Variety got the IV rank.

TABLE 6: PRICE AND LEVEL OF CUSTOMER SATISFACTION

Price	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Fixed	18	26	06	-	-	212 (40.15)	II
Reasonable	24	20	06	-	-	218 (41.29)	I
Affordable	06	02	16	06	-	98 (18.56)	III

Source: Primary Data

The result (Table 6) from chi - square test indicates that price (Fixed and Reasonable) are not significantly related with the Education and motivating the customer as the Calculate value (7.518 and 9.332), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that Affordable price are significantly related with the Education and customer satisfaction as the Calculate value (44.668), which is greater than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is rejected.

Chi - square test indicates that price (Fixed and Reasonable) are not significantly related with the occupation and customer satisfaction as the Calculate value (7.246 and 8.04), which is less than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that Affordable price are significantly related with the occupation and customer satisfaction as the Calculate value (30.452), which is greater than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is rejected.

Table 6 gives an overall view of the customer satisfaction with the price. Reasonable got the I rank, Fixed got the II rank and Affordable got the III rank.

TABLE 7: PROMOTION AND LEVEL OF CUSTOMER SATISFACTION

Promotion	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Credit Facility	22	26	-	-	02	216 (38.85)	I
Free Gifts	06	22	12	10	-	174 (31.29)	II
Discounts	08	14	18	06	04	166 (29.86)	III

Source: Primary Data

The result (Table 7) from chi - square test indicates that promotion (Credit Facility, Free Gifts and Discounts) are not significantly related with the Education and customer satisfaction as the Calculate value (5.17, 6.88 and 9.284), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that promotion (Credit Facility, Free Gifts and Discounts) are not significantly related with the occupation and customer satisfaction as the Calculate value (6.8, 22.99 and 22.856), which is less than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is accepted.

Table 7 gives an overall view of the customer satisfaction with the promotion. Credit Facility got the I rank, Free Gifts got the II rank and Discounts got the III rank.

TABLE 8: PHYSICAL ASPECTS AND LEVEL OF CUSTOMER SATISFACTION

Physical Aspects	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Convenient Location	22	18	08	02	-	210 (42)	I
Parking Space	02	04	22	14	08	128 (25.6)	III
Shop Atmosphere	06	12	20	12	-	162 (32.4)	II

Source: Primary Data

The result (Table 8) from chi - square test indicates that physical aspects (Convenient Location, Parking Space and Shop Atmosphere) are not significantly related with the Education and customer satisfaction as the Calculate value (14.418, 9.354 and 1.666), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that convenient location are not significantly related with the occupation and customer satisfaction as the Calculate value (16.38), which is less than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that parking space and shop atmosphere are significantly related with the occupation and customer satisfaction as the Calculate value (46.478 and 38.058), which is greater than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is rejected.

Table 8 gives an overall view of the customer satisfaction with the physical aspects. Convenient Location got the I rank, Parking Space got the II rank and Shop Atmosphere got the III rank.

TABLE 9: PERSONNEL INTERACTION AND LEVEL OF CUSTOMER SATISFACTION

Personnel Interaction	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Rank
Salesperson's Attentiveness	18	22	08	02	-	203 (49.76)	II
Helpful	18	24	06	02	-	208 (50.24)	I

Source: Primary Data

The result (Table 9) from chi - square test indicates that personnel interaction (Salesperson's Attentiveness and Helpful) are not significantly related with the Education and customer satisfaction as the Calculate value (6.172 and 14.582), which is less than the table value (15.507) at the level of significance 0.5. Hence, the H_0 is accepted.

Chi - square test indicates that salesperson's attentiveness are significantly related with the occupation and customer satisfaction as the Calculate value (35.47), which is greater than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is rejected.

Chi - square test indicates that helpful are not significantly related with the occupation and customer satisfaction as the Calculate value (13.528), which is less than the table value (26.296) at the level of significance 0.5. Hence, the H_0 is accepted.

Table 9 gives an overall view of the customer satisfaction with the personnel interaction. Helpful to the customer got the I rank and salesperson's attentiveness got the II rank.

FINDINGS

- Majority of the respondents are female visiting the small scale retail stores.
- Maximum of the respondents are falls under the age groups below 30 years and the respondents were school level and post graduate.
- Majority of the customer visiting the small scale retail store are middle class people falls under the income groups below Rs.300000.
- The small scale retail store motivating the customer by:
 - ❖ Quality
 - ❖ Fixed Price
 - ❖ Close to Residence
- Majority of the customer satisfied by the:
 - Value for Money
 - Reasonable Price
 - Credit Facility
 - Convenient Location
 - Helpful

- Factors influence to motivating the customer like goods and service, price and location are not significant relationship with the Gender/ Annual family income and motivating the customer.
- Factors influencing the customer satisfaction like product, price (Fixed and Reasonable), promotion, Convenient Location and salesperson's attentiveness are not significantly related with the Education/Occupation and customer satisfaction.
- Affordable price are significantly related with the Education and customer satisfaction. Also the parking space, shop atmosphere and helpful are significantly related with the Education/occupation and customer satisfaction.

SUGGESTIONS

Based on the findings, the following suggestions are recommended to the small scale retailer store. Majority of the respondents are belonging to the middle class group so they want to consider their needs. Small scale retailers want to attract the male respondents also by providing the parking space, new variety products in reasonable price, etc. The middle class people are need the variety of products with quality are available in fixed and reasonable price so concentrate on it. Develop the small scale retail outlet convenient to the customer like meeting place and work place. Increase the sales person's attractiveness to create a customer relationship.

CONCLUSION

The Customers of Coimbatore City are more concerned about, the convenience that is obtained while purchasing in a store, the quality of the product and the quality of the service. The procedures that are to be followed must be few in number. The study has spelled out the important factors that are needed for managing the customer and also how to satisfy them. First the Small scale retailers must ensure product quality and store convenience. Second, they must assure quality and availability of new products.

LIMITATION

- Sampled size is too small.
- Time period is limited.
- Customer did not provide real data.
- The survey covered only the limited area in Coimbatore city.

SCOPE FOR FUTURE STUDY

This study confined to customer satisfaction in small scale retail outlets. The study includes the demographic factors of the customer, factors motivating the customer and the characteristics influencing the customer satisfaction.

REFERENCES

1. Bloemer, J.M.M., Odekerken-Schroder, G., 2002. *Store Satisfaction and Store Loyalty Explained By Customer- and Store-Related Factors*. Journal of Consumer Satisfaction, Disatisfaction and Complaining Behaviour. 15, pp. 68-80.
2. Carpenter, J.M. and Fairhurst, A. (2005), "Consumer shopping value, satisfaction, and loyalty for retail apparel brands", Journal of Fashion Marketing & Management, Vol. 9, No. 3,
3. Indian Council for Research in International Economic Relations (ICRIER) report on Indian Retail, New Delhi, 2008.
4. Nisha Rathore, 2000, "A Study on Consumer Behavior towards Organized and Unorganized Retailing" Vol No: 1, Issue No.8. ISSN 2277-1166, pp- 65 – 69.
5. Paulins, V.A. and Geistfeld, L.V. (2003), "The effect of consumer perceptions of store attributes on apparel store preference", Journal of Fashion Marketing & Management, Vol. 7 No. 4, pp. 371-85.
6. pp. 256-69. Eroglu, S.A., Machleit, K. and Barr, T.F. (2005), "Perceived retail crowding and shoppingsatisfaction: the role of shopping values", Journal of Business Research, Vol. 58, No. 8, pp. 1146-53.

BOOKS

7. C. R. Kothari "Research Methodology", New Age International (P) Ltd. Publisher, New Delhi, 2006.
8. David Gilbert "Retail Marketing Management", Dorling Kindersely (India) Pvt. Ltd., New Delhi, 2011.
9. L M Prasad "Principles and Practice of Marketing Management", Sulthan Chand & Sons, New Delhi, 2001.
10. Philip Kotler "Marketing Management", Prentice Hall of India Pvt. Ltd., New Delhi, Mar 2008.
11. Richard M. Hill, Ralph S. Alexander, James S. Cross "Industrial Marketing "
12. S. C. Gupta, "Fundamentals of Statistics", Himalaya Publishing House, Mumbai, Apr 2004.
13. Suja Nair "Retail Management", Himalaya Publishing House, Mumbai, 2006.

WEBSITES

14. En.wikipedia.org
15. tn.smallscaleretailingsector.in
16. www.retail.com

MICRO FINANCE, SELF HELP GROUPS AND ECONOMIC EMPOWERMENT OF WOMEN IN ODISHA

DR. BANDANA PATHAK
LECTURER IN ECONOMICS
SHAILABALA WOMEN'S COLLEGE
CUTTACK

ABSTRACT

The present study finds that there is a correlation between SHGs and local politics; through membership of SHGs or SHGs clusters and federations. Village women can gain experience of relevant processes like regular meeting, taking decision etc. These are also more visible. Even SHG membership can contribute to women's election to Panchayat Raj. Other positive impacts experienced by SHG members related to increase in self worth, communication skills, desire to protest social evils, improved response to problematic situations and decrease in family violence. A consistent increased access to various amenities such as water, health and sanitation schools, and markets is also indicated through the SHGs as per the views presented by Ajay Tankha.

KEYWORDS

micro finance, SHG, economic empowerment.

INTRODUCTION

Constitution of India guarantees equal rights to men and women. But in India women are facing, political, economical, educational and legal inequality. The trend of decline is number of female in comparison to male in India says about this discrimination. Killing of unborn girl child is the result of this discrimination. The main reason behind all this is poor social status of women and their economic dependence on men. Our socio-cultural life style do not permit certain things to women by the name of religion and custom. However women are still fighting with these evil forces. Economic independence may give them a stronger hold on their rights and position in society.

The report of CARE says, out of the 1.3 billion people who live in absolute poverty around the globe, 70% percent are women. Women poverty does not just mean scarcity and want; it means rights denied, opportunities curtailed and violence (CARE). The report also depicts the following, which shows the condition of women world wide. According to the United Nations Millennium Campaign women are engaged in cooking, raising children, caring for elderly, maintaining house etc. for no pay and low status. These labour do not show up in economic analysis of a society's production and value. If they work out side they get low pay, low status position. They earn only 10% of world's income. They also earn only less than 1% of world's property. Laws and customs prevent women from owning land or other productive assets from getting loans or credit, or from having the right to inheritance or to own their home. They cannot even invest on their own in their children's future. They make up 2/3 of the estimated 876 million adults, world wide who cannot read or write and girls make up 60% of the 77 million children not attending primary schools (CARE). Women also work 2/3 of the world's working hour.

THE STATUS OF WOMEN

The past three decades have witnessed a steadily increasing awareness of the need to empower women through different measures to increase social, economic and political quality and broader access to fundamental human rights. Along with subordinate status of women has come the concept of gender as an overreaching social cultural variable, seen in relative to other factors, such as race, class, age and ethnicity (World Economic Forum). Achieving gender equality however is a slow process, since it challenges one of the most deeply entrenched of all human attitudes. Despite the intense efforts of many agencies and organization and numerous inspiring success, the picture is still disheartening. The year 2005 makes the tenth anniversary by the Beijing world conference on women bringing renewed focus and energy to the effort empowers women.

WOMEN EMPOWERMENT

Empowerment refers to increasing the spiritual, political, social and economic strength in communities. It often involves the empowered developing confidence in their capacities. Empowerment is probably the totality of the following similar capabilities.

- Having decision making power of their own.
- Having access to information and resources for taking proper decision.
- Having a range of option from where you can make choice (not just yes / no or either / or).
- Ability to exercise to assertiveness in collective decision-making.
- Having positive thinking on the ability to make change.
- Abiding to learn skill for improving one's personal or group power.
- Ability to change others perceptions by democratic means.
- Involving in the growth process and changes that is never ending and self initiated.
- Increasing one's positive image and over coming stigma.

CRITERIA FOR MEASUREMENT

Five important dimensions of female empowerment and opportunities have been chosen for examination based mainly on the findings of UNIFEM covering global pattern of inequality between men and women. (WEF 2007)

1. Economic participation
2. Economic opportunity
3. Political Empowerment.
4. Educational Empowerment.
5. Health and well being.

The economic participation of women; is their presence in the work force in quantitative terms is important not only for lowering the disproportionate levels of poverty among women but also as an important step towards, raising household income and encouraging economic development in countries as a whole. Economic participation concerns not only the actual numbers of woman participating in the labour force, but also their remuneration on an equal basis. Worldwide outside of the agricultural sector in both developed and developing countries women are still averaging slightly less than 78% of the wages given to men for the same work.

Political empowerment refers to the equitable representation of women in decision making structures both formal and informal and their voices in the formulation of policies affecting their societies. The Inter-parliamentary Union reports a world average of only 15.6% in combined house of parliament. The statistics by region offer few surprises ranging from 6.8% in the Arab states to 18.6% in the America and 39.7% in the Nordic States ("Inter Parliamentary Union 2004") While women are poorly represented in the lower levels of government they are rarer, still in the upper echelons of decision making. The absence of

women from structures of governance inevitably means that national regional and local priorities i.e. how resources are allocated, are typically defined without meaningful input from women whose life experience gives them a different awareness of the community, needs concerns and interest from that of men. For example a study in three widely differing countries (Bolivia Cameroon and Malaysia) showed that women to have a greater say in spreading priority they would be far more likely to spend family and community resources for improving health, education, community infrastructure and the eradication of poverty as opposed to the alcohol or gambling (One country 1993).

Four of the main process that could lead to women's empowerment, as by the IFAD(International Fund for Agricultural Development) evaluation were-

1. Changes in women's mobility and social interaction
2. Changes in women's labour patterns
3. Changes in women's access to control over resources and
4. Changes in women's control over decision making

Women have remain backward owing to many factors through the scriptures laid down an-exalted status for them. In recent years there has been an increasing awareness and recognition of the fact that women who formed half of the society cannot be ignored. An increasing role of women in nation building is extremely vital, women the "unsung heroine" contribute her best to the welfare and progress of the society without any glare of publicity.(Rathore M & Singh S 2008)

WOMEN ENTREPRENEURSHIP, MICRO-FINANCE AND SHGs

WOMEN ENTREPRENEURSHIP

Employment gives economic status to women. Economy status paves the way to social status. In the rural sector 56 percent of male and 33 percent of the females are in the labour force. About 66 percent of the female population in the rural sector is idle and unutilized. This is mainly due to existing social system. The young girls and women are not allowed to work independently. But now the scenario is changing fast with modernization, urbanization and development of education and business.

STRATEGIES FOR WOMEN ENTREPRENEURSHIP

According to Madhu Rathore and S, Singh talking about women entrepreneurship, brings following strategies in mind.

- Awareness generation initiatives
- Promotion of self-employment, through credit and training
- Providing lean season wage employment
- Promoting saving habit among women
- Providing a range of support service to meet gender needs.
- Addressing minimum needs such as nutrition, health, sanitation, housing and education.
- Direct involvement of women who are likely to be affected by the development programme.
- The goal of poverty reduction of poor women could organize into groups for community participation as well as to assertion of their rights in various services related to their economic and social well-being.

When we talk about entrepreneurship finance comes into the picture So in this regard it is necessary to discuss about micro-finance which is beneficial for poorer section of the society.

MICRO-FINANCE

The concept of micro-finance can best be described by the title F.A.J. Bouman's book " Small , Short and Unsecured"(1990). The concept is understood as providing poor families with very small loans(micro-credit) which help them engage in productive activities or grow their tiny business. Over time micro-finance has come to include a broader range of services, credit, savings, insurance etc. In creating the concept of micro loans Muhammad Yunus changed the lives of millions of Bangladeshis and earned himself a Nobel Prize. Grammeen Bank started in 1976 is today lending about \$130, the bank has 7 million borrowers 97 percent of them are women and an unmatched 98 percent is loan repayment rate. It creates a new dimension for micro-finance worldwide.

NEED FOR MICRO-CREDIT

In rural areas the poor have been dependent on money for their financial needs; either marriage or any other reason. The formal credit system of bank is beyond their reach. Money lender exploits them. In this situation micro-credit programmes extend small loans to poor people for self employment projects that generate income, allowing them to care for themselves and their families. In most cases, micro-credit programmes offer a combination of services and resources to their clients in addition to credit for self-employment. These often includes saving, training, knowledge and peer support.

SELF HELP GROUPS (SHGs)

The promotion of SHG in India began more formally in 2001 with the launch of the SHG Bank Linkage programme by National Bank for Agricultural Development (NABARD). The programmer's main aim was to poor's access to formal credit system in a cost effective and sustainable manner by making use of SHG's. A self help group has been defined as a small and informal association of poor having preferably similar socio-economic background and who have come together to realize some common goals and based on principles of self help and collective responsibility. SHG become relevant because of the following reasons

First ,a SHG working on the principle of solidarity helps the poor to come together to pool their saving and access credit facilities. A SHG by taping social capital like trust and reciprocation helps in replacing physical collateral; a major hurdle faced by the poor on obtaining formal credit. Then through the principles of joint liability and peer pressure, a SHG ensures prompt loan recovers from members. In the process , a SHG helps the poor especially women, to establish their credit worthiness

The second major role of SHG is in terms of their potential to empower the women members. The participation in SHG and the access obtained to savings and credit can play a transformational role of women, socially and economically. It helps a women member to meet the family's financial need. The continued participation in SHG is further likely to enhance the awareness, skills and other abilities of the women resulting in building of individual self-esteem and in getting due social recognition.

SHG MODELS

The SHGs are linked to the banks for finance. These distinct models are observed in linkage programmes between banks and self-help groups(SHGs). These are -

- Bank-SHG linkage with active support of Self Help Promotion Institution (SHPIs)
- Bank-SHG linkage with no intermediary
- Bank-SHG linkage with SHPI as intermediary

The most common linkage in India is where banks deal directly with individual SHGs. In case of most of these SHGs, the SHPI provide some initial training, guidance to rural poor in organizing themselves into thrift and credit groups. In many cases the SHPI also provide some initial support to these SHG.

A slight variation to first model is where banks provide financial support to SHGs which grow almost spontaneously without any intervention of any SHPIs. The SHGs are initiated on the basis of a common activity problem and take-up thrift and credit activities. The cases of such linkages are of course not very common.

In third model, the SHPI have taken the role of a financial intermediary between the banks and a numbers of SHGs. Again the SHPIs take up such responsibility only in respect of the groups promoted/nurtured by them and not for other groups. The SHPIs accepts the contractual responsibilities for repayment of the loan to the bank. In this respect it has indirect linkage support to the SHGs

Another model that has emerged is a combination of SHG linkage concept and credit programme where loan assistance is given to the individual members of these group and not to the group. It is also directly connected to the savings of the group. The loan in these cases are given only for income generating investment credit activities. The SHGs and SHPIs help the bank in identification, preparation of loan application, monitoring, supervision and recovery of loans.

In developing micro-finance in India especially through the SHGs have a major role for promotional institutions like,(1) Government (2) Banks (3) NGO.

GROWTH OF SHGs IN ODISHA AND MISSION SHAKTI

SHG based micro-finance programme in Orissa has started since the early 1992 with the initiative of NGOs and the refinance facility provided by NABARD. With the formation of SGSY in 1999 and launching Mission Shakti in 2001, the SHG bank linkage shows a significant growth. In Odisha Mission Shakti has been launched since the International Women's Day's on 8th March 2001. The main goal of Mission Shakti is attainment of the goal of the poverty alleviation through the participation of poor women in the process of development. A self-help mission has been setup which would look into the day to day management functions of the group dedicated to capacity building of SHGs facilitating, monitoring their activities and providing the much needed techno management support.

Taking all these into account an research is made to know the effect of SHGs in economic empowerment of women,. This paper reflects the fact about it. This paper attempts to show a relationship between Micro-finance, Women entrepreneurship, SHG and finally their role on economic empowerment of women in India. In Odisha women SHG are successful and it is helping women of the state to improve their socio-economic condition through this movement. The paper studies the role of SHG in socio-economic improvement of of women in Odisha. A sample study has been undertaken in Jajpur district of Odisha for this purpose.

OBJECTIVES OF THE STUDY

The objective of the study is to analyze how far the SHGs been able to uplift the condition of the poorer sections and women in particular. It aims at examining the following:

1. To study the contribution of SHGs in improving the condition of poorer section,
2. To investigate, the role of SHGs in improving the condition of women.
3. To examine the policies regarding women SHGs and to analyze their importance in improving the economic status of poor section.
4. To analyze the process of formation of women SHGs and stages of its development.
5. To examine the methods of record keeping and auditing of procedure of SHG in study area.
6. To investigate the extent of loan sanctioned and disbursed by commercial banks and RRBs to SHGs
7. To identify the problems and difficulties of SHGs and causes of over due.

HYPOTHESES

Hypotheses are probable statements about the findings of a research study. It provides the guidelines and directions to investigate process and conducting the research study. The present project has developed the following hypotheses

1. The SHGs are formed with people in poor economic background having similar problems
2. The SHGs has improved the economic condition of members.
3. The SHGs have been able to provide productive employment opportunities to the members in micro enterprise
4. The productive loans disbursed to SHGs is diversified by the borrowers for unproductive purpose.

