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STUDY ON EXPLORING ASE EMPLOYEES JOB SATISFACTION**CHENG-WEN LEE****PROFESSOR****DEPARTMENT OF INTERNATIONAL BUSINESS****CHUNG YUAN CHRISTIAN UNIVERSITY****TAIWAN** **TSAI-LUN CHO****RESEARCH SCHOLAR (Ph. D.)****COLLEGE OF BUSINESS****CHUNG YUAN CHRISTIAN UNIVERSITY****TAIWAN****ABSTRACT**

The purpose of this study is deeply exploring ASE staff's evaluation of job satisfaction, and to find the root cause. We hope this case study, help companies to treat their employees fairly. As people are company's most important assets. The motivation of the study is due to the ASE sewage case, The Government issued to stop work several times started some rumors in the newspaper, such as employees may take unpaid leave, thus this sparked the idea of this study. Raw data is taken from "http://ibeejobs.com". The data is collected to explore ASE employee's job satisfaction in the company. We found 10 different evaluation items: Company prospects, Evaluation of management, Promotion opportunities, Communication channels, Pay Benefits, Employee morale, Perfect system specification, Balance work and private life, Mutual respect for cultural equality, "Environmental facilities" and 6 open questions and answers via ibee's website. The results showed overall satisfaction rate was 4.70, and the results also showed that the highest satisfaction is for "Company prospects", "Perfect system specification" and "Environmental Facilities" at Overall satisfaction items. Lowest satisfaction was seen for "Employee Morale" at overall satisfaction items. Finally, we will analyze Job title, by dividing into three classes: the first class is "Non-management positions" and "Management positions", the second class is "Direct staff" and "Indirect staff", the third class is "Non-support staff" and "Support staff". Then, the individual class will be independently -Sampled for T Test, to see whether job satisfaction among each given class is different or not.

KEYWORDS

Job satisfaction, Independent-Sample T Test

1. INTRODUCTION

Due to ASE sewage case, Government issued to stop work several times, employees may take unpaid leave by 2013/12/13 as per apple daily newspaper report; and this sparked the idea of this study. The purpose of this study is to deeply explore ASE staff's evaluation of job satisfaction and to find the root cause. The past literature said that job satisfaction depends on certain main factors: job itself, job environment, organizational characteristics, and social dimension (Lee et al 2012). Also Khalid I. Alshetri, (2013) has explored the factors that affect overall job satisfaction and intentions to stay and found that salary has direct effect and indirect effect on the intentions to stay through overall job satisfaction. Promotion, co-workers, and nature of work have direct effects. Thus, employee turnover has become an critical issue for HR practitioners and managers as it does not only affects other employees' level of satisfaction, but also affects organizational performance (Muhammad et al 2014). Ultimately we hope that this case study, prompts companies to treat their employees well. As people are company's most important assets. This study uses different position titles, to analysis "Non-management positions" or "Management positions", "Direct staff" or "Indirect staff", "Non-support staff" or "Support staff". Finally, we see if the satisfaction among each class is different or not.

2. REVIEW OF LITERATURE

This study has collected data to explore ASE employees in the company's job satisfaction. Related literature mentions that employees' cognition of corporate social responsibility in the aspect of customers and employees might have significantly positive effect on job satisfaction through the mediating effect of organizational identity (Yang, 2014). According to ibee's website job satisfaction is been divided into 10 different evaluation items: Company prospects, Evaluation of management, Promotion opportunities, Communication channels, Pay Benefits, Employee morale, Perfect system specification, Balance work and private life, Mutual respect for cultural equality, Environmental facilities.

Most of the past literature has also discussed job satisfaction of main factors: job itself (job motivation, job characteristic, authority, and responsibility), job environment (working condition, supervision, and coworkers), organizational characteristics (wage and employment stability, promotion, and organizational policy), and social dimension (occupational prestige, organizational reputation, and corporate social responsibility) (Lee et al 2012).

Due to leadership behavior was significantly (positively) correlated with job satisfaction (Tsai, 2011), the way manager communicates affects staffs communication satisfaction level (Chen, 2009); Thus manager should always encourage and reinforce positive performance of employees which will enhance job satisfaction of frontline workers in order to consolidate the sustainable development of the brand image (Chung, 2011). Also, JENN Tang (2013) study found that corporate employees enjoy using networks as a channel for coordination similarly Sussanna et al, (2014) pointed that reduced stress and increased employee wellbeing are outcomes of the work-life balance.

Related literature also talks about job satisfaction and positions titles, Chief Managers, compared to assistants, designers, and managers, have higher degree of sense of achievement, showing that nurturing talents in the business is critically important for operation of the an enterprise (Chan et al. 2014). Another study of Lin (2011) shows that service personnel of hotel and tourism industry through the implementation of ethical programs, generated influence upon cognition of corporate social responsibility, and it further affected work satisfaction of service and sense of commitment towards the organization.

3. RESEARCH METHODOLOGY**3.1 DATA SOURCE**

Raw data is been taken from "http://ibeejobs.com". We choose ASE Inc. and took a total sample of 85 informants during the period of 9/20/2009 to 6/1/2015. Since the raw data is of anonymous employees thus it will be considered as the real job evaluation.

3.2 METHODOLOGY

"http://ibeejobs.com" is used for measuring the job satisfaction and salary. Anonymous informant in job satisfaction, will be published 10 different evaluation items: Company prospects, Evaluation of management, Promotion opportunities, Communication channels, Pay Benefits, Employee morale, Perfect system specification, Balance work and private life, Mutual respect for cultural equality, Environmental facilities. For each item, the responses were recorded on a 10-point Likert scale ranging from 1 (strongly dissatisfied) to 10 (strongly satisfied).

In addition, 6 open questions and answers were used so that we can understand the views of the staff. Informant's Job title was divided into three classes: the first class is "Non-management positions" and "Management positions", The second class is "Direct staff" and "Indirect staff ", the third class is " Non-support staff "and" Support staff ". Then, the individual class will be Independent-sample T Test, in order to compare the means of two independent groups so as to determine whether there is statistical evidence associated with population means which will mean they are significantly different.

3.3 RELIABILITY AND VALIDITY

In order to check the reliability and validity of raw data, the responses were received from the 85 Informants, in order to check the reliability of the questionnaire the correlation between the items of the various dimensions was calculated by using SPSS version 22. We get the Cronbach's alpha coefficient for all satisfaction is 0.926. Cronbach's alpha greater than 0.7, that indicates a very good internal reliability, based on average inter-item correlation.

4. EMPIRICAL RESULT

4.1 DESCRIPTIVE STATISTICS

The descriptive statistic used in this paper are shown in Table (1). Descriptive statistics within all samples (85 count) showed that most of the informants, according to the item satisfaction (Mean) and sorting, found that Company prospects (6.188) > Perfect system specification (5.247) > Environmental facilities (5.094) > Pay Benefits (4.718) > Evaluation of management (4.518) > Mutual respect for cultural equality (4.376) > Communication channels (4.329) > Promotion opportunities (4.259) > Balance work and private life (4.176) > Employee morale (4.165).

TABLE 1: DESCRIPTIVE STATISTICS

Job satisfaction	N	Mean	Standard Error
Company prospects	85	6.188	0.244
Evaluation of management	85	4.518	0.225
Promotion opportunities	85	4.259	0.228
Communication channels	85	4.329	0.233
Pay Benefits	85	4.718	0.236
Employee morale	85	4.165	0.214
Perfect system specification	85	5.247	0.257
Balance work and private life	85	4.176	0.253
Mutual respect for cultural equality	85	4.376	0.264
Environmental facilities	85	5.094	0.227

4.2 CORRELATION MATRIX

Correlation Analysis of all items is shown in Table (2) which reveals that all items were positively associated and significance was found to be at 1% levels. Items names are as follows: (1).Company prospects, (2).Evaluation of management, (3).Promotion opportunities, (4).Communication channels, (5).Pay benefits, (6).Employee morale, (7).Perfect system specification, (8).Balance work and life, (9).Mutual respect for cultural equality, (10).Environmental facilities.

TABLE 2: CORRELATIONS MATRIX AMONG VARIOUS ITEMS

Items	1	2	3	4	5	6	7	8	9	10
1	1.000									
2	.586***	1.000								
3	.511***	.707***	1.000							
4	.482***	.781***	.808***	1.000						
5	.634***	.511***	.566***	.453***	1.000					
6	.530***	.751***	.649***	.749***	.603***	1.000				
7	.507***	.536***	.454***	.570***	.637***	.649***	1.000			
8	.277***	.443***	.423***	.545***	.399***	.615***	.629***	1.000		
9	.389***	.574***	.505***	.597***	.434***	.637***	.654***	.541***	1.000	
10	.519***	.460***	.349***	.452***	.565***	.631***	.764***	.529***	.683***	1.000

Notes: *, **, and *** denote significance at 10%, 5% and 1% levels, respectively.

4.3 INDEPENDENT-SAMPLE T TEST

The group statistic used in "Non-management and Management" are shown in Table (3). Management sample is shown in 10 informants. Non-management is 75 informants. "Company prospects, Pay Benefits, Perfect system specification, Balance work and life, Environmental facilities" 5 items satisfaction results are as follows "Management positions" was found to be greater than "Non-management positions". Then, "Evaluation of management, Promotion opportunities, Communication channels, Employee morale, Mutual respect for cultural equality" 5 items satisfaction results are as follows "Non-management positions" was found to be greater than "Management positions". If satisfaction is in accordance with the company's prospects than non-management positions are good, it is 7.00, indicating that the company's executives are more optimistic about the prospects and generally considered that ASE is the world's largest semiconductor packaging plant, work is relatively stable. Treatment of welfare lies under satisfaction than non-management positions is good; it is 6.50, indicating that management on salary feel good. "Improve the system specification" lies under satisfaction than non-management positions are good, which is 6.40, indicating that executives to improve the system specification are more satisfied, but still there are still some problems.

TABLE 3: STATISTICS ON NON-MANAGEMENT AND MANAGEMENT

Management positions		N	Mean	Std. Deviation
Company prospects	Non-management	75	6.08	2.288
	Management	10	7.00	1.826
Evaluation of management	Non-management	75	4.60	2.060
	Management	10	3.90	2.183
Promotion opportunities	Non-management	75	4.32	2.106
	Management	10	3.80	2.098
Communication channels	Non-management	75	4.40	2.181
	Management	10	3.80	1.932
Pay benefits	Non-management	75	4.48	2.152
	Management	10	6.50	1.434
Employee morale	Non-management	75	4.20	2.000
	Management	10	3.90	1.792
Perfect system specification	Non-management	75	5.09	2.372
	Management	10	6.40	2.119
Balance work and life	Non-management	75	4.15	2.329
	Management	10	4.40	2.503
Mutual respect for cultural equality	Non-management	75	4.43	2.406
	Management	10	4.00	2.749
Environmental facilities	Non-management	75	4.99	2.134
	Management	10	5.90	1.663

In items, Pay benefits associated p value is less than 0.05 (2-tailed test). Thus we can say that the null hypothesis mean satisfaction for "Non-management and Management" are the same and conclude that there is a significant difference in mean satisfaction for "Non-management and Management". We will use 0.05 as our threshold for significance: p value that is larger than 0.05 fails to reject the null hypothesis, while p value that is equal to or smaller than 0.05 rejects the null hypothesis and accepts the alternative hypothesis. In Non-management and Management, all items p > 0.05, so we do not reject the null hypothesis that the population variances are equal.

TABLE 4: SHOWS RESULTS OF T TEST APPLIED ON NON-MANAGEMENT AND MANAGEMENT

		Levene's Test		Levene's Test for Equality of Variances						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval	
									Lower	Upper
Company prospects	Equal variances assumed	.238	.627	-1.218	83	.227	-.920	.755	-2.422	.582
	not assumed			-1.449	13.095	.171	-.920	.635	-2.291	.451
Evaluation of management	Equal variances assumed	.001	.975	1.003	83	.319	.700	.698	-.688	2.088
	not assumed			.959	11.244	.358	.700	.730	-.903	2.303
Promotion opportunities	Equal variances assumed	.160	.690	.734	83	.465	.520	.709	-.890	1.930
	not assumed			.736	11.557	.476	.520	.707	-1.026	2.066
Communication channels	Equal variances assumed	.945	.334	.827	83	.411	.600	.726	-.843	2.043
	not assumed			.908	12.275	.381	.600	.661	-.836	2.036
Pay benefits	Equal variances assumed	3.258	.075	-2.876	83	.005	-2.020	.702	-3.417	-.623
	not assumed			-3.907	15.054	.001	-2.020	.517	-3.122	-.918
Employee morale	Equal variances assumed	.473	.493	.450	83	.654	.300	.666	-1.025	1.625
	not assumed			.490	12.197	.633	.300	.612	-1.031	1.631
Perfect system specification	Equal variances assumed	.207	.650	-1.655	83	.102	-1.307	.790	-2.877	.264
	not assumed			-1.805	12.218	.096	-1.307	.724	-2.881	.267
Balance work and life	Equal variances assumed	.240	.626	-.320	83	.749	-.253	.791	-1.826	1.319
	not assumed			-.303	11.179	.767	-.253	.836	-2.090	1.583
Mutual respect for cultural equality	Equal variances assumed	.277	.600	.518	83	.606	.427	.823	-1.211	2.064
	not assumed			.468	10.919	.649	.427	.913	-1.584	2.437
Environmental facilities	Equal variances assumed	.802	.373	-1.299	83	.197	-.913	.703	-2.311	.485
	not assumed			-1.572	13.306	.139	-.913	.581	-2.165	.339

The descriptive statistic used in "Direct and Indirect staff" are shown in Table (5). Operator and Equipment Engineer composition direct staff (26), other indirect staff (59). "Company prospects, Pay Benefits" 2 items satisfaction results are as follows "Direct staff" is greater than "Indirect staff". Then "Evaluation of management, Promotion opportunities, Communication channels, Employee morale, Perfect system specification, Balance work and life, Mutual respect for cultural equality, Environmental facilities" 8 items satisfaction results are as follows "Indirect staff" is greater than "Direct staff". Direct staff satisfaction with the company's prospects is 6.54, higher than the indirect personnel, who generally believe that the company is useful for the higher development, is the largest technology co. for production will continue to rise. The treatment of welfare satisfaction is 5.15, higher than the indirect personnel, since dirt staff can do overtime and gain a real salary with a lot of overtime opportunities and can save money in short-time, should provide free meals. Direct staff also proposed the company for indirect personnel, if it is too justified then, ignoring junior officer's recommendations, and indirect personnel agrees that the sector has a good atmosphere.

TABLE 5: STATISTICS ON DIRECT AND INDIRECTCT STAFF

Direct staff		N	Mean	Std. Deviation
Company prospects	Direct	26	6.54	1.529
	Indirect	59	6.03	2.498
Evaluation of management	Direct	26	4.15	1.690
	Indirect	59	4.68	2.216
Promotion opportunities	Direct	26	3.92	1.671
	Indirect	59	4.41	2.260
Communication channels	Direct	26	3.58	1.793
	Indirect	59	4.66	2.225
Pay benefits	Direct	26	5.15	1.891
	Indirect	59	4.53	2.277
Employee morale	Direct	26	3.85	1.592
	Indirect	59	4.31	2.111
Perfect system specification	Direct	26	4.77	2.215
	Indirect	59	5.46	2.423
Balance work and life	Direct	26	3.92	2.365
	Indirect	59	4.29	2.335
Mutual respect for cultural equality	Direct	26	3.69	1.738
	Indirect	59	4.68	2.642
Environmental facilities	Direct	26	5.19	1.625
	Indirect	59	5.05	2.285

In items of communication channels, the associated p value is less than 0.05 (2-tailed test). Thus, we can say that according to the null hypothesis mean satisfaction for direct and indirect staff are the same and conclude that there is a significant difference in mean satisfaction for Direct and Indirect staff. We will use 0.05 as our threshold for significance: a p value that is larger than 0.05 fails to reject the null hypothesis, while a p value that is equal to or smaller than 0.05 rejects the null hypothesis and accepts the alternative hypothesis. In Direct, Indirect (Pay benefits, Employee morale, Perfect system specification, Balance work and life, Environmental facilities) 5 items have p >0.05, so we do not reject the null hypothesis that the population variances are equal.

TABLE 6: SHOWS RESULTS OF T TEST APPLIED ON DIRECT AND INDIRECTCT STAFF

		Levene's Test		Levene's Test for Equality of Variances						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval	
									Lower	Upper
Company prospects	Equal variances assumed	7.503	.008	.952	83	.344	.505	.530	-.549	1.558
	not assumed			1.141	74.163	.258	.505	.442	-.377	1.386
Evaluation of management	Equal variances assumed	4.036	.048	-1.075	83	.286	-.524	.488	-1.494	.446
	not assumed			-1.193	61.929	.237	-.524	.439	-1.402	.354
Promotion opportunities	Equal variances assumed	5.300	.024	-.978	83	.331	-.484	.494	-1.467	.500
	not assumed			-1.098	63.689	.276	-.484	.440	-1.364	.396
Communication channels	Equal variances assumed	4.432	.038	-2.188	83	.031	-1.084	.495	-2.069	-.099
	not assumed			-2.380	58.793	.021	-1.084	.456	-1.996	-.172
Pay benefits	Equal variances assumed	2.803	.098	1.231	83	.222	.628	.510	-.387	1.643
	not assumed			1.324	57.108	.191	.628	.475	-.322	1.579
Employee morale	Equal variances assumed	2.645	.108	-.990	83	.325	-.459	.464	-1.381	.463
	not assumed			-1.103	62.556	.274	-.459	.416	-1.290	.372
Perfect system specification	Equal variances assumed	1.797	.184	-1.238	83	.219	-.688	.556	-1.795	.418
	not assumed			-1.282	52.094	.205	-.688	.537	-1.766	.389
Balance work and life	Equal variances assumed	.160	.690	-.662	83	.510	-.365	.552	-1.462	.732
	not assumed			-.658	47.316	.514	-.365	.555	-1.480	.750
Mutual respect for cultural equality	Equal variances assumed	6.015	.016	-1.740	83	.085	-.986	.566	-2.112	.141
	not assumed			-2.035	70.376	.046	-.986	.484	-1.951	-.020
Environmental facilities	Equal variances assumed	3.633	.060	.285	83	.776	.141	.496	-.846	1.128
	not assumed			.324	65.953	.747	.141	.436	-.729	1.012

The descriptive statistic used in "Non-support and Support" are shown in Table (7). Sales, human resources, research, finance, time workers or assistants of composition support staff (19), other non-support staff (66). "Mutual respect for cultural equality, Environmental Facilities" 2 items satisfaction results are "Support staff" greater than "Non-support staff". Then "Company prospects, Evaluation of management, Promotion opportunities, Communication channels, Pay benefits, Employee morale, Perfect system specification, Balance work and life" 8 items satisfaction results are "Non-support staff" greater than "Support staff".

For non-support staff, only the company's prospects satisfaction is greater than support staff, represents non-support staff have a lot of bad history. For example lot of overtime, the new staff leave rates too high. They sincerely hope that the seniors in company make money by allocating more funds to the underlying welfare. Support staff's "Culture of equality and mutual satisfaction" was 4.47 higher than the non-support staff, but they expressed that they having a good boss is very important. Support staff's environmental facilities satisfaction than non-support staff high value is 5.37. But support staff said "an environment has two aspects", part of support staffs always is concerned, so it has high pressure, but the other part of them have less pressure.

TABLE 7: STATISTICS ON NON-SUPPORT AND SUPPORT

Support staff		N	Mean	Std. Deviation
Company prospects	Non-support	66	6.38	2.081
	Support	19	5.53	2.716
Evaluation of management	Non-support	66	4.55	1.955
	Support	19	4.42	2.501
Promotion opportunities	Non-support	66	4.44	2.032
	Support	19	3.63	2.266
Communication channels	Non-support	66	4.33	2.018
	Support	19	4.32	2.626
Pay benefits	Non-support	66	5.06	2.111
	Support	19	3.53	2.010
Employee morale	Non-support	66	4.18	1.718
	Support	19	4.11	2.726
Perfect system specification	Non-support	66	5.38	2.238
	Support	19	4.79	2.800
Balance work and life	Non-support	66	4.21	2.264
	Support	19	4.05	2.635
Mutual respect for cultural equality	Non-support	66	4.35	2.138
	Support	19	4.47	3.339
Environmental facilities	Non-support	66	5.02	1.957
	Support	19	5.37	2.565

In items, Pay benefits, that are associated there p value is less than 0.05 (2-tailed test). Thus, we can say that the null hypothesis the mean satisfaction for Non-support and Support staff are the same and conclude that there is a significant difference in mean satisfaction for non-support and support staff. We will use 0.05 as our threshold for significance: a p value that is larger than 0.05 fails to reject the null hypothesis, while a p value that is equal to or smaller than 0.05 rejects the null hypothesis and accepts the alternative hypothesis. In Non-support and Support staff, (Communication channels, Employee morale, Mutual respect for cultural equality) 3 items $p < 0.05$, so we reject the null hypothesis that the population variances are equal.