SOCIO-ECONOMIC PROFILE STUDY AREA

GEOGRAPHICAL POSITION OF STUDY AREA

The Jajpur district is located from 85°40' to 86°44' East longitude and 20°33' to 21°10' north latitude. The geographical area covers 2899 sqkms. There is only Subdivisions 6 Tahsils, 10 CD blocks, 2 towns(including census towns) 2 municipalities , 12 police station, 280 gram panchayats, 1778 village, having 1575 inhabited and 203 habited villages, 7 fire stations, 6 assembly constituencies . It's normal rainfall is 1501.3 mm. This is the geographical picture of the study area in short.

Before going for sample analysis it is necessary to throw light on total numbers of SHGs and members there in different blocks of Jajpur district.

WOMEN SELF HELP GROUPS OF DIFFERENT BLOCKS

In this section particularly, self help groups are taken into account for analysis. Firstly the total no of SHGs and the members there in are also taken into account on the basis of secondary data collected from the collectorate, Jajpur district. In the next part sample analysis is done to present the results.

TABLE 1: SHGS FORMED AND NO. OF MEMBERS IN JAJPUR DISTRICT

Sl.No.	Name of Block	No. of SHG formed	No. of Members
1.	Jajpur	952	14609
2.	Dasarathpur	665	9363
3.	Binjharpur	708	10907
4.	Korei	559	7624
5.	Danagadi	522	8615
6.	Sukinda	623	7743
7.	Rasulpur	813	10562
8.	Bari	504	6746
9.	Dharmasala	798	12714
10.	Barachana	948	16043
	Total	7092	1,04,926

Source: Collectorate Jajpur district 2008.

The table-1 shows Jajpur block has got highest number of SHG but the members are more in Barachana block. On the whole the total numbers of SHGs formed are 7092 and the members are 1,04,926 in Jajpur district.

SAMPLING TECHNIQUE AND SAMPLE ANALYSIS

The Sampling Technique followed in this study is basically multistage random sampling method. But since the study is about the district as a whole, all the blocks have been taken into account. Secondary data collected from the collectorate, Jajpur district, shows so many SHG and SHG members (Table No.1). But with money and time constraint it is not possible to take all the SHG, so only 10 SHGs from each block were selected purposively that could be contacted but the number of respondents were selected at random; care is taken to select 10% of the total members because they have to inform about their socio economic status, which matters and which is important for the study.

The table shows the sample women self help groups and their total members in different blocks.

TABLE – 2: SAMPLE WSHG AND THE TOTAL OF MEMBERS

Sl.No.	Name of Block	No. of Sample WSHG	Total Members
1.	Barachana	10	152
2.	Bari	10	150
3.	Binjharpur	10	123
4.	Danagadi	10	172
5.	Dasarathpur	10	154
6.	Dharmasala	10	121
7.	Jajpur	10	176
8.	Korei	10	109
9.	Rasulpur	10	102
10.	Sukinda	10	158
	Total	100	1410

Source: Survey Data.

The table shows the total numbers of members is 1410 in all 100 WSHGs, selected purposively. The numbers of members is highest in Jajpur block i.e. 176 where as it lowest 102 in Rasulpur block. Before judging the effect of SHGs on economic empowerment we must take a look on different purposes for which credit is demanded and utilized and also take a look on their position of repayment.

TABLE – 3: PURPOSE WISE CREDIT DEMANDED AND UTILIZED

Sl. No.	Purpose Name of the Block	Domestic consumption	Health	Festivals	Repay - ment of debts	Invest ment	Others
1.	Barachana	57.66	3.22	6.11	15.67	10.89	6.45
2.	Bari	13.56	5.29	9.31	15.11	11.08	45.65
3.	Binjharpur	12.91	6.87	9.7	10.66	12.57	47.21
4.	Dangadi	15.57	9.50	8.71	11.52	11.66	43.01
5.	Dasarathpur	65.42	1.20	2.31	5.68	14.05	11.34
6.	Dharmasala	47.89	2.27	5.18	10.59	8.67	25.4
7.	Jajpur	56.40	3.81	8.13	12.66	11.20	7.80
8.	Korei	13.17	8.23	10.10	11.11	13.28	44.11
9.	Rasulpur	16.28	10.11	9.23	13.11	12.22	39.05
10.	Sukinda	50.12	3.92	2.80	11.61	9.32	22.23
	Total	34.90	5.44	7.17	11.77	11.49	29.23

Source: Survey Data.

The table-3 shows the reason behind the credit in the district and the fund utilized there in. It shows Barachana has got highest credit demand in the manner of domestic consumption but less in matter of other consumption. Jajpur has got second highest credit demand for domestic consumption and also second lowest in other category.

TABLE-4: POSITION OF REPAYMENT OF LOANS BY SHG MEMBERS IN YEAR (PERCENTAGE)

Position of Repayment	Percentage
Paid in time	47
Paid late	39
Defaulters	14
Total percentage	100

Source: Survey Data

The table shows that 47 percentage of the members paid in time 39 percentage paid at later period and 14 percent are defaulters. They are defaulters mainly due to diverting earned money in social ceremony like marriage, attending thread ceremony, or health ground or any other non- profitable purposes.

Taking all these into consideration an analysis is made to know the change in annual income status of respondents

TABLE – 5: BLOCK WISE POSITION OF PERCENTAGE OF CHANGE OF ANNUAL INCOME STATUS OF SAMPLE RESPONDENT

Sl.	Name of	% of respondent in different income change category		
		(0-10)%	(10-25)%	Above 25%
1.	Barachana	6.66	86.6	6.66
2.	Bari	6.66	93.3	-
3.	Binjharpur	16.66	83.3	-
4.	Dangadi	5.88	88.2	5.88
5.	Dasarathpur	-	100.0	-
6.	Dharmasala	-	100.0	-
7.	Jajpur	5.55	72.2	25.2
8.	Korei	27.27	72.7	-
9.	Rasulpur	-	100.00	-
10.	Sukinda	6.25	93.00	-
	Total	6.29	88.65	4.9

Source: Survey Data

The table shows the percentage of change in annual income. There are three categories like (0-10%) and (10-25%) and above 25%. Sample analysis shows maximum percentage i.e. 88.65 belongs to the category between (10-25)%. However where as only 4.9% falling in the category of (above 25%) because apart from Barachana, Danagadi and Jajpur block, no respondent of any other blocks shows there income above 25%. This change is taken into account by taking their previous period annual income before joining SHG and the average annual income after joining the SHGs. Through very meager, but the table shows that SHG movement definitely helped the women to change their income status.

SUMMARY AND FINDINGS

There is a correlation between SHGs and local politics; through membership of SHGs or SHGs clusters and federations. Village women can gain experience of relevant processes like regular meeting, taking decision etc. These are also more visible. Even SHG membership can contribute to women's election to Panchayat Raj.

Other positive impacts experienced by SHG members related to increase in self worth, communication skills, desire to protest social evils, improved response to problematic situations and decrease in family violence. A consistent increased access to various amenities such as water, health and sanitation schools, and markets is also indicated through the SHGs as per the views presented by Ajay Tankha.

The study has experienced the benefits of SHGs, some activities are worth mentioning.

- Most of the members save regularly; as per the norms, presented by the group.
- All the groups meet several times in a month to discuss social issues and their day to day life.
- 100% of children of SHG members have access to immunization services to the six diseases.
- 35% of the members have safe cooking fuels.
- Members are engaged in various income generating activities like, dairy, goatery, badi and papad making, solita or bati making, individual business and many other activities.
- Additional family income increase, depending upon the income generation activity.

The study suggests that skilled and dedicated staffs are to be involved in this movement for maintenance of group activity, periodic auditing and system of flow of information and better management, so that it can be a powerful weapon to fight poverty and bring economic empowerment to women.

REFERENCES

1. CARE(2008) Women's Empowerment UN Office of the Special Advisor on gender Issue [http:// www.selfgrowthtest.com](http://www.selfgrowthtest.com) by Wikipedia.org
2. One Country (1993) traditional media as Change Agent vol-5 Issue-3 October-December. New York Bahai Limitational community
3. Pathak Bandana(2013) Economic Empowerment of Women and Self Help Groups in Orissa (An empirical Study of Jajpur district).Bitayinee Publication, Cuttack.
4. Rathore Madhu and Singh S (2008) Women Enterprise. A step towards successes Kuruksheetra, January pg-8
5. Tankha Ajay (2002) Self Help Groups as Financial Intermediaries in India. Cost of Promotion, sustainability and Impact. A study prepared for ICCO and Cordaid.The Nehterland by Sa-Dhan
6. World Economic Forum (2007) Women Empowerment Measuring the Global gender Gap. The status of women current reality.pg-5



FACTORS OF SPECIFIC JOB SATISFACTION AND GENERAL JOB SATISFACTION

TRUONG HONGNGOC
INDEPENDENT RESEARCHER
CHUNG YUAN CHRISTIAN UNIVERSITY
TAIWAN

MARIA KATHRINA DIAZ
LECTURER
YUAN ZE UNIVERSITY
TAIWAN

ABSTRACT

Job satisfaction is the sense when the employees feel satisfy with their job. Various factors influence job satisfaction. This research developed a questionnaire to evaluate banking employees' opinions and perceptions regarding work motivational factors and job satisfaction which includes specific job satisfaction and general job satisfaction. Five hundred participants responded, a 100% response rate. Exploratory Factor Analysis and Cronbach's alpha were computed to measure the reliability and validity of work motivational factors. The mean value for each factor was documented. Multiple regression analysis was used to determine the predictors of job satisfaction. The analysis results indicated that Advancement Opportunities, Work Itself, Work Conditions, and Relationship with Superiors, directly impacted job satisfaction including specific job satisfaction and general job satisfaction.

KEYWORDS

general job satisfaction, Job satisfaction, quantitative method, Specific job satisfaction, Work motivational factors.

JEL CODES

C3, M1, M10, M12.

1. INTRODUCTION

Hoppock (1935) indicates that job satisfaction means the employees' mental, physical and environmental satisfaction. Likely, Young (1984, p. 115) confirm that job satisfaction has meanings for the employees related to physical and mental health, for the organization related to good performance on the job, and for society related to quantity and quality of life. The organization's job designs will determine whether the work motivational factors are acceptable to the employees' motivation. If the employees are attracted to the motivational system of their organization, they will probably satisfy with their work. Therefore, job satisfaction will be examined both theoretically and practically. In respect of the latter, what the employees experience in their job including various factors such as nine job factors of Spector (1997), ten factors of Kovach (1995), or even twenty factors of Weiss et al. (1967) will form important areas of concern. There are also many other researchers proposed job factors that contribute to job satisfaction (e.g. Locke, 1976; Schermerhorn, 1993; Sempene et al., 2002). It will then be drawn between the motivational factors of the employees and their job satisfaction patterns in order to arrive at or bring out a positive attitude towards their job in their organization. It has been traditionally used to confirm the effectiveness of job redesign and motivational conditions at work.

2. LITERATURE REVIEW**2.1 JOB SATISFACTION**

Many researchers have attempted to define job satisfaction. Job satisfaction is defined as the sense when the employees feel satisfy or dissatisfy with their job and the extent to which the employees like or dislike their job (Spector, 1997, p. 2). Many scholars define job satisfaction as a positive emotional state resulting from the pleasure that employees have from the job (Locke, 1976; Spector, 1997) or a general affective reaction or emotional response that employees hold about their job and towards various aspects of an employee's work (Schermerhorn, 1993; Kim, 2005, p. 668). Job satisfaction is believed to reflect an employee's affective and/or cognitive assessment of his or her working conditions and job attributes (Weiss & Cropanzano, 1996). Spector (1997) refers to job satisfaction as a cluster of feelings about the job or an attitude toward job. Locke (1976) introduced that the more an employee values a particular factor of a job, the more he/she feels dissatisfied. Therefore, the employees are satisfied with their jobs when they are interested in their jobs (Locke, 1976). Unlikely, Vroom (1995) defined job satisfaction as an orientation of employees for job effectiveness in the organization. He believed that job satisfaction is based on employees' evaluation of what they want to get from a job. Therefore, satisfaction and dissatisfaction are always changed by work motivational factors (Herzberg, 1964, 1968; Maslow, 1943; Hoppock, 1935). Hence, researchers and practitioners most often measure job satisfaction with different factors. The term "job satisfaction" has been defined in many ways. However, for the purposes of this study, the term is defined as a subjective quality that is measured how the employees feel satisfy with their job in the effects of job motivational factors. Examination of these factors' conditions is often useful for a more careful examination of employee satisfaction with critical work motivational factors. Moreover, job motivation and job satisfaction are all closely related concepts (Herzberg, 1964, 1968; Landy, 1989; Beck, 1999). Job satisfaction indicates what motivates the employees (Whisenand & Rush, 1998). On the basis of this field, Hackman and Oldham (1975) developed the theory that the job should be designed to possess fundamental characteristics needed to create conditions for high work motivation and job satisfaction. Likely, Locke (1976) confirmed the idea that job satisfaction is associated with the job related factors.

2.2 WORK MOTIVATIONAL FACTORS

A variety of work motivational factors can define job satisfaction since the particular work motivational factors represent characteristics associated with job satisfaction. For recent decades, there are many studies that are on-going search to shape job motivational factors and job satisfaction based on employees' needs. Various work motivational factors towards positive job satisfaction are indicated in a number of following studies.

Herzberg (1964, 1968) discovered that satisfaction and dissatisfaction are not constant because they both depend on the impact factors that in turn depend on the employees' attitudes, and cognition about their job. He states that the factors of achievement, recognition, and work-itself and salary, job security, responsibility, advancement and growth opportunities, remuneration, relationships at work, status, job security, working position, supervision, company policies, work conditions, and personal life can lead to satisfaction and dissatisfaction as well. Furthermore, employees mostly expect that their job can include certain preferential values such as good payment, promotion opportunities and autonomy (Porter & Steers, 1973). Moreover, job motivational factors, such as pay satisfaction, opportunities for promotion, task clarity and relationships with co-workers and supervisors, have significant effects on job satisfaction of employees (Ting, 1997). Spector (1997) identified that the job satisfaction is measured by a coherent of nine dimensions, namely Pay, Promotion, Supervision, Benefits, Contingent rewards, Operating procedures, Coworkers, Nature of work, Communication. Moreover, Ellickson and Logsdon's (2002) research work reflected that job satisfaction of employees was significantly influenced by pay, promotional opportunities, and relationships with supervisors, employees' performance, management systems and fringe benefits. This view is supported Spector's research work in 1997.

Locke (1976) insisted that job satisfaction was influenced by achievement and sense of success from the job as well as increase in salary, promotion opportunities and recognition. Brief (1998) suggested that pay, promotional opportunities, supervisor, and coworkers can bring an employee job satisfaction. The work motivational factors that contribute significantly to employees' job satisfaction are work itself, promotions, pay and benefits, working conditions, supervision and co-workers (Sempane et al., 2002). Schermerhorn (1993) emphasizes that causes of job satisfaction include status, supervision, co-worker relationships, job content, remuneration and extrinsic rewards, promotion and physical conditions of the work environment, as well as organizational structure. After that, Schermerhorn and his colleagues (2011) added four more categories of factors those affecting job satisfaction including challenging jobs, equitable reward system, salary and promotional opportunities, good colleagues' relationships, and conducive working environments. Kovach (1995) offered ten job motivational factors that involved: 1. Interesting work, 2. Full appreciation of work done, 3. Feeling of being in on things, 4. Job security, 5. Good wages, 6. Promotion and growth in the organization, 7. Good working conditions, 8. Personal loyalty to employees, 9. Tactful discipline, and 10. Sympathetic help with personal problems. Weiss and his co-authors (1967) believed that work motivational factors that assess satisfaction with specific aspects of a job such as job security, coworkers, working conditions, company policies, and opportunities for achievement, accomplishment, and advancement.

As Fritzsche and Parrish (2005) note that no theory is available to guide selection of which factors are most important under which circumstances. The scholars all over the world discussed about job satisfaction and its related factors through several decades and the results of different studies are different. In general, however, there are some common criteria factors, such as salary, advancement opportunities, and work conditions, relationships with colleagues and superiors, fringe benefits, and work itself. An overview of factors in previous studies that have shown these factors closely relate to the employees' works. The findings drawn from the literature review to suggest that work motivational factors do impact job satisfaction. However, in this study, job satisfaction refers to specific job satisfaction and general job satisfaction. This model will conduct an investigation in the banking industry in Vietnam more specifically. The hypotheses are proposed as following:

H1 – Factor Work-Itself will significantly affect directly to specific job satisfaction and general job satisfaction.

H2 – Factor Work Conditions will significantly affect directly to specific job satisfaction and general job satisfaction.

H3 – Factor Advancement Opportunities will significantly affect directly to specific job satisfaction and general job satisfaction.

H4 – Factor Salaries will significantly affect directly to specific job satisfaction and general job satisfaction.

H5 – Factor Fringe Benefits will significantly affect directly to specific job satisfaction and general job satisfaction.

H6 – Factor Relationships with Colleagues will significantly affect directly to specific job satisfaction and general job satisfaction.

H7 – Factor Relationships with Superiors will significantly affect directly to specific job satisfaction and general job satisfaction.

The research applied a quantitative method to collect data with a 5-point Likert scale questionnaire. There are advantages using questionnaires in a quantitative approach. Firstly, using a questionnaire is a simple and effective method to collect a large sample of data. The researcher's influence on the participants is minimized, and the respondents are able to choose whether they want to participate. Secondly, the questionnaire survey is a useful way to obtain information about sensitive topics (Chadwick et al., 1984). Finally, if the respondent is convinced that the questionnaire is anonymous, he or she can freely report attitudes and behaviors without embarrassment or fear of reprisal (Bjorklund, 2001). In the next section, the measuring instruments are shown in detail.

3. MEASURING INSTRUMENTS

The decision to investigate particular factors comes from literature reviews and previous researches on the topic. Work motivational factors of Work-itself, Work conditions, advancement opportunities, Salaries, Relationships with colleagues and superiors, Fringe benefits were assumed that they can contribute to job satisfaction. The items to measure these factors are presented in Table 1.

TABLE 1 – ITEMS TO MEASURE THE PROPOSED WORK MOTIVATIONAL FACTORS

Work itself		Adapted from
1	You can use your capabilities well and have a chance to make use of your best abilities for the current job.	Weiss et al. (1967)
2	Your job is steady; you're not worry losing the job.	
3	Your job suits your expertise.	
4	Your work is interesting and challenging.	
5	Your job suits your health.	Smith et al. (1969); Hackman & Oldham (1975)
6	You're not required to work over-time frequently.	Self-source
7	Your job suits your power and responsibility.	Lau (1992)
Work conditions		Adapted from
1	The physical work conditions (facilities, machinery, equipment...) and environment (temperature, light, noise...) of your organization is favorable.	Weiss et al. (1967); Hackman & Oldham (1975)
2	Working physical conditions in this organization is satisfactory and pleasant.	Halpern (1966); Weiss et al. (1967)
3	You work in a comfortable physical environment.	Sowmya & Panchanatham (2011); Weiss et al. (1967)
4	You are not suffering from occupational diseases such as headache, asthenia, sore eyes, respiratory disease...	Rahman (2013)
5	You are given full labor protection.	Morgeson & Humphrey (2006)
6	The organization often arranges for the employees periodic health examinations.	Self-source
Advancement opportunities		Adapted from
1	You know the requirements for advancement of your organization and you are being able to see the results of the job you do.	Weiss et al. (1967)
2	The organization offers employees a policy for professional development fairly.	Weiss et al. (1967); Smith et al. (1969)
3	The organization offers employees many good opportunities for advancement.	
4	The organization offers you clear plans about training and professional development.	
5	The organization trains you with knowledge and skills that are necessary for your works so you have opportunities to learn new things from your work.	Hackman & Oldham (1975)
6	The organization regularly offers employees many promotions.	Smith et al. (1969)
7	The organization subsidies fully for your training fees.	Self-source
Salaries		Adapted from
1	You can see your work performances obviously.	Morgeson & Humphrey (2006); Campion & McClelland (1991); Sims et al. (1976)
2	Your salaries are commensurate with your work performances.	Spector (1985); McCook (2002)
3	The organization pays employees fairly.	Sowmya & Panchanatham (2011); Lau (1992)
4	You can totally depend on the incomes from your organization for your livings.	Sowmya & Panchanatham (2011)
5	The organization offer you higher salary compare to the other organizations.	Smith et al., 1969)
6	You usually get a raise after you have done good jobs.	Spector (1985)
Fringe benefits		Adapted from
1	The organization offer good policy for social insurance and health insurance.	Morgeson & Humphrey (2006); Karasek et al. (1998); Lau (1992)
2	The organization offer good policy for retirement.	Spector (1985)
3	The organization offer good policy for vacations and holidays.	Lau (1992)
4	The organization offer good subsidy for overtime working.	Eum et al. (2007)
5	The organization offer good policy and subsidy for hazardous/ dangerous work.	Morgeson & Humphrey (2006)
Relationships with colleagues		Adapted from
1	You are glad to work with your colleagues and you like the people you work with.	Sowmya & Panchanatham (2011); Spector (1985)
2	You and your colleagues work together well, cooperate, and help one another in routine duties.	Sowmya & Panchanatham (2011); Lau (1992)
3	You and your colleagues often help each other and you often ask opinions of your colleagues.	Sowmya & Panchanatham (2011)
Relationships with superiors		Adapted from
1	You're respected and trusted in work.	Self-source
2	Superiors treat the employees in the organization fairly.	Boeve (2007)
3	Superiors are friendly and behave properly with you.	Sowmya & Panchanatham (2011)
4	Superiors usually support you in works.	Pietersen (2005)
5	Superiors usually ask for your suggestions related to works.	Smith et al. (1969)
6	Labor Union officer usually helps you to solve conflicts with superiors and with colleagues	Self-source

Specific Job Satisfaction is Employees' job satisfaction based on specific motivators such as security, pay and fringe benefits, personal growth and development opportunities, fair treatment, support and guidance from my supervisor, etc. The factor of Specific Job Satisfaction is measured by 15 items. 14 of the items were adapted from Hackman and Oldham's (1974) Job Diagnostic Survey. Another one item was adapted from Waskiewicz (1999). Besides, General Job Satisfaction is overall job satisfaction. 10 items are adapted to measure general job satisfaction. See Table 2.