TABLE 8: SHOWS RESULTS OF T TEST APPLIED ON NON-SUPPORT AND SUPPORT

		Levene's Test		Levene's Test for Equality of Variances						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval	
									Lower	Upper
Company prospects	Equal variances assumed	2.863	.094	1.466	83	.147	.852	.582	-.304	2.009
	not assumed			1.266	24.408	.218	.852	.674	-.537	2.241
Evaluation of management	Equal variances assumed	2.478	.119	.229	83	.819	.124	.543	-.956	1.204
	not assumed			.200	24.674	.843	.124	.622	-1.158	1.407
Promotion opportunities	Equal variances assumed	.926	.339	1.488	83	.140	.808	.543	-.272	1.887
	not assumed			1.400	26.895	.173	.808	.577	-.376	1.992
Communication channels	Equal variances assumed	4.213	.043	.031	83	.975	.018	.563	-1.103	1.138
	not assumed			.027	24.445	.979	.018	.652	-1.326	1.361
Pay benefits	Equal variances assumed	.086	.771	2.820	83	.006	1.534	.544	.452	2.616
	not assumed			2.898	30.399	.007	1.534	.529	.454	2.615
Employee morale	Equal variances assumed	11.620	.001	.148	83	.882	.077	.516	-.949	1.102
	not assumed			.116	22.269	.909	.077	.660	-1.292	1.445
Perfect system specification	Equal variances assumed	3.043	.085	.955	83	.343	.589	.617	-.639	1.817
	not assumed			.843	24.993	.407	.589	.699	-.850	2.029
Balance work and life	Equal variances assumed	1.652	.202	.261	83	.795	.159	.612	-1.057	1.376
	not assumed			.240	26.135	.812	.159	.666	-1.208	1.527
Mutual respect for cultural equality	Equal variances assumed	16.126	.000	-.196	83	.845	-.125	.638	-1.393	1.143
	not assumed			-.155	22.410	.879	-.125	.810	-1.803	1.553
Environmental facilities	Equal variances assumed	3.051	.084	-.645	83	.521	-.353	.548	-1.443	.736
	not assumed			-.556	24.350	.584	-.353	.636	-1.665	.958

5. CONCLUSION

The study reports an exploratory ASE employees in the company's job satisfaction, and investigation of job satisfaction evaluation. From 10 different evaluation items, every item's highest score is ten, we gain the results, and all items are evaluated in, neither good nor bad positions. The highest satisfaction of all items is "Company prospects-6.19", "Perfect system specification-5.25" and "Environmental Facilities-5.09". Lowest satisfaction is "employee morale-4.16". From 6 open questions and answers, we can see the reason which is responsible for difference in the level of the satisfaction.

"Company prospects" is the world's largest semiconductor packaging factory, as for future development work is relatively stable. "Perfect system specification" is not fair because it was following some unlisted rules. For example oppressing subordinates to do unreasonable things. For "Environmental Facilities" the lack of humanity and impersonal environment. "Employee Morale" having a nice manager, can improve the department morale.

"Company prospects", "Pay Benefits", "Perfect system specification", "Balance work and life", "Environmental facilities" 5 items satisfaction results are "Management positions" greater than "Non-management positions". "Company prospects", "Pay Benefits" 2 items satisfaction results are "Direct staff" greater than "Indirect staff". "Mutual respect for cultural equality", "Environmental Facilities" 2 items satisfaction results are "Support staff" greater than "Non-support staff".

By t test, we gain result that "Pay Benefits", there is a significant difference in mean satisfaction at "management positions vs Non-management positions" and "Support staff vs Non-support staff" are significant. For Communication channels, there is a significant difference in mean satisfaction between "Direct staff and Indirect staff". We sincerely hope that the above conclusions, provides enterprise a good reference for providing a better job satisfaction.

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APPLICABILITY OF INFORMATION SYSTEM TECHNIQUES: A STUDY OF PUBLIC AND PRIVATE POWER SECTOR

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ABSTRACT

Power is a vital necessity for all spheres of our life. It has been found as a fundamental human need. It is a significant infrastructure on which the social and economic progress of the country depends. Supply of power at sensible rates to the rural areas is indispensable for the overall development of the nation. Equally important is availability of reliable and quality power supply at viable rates to Indian industry also to make it internationally competitive. Services sector has made significant contribution in the growth of our national economy. Power keeps primary importance in any economy. The study is to find out how information system is helpful to the power sector and the effectiveness of the information system and to analyze the policy perspective and the problems faced by the public and private power sector in collecting and using the vital information on time.

KEYWORDS

information system techniques, power sector.

INTRODUCTION

To make the economy efficient and competitive, it is necessary for India to revitalize its infrastructure. Infrastructure development can be done when an economy is financially vibrant and viable. Restructuring is usually advocated for streamlining country's economic policies with respect to investment and expenditure, ownership and environment. Because of its requirement and acceptance to all communities in the country, infrastructure development becomes very essential. But for development of entire economy, power and energy plays vital role. It gives strength to entire economy provided it is blessed with sufficient availability of resources. Adequate availability of power has always been a challenge since independence.

Central government also started to participate in generation, transmission and power grid management. Indian Government started power sector reforms in the country in early 1990s. The National Development Council (NDC) in association with multilateral funding agencies like World Bank and Asian Development Bank prepared an agenda for power sector reforms in India in 1994. Various schemes have been launched by the government under planning period to promote supply of electricity. Under 10th five year plan government of India launched Accelerated Power Development Programme (APDP). Under this special Programme, Government of India provides Additional Central support for amplification and up gradation of sub transmission and distribution network. Under 11th five year plan Government of India launched Restructured Accelerated Power Development and Reforms Programme (RAPDRP) in July 2008, with focus on founding of the base line data, fixation of accountability, reduction of AT&C, losses up to 15% level through strengthening & up gradation of Sub Transmission and Distribution network and adoption of Information Technology.

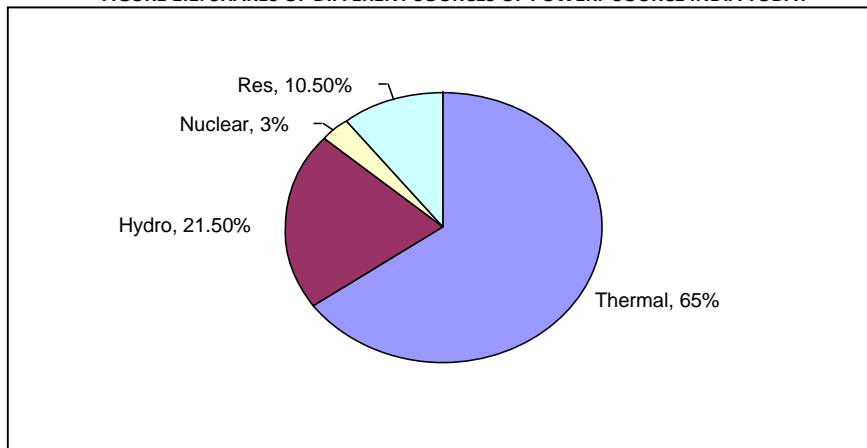
Under Rural Electrification Initiatives, Government of India launched Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). This scheme was implemented for creating power infrastructure in villages and completing domestic electrification and up gradation of available power systems. There have been various positive aspects of Rajiv Gandhi Gramin Vidyutikaran Yojana for the profits of end consumers like presence of information with regard to details of areas electrified, franchise system, details regarding launching of schemes and its objectives etc. But more efforts are necessary to enhance the condition of power in India. Government should improve all the aspects of power generation and transmission. State of the art techniques should be used and state governments should be caught up well in linking the substructure all over the nation.

According to planning commission only 50% of overall targets were met in 8th, 9th and 10th five year plans. The target for the 11th five year plan was revised downwards from 78,700MW to 62,374MW. The table below shows the real picture of the power sector. None of the target for the thermal, hydro and nuclear sources was achieved. So this brings out a clear picture that capacity additions are not up to the mark in Indian Power Sector. Moreover Indian Power sector is dependent on the thermal sources of power around 65% as on April 2011 (Nayyar) but according to the planning commission estimates there is acute shortage of coal. Official figures are that in 2007 there were 35 million tons of shortages which will rise to 83 million tons in 2012.

TABLE 1.1: CAPACITY ADDITIONS DURING APRIL-DEC 2010 (MW) (SOURCE INDIA TODAY)

Year	Thermal		Hydro		Nuclear		Total	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Central	5890	2115	529	120	1220	0	7639	2235
State	6012	2331	597.5	178	0	0	6609.5	3509
Private	5891	4795	219.5	192	0	0	6110.54	986.50
Total	17793	9241	1346	490	1220	0	20359	9730.5

FIGURE 1.1: SHARES OF DIFFERENT SOURCES OF POWER. SOURCE INDIA TODAY



So it is clear from the above data that the power growth is abysmally low and the most alarming situation is that whatever the respective State Electricity Boards (SEB) are producing they are not even able to distribute it properly. There are at least 30% losses during the distribution process which means combined losses of SEB's will be whopping 70,000 Crores losses by 2014 (according to 13th Finance Commission Report). Majority of the losses are pilferage of electricity, improper billing and redundant technology. According to Shahi the Power sector has taken various strides since independence. The following section throws light on the journey of power sector since independence.

Electricity industry in last several decades has been supplying the electricity to customers under the culture that the organizations are not marketing the power but they are giving power. So customers feel a lot of problems at various stages be in the form of getting new connections, metering, fluctuations etc. Then there is another concern is that there is lack of rational approach which is prime most factor in the poor financial health of the organization. Giving Subsidy is right intention but those who really want subsidy they are not getting the advantage of this scheme rather there is blatant misuse of the subsidy in the form of giving free power to the landlords. India faces formidable challenges in meeting its energy needs and providing adequate energy of desired quality in various forms for different sectors of economy in a sustainable manner and at reasonable costs. If one looks at the pattern of electricity supply and demand scenario, the extent of power shortage varies up to 25.4% with all India average of 11.7%. Similarly energy shortage is up to 20% with all India average of 7.4%. In order to fulfill this gap between demand and supply and to ensure sustainable energy in future it is essential to project future electricity demand in the various sectors of economy.

POWER SECTOR IN THE NATIONAL CAPITAL REGION

Power is an important aspect of the physical infrastructure that requires planning in advance, development and management for improved quality of life, productivity and economic activities. The status of power supply in the National Capital Region has not kept pace with the increasing population and the growth of economic activities such as industries, trade, commerce, offices etc. There is an overall shortage of power in the Northern Grid, from where the region draws its power and hence, power cuts have become a routine affair, disturbing daily life as well as affecting economic productivity. The situation is even worse in the rural areas where the quantity and quality of power supply is very poor. Although augmentation of generating capacities of power and improvement in transmission and distribution system is a gigantic task requiring substantial resources, yet it is essentially required to be taken up for the balanced and harmonized development of the region.

DEMAND AND SUPPLY SCENARIO OF ELECTRICITY

Projections made by Central Electricity Authority (CEA) have revealed the requirement of huge additional generation of power for the region. Table 1.2 reveals that additional capacity required by the year 2006-2007 is 4,513 MW and by the end of year 2020-2021 it will be 23,345 MW. The total additional installed capacity requirements by the year 2020-2021 is expected to be 4,862 MW in Haryana Sub-region, 1,690 MW in Rajasthan Sub-region, 9,195 MW in UP Sub-region and about 7,597 MW in NCT-Delhi Sub-region. These projections have been worked out by assuming that there will be an addition in the power generation capacity of 2,764 MW from the year 2002 to 2007 and 2,922 MW from the year 2007 to 2012.

TABLE 1.2: ADDITIONAL GENERATION CAPACITY REQUIRES (in MW)

Sub-region/region	IC at the beginning of plan	Capacity Addition including CS share of Plan	Total IC at the end of plan (2=3)	IC Required	Additional capacity Required(5-4)
1	2	3	4	5	6
NCT-Delhi					
2002-2007	3098	1614	4712	6157	1445
2007-2012	4712	1902	6614	8337	1723
2012-2017	6614	Not available	6614	11236	4622
2017-2021	6614	Not available	6614	14211	7597
Haryana					
2002-2007	1815	819	2634	2563	(-71)
2007-2012	2634	700	3334	3899	565
2012-2017	3334	Not available	3334	5903	2569
2017-2021	3334	Not available	3334	8196	4862
Rajasthan					
2002-2007	42	44	86	667	581
2007-2012	86	51	137	969	832
2012-2017	137	Not available	137	1384	1247
2017-2021	137	Not available	137	1827	1690
Uttar Pradesh					
2002-2007	459	287	746	3303	2557
2007-2012	746	269	1015	4956	3941
2012-2017	1015	Not available	1015	7418	6403
2017-2021	1015	Not available	1015	10210	9195
Total NCR					
2002-2007	5414	2764	8177	12690	4513
2007-2012	8177	2922	11099	18161	7062
2012-2017	11099	Not available	11099	25941	14842
2017-2021	11099	Not available	11099	34444	3345

According to CEA, there are no plans for additional capacity generation beyond 2012. In fact, this capacity addition also includes allocation from the central sector projects that are proposed to be commissioned by the end of 10th and 11th Plans. An important point to consider is that the average energy consumption pattern in the concerned Sub-regions during the period 1998 to 2001 was 42.80% of the total consumption in Haryana State, 5.00% of the total consumption in Rajasthan State and 15.00% in case of the State of Uttar Pradesh. In view of this, the distribution of allocations from central sector projects to respective Sub-regions has been made in the similar proportions.

Influence decision of the manager and the decision methodology used by him arriving at the optimum decision. The concept of MIS gives high regard to the individual and his ability to use information. An MIS gives information through data analysis. While analyzing the data it relies upon many academic disciplines. These include theories, principles and concepts from the management science, psychology and human behavior, making the management information design more effective and useful. These academic disciplines are used in designing the MIS, evolving the decision support tools for modeling and decision making. The MIS has more than one definition, some of which are given as following:

"MIS is defined as a system which provides information support in decision making in the organization"

Management Information System (MIS) can be defined as collecting and processing of raw data into useful information and its dissemination to the user in the required format. It consists of information, which impacts managements to feel the pulse of the organization and take decisions accordingly. In fact a full MIS consists of all the systems that the institution uses to generate the information that guide management's decisions and actions.

A management information system (MIS) is a computer-based system that provides the information necessary to manage an organization effectively. An MIS should be designed to enhance communication among employees, provide an objective system for recording information and support the organization's strategic goals and direction. There are four types of MIS that will be introduced in ascending order of sophistication.

CHARACTERISTICS OF MIS

A well-designed Management Information System is likely to have following characteristics:

1. MIS is a system; it is a logical grouping of discrete and mutually dependent components of information and elements, assembled for furnishing and generation of information.
2. It may involve use of instruction manual devices put in frequently manual mechanical and electro technical devices. Often MIS is said to be associated with the use of computers.
3. The role of MIS is basically generating and packaging of information in the useful quantum of knowledge. The design of management report embodying such MIS is important and crucial.
4. MIS is related to organizational levels. At top most level, the information required in a flash form. At the lower and middle levels it is more detailed for exercising day to day control. The frequency of information furnished will be decided by the need of the management. The frequency of information is higher at middle and low levels. Besides it is internally focused at the lower and middle level whereas' external directed at the top level. It is associated with the organization of data, store in a central unit that computer data close to its origin and connects their input into management information.
5. Information communication is parallel and vertical, throughout the application. It is necessary therefore, to employ in use refined communication decision devices.
6. The information supplied is Exception oriented showing the level at which actions required. There are in fact exceptions which decide when to report.
7. Information supplied is innovative i.e. predictive. It primarily aims at giving a feed for the developed and the trend thereof. An effective MIS desire for "before the fact reporting".
8. It must involve complete dedication and loyalty of the executives. There should be periodical review of the system as the organization grows or decays.
9. Management gets a balanced flow of information on a regular basis, the right information to the right people, at the right time and cost.
10. The system is composed of a collection of sub-system with varying degrees of integration among the parts.

REVIEW OF LITERATURE

Electricity is an important input for all types of economic development related activities especially in the field of agriculture, industries and commercial. It has a critical role to play in the field of economic development and revenue generation for a particular country. It is extensively used as a source of light, heating, ventilation and air-conditioning (HVAC). Electricity is the driving force and has a special place in the modern household appliances, thereby considerably improving the quality of life of individuals. There are number of studies which cover the working pattern of the State Electricity Board's and their contribution in the economic development of a particular state and country. A large number of particular studies have tried to conduct covering of the performance and the contribution in the promotion of economic development by the State Electricity Boards.

Sagar, Ramana, Prasad, Kukde and Eisendrath (2004) highlights that the distribution reforms in India began in the mid- 90s, and followed the World Bank's model of privatization. This goal required intermediate steps of unbundling and corporatization of vertically integrated state utilities. So far, Orissa and Delhi have already privatized their distribution companies, while Karnataka and Andhra Pradesh have undertaken aggressive steps in the same direction. The study gives the insight into these reforms done by various states. The reform process began with the enactment of the Orissa Electricity Reform Act in 1995. Orissa was the first state to initiate the reform process. The new legislation was enacted for the purpose of restructuring the electricity industry, for taking measures conducive to increasing the efficiency of each activity i.e. generation, transmission, and distribution of electricity, for opening avenues for private participation and for establishing the Regulatory Commission. Similarly the study presents the cases of the Delhi, Karnataka and Andhra Pradesh.

Singh and Sood (2008) stated that the global demand is expected to increase considerably during the next decade at the same time environmental pollution is also increasing with the development of conventional energy source. Every country intends to meet the additional demand of energy in part by renewable energy (RES). To meet the global energy demand various support schemes and policies for promotion of renewable energy sources in restructured power sector were discussed in this paper. The paper took a close look at the regulatory policies for the promotion of electricity generation from renewable energy sources, which are currently at the center of global discussion.

Soham Ghosh (2012) studied that the mindset, of the policy makers who are responsible for ongoing reforms in power sector has rightly been shifted towards the up gradation of the sub-transmission and the distribution system. This paper further studied that ongoing power sectors reforms have been able to improve the efficiency of the organizations dealing in power thereby reducing Aggregate Technical and Commercial (AT &C) Losses. Finally this may also contribute in the process of overall development of the country.

Nweze (2013) illustrates that sufficient supply of power is an important requirement for the development of a particular nation. This paper further revealed that generation of electricity, transmission and distribution (T&D) are amongst those intensive activities which require huge amount of funds and huge resources of capacity. This paper further revealed that persistent power failures in Nigeria have resulted into non-regular production of electricity in addition to underutilization of industry resources and resources in educational institutes. Government of Nigeria had to face embarrassment when Power Holding Company of Nigeria (PHCN) switched off supply of electricity during official government functions and programmes. The Power Holding Company of Nigeria (PHCN) ultimately resulted into an object of mockery and criticism for a period covering over two decades. This research work therefore, sets out to analyze the reforms to be proposed in power sector, the extent to which the reforms are required in Nigeria, numerous challenges, opportunities, possible threats and impact of reforms on the quality of electricity in the power sector in Nigeria.

RESEARCH METHODOLOGY

NEED FOR STUDY

Since the area of governance of an power generation and distribution company is very extensive; the system of information flow should assist the top management to have full accessibility and control over the operations. To have effective management it is very important that top or decision level management should have access towards the critical activities of organization. The basic purpose of this study is to study and analyse the present status of information system prevailing in power sector companies and the effectiveness of the information system. In order to have a wider perspective it is very important that the top level management should monitor critical activities on routine basis and take timely action before the situation goes out of control or become critical. Moreover the information that is sought by the top management is the processed information and not the raw information.

In the study, few key activities are studied. All of these activities are very critical and needs updated and timely information to function well. The top level or decision makers in any organization need to have updated information on timely basis to handle the situations on day to day basis.

OBJECTIVES

1. To analyze the management information system techniques adopted by the public and corporate power sector.
2. To analyze the policy perspective and the problems faced by the public and private power sector in collecting and using the vital information on time.

The primary data is collected using structured questionnaire. The data is collected from various companies operating in Delhi and NCR region. Out of eight companies, three private sector and five are public sector companies. Table describes the profile of respondents and companies.

Sector	Sample Size	Name of Company	Respondents	Key Business Activities
Private	50	Alsthom Power	21	Power Generation
		Reliance Power	17	Power Generation and Distribution
		Tata Power	12	Power Generation and Distribution
Public	50	Delhi Electricity Board	15	Power Generation and Distribution
		Haryana Power Generation Corp. Ltd.	05	Power Generation and Distribution
		Dakshin Haryana BijiIvitran Nigam Ltd.	10	Power Distribution
		UP State Electricity Board.	13	Power Generation and Distribution
		NTPC. Faridabad Unit	07	Power Generation

FINDINGS

Based on the data analysis, the followings are the findings of the study -

1. The position of computerized information system can be measured in terms of three broad components – Physical infrastructure, financial support and manpower enforcement. The three broad components represents the three pillars of success of management information system in any organization. These three pillars are essential for the sustainability of management information system in any organization.
2. Physical infrastructure exhibits the level of infrastructure support available in any organization to support computerized information system. It requires lot of infrastructural support in the form of computerization and connectivity between all the departments of the organization. Also, it require uninterrupted internet connectivity.
3. Maintaining a computerized information system in any organization is very costly affair. It requires sufficient funds in the form of hardware and software investment and maintenance and then updating the hardware and software as the load increases.
4. Also, it demands lots of qualified manpower enforcement. The required manpower should be technically sound to handle the complexities of information required to support the decision making in the organization.
5. The three constructs have sufficient high level of reliability. Cronbach's alpha value for all of constructs if above 0.7 which is acceptable.
6. Public and private sector companies are significantly different from each other on physical infrastructure ($p < .05$). The effect size is also large (0.73).
7. On physical infrastructure, private sector power companies have scored better over public sector companies. The mean score of private sector companies is 4.11 while the mean score obtained by public sector companies is 3.74.
8. On manpower enforcement, public sector power companies and private sector power companies are not significantly different at 95% confidence level.
9. On financial support, public and private power sector companies are significantly different ($p < .5$) at 95% confidence level. The effect size is also large (0.81).
10. The mean score obtained by public sector companies is 4.08 in comparison to mean score of 4.55 of private sector companies.
11. Achieved power of t-test for comparing the means is 95%.
12. Public and private sector companies have different level of automation of different activities.