TABLE 2 – TWO DIMENSIONS OF JOB SATISFACTION

Specific Job Satisfaction		Adapted from
1	You're satisfied with the amount of security you have.	Hackman & Oldham (1974)
2	You're satisfied with the amount of pay and fringe benefits I receive.	
3	You're satisfied with the amount of personal growth and development you get in doing my job.	
4	You're satisfied with the people you talk to and work with on your job.	
5	You're satisfied with the degree of respect and fair treatment you receive from your boss.	
6	You're satisfied with the feeling of worthwhile accomplishment you get from doing your job.	
7	You're satisfied with the chance to get to know other people while on the job.	
8	You're satisfied with the amount of support and guidance I receive from your supervisor.	
9	You're satisfied with the degree to which you're fairly paid for what you contribute to this organization.	
10	You're satisfied with the amount of independent thought and action you can exercise in your job.	
11	You're satisfied with how secure things look for you in the future in this organization.	
12	You're satisfied with the chance to help other people while at work.	
13	You're satisfied with the amount of challenge in your job.	
14	You're satisfied with the overall quality of the supervision you receive in your work.	
15	You're satisfied since you receive an equitable salary	Waskiewicz (1999)
General Job Satisfaction		Adapted from
1	You're satisfied when you work for this organization.	Smith et al. (1969); Mowday et al. (1979); Iris & Barrett (1972)
2	You talk about this company as a great organization to work for.	
3	Generally speaking, you're satisfied with your present job.	McCook (2002); Mowday et al., (1979)
4	If you can choose other jobs, you still want to choose your present job.	
5	If your close friend wants to work for your organization, you will suggest to him/her.	Bjorklund (2001); Hackman & Oldham (1974); Quinn & Staines (1979); Iris & Barrett (1972)
6	You're generally satisfied with the kind of work you do in this job.	
7	You frequently think of quitting this job.	Quinn & Staines (1979)
8	Most people of this job are satisfied with the job.	
9	People on this job often think of quitting.	
10	You're satisfied with your job for the time being.	Hackman & Oldham (1974)
		Munshi (2010)

4. RESEARCH RESULTS

A quantitative empirical study is unfolded in order to test the research hypotheses. A quasi-experimental method was used. The quasi-experimental experiment is an examination which not used pretests, posttests, control groups, and random sampling (Neuman, 2006).

Although the questionnaire for the quantitative study in this present research was very long, the response rate was absolutely high, 100%; and, there is no missing data. The research sample included 500 respondents from 8 different banks in Vietnam. This research treats missing values as follows. If an individual left one or more item(s) unanswered, a "zero" for the answer(s) is input. However, if the number of unanswered items exceeded the 20% threshold of items measuring the same latent variable, that answer sheet will be removed. Within this examination, a questionnaire was developed. Consequently, a questionnaire tool of a total of 77 items in four different categories was constructed.

After reliability tests, the reliable factors include: 1. Factor Advancement Opportunities (6 items); 2. Factor Relationship with Superiors (6 items); 3. Factor Relationship with Colleagues (3 items); 4. Factor Working Conditions (3 items); 5. Factor Salaries (4 items); 6. Factor Work-itself (3 items); 7. Factor Fringe Benefits (3 items); 8. Factor Subsidies (2 items); 9. Factor Securities (5 items); 10. Factor Specific Job Satisfaction (11 items); General Job Satisfaction (6 items). The reliability analysis also showed two new factors, namely Subsidies and Securities. The Cronbach's alpha values of 11 factors are as in Table 3.

TABLE 3 – RELIABILITY ANALYSIS

Variables	Cronbach's Alpha	N of Items	Cronbach's Alpha (N of items = 35)
Professional Development Opportunities	.827	6	.943
Relationship with Superiors	.801	6	
Relationship with Colleagues	.820	3	
Working Physical Environment	.773	3	
Salaries	.785	4	
Work-itself	.738	3	
Fringe Benefits	.671	3	
Subsidies	.753	2	
Securities	.581	5	
Specific job satisfaction	.962	11	
General job satisfaction	.973	6	
All corrected item-total correlation values are greater than 0.3			

Factor Securities has a poor Cronbach's Alpha value ($\alpha = .581$). Hence, this factor (includes 5 items) is unreliable and can be deleted in further analysis. In the opposite, factor Subsidies has a good Cronbach's Alpha value ($\alpha = .753$). Thus, this factor is reliable and can be used in further analysis.

4.1 EXPLORATORY FACTOR ANALYSIS

For these data, the KMO measurement value is 0.888, which falls into the range of being great, so it should be confident that the sample size is adequate for factor analysis. Bartlett's test is strongly significant at zero. This means factor analysis is suitable. Besides, total variance explanation results indicate that 9 factors of work motivation all have Eigenvalues > 1. It means there is no component should be deleted. In addition, cumulative value is 61.955% (> 50%). This means that the 9 factors together account for 61.955% of the total variance. Taken together, these tests provide a minimum standard which should be passed before an exploratory factor analysis should be conducted. In addition, Rotated Component Matrix with type suppresses absolute small coefficients that have values below 0.4 showed 35 items in 9 groups. Since this rotation was executed using a Varimax rotation, it can conclude that each of 9 factors is independent of

all the others. In short, the KMO measure and Bartlett's test showed that using a factor analysis is an appropriate way of reducing questions in all of the scales. Furthermore, 35 items of work motivational factors suggested by the developer were confirmed in the research.

Another test is made in order to check if entire of items has the same measurement. Thereafter, one-sample T-test is employed. One-sample statistics is used for testing judgement of all banking employees on all research variables. The result shows values of mean of all variables in Table 4.

TABLE 4 – ONE-SAMPLE STATISTICS

Variables	Mean	Meaning
Advancement Opportunities	3.4323	Agree
Relationship with Superiors	3.5093	Agree
Relationship with Colleagues	3.7520	Agree
Working Conditions	3.8827	Agree
Salaries	3.1780	Fair
Work Itself	3.5720	Agree
Fringe Benefits	3.6513	Agree
Subsidies	3.3840	Fair
Securities	3.4932	Agree
Specific Job Satisfaction	3.6708	Satisfy
General Job Satisfaction	3.8238	Satisfy

The mean values of the research variables showed the employees' positive perceptions about the job related conditions and job satisfaction. In general, the employees have positive attitudes to advancement opportunities, Relationship with Superiors, and Relationship with Colleagues, Working Conditions, and Work Itself, Fringe Benefits, and Securities. However, they have no idea about Salaries and Subsidies. These two factors might not impact to their job satisfaction. But, the employees are satisfied with their job. So, multi-linear regression analysis is applied to determine which factor will influence on job satisfaction.

4.2 MOTIVATORS OF SPECIFIC JOB SATISFACTION, GENERAL JOB SATISFACTION

In the current research, many of indices were included. In order to explore which of the independent variables that impact job satisfaction, an enter-multiple regression was performed. The enter solution starts with calculating the total multiple regression equation, then shows all variables from the equation including the variables that do not contribute significantly to the prediction of the criterion, here job satisfaction and organizational commitment, based on the significance tests of their beta weights. In this procedure, the multiple correlation coefficients are not reduced as no variable is removed.

A simple regression analysis is conducted with work motivational factors (X) predicting Specific Job Satisfaction (Y1). At another side, another simple regression analysis is conducted with work motivational factors (X) predicting General Job Satisfaction (Y2). The result of the regression is as follow:

$$Y1 = 3.671 + .097X1 + .076X2 + .182X4 - .184X6$$

$$Y2 = 3.824 + .130X1 + .142X2 + .201X4 - .137X6$$

Where:

Y1: Specific Job Satisfaction level of all employees

Y2: General Job Satisfaction level of all employees

X₁: Advancement Opportunities

X₂: Relationship with Superiors

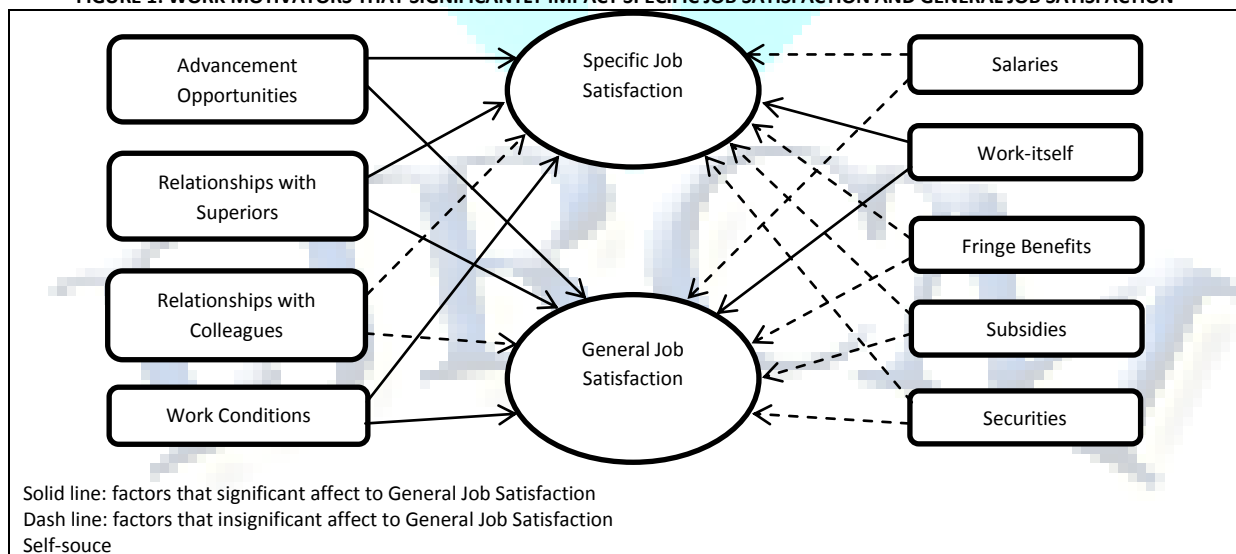
X₄: Work Conditions

X₆: Work-itself

The empirical results revealed that the factor Salaries did not significant impact to job satisfaction in this research. It is possible since money is not always the best motivation factor as the employees still have their social needs (Mayo, 1923; Munshi, 2010). Therefore, the factors of Advancement Opportunities, Relationship with Superior, Work Conditions, and Work-itself were the factors that strongest contributed to Specific Job Satisfaction and General Job Satisfaction. Moreover, unlikely to previous studies, the factors of Relationships with colleagues, Fringe benefits, Subsidies, and Securities did not affect to job satisfaction.

In short, the hypotheses H1, H2, H3, and H7 were supported. See Figure 1.

FIGURE 1: WORK MOTIVATORS THAT SIGNIFICANTLY IMPACT SPECIFIC JOB SATISFACTION AND GENERAL JOB SATISFACTION



CONCLUSION

Job satisfaction is the sense when the employees feel satisfy with their job. Various factors influence job satisfaction. The analysis results indicated that Advancement Opportunities, Work Itself, Work Conditions, and Relationship with Superiors, directly impacted job satisfaction including specific job satisfaction and general job satisfaction.

REFERENCES

1. Beck, K. (1999), "Optimising the Organizational Commitment of Police Officers: Background and Summary of the Research and Guidelines for Management," Report Series No. 122.4, Australian Centre for Police Research.
2. Bjorklund C. (2001): "Work Motivation - Studies of its Determinants and Outcomes," Dissertation for the degree of Doctor of Philosophy, Ph.D. Stockholm School of Economics.
3. Boeve W.D. (2007): "A National Study of Job Satisfaction Factors among Faculty in Physician Assistant Education," Master's Theses and Doctoral Dissertations, Paper 60, Department of Leadership and Counseling, Eastern Michigan University.
4. Brief, A.P. (1998), "Attitudes in and around organizations." Thousand Oaks, CA: Sage.
5. Campion, M.A. and McClelland, C.L. (1991), "Interdisciplinary examination of the costs and benefits of enlarged jobs: A job design quasiexperiment," *Journal of Applied Psychology*, Vol. 76, pp. 186-198.
6. Chadwick, B.A., Bahr, H.M., and Albrecht, S.L. (1984), "Social Science Research Methods." Englewood Cliffs, NJ: Prentice-Hall.
7. Ellickson, M.C. and Logsdon, K. (2002), "Determinants of job satisfaction of municipal government employees," [Electronic version], *Public Personnel Management*, Vol. 31, No. 3, pp. 343-358.
8. Eum, K.D., Li, J., Lee, H.E., Kim, S.S., Paek, D., Siegrist, J., and Cho, S.I. (2007), "Psychometric properties of the Korean version of the effort-reward imbalance questionnaire: a study in a petrochemical company," *Int Arch Occup. Environ Health*, Vol. 80, No. 8, pp. 653-661.
9. Fritzsche, B.A. and Parrish, T.J. (2005), "Theories and research on job satisfaction." In R. Brown & R. Lent, Eds. *Career development and counseling: Putting theory and research to work* (pp. 180-202). New York: Wiley.
10. Hackman, J.R. and Oldham, G.R. (1974), "The Job Diagnostic Survey: An instrument for the diagnosis of jobs and the evaluation of job redesign projects (Technical Report No. 4)." New Haven, CT: Yale University. (U.S. Department of Commerce, National Technical Information Service Document No. AD-779 828).
11. Hackman, J.R. and Oldham, G.R. (1975), "Development of the Job Diagnostic Survey," *Journal of Applied Psychology*, Vol. 60, No. 2, pp. 159-170.
12. Halpern, G. (1966), "Relative contributions of motivation & hygiene to overall job satisfaction," *Journal of Applied Psychology*, Vol. 50, pp. 198-200.
13. Herzberg, F. (1964), "The Motivation-Hygiene Concept and Problems of Manpower," *Personnel Administrator*, Vol. 27 (January-February), pp. 3-7.
14. Herzberg, F. (1968), "One More Time: How Do You Motivate Employees?" *Harvard Business Review*, Vol. 46, No. 1, pp. 53-62.
15. Hoppock, R. (1935), "Job satisfaction." New York: Harper and Brothers.
16. Iris, B. and Barrett, G. (1972), "Some relations between job and life satisfaction and job importance," *Journal of Applied Psychology*, Vol. 56, No. 4, pp. 301-304.
17. Karasek, R., Brisson, C., Kawakami, N., Houtman, I., Bongers, P., and Amick, B. (1998), "The Job Content Questionnaire (JCQ): An instrument for internationally comparative assessment of psychosocial job characteristics," *Journal of Occupational Health Psychology*, Vol. 3, pp. 322-355.
18. Kim, S. (2005), "Gender differences in the job satisfaction of public employees: A study of Seoul metropolitan government, Korea," *Sex Roles*, Vol. 52, No. 9/10, pp. 667-681.
19. Kovach, K.A. (1995), "Employee motivation: Addressing a crucial factor in you organization's performance," *Employment Relations Today*, Vol. 22, No. 2, pp. 93-107.
20. Landy, F.J. (1989), "Psychology of Work behavior." Pacific Grove, California, Brooks/Cole Publishing Company.
21. Lau H.W. (1992), "Factors that motivate teachers in government secondary schools," Dissertation, University of Hong Kong.
22. Locke, E.A. (1976), "The nature and causes of job satisfaction," In M. D. Dunnette (Ed.). *Handbook of industrial and organizational psychology* (1297-1349). Chicago: Rand McNally College Publishing Company.
23. Maslow, A.H. (1943), "A Theory of Human Motivation," Originally Published in *Psychological Review*, Vol. 50, pp. 370-396.
24. Mayo, E. (1923), "The irrational factor in human behavior: The 'night-mind' in industry," *The Annals of the American Academy of Political and Social Science*, Vol. 110, pp. 117-130.
25. McCook K.D. (2002), "Organizational perceptions and their relationships to job attitudes, effort, performance and organizational citizenship behaviors," Dissertation, Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College.
26. Morgeson, F.P. and Humphrey, S.E. (2006), "The Work Design Questionnaire (WDQ): Developing and validating a comprehensive measure for assessing job design and the nature of work," *Journal of Applied Psychology*, Vol. 91, pp. 1321-1339.
27. Mowday, R.T., Steers, R.M., and Porter, L.W. (1979), "The measurement of organizational commitment," *Journal of Vocational Behaviour*, Vol. 14, No. 2, pp. 224-247.
28. Munshi N.M. (2010), "A Comparative Analysis of Job Satisfaction Level of Management Teachers of MBA Colleges in Gujarat State," Thesis PhD, Saurashtra University.
29. Neuman, W.L. (2006), "Social Research Methods: Qualitative and quantitative approaches," 6th Edition. Boston: Pearson Education, Inc.
30. Pietersen, C. (2005), "Job Satisfaction of Hospital Nursing Staff," *SA Journal of Human Resource Management*, Vol. 3, No. 2, pp. 19-25.
31. Porter, L.W. and Steers, R.M. (1973), "Organizational, Work And Personal Factors In Employee Turnover And Absenteeism," *Psychological Bulletin*, Vol. 80, No. 2, pp. 151-176.
32. Quinn, R.P. and Staines, G.L. (1979), "The 1977 Quality of Employment Survey," Institute of Social Research, University of Michigan, Ann Arbor, Michigan.
33. Rahman, M.H. (2013), "Employees' Motivation in Public and Private Commercial Banks in Bangladesh: A Study on Need-Based Approach," *Global Disclosure of Economics and Business*, Vol. 2, No. 2, pp. 84-91.
34. Schermerhorn Jr., J.R., Hunt, J.G., Osborn, R.N., and Uhl-Bein, M. (2011), "Organizational Behavior (11th Ed.)." Pennsylvania, USA: John Wiley & Sons Inc.
35. Schermerhorn, J.R. (1993), "Management for productivity (4th Ed.)." Canada: John Wiley & Sons, Inc.
36. Sempene, M., Rieger, H., and Roodt, G. (2002), "Job Satisfaction In Relation To Organisational Culture," *South African Journal of Industrial Psychology*, Vol. 28, No. 2, pp. 23-30.
37. Sims, H.P., Szilagyi, A.D., and Keller, R.T. (1976), "The measurement of job characteristics," *Academy of Management Journal*, Vol. 19, pp. 195-212.
38. Smith, P.C., Kendall, L.M., and Hulin, C.L. (1969), "The measurement of satisfaction in work and retirement." Chicago: Rand McNally.
39. Sowmya, K.R. and Panchanatham, N. (2011), "Factors influencing job satisfaction of banking sector employees in Chennai, India," *Journal of Law and Conflict Resolution*, Vol. 3, No. 5, pp. 76-79.
40. Spector, P.E. (1997), "Job satisfaction: Application, Assessment, Causes, And Consequences." Thousand Oaks, CA: Sage.
41. Ting, Y. (1997), "Determinants of Job Satisfaction of Federal Government Employees," *Public Personnel Management*, Vol. 26, No. 3, pp. 313-334.
42. Vroom, V. (1995), "Work and Motivation," *International Journal of Manpower*, Vol. 18, No. 3, pp. 263-280.
43. Waskiewicz S.P. (1999), "Variables That Contribute To Job Satisfaction Of Secondary School Assistant Principals," Dissertation, Faculty of the Virginia Polytechnic Institute and State University, Blacksburg, Virginia.
44. Weiss, D.J., Dawis, R.V., England, G.W., and Lofquist, L.H. (1967), "Manual for the Minnesota Satisfaction Questionnaire." Minneapolis: The University of Minnesota Press.
45. Weiss, H.M. and Cropanzano, R.S. (1996), "Affective events Theory: A Theoretical Discussion of the Structure, Causes and Consequences of Affective Experiences at Work," *Research in organizational behavior*, Vol. 18, pp. 1-74.
46. Whisenand, P. and G. Rush (1998), "Supervising Police Personnel: The Fifteen Responsibilities (3rd Ed.)." New Jersey: Prentice Hall.
47. Young, P.I. (1984), "An examination of job satisfaction for female and male public school superintendents," *Planning and Changing*, Vol. 15, No. 2, pp. 114-124.

THE CURRENT SCENARIO OF GOLDEN FIBRE: A SPECIAL STUDY ON JUTE IN THE CONTEXT OF INDIA

RUSHA SARKAR
RESEARCH SCHOLAR
REGIONAL AND ECONOMIC PLANNING
BARKATULLAH VISHWAVIDYALAYA
BHOPAL

ABSTRACT

Jute, the Golden Fibre occupies an important place not in the economy of West Bengal but also in the National Economy of India through out years. Jute is the cheapest vegetable fibre procured from the skin of the plant's stem and second most important vegetable fibre after cotton for production, consumption and also for availability. Basically, Jute is 100% bio-degradable, natural, renewable and eco-friendly product. Jute was one of the commercial product under british commercialization policy. Jute is actually a export oriented product. Jute fibres are used for curtains, chair coverings, carpets, area rugs, hession cloth etc. Jute is used in paper making and also in manufacturing industry, textile industry etc. The paper discusses various importance of jute goods and jute plants. The paper discusses the production scenario of jute goods since 1995-96 to 2013-14 and I find out the estimated value, of production with the help of time-series analysis. The paper also discusses the domestic consumption scenario and exports of jute goods after reforms period and growth rates. The paper elaborates various problems faced by jute industry currently. Finally, I give some suggestions to improve the condition of the jute industries.

KEYWORDS

Bio-degradable, Renewable, Eco-friendly, Commercialization. Reforms period.

INTRODUCTION

Jute, the **Golden Fibre** is a long, soft, silky and shiny natural fibre occupies an important place not in the economy of West-Bengal but also in the national economy of India. It is estimated that the jute industry provides direct employment to 0.37 million workers in organized mills and supports the livelihood of around 4.0 million farm families in India. More of it, there are a large number of persons engaged in the trade of jute. India exports 216000 metric tons jute in 2013-14 and earns Rs. 1880.63 cores also. In fact jute is the cheapest vegetable fibre procured from the skin of the plant's stem and second most important vegetable fibre after cotton for various factors like uses global consumption, production, availability. Actually, jute is 100% bio-degradable, natural, renewable and eco-friendly product used for packaging, textiles, non-textile, construction and agricultural sector also.

TYPES OF JUTE

White jute (Corchorus Capsularis)- Ain-e Akbari by Abul Fazal in 1590 during the era of Akhbar explained that the poor villagers of India used to wear clothes made of jute Simple handlooms and hand spinning wheels were used by the weavers. Mostly Bengalies used ropes and twines made of white jute from very much earlier times for various purposes. In fact, cultivation of raw jute provides not only fibres but also stick which is used as fuel and building material by the farming community.

Tossa Jute (Corchorus Oligotorius)- India is Tossa Jute's top producer. It's fibre is softer, silkier and stronger than white jute. This Tossa Jute is used as an herb in Middle Eastern and African countries and is very popular in some Arab countries, Egypt, Jordon, Syria as a soup-based dish, or sometimes with meat or lentils. Actually it is high in protein, vitamin c, beta-carotene, calcium and iron. The climate of Ganges Delta and soil of Bengal is suitable for this golden fibre (Paat)

BRIEF HISTORY ABOUT JUTE

Jute has been used since ancient times globally. **Qiu-shiyu**, researcher of the Harbin Academy of Sciences and expert of History said that **Jews** used to take part in the work of designing "Jiaozi" which was made of coarse jute paper. Jute paper was also used by **Western Han Dynasty** (206 BC-220AD) in China In India, the British East India Company was the first trader of raw Jute during 19th century Dundee Jute mill in Scotland and the increase of the Dundee Jute industry was the result of production and export of raw jute from the Indian sub-continent. Thus the **commercialization of jute** which was one of the British economic policy started.

The first jute mill was established at Rishra in Calcutta in 1855 as there was an abundant supply of labour, ample, coal for power, shipping facility for international markets. By 1869, five mills were operating with 950 looms and the growth was rapid. By 1910, 30'685 looms exported more than a billion yards of cloth and over 450 million bags. After that the jute industry in India enjoyed even more remarkable expansion and rising to commanding leadership by 1939 with a total of 68'377 looms in Calcutta.

After the fall of British Empire in India during 1947 the jute industries of India have been fallen. After liberalization of Pakistan and Bangladesh, Bangladesh also sets up new industry and exports jute.

REVIEW OF LITERATURE

Review of literature in the forms of various research and books written on this particular subject is a very worthwhile endeavour before embarking on research in this field, as it would give us an idea regarding varied kinds of knowledge skills and insights already provided by other researchers. Following is a brief account of the same in this regard-

Short essay in the commercialization of Indian Agriculture by **R Verma** explained about the net result of the commercialization by the British on the Indian Farmers. **What are the problems faced by jute textiles in India?** by **K Raja** described about various problems faces by Indian Jute Industry. **Problems of Jute Industry in India** by **Suraj Yadav** explained about the major problems of Indian Jute Industries.

OBJECTIVES

It is the major part of any research because without any purpose the research is fruitless. So, I have some objectives for this research which are mentioned bellow-

- i) What is the importance of Jute?
- ii) Which are the various Regulatory organization in Jute Sector?
- iii) What is the production scenario of Jute goods after reforms period?
- iv) What is the domestic consumption scenario of jute goods after reforms period?
- v) How much jute goods exports from India after reforms period and what is their values?
- vi) What are the current problems faced by Jute Industries?
- vii) Give some suggestions to develop these industries.

METHODOLOGY

The analysis of the research paper is based on various statistical tools. The data are collected from office of the jute commissioner.

At first to calculate basic growth rate I use growth rate formula which is following-

$$\text{Basic Growth Rate} = \frac{\text{Present value} - \text{Past value}}{\text{Past value}} \times 100$$

Secondly, to estimate the **trend value** of production I use **Least square method of** time series analysis.

The straight line trend is represented by the following equation

$$Y_c = a + bX$$

Where, Y_c is used to estimate the values of Y

Y= dependent variable i.e. production

X= independent variable i.e. time

a= intercept of Y variable when X=0

b= slope of the line.

To determine the values of 'a' and 'b' in a linear equation by the least squares method we are required to solve the following equation-

$$\sum Y = Na + b\sum X \quad (i)$$

$$\sum XY = a\sum X + b\sum X^2 \quad (ii)$$

N represents the number of years.

THE IMPORTANCE OF JUTE

Actually, Jute is the second most important vegetable after cotton for various reasons like production, consumption, global uses and so on. So, the uses of jute and jute fibre and their importance are uncountable. Some of the importance are listed below-

- i) Row Jute is an important cash crop to the farmers.
- ii) Jute Stick is used as fuel and building material by the farming community.
- iii) Jute matting is used to prevent flood erosion.
- iv) Jute is used to make cloth and also sacks and coarse cloth.
- v) The fibres are used for used for curtains, chair coverings, carpets, area rugs, hessian cloth etc.
- vi) Jute is used also for paper-making
- vii) Jute is used for imitation silk.
- viii) Jute was used in manufacturing industry as a construction fabric and in the sackings, carpets, wrapping fabrics etc.
- ix) Jute is used in the manufacture of a various numbers of fabrics like Hessian cloth, sacking, carpet backing cloth (CBC) and canvas.
- x) Jute is used for packaging which is an eco-friendly substitute.
- xi) Diversified Jute products like espadrilles, soft sweaters, cardigans, floor coverings, home textiles, high performance technical textiles, Geotextiles, composites etc. are uses very much today's life.
- xii) Jute is also used to make ghillie suits which are used as camouflage and resemble grasses or brush.
- xiii) Jute plants and leaves are consumed as a vegetables in various countries India, Nigeria, North Western Uganda, Philippines etc.

VARIOUS REGULATORY ORGANISATIONS IN JUTE SECTOR

- a) Subordinate Office Under Ministry of Textiles
 - i) Office of Jute commissioner
 - b) Advisory Boards under Ministry of Textiles
 - i) Jute Advisory Board
 - c) Statutory Bodies Under Ministry of Textiles
 - i) National Jute Board.
 - d) Public Sector undertakings under Ministry of Textiles
 - i) Jute Corporation of India (JCI) Ltd. Kolkata.
 - ii) National Jute Manufactures Corporation Ltd. (NJMC), Kolkata.
 - iii) Birds Jute & Exports Ltd. (BJEL), a subsidiary of NJMC.
 - e) Other organizations supported by Ministry of Textiles in Jute Sector
 - i) Indian Jute Industries Research Association (IJIRA), Kolkata
 - ii) International Jute Study Group (IJSJG)
 - iii) Institute of Jute Technology (IJT), Kolkata
 - iv) Central Research Institute for Jute Allied Fibres (CRIJAF)
 - v) National Institute for Research in Jute and Fibre Technology (NIRJFT).

TABLE-1: PRODUCTION SCENARIO OF JUTE GOODS AFTER REFORMS PERIOD (QTY: IN 000'M Tons)

(APRIL / MARCH)	HESSIAN	SACKING	CBC	OTHERS	TOTAL
1995-96	413.9	676.3	30.5	5312.3	1433.0
1996-97	368.7	666.6	25.2	340.4	1400.9
1997-98	392.4	864.6	19.8	401.6	1678.4
1998-99	344.1	903.3	18.5	330.3	1596.2
1999-00	344.5	909.2	8.0	328.5	1590.2
2000-01	337.9	952.9	6.6	327.5	1624.9
2001-02	275.3	1034.3	5.0	286.2	1600.8
2002-03	338.3	1000.0	5.4	278.1	1621.8
2003-04	305.2	979.3	4.7	281.1	1571.3
2004-05	310.3	992.0	4.0	306.8	1613.1
2005-06	320.0	1007.5	6.2	248.5	1582.2
2006-07	250.3	874.7	2.9	228.4	1356.3
2007-08	350.3	1143.0	6.0	279.7	1776.0
2008-09	297.8	1071.4	4.5	260.0	1633.7
2009-10	206.5	921.6	2.4	192.6	1323.3
2010-11	244.4	1076.9	4.7	239.7	1565.7
2011-12	239.9	1165.1	3.6	173.8	1582.4
2012-13	210.0	1218.2	2.9	160.2	1591.3
2013-14	202.5	1150.4	3.3	171.5	1527.7
	Hessian	Sacking	CBC	Others	Total

Source: office of jute commissioner

From the table it is found easily the production scenario of jute goods after reforms period. (the period after 1991). The table shows the production since 1995-96 to 2013-14. The total production of jute goods in 1995-96 was 1433,000 Metric tons including Hessian, Sacking and CBC and total production of jute goods is 1527700 metric tons including Hessian, sacking, CBC in 2013-14. The production of jute goods downfall in various years like 1996-97, (1400900 metric tons), 1998-99 (1596200 metric tons), 1999-00 (1590200 metric tons), 2001-02 (1600800 metric tons), 2003-04 (1571300 metric tons) 2005-06 (1582200 metric tons), 2006-07 (1356300 metric tons) 2008-09 (1633700 metric tons), 2009-10 (1323300 metric tons), 2013-14 (1527700 metric tons). It is also shown in the following bar diagram-

BAR DIAGRAM 1: TOTAL PRODUCTION OF JUTE GOODS

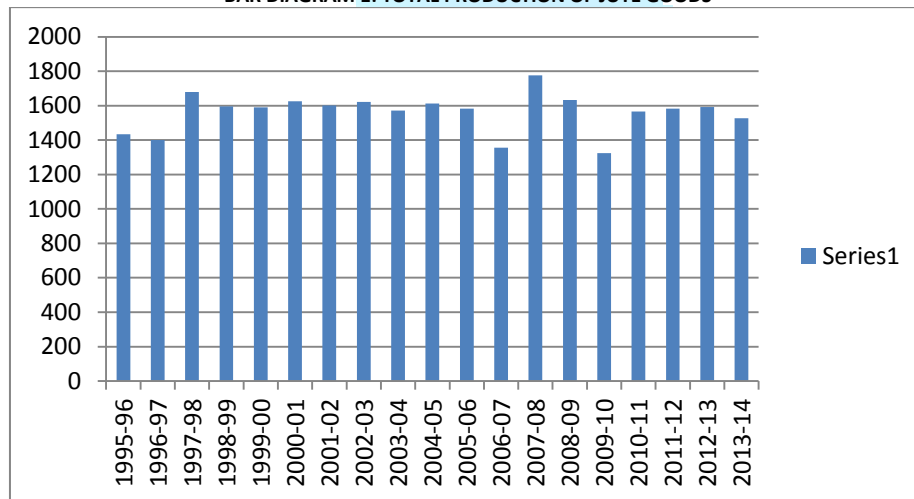


TABLE -2: DOMESTIC CONSUMPTION SCENARIO OF JUTE GOODS AFTER REFORMS PERIOD (QTY: IN 000'M Tons)

(APRIL / MARCH)	HESSIAN	SACKING	CBC	OTHERS	TOTAL
1996-97	259.8	652.0	1.7	222.5	1336.0
1997-98	285.8	842.4	1.5	257.5	1387.2
1998-99	286.2	886.3	1.3	230.5	1404.3
1999-00	287.0	907.4	1.4	230.9	1426.7
2000-01	269.7	935.2	0.8	229.4	1435.1
2001-02	243.0	1021.4	0.9	195.5	1460.8
2002-03	251.3	954.5	1.9	167.7	1375.7
2003-04	253.3	910.0	0.3	179.3	1342.9
2004-05	244.8	972.4	0.5	176.5	1394.2
2005-06	237.6	974.2	0.7	165.3	1378.8
2006-07	209.1	854.4	0.5	152.7	1216.2
2007-08	271.4	1102.0	1.2	168.2	1542.7
2008-09	249.8	1043.0	0.3	142.5	1435.6
2009-10	182.6	879.8	1.2	141.9	1205.5
2010-11	182.3	1034.4	0.9	133.9	1351.5
2011-12	184.2	1079.7	0.1	117.9	1381.9
2012-13	165.8	1118.7	0.8	113.9	1399.0
2013-14	157.6	1043.1	0.4	126.4	1327.5
	Hessian	Sacking	CBC	Others	Total

Source: office of jute commissioner

From this table we can easily understood the scenario of the domestic consumption of jute goods since 1996-97 to 2013-14. The table shows the consumption of hessian, sacking, CBC and also others. The domestic consumption of jute goods in 1996-97 was 1336000 metric tons and in 2013-14 it is 1327500 metric tons. The table shows the fluctuation of domestic consumption of jute goods in various years. The downfall of domestic consumption of jute goods in various years. are such as in 2002-03 (1375700 metric tons), 2003-04. (1342900 metric tons), 2005-06 (1378800 metric tons), 2006-07 (1216200 metric tons) 2008-09 (1435600 metric tons), 2009-10 (1205500 metric tons), 2013-14 (1327500 metric tons). It is illustrated through the Bar diagram 2

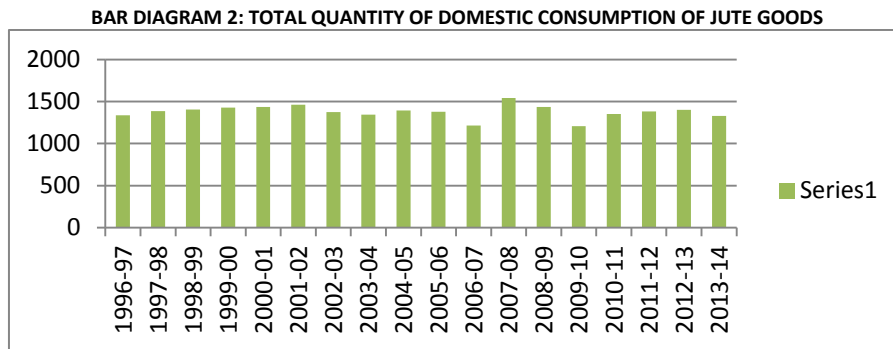
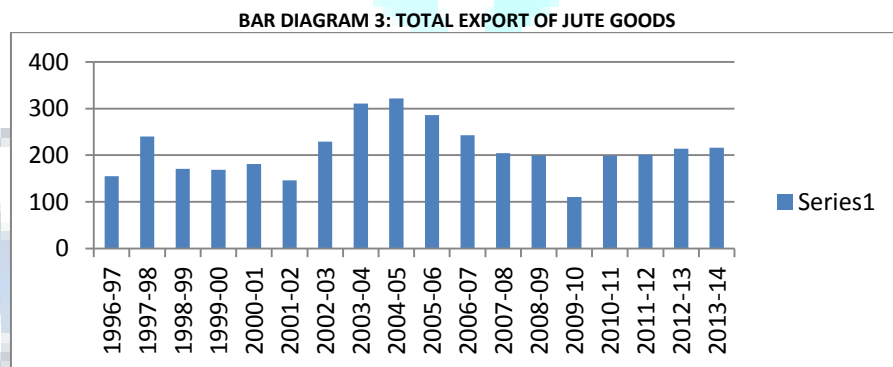


TABLE-3: JUTE GOODS EXPORTS FROM INDIA AFTER REFORMS PERIOD (QTY: IN 00 0' M. Tons VALUE: Rs / Crores)

EXPORTS OF JUTE GOODS						
(APRIL / MARCH)	HESSIAN	SACKING	CBC	OTHERS	TOTAL	VALUE
1996-97	76.3	6.7	15.4	5.6	155.0	572.3
1997-98	103.5	17.9	13.5	9.7	240.0	694.7
1998-99	65.3	8.0	15.3	12.9	171.0	582.3
1999-00	57.4	5.6	6.3	15.8	169.0	571.5
2000-01	61.4	17.3	5.9	11.5	181.4	646.3
2001-02	36.8	12.2	4.4	13.7	146.1	567.5
2002-03	77.4	37.5	3.8	22.5	229.2	916.6
2003-04	157.1	33.4	5.2	24.1	310.4	1051.88
2004-05	153.7	31.2	1.5	15.0	321.8	1146.9
2005-06	171.6	33.2	0.9	11.0	285.8	1186.24
2006-07	122.2	31.6	0.1	10.6	242.8	1055.16
2007-08	67.8	30.0	N.A	14.4	204.3	1143.57
2008-09	53.0	53.2	N.A	10.7	199.8	1216.16
2009-10	31.3	26.5	N.A	8.3	110.5	859'46
2010-11	53.9	40.6	N.A	10.4	199.3	1363.29
2011-12	58.3	81.1	N.A	8.2	201.1	1502.14
2012-13	51.2	103.8	N.A	59.0	214.0	1598.05
2013-14	51.4	109.4	N.A	55.3	216.0	1880.63
	Hessian	Sacking	CBC	Others	Total	VALUE

Source: office of jute commissioner

From this table we can calculate how much jute goods exports from India and what is their values since 1996-97 to 2013-14. The exports includes hessian, sacking, CBC and others. The table also shows that exports and their values are also fluctuated. 155000 metric tons jute goods were exported in 1996-97 and 216000 metric tons in 2013-14. The exports of jute goods reduces in 1998-99 (171000 metric tons), 1999-00 (169000 metric tons), 2001-02(146100 metric tons),2005-06(285800 metric tons), 2006-07 (242800 metric tons), 2007-08 (204300 metric tons), 2008-09 (199800 metric tons), 2009-10 (110500 metric tons). The scenario is cleared through the following bar diagram also –



ANALYSIS

Here actually I want to find the growth rate of production of jute goods, domestic consumption of jute goods, exports of jute goods and also the trend value of the jute production-through statistical application.

At first to find out the growth rate of production of jute goods the basic growth rate formula is used. Actually basic growth rates are simply expressed as the difference between two values in time in terms of percentage of the first value.