13. Public and private sector power companies are significantly different on Automation of new connections ($p < .05$) at 95% confidence level and 95% power. The effect size is large (0.81).
14. The total score of level of automation of private sector companies is 124 and for public sector companies is 108.
15. Public and private sector power companies have different level of automation of bill generation activity.
16. Public and private sector power companies are significantly different on Automation of bill generation ($p < .05$) at 95% confidence level and 95% power. The effect size is large (0.78).
17. The total score of level of automation of private sector companies is 145 and for public sector companies is 127.
18. On revenue reporting, public and private sector companies are not significantly different ($p > .05$).
19. On inventory control, the total score of private sector companies is 117 while for the same, the total score of public sector companies is 94. The public and private sector companies are significantly different ($p < .05$) at 95% confidence level. The achieved power of test is 99% and effect size is also large (1.43). The difference is quite substantial between public and private sector companies. Private sector companies have been able to streamline the inventory control system using MIS.
20. The private sector is far more efficient in energy accounting and auditing as compared to public sector companies as it is obvious from the test statistics. On Energy accounting and auditing, the total score of private sector companies is 132 while the total score of public sector companies is 102. The public and private sector companies are significantly different ($p < .05$) at 95% confidence level. The achieved power of test is 99% and effect size is also large (0.94).
21. In NCR region of UP and Haryana, there seems no provision to manage substation assets so that unplanned downtime is minimized. This has cascading effect which results in the unscheduled maintenance and increase in inventory is increased. This is very essential in increased productivity and to improve resource utilization by having the right skills and the right spares at the required time and place. Delhi is very less effected by such problem. Private sector companies are far better off from such problems
22. In the MIS system used by public sector private companies, there is no provision to better manage the process of acquisition of new connections, maintenance and updating of database of metered consumers and to facilitate disconnections and reconnections. This information is very helpful in integrating the data with the GIS system for the prompt resolution of issues. While only one of the private sector company is suffering from such problem.

LIMITATIONS

The major limitation of the study was getting appointment with officials of power sector companies. Executives at middle and top level are always pre-occupied with official works and finding time to provide information was always difficult. This is one of the reason the sample size is limited to 100. Sample size of 100 respondents is statistically not sufficient to run confirmatory factor analysis which is correct tool to validate the scale.

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CONSTRAINTS OF MGNREGA AS A TRANSFORMATIVE SOCIAL PROTECTION POLICY: AN EMPIRICAL STUDY IN ASSAM

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ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), a social Protection programme was notified on September 7, 2005 and first of its kind in the world (Bordoloi, 2011). It was implemented throughout the state of Assam in three phases. MGNREGA has a potential to bring out transformative social protection if the beneficiaries avail all the benefits it intends to give and if implemented effectively. But there are certain constraints in achieving this goal. The present empirical study in Assam tries to highlight the constraints faced by women beneficiaries in availing the benefits of the programme. The study was conducted by taking two districts of Assam namely Bongaigaon and Dhemaji where MGNREGA was implemented under the first phase and Morigaon from the second phase of MGNREGA implementation, on women beneficiaries of MGNREGA. The sample consisted of 1382 respondent randomly selected from four gram panchayat from each district on the basis of highest number of women beneficiaries enlisted in MGNREGA. A semi structured interview schedule was administered to the respondents to collect the required information. The findings of the study show that the operational constraints (75.16 MPS) were the major constraints faced by the beneficiaries followed by personal and (68.52 MPS) and awareness constraints (54.05 MPS) respectively.

KEYWORDS

Constraints, Jobcard, Social Protection.

INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of Government of India with a potential for transforming the lives of socially marginalized people of rural India by providing them with a guaranteed income through employment. It is a landmark in the economic history of Independent India which provides legal rights on employment to the rural citizens (Chabra and Sharma, 2010). The first phase of MGNREGA was started on February 2, 2006 in 200 districts of the country including seven districts of Assam. The second phase of MGNREGA started in the year 2007 when next five districts of Assam were included. The remaining fourteen districts of Assam came under MGNREGA on 1st April 2008 in the third phase of its implementation. Women's opportunities to benefit from social protection programmes are limited by their primary responsibility of childcare, domestic chores and cultural inhibitions on their public mobility. Success of any social protection programme having transformative potential depends on its effective implementation and participation by women in the programme. Constraints faced by women are the speed breakers in the path of gaining benefits of any social protection programme which slow down the accessibility of the beneficiaries towards achieving them. Thus, to strengthen the effectiveness of any social protection programme it is very essential to identify the constraints faced by the beneficiaries in availing the benefits of a programme. An attempt has therefore, been made to highlight the constraints faced by the women beneficiaries of MGNREGA in Assam which hinders MGNREGA's potential as a transformative social protection programme.

LITERATURE REVIEW

Garg, 2008, in his study found that most of the respondents (97%) revealed that they were facing family problems after joining MGNREGA. The study found that long working hours and children's left uncared were the greatest impediments in availing the opportunity of joining the MGNREGA works. Pankaj and Tankha, 2009, observed that inadequate worksite facilities, gender insensitivity of the nature of, work measurement and schedule of rates and in some cases of single women in the definition of household were certain factors which inhibit participation of women in MGNREGA. Hazarika, 2009, through her study revealed that nature of work under MGNREGA is also not conducive for women workers as most of the works involving MGNREGA involve heavy physical labour where male workers are preferred to women workers. Tiwari N. and Upadhaya R., 2012, found in their study conducted in Faizabad district of Uttar Pradesh that a family and personal constraints with MPS of 79.16 were the major constraints faced by women beneficiaries followed by worksite constraints with 53.57 MPS and operational constraints with 24.37MPS respectively. Shah Roy C., 2013, observed from different studies that continued illegal presence of contractors and delay in payments is a significant negative factor affecting the availability of work.

RESEARCH METHODOLOGY

The present study was conducted by taking two districts of Assam namely Bongaigaon and Dhemaji where MGNREGA was implemented under the first phase and Morigaon from the second phase of MGNREGA implementation, on women beneficiaries of MGNREGA. Two blocks from each district and two gram panchayats from each block was selected on the basis of maximum number of women beneficiaries enrolled in MGNREGA. Random sampling method was used to select 5% of the women beneficiaries from the enlisted women jobcard holders which gave a sample size of 1382. A semi structured interview schedule was the instrument used to collect the required information. Mean Percentage Score (MPS) was used to analyze the data statistically which indicated the extent of constraints faced by the women beneficiaries. MPS was calculated by dividing the sum of scores obtained by the respondents in an item by maximum possible scores and multiplied by hundred

RESULTS AND DISCUSSION

TABLE 1: AWARENESS CONSTRAINTS OF MGNREGA BENEFICIARIES WITH REGARD TO ENTITLEMENTS OF THE ACT

S.NO	Entitlements of the Act	Mean Percentage Score (MPS)
1	Right to work	47.70
2	Right to information	45.20
3	Maximum no. of days of employment guaranteed in a year	79.53
4	Unemployment allowance in absence of work	21.93
5	Distance between house and worksite	85.52
6	Time limit for issue of job card	33.59
7	Minimum wages	61.15
8	Mode of payment of wages	60.57
9	Time limit for payment of wages	42.99
10	Worksite facilities	62.11
11	Pooled mean percentage score (MPS)	54.05

Source: Field Survey

FIGURE 1: AWARENESS CONSTRAINTS FACED BY THE BENEFICIARIES

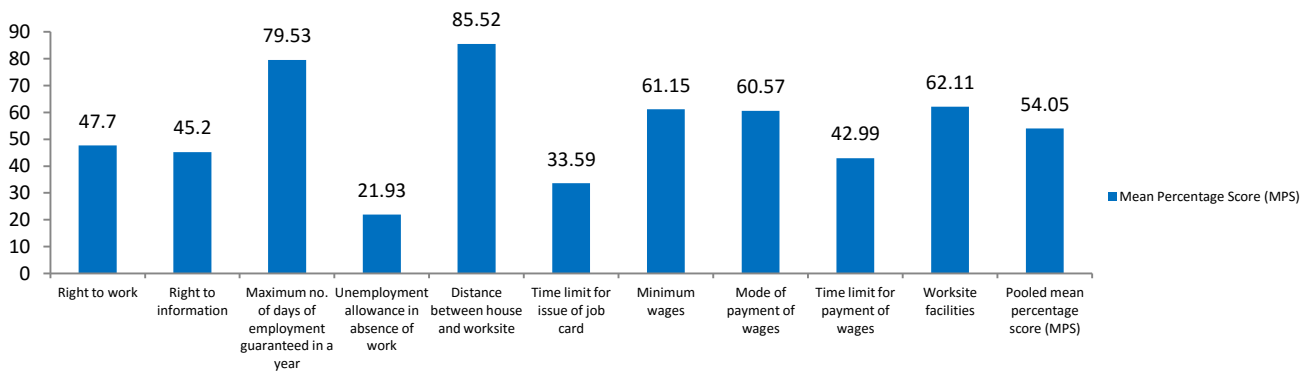


Table 1 and Figure 1 depict that the beneficiaries have some knowledge about the entitlements of the Act where the MPS of awareness about the entitlements of the act is 54.05. But it is interesting to know that knowledge about the entitlement of distance between worksite and house has the highest MPS of 85.52 which is a very attractive provision for the women to work in MGNREGA. The beneficiaries are aware of the maximum no. of days of employment guaranteed for them with MPS of 79.53 but the MPS for knowledge about unemployment allowance is only 21.93. The MPS of knowledge about other entitlements such as right to work, right to information and time limit for payment of wages are 47.70, 45.20 and 42.99 respectively. The beneficiaries are quite aware of the entitlement of mode of payment of wages with a MPS of 60.57. They are also aware of the entitlement of worksite facilities to be provided to the women beneficiaries for which the MPS is 62.11.

TABLE 2: PERSONAL CONSTRAINTS FACED BY THE MGNREGA BENEFICIARIES

S. NO	Personal constraints	Mean Percentage Score (MPS)
1	Load of housework more	55.14
2	Non cooperation from the family members	80.65
3	Unable to take extra work due to fatigue	57.70
4	Children left uncared	82.28
5	No access or control over the income earned through MGNREGA	66.87
6	Pooled mean percentage score (MPS)	68.52

Source: Field Survey

FIGURE 2: PERSONAL CONSTRAINTS FACED BY THE BENEFICIARIES

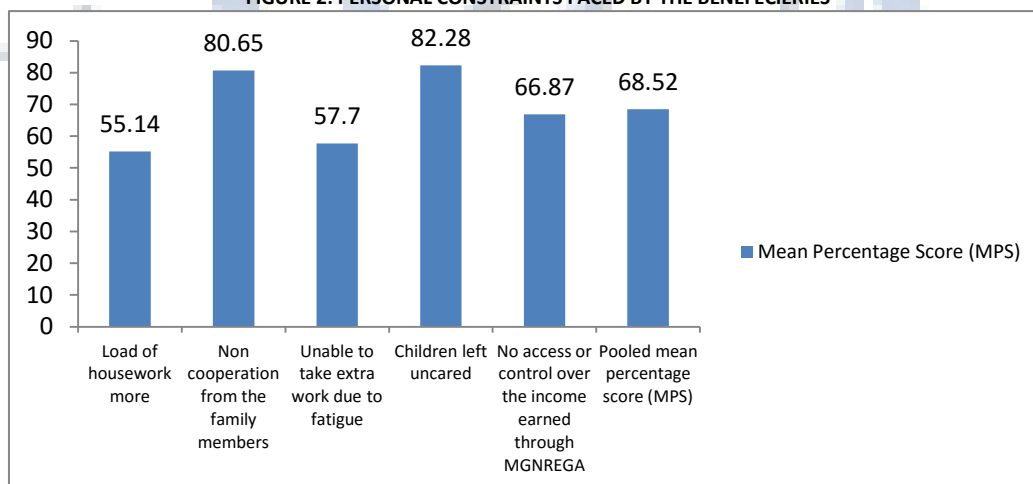


Table 2 and Figure 2 depict that MPS for personal constraints is 68.52 which is more than the awareness constraints (54.05 MPS). The data in the table 2 depicts that the highest percentage of respondents face the constraint of children left uncared at home with a MPS of 82.28 followed by non cooperation from the family members (80.65 MPS). Women also reported that they do not have access and control over the income earned (66.87 MPS) which also hinders their interest to work under MGNREGA. Much load of housework (55.14 MPS) and inability to take extra work due to fatigue (57.70 MPS) were also some constraints faced by the beneficiaries. This is due to the reason that MGNREGA provides unskilled manual work.

TABLE 3: OPERATIONAL CONSTRAINTS FACED BY THE BENEFICIARIES

S.NO	Operational constraints	Mean Percentage Score (MPS)
1	Jobcard not issued on time	66.76
2	No unemployment allowance in absence of work	98.71
3	Delay in payment of wages	85.95
4	Unable to avail 100 days of employment in a year	97.95
5	Wages lower than the market	50.50
6	Unequal wages	33.30
7	Absence of worksite facilities	85.31
8	Long working hours	82.62
9	Pooled mean percentage score (MPS)	75.16

Source: Field Survey

FIGURE 3: OPERATIONAL CONSTRAINTS FACED BY THE BENEFICIARIES

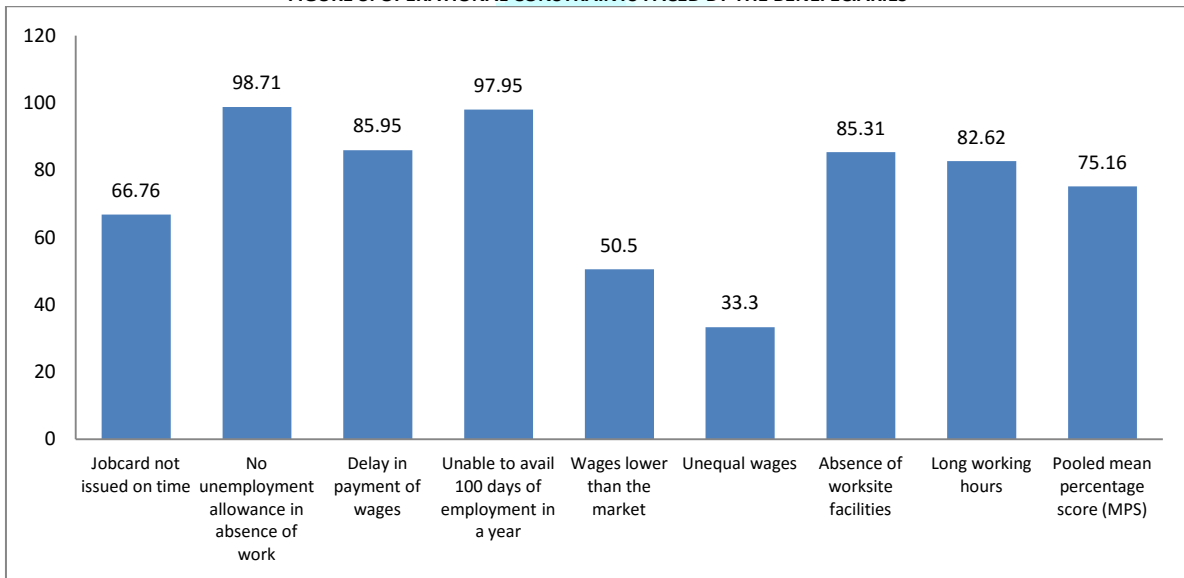


Table 3 and Figure 3 reveal the operational constraints faced by the women beneficiaries of MGNREGA. No unemployment allowance is given in the absence of work was the main constraint faced by the beneficiaries (98.71 MPS) followed by unavailability of 100 days of work (97.95 MPS). Other operational constraints reported by the beneficiaries were delay in payment of wages (85.95 MPS), absence of worksite facilities (85.31 MPS), long working hours (82.62 MPS) and jobcard not issued on time (66.76 MPS). The Mean Percentage Score for wages lower than the market (50.50 MPS) and unequal wages (33.30 MPS) were relatively low revealing the fact that though women face such operational constraints but these were of less importance to them when compared to other operational constraints faced by them.

Further an effort was made through the study to rank the various constraints faced by the beneficiaries on the basis of Mean Percent Scores (MPS) computed for different constraints.

TABLE 4: RANK WISE DISTRIBUTION OF CONSTRAINTS FACED BY THE BENEFICIARIES OF MGNREGA

S.NO	Constraints	Pooled MPS	Rank
1	Awareness constraints	54.05	III
2	Personal constraints	68.52	II
3	Operational constraints	73.26	I

Source: Field Survey

FIGURE 4: RANK WISE DISTRIBUTION OF CONSTRAINTS FACED BY THE BENEFICIARIES OF MGNREGA

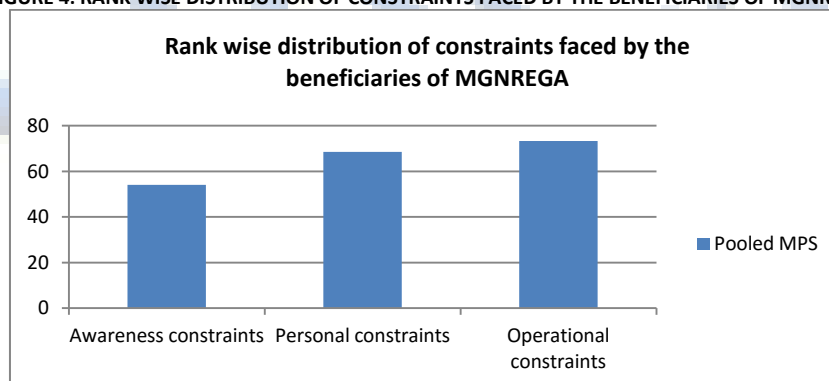


Table 4 and Figure 4 show operational constraints were the major constraints (73.26 MPS) standing at first rank followed by personal (68.52 MPS) and awareness constraints (54.05 MPS) faced by the beneficiaries standing at second and third rank respectively.

CONCLUSION

It can be concluded from the findings of the study that the various constraints faced by the women beneficiaries of MGNREGA limited their accessibility to the programme. Also it hampered them towards achieving the benefits of this social protection programme optimally. The implementing agencies should try to minimize the operational constraints to achieve the goals of the programme. Further, steps should be taken to increase the awareness level of the beneficiaries with regard to the entitlements of the programme by the implementing agency. Finally, women should be given cooperation by the family members and worksite facilities should be provided to increase their participation in the programme which would help them to gain the benefits of MGNREGA as a transformative social protection policy.

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EFFECT OF ECONOMIC ENVIRONMENT ON INTERNATIONAL TOURISM REVENUE: A CO-INTEGRATION APPROACH

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ABSTRACT

We adopt panel co-integration, VECM, and causality test to test if all variables involve co-integration in the long term and the short term under the dynamic framework. By using data from the WDI database and referring to the classification of International Monetary Fund of different economic characters, we categorize the countries into two groups, namely, advanced countries and emerging countries. Empirical results show that variables among different countries are co-integrated, which implies that all variables will be adjusted to equilibrium in the long run. Short-run VECM model was employed to estimate different countries, and the results are different, that is, all variables need to be adjusted upward to equilibrium in advanced countries and downward in emerging countries. Different variable sets involve partly consistent results. However, the groups of inbound numbers to revenues, trade to revenues, and GDP to trade group have different effects. In addition, the GDP variable would not affect tourism revenue and tourism revenue variable would not affect trade, which shows that the causality relations are consistent. Our research on different regimes and effects under countries and variables can provide ideas that may help in adjusting tourism travel goals and the direction of economic development.

KEYWORDS

Economic Growth, Tourism Arrivals, Tourism Receipts, Panel Data.

1. INTRODUCTION

The tourism industry creates high production value and is a focus for some countries. Many studies have been conducted on tourism and economic growth, but their conclusions about the relations between tourism development and economic growth greatly vary. For example, some studies have found these two regimes to have significant effects while some have not (Tugcu, 2014). Most researchers have argued that tourism can promote exchange revenues and increase tourism development for the host country. Despite the unpredictable volatility of global tourism industries, the number of tourists continues to rise, and economic growth in most countries remains strong. According to the 2014 UN World Tourism Organization (UNWTO) Statistics, the popular tourist areas from January to August 2014 were the United States, the Asia-Pacific area, and Europe, the corresponding growth rates of which were 8%, 5%, and 4% respectively. The UNWTO also predicted that the number of tourists traveling to emerging economic areas will overtake the number of tourists visiting economically advanced countries. We can thus infer that tourism promotes economic growth in emerging countries.

Tourism industries play an important role in global economic growth trends. In addition to their direct contribution to economic growth, tourism industries promote the development of international trade (Chakrabarti, 2014; Harini and Indira, 2014; Lee et al., 2015). Hence, tourism is vital to economic growth, and governments should draft and implement policies that would promote and support tourism development.

Globalization in enterprises also promotes economic growth for the host country. Business contacts can promote tourism. Thus, countries positively view tourism because of the economic benefits it brings. In recent years, leisure tourism has been widely employed as an economic index. Globalization increases tourism revenues and promotes the development of tourism sources to increase economic growth. Hence, whether a host country's economic growth would raise tourism cannot be ignored, and the effect of economic growth on tourism development is worth investigating.

Previous literature has suggested that international inbound tourism is correlated with economic growth. Some researchers have adopted a co-integration method and a Granger causal relationship to study the relation between tourism and economic growth; their results suggest that tourism development and economic growth have a two-way causal feedback relationship (Kim et al., 2006; Lee and Chien, 2008; Chen and Chiou, 2009; Amaghionyeodiwe, 2012; Tugcu, 2014; Samimi, 2011; Tang, 2013). By contrast, some studies have found only a one-way causal relation, in which tourism leads to economic growth (Oh, 2005; Po and Huang, 2008; Belloumi, 2010), while others have concluded that no relationship exists between tourism and economic growth (Akinboade and Braimoh, 2010; Arslanturk et al., 2011). Other studies have investigated the relations of tourism to economic variables such as GDP and exchange rate (Lee and Chang, 2008; Tang, 2013; Akinboade and Braimoh, 2010; Belloumi, 2010; Ekanayake et al., 2012).

As indicated in the previous discussion, many factors affect inbound tourism, and the outcomes are mixed. However, the development of international inbound tourism can be explained by many economic variables. For instance, GDP reflects a country's economic condition and tourism infrastructure for promoting international tourism. Increasing trade export also promotes international inbound tourism. Hence, to avoid bias brought by a country's characteristics, we adopt tourism revenues, GDP, international inbound tourism numbers, and trade variables to investigate whether tourism development and economic growth are related under different regimes and countries.

We mainly investigate the issue of international inbound tourism, but our work is limited by finite samples. We adopt time series and cross-sectional panel data samples to estimate co-integration and causality relations. We also attempt to combine the international inbound tourism data of different countries and classify them according to their economic status (i.e., advanced or emerging economies) to investigate whether tourism is related to economic growth and whether the relationship exists in the long-run equilibrium. In addition, we test the causality of inbound tourism revenues with inbound tourism numbers, trade, and GDP variables to ensure whether such causality or lagged relations exist.

2. LITERATURE REVIEW

Kim et al. (2006) conducted a co-integration and causality test to investigate the inbound tourism and GDP of Taiwan in 1956–2002 and found that the two variables shared a two-way relationship. Lee and Chang (2008) adopted panel co-integration and causality to investigate the inbound tourism revenues, inbound tourism numbers, exchange rates, and GDP relations of non-OECD and OECD member countries; the authors found one-way and two-way relationships between the tourism and economic growth of OECD and non-OECD member countries, respectively. Lee and Chien (2008) performed an EGARCH and causality test on the variables of GDP, exchange rates, inbound tourism revenues, CPI, and inbound tourism numbers and found one-way and two-way relationships between the

tourism development and economic growth of Korea and Taiwan, respectively. Samimi (2011) also argued that in 20 developing countries, the relations of the inbound tourism number with GDP reflect the two-way relationship between tourism and economic growth. Amaghionyeodiwe (2012) applied a causality test to investigate the relationship between the GDP and inbound tourism revenue of Jamaica and identified a two-way relationship between tourism and GDP. Tang (2013) also applied the causality and co-integration method to study the relationships among Malaysia's inbound tourism, GDP, and exchange rate; the empirical result suggested long-term two-way relationships among the variables. Tugcu (2014) adopted panel data and found two-way relationships between the tourism and economic growth of 12 European countries; the study also determined that tourism leads economic growth in 4 Asian countries and that no relationship exists between the two variables in Africa.

Oh (2005) adopted a co-integration and causality test for Korea and found that economic growth leads to an increase in tourism. Po and Huang (2008) used the threshold regression model to test tourism and found that tourism leads economic growth in Regimes 1 and 3 and that the relationship in Regime 2 is not significant. Akinboade and Braimoh (2010) argued that no two-way relationship exists between the tourism and economic growth of South Africa. Arslanturk et al. (2011) contended that the relations between the GDP and tourism revenues of Turkey from 1963–2006 reject the causality test.

Belloumi (2010) conducted a co-integration and causality test and found that only a one-way relationship exists between the tourism development and economic growth of Tunisia. Ekanayake et al. (2012) adopted the panel co-integration method and suggested that 50 major countries promoting tourist visits to America have long-run equilibrium relations. Nanthakumar et al. (2013) adopted a structural break and dynamic co-integration method to investigate the relationships among tourism revenues and found structural break effects for Singapore, Indonesia, and Thailand, which promote inbound tourist visits to Malaysia. Said et al. (2013) employed auto-regression model and a causality method and found that in Tanzania, a two-way relationship exists between tourism and inflation, and a one-way relationship exists between exchange rate and tourism. Kiliç and Bayar (2014) suggested that a two-way causality relationship exists between the exchange rate and tourism in Turkey under the GARCH, co-integration, and causality methods.

Lee and Chou (2014) further adopted the gravity model with the dynamic panel data method to investigate tourism. Sequeira and Campos (2005) also adopted the panel data method and found that tourism leads economic growth in tourism specialization countries. Tiwari (2011) adopted the panel fix effect and random effect with the Hausman test and found that tourism revenue highly affects a country's economic growth but excluding the import and export of goods and services. Mushtaq and Zaman (2013) also suggested that positive significant relations exist between tourism revenue and GDP and trade openness.

3. METHODOLOGY AND DATA

3.1 PANEL UNIT ROOT TEST

The panel unit root test method is combined with time series and cross-sectional data to overcome the data shortage issue of the traditional unit root test. In this work, we adopt the non-stationary panel unit root test proposed by Im et al. (2003) and Levin et al. (2002) (i.e., IPS test and LLC test). In the panel unit root test, testing power increases with the increase in cross-sectional data, and the null hypothesis denotes the time series data in the panel unit root. Levin et al. (2002) suggested a panel data-based augmented Dickey–Fuller (ADF) test parameter by maintaining the same cross-sectional regime as that in Eq. (4.1).

$$\Delta y_{i,t} = \alpha_i + \gamma_i y_{i,t-1} + \sum_{j=1}^k \alpha_j \Delta y_{i,t-j} + e_{i,t} \tag{4.1}$$

where $t = 1, \dots, T$ denotes time and $i = 1, \dots, N$ denotes the individual country. The test statistic is $t_\gamma = \hat{\gamma} / s.e.(\hat{\gamma})$, which represents the null hypotheses with unit root. However, the null hypothesis and alternative hypothesis are limited by the same cross-sectional regime.

Im et al. (2003) expanded the LLC test for first-difference auto-regressive coefficients to allow the null hypothesis to cross the regime. The null hypothesis in the

IPS varies with the unit root. The IPS test involves average group analysis and the use of t_γ to present the following \bar{z} statistic.

$$\bar{z} = \sqrt{N}(\bar{\tau} - E(\bar{\tau})) / \sqrt{Var(\bar{\tau})} \tag{4.2}$$

where $\bar{\tau} = (1/N) \sum_{i=1}^N t_\gamma$ and $E(\bar{\tau})$ and $Var(\bar{\tau})$ denote the average and variance statistic by simulation, respectively. \bar{z} converges to a normal distribution. Im et al. (2003) improved this equation with sample characters; the testing power of the improved equation is better and more robust than that of the LLC test.

3.2 PANEL CO-INTEGRATION TEST

We follow the method of Pedroni (2000, 2004) and use the panel co-integration method. The dataset includes time series and cross-sectional datasets. The chosen method has greater testing power than the traditional test. The main mechanism of the method is similar to the analysis proposed by Engle and Granger (1987). However, this methodology requires residual terms from panel data and the use of a non-parametric method for modifications. Hence, in using the methodology to test the different variable relations among the datasets in this study, the null hypothesis is set up to be a non-co-integration relationship.

$$y_{i,t} = \alpha_i + \delta_i z_{i,t-1} + \beta_{1i} x_{1i,t} + \beta_{2i} x_{2i,t} + \dots + \beta_{mi} x_{mi,t} + \ell_{i,t} \tag{4.3}$$

Where m denotes the regression coefficient. $x_{mi,t}$ ($m = 1, 2, \dots, M$) is the $I(1)$ integration, and $x_{mi,t} = x_{mi,t-1} + \varepsilon_{mi,t}$. The equation describes a co-integration system and allows heterogeneity among panel datasets. The fixed effect and individual trend are allowed by the differential slope of the coefficient.

Pedroni (2000) suggested seven panel co-integration test models. The first model is a non-parametric variance ratio statistic. The second model is a test statistic similar to rho-statistics that shows non-parametric panel data styles. The third model constructs a parameter test such as the ADF test to determine the lagged number on the model. The three models are based on the average analysis. The statistic in the first model is similar to the Phillips–Perron (PP) rho-statistics. The other two are similar to the PP t-statistics and ADF statistics. These different statistics are based on the assumed heterogeneity of the co-integration relations between two individual variables. These statistics are defined as follows:

Within-samples statistic

Panel v-Statistic
$$z_v^w = \left(\sum_{i=1}^N \sum_{t=1}^T \tilde{L}_{11i}^{-2} \tilde{\ell}_{it-1}^2 \right)^{-1} \tag{4.4}$$

Panel rho-Statistic
$$z_\rho^w = \left(\sum_{i=1}^N \sum_{t=1}^T \tilde{L}_{11i}^{-2} \tilde{\ell}_{it-1}^2 \right)^{-1} \sum_{i=1}^N \sum_{t=1}^T (\hat{\ell}_{it-1} \Delta \hat{\ell}_{it} - \hat{\lambda}_i) \tag{4.5}$$

Panel PP-Statistic
$$z_t^w = \left(\hat{\sigma}_{NT}^{*2} \sum_{i=1}^N \sum_{t=1}^T \tilde{L}_{11i}^{-2} \tilde{\ell}_{it-1}^{*2} \right)^{-1} \frac{1}{2} \sum_{i=1}^N \sum_{t=1}^T \tilde{L}_{11i}^{-2} (\hat{\ell}_{it-1}^* \Delta \hat{\ell}_{it}^*) \tag{4.6}$$

Panel ADF-Statistic
$$z_{pp}^w = \left(\hat{\sigma}^2 \sum_{i=1}^N \sum_{t=1}^T \tilde{L}_{11i}^{-2} \tilde{\ell}_{it-1}^2 \right)^{-1} \frac{1}{2} \sum_{i=1}^N \sum_{t=1}^T \tilde{L}_{11i}^{-2} (\hat{\ell}_{it-1}^2 \Delta \hat{\ell}_{it} - \hat{\lambda}_i) \tag{4.7}$$

Between samples statistic

$$\text{Group rho-Statistic } z_{\rho}^B = \left(\sum_{i=1}^N \sum_{t=1}^T \hat{\ell}_{11i}^2 \hat{\ell}_{it-1}^2 \right)^{-1} \sum_{i=1}^N \sum_{t=1}^T (\hat{\ell}_{it-1} \Delta \hat{\ell}_{it} - \hat{\lambda}_i) \tag{4.8}$$

$$\text{Group PP-Statistic } z_t^B = \sum_{i=1}^N (\hat{\sigma}_i^2 \sum_{t=1}^T \hat{\ell}_{it-1}^2)^{-1} \sum_{t=1}^T (\hat{\ell}_{it-1} \Delta \hat{\ell}_{it} - \hat{\lambda}_i) \tag{4.9}$$

$$\text{Group ADF-Statistic } z_{pp}^B = \sum_{i=1}^N \left(\sum_{t=1}^T \hat{s}_1^{*2} \hat{\ell}_{it-1}^{*2} \right)^{-1} \sum_{t=1}^T \hat{\ell}_{it-1}^* \Delta \hat{\ell}_{it}^* \tag{4.10}$$

3.3 PANEL ERROR CORRECTION MODEL

We follow the work of Koop et al. (2006) in constructing a panel VECM model for testing the existence of causality between variables. Let *i* denote the individual of the cross-sectional unit (*i* = 1, ..., *N*), and let $X_{i,t}$ denote the vector of observations. If $\beta_i' X_{i,t-1} = Z_{i,t-1}$, then the panel VECM model can be written as

$$\Delta X_{i,t} = u_i + \alpha_i (\beta_i' X_{i,t-1}) + \sum_{h=1}^K \gamma_{i,h} \Delta X_{i,t-h} + \varepsilon_{i,t} \tag{4.11}$$

Where α_i and β_i are the matrixes with full ranks. The model allows co-integration relations across countries; hence, we can expand the aforementioned mark.

For instance, the co-integration space is $p_i = sp(\beta_i)$, and $\beta_i' X_{i,t-1}$ presents the mentioned error correction item $Z_{i,t-1}$. The co-variance matrix $\varepsilon_{i,t}$ is as follows:

$$E(\varepsilon_{i,t} \varepsilon_{j,s}) = \sum_{ij} \text{ for } t = s \tag{4.12}$$

If the error correction term has no relations with the sample period but is related to the cross section of the individual, then model elasticity exists in the rank assumption. Hence, we construct a panel VECM model with panel vector correction terms and investigate the adjustment process for tourism and economic growth. The panel VECM model is constructed as follows.

$$TR_{i,t} = u_{4i} + \alpha_{4i} Z_{i,t-1} + \sum_{h=1}^k \alpha_{1i,h} TR_{i,t-h} + \sum_{h=1}^k a_{2i,h} GDP_{i,t-h} + \sum_{h=1}^k a_{3i,h} TA_{i,t-h} + \sum_{h=1}^k a_{4i,h} T_{i,t-h} + \varepsilon_{TR,it} \tag{4.13}$$

$$GDP_{i,t} = u_{3i} + \alpha_{3i} Z_{i,t-1} + \sum_{h=1}^k b_{1i,h} GDP_{i,t-h} + \sum_{h=1}^k b_{2i,h} TR_{i,t-h} + \sum_{h=1}^k b_{3i,h} TA_{i,t-h} + \sum_{h=1}^k b_{4i,h} T_{i,t-h} + \varepsilon_{GDP,it} \tag{4.14}$$

$$TA_{i,t} = u_{2i} + \alpha_{2i} Z_{i,t-1} + \sum_{h=1}^k c_{1i,h} TA_{i,t-h} + \sum_{h=1}^k c_{2i,h} TR_{i,t-h} + \sum_{h=1}^k c_{3i,h} GDP_{i,t-h} + \sum_{h=1}^k c_{4i,h} T_{i,t-h} + \varepsilon_{TA,it} \tag{4.15}$$

$$T_{i,t} = u_{1i} + \alpha_{1i} Z_{i,t-1} + \sum_{h=1}^k d_{1i,h} T_{i,t-h} + \sum_{h=1}^k d_{2i,h} TR_{i,t-h} + \sum_{h=1}^k d_{3i,h} GDP_{i,t-h} + \sum_{h=1}^k d_{4i,h} TA_{i,t-h} + \varepsilon_{T,it} \tag{4.16}$$

Where *i* denotes country and *u* denotes the intercept. $Z_{i,t-1}$ denotes the error correction terms, and *k* denotes the lagged period. ε denotes the residual terms, TR denotes the inbound tourism revenues in time *t*, GDP denotes the gross domestic product, TA denotes the inbound tourism number in time *t*, and T denotes the trade volume in time *t*.

3.4 Panel Causality Test

We adopt the panel data unit root test and panel causality in this study with consideration of the vital role of causality among variables. For analysis, previous studies assume that causality is independently and identically distributed among variables. However, many disturbances exist among variables, and maintaining the individual characteristics of the variables is difficult in practice. An understanding of the causality effect will thus help predict the behavior of variables. Granger (1969) suggested that causality could be used to identify whether a model can decrease prediction errors. We consider the linear model as

$$\Delta Y_{i,t} = \mu_i + \sum_{l=1}^L \phi_i^l \Delta Y_{i,t-l} + \sum_{l=1}^L k_i^l \Delta X_{i,t-l} + \tau_{i,t} \tag{4.17}$$

Where $\tau_{i,t}$ is typically iid and $\tau_i = (\tau_{i,1}, \dots, \tau_{i,T})'$ is a dependent cross group, the dependence of which is a normal variable with distribution. According to the null hypothesis, *X_i* cannot predict *Y_i*. Such hypothesis is a homogeneous non-causality assumption.

3.5 Data and Variable Selection

Data obtained from the World Development Indicators database are used to screen 67 countries whose inbound tourists reached one million in 2013. According to the classification by the IMF, we separate the data into two groups comprising 25 advanced countries and 42 emerging countries according to the annual data from 1995 to 2013. The variable measurements used are international inbound tourism revenues (TR), gross domestic production (GDP), trade (T), and international inbound tourism number (TA). Relevant information is listed in Tables 1 and 2.

TABLE 1: SAMPLE COUNTRIES

Advanced Economies (25)			
Australia	France	Korea	Spain
Austria	Germany	Malta	Sweden
Belgium	Greece	Netherlands	Switzerland
Canada	Ireland	Norway	United Kingdom
Cyprus	Israel	Portugal	
Denmark	Italy	Singapore	
Estonia	Japan	Slovenia	
Emerging and Developing Economies (42)			
Algeria	Dominican	Malaysia	South Africa
Argentina	Egypt	Maldives	Sri Lanka
Armenia	El Salvador	Mexico	Tanzania
Brazil	India	Morocco	Thailand
Bulgaria	Indonesia	Namibia	Tunisia
Cambodia	Jamaica	Nicaragua	Turkey
Chile	Kyrgyz	Peru	Uganda
China	Lao PDR	Philippines	Ukraine
Colombia	Latvia	Poland	Uruguay
Costa Rica	Lebanon	Romania	
Croatia	Lithuania	Russian	

Data source: World Development Indicators database.

TABLE 2: VARIABLES MEASUREMENT

Variable	Description	Measurement	Data source
TR	Inbound tourism revenues	USD	WDI
GDP	Gross domestic product	USD	WDI
TA	Inbound tourism number	People	WDI
T	Trade volume	Exports of goods and services (USD)	WDI

Data source: World Development Indicators database.

4. EMPIRICAL RESULT

4.1 PANEL UNIT ROOT TEST RESULTS

We adopt the LLC, IPS, and ADF unit root tests with the international inbound tourism revenues, GDP, inbound tourism number, and trade variables of different countries to identify whether a unit root exists within the time series. The null hypothesis states that if not statistically significant, the time series with a unit root is non-stationary. When a variable is affected by the differences involved in the rejection of the null hypothesis, the series is deemed to be stationary (i.e., I(d) integration). Generally, the economic data set is stationary with I(1).

Table 3 shows that the advanced countries cannot pass the null hypothesis. Under certain differences, all the unit root statistics are significant; the rejection of the null hypothesis implies I(1) integration.

TABLE 3: PANEL UNIT ROOT TESTS (ADVANCED ECONOMIES)

	LLC		IPS		ADF	
	Level	First difference	Level	First difference	Level	First difference
Individual effects						
TR	1.5537	-11.9412***	5.7363	-9.5565***	8.6726	182.876***
GDP	2.0585	-10.0979***	5.9698	-7.4382***	12.1088	144.258***
TA	1.7389	-8.2958***	4.6512	-7.9646***	26.8043	156.736***
T	1.5333	-15.0375***	6.7812	-12.271***	5.5399	233.218***

Note:

1. Estimation results adopt regression with intercept model.
2. *, **, and *** denote significance at 10%, 5%, and 1% levels, respectively.

Table 4 shows the test results from emerging countries. The null hypothesis of the unit root cannot be significantly rejected. Next, we arrange the variables with first differential and find that all statistics are significant. Hence, all the series are stationary by first differential. The variable series is I(1) integrated.

TABLE 4: PANEL UNIT ROOT TESTS (EMERGING AND DEVELOPING ECONOMIES)

	LLC		IPS		ADF	
	Level	First difference	Level	First difference	Level	First difference
TR	5.7828	-8.5839***	10.1984	-7.8685***	13.8181	219.953***
GDP	9.3425	-8.2153***	13.5916	-6.0149***	5.9017	178.840***
TA	6.5924	-7.3105***	10.1520	-7.4817***	25.6176	209.810***
T	7.1774	-13.4362***	12.2650	-2.1176***	5.3771	308.800***

Note:

1. Estimation results according to the regression with an intercept model.
2. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

4.2 PANEL CO-INTEGRATION RESULTS

This study adopts the panel co-integration method proposed by Pedroni (2004) and finds co-integration relations among international tourism revenues, GDP, inbound tourism number, and trade. Mehrara et al. (2014), Liu (2013), and Sriboonchitta (2010) also followed Pedroni (2004) and found that panel rho-Statistic and group rho-Statistic do not yield significant results but that the other five test statistics have results that are significant enough to reject the null hypothesis; they concluded that the series is co-integrated in the long-run. In the present work, we follow relevant research studies to identify which variables have relationships and are co-integrated in the long term such that the series adjusts to equilibrium. (Table 5)

TABLE 5: PANEL CO-INTEGRATION RESULTS

	Advanced Economies	Emerging and Developing Economies
Panel v-Statistic	2.3110**	1.37852*
Panel rho-Statistic	-0.1302	0.2505
Panel PP-Statistic	-2.5018***	-3.0726***
Panel ADF-Statistic	-4.1413***	-2.0578**
Group rho-Statistic	1.6453	1.8475
Group PP-Statistic	-2.5363***	-4.0475***
Group ADF-Statistic	-2.8032***	-3.4938***

Note: *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

4.3 PANEL VECM MODEL TEST RESULT

Engle and Granger (1987) suggested that variables with co-integration relationships can be adjusted to equilibrium but would diverge in the short run. Hence, we must analyze their short-term dynamics using the VECM model. When we are certain that variables are co-integrated among individual economies, we proceed to use a panel VECM model to analyze their dynamic adjustments in the short run. The optimal model criteria for screening to screen optimal lagged periods are AIC and BIC. The results are as follows.

Table 6 shows the VECM model test results for the advanced countries. First, the VECM model obtains positive error correction terms ($z_{i,t-1}$), which indicate that when inbound tourism revenues diverge from the long-term equilibrium, such revenues would increase to adjust to the equilibrium in the long run. In this case, the inbound tourism numbers in previous periods is significant to inbound tourism revenue. Second, the VECM model estimation for GDP achieves positive error correction terms, which indicate that if GDP increases, the imbalance would adjust to reach equilibrium. In this case, the GDP and the inbound tourism number in previous periods significantly affect the current GDP. Third, the VECM model of the inbound tourism number yields positive results and shows smooth recovery speed. This result indicates that an increased inbound tourism number smoothly returns to equilibrium, in which case the effects of previous tourism revenues, inbound tourism numbers, and trade volumes become apparent. Fourth, the VECM model for trade yields positive error correction terms, which indicate that previous data on the inbound tourism number and trade volume would significantly affect the current trade volume. Furthermore, trade growth would be affected by the lagged period, and previous inbound tourism numbers would affect export and import status. Hence, our work can offer adequate inbound tourism data that tourism industries can use as reference in offering suitable services.