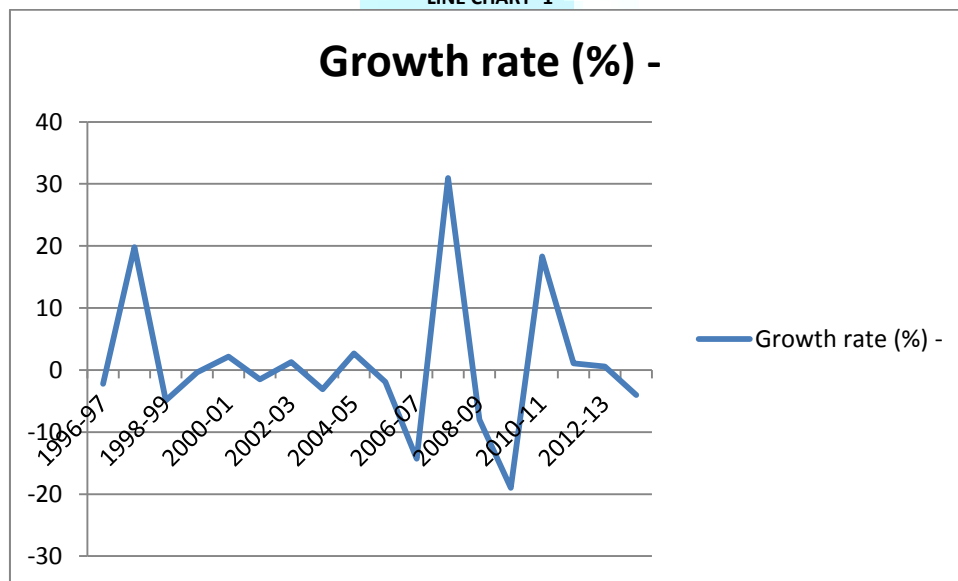
$$\text{Basic Growth rate} = \frac{\text{Present value} - \text{Past Value}}{\text{Past Value}} \times 100$$

TABLE -4: GROWTH RATE OF PRODUCTION OF JUTE GOODS (QTY= IN00'M Tons)

April/March	Total Quantity	Growth rate (%)
1995-96	1433.0	-
1996-97	1400.9	-2.24
1997-98	1678.4	19.80
1998-99	1596.2	-4.90
1999-00	1590.2	-0.38
2000-01	1624.9	2.19
2001-02	1600.8	-1.49
2002-03	1621.8	1.31
2003-04	1571.3	-3.11
2004-05	1613.1	2.66
2005-06	1582.2	-1.91
2006-07	1356.3	-14.27
2007-08	1776.0	30.94
2008-09	1633.7	-8.01
2009-10	1323.3	-19.00
2010-11	1565.7	18.31
2011-12	1582.4	1.06
2012-13	1591.3	0.57
2013-14	1527.7	-4.00

Source: Calculated from office of jute commissioner data

LINE CHART -1



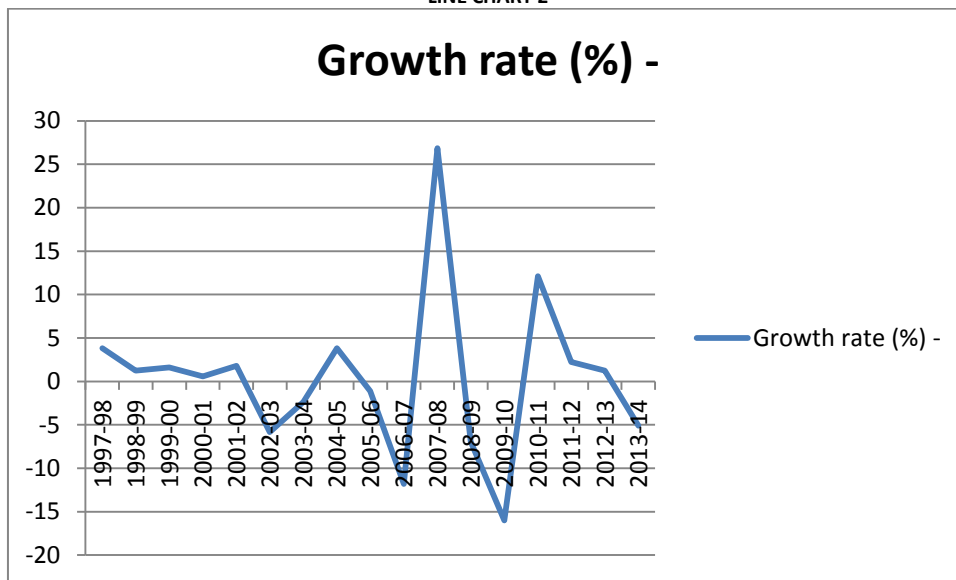
From the above table and chart we can easily find out that since 1995-96 to 2013-14 the highest growth rate of production of jute goods was in 2007-08 which was 30.94% and the lowest growth rate was in 2009-10 which was -19.00%

TABLE-5: GROWTH RATE OF DOMESTIC CONSUMPTION OF JUTE GOODS (QTY: In 000' M Tons)

April/March	Total Quantity	Growth rate (%)
1996-97	1336.0	-
1997-98	1387.2	3.83
1998-99	1404.3	1.23
1999-00	1426.7	1.60
2000-01	1435.1	0.59
2001-02	1460.8	1.80
2002-03	1375.7	-5.82
2003-04	1342.9	-2.38
2004-05	1394.2	3.82
2005-06	1378.8	-1.10
2006-07	1216.2	-11.80
2007-08	1542.7	26.84
2008-09	1435.6	-6.94
2009-10	1205.5	-16.02
2010-11	1351.5	12.11
2011-12	1381.9	2.24
2012-13	1399.0	1.23
2013-14	1327.5	-5.11

Source: Calculated from data collected from Office of Jute Commissioner Data

LINE CHART 2



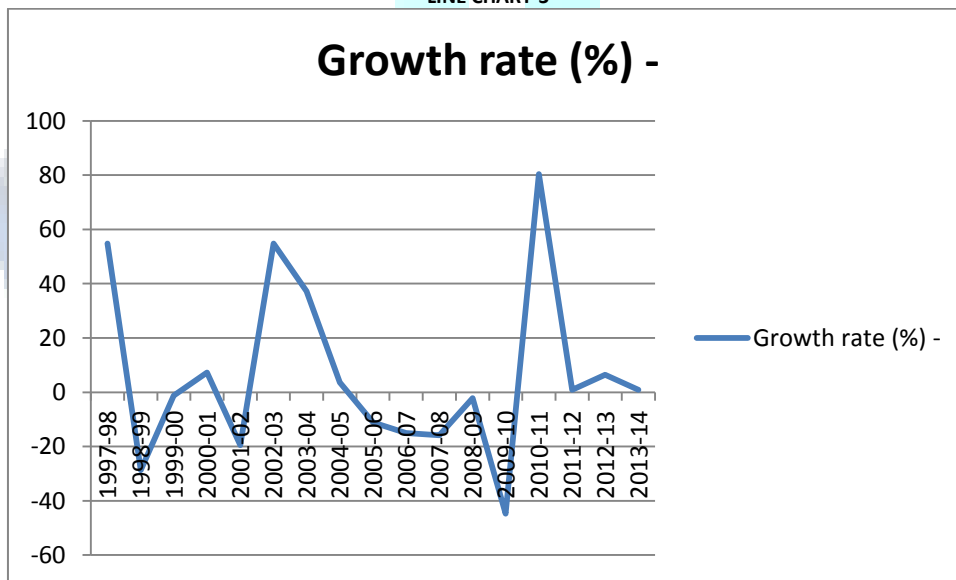
From the above table and line chart the scenario of domestic consumption of jute goods since 1996-97 to 2013-14 easily understood. Among these years the growth rate was highest in 2007-08 which was 26.84% and was lowest in 2009-10 and that was -16.02%

TABLE-6: GROWTH RATE IN THE EXPORT OF JUTE GOODS (QTY=In000'Tons.)

April/March	Total Quantity	Growth rate (%)
1996-97	155.0	-
1997-98	240.0	54.83
1998-99	171.0	-28.75
1999-00	169.0	-1.16
2000-01	181.4	7.33
2001-02	146.1	-19.45
2002-03	226.2	54.82
2003-04	310.4	37.22
2004-05	321.8	3.67
2005-06	285.8	-11.18
2006-07	242.8	-15.04
2007-08	204.3	-15.85
2008-09	199.8	-2.20
2009-10	110.5	-44.70
2010-11	199.3	80.36
2011-12	201.1	0.90
2012-13	214.0	6.41
2013-14	216.0	0.93

Source: Calculated from Office of Jute Commissioner Data

LINE CHART-3



From table 6 and line chart 3 it is find out that exports growth rate for jute goods was highest in 2010-11 and that was 80.36% and lowest in 2009-10 and that was - 44.70%.

One of the most important tasks before economists and businessman these days is to make estimates for the future. So, I here also try to find out the **trend values** of production of jute goods because it helps in planning future operations.

To find out the **trend values** I use **Least squares method** of time series analysis. The straight line trend is represented by the equation

$$Y_c = a + bx$$

Where Y_c is used to designate the calculated values of Y which is a dependent variable. X is the independent variable, b represents the slope of the line and a is the intercept value of the Y variable when X=0

To determine the value of 'a' and 'b' we need to solve the following equation-

$$\sum Y = Na + b \sum X \text{----- (i)}$$

$$\sum XY = a \sum X + b \sum X^2 \text{---- (ii)}$$

N is the member of years.

TABLE-7: TREND VALUE OF PRODUCTION OF JUTE GOODS (Qty- In 000'M Tons)

Years April/March	Total Production	Trend values $Y_c - a+bx$
1995-96	1433.0	1557.53+0.40 (1) = 1557.93
1996-97	1400.9	1557.53+0.40 (2) = 1558.33
1997-98	1678.4	1557.53+0.40 (3) = 1558.73
1998-99	1596.2	1557.53+0.40(4) = 1559.13
1999-00	1590.2	1557.53+0.40 (5) 1559.53
2000-01	1624.9	1557.53+0.40 (6) = 1559.93
2001-02	1600.8	1557.53+0.40 (7) = 1560.33
2002-03	1621.8	1557.53+0.40 (8)= 1560.73
2003-04	1571.3	1557.53+0.40(9) = 1561.13
2004-05	1613.1	1557.53+0.40 (10)= 1561.53
2005-06	1582.2	1557.53+0.40 (11) = 1561.93
2006-07	1356.3	1557.53+0.40(12) = 1562.33
2007-08	1776.0	1557.53+0.40(13) = 1562.73
2008-09	1633.7	1557.53+0.40(14) = 1563.13
2009-10	1323.3	1557.53.+0.40(15) = 1563.53
2010-11	1565.7	1557.53+0.40(16) = 1563.93
2011-12	1582.4	1557.53+0.40(17) = 1564.33
2012-13	1591.3	1557.53+0.40(18) = 1564.73
2013-14	1527.7	1557.53+0.40 (19) = 1565.13

Source: Calculated form office of jute commissioner data

After solve both (i) and (ii) equation for this data I find, that

$$a = 1557.53$$

$$\text{and } b = 0.40$$

So, the trend values are

$$Y_c = 1557.53 + 0.40X$$

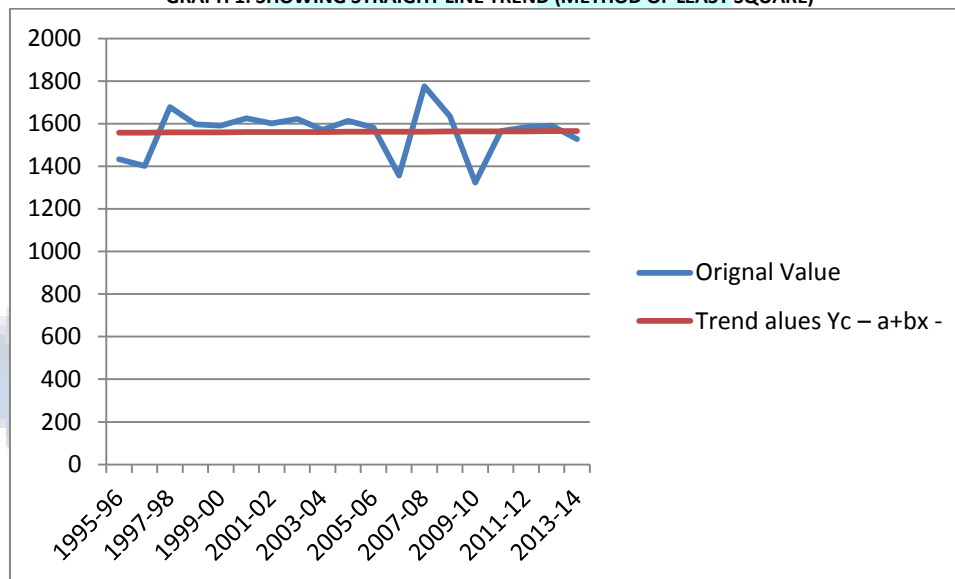
From this trend value with the help of least square method one can easily find out the estimate value of coming year.

So, I also try to find out the estimate quantity of production of jute goods for (2014-15) and (2015-16)

$$\text{Trend value of (2014-15)} = 1557.53 + 0.40(20) = 1565.53 \text{ (000'm tons)}$$

$$\text{Trend value of (2015-16)} = 1557.53 + 0.40 (21) = 1565.93 \text{ (000' m tons)}$$

GRAPH 1: SHOWING STRAIGHT LINE TREND (METHOD OF LEAST SQUARE)



THE CURRENT PROBLEMS FACED BY JUTE INDUSTRIES

- i) **Application of the Laws of Returns-** As a result of the laws of diminishing returns which has universal applicability, the Indian jute industry and its production diminishes.
- ii) **Lack of modernization of Mills and Industry:-** As the mills are too old and its all machineries faced various problems the production of jute goods diminishes.
- iii) **Shortage of Raw Materials-** After separation from Bangladesh India faced a major problem i.e., shortage of raw jute.
- iv) **High Cost of Production:-** The jute industry which has uneconomic units for the production suffers for the high cost of production because of high price of raw jute and unreliable supply of raw jute for the mills.

- v) **Labour- intensive-technique:-** Indian jute industry applies **labour-intensive techniques** even today. As a result the jute production of goods diminishes. "The continued dependence on an antiquated labour intensive technology has now turned 70 percent of the jute mills sick." (Gonguli, R, Economic Times, July 7, 1994)
- vi) **Shortage of Power Supply:-** Load-shedding creates a major problem for the jute industry
- vii) **Substitute goods:-** Plastic and synthetic goods which are substitute for jute goods creates problems for jute industry.
- viii) **Loss of foreign Market:-** Before our independence India has monopoly in raw jute and manufactures in foreign market. But newly started jute industry in Bangladesh has captured some of the markets of Indian jute goods.
- ix) Lack of proper information for jute farmers
- x) Lack of proper incentives to jute sector
- xi) Lack of promotion for jute mill workers.
- xii) Lack of Research in jute sector.

SOME SUGGESTIONS TO DEVELOP JUTE INDUSTRIES

- i) **Modernization and Rationalization** of jute Industries and Mills should be required properly.
- ii) **Compulsory use** of jute bags in food grains, sugar, cement, fertilizers is required.
- iii) **Totally ban** on synthetic and plastic bags which are harmful and not eco-friendly.
- iv) Use of **e-learning** and **e-commerce** for this industry.
- v) Increase **incentives** in jute sector.
- vi) To create various **welfare schemes** for the workers of mill and industries of this sector as well as for the farmers who produces raw jutes.
- vii) **Reduces** high cost of production.
- viii) To increase **capital** and buy new machineries for the mills and industries.
- ix) To create **awareness** of jute goods among the consumers.
- x) For increase **foreign demand** we should manufacture various jute diversified products as well as modern jute modified products.
- xi) To increase **Research** centers for the jute sector.

REFERENCES

1. "Applied and Business statistics" – Dr. Anjum Abrar (P-124-160) → Edition-2011
2. "Business Statistics" – Dr. K.L. Gupta (P-99-137) → 12th Edition.
3. Basu, G.A.K. Sinha and S.N. Chattopadhyay "Properties of Jute Based Ternary Blended Bulked yarns". Man-Made Textiles in India Vol. 48, no. 9 (sep-2005): 350-353 (AN18605324)
4. Chattopadhyay, S.N., N.C. Pan, and A. Day. "A Novel process of Dyeing of Jute Fabric Using Reactive Dye" Textiles Industry of India, Vol. 42, no.9 (sep 2004): 15-22 (AN17093709).
5. "Elementary Statistical Methods" – S.P. Gupta (P-363-403) → Third Edition.
6. International Jute Study group (IJSJ) (www.jute.org)
7. Jute Genome Project (www.jutegenome.org)
8. "Office of the jute commissioner- Ministry of Textiles". www.jutecomm.gov.in
9. "Research Methodology, Methods and Techniques" – C.R. Kothari, Gaurav Garg (Third Edition)
10. "Statistics – world production of jute fibres from 2004-05 to 2010-11 (www.jute.org)
11. "Statistics- World Import of row jute, kenaf and Allied fibres" (www.jute.org)
12. Various websites through Goole.com
13. Vijaya Kumar, K.A. and P.R. Raajendraa 'A' New Method to determine the Proportion of jute in a Jute/Cotton blend. "Asian Textile Journal, Vol. 14, no.5 (May 2005): 70-72 (AN18137355)

WOMEN EMPOWERMENT AND ITS IMPACT ON AGRICULTURAL PRODUCTIVITY: THE CASE OF KERSA DISTRICT IN EASTERN HARARGHE ZONE, ETHIOPIA

TADELE MELAKU CHALLA
RESEARCH SCHOLAR
DEPARTMENT OF ECONOMICS
ANDHRA UNIVERSITY
VISAKHAPATNAM

ABSTRACT

The objective of the study was to analyze the impact of women empowerment on agricultural productivity. Cross sectional data were collected from a total of 150 randomly selected respondents. Seven key indicators of empowerment combining both quantitative and qualitative data and four dimensions of empowerment were chosen for this study. A cumulative empowerment index (CEI) was developed by adding the obtained weighted scores of the seven empowerment indicators based on which the respondents were classified into empowered and non-empowered women. The distribution of CEI demonstrates that 38.7% of women were empowered at varied levels of empowerment whereas, 61.3% of the women were concentrated in non-empowerment category. Cobb-Douglas (CD) production function was applied to estimate the agricultural productivity difference in between the two groups. Results of the study show that empowered women farmer (EWF) own more productive resources such as land, oxen, labor and other agricultural inputs as compared to non-empowered women farmer (NEWF). The estimate of CD production function show that oxen, herbicide use, land size, male and female labor was statistically significant for both EWF and NEWF. The comparison of the Marginal Value Product (MVP) with the factor cost shows that EWF and NEWF could increase productivity using more herbicides, male and female labor. The agricultural productivity difference between EWF and NEWF was about 68.83% in the study area. However, if NEWF had equal access to the input as EWF, gross value of the output would be higher by 23.58% for NEWF. Land size, oxen and seed difference between EWF and NEWF made about 9.1%, 7.73% and 6.6% productivity difference in agriculture, respectively.

KEYWORDS

Women empowerment, Agricultural productivity, Household, Ethiopia.

INTRODUCTION

Though agriculture is the largest contributor to overall economic growth in Ethiopia, it is dominated by small scale farmer with subsistence farming system in low productive and highly degraded lands (AGP, 2010). Ethiopia accounts about 88% of the country's women live in the rural area, and nearly 85% women work in agricultural activities like food processing, storage, weeding, harvesting, marketing, preparing threshing field and caring for animals (Bogalech, 2000). In general, women's contributions in rural Ethiopia have remained invisible, especially the female headed households are more invisible to research, donors and policy makers (Tiruwork 1998; Addis, 2000). These situations have put women at a disadvantageous position with respect to agricultural resources. Low participation of women in economic activities has a negative impact on the realization of the Plan for Accelerated and Sustained Development to End Poverty (PASDEP). The objectives of this study are to analyze the impact of women empowerment on agricultural productivity in Kersa district of East Hararghe zone of Oromiya Regional State, Ethiopia.

STUDY AREA AND DATA COLLECTION

Kersa district of Oromiya Regional State, located at 475km east of Addis Ababa, the capital city of Ethiopia. The district has three major crops production, these are cereal, vegetable and Khat based products. Both primary and secondary data collected from Kersa district were used in the study. Primary data was collected from sample households through structured survey questionnaire covered information on women empowerment, demographic and farm characteristics, crop and livestock production, household income and ownership of farm inputs. The secondary data collected from Agriculture and Rural Development Office, Education Bureau, Women Affairs Office, and Administration Office of the district. The participatory assessment methods such as Focus Group Discussions, case studies and key informant interviews were applied to gather information pertinent to the research problem.

A two stage random sampling technique was used to select the sample households in the study area. The first stage was simple random sampling of 6 FAs from the 35 FAs found in the district. Then from these 6 FAs 150 households were randomly selected and interviewed. Equal proportion of female headed and male headed households were included in the sample.

Both descriptive and econometric analyses were employed to meet the specific objectives of the study. In this study descriptive statistics such as mean, frequency, percentage, t-test, chi-square were used to analyze the collected data and compare the empowered and non-empowered women.

MEASUREMENT OF EMPOWERMENT

Cumulative Empowerment Index (CEI)

The CEI is a composite of seven empowerment indicators combining, both quantitative and qualitative data in order to get a comprehensive feature of women's empowerment. The quantitative part represents six categories (e.g., 0=No, 1=very low, 5=very high) which has been done on the basis of total obtained score for each empowerment indicator from the survey. The qualitative dimension stems out of the total weighted scores indicated by the six enumerators (where 7 denotes very important and 1 denotes less important). Thus, a total of 77 specific attributes were added together to develop CEI in order to understand the economic, socio-cultural, legal and political dimensions of women's empowerment (Table 1).

Cobb-Douglas Production Function

Cobb-Douglas (CD) production function was used to examine the agricultural productivity difference between the empowered and non-empowered women farmers. According to Gujarati (1995), the generalized form of the CD production function can be specified as:

$$Y = AX_1^{B_1} X_2^{B_2} X_3^{B_3} \dots X_n^{B_n} e^{U_i}$$

Where, Y is gross value of farm outputs in Birr per ha, X_i 's are explanatory variables such as land size, oxen, seed, fertilizer use, herbicides use, male or female labor and capital. B_i 's are coefficients or elasticities of output and indicates how strongly each input affects output. A is efficiency parameter and represents the level/state of technology and U_i is disturbance term.

Production function for Empowered Women Farmer represented as:

$$\ln Y_e = \ln A_e + B_{1e} \ln X_{1e} + B_{2e} \ln X_{2e} + B_{3e} \ln X_{3e} + \dots + B_{7e} \ln X_{7e} + U_e$$

Production function for Non-Empowered Women Farmer represented as:

$$\ln Y_{ne} = \ln A_{ne} + B_{1ne} \ln X_{1ne} + B_{2ne} \ln X_{2ne} + B_{3ne} \ln X_{3ne} + \dots + B_{7ne} \ln X_{7ne} + U_{ne}$$

Production function using pooled data represented as:

$$\ln Y_p = \ln A_p + B_{1p} \ln X_{1p} + B_{2p} \ln X_{2p} + B_{3p} \ln X_{3p} + \dots + B_{7p} \ln X_{7p} + U_p$$

Production function using pooled data with dummy empowerment variable is:

$$\ln Y_p = \ln A_p + B_{1p} \ln X_{1p} + B_{2p} \ln X_{2p} + B_{3p} \ln X_{3p} + \dots + B_{7p} \ln X_{7p} + DE + U_p$$

Where,

e = EWF, ne = NEWF, p = pooled data set, E = Empowerment dummy variable (E = 1 for empowered women; E = 0 otherwise) and D is the regression coefficient

for the dummy variable and it indicates productivity difference in technical efficiency. B_{ie} , B_{ine} and B_{ip} (i = 1, 2, 3, ..., 7) are output elasticities of i^{th} input under EWF, NEWF and pooled data sets, respectively.