For the advanced countries, the variables of the current period are affected by the high GDP, and their growth rate is slower than that in previous periods. Hence, the variables must be adjusted upward to reach long-term equilibrium. The trade and GDP variables adjust quickly, possibly because of the stable economic growth, in which case enterprises transform their production for emerging markets to achieve economic growth while reducing trade volume. In addition, tourism revenues adjust more smooth specialized in inbound numbers adjust speed present very slow.

TABLE 6: PANEL VECM MODEL TEST RESULTS

	Advanced Economies			
	D (TR)	D (GDP)	D (TA)	D (T)
CointEq1	0.002300	0.115728	2.39E-06	0.148305
	(0.00150)	(0.08752)	(6.9E-07)	(0.03233)
	[1.52884]	[1.32238]	[3.44927]	[4.58665]
D(TR(-1))	-0.045318	-5.133208	-7.81E-05	-1.120572
	(0.07122)	(4.14360)	(3.3E-05)	(1.53093)
	[-0.63627]	[-1.23883]	[-2.38147]	[-0.73195]
D(GDP(-1))	0.001903	0.335035	3.62E-07	0.034629
	(0.00122)	(0.07102)	(5.6E-07)	(0.02624)
	[1.55859]	[4.71724]	[0.64321]	[1.31966]
D(TA(-1))	451.1040	11055.52	0.346231	7620.946
	(114.867)	(6682.66)	(0.05290)	(2469.04)
	[3.92718]	[1.65436]	[6.54522]	[3.08661]
D(T(-1))	-0.002347	-0.218425	-3.43E-06	-0.169977
	(0.00339)	(0.19749)	(1.6E-06)	(0.07297)
	[-0.69152]	[-1.10600]	[-2.19262]	[-2.32950]

Note: D () denotes first differential, parentheses () denote standard deviation, square brackets denote t statistic, and CointEq1 denotes error correction term.

Table 7 presents the VECM model test results for the emerging countries. First, in the VECM estimation of international tourism, the error correction term is negative. If imbalance emerges, the inbound tourism revenue would adjust downward to reach equilibrium. Previous inbound tourism revenue, inbound tourism number, and trade significantly affect current tourism revenues. Second, in the VECM model for GDP, the error correction term is negative and adjusts downward to reach equilibrium. The GDP base is small in emerging countries, and the GDP variable is affected by previous data on inbound tourism revenue and inbound tourism number. Third, the VECM model estimation for the inbound tourism number yields negative results that adjust downward to reach equilibrium smoothly. Previous data on GDP and inbound tourism number will significantly affect the current data on the inbound tourism number. Fourth, in the VECM model for trade, the coefficient is negative, which implies that with long-term adjustment, trade will adjust downward and return to equilibrium. Previous data on GDP, inbound tourism number, and trade would significantly affect current trade variables. The trade variable will be affected by its lagged period, previous GDP, and previous inbound growth rate.

In summary, an emerging country's GDP and trade grow quickly over the long-run equilibrium. A possible reason is globalization, which motivates emerging countries to attract foreign investment, promote economic growth, and increase trade export and import. Hence, the economic boom can lead to tourism development. According to the empirical results on different economic groups, advanced countries should adjust their variables upward to reach equilibrium in the short run. On the contrary, emerging countries should adjust their important factors upward to reach equilibrium. A possible explanation is that in advanced countries, economic growth has reached a certain level in which the GDP is high enough to cause imbalance. However, in emerging countries, all factors show imbalance over equilibrium in the short run. Foreign investment and low consumption might attract tourism industries and lead to high economic growth rate that could push the adjustment downward in the short run.

TABLE 7: PANEL VECM MODEL TEST RESULTS

Emerging and Developing Economies				
	D (TR)	D (GDP)	D (TA)	D (T)
CointEq1	-0.010723	-2.034943	-8.85E-06	-0.663450
	(0.00196)	(0.11533)	(1.8E-06)	(0.04905)
	[-5.47715]	[-17.6442]	[-4.92922]	[-13.5267]
D(TR(-1))	0.184450	-6.598949	3.21E-06	-0.973796
	(0.05604)	(3.30154)	(5.1E-05)	(1.40405)
	[3.29126]	[-1.99875]	[0.06241]	[-0.69356]
D(GDP(-1))	-0.000501	0.154503	-2.67E-06	-0.041106
	(0.00093)	(0.05483)	(8.5E-07)	(0.02332)
	[-0.53850]	[2.81761]	[-3.13323]	[-1.76270]
D(TA(-1))	108.8848	5708.173	0.156024	5457.451
	(54.3824)	(3203.75)	(0.04985)	(1362.46)
	[2.00220]	[1.78171]	[3.13002]	[4.00557]
D(T(-1))	-0.005843	-0.179150	-4.55E-07	-0.166012
	(0.00223)	(0.13121)	(2.0E-06)	(0.05580)
	[-2.62340]	[-1.36535]	[-0.22296]	[-2.97511]

Note: D () denotes first differential, parentheses () denote standard deviation, square brackets denote t statistic, and CointEq1 denotes error correction term.

4.4 CAUSALITY TEST

Table 8 shows the causality test for advanced countries. Only the variable sets for inbound tourism revenue and GDP and trade and GDP have significant one-way relationships; that is, inbound tourism revenue and trade would affect GDP. The results indicate that promotion for tourism industries and terms of trade would increase economic growth. Inbound tourism numbers have feedback causality relations with GDP, inbound tourism revenues, and trade. Controlling the change in inbound tourism numbers could affect GDP, inbound tourism revenues, and trade growth. However, in two-way relationships, inbound tourism revenue is not significant in trade; tourism revenues and trade would be affected by each other.

TABLE 8: CAUSALITY TEST IN ADVANCED ECONOMIES

Null Hypothesis:	Advanced Economies	
	F-Statistic	Prob.
GDP does not Granger cause TR	0.1469	0.8634
TR does not Granger cause GDP	3.4275	0.0334
TA does not Granger cause TR	6.8318	0.0012
TR does not Granger cause TA	10.8399	3.E-05
T does not Granger cause TR	0.1114	0.8945
TR does not Granger cause T	0.1439	0.8660
TA does not Granger cause GDP	2.5518	0.0791
GDP does not Granger cause TA	5.2497	0.0056
T does not Granger cause GDP	2.63576	0.0728
GDP does not Granger cause T	0.62655	0.5349
T does not Granger cause TA	8.42437	0.0003
TA does not Granger cause T	3.72219	0.0250

Table 9 shows the causality relation results for emerging countries. For emerging economies, we separate the variables into three groups, inbound tourism revenue with GDP, inbound tourism revenue with trade, and inbound tourism revenue with inbound tourism numbers. Only a one-way relationship exists between inbound tourism revenue affecting GDP and inbound tourism numbers and trade affecting inbound tourism revenues. The results from inbound tourism revenue tests benefit inbound tourism numbers and GDP, and trade leads to inbound tourism revenue growth. The one-way relationship among the three groups indicates that emerging countries must continue to develop tourism industries if such industries can meet tourism requirements to provide capital investment and promote economic development.

The aforementioned findings are similar, except for inbound tourism numbers to tourism revenues, trade to tourism revenues, and GDP to trade. These three groups have different effects. The inbound tourism numbers of emerging countries would affect tourism revenue and could serve as basis of consumption price. Advanced countries show insignificant relations between trade and revenue and between GDP and trade. A possible explanation is that advanced countries have reached a certain level of economic growth and that competition among emerging countries leads to insignificant results among variables.

TABLE 9: CAUSALITY TEST IN EMERGING AND DEVELOPING ECONOMIES

Null Hypothesis:	Emerging and Developing Economies	
	F-Statistic	Prob.
GDP does not Granger cause TR	1.9366	0.1450
TR does not Granger cause GDP	3.6605	0.0262
TA does not Granger cause TR	1.3414	0.2621
TR does not Granger cause TA	5.6045	0.0038
T does not Granger cause TR	3.0136	0.0497
TR does not Granger cause T	0.8422	0.4312
TA does not Granger cause GDP	3.9820	0.0191
GDP does not Granger cause TA	9.1882	0.0001
T does not Granger cause GDP	31.3467	9.E-14
GDP does not Granger cause T	3.2022	0.0413
T does not Granger cause TA	6.6901	0.0013
TA does not Granger cause T	10.1424	5.E-05

5. CONCLUSION

This study adopts panel co-integration, VECM, and causality model to investigate long-term equilibrium among the variables of inbound tourism revenue, GDP, inbound tourism numbers, and trade in different economies.

This work offers three contributions. First, the co-integration test reports the existence of a long-term equilibrium relation in different economies. Second, the VECM model for different countries in the short run presents different outcomes for advanced countries and emerging countries. For example, all variables for advanced countries should be adjusted upward to reach equilibrium in the short run; however, the same could not be said for emerging countries. A possible

explanation is that advanced countries have reached a high level of economic growth, whereas emerging countries experience slow economic growth, which could be influenced by high prices. However, emerging countries quickly develop their tourism industries and economies because of the low cost of materials and labor. In this case, foreign capital flows into emerging countries (for instance, China and Indonesia), causes economic growth, and consequently increases tourism growth rate. Third, this study finds significant differences between advanced and emerging countries, particularly in terms of the three groups identified, namely, inbound tourism numbers and revenue, trade and revenue, and GDP and trade. Emerging countries tend to be affected by revenue related to price levels, whereas advanced countries do not maintain significant relationships between trade and revenue and between GDP and trade. A possible explanation is that advanced countries have reached a certain growth level and are affected by globalization such that foreign capital flows into emerging countries. In addition, GDP and tourism revenues do not exhibit causality.

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AN EMPIRICAL ANALYSIS OF THE IMPACT OF ECOPRENEURIAL ORIENTATION, ENVIRONMENTAL CONCERN AND GOVERNMENTAL MEASURES ON ECOPRENEURIAL PRACTICES OF WOMEN ENTREPRENEURS IN MALAPPURAM DISTRICT

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ABSTRACT

Ecopreneurship is emerging phenomena that imperatively demands for revitalising the contemporary entrepreneurial practices towards a more eco-friendly business. Countries worldwide have growing apprehension over the phenomenal rise in the environmental degradation caused by businesses through destruction of biodiversity, pollution and depletion of natural resources. Fostering of environmentally responsible new generation ecopreneurs can eventually lead to sustainable growth and development of a nation along with the fulfillment of both economic and social goals. The present study is an attempt to empirically analyse the impact of Ecopreneurial Orientation, Environmental Concern and Governmental Measures on the Ecopreneurial Practices of women entrepreneurs in Malappuram district. The empirical data used in this research is drawn from data set collected using a structured questionnaire addressed to 120 women entrepreneurs. The questionnaire was developed by using five point Likert scale and a pilot study of 60 entrepreneurs was carried out for testing the reliability of the scale. Reliability test has been conducted to check the internal consistency of measurement items by using Cronbach's alpha which shows that there was high correlation between the items. Pearson multiple correlation analysis is used to examine the individual relationships between the independent variables (Ecopreneurial Orientation, Environmental Concern and Governmental Measures) and the dependent variable (Ecopreneurial Practices). Multiple Linear Regression (MLR) analysis is carried out to find which determinants could explain better the Ecopreneurial Practices of women entrepreneurs in Malappuram district. It is seen that the independent variables Ecopreneurial Orientation, Environmental Concern and Governmental Measures have a positive impact on Ecopreneurial Practices of women entrepreneurs. Through MLR analysis R Square shows that 70.1% of the variance of Ecopreneurial Practices has been explained by the three independent variables. The adjusted R square is 0.693, and it explains that 69.3% of variance in dependent variable would be accounted for if the model had been derived from the population from which the sample was taken. Therefore, the model is found to be statistically significant and fit for prediction. Among the three independent variables the one variable that has the most significant influence on the Ecopreneurial Practices is the Ecopreneurial Orientation which has the highest beta value. This study has significant implication for both researchers and practitioners as it highlights the necessity of firms to adopt Ecopreneurial Practices that can contribute towards a more sustainable consumption and production patterns, which will in the long run lead to a global renovation towards a green economy. While previous authors made attempts to analyse certain aspects of linkage between entrepreneurial orientation, entrepreneurial growth and performances, this research focused on developing a framework that combines Ecopreneurial Orientation, Environmental Concern, Governmental Measures and Ecopreneurial Practices pertinent to women entrepreneurs in Malappuram. The results support the necessity to identify variables of multiple levels to explain the Ecopreneurial Practices of different firms.

KEYWORDS

Eco-friendly Business, Ecopreneurs, Women Entrepreneurs, Ecopreneurial Practices, Ecopreneurial Orientation, Environmental Concern and Governmental Measures.

INTRODUCTION

Countries worldwide have growing apprehension over the phenomenal rise in the environmental degradation caused by businesses through destruction of biodiversity, pollution and depletion of natural resources. Market systems have adversely affected the environment mainly due to two reasons i.e., firstly, failure to deal effectively with the negative environmental externalities and secondly, due to undervaluing natural resources, leading to their over-exploitation and depletion. Governments have sought to deal with the problem through a mix of command, control and market-based instruments, with limited success (Bhatnagar *et al.*, 2013). One of the most potent alternatives for dealing with such market failures is ecopreneurship an emerging phenomena that imperatively demands for rejuvenating the contemporary entrepreneurial practices towards a more eco-friendly business.

Ecopreneurship is a relatively new field of academic inquiry and study, although some work on the phenomena began in the 1970s, it was not until 1990s that the topic began to receive great attention (Schaper, 2008). The term referring to innovative businesses along with sustainability of environment are taken into consideration in teleology of entrepreneurship called as environmental entrepreneurship, ecological entrepreneurship, Ecopreneurship and green entrepreneurship (Allen and Malin, 2008). Ecopreneurship is a process carried out by ecopreneurs having green ideas to establish an innovative company that manufactures/uses/supplies/markets products and services which are not detrimental to environment. Issak (2002) used the term ecopreneurship to denote an existential form of business behaviour that is committed to sustainability. According to Lordkipanidze *et al.* (2005), it can be assumed that ecopreneurship in its essence, is not different from other types of entrepreneurship but it takes into consideration the social and environmental issues together with economic ones. Fostering of environmentally responsible new generation ecopreneurs with high inclination towards eco friendly ideas, products and services can lead to the fulfillment of overall goals of economic, environmental and social well being along with enhanced sustainability. Eco-entrepreneurs enter these eco-friendly markets, not only to make profits, but also because they have strong, underlying, green values. They are the combination of strong environmental and social values with an energetic entrepreneurial attitude (Anderson, 1998; Gibbs, 2009). They are individuals who found or setup "green-green" businesses, i.e., business that are founded on the principle of sustainability. Ecopreneurs pursue social and ecological goals by means of profit orientated businesses. On the other hand, "green" entrepreneurs pursue profit goals by means of ecological or socially orientated businesses (Issak, 2002).

REVIEW OF LITERATURE

Dixon and Clifford (1988) in their exploratory study entitled Ecopreneurship – a new approach to managing the triple bottom line tried to research into social and ecological entrepreneurship. The paper highlighted on how ecopreneurs can create an economically viable business whilst retaining their core

environmental and social values. Findings revealed that a strong link exists between entrepreneurialism and environmentalism i.e., the entrepreneurial flair of the CEO enables the pursuit of environmental, social and economic goals. The success of the Green-Works business model stems from the business's symbiotic relationships, firstly with large corporate bodies, who were keen to quantify their Corporate Social Responsibility (CSR) efforts; secondly, with the community and social partners, who provide employment and training for disadvantaged people and a route to relatively risk free growth. Finally, from the government and social institutions, that provides special concessions and support. Isaak (2002) examined that an ideal 'ecopreneur' is one who creates green-green businesses in order to radically transform the economic sector in which they operate and ecopreneurship is seen as an existential form of business behaviour committed to sustainability. The suggested ecopreneurial strategies include green brainstorming, cost reduction, stimulation of innovation through green design and networking and encouraging green marketing. To promote ecopreneurship, government and public officials can run competitions for the most ingenious green business plans, reform tax regimes to promote resource conservation and target the conception of high-tech development centres to build serial ecopreneurship and attract 'blended value' venture capital.

Gibbs (2009) focused on investigating the role that sustainability entrepreneurship may have in engendering a shift in the practices and operations of modern capitalism which could help to address problems of global warming, climate change and their associated negative environmental impacts. The study also examined the subset of sustainable entrepreneurs i.e., 'ecopreneurs' who seek to combine business practice with sustainable development so as to revamp their business sectors. The paper suggested that works on sustainable entrepreneurship could be considerably enhanced by an engagement with the literature on transition management in science and technology studies. Farinelli *et al.* (2011) in their article argued that a green economy can only be driven by entrepreneurs who respond positively to policy incentives through innovation in management and technology. Investments in green innovation should not only generate private profits but also have the potentials to be scaled up to reach the sustainable transformation of entire industry. It implies that government should focus more on the creation of an enabling environment for large-scale innovations that could contribute to the global green transformation of an entire industry rather than merely subsidising to green niche markets.

Uhlaner (2011) predicted the engagement of Small and Medium Enterprises (SMEs) in Environmental Management Practices with parameters like monitoring of company waste, producing or selling environmentally friendly products and searching for more environmentally friendly products, services or production methods. Findings revealed that several endogenous factors, including tangibility of sector, firm size, innovative orientation, family influence and perceived financial benefits from energy conservation, predict an SME's level of engagement in selected Environmental Management Practices. Governmental programmes especially providing financial benefits to make energy and natural resource conservation more widely affordable to SMEs may offset other greater long term costs, the society has to bear for waste removal, pollution control and acquisition of higher cost natural resources. Piirala (2012) explored the impact of Entrepreneurial Orientation (EO) and its individual dimensions of innovativeness, risk-taking and pro-activeness on the performance of SMEs. The study was done in a cross-cultural background by comparing EO and its dimensions and their performance implications between Finnish and German firms. Findings showed that the Finnish SMEs exhibit higher levels of innovativeness, pro-activeness and EO than their German counterparts. Innovativeness emerged as the most significant contributor to firm performance in the SMEs of both countries, even so that the impact of innovativeness alone is higher than that of the combined EO concept. However, there was no significant difference between the strength of the impact on performance with any of the dimensions between the Finnish and German firms.

Tejwani and Sethi (2012) in their article examined the principles, policies, and practices adopted by green businesses that could improve the quality of life for their customers, employees, communities and the environment. In the early 21st century, many companies began capitalising on growing consumer zeal for sustainable business. They followed greening practices to make their ventures more eco friendly and a number of ecopreneurs started businesses with a green slant. They concluded that green business is presently an extremely profitable branch of the business world that has a wide range of companies from prestigious MNCs to small, locally based companies. Hosseini and Eskandari (2013) in their descriptive survey investigated the relationship between Entrepreneurial Orientation (EO), environmental factors, human capital and organisational characteristics vs. entrepreneurial performance among entrepreneurial firms in Iranian agricultural sector. Hierarchical regression analysis was used as the statistical technique and it revealed that there is a positive direct relationship between EO and entrepreneurial performance in an agricultural business setting. However, applying main effect or contingency models provided a distracting picture of entrepreneurial performance in agricultural settings. It was also found that configurational approach may better elucidate the relationship between EO, environmental factors, human capital and organisational characteristics vs. entrepreneurial performance over and above contingency and above main-effect models.

Tan *et al.* (2013) investigated empirically the extent to which Self-Efficacy contributes to the development of Green Entrepreneurial Intention. The measurement constructs of Self-Efficacy were market opportunities, innovative environment, initiating relationships, defining purpose, coping with challenges and developing human resources. The coefficient of determination R Square showed that the variance of intention to entrepreneurship is adequately explained by the variance of the independent variables, thereby, the regression model was found fit for prediction. Martins and Rialp (2013) examined the effects of the Entrepreneurial Orientation (EO) on SMEs financial performance. It proposed a contingency model to explore the moderating effects of environmental hostility on the relationship between EO and profitability. Results confirmed a positive influence of EO on a firm's profitability and it also revealed that the impact of EO on SMEs profitability is higher when there is a fit between EO and the external environment. Ullah *et al.* (2013) in their study analysed the association and influence of enterprise related factors on Entrepreneurial Orientation. Primary data were collected through self administered questionnaire which were analysed in both descriptive and inferential ways. Study examined the association between the independent variables (Enterprise Informalisation, Value Based Compensation and Access to Resources) and dependent variable (Entrepreneurial Orientation). Multiple regression analysis was used to measure the influence of independent variables on the dependent. The results showed that model was fit and explained 45.4% variation in EO due to Enterprise Informalisation, Value Based Compensation and Access to Resources.

RESEARCH GAP

From the review of related literature it was found that most of the studies were done in the area of influence of enterprise related factors on entrepreneurial orientation and effects of entrepreneurial orientation on SMEs performances. Certain studies also examined the principles, policies, and practices adopted by green businesses, green marketing and green consumerism and how they can contribute towards green economy through ecopreneurship. Prediction of the engagement of SMEs in environmental management practices, how ecopreneurs create an economically viable business whilst retaining their core environmental and social values were also the subject matter studied. But the present study attempts to fill the gap in previous research by focusing on developing a framework that combines Ecopreneurial Orientation, Environmental Concern, Governmental Measures and Ecopreneurial Practices pertinent to women entrepreneurs. It empirically analyses the impact of Ecopreneurial Orientation, Environmental Concern and Governmental Measures on Ecopreneurial Practices of women entrepreneurs in Malappuram district.

OBJECTIVE

- To study the impact of Ecopreneurial Orientation, Environmental Concern and Governmental Measures on Ecopreneurial Practices of women entrepreneurs in Malappuram district.

HYPOTHESES

H₀: There is no significant impact of Ecopreneurial Orientation, Environmental Concern and Governmental Measures on Ecopreneurial Practices of women entrepreneurs in Malappuram district.

H₀₁: There is no significant impact of Ecopreneurial Orientation on Ecopreneurial Practices of women entrepreneurs.

H₀₂: There is no significant impact of Environmental Concern on Ecopreneurial Practices of women entrepreneurs.

H₀₃: There is no significant impact of Governmental Measures on Ecopreneurial Practices of women entrepreneurs.

RESEARCH METHODOLOGY

A quantitative descriptive research is carried out based on primary data collected from a sample of 120 women entrepreneurs engaged in agriculture, manufacturing and service sectors in Malappuram district of Kerala. Secondary data source in the form of similar research studies, reference books, journals and related online materials were also employed to supplement the study. The empirical data used in this research is drawn from data set collected using a structured questionnaire addressed to 120 women entrepreneurs.

Research instrument for collecting data is a structured questionnaire developed by using five point Likert scale and a pilot study of 60 women entrepreneurs was carried out for testing the reliability of the scale. Reliability test was conducted to check the internal consistency of measurement items by using Cronbach’s alpha which shows that there was high correlation between the items. Pearson’s correlation test is also used to examine the individual relationships between the independent variables and the dependent variable. Multiple Linear Regression (MLR) analysis is conducted to study the impact of different independent variables on the dependent variable and also to identify which determinants could explain better the Ecopreneurial Practices of women entrepreneurs in Malappuram district.

MEASUREMENT CONSTRUCTS

The study includes use of Ecopreneurial Orientation, Environmental Concern and Governmental Measures as the three independent variables and Ecopreneurial Practices as the dependent variable.

Ecopreneurial Practices

In the present study the term Ecopreneurial Practices includes all those initiatives and actions taken by entrepreneurs with environmental commitments to produce, sell or market eco friendly products or services by using raw materials, processes, devices etc, that are not detrimental to environment and also engage in the monitoring waste treatment. The dependent variable Ecopreneurial Practices was measured by using six constructs i.e., producing or selling eco friendly products, use of energy efficient products and devices, use of eco friendly raw materials and production methods, monitoring waste treatment and creation of market for green products and services.

Ecopreneurial Orientation

Ecopreneurial Orientation is the particular preferences, tendencies, beliefs or opinions an entrepreneur (ecopreneur) has in exploiting business opportunities by giving priority to environmental benefits and which are instrumental in determining the eco-friendliness and progressiveness of a company. According to Lumpkin and Dess (2001), the concept of entrepreneurial orientation consists of five dimensions: autonomy, innovativeness, risk taking, pro-activeness, and competitive aggressiveness. The independent variable Ecopreneurial Orientation was measured using three parameters i.e., eco conscious innovations, ecological risk bearing and eco-conscious pro-activeness. Where “Eco Conscious Innovations are all measures of relevant actors (firms, politicians, unions, associations, churches, private households) which develop new ideas, behaviour, products and processes, apply or introduce them and which contribute to a reduction of environmental burdens or to ecologically specified sustainability targets” (Rennings, 2000). Innovations like, inventing new green technologies to work and using eco-friendly raw products to fabricate the finished products etc can be incorporated. Ecological Risk Bearing refers to the risks borne by entrepreneurs, considering the ecological factors and not spreading the risks on to their employees, customers or society for their economic gains, thereby, approaching towards sustainable development. Eco Conscious Pro-activeness is working beforehand through opportunity-seeking and forward-looking perspective, with an objective of preserving the environment by setting specific targets for future environmental performance to attain better inputs, processes and outcomes.

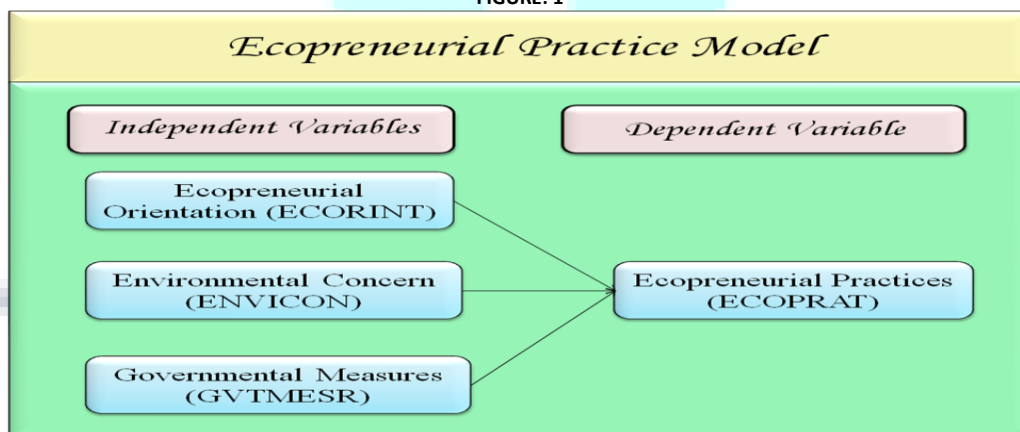
Environmental Concern

Environmental concern is the strong attitude towards preserving the environment (Cosby, Gill and Taylor, 1981). It is also known as “ecological concern”, which refers to the degree of emotionality, the amount of specific factual knowledge, and the level of willingness as well as the extent of actual behaviour on pollution-environmental issues (Maloney and Ward, 1973). Environmental Concern for the study included five parameters like boycott of products detrimental to environment, willingness to bear extra cost for eco friendly products or services, environmental commitment, discharging of social responsibility, participation in environmental campaigns.

Governmental Measure

For the present investigation the variable Governmental Measure denotes the steps, policies and actions undertaken by the government to protect the environment from damages caused due to pollution and other activities involved in running a business. Governmental Measure as an influencing factor on Ecopreneurial Practices included five parameters i.e., enforcement of environmental laws, allocation of more money to the authorities in combating pollution, introduce pollution free public transport system and eco fuel for all vehicles, penalise or eliminate polluting industries and develop green areas by encouraging more tree plantation.

FIGURE: 1



THE MODEL

$$ECOPRAT = \beta_0 + \beta_1 ECORINT + \beta_2 ENVICON + \beta_3 GVTMESR + \epsilon_t$$

Where, ECOPRAT is the Dependent Variable to measure Ecopreneurial Practices of women entrepreneurs, β_0 is the constant term of the model, $\beta_1 ECORINT$ is the independent variable that measures Ecopreneurial Orientation of women entrepreneurs, $\beta_2 ENVICON$ and $\beta_3 GVTMESR$ are the independent variables to measure Environmental Concern and Governmental Measures respectively. ϵ_t denotes the error term.

RESULTS AND DISCUSSION

RELIABILITY ANALYSIS

Reliability analysis using Cronbach’s alpha test for the dependent (Ecopreneurship Practices) and independent variables (Ecopreneurial Orientation, Environmental Concern, Governmental Measures) are depicted in Table: 1. A Cronbach’s coefficient alpha is calculated to measure the reliability of all item included in the dependent and independent variables. Cronbach Alpha is a reliability coefficient that indicates how well the items are positively correlated to one another and closer the Cronbach’s alpha is to 1, higher the internal consistency. In general, the reliabilities less than 0.60 are considered to be poor, those in

the 0.70 range, acceptable and those over 0.80 good (Sekaran, 2000). As the Cronbach's Alpha obtained is between the range 0.665 and 0.811 it can be said that the internal reliability of all the measures can be considered acceptable and good. The overall reliability value of 0.929 of the variables shows that the level of internal consistency of measurement item is very good.

TABLE 1: RELIABILITY ANALYSIS

Variables	No: of items	Cronbach Alpha (α)
Ecopreneurship Practices	6	0.811
Ecopreneurial Orientation	3	0.665
Environmental Concern	5	0.791
Governmental Measures	5	0.704
Overall Reliability	19	0.929

ASSUMPTIONS OF MULTIPLE REGRESSION ANALYSIS

Multiple regression analysis should satisfy the assumption of no perfect multicollinearity i.e., there should be no perfect linear relationship between two or more of the predictors. So, the predictor variables should not correlate too highly (Field, 2009). Multicollinearity of the three independent variables has been diagnosed by evaluating the Variance Inflation Factor (VIF) and Tolerance statistics for each variable in Table: 2. The VIF measures the degree to which each independent variable is explained by the other explanatory variables. If the largest VIF is greater than 10 then there is cause for concern (Bowerman & O'Connell, 1990; Myers, 1990). Tolerance is the percentage of variance in a given predictor that cannot be explained by the other predictors. When the tolerances are closer to zero, there is high multicollinearity. Tolerance below 0.1 indicates a serious problem. Tolerance below 0.2 indicates a potential problem (Menard, 1995). The highest VIF value given in Table: 2, is 2.834 it is below 5. None of the tolerance statistics are less than 0.2 therefore there is no serious or potential problem of multicollinearity among the independent variables.

TABLE 2: COLLINEARITY STATISTICS

Variables	Tolerance	VIF
ECORINT	0.390	2.563
ENVICON	0.353	2.834
GVTMESR	0.359	2.784

Another way to identify multicollinearity is to scan a correlation matrix of all of the predictor variables and see if any correlate very highly (correlations of above .80 or .90) (Field, 2009). Pearson's Correlation matrix has been constructed with 'r' values of all test variables. The most significant bivariate correlation (0.760) among independent variables at 0.01 level is between Environmental Concern and Governmental Measure. From the correlation matrix, it is clear that all the variables examined in this study have significant relationship with the criterion measure (Ecopreneurial Practices). The correlation matrix in Table: 3, depicts that all the independent variables have a positive and good correlation with the dependent variable Ecopreneurial Practices, but it is not above 0.80, therefore, the table values clearly indicates that there seem to be no multicollinearity within the variables.

TABLE 3: CORRELATION MATRIX OF VARIABLES AND CRITERION MEASURE

Variables	ECOPRAT	ECORINT	ENVICON	GVTMESR
ECOPRAT	1			
ECORINT	0.795**	1		
ENVICON	0.747**	0.735**	1	
GVTMESR	0.724**	0.730**	0.760**	1

** Correlation is significant at the 0.01 level (2-tailed)

Regression analysis assumes independence of errors i.e. there should be no autocorrelation in the residuals from a regression. For any two observations the residual terms should be uncorrelated or independent, which is described as a lack of autocorrelation. The Durbin Watson statistic is used to test the presence of autocorrelation. As a very conservative rule of thumb, values less than 1 or greater than 3 are definitely cause for concern (Field, 2009). Any value of the Durbin Watson statistic between one and three is acceptable. Table: 4, shows a Durbin Watson statistic of 2.131 which is acceptable and therefore the assumption of independent errors in the regression is tenable.

MULTIPLE REGRESSION ANALYSIS

The model summary of Multiple Linear Regression (MLR) analysis of Ecopreneurial Practices with Ecopreneurial Orientation, Environmental Concern and Governmental Measures is demonstrated in Table: 4. R is a measure of the multiple correlation between the predictors and the outcome. Large value of multiple R represents a large correlation between the predicted and observed values of the outcome and it is a gauge of how well the model predicts the observed data (Field, 2009). The estimated multiple regression coefficient (R=0.837) shows a relatively strong linear positive correlation between the independent and dependent variables. R Square is the coefficient of determination that tells how much of the variance in dependent variable is accounted for by the regression model from the given sample. The obtained R Square shows that 70.1% of the variance of Ecopreneurial Practices has been significantly explained by the three independent variables considered for the study. Adjusted R Square indicates the loss of predictive power or shrinkage. The adjusted value tells how much variance in dependent variable would be accounted for if the model had been derived from the population from which the sample was taken.

TABLE 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.837 ^a	0.701	0.693	0.26864	2.131

a. Predictors: (Constant), GVTMESR, ECORINT, ENVICON

b. Dependent Variable: ECOPRAT

In Table: 5, ANOVA shows whether the overall model is significantly good degree of predictor of the outcome or dependent variable. The F ratio obtained is 90.736, which is significant at $p < .01$ (the Sig. value in the table for p is 0.000). Thus it can be inferred that Ecopreneurial Orientation, Environmental Concern and Governmental Measures have a statistically significant positive impact on Ecopreneurial Practices of women entrepreneurs in Malappuram district. On the basis of analysis of variance, the given ANOVA table reveals that the overall model is statistically significant.

TABLE 5: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.645	3	6.548	90.736	0.000 ^a
	Residual	8.372	116	0.072		
	Total	28.016	119			

a. Predictors: (Constant), GVTMESR, ECORINT, ENVICON

b. Dependent Variable: ECOPRAT

Table: 6, depicts the beta values which reflect about the relationship between dependent variable and each predictor. If the beta value is positive there is a positive relationship between the predictor and the outcome and vice versa. The table shows that all the predictors have a positive beta (b) value indicating that there exist positive relationships. Beta values also demonstrate to what degree each predictor affects the outcome, if the effects of all other predictors are held constant. Among the three independent variables one variable that has the most significant influence on the Ecopreneurial Practices is the Ecopreneurial Orientation. It is evident through the highest beta value (0.467) obtained for Ecopreneurial Orientation, which has a value of $p < .01$ which is significant at 1% level. It can also be seen that the beta values of Environmental Concern and Governmental Measures are 0.265 and 0.182 respectively with a $p < .05$ indicating that it is also statistically significant at 5% level. The positive Beta weight indicates that the three independent variables discussed have a positive and significant influence on Ecopreneurial Practices of women entrepreneurs. Each of these beta values has an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether or not the b value differs significantly from zero.

TABLE 6: COEFFICIENTS

Model 1	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.667	0.177		3.776	0.000
ECORINT	0.400	0.070	0.467	5.751	0.000
ENVICON	0.234	0.075	0.265	3.102	0.002
GVTMESR	0.172	0.080	0.182	2.149	0.034

a. Dependent Variable ECOPRAT

Table: 7, depicts the results of hypotheses testing of multiple regression analysis. It is evident from the table that the overall model is significant as the significant value is less than the value of p at 0.01 level of significance ($p < 0.01$). Hence, the null hypothesis is rejected and there is a significant impact of ECORINT, ENVICON and GVTMESR on ECOPRAT. The sub hypotheses of the study also reveal that the impact of ECORINT on ECOPRAT and ENVICON on ECOPRAT are significant at 0.01 level as $p < 0.01$. While, the impact of GVTMESR on ECOPRAT is significant at 0.05 level as the p value is less than 0.05 ($p < 0.05$).

TABLE 7: HYPOTHESES TESTING OF IMPACT OF ECORINT, ENVICON AND GVTMESR ON ECOPRAT

No.	Hypotheses	Sig. Value	Decision
H ₀	There is no significant impact of Ecopreneurial Orientation, Environmental Concern and Governmental Measures on Ecopreneurial Practices of women entrepreneurs in Malappuram district.	0.000	Reject
H ₀₁	There is no significant impact of Ecopreneurial Orientation on Ecopreneurial Practices of women entrepreneurs.	0.000	Reject
H ₀₂	There is no significant impact of Environmental Concern on Ecopreneurial Practices of women entrepreneurs	0.002	Reject
H ₀₄	There is no significant impact of Governmental Measures on Ecopreneurial Practices of women entrepreneurs.	0.034	Reject

Based on above analysis and discussions it can be concluded that all the null hypotheses (H₀) are rejected and alternative hypotheses therefore, remains accepted showing that there exist a significant impact of Ecopreneurial Orientation, Environmental Concern and Governmental Measures on Ecopreneurial Practices of women entrepreneurs in Malappuram district. It was found that the regression model developed was significant and fit for prediction.

CONCLUSION

Ecopreneurship can contribute in several ways towards sustainable growth and development with a new vision of translating environmental needs into market opportunities. The new breed of ecopreneurs can formulate better aims of conserving scarce natural resources and considering environmental goals rather than exclusively focusing on profit maximisation. They need to engage more in eco innovations of technology, product, service and organisation and give thrust to shift wider parts of a given market towards a more sustainable path. The study highlights the necessity of firms to adopt Ecopreneurial Practices that can contribute towards a more sustainable consumption and production patterns leading to a global renovation towards a green economy. Major findings of the study reveal that Ecopreneurial Orientation, Environmental Concern and Governmental Measures have a statistically significant positive impact on Ecopreneurial Practices of women entrepreneurs in Malappuram district. Among the three independent variables studied one variable that has the most significant influence on the Ecopreneurial Practices is the Ecopreneurial Orientation.

LIMITATIONS

The limitation of this research was that it used a small sample size of 120 women entrepreneurs and the study was restricted to Malappuram district of Kerala alone and therefore, the results of this study cannot be generalised. Larger samples from all over the country will obviously increase the level of reliability and generalisation.

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SOCIAL ENTERPRISES: INTERPRETATION AND MARKETING STRATEGIES

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ABSTRACT

Social enterprises are described distinctively in different parts of the world. However, on the basis of some common characteristics they are defined as businesses addressing the social needs through their products, services or by employing disadvantaged people. The main goal of a social enterprise is the sustainability of both financial and social goals. It faces significant business and social challenges because of limited funding, concern for resource opportunities etc. But, marketing a social enterprise is a stabilizing act. Differential marketing emerges out to be a successful way forward for various social enterprises. This paper looks fundamentally at what constitutes a social enterprise, moving to the examples of the same. These examples are then analyzed with regards to their marketing strategies, with an aim to extract broad learnings that could be replicated elsewhere. The paper at length describes and identifies a common set of marketing practices that could be utilized for marketing on an international level by a social enterprise.

KEYWORDS

Cause Marketing, Marketing and CSR, Marketing Social Ventures, Non-Governmental Organizations Marketing, NPO Marketing Strategies.

INTRODUCTION

 Social enterprises have a long history under various kinds of names and tendencies. The term 'social enterprise' has different associations at different places. Right from having philanthropic roots in the US, social enterprises are known for their cooperative roots in the UK, Europe and Asia. In order to understand the true essence of a social enterprise, it is important to first take a glance at the meaning of a social enterprise in various parts of the world.

METHODOLOGY

The paper uses a range of recently published works along with past snapshots of marketing materials utilized by the various mentioned brands. The study makes extensive use of secondary research.

OBJECTIVES

The objective of this paper is to understand the meaning of the term 'social enterprise' and to describe and identify a common set of marketing practices that could be utilized for marketing on an international level by a social enterprise.

THE UNITED STATES OF AMERICA

Social Enterprise Alliance (SEA), U.S. defines a social enterprise as an "organization or venture that advances its primary social or environmental mission using business methods." The two characteristics which differentiate a social enterprise from other businesses, non-profits and government agencies are:

1. Addressing the social needs directly through their products and services or by employing disadvantaged people.
2. Using earned revenue schemes to pursue a double or triple bottom line, either alone or as a noteworthy party of a non-profit's mixed revenue stream including charitable contributions and public sector subsidies.

AUSTRALIA

After a research initiated in 2009 by Social Traders and Australian Centre for Philanthropy and Non-profit Studies at Queensland University of Technology to define social enterprise, in 2010, they defined social enterprises as organizations that:

1. are led by an economic, social, cultural or environmental mission consistent with a public or community benefit;
2. trade to fulfill their mission;
3. derive a substantial portion of their income from trade; and
4. Reinvest the majority of their profits/surplus in the fulfillment of their mission.

INDIA

In the Indian subcontinent, a social enterprise may be defined as:

1. A trust registered under various Indian State Trust Act;
2. A Non-Governmental Organization (NGO), usually registered as a society under Indian Societies Registration Act, 1860;
3. A section 25 company registered under Indian Companies Act, 1956;
4. A business with an aim for making profit, although the primary aim is to alleviate poverty through a sustainable business model

In India, instead of using the term 'social enterprise', terms like NGOs and NPOs (Non-profit organizations) are more popular as such organizations are legally allowed to raise funds for non-business activities.

THE UNITED KINGDOM

In the British context, the term social enterprise includes community enterprises, credit unions, trading arms of charities, employee-owned business, co-operatives, development trusts, housing associations, social firms and leisure trusts. They are different from charities and from private sector companies with well formulated policies on corporate social responsibility.

Supported and government-backed definition of a social enterprise was given by Department of Trade and Industry Report 'Social Enterprise: a strategy for success' report as: a business with primarily social objectives whose surpluses are principally reinvested for that purpose.

The three usual characteristics of social enterprises are defined by Social Enterprise London as:

1. Viable trading organizations having an operating surplus and directly involved in producing goods or services to a market;
2. Enterprises with social aims, having ethical values, dedicated to local capacity building and liable to their members and the community as a whole;
3. Autonomous organizations having governance and ownership structure based on participation by stakeholder group or trustee, distributing profits either to the stakeholders or reinvesting them for community benefit.

Thus, we see that different countries of the world have their own different ways of defining what constitutes a social enterprise. However, there are some common characteristics that run through the distinct culture of a social enterprise all across the globe. By identifying such unique characteristics, we shall be able to construct an inclusive, though not exhaustive, definition of a social enterprise. On the basis of the above definitions of social enterprises in different countries, the characteristics of a social enterprise include some, all, but are not limited to the following:

- addressing social needs through its products, services or by employing disadvantaged people
- trading to accomplish a social mission
- deriving a significant portion of their income from trade
- reinvesting a major part of their profits in the enterprise to fulfill the social mission
- having mixed revenue stream- earned + charitable contributions
- may include both voluntary and paid work
- at least 30% of the employees are disabled or long-term unemployed

In simple words, an enterprise is a business formed or created to earn profits. These businesses are often termed as for-profit organizations. Their aim is to earn maximum profits by satisfying the needs and wants of their target customers. In their attempt of being commercially successful, they sometimes forget to address the social problems prevailing in the society. So while a business might be able to address the consumer's demand for well-made cotton fabric, such organizations would fail to address the issues of hunger and unemployment in the society.