The MVP of the factor can be computed as follows;

$$MVP = b_i * \frac{Y}{X_i}$$

Where, b_i is the regression coefficient (output elasticity), Y is the gross value of farm output (geometric mean) and X_i the geometric mean value for factor i (Ellis, 1988).

Finally, Oaxaca decomposition model (Oaxaca, 1973) of the productivity differential between empowered and non-empowered women farmers were used to decompose the productivity difference. Although, this approach was used to decompose the income gap, it can also be applied to decompose productivity difference between, say, men and women farmers (Quisumbing, 1995). The decomposition model adopted was presented as follows:

$$\ln \left(\frac{Y_e}{Y_{ne}} \right) = [(B_{ie} - B_{ine}) \ln X_{ine}] + \left[B_{ie} \ln \left(\frac{X_{ie}}{X_{ine}} \right) \right]$$

Where, Y_e and Y_{ne} represent mean output (geometric mean) of empowered and non-empowered women farmer respectively, X_{ie} and X_{ine} are geometric mean levels of inputs of empowered and non-empowered women farmer, B_{ie} and B_{ine} are estimated output elasticities of empowered and non-empowered women farmer as defined earlier.

Estimation Technique and Testing Procedures

The Variance Inflation Factor (VIF) was estimated by following the method of Gujarati (1995), which is:

$$VIF_i = \left(\frac{1}{1 - R_i^2} \right)$$

Where, R_i^2 is the coefficient of determination that is obtained when the continuous explanatory variable is regressed against all the other explanatory variables. As R_i^2 approaches 1, the VIF approaches infinity. That is, as the existence of collinearity increases, the variance of the estimator increases and in the limit it can be infinity. If there is no collinearity between regressors, the value of VIF will be 1. As a rule thumb, if VIF of a variable exceeds 10, that variable is said to be highly collinear (Gujarati, 1995).

RESULTS AND DISCUSSION

WOMEN EMPOWERMENT ANALYSIS

Extent of Women's Empowerment

Although the highest CEI could reach 140, the CEI computed for the sample varied from 0-79, where 0 indicates no empowerment and 79 indicates the highest level of empowerment. The distribution of CEI reveals that 61.3% of the total sample households fall under no empowerment category, 1.4% very low, 10.7% low, 21.3% medium and, 5.3% high. There is no very high empowerment category. The finding of the survey shows that out of the total sample 92 households (61.3%) were concentrated in non-empowerment category while 58 households (38.7%) empowered at varying level of empowerment. Due to low level of empowerment, poor women were acutely powerless and insecured, they were vulnerable and lack dignity within the household.

Dimensions of Women's Empowerment

Economic Empowerment of Women

The finding of the survey shows that 80 % of the empowered women farmers have access to credit service at least sometimes, whereas 94% of the non-empowered women farmers have no access to credit service in the district. The women farmers utilized loans for various purposes such as purchase of agricultural inputs, livestock, home consumption, medication, children education, clothing, trade, wedding and festivals. About 60.7% of the empowered women farmer reported that they used credit for purchase of livestock. Therefore, their livestock ownership dramatically increased. Similarly, about 34% of empowered women farmers used the credit for purchase of agricultural inputs. Hence, having access to complementary inputs and resources resulted in increased productivity through increased soil fertility.

The saving culture of the women farmers was also assessed. The average amount of saving was 158 and 66 birr for the empowered and non-empowered women farmers respectively. As the t-test indicated that the mean difference among the empowered and non-empowered women was statistically significant (t=3.4, P=0.001). This implies that those empowered women farmer have better saving than the non-empowered one. The results on the dependency of women on others indicated that the 16.3 % of the empowered women farmers depend always on their husbands for food consumption, clothing and medication, 39.8% of the non-empowered women farmer depend always on their husbands. Whereas, 45 % of the empowered women farmers never depend on their husbands.

Land holding: The total area of land owned by the sample farmers was about 127 ha with the average of 0.91 ha per household compared to the regional average of 1.13 ha. The average land owned by EWF and NEWF was 1.06 and 0.72 ha respectively, which is statistically different at 1% probability level (t = 3.35). This indicates that the land holding of the NEWF is smaller by about 47% than that of EWF.

Livestock holding: The mean livestock size owned by the sample farmers was 2.19 TLU. Comparison of the livestock ownership between EWF and NEWF shows that EWF on average own 2.69 TLU while NEWF own 1.61 TLU, which is significantly different at 1% probability level (t = 3.38). This implies that EWF are relatively wealthier than NEWF, since livestock is considered as one of the indicator of wealth status in the study area.

Labor Utilization: Respondents were also asked to quantify the amount of labour they put on major activities of crops production. Accordingly, the average man-days of family labour used to produce crops on a hectare of land was reported to be 147 and 88 for EWF and NEWF, respectively (t = 3.4, P = 0.001). On the other hand, the average man-day of hired labour for EWF and NEWF was 10 and 12, respectively, which is not significantly different. About 41% of EWF and 68% NEWF reported that labor shortage constrains effective undertaking of their agricultural activities. The chi-square test shows the existence of significant difference in labor shortage for different activities between EWF and NEWF ($\chi^2 = 9.73$, P = 0.002). This means that NEWF has been more constrained by labor compared to EWF. The average wage rate and working hours for all activities were 20 Birr and 8 hours per day, respectively. The major strategies used by EWF towards over-coming labor shortage were hiring labor (32%), assistance from relatives (29%) and through social support such as *Guza* and *Marro* (39%). The corresponding figures for NEWF were 34%, 34% and 14% respectively and about 18% of the NEWF were not able to overcome the problem at all.

Use of fertilizer, herbicides and improved seed: About 88% of EWF and 54% of NEWF applied commercial fertilizer, while 15% of EWF and only 5% of NEWF used improved seeds of maize, sorghum, potatoes and onion. The average amount of fertilizer used by EWF and NEWF was 120 and 51 kg/ha, respectively. These figures show that there were significant differences in the amount of fertilizer used by the two groups at 1% probability level (t = 5.14). With regard to

herbicides, about 23% of EWF and 11% of NEWF used herbicides to control weeds. The mean amount used by EWF and NEWF was about 0.26 and 0.19 liter respectively.

Crop yield: The average yield of sorghum for EWF and NEWF was about 9.2 and 4.1 Qt/ha, respectively, which was statistically significant at 10% (t=7.0). The average yield of sorghum, maize, and bean was about 9.2, 5.1, 5.6 Qt/ha for empowered women (N=58), respectively and for non-empowered women farmer (N=92) the respective yield of these crops was 4.1, 4.25 and 4.94 Qt/ha. This indicates that empowered women produced higher yield per ha of land compared to the non-empowered women farmers.

Composition of farm income: About 76% of EWF and 52% of NEWF reported that they earned cash income from sales of cash crop where as about 43% of EWF and 49% of NEWF earned cash income from sales of live- stock and /or livestock by- products. The average cash income from different crops was about Birr 345 for EWF and Birr 150 for NEWF, the difference is significant at 1% probability level.

Access to and control over productive resources

Land: The land used for cultivation is about 96% of EWF and 86% of NEWF. That means about 14% of NEWF and 4% of EWF have no land. The others access land through renting and borrowing. Moreover, about 3% of NEWF have no access to land at all while the entire sample of EWF accessed to land through renting, borrowing or share cropping.

Oxen: On the average, EWF had about 0.85 oxen while NEWF had 0.5 oxen, which was significant at 5% probability level (t = 2.59). The survey indicates that about 45% of EWF and 55% of NEWF did not possess any oxen, while those owning only one Ox constitute 27% of EWF and 38% of NEWF.

Institutional services: The findings of the survey indicated that 37.3% of the women have access to credit service. From EWF and NEWF only 86% exercised their land access and control right properly. The total land owned and put under cultivation was 77% and 52% for empowered and non-empowered women farmers respectively, which is statistically different at 1% probability level (t =3.35).

Econometric Analysis

Estimation of the Production Function: In this seven explanatory variables were included among which four variables namely, Oxen, herbicides use, land size, male and female labor were statistically significant for EWF and NEWF production function.

TABLE 1: PARAMETERS OF COBB DOUGLAS PRODUCTION FUNCTION

Variables	Unit	Pooled (N=150)		EWF (N=58)		NEWF (N=92)	
		Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Constant		4.654	21.052***	5.271	17.798***	4.122	11.75***
Oxen	TLU	0.137	1.871*	0.213	2.077**	0.179	1.702*
Land size	Ha	0.336	4.381***	0.383	4.047***	0.306	2.588**
Seed	Kg/ha	0.061	0.953	0.115	1.385	0.106	1.033
Fertilizer use	Kg/ha	0.030	0.401	0.015	0.154	0.003	0.032
Herbicide use	Liter/ha	0.153	2.549**	0.156	1.799*	0.156	1.025*
Male labor	Man-day	0.166	2.386**	0.352	3.587***	0.281	2.049*
Female labor	Man-day	0.275	4.337***	0.228	2.074**	0.338	3.264***
Adjusted R ²			57.2%		55.5%		55.6%
F-value			27.52***		14.19***		12.44***
Durbin Watson			2.01				

Source: Model Output

NB: *, ** and *** indicate statistically significant at 10%, 5% and 1% probability level, respectively.

Source of Productivity Difference

The total sources of productivity difference were decomposed into output elasticities and inputs endowments. Total decomposition of productivity difference between EWF and NEWF showed in the table below.

TABLE 2

Source of productivity difference	Percentage Contribution	
	Due to output elasticities	Due to input endowments
Total estimated difference (68.83%)	-23.58	92.41
oxen	2.70	7.73
Land size	3.88	9.10
Seed	1.04	6.60
Fertilizer use	2.31	3.74
Herbicide use	0.01	0.84
Male labor	51.82	68.92
Female labor	78.69	41.98

Source: Own computation

From table above, it can be seen that the total productivity difference in agriculture between the two groups was about 68.83% (overall productivity difference between EWF and NEWF due to output elasticity and input endowments). However, they have different human capital endowment and different access to factors and inputs as discussed in the descriptive part. Inputs use differentials accounted for 92.41% of the difference between EWF and NEWF. This implies that the productivity could be increased by 92.41%, if the NEWF could adjust the inputs to the same level of EWF. On the other hand, the difference in output elasticities was -23.58%. This indicates that productivity difference as the result of difference in outputs elasticities is greater for NEWF as compared to that of EWF.

POLICY IMPLICATION

Based on empirical results and discussion, the following points need to be considered as a possible policy implication in order to increase the productivity of farmers;

Raising the productivity of land by utilizing herbicides and pesticides

Increase in the application of improved seed

Increase income due to the microcredit intervention to self-reliance and economic empowerment.

Since ox is one of the significant factors influencing agricultural productivity, intervention to improve agricultural sector should be encouraged through empowering farmers to own oxen through provision of livestock credit or improved hybrid of oxen.

REFERENCES

1. Addis Tiruneh, 2000. The Missing Link Between Micro and Macro Level Gender Dis-aggregated Economic Data in Economic Policy Formulation and Planning in Ethiopia. WID/Department of Economics, Unpublished paper, Addis Ababa University, Ethiopia.

2. AGP (Agricultural Growth Project), 2010. Project Information Document (PID), Report No.AB5416, Financed by World Bank, Ethiopia.
3. Bogalech Alemu, 2000. Mainstreaming Gender in National Development Programmes. *Economic Focus*, Vol. 3, No. 3, Ethiopia.
4. Cropenstedt, A. and Mulat Demeke 1997. An Emperical study of cereal crop production and Technical Efficiency of Private farms in Ethiopia: A Mixed Random Approach Applied Econometrics, Vol. 29, pp.1217-1266. In: Sharadaweir Working Paper Series, University of Oxford.
5. CSA (Central Statistics Authority), 2005. Ethiopia Statistical Abstract 2005, Ethiopia.
6. Duggan, L., 1997. Households and Family. In: *The Women, Gender and Development Reader*, pp. 103-107, Visvanathan, N. (eds), USA.
7. Ellis, F., 1988. *Peasant Economics: Farm Households and Agrarian Development*. Cambridge University Press, New York.
8. GOE (Government of Ethiopia), 1995. National Program of Action for Children and Women. Addis Ababa.
9. Gujarati, D., 1995. *Basic Econometrics*, 3rd ed. Mc Graw Hill Inc, New York.
10. Koutsoyiannis, A., 1997. *Theory of Econometrics: An Introductory Exposition of Econometric Methods*, 2nd ed. Macmillan Publishers Ltd, USA.
11. MoFED (Ministry of Finance and Economic Development), 2002. Sustainable Development and Poverty Reduction Strategy Paper, Unpublished Paper, Ethiopia.
12. MoPED and UNICEF (Ministry of Planning and Economic Development and United Nations Children's Fund), 1994. Proceedings of the Workshop on Gender and Development. Dire Dawa, Ethiopia.
13. Oaxaca, R., 1973. Male-Female Differences in Urban Labour Markets. *International Economic Review*, Vol. 14, No. 1, pp. 693-709.
14. Quisumbing, A., 1993. Gender Issues in Agriculture: Overcoming Barriers to Increased Productivity and Welfare. Population and Human Resource Division, South Asia Department III. World Bank, Washington D.C, USA.
15. Saito, K., Hailu, M. and Spurling, D., 1994. Raising the Productivity of Women in Sub Saharan Africa. The International Bank for Construction and Development of the World Bank, Washington D.C, USA.
16. Seyoum, E., Battese, G. and Fleming, E., 1998. Technical Efficiency and Productivity of Maize Producers in Eastern Ethiopia: A study of Farmers Within and Outside the Sasakawa-Global 2000 Project. *Agricultural Economics*, Vol. 19, No. 3, pp.341-348.
17. Shahnaj, P. and Ingrid, L., 2004. Empowerment of Rural Women in Bangladish: A Household Level Analysis. Paper presented at conference on Rural Poverty Reduction through Research for Development and Transformation, 5-7 October 2004, Berlin.
18. Tadele Melaku, 2007. The effect of Women Empowerment through Education, Unpublished Paper, Haramaya University, Ethiopia.
19. Tiruwork Tizazu, 1998. Access to Resources and Productivity of Female-headed Households: The Case of East Gojjam and North Shoa, MA Thesis, Addis Ababa University, Ethiopia.



IMPACT OF FDI ON INDIAN ECONOMY: AN INTER-COMPARATIVE STUDY BETWEEN CHINA AND USA

IRAM KHAN
RESEARCH SCHOLAR
ALIGARH MUSLIM UNIVERSITY
ALIGARH

ABSTRACT

Foreign direct investment (FDI) as a strategic component of investment is needed by the countries for achieving the economic reforms and maintains the pace of growth and development of the economies. The role of FDI has transformed from a tool to solve the financial crises to a modernizing force. Foreign direct investment (FDI) has grown dramatically as a major form of international capital transfer over the past decade. The wave of liberalization and globalization sweeping across the world has opened many national markets for international business. The global recession is hastening the shift of focus to developing countries as they remain the only source of growth in the world economy. Recent beguiled financial recession impacted the whole world but surprisingly much negativity has not been witnessed in India. The Indian economy has now come out of the recessionary menace whatsoever. In post-liberalization regime India has experienced tremendous growth in total FDI inflows from an average of US\$5-6 billion during previous five years; it has crossed the level of US\$ 30 billion. But it still receives far less FDI flows from china and the USA in terms of GDP (gross domestic product) or Gross Fixed Investment. This research paper thread bear examine the impact of FDI on Indian economy in terms of GDP growth rate and export. The empirical study compares the impact of FDI inflows from China and the USA on India's growth rate. The paper has been analyzed by making use of correlation and multiple regressions between the variables. It also seeks to discuss the bi-directional relation between FDI and GDP in the three countries in order to access whether FDI is causing growth or growth rate is prerequisite for attracting FDI in case of India.

KEYWORDS

FDI, GDP, Growth Rate, Export, India, China, USA.

INTRODUCTION

Foreign Direct Investment (FDI) means investment by non-resident entity/person resident outside India in the capital of the Indian company under schedule 1 of FEMA (Transfer or Issue of Security by a Person Resident outside India) Regulation 2000 (Government of India, 2010). It is a high indicator of economic health of a country. Foreign Direct Investment plays an important role in the long term economic development of a country by augmenting availability of capital, enhancing competitiveness of a domestic economy through transfer of technology, strengthening infrastructure, raising productivity, generating new employment opportunities and boosting exports. Developing countries like India need substantial foreign inflows to achieve the required investment to accelerate economic growth and development. This unprecedented growth of global FDI in 1990 around the world make FDI an important and crucial component of development strategy in both developed and developing nations and policies are designed in order to stimulate inward flows. There is therefore a clear strong worldwide competition for attracting FDI. As a corollary, world saw the adaption of liberalization, Privatization and Globalization regime by India 1991, which not only helped the country in opening shackles restricting its growth and development, but also in registering surge in FDI inflows, with an expectation of fulfilling aspirations of both the host and home countries. China and India enjoy a lot in common: long histories, giant market, huge population and soaring growth rate. Both are in the process of liberalizing their economies as they open up to foreign direct investment which is not at the same track. FDI has increasingly been considered as a catalyst to market growth for the developing countries, like China and India. More significantly, besides supplementing capital, FDI, as a principal conduit of technology upgrade, know-how transfer and managing skills exchange, heralds the globalization of host economies (UNCTAD 2005; UNCTAD 2006). According to UNCTAD, India has emerged as the second most attractive country of FDI. During previous five years, India has experienced tremendous growth in total FDI inflows from an average of US\$5-6 billion and it has crossed the level of US\$30 billion in post liberalization. But it still receives far less FDI flows than China and USA or much smaller economies in Asia in terms of GDP or Gross Fixed Investment. It is not surprising as India's growth strategies have been reliant primarily on domestic enterprises; during last decade only, mindset appears to have changed.

REVIEW OF LITERATURE

The following are compact reviews of literature on subject matter of FDI that presented variegated dimensions of FDI inflows and were found to be hovering around impact of FDI on economic growth of the recipient country. We can say that impact of home country's FDI (viz. U.S.A., and China) on GDP of host country (India).

Ray sarbapriya (2012) analyze the casual relationship between FDI and Economic growth in India by using co integration approach for the period 1991 to 2011 that confirmed the long run equilibrium relationship between the two. The result suggests that there is positive relationship between FDI & GDP and Vice-versa by using least square method. It further shows that FDI has not contributed much to the economic growth for said period in India. Finally, the granger causality test confined the unidirectional causality which runs from economic growth to FDI. Therefore it is imperative for the government to a policy for attracting FDI in such a way that it should be more growth enhancing rather than growth retarding in India.

Devajit Mahanta (2012) studied the impact of FDI on economic growth in India. The paper also tries to find out how FDI as an important economic catalyst in order to stimulating domestic investment, increasing human capital formation and by facilitating the technology transfer. The minimal result is shown due to the low flow of FDI at macro level as well as at sectoral level in India. Therefore it is advisable to focus on export oriented sector so that the higher growth of the economy could be achieved in India.

Sharma Chandan & Dash Kumar Ranjan (2011) studied the relationship and linkage between the FDI, Trade and Economic growth by using (VAR) a vector auto regression model applying the Granger causality test for the period of 1997 to 2006 and found favorable growth effect in FDI. The paper found presence of bidirectional causality between FDI & Economic growth, unidirectional causality between FDI & Export; and complementary relation between FDI & Import. It further found that FDI is domestic market seeking rather than export seeking in India.

Khan A.Q. and Siddiqui Ahmad Taufeeque (2011), studied the impact of FDI on Indian economy and a comparison with China & USA. The paper has also been ventured into carving out set of strategies to deal with the issues & problems in attracting FDI for promotion & growth of international trade. The double log model has been used to find elasticity between different factors in this paper. In research paper impact of FDI on employment has also been analyzed in India. It also seek to discuss the bi directional relation between FDI and GDP in the three countries in order to assess whether FDI is causing growth or growth rate is prerequisite for attracting FDI in case of India. It resulted that there has been positive impact of FDI on overall growth of the economy. But when it is compared with china and USA the figures of FDI inflows are not encouraging, indeed situation is miserable. It is advisable to have huge financial resources to attain and maintain double digit growth rate and overall economic development of the country.

Bogdanovska Djurovic, Andrijana, "FDI Impact on the Economic Growth in the Developing Countries (2000-2010)", (July 10, 2011). The aim of the study is to analyze the impact of inward FDIs onto the economic growth in developing countries for the past decade. The research methodology used is based on the deductive research approach, based on quantitative data generated from secondary sources and a time-series analysis on a sample of developing nations. The results provide an updated analysis on the impact of FDI on the economic growth through the application of several control factors. Findings are inward FDIs were attracted to the developing nations with higher availability of educated labour, higher government spending and more efficient quality of governance.

Bhanagade D.B, Shah A. Pallavi (2011), they said in their paper that the impact of FDI on Indian Economy where they also emphasize on the investments, sectors attracting highest FDI inflows and FDI leads to Generation of Employment opportunities. Therefore the growth of inflow of FDI would lead to positive growth of Gross capital formation. In India, the growth of GDP is largely influenced by FDI.

P.R.Bhatt (2008), analyzes the determinants of FDI in ASEAN. The empirical model is estimated five countries of ASEAN region as a whole for the period 1976-2003 by using pooled least square method and fixed effect method. It resulted that there is a positive and significant influence via FDI inflows on ASEAN.

Siu Alan, Fung K.C. (2005), "FDI Flows to Latin America, East and Southeast Asia and China:

Substitutes or Complements?" In this paper, we explore this important research and policy issue empirically and focus on East and Southeast Asia as well as Latin America. In other words, foreign direct Investments to our Asian economies are positively related to direct investment into China, while foreign direct investments to the Latin American economies have little systematic relationship with direct investment going into China. For Asia, we use data for eight Asian economies for 1990-2002 by using regression model. We then add China's inward foreign direct investment as an indicator of the "China Effect". Specifically, market size variables and policy variables such as the lower corporate taxes and higher degrees of openness play larger roles in attracting investment.

Blomstrom and kokko (2003), they said in their paper that least developed economies attracting less FDI. It suggests that the existence of threshold level of development is necessary for FDI. Having more attraction of FDI inflows in least developed economies that results in boosting the economy of a country.

RESEARCH GAP, SCOPE AND OBJECTIVES

Number of studies had been conducted which were found to be hovering around the impact of FDI on Indian Economy. Moreover several researcher have raised the significant issues regards to FDI, but no one analyze the literature which reveals the impact of FDI on Indian economy and inter comparative study between China and USA.

However this research paper takes further step to study the impact of FDI in India compared to China and USA. It discuss the bidirectional relation between FDI and GDP, where it reveals that FDI is causing growth or growth rate is prerequisite for attracting FDI in India.

The following are the objectives have been pursued in this study,

1. To study the FDI in India as it has contributing to the growth of the economy.
2. To analyze the impact of FDI on Indian Economy in terms of GDP growth rate and Export.
3. To study the inter comparison study between China and the USA FDI inflows in respect to India's Gross Domestic Product (GDP).

HYPOTHESIS AND METHODOLOGY OF THE STUDY

1. **Ho:** The Null hypothesis assumes that there is no significant impact of FDI on GDP rate.

Ha: The Alternative Hypothesis accepts that there is significant impact of FDI on GDP rate.

2. **Ho:** The Null hypothesis assumes that there is no significant impact of FDI on Export.

Ha: The Alternative Hypothesis accepts that there is significant impact of FDI on Export.

3. **Ho:** The Null Hypothesis presumes that there is no significant impact of FDI in India compared to China and USA.

Ha: The Alternative Hypothesis accepts that there is significant impact of FDI in India compared to China and USA.

The following statistical tools have been used to test the hypothesis:

Linear regression function has been applied in order to know the impact of FDI on Indian economy considering GDP growth rate and Export as variables to be test upon. And also analyze the impact of USA's FDI inflows and China's FDI inflows on India' GDP growth rate. The degree of significance of coefficient of regression verify by the application of "T" test. The strength of linear relationship between the dependent variable and independent variable measured by the coefficient of determination. The data analyzed in this paper has been collected and searched from the reliable sources i.e. journals, articles, research papers, economic survey, Ministry of commerce, Handbook of Statistics by the RBI, OECD library and scrutinized through statistical tools & techniques.

GROWTH OF FDI INFLOWS

Foreign direct investment (FDI) has grown dramatically of FDI-defined as cross-border expenditure to acquire or expand corporate control of productive assets-have approximately tripled. Foreign direct investment (FDI) has made a dynamic surge into the world economy in the last fifteen years by growing strongly at rate well above those of global foreign trade. FDI has become a major form of net international borrowing for Japan and the United States (the world's largest international lender and borrower, respectively). Direct investment has grown even more rapidly of late within Europe.

Among the developing countries in Asia, India and China are the two major economies that have adopted market oriented economic policies designed to attract FDI inflows. Both these economies are now getting increasingly integrated with the global economy as they open up their markets to international trade and investment inflows. Both countries have enjoyed high positive average GDP growth rate over the last two decades, although China substantially exceeds India.

China ventured into the path of liberalization in 1979 (Lemoine, 2000, Huang, 2002) by gradually liberalizing and opening up its economy. While FDI in 1980 was virtually minimal (about \$ 596 million) within a span of 23 years, China's annual FDI inflows are way over \$50 billion. By the end of 2002, only a year after joining the WTO, China overtook the United States (U.S.) in FDI inflows and became the foremost recipient of FDI inflows in the world. The lead position of China among the destinations of global FDI inflows has also been confirmed by the 2002 A.T. Kearney FDI Confidence Index Survey. China scored 1.99 in a scale from zero to three, while the United States ranked second with 1.89 and India scored 1.05 as per the results. The United States, Britain, Germany and France rounded out the top five, with Brazil falling to 13th place in 2002 from third in 2001. China has also remained the most preferred destination for FDI among the developing nations in the Asia and the Pacific.

China and India attract a significant portion of the global FDI; however, the magnitude of China's FDI flows is much larger than that of India's FDI. China's inward look so impressive that some economist have reportedly used the phrase "China Fever" to describe the inflows of FDI into the country. The special reason for China's super-magnetic attraction of FDI is intriguing. After a declivitous fall over three years, the global FDI flows regained its impetus in 2004. The two Asian giants, China and India attracted a significant portion of the global FDI. The United States is the leading foreign investor in India and the second major investor in China next only to Japan.

ANALYSIS AND INTERPRETATION

This research paper examines the impact of FDI in India and seeks to discuss the impact of FDI on GDP in order to assess whether FDI is causing growth or growth rate is prerequisite for attracting FDI in India. For examining the impact, linear regression analyses has been used to find out the level of significance. Table-1 explains that the flow of FDI in respect of the GDP growth rate during the year 2000 to 2012 in India. According to data taken from DIPP, illustrates that FDI was US\$ 4029 million in the year 2000-2001 that increased to US\$ 6130 million with growth rate of 52% in the year 2001-02.

The investment amounted to US\$ 5035 million and US\$ 4322 million with negative growth rate of 18 % and 14 % respectively as it was noticed the downward trend in years i.e. 2002-03 and 2003-04. The reason for negativity was the unfortunate event of 9/11 attack in US leading to cascading effect on almost all the countries of the world. In most of the economies even including India the stock market went into bearish mode. Then the recovery begins from 2004-2005 and 2005-2006 with growth rate of 40% and 48% and investment amounted to US\$ 6051 million and US\$ 8961 million. In the year 2006-2007, FDI registered skyrocketed growth rate of 146 % with investment amounting to US\$ 22826 million. During this period tremendous growth can be ascertained in Indian economy. This trend of growth goes continued with investment amounting to US\$ 34835 at growth rate of 53% in the year 2007-2008. In the succeeding year i.e. 2008-2009, the growth rate declined to the level of 20%. This is all because of global financial recession but it is satisfactory for India in compare to other countries at least it is positive. Strong economic fundamentals and controlled privatization are able to maintain positive growth rate. The impact of crises adversely affect the Indian economy as it is noticed that in the year 2009-2010 and 2010-2011, the growth rate goes negative at -10% and -8% with investment

amount of US\$ 37745 million and US\$ 34847 million. In the year 2011-12, FDI inflows to India is increased to US\$ 46553 million with growth rate of 34% as shown in appendix 1. In order to test the hypothesis, the variables has been taken as independent and dependent variables to know the impact of FDI on GDP growth rate & export and by separately comparing India's GDP growth rate with FDI inflows of the countries under study.

In **Table 1**, the null hypothesis assumes that there is no significant impact of FDI on GDP growth rate. It is stated that independent variable is significant at any level of significance with T value of 1.01 and on other hand dependent variable is significant at any level of significance with T value of 5.9. The significance value for FDI inflows in India is 0.334 which is higher than the critical value of 0.05. We conclude that there is no significant impact of FDI inflows on GDP growth rate. In **Table-2**, the independent variable i.e. FDI inflows is significant at any level of significance with T value of 7.57 and export taken as dependent variable with T value of 2.2. Therefore it implies that there is clear impact of FDI on Export in India but the relation is indirect. The value of 'b' communicates the elasticity between FDI and Export.

TABLE-1: IMPACT OF FDI ON GDP GROWTH RATE (COEFFICIENTS)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.406	1.072		5.975	.000
FDI Inflows	4.855E-5	.000	.306	1.015	.334

a. Dependent Variable: GDP growth rate

TABLE-2: IMPACT OF FDI ON EXPORT (COEFFICIENTS)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	35809.432	16260.419		2.202	.052
FDI Inflows	4.624	.611	.923	7.573	.000

a. Dependent Variable: Export

The null hypothesis presumes that there is no significant impact of USA FDI Inflows on India's GDP growth rate during the period under study. It is discernible from **Table-3** that independent variable is significant at 18% level of significance which is higher than 5% level of significance. Therefore, there is no impact of USA FDI Inflows on GDP growth rate of India.

In **Table-4**, the null hypothesis assumes that there is no significant impact of China FDI Inflows on India's GDP growth rate. It is stated that independent variable is significant at any level of significance with T value of 0.26 and on other hand dependent variable is significant at any level of significance with T value of 0.76. The significance value for FDI inflows in India is 0.80 which is higher than the critical value of 0.05. We conclude that there is no significant impact of China FDI inflows on GDP growth rate. However, the present paper focuses on analyzing the impact of country-specific FDI inflows (viz.USA and CHINA) on GDP of the recipient country (India). The results reveal that the FDI inflows from the two giant countries do not significantly affect India's GDP.

TABLE-3: IMPACT OF USA FDI INFLOWS ON INDIA'S GDP GROWTH RATE (COEFFICIENTS)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-17.473	36.140		-.483	.640
USA FDI Inflows	.000	.000	-.436	1.451	.181

a. Dependent Variable: India's GDP growth rate

TABLE-4: IMPACT OF CHINA FDI INFLOWS ON INDIA'S GDP GROWTH RATE (COEFFICIENTS)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	23.977	31.407		.763	.465
CHINA FDI Inflows	6.281E-5	.000	-.087	-.261	.800

a. Dependent Variable: India's GDP growth rate

CONCLUSION

There is a clear strong worldwide competition for attracting FDI because it has been accepted worldwide that FDI can boost efforts for development in several ways, for instance boosting export, creating new employment, increasing technological capabilities and increasing total financial resources for overall development of the economy. Analysis in this research paper illustrates that there has been positive impact of FDI on overall growth of the economy. But when it is compared with other countries like China and USA, the FDI figure is not encouraging, indeed situation is miserable. In today's cut-throat economic environment, there are several factors that affect the gross domestic product inflows of any country, particularly in case of developing nations. However, the present paper focuses on analyzing the impact of country-specific FDI inflows (viz.USA and CHINA) on GDP of the recipient country (India). The results reveal that the FDI inflows from the two giant countries do not significantly affect India's GDP. Various studies suggest that India is still an explored market from FDI's point of view and holds enormous opportunities for FDI. India requires having huge financial resources to attain and maintain double digit growth rate and overall economic development of the country. We need to have development strategies which include openness for trade and favorable business environment for FDI.

REFERENCES

1. Bhanagade, D.B and Shah, Pallavi A. (2011), "Study of Impact of FDI on Indian Economy", International Referred Research Journal vol-II.
2. Bhatt.P.R. (2008), "Determinants of foreign direct investment in ASEAN" Foreign Trade Review, vol. XLIII NO.3, Indian Institute of Foreign Trade, New Delhi, pp21-52
3. Blomstrom and kokko (2003), "The Economic Foreign Direct Investment incentive". Working 9489.
4. Blomstromel.1992, Borensztein, Gregoria and lee 1998, de mello 1999, Gregoria 1992, lin 2001.
5. Bogdanovska Djurovic, Andrijana, "FDI Impact on the Economic Growth in the Developing Countries (2000-2010)", (July 10, 2011).
6. Department of Industrial Policy & Promotion (Dipp) factsheet, Retrieved from http://dipp.nic.in/English/Publications/FDI_Statistics/2013/india_FDI_JAN_2013.pdf
7. Economic Survey. Retrieved from <http://indiabudget.nic.in>.
8. Handbook of statistical data of Reserve Bank of India. Retrieved from <http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?ld=1029> www.rbi.com.
9. Khan.A.Q & Siddiqui Ahmad, Taufeeque (2011), "Impact of FDI on Indian Economy: A Comparison with China & USA". International Journal of Business & Information technology, vol-1 no 1 2011.
10. Rajput, Namita (2012), "The impact of FDI on Indian Economy", Research journal of Management Science (2), 29-31, (2012).
11. Ray, Sarbapriya (2012), "Impact of FDI on Economic Growth in India: A cointegration Analysis", Advances in Information Technology and Management, Vol.2, No.1.

12. Sharma Chandan & Dash Kumar Ranjan (2011), "FDI, Trade and Growth Dynamics: New Evidence from Post Reform India"

13. Siu Alan, Fung K.C. (2005), "FDI Flows to Latin America, East and Southeast Asia and China: Substitutes or Complements?" taken from www.ssrn.com

APPENDICES

TABLE 5: FOREIGN DIRECT INVESTMENT, GROSS DOMESTIC PRODUCT GROWTH RATE AND EXPORT (Million US\$ & %)

Years	FDI	Growth Rate	Export
2000-01	4,029	-	44560.3
2001-02	6,130	(+) 52	43826.7
2002-03	5,035	(-) 18	52719.4
2003-04	4,322	(-) 14	63842.6
2004-05	6,051	(+) 40	83535.9
2005-06	8,961	(+) 48	103090.5
2006-07	22,826	(+) 146	126414.1
2007-08	34,843	(+) 53	162904.3
2008-09	41,873	(+) 20	185295.0
2009-10	37,745	(-) 10	178751.4
2010-11	34,847	(-) 08	251136.2
2011-12	46,553	(+) 34	304623.5

Source: FDI factsheet of DIPP from April 2000 to January 2013 & Handbook of Statistics (RBI)

TABLE 6: FDI INFLOWS TO INDIA FROM U.S.A., CHINA AND THEIR GDP GROWTH RATES (Million US\$ & %)

Years	USA	Growth Rate	China	Growth Rate
2000-01	321274	4.2	38399	8.4
2001-02	167021	1.1	44241	8.3
2002-03	84372	1.8	49308	9.1
2003-04	63750	2.6	47077	10.0
2004-05	145966	3.5	54937	10.1
2005-06	112638	3.1	79127	11.3
2006-07	243151	2.7	124100	12.7
2007-08	221166	1.9	160100	14.2
2008-09	310091	-0.4	175100	9.6
2009-10	150443	-3.5	114200	9.2
2010-11	205831	3.0	185000	10.3
2011-12	233988	1.7	228600	9.2

Source: I:\OECD International Direct Investment Statistics - Statistics - OECD iLibrary.mht

GEOGRAPHICAL ASSESSMENT OF FINANCIAL INCLUSION IN INDIA

PURUSHOTTAM KUMAR ARYA
RESEARCH SCHOLAR
FACULTY OF MANAGEMENT STUDIES
UNIVERSITY OF DELHI
DELHI

HIMANSHU MISHRA
RESEARCH SCHOLAR
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI
DELHI

AAKASH UPADHYAY
RESEARCH SCHOLAR
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI
DELHI


ABSTRACT

The importance of a well-structured financial system is widely recognized globally, and the financial inclusion is seen as a policy priority in many countries. The increased emphasis on financial inclusion reflects a growing realization of its potentially transformative power to accelerate development gains. A country like India, which has large informal sector economy, needs the implementation of financial inclusion at large scale. Several researches have already done on the implementation of financial inclusion and their loopholes in the policies regarding it. But in this paper the study talks about the implementation of Financial Inclusion in Geographic sense. How the policies have successfully implemented in plain or accessible region while it has not happened in same way for remote and inaccessible regions like Mountainous, hilly, forest dominated parts of the India. This paper also recognizes the role of financial inclusion in inclusive growth in India.

KEYWORD

Financial inclusion.

INTRODUCTION**THE ISSUE AND CONCEPTUAL BACKGROUND**

 Strong economy is a basic requirement for any country in the era of globalization. Economy makes strengthen only when it talks about the inclusion of every citizen of that country from bottom to top. A country like India, which has large informal sector economy, needs the implementation of financial inclusion at large scale. Several researches have already done on the implementation of financial inclusion and loopholes in the policies regarding it. But in this paper the study talks about the implementation of Financial inclusion in Geographic sense. How the policies have successfully implemented in plain or accessible region while it has not happened in same way for remote and inaccessible regions like Mountainous, hilly, forest dominated parts of the India.

Financial inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low-income groups. Unrestrained access to public goods and services is the *sine qua non* of an open and efficient society. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy.

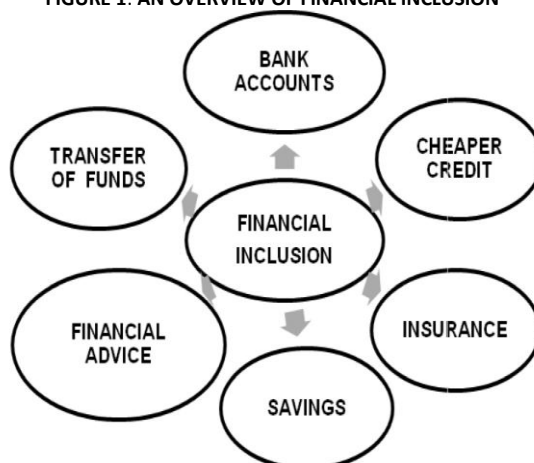
After independence rural cooperative banks were established in an attempt to disseminate financial services among marginalized sections of population. The basic intension was to provide more credit to agriculture and small-scale industries. However, the entire plan failed to materialize as majority of the bank credit was mobilized towards big enterprises. In order to combat this problem, in 1969 banks came under the ownership of the government in two phases (14 banks in 1969 and 6 banks in 1980). The bank nationalization was marked a paradigm shift in the banking sector. Under this arrangement, at least 40 per cent bank lending had to be extended in the priority section and 25 per cent of these loans had to be extended to weaker sections within priority section. Other feature of nationalization includes interest rate controls on credit upto 2 lakhs, interest subsidy, and capital subsidy schemes like IRDP, SGSY etc. The nationalized banks and regional rural banks (RRBs) control over 73 per cent of all commercial banking assets. Since bank liberalization, the distribution of financial services in the country has been quite extensive compared to other developing economies, but it has not given same results to the remote areas of country as it gave to accessible areas.

In the context of initiatives taken for extending banking services to the small man, the mode of financial sector development until 1980's was characterized by

- A hugely expanded bank branch and cooperative network and new organizational forms like RRBs;
- A greater focus on credit rather than other financial services like savings and insurance, although the banks and cooperatives did provide deposit facilities;
- Lending targets directed at a range of 'priority sectors' such as agriculture, weaker sections of the population, etc;
- Significant government subsidies channeled through the banks and cooperatives, as well as through related government programmes;
- A dominant perspective that finance for rural and poor people was a social obligation and not a potential business opportunity.

It is absolutely beyond any doubt that the financial access to masses has significantly improved in the last three and a half decades. But the basic question is has that been good enough or equally beneficial for all the parts of country. There is a tremendous scope for financial coverage if we have to improve the standards of life of those deprived people.

FIGURE 1: AN OVERVIEW OF FINANCIAL INCLUSION



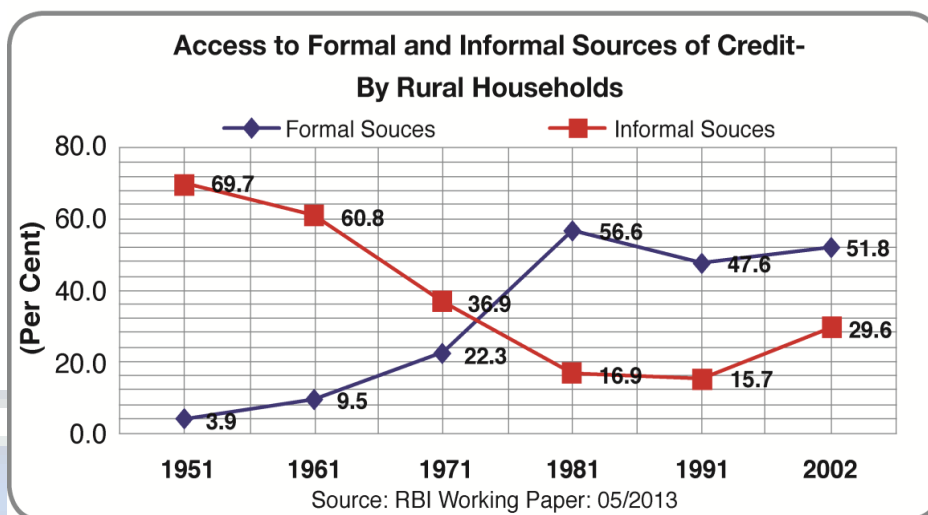
As charges that would make such accounts accessible to vast sections of the population in general and the population of remote areas in particular. The nature and number of transactions in such accounts would be restricted and made known to customers in advance in a transparent manner. All banks are urged to give wide publicity to the facility of such no frills account so as to ensure greater financial inclusion. With a view to enhancing the financial inclusion, as a proactive measure, the RBI in its Annual Policy Statement for the year 2005-06, while recognizing the concerns in regard to the banking practices that tend to exclude rather than attract vast sections of population, urged banks to review their existing practices to align them with the objective of financial inclusion. In the Mid Term Review of the Policy (2005-06), RBI exhorted the banks, with a view to achieving greater financial inclusion, to make available a *basic banking* 'no frills' account either with nil or very minimum balances as well.