NPOs came into existence to cater to these social needs of the community, which at times remain unattended by the for-profit organizations. These not-for-profit organizations work for community upliftment. Social enterprises are the for-profit social ventures which blend the profit motive with a social objective. Thus, a social enterprise can be defined as a business which exist to help the community and to make money in order to sustain itself. They are well associated with the words- community driven that is driven by resources extracted from the community and commercially successful that is commercially viable to sustain themselves on a long term basis.

Social enterprises need to be differentiated from Not-for-profit and socially responsible ventures. While being similar in its objective to the for-profit social ventures, the not-for-profit venture differ from the former as the latter can use philanthropic funding as their start-up and on-going operations cost. Also, for-profit social ventures re-invest a major part of their earnings to further their social objectives. On the other hand, the principal aim of socially responsible ventures is to create economic value while respecting ethics and environment.

Associations with non-profits might help for-profit social ventures safeguard advantageousness position without foregoing social performance. Often, activities which can't contribute to a social enterprise's profitability but can add on to its success are integrated. For e.g.: GBF (Grassroots Business Fund) NPO provides business advisory services to its clients while its private investment fund provides capital for investment in high impact businesses.

In case of a for-profit organization the primary challenge for the entrepreneur is to make the enterprise commercially viable and profitable on a long term basis. Similarly, in case of a not-for-profit organization, the key challenge is to work continuously and consistently towards advancing and addressing the primary issue for social upliftment. However, while building a successful organization, social entrepreneurs face the dual objective challenge- social and profit instead of having one. Certain social objectives can be converted into monetary terms but comparing financial and social objectives on similar parameters is a difficult task. Furthermore, because the social objectives are intangible and difficult to measure, it becomes difficult for social entrepreneurs to make decisions considering both social and financial impact in consideration. Thus, convincing the stakeholders about the potential benefit of a venture becomes difficult for social entrepreneurs. A for-profit social enterprise's approach should emphasize more on financial side as making more money enables them to pursue their social missions. The more successful a social enterprise is, the more successful its social impact would be. Their ultimate objective is sustainability of both financial and social goals. But often, social enterprises appear to be concentrating more on the social part without being enterprising. They must have a social impact theory with a feasible business model. A strong business model intended to make a social impact and adequate profits should be followed. Though difficult, this collaboration can be achieved by developing profitable strategies based on savings in cost, serving overlooked markets and targeting socially oriented customers.

To dive deeper into the concept, let us have a look at some successful social enterprises across the globe. Such in depth analysis will help us better understand the structure, culture and the true nature of such an enterprise.

SOME SUCCESSFUL SOCIAL ENTERPRISES

GRASSROOTS BUSINESS FUND (GBF)

GBF is a Washington DC based social enterprise with a mission to "grow viable businesses that generate sustainable earnings or savings for people with low incomes in Africa, Asia, and Latin America". It builds and supports high-impact enterprises in developing countries to capacitate large number of poor, as producers of income-generating merchandise and products, as consumers of cost-effective goods and services and as independent entrepreneurs. The idea is to enable all inclusive growth by completing the loop from producers to consumers along with an element of entrepreneurship added to augment the structure.

Investment alone is not enough to help a business improve, scale and succeed. Every business faces diverse challenges on its road to profitability, sustainability and expanding social impact. These challenges become all the more crucial for businesses operating in emerging markets. In emerging markets, the business challenges grow multi-fold to the lack of various augmented services such as proper infrastructure, government policies etc. Thus, to help its clients' business grow, GBF provides them with business expertise on the basis of their needs. GBF's staff members in its headquarters and regional offices work closely with its clients, supporting them through rigorous objectives and deliverables. It provides expert services to its clients on various business challenges they might face, ranging from – financial management, operations, supply chain, strategic planning, and governance to environmental and social impacts.

It uses the blend of private investment fund and non-profit organizations. Private investment fund is used to make equity, mezzanine equity, mezzanine debt, and straight debt investments, to provide capital for investment in low income community servicing businesses. While, non-profit organizations provide business advisory services to clients.

GBF intends to invest in for-profit ventures having a strong dedication to bring about measurable and viable social and economic impact at the base of the economic pyramid.

GIVEMETAP

Edwin Broni-Mensah founded GiveMeTap in Manchester, UK. This social enterprise helps people stay hydrated on the go and help provide clean water to people in Africa. For every GiveMeTap bottle the consumers buy, they can get it refilled with the tap water, for free, from any café which has signed up as a 'provider' for the same. 70% of the money made from sale is used to provide clean water to people in Africa. It thus provides three benefits- people in Africa get clean water, people in UK get water refills for free, helps in reduction of plastic bottles in landfill.

GiveMeTap has completed various projects on providing clean and safe water to African people. In July 2013, they completed a project in Kpakpalamuni, Wa, Ghana. Before July 2013, the people of Kpakpalamuni had no source of safe and clean drinking water. The untreated water, in the community of about 850 people came from a single stream. People had to compete with wildlife for that water. With the help of Deloitte and ProNet in Ghana, GiveMeTap installed a hand pump borehole at the place providing the community people access to clean and safe water.

GiveMeTap accepts order for customized GiveMeTap bottles from organizations, as a special gift to its customers and employees. This helps GiveMeTap to tell their story about bringing clean and safe water to people in Africa to a larger audience. They use an interactive website to engage visitors and to get orders.

SERVALS AUTOMATION PRIVATE LIMITED (PVT. LTD.)

India based Servals Automation is built on a low-capital model with commitment to social values. The organization is addressing the global social problem of energy conservation by encouraging the use of alternate and renewable energy resources, with a focus on rural economic independence, particularly for people living below poverty line in the developing countries. The Servals group is in pursuit of energy solutions which are:

- Clean
- Affordable
- Sustainable
- Green
- Lead to reduction of indoor air pollution
- Lead to reduction of carbon footprints

Servals group manufactures socially relevant products like energy efficient kerosene burners and kerosene stoves, concentrating primarily on providing clean, green, affordable and sustainable energy for cooking and lightning purposes. They call themselves a “commercial organization working for profit with a social outlook” focusing to address the international problem of energy conservation. Their front-running product ‘Venus kerosene burner’ offers 30% savings on kerosene consumption. These kerosene burners are manufactured at rural areas providing employment opportunities to rural people.

The group is working with NGO’s having networks with SHG (Self-Help Groups) for marketing their products. Their marketing model use SHG members as marketing partners.

TRASHY BAGS

Trashy Bag, a Ghana based social enterprise that turns plastic sachets into useful and attractive bags and other products. These plastic sachets can’t be reprocessed in any way apart from cleaning. The enterprise has reprocessed approximately 20 million sachets since its founding in 2007. It is creating employment opportunities by paying people for collection of sachets, washing them and ultimately stitching them into bags. It is using this opportunity to educate people about the dangers of land pollution and encouraging them to dispose of their rubbish responsibly. The bags made by the enterprise are sold locally, online and exported.

The bags at the organization are produced based on the orders received from the management team and are filed as per the needs of Trashy Bags Showroom (located in the same building as their workshop) or from other external customers. All the products are checked for flaws and defects before being put for sale. Rejected products are kept aside for recycling and the products with minor errors are separated out and sold at discount prices in the Trashy Bags Showroom.

The organization markets its products through its showroom- chiefly to expatriate, diplomats and tourists from other countries, website and stores focusing on promoting economically and environmentally sustainable products from developing countries (like globalmamas.org). In addition, the organization also presents itself at official events or on public places.

NOVICA

NOVICA, a mission-driven crafts company with offices in Brazil, Peru, Mexico, Ghana, Indonesia, Thailand and India, was founded in 1999. By eliminating the intermediaries, NOVICA empowers the artisans to sell their products, in an international market at a premium, and protect their margins. Its partnership with several international organizations (like National Geographic, to name one) increases its visibility and diversifies its sales avenues through a wholesale channel. Their team of local experts based in every region, provide artisans with all the support they need – from product development advice to quality control assistance, to make artisan’s listing process smooth. It offers 0% interest loans to artisans who wish to expand their wider communities. To date (May 12, 2015), NOVICA has sent over \$60M to artisans around the world.

In the year 2010, NOVICA launched its own micro-credit program enabling customers and the internet community at large to fund interest-free micro loans to artisans.

The organization offers products in the categories of Home Décor (including area rugs, masks, mirrors, musical instruments etc.), Jewelry and Apparels, Paintings and Unique Gifts. It also lets people send gift cards to their loved ones through mail and email. It uses interactive website interface to market its products to the customers.

MARKETING A SOCIAL ENTERPRISE

During the course of its operation, a social enterprise faces significant business and social challenges. Entrepreneurs choosing this path have to have their work speak for them. Because of limited funding, investment, concern for resource opportunities, social enterprises face immense pressure to grow. In any business, marketing is an elemental function to become financially sustainable. But, in a social enterprise, marketing is a stabilizing act. Every social enterprise makes its own decision about how to market- whether to create similar marketing messages as a for-profit business or using the social aspect of the business to provide it a preferential positioning among the competitors. Marketing might seem to be a luxury for the social enterprises because of the constraints under which they perform their business operations. However, with an increase in growth, the need for systematic planning and associated information increases, bringing effective marketing into the picture.

Due to the unique conduct of business, for a social enterprise it becomes essential to introduce itself to its customers, nurture the relationships and then earn loyal and repeat clients. While goal setting, it should focus on identification of strategic approaches defining its work activities. The social message which a social enterprise wishes to convey might not excite its customers. So, it is necessary to reach out to the right people. It needs to understand that customers will demand the same quality, value and services as they would from their profit organizations. They will value the social mission, but only after their expectations about quality are satisfied. A social enterprise can start by understanding:

- What is the kind of people it is trying to reach?
- What will make them want to buy its products or services?
- Where are they?
- What attitudes or beliefs could impact their decision to buy from it?

The answers to the above questions will help a social enterprise to identify its target customer base and it can then look for the answers to the following questions to derive its marketing strategy:

- What do their customers want that their competitors aren’t delivering or can’t deliver?
- Who is that really buys from them?
- What do they believe about their products or services in general?
- If they were to close, who would miss them and why?
- What is their USP?

Being socially responsible can’t be a social enterprise’s USP as a social mission alone is not helpful in building a customer base that creates real impact. Purposes don’t make business rules immaterial, it makes them more important- because it’s only when you have a big, loyal customer base that any business truly makes an impact. But, if it can develop a stature for its social performance and deliver goods or services whose cost and quality are considered at par with the competitors, customers might prefer them due to their commitment to social impact. However, social entrepreneurs must be careful while assuming this. They need to focus on the economic viability and profitability of the enterprise as much as on its social offering.

Achievable goals and targets need to be set and measured for managerial decision-making. Their need to be clear and distinct goals for governing financial decision making and for evaluating the success of the social offering. A balanced internal and external measurement system is important for guiding decision-making. The important point of consideration is that these measurement systems should be effectively designed to test the elementary assumptions of the venture model, which drive the linkages between the social and economic performance.

The amount of significance attached to the social value of an enterprise needs to be considered carefully while marketing it because some customers might be interested only in the price, quality and accessibility of the products and services offered rather than the "social mission" of the enterprise. On the other hand, for some, the enterprise's "social-mission" could be a key value. The social-goal of the enterprise should be well conveyed in the ways possible for the customers to relate to it. Various potential and socially responsible customers expect the social enterprises to be capable of exhibiting the social benefits of their doings.

Once, an enterprise becomes clear with the marketing messages it wishes to communicate, it should make certain that everything it does reflects the same. This can be well explained with the example of Servals Automation Private Limited. The social enterprise is committed towards bringing appropriate technology to the bottom of the pyramid to enhance their quality of life and they use this message while marketing their products. They came up with environment friendly products using renewable and alternate energy sources- Servals Plant oil stove and lamps use non-edible plant oil instead of kerosene, Servals TLUD Gasifier wood stove accepts waste materials like twigs, dry grass, husks etc. as fuel. Their products are manufactured at rural areas providing employment opportunities to rural people. So, their marketing message blends well with everything they do.

Differential marketing emerges out to be a successful way forward for various social enterprises. Marketing to the customers without an emphasis on the social message might prove effective. The stakeholders of the social enterprise should be presented with a detailed message laying down the "social-mission" and long-term plans to enable support and funding for future.

The social enterprise should:

- Have knowledge and understanding of the market
- Have adequate marketing budgets to reach out to its customers
- Segment its market on the basis of geography, demographics, psychographics, customer behavior to identify the segment whose needs the enterprise can cater to
- Prepare a well derived strategic marketing plan on the basis of the cause the social enterprise. An enterprise with a cause having a significant social impact and giving positive financial returns should be expanded, the one with a cause having a significant social impact and negative financial results should be nurtured and the one with a cause having a minimal social impact and positive financial results should be harvested.

CONCLUSION

This paper has discussed about the understanding of the concept of social enterprises taking into consideration some of the social enterprises from across the world and talked about the marketing strategies of the social enterprises. On the basis of the research on the topic, the following observations regarding the marketing of the social enterprises are made:

- **MARKETING ON INNOVATION:** Social enterprises come up with unique and innovative ideas of serving the community along with earning profits for themselves. They think of diverse ways of helping the community at large and making the world a better place to live in. Developing, designing and implementing an innovative idea is different from sustaining it. An innovative and good idea alone doesn't bring buyers. Sustaining an idea without depending heavily on charitable contributions will depend on how the social enterprise is able to position its products and services to its customer base. The 'idea' behind a social enterprise is its biggest asset, it needs to market itself around that idea to gain a customer base. An innovative idea, product or service gives the organization an advantage of being the front runner in the market. If an organization comes up with an innovative idea, marketing it and making it universally accessible will offer it the greatest advantage. It is all about influencing the prospective customers to make them believe in your cause and buy your products and services.
- **DIGITAL CONNECTIVITY:** In the era of real time connectivity, the organizations need to have a digital presence to educate more and more people about their cause and to reach out to their customers and prospective customers. An explosive growth in connectivity is clearly evident and it is increasing every fraction of a second. People are connecting and communication with each other on-the go. Communication technology has witnessed an explosion with the emergence of social media and smartphone.

Besides having an interactive website, it is favourable to have a presence on social media channels like Facebook, Twitter, and Google+ etc. However, the enterprise needs to decide on the social media platform they wish to use for their enterprise. The selection of right social media platform is essential to make a lasting impact on the customers. Mobile apps and advertisements are new age marketing tools used to reach out to the prospective customer base.

- **REALIZATION OF THE SALES VALUE OF CAMPAIGNING ON ISSUES RELATED TO THEIR MISSION AND BRAND.** : Just being a social enterprise working towards a 'cause' is not enough. It is essential to become a part of, or to organize campaigns related to your brand's mission and cause. It helps the enterprise to reach out to a wider audience, making people aware about its existence and increasing its credibility. It lets the customers relate to the organization's mission closely and inculcate in them the feeling that the organization is serious about its work and social cause. Campaigning on issues related to the brand image gives the brand and its social cause visibility and in return more customers. E.g.: To encourage cafes to refill the water bottles of commuters possessing GiveMeTap's branded bottles, it ran a campaign on London's tube network, to help people stay hydrated on the go. The campaign was also promoted with the launch of a new pink bottle. This got the enterprise an increase in its Facebook followers from 1,800 to 5,800+ and their sales also witnessed an increase of 1500%.
 - Promotions to any specified target group of customers must be repeated at least a half a dozen times before there is any recall among potential clients. A significant aspect in establishing a well-renowned brand is inculcating brand recall among the target audience. With the influx of a wide variety of products and services in the market, addressing the same need, it becomes important that the marketing message reaches the customer through multiple touch points. The greater the number of interactions a customer has with a brand, the more likely is he to remember the message associated with the brand.
 - An enterprise should not lead solely on the basis of its social message in its marketing communications. The emphasis should be laid more on the value of the products and services that the enterprise has on offer for the customers and how they can fulfill the expectations of the customers better than their competitors or other players in the market. One should keep in mind that while buying a product, the consumer is essentially looking to derive value from the product rather than serve a social cause. The appended social cause may provide the buyer with a greater level of satisfaction but it cannot server his purpose of buying the product in the first place.
- **PUTTING IN A CELEBRITY.** People at large, get influenced by their favorite celebrity. This precisely explains the reason why more of the celebrities are found marketing the products and services in TV, radio, print commercials than professional models. If an enterprise is successfully able to associate itself with a celebrity or celebrities it will give them more visibility and acknowledgement. At times, when a celebrity is found endorsing a campaign or cause, their fans also feel connected to the cause. This could be well explained with the example of Clothing social enterprise Rapanui organized a stunt of famous weather man Michael Fish base jumping off a building. The company generated more money in sales than it costed them to organize the stunt.
- **PROMOTING THE ORGANIZATION RATHER THAN THE CAUSE.** Many social enterprises promote themselves rather than promoting the cause they are working for. People need to understand the cause of the enterprise rather than the enterprise as a whole. The organizations with a cause have a higher recall value in the minds of the customers. It is difficult to remember and recall the names of various organizations. But, it becomes comparatively easy to recall the organization once a person is aware and clear about the cause the organization is working for. The identification of an organization is chiefly because of the products or services they offer or for the cause they work for. If the people at large have clear understanding about the 'social cause' the organization is working for, it will be easier for them to relate the cause with the organization's name. It is the 'cause' which determines the worth of a 'social enterprise', than the name of the organization. The name matters, but it comes after the cause.

Social enterprises are great organizations working for great causes but they should not let marketing take a backseat, because their marketing efforts will determine their path to success in the long run.

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IMPLICATION OF WORK LIFE BALANCE AND JOB STRESS

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ABSTRACT

While work-life imbalance and job stress are not new problems, however they have been receiving more attention in recent times than ever before. Together, these two problems pose risks to workers' well-being as well as to organizational performance. To come up with effective solutions, decision-makers need solid evidence on the scope and nature of the problems they face. Also a clear understanding of what employers and employees view as potential solutions will be helpful to formulate successful business strategies. This paper attempts to show the trends which are pressuring employees at work — resulting in stress and imbalance in their lives, and pressuring employers to rethink their human resource programs and practices. To help employers and employees respond effectively to these pressures, this study uses survey evidence to answer a series of key questions and examine the practical implications for employers.

KEYWORDS

work life balance, job stress.

INTRODUCTION

Work-life balance, in its broadest sense, is defined as a satisfactory level of involvement or 'fit' between the multiple roles in a person's life (Hudson, 2005). There is no one accepted definition of what constitutes a work-life balance practice, the term usually refers to one of the following: organizational support for dependent care, flexible work options, and family or personal leave (Estes & Michael, 2005). These practices hence include flexible work hours (e.g., flexitime, which permits workers to vary their start and finish times provided a certain number of hours is worked); compressed work week, (here employees work a full week's worth of hours in four days and take the fifth off), working from home (telework), sharing a full-time job between two employees (job sharing), family leave programs (e.g., parental leave, adoption leave, compassionate leave), on-site childcare facilities, financial and/or informational assistance with childcare and eldercare services etc.

According to the National Institute for Occupational Safety and Health, job stress can be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker.

METHODOLOGY

The study used a random sample of individuals who were either employed, self-employed or unemployed (but who held a job at some point in the past 12 months), and considered to be representative of the workforce. In total the researchers contacted 150 individuals to whom a questionnaire was mailed/Telephone interviews were conducted out of which only 120 were received/responded complete in all respects. Therefore, the exact sample was 120. The work force was divided into the three age groups namely below 30, 30 to 40 and above 40.

WORK LIFE TRENDS IN 21st CENTURY

A convergence of powerful trends like workforce aging, increasingly competitive labour market, information technology, etc. are pressuring employer's to rethink their policies catering to their workforce. These trends give scope to create new possibilities for employers to achieve organisational goals and to meet workers personal aspirations.

At the same time, numerous employees are experiencing a reduced quality of work-life. This is reflected most prominently in work-life imbalance and job stress. With more women employed than ever before and dual-earner families' common, work-life balance problems is a common scenario.

Thus, with both employers and employees under pressure to find ways to improve the quality of work life — and through this, enabling employees to contribute their best efforts—surely there is common ground for action.

People want meaningful work that enhances their overall well-being. Yet for some groups of workers, achieving wellbeing through work is not easy. Managers and professionals, in particular, have experienced increasing work hours while less skilled workers have had a decline.¹

The paradox is that managers and professionals in knowledge intensive industries- whom American analyst Richard Florida calls the 'Creative Class' — may work the longest hours and experience high stress levels, but they are among the best paid and have the most job autonomy of any workers². The success to recruit and retain knowledge workers will increasingly depend on finding the right quality of work life equation.

Many people assume that job stress related to work hours, demands, pace and other pressures is on the rise. While this view may be overstated by the media, research evidence does support the claim that various sources of work pressure increased in the 1990s and the early 2000s. This intensification of work has been

¹Based on data from the workplace and employee survey. M. Drolet and R. Morissette, *Better jobs in the new economy? Perspectives on Labour and income*, 2002.

²R. Florida *The rise of creative class: and how it's transforming work, leisure, community and everyday life*. New York: Basic Books, 2002

linked to rising performance expectations and workloads. Information technology is, for some, the hidden hand of work intensification. Studies in Canada, the United States, and Britain provide evidence that work intensification involves more than longer work hours, highlighting how performance pressures and work effort affect workers³. So even a 37.5-hour week may place different demands and expectations on workers today, compared to 10 or 15 years ago.

Stress and work-life conflict are intertwined, and the latter has been documented as both a cause and an outcome of job stress. Demanding work has been reported as a major source of Job Stress. Job stress has been cited as a determinant of employee health and productivity by many researchers. The experience of chronic stressors (or strain) is used in theoretical models as a predictor of increased risk of mental and physical health problems, including chronic conditions such as heart disease, asthma, migraines and ulcers.