Further, in order to ensure that persons belonging to low income group both in urban and rural areas do not face difficulty in opening the bank accounts due to the procedural hassles, the KYC procedure for opening accounts has been simplified for those persons who intend to keep balances not exceeding rupees fifty thousand (Rs. 50,000/-) in all their accounts taken together and the total credit in all the accounts taken together is not expected to exceed rupees one lakh (Rs.1, 00,000/-) in a year, which is favorable and accessible for lower strata of society.

NSSO 59TH ROUND SURVEY RESULTS

- 51.4% of farmer households have been financially excluded from both formal/ informal sources.
- Of the total farmer households, only 27% have access to formal sources of credit; one -third of this group also borrows from non-formal sources.
- Overall, 73% of farmer households are deprived of access to formal sources of credit.
- Across regions, financial exclusion is very high in Central, Eastern and North-Eastern regions, which accounts to 64% of all financially excluded farmer households in the country.
- However, over the period of five decades, there has been an overall improvement in access to formal sources of credit by the rural households (Chart 1).

Chart 1: Access to Formal and Informal Sources



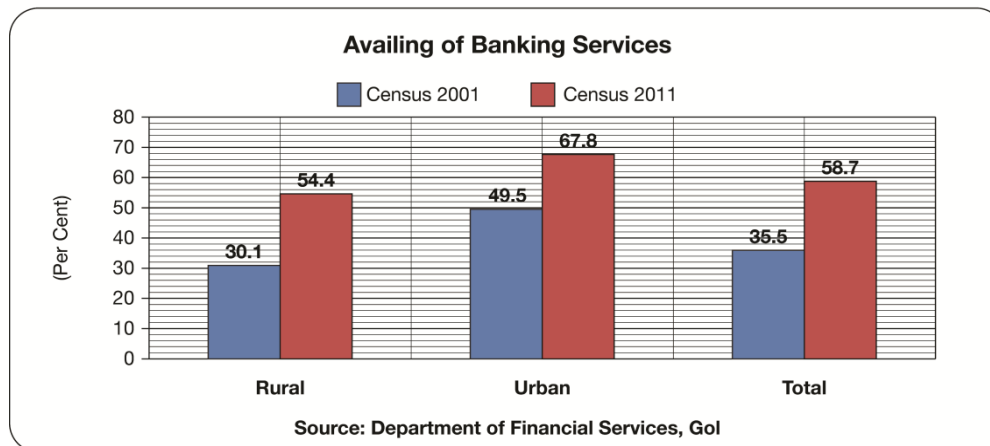
METHODOLOGY

The paper is based on the objective to examine the Indian experience in the field of financial inclusion. The secondary data have been collected from various sources to assess the role of Reserve Bank and Govt. of India in promoting Financial Inclusion. The descriptive and empirical studies were used to analyze the role of RBI in achieving full financial inclusion in India by 2015. References of some articles have also been used to find out the need, scope, and recent development in this direction of financial inclusion in India. The present study has been divided into two sections viz. extent of financial exclusion, financial inclusion implementation variability among states. Research methodology is partly descriptive, partly exploratory. For preparing the map Arc GIS and Arc-view software of remote sensing and GIS have used.

COMPARATIVE ANALYSIS

As per census 2011, households availing banking services in the country accounts to only 58.7%. However, as compared to previous census 2001, percentage counts of households availing banking services increased significantly on account of increase in banking services in rural areas (Chart 2).

Chart 2: Availing of Banking Services



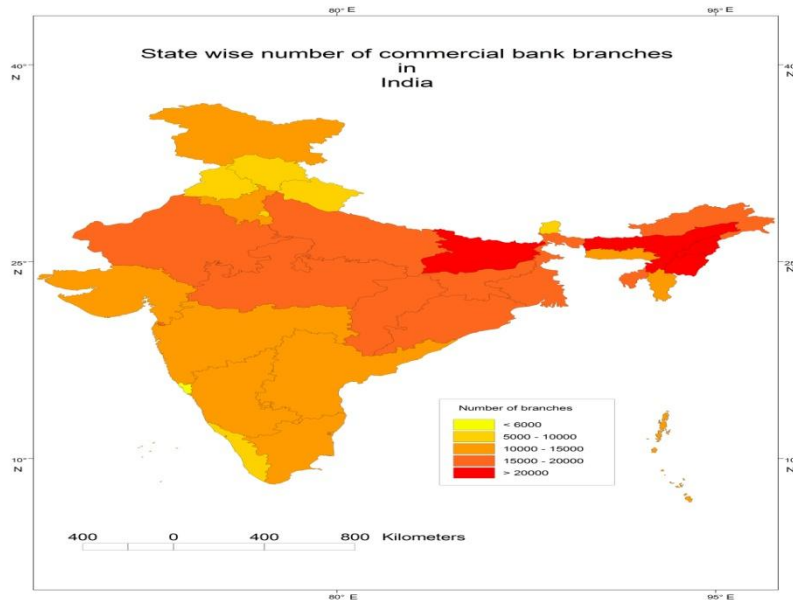
Although the number of people under banking sector have increased since past but the benefits of financial inclusion is highly vary from one region of the country to other region. As table below clearly shows that how the accessible region/ states like Haryana, Punjab, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Andhra Pradesh, Kerala, Tamilnadu, Karnataka, Maharashtra have benefitted due to its infrastructural advancement, accessibility, connectivity and proximity from big urban centers. But on other hands the remote regions/states like Arunachal Pradesh, Nagaland, Manipur, Mizoram, Sikkim, areas of Uttarakhand, Himachal Pradesh, Chhattisgarh, Jharkhand etc have not benefitted equally due to inaccessibility, remoteness, backwardness and poor infrastructure of the region. Some Geographic location and conditions are responsible for the poor performance of these states in financial inclusion. So Geography of particular state plays an important role in benefit of financial inclusion.

TABLE 1: STATE-WISE DEPOSITS AND CREDIT ACCOUNTS OF COMMERCIAL BANKS-MARCH 2006 (No of A/C and Population in 000)

Region/ States/ UT's	No. Of Branches	Population Per Branch	Saving Accounts	Credit Accounts	Total Population
Northern Region	1821	11224	58584	9247	132676
Haryana	1764	11952	9157	1434	21083
Himachal Pradesh	820	7411	2671	439	6077
Jammu & Kashmir	873	11535	3672	473	10070
Punjab	2824	8601	14780	1805	24289
Rajasthan	3512	16080	14119	2904	56473
Chandigarh	244	3692	1191	164	901
Delhi	1784	7726	12994	2027	13783
North-Eastern	1949	19751	8180	1639	38495
Arunachal Pradesh	69	15813	254	41	1090
Assam	1273	20926	5993	1031	26638
Manipur	78	30624	250	66	2389
Meghalaya	189	12201	503	122	2306
Mizoram	80	11138	166	42	891
Nagaland	73	27242	239	55	1989
Tripura	187	17065	775	282	3191
Eastern Region	12308	18493	54716	10967	227613
Bihar	3647	22725	14543	2866	82879
Jharkhand	1525	17646	6818	1283	26909
Orissa	2333	15734	8246	2864	36707
Sikkim	56	9652	173	35	540
West Bengal	4713	17021	24788	3899	80221
Andaman	34	10478	149	20	356
Central Region	14104	18131	71717	12270	255713
Chhattisgarh	1061	19600	3846	802	20796
Madhya Pradesh	3563	16948	13249	3029	60385
Uttar Pradesh	8562	19394	50882	7811	166053
Uttarakhand	918	9237	3741	628	8480
Western Region	10996	13557	57211	12323	149072
Goa	357	3765	1693	178	1344
Gujarat	3840	13176	18958	2697	50597
Maharashtra	6771	14289	36369	9436	96752
Dadra & Nagar Haveli	12	18371	101	7	220
Daman & Diu	16	9879	89	5	158
Southern Region	19598	11401	93010	38989	223445
Andhra Pradesh	5578	13576	28282	10104	75728
Karnataka	5176	10188	22101	7669	52734
Kerala	3,668	8680	16495	6227	31839
Tamil Nadu	5,074	12241	25491	14840	62111
Lakshadweep	10	6060	27	3	61
Pondicherry	92	10585	615	146	974
ALL-INDIA	70776	14511	343418	85435	1027015

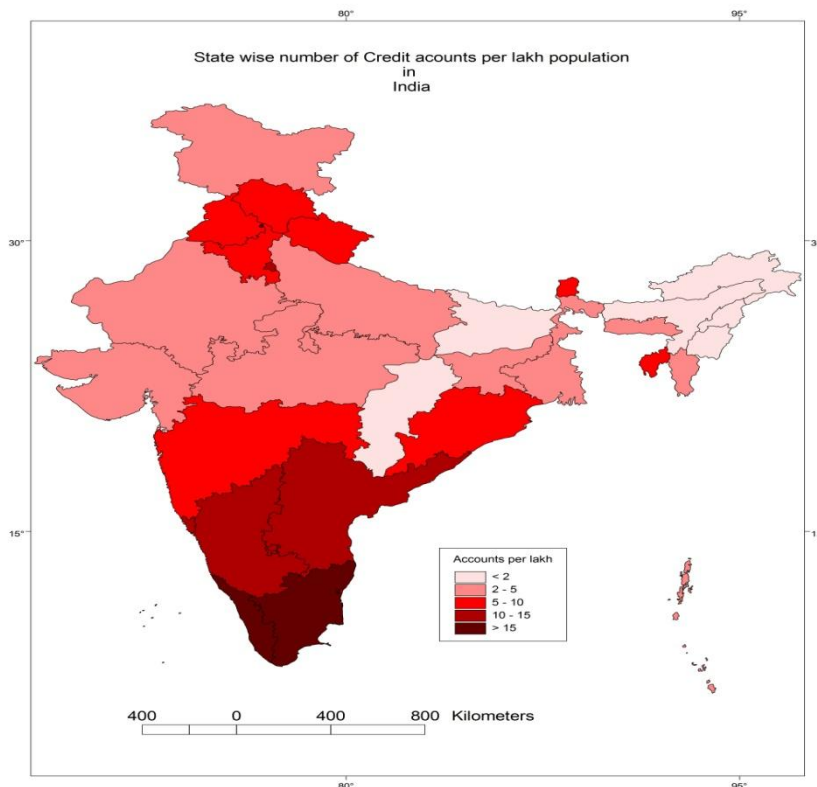
Source: RBI, BSR 2006, Table No 1.20 and Leeladhar (RBI Bulletin January 2006)

FIGURE 2: STATE WISE NUMBERS OF COMMERCIAL BANK BRANCHES IN INDIA



Source: Self-prepared on RBI, BSR 2006 data

FIGURE 3: STATE WISE CREDIT ACCOUNTS PER LAKH POPULATION IN INDIA



Source: Self-prepared on RBI, BSR 2006 data

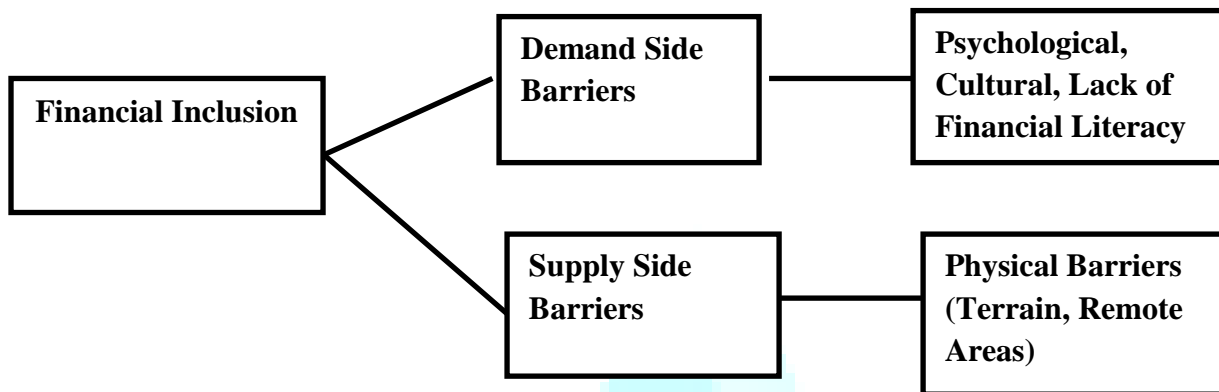
The states of Northern region like Punjab, Haryana, Rajasthan, Delhi have 2824, 1764, 3512, 1784 (000) number of commercial banks branches respectively, while the north eastern states like Arunachal Pradesh, Manipur, Mizoram, Nagaland have only 69,78,80,73 (000) number of commercial banks branches respectively. It clearly demarcates geographical barriers to proper implementation of financial inclusion in different regions. The number of credit accounts in Andhra Pradesh (10104), Tamilnadu (14840) and Maharashtra (9436) also varies at large in comparison to mountainous states like Himachal Pradesh (439), Jammu and Kashmir (473), Uttarakhand (628) etc shows that these states are struggling for livelihood sources and income generation options. Almost same situation is also lie with number of saving accounts in different states of India, like Chhattisgarh (3846), Jharkhand (6818), Orissa (8246) and Sikkim (173) stands nowhere in comparison to states like West Bengal (24788), Karnataka (22101), Uttar Pradesh (50882), Maharashtra (36369) etc. so study clearly demarcate the loopholes in formulation of planning regarding financial inclusion. (Table 1)

FINDINGS AND CONCLUSION

India has a strong network of public sector banks but availability of banking services in different parts of the country is non-uniform. In places where there is inadequate availability of banking services, the supply side barriers to financial inclusion are particularly high, making availability of MFI services particularly useful. Even though banks often themselves do not provide service tailor made for low-income groups, they often partner with Non Government organization (NGOs) through the self-help group bank linkage program promoted by the National Bank for Agriculture and Rural Development (NABARD). Hence low-income

groups in areas with bank branches are often able to access financial services through this route. In this section, we seek to assess if MFIs fill in spatial gaps in banking services by showing high levels of penetration in areas neglected by the banking sector.

BARRIERS TO ACCESS FINANCIAL SERVICES



SUPPLY SIDE BARRIERS

First, MFIs provide financial products more or less tailored to the requirements of low-income groups. For instance, in the case of MFI loans, collateral is not usually insisted upon and loan repayment amounts are small and frequent. Second, they usually provide convenient forms of delivery of financial services, often by regular visits to the neighborhoods of customers, making physical access particularly easy and attractive. Third, they do not usually have elaborate documentation requirements.

The study made an attempt to convey about assessment of financial inclusion efforts in our country. Lastly, the study found that, although India has adopted several measures to advance financial inclusion, an estimated 40 percent of its population is still without access even to basic financial services. Financial inclusion of the unbanked masses is a critical step that requires political wills, bureaucratic support and determined effort by RBI. It is expected to utilize the untapped potential of the bottom of pyramid section of Indian economy. Financial inclusion is, therefore, not just an economic imperative for India, but also a socio-political one.

The study clearly shows that the policies regarding financial inclusion and other developmental activities should be planned according to the needs and geography of that particular region. The policy, which is applicable in plain region, might not be affected in mountainous or hilly regions in same intensity. The culture and level of development is different from one part to another in vast country, India. So the adaptability situations may also vary from culture to culture. The approach regarding government policies should be participatory and need based, the failure of financial inclusion in remote areas clearly shows that the stakeholders of that particular region have not consulted. The problem of connectivity due to difficult terrain, harsh weather conditions and homogeneity of people is also a major hurdle for the implementation of these programs in remote states of country. To keep all natural and geographical factors in mind, we need to check market policies and competition according to different regions.

The banks should come out of inhibited feeling that very aggressive competition policy and social inclusion are mutually exclusive. As demonstrated elsewhere, the mass banking with no-frills etc. can become a win-win situation for both. Basically banking services need to be "marketed" to connect with large population segments and these may be justifiable promotional costs. The opportunities are plenty.

- In the context of India becoming one of the largest micro finance markets in the world especially in the growth of women's savings and credit groups (SHGs) and the sustaining success of such institutions which has been demonstrated by the success of SEWA bank in Gujarat, low cost banking is not necessarily an unviable venture/proposition.
- The IBA may explore the possibility of a survey about the coverage in respect of financial inclusion keeping in view the geographical spread of the banks and extent of financial services available to the population so as to assess the constraints in extension of financial services to hitherto unbanked sections and for initiating appropriate policy measures.
- It may be useful for banks to consider franchising with other segments of financial sector such as cooperatives, RRBs etc. so as to extend the scope of financial inclusion with minimal intermediation cost.
- Since large sections of low-income groups transactions are related to deposits and withdrawals, with a view to containing transaction costs, 'simple to use' cash dispensing and collecting machines akin to ATMs, with operating instructions and commands in vernacular would greatly facilitate financial inclusion of the semi urban and rural populace. In this regard, it is worthwhile to emulate the example of 'e-choupal' project brought forth through private sector initiative.

REFERENCES

1. Gupta, A. (2011). Towards Financial Inclusion in India. Retrieved from <http://www.sibm.edu>: <http://www.sibm.edu/FacultyResearch/pdf/towardsfinancialinclusion.pdf>
2. Census 2011 India. (2011). Houselisting and Housing Census Data. Retrieved from <http://censusindia.gov.in/>: http://www.censusindia.gov.in/2011census/hlo/HLO_Tables.html
3. Chakrabarty, K. C. (2011, November). Financial Inclusion and Banks: Issues and Perspectives. RBI Bulletin
4. Chakrabarty, K. C. (2011, November). Financial Inclusion: A Road India Needs to Travel. RBI Bulletin .
5. Leeladhar, V. (2005, December 2). Indian Institute of Banking and Finance. Retrieved from www.iibf.org.in: http://www.iibf.org.in/scripts/iib_financinclusion.asp
6. Leeladhar, V. (2006). Taking Banking Services to the Common Man -Financial Inclusion. Reserve Bank of India Bulletin.
7. Sarma, M. (2010, November). Discussion Papers in Economics Index of Financial Inclusion. Retrieved from <http://www.jnu.ac.in>: http://www.jnu.ac.in/sis/citd/DiscussionPapers/DP05_2010.pdf
8. World Bank. (2007). Finance for all policies and pitfalls in expanding access. Washington D.C: World Bank.
9. World Bank Group. (2009, September). Financial Access: Measuring Access to Financial Services Around the World. Retrieved from <http://www.gsma.com>: http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2012/06/fa2009_6.pdf
10. World Bank. (2005). Indicators of Financial Access – Household – Level Surveys. World Bank.
11. Arya, P. K. (2014). Financial Inclusion and Economic Development. The Brahmputra Rhythm of The Promises, Vol:VII (Issue 1), pp.41-45.
12. Arya, P. K., & Seth, V. (2014). Financial Exclusion and Inclusion: An International Perspective. International Journal of Management, IT and Engineering (IJMIE), Volume 4 (Issue 10), P(210-221).
13. Arya, P. K. (2015). Financial Inclusion and their role in inclusive growth. International Journal of Management, IT and Engineering (IJMIE) , Volume 5 (Issue 2), pp 79-96.
14. Sharma, M., & Pais, J. (2010). Financial Inclusion and Development. Journal of International Development, 613-628.

15. Rangarajan, C. (2008). Report of the Committee on Financial Inclusion in India. Government of India.
16. NABARD. (1992). NABARD. Retrieved from <http://www.nabard.org/>: <http://www.nabard.org/>
17. Reserve Bank of India. (2005, January). Report of the Task Force on Revival of Cooperative Credit Institutions. Retrieved from <http://www.rbi.org.in/http://www.rbi.org.in/scripts/PublicationReportDetails.aspx?FromDate=01/11/2005&SECID=21&SUBSECID=0>
18. Reserve Bank of India. (2009, August). Report of the Working Group to Review the Business Correspondent Model. Retrieved from <http://www.rbi.org.in/http://www.rbi.org.in/scripts/PublicationReportDetails.aspx?UrlPage=&ID=555>
19. NSSO. (2005). Indebtedness of Farmer Households 2003 . Central Statistical Organisation . Government of India.
20. Asian Development Bank. (2000). Microfinance Development Strategy. Retrieved February 13, 2012, from www.adb.org: <http://www.adb.org/documents/policies/microfinance/microfinance0100.asp?p=policies>
21. Thorat, U. (2007, July). Financial Exclusion – The Indian Experience. The Reserve Bank of India Monthly Bulletin , pp. 1165-1172.
22. Tendulkar, S. D. (2013). Expert Group on Methodology for Estimation of Poverty. Retrieved from <http://planningcommission.nic.in/>: http://planningcommission.nic.in/eg_poverty.htm



REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, nor its publishers/Editors/Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal is exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