To know how employers view quality of work life issues as human resource challenges. The respondents (usually senior managers) were asked if their organization has experienced 15 HR challenges (for list see table A) in the past 12 months. It was found that 30 percent of employers surveyed had experienced none of these difficulties. The most common difficulties were workload/work-life balance and employee stress, experienced by 35 percent and 33 percent respectively. Recruitment and retention came third. All other difficulties were experienced by around 18 percent or less employers.

Respondents were asked if they had taken any action to redress any of these challenges. Less than one-third reported any actions to address any issues. Among the most common action cited are focused on safety issues.

For insights in the changes in work-life balance in view of employees a series of questions were asked:-

Whether it has become harder to achieve work-life balance, the survey found considerable variation in workers' personal experience of work-life balance, offering a more muted interpretation of changes in work-life balance. 37 percent of the 120 workers surveyed reported that it had become harder for them to achieve work-life balance over the past 12 months, while 29 percent had found it easier to achieve and 34 percent experienced no change.

For those who found it harder to balance work-life, 62 percent attributed this to work-related factors. 27 percent attributed the increased imbalance to family or personal factors and 11 percent to both the factors combined.

Of all age groups, workers aged 30 to 40 were most likely to report that work-life balance had become more difficult to achieve. In other respects, workers who have experienced more difficulty in this regard fit the profile of the knowledge workers, more likely to be managers or professionals, university graduates, and high income earners. Workers who are not compensated for overtime are most likely to say that the work-life balance has become harder to achieve over the past few years. In contrast, the groups most likely to be finding it easier to balance work and personal life are older workers, the self-employed and those working no overtime.

We also examined the magnitude of work-life conflict. The survey asked workers to rate 22 specific job and workplace characteristics in terms of how important each characteristic is to them — or in other words, how highly valued each is. Later in the survey, respondents were asked to rate their current job on the same characteristics, in order to determine to what extent they were meeting their expectations. By comparing the difference between these two sets of measures, we can calculate an 'expectations gap.'

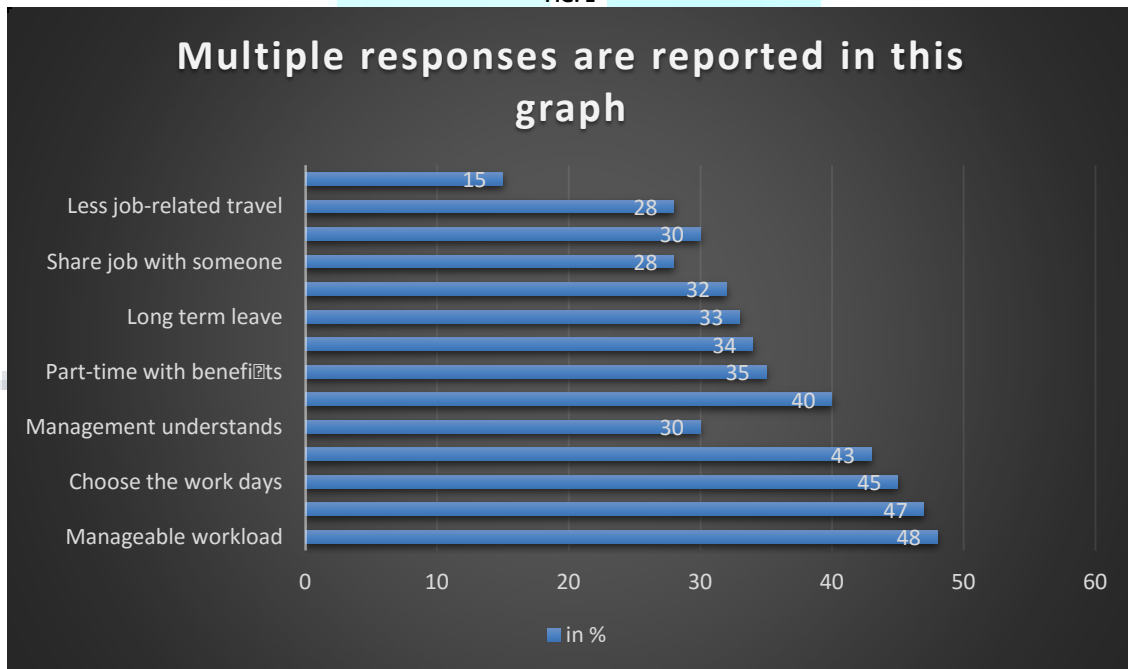
There is a gap of 29 percentage points between the importance workers place on work-life balance, and the extent to which they actually achieve good balance in their current job. That is, while 63 percent of survey respondents placed high importance on being able to achieve work-life balance, only 34 percent had achieved 'good' balance in their job. The gaps on three other characteristics were slightly larger: pay, job training, and a healthy and safe workplace.

While work-family conflict can be thought of as a result of work stressors, it also has been studied as a stressor since the 1970s. Theoretical models examine how the work-family interface affects individual health and well-being, and in turn how this affects a person's performance in work and family roles⁴. The similarity to job stress research is illustrated by the emphasis in both areas on how role demands, and control over these demands, affect workers' health and productivity.

The pattern of relationship between work-life balance and job stress is clear from the survey: workers who have experienced difficulties balancing work and personal life also are likely to report chronic job stress, compared with those experiencing no change or a reduction in work-life balance difficulties. Indeed, the 55 percent of survey respondents who found it harder to balance work-life reported often or always being under stress in their job, compared with 26 percent of those who found work-life balance easier to achieve.

We asked respondents for their views on various options to reduce work-life conflict. Among those individuals finding it harder to balance work and family, the single most important change that would help them achieve a better balance is manageable workload (cited by 48 percent), followed by flexible work hours (47 percent) and being able to choose the days they work (45 percent).

FIG. 1



³L. Duxbury and C. Higgins. *Work-life Balance in the New Millennium: Where Are We? Where Do We Need To Go?* Ottawa:Canadian Policy Research Networks, Discussion Paper No. W-12, 2001. B. Burchell, D. Ladipo and F. Wilkinson, eds. *JobInsecurity and Work Intensification*. Routledge, 2002. F. Green, *Demanding Work: The Paradox of Job Quality in the Affluent Economy*, Princeton University Press, 2006. J. Barling, E.K. Kelloway and M.R. Frone, eds. *Handbook of Work Stress*. Sage, 2005

⁴L.T. Eby, W.J. Casper, A. Lockwood, et al. Work and family research in IO/OB: Content analysis and review of the literature (1980–2002). *Journal of Vocational Behavior*. 66 (1): 124–97, 2005

Preferred solutions vary by specific workforce groups. For example, women (compared with men) are more inclined to prefer choosing their own work hours and days, and working a compressed workweek. The most highly educated workers, as well as those who are not compensated for overtime hours they work, give higher priority to a manageable workload.

Choosing one's work hours is considered particularly helpful by those 30 to 40 years of age, compared to other age groups. Workers reporting the lowest annual incomes, and people who do not work overtime, are more likely than others surveyed to think that being able to choose the days when they work would help them balance their personal and professional life. Younger workers (under age 30) view having an understanding manager as especially helpful in achieving work-life balance.

However, employers and policy-makers will need to be creative when crafting work-life balance solutions. The worker survey found little support, even among those who said it was harder to balance work and life, to make tradeoffs to achieve job flexibility now.

Just over 1 in 4 were 'very willing' to make up hours over the course of the year in return for greater flexibility now, 16 percent were 'very willing' to make up the time in future years, 12 percent were 'very willing' if it meant limiting their career advancement, and 1 in 10 were willing to forego an equivalent portion of their wages. Survey respondents who have found it harder to balance their work and personal lives are even less willing to make up the hours or take a cut in pay to gain flexibility.

According to the survey, most employees see their supervisors as moderately to very effective. However, the lowest ratings are for work-life balance. Specifically, close to 9 in 10 respondents rated their supervisors as moderately or very effective on creating a work environment free of harassment or discrimination and encouraging teamwork. Over 80 percent rated their supervisors as effective in terms of encouraging innovation, sharing information, following through on commitments, and listening to and acting on suggestions. More than three-quarters also rated their supervisors as effective at providing feedback on job performance and helping them achieve work-life balance. However, 22 percent of employees considered their supervisor to be ineffective in helping them to achieve work-life balance.

Employees with higher ratings of supervisor support for career development, encouragement of innovation, and listening to and acting on ideas, are considerably more likely than employees with lower ratings for supervisors on these issues to report high levels of job satisfaction. In other words, these areas are more strongly associated with job satisfaction than other areas of supervisor effectiveness measured.

In summary, reducing work-life conflict depends on fostering a workplace culture that values and supports balance. Getting the right mix of policies and programs that meet the needs of the workforce is part of this, with Employee and Family Assistance Programs playing a pivotal role. But to be fully effective, these programs also must address the closely related problem of job stress.

JOB STRESS

A prominent theme in workplace research is that workers' perceptions of the quality of their work environment are critical for outcomes such as job satisfaction, commitment, absenteeism and performance⁵. An extensive body of research on work-life conflict documents how the relationship between work and non-work affects an individual's health, as well as their performance in work and family roles⁶. These studies corroborate one of the key findings from job stress research: work-role demands, and control over these demands, affect workers' health and wellbeing.

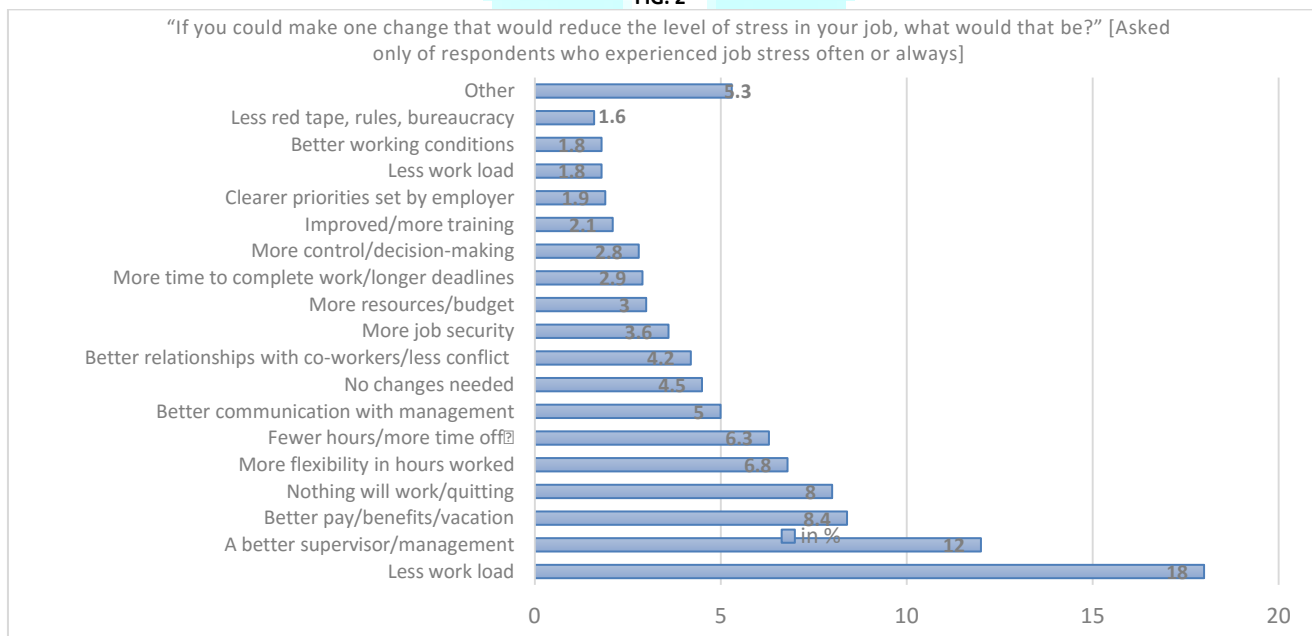
Turning now to job stress, findings from the survey reveals that a stress-free work environment is a rare thing in workplaces, according to respondents surveyed. Indeed, 75 per cent of workers reported that they had experienced stress in their job either "always" or "sometimes" over the past 12 months. Only about 4 per cent said they "rarely" experienced stress in their job. Those more likely to have "always" experienced stress on the job over the past 12 months include: workers reporting a higher (compared with lower) level of education and income; full-time workers; individuals in households where both people work full-time (compared with other households); those in professional occupations (compared with nonprofessionals); workers who work unpaid overtime.

Furthermore, many workers find that their job is a significant source of the overall stress they experience in life. While 46 per cent say that their job causes only a "little" of the stress they experience in their life, 22 per cent say that it causes "some" stress and an additional 32 per cent say it is the source for a "large amount" of the stress they experience.

While the study did not include a direct workload measure, it did ask workers if "work is assigned fairly and equitably" in their organization. Workers who agreed with this statement had significantly lower levels of job stress than those who disagreed, taking other factors into account. Furthermore, workers who agreed that they have a good balance between their work and personal or family life experience less stress than workers who lack this balance, regardless of other factors. The importance a worker places on achieving a good work-life balance also appears to influence the experience of job stress: the more personal importance placed on balance, the higher the perceived level of job stress, taking other factors into account.

When given the opportunity to make suggestions about changes that could reduce the level of stress in their job, survey respondents provided a long list of potential changes (shown in Figure).

FIG. 2



⁵G.S. Lowe. *The Quality of Work: A People Centered Agenda*. Oxford University Press, 2000. G. Lowe and G. Schellenberg, *What's a Good Job? The Importance of Employment Relationships*, Canadian Policy Research Networks, 2001.

⁶Bellavia and Frone. *Work-family conflict*. In: *Handbook of Work Stress*, 2005

Probing the suggestion to reduce workloads as a way to reduce job stress, specific groups of workers were more likely to mention this action: workers reporting a higher level of education and income, individuals in households where both people work full-time, professionals, technicians, individuals working in social services (health, education and social assistance), those in the largest organizations and people who work unpaid overtime.

What is the likelihood of employers acting on these suggestions? We already established that about one in three employers are addressing job stress, although the study does not document the actions being taken. However, the employer survey did ask respondents to indicate the human resource management or workplace issues they expected to have the greatest impact on the success of their organization in the next five years. The answers to this question are presented in Figure below.

FIG. 3



Perhaps not surprisingly, recruitment and retention is at the top of the list of future challenges. Interestingly, 19 percent of employers surveyed do not anticipate any significant human resource or workplace issues — suggesting perhaps that everything is under control or that they have not planned for the future. Another 13 percent did not know or did not respond to the question. Only about 4 percent expected quality of work life issues, such as stress or employee satisfaction, to affect organizational success.

THE FUTURE WORKPLACE

Creating the ideal future workplace requires, above all, positive and proactive responses to the work pressures workers experience, and the host of human resource pressures employer's face. These are one and the same: what workers experience as work pressure — mostly as work-life imbalance or job stress — are the early warning signals of future human resource problems for employers. That's why a long-term, proactive approach to people issues is so essential.

Recognition of a problem is a pre-requisite for taking action. So the fact that 33 percent of employers reported work-life balance and (35 percent) workload to be the area where they are seeing increasing difficulties in the recent past — and are doing something about it — is grounds for optimism. We need to know more about what exactly they are doing, and how effective it is.

From the perspective of workers who are finding it more difficult to balance work and non-work, a manageable workload and flexibility in work hours and schedules are desirable changes. Those workers who already have these and are able to balance work and life to their advantage. And for other workers, changes in their personal and family life may be making it easier, or harder, to achieve this goal in coming years.

So in future, employers need to open up employee communication channels, including regular surveys, in order to fully understand the changing needs of different groups in their workforce.

Imagining a future high-quality workplace, it would be one in which all workers have more personal control over their work demands and in which workloads are more efficiently and equitably distributed. This could be the key to unlocking greater productivity, given diminishing returns often associated with long work hours and heavy workloads. One of the most helpful tools in this regard is more rigorous planning, scheduling and prioritizing of work. Using this basic approach, it will be possible to get at the root causes of the stress and imbalance experienced by sizeable numbers of workers today. This is the direction that any quality of work-life interventions and programs must take.

In summary, reducing work-life conflict depends on fostering a workplace culture that values and supports balance.

Getting the right mix of policies and programs that meet the needs of the workforce is part of this, with Employee and Family Assistance Programs playing a pivotal role. But to be fully effective, these programs also must address the closely related problem of job stress.

TABLE A: LIST OF HR CHALLENGES

S.No	HR Challenge
1	Workload/work-life balance
2	Employee Stress
3	Recruitment/ Retention
4	Employee satisfaction/ morale
5	Employee Engagement
6	Pride and Commitment
7	Employee Trust
8	Training/Career Development
9	Absenteeism
10	Employee Health
11	Workplace Diversity
12	Quality of Supervision
13	Respect and Fairness
14	Harassment/Discrimination
15	Safety

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TRENDS IN INFORMALITY IN INDIA

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ABSTRACT

The study of informal sector and informal employment has been in the limelight for the past few years with the recognition that informal economy is integrally linked to the formal economy and contributes to the overall economy. The definition of both is very wide and covers a range of activities. There has been a recent interest among researchers to identify patterns in the informal economy in both developing and developed countries. This has increased the need for better statistics on the informal economy. With its large labour force and economy India is one of the prime regions for studying the informal economy. Recent media coverage has highlighted facts like an overwhelming share of non-agricultural employment is in the informal sector, half of India's economy is informal and informal workers do not have job security and social security benefits. In this paper, using NSSO reports as the base, I examine trends in the informal sector and in informal employment across various states in India.

KEYWORDS

Informal sector, Informal employment.

1. INTRODUCTION

Formality in economy has gained prominence in the last few decades. The term informal economy is used by the ILO as including the informal sector as well as informal employment, and that as a supplement to the System of National Accounts 1993 an international conceptual framework for measurement of the non-observed economy already exists, which distinguishes the informal sector from underground production, illegal production, and household production for own final use (NSSO 2014: 37). There has been an increase in the number of countries collecting data on informal sector and informal employment as countries have adopted the International Conference of Labour Statisticians (ICLS) recommendations for defining informal employment and the informal sector (ILO, 1993; ILO, 2003). A recent International Labour organization (ILO) report on the informal economy (ILO, 2013) pegs informal employment at 83.6% of non-agricultural employment for India in 2009-10. Furthermore, the bulk of informal employment of men is concentrated in employment in the informal sector while that of women is outside the informal sector, for instance, domestic work. For example, in India, 26.2% of employed women are in informal employment outside the informal sector in contrast to 14.7% of men. The report also mentions that between 2004-05 and 2011-12, the total informal employment and informal employment outside the informal sector as share of non-agricultural employment increased, while employment within the informal sector decreased. In 2011-12, informal employment accounted for nearly 85% of total non-agricultural employment; the shares of employment in the informal sector and informal employment outside the informal sector were 66.8% and 17.9% respectively.

There are links between working informally and being poor. Average incomes are lower in the informal economy than in the formal economy. As a result, a higher percentage of people working in the informal sector, relative to the formal sector, are poor. Informal incomes worldwide tend to decline as one moves across the following types of employment: from employer to self-employed to informal and casual wage workers to industrial outworker (Chen et al., 2002). Informal workers often face greater exposure to general risks (illness, property loss, disability, old age, and death) given the nature of their work and living conditions. They also face greater work-related risks than those who work in the formal sector. Dependent informal workers face little assurance or guarantee of work, low wages or earnings, few worker benefits, and unsafe or unhealthy working conditions. Independent informal workers often have insufficient market information, skills, or power and, therefore, less access to existing or emerging market opportunities. Additionally, those who work in the informal sector typically have fewer mechanisms including access to formal financial instruments for dealing with risk than those who work in the formal sector do (Chen et al., 2002). Thus the quality of employment is generally lower in informal jobs and informal employment is on the rise. Using the National Commission for Enterprises in the Unorganised Sector (NCEUS) definition of formal and informal sectors for the NSSO data Dhanya (2013) indicates that in India around 91% workforce is involved in informal employment. He also concludes that the equation of formal and informal workers within formal sector has changed over the years with more informal workers compared to formal workers.

The National Sample Survey offices (NSSO) has been collecting data on the informal sector in the Employment & Unemployment surveys that are generally conducted every five year from the 55th round (1999-2000). In the 55th round coverage for proprietary and partnership enterprises was limited to the entire non-agricultural sector only. In 61st round also proprietary and partnership enterprises were taken as Informal Sector for all practical purposes but this time they belonged not only to the entire non-agricultural sector but also a part of the agricultural sector. Exactly same coverage in respect of informal sector and conditions of employment was taken in the 68th round. Over the last three rounds of 2004-05 (61st), 2009-10 (66th) and 2011-12 (68th), separate reports on comparable estimates have been published by the NSSO, titled Informal Sector and Conditions of Employment in India (Rustagi, 2015). In this paper I use the 61st and 68th round reports of NSSO to examine trends in the informal sector and in informal employment across various states in India. To the best of my knowledge this is one of the first papers to examine the trend across states. The only other paper that does something similar is by Naik (2009). He however only looks at the average annual growth rate by state between 1999-2000 and 2004-05 of informal sector workers and informal workers.

The rest of the paper is organized as follows. Section 2 talks about the concept of informality. Section 3 examines the trends across states. Section 4 concludes.

2. CONCEPT OF INFORMALITY

The international statistical definition of the informal sector was outlined by the 15th ICLS in 1993. A definition of informal employment was proposed and discussed by the International Labour Conference (ILC) in 2002 and endorsed by the 17th ICLS in 2003. As per 15th ICLS, the informal sector is broadly characterized as consisting of:

- a. Units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.
- b. Production units of the informal sector have the characteristic features of household enterprises. The fixed and other assets used do not belong to the production units as such but to their owners. The units as such cannot engage in transactions or enter into contracts with other units, nor incur liabilities, on their own behalf. The owners have to raise the necessary finance at their own risk and are personally liable, without limit, for any debts or obligations incurred in the production process. Expenditure for production is often indistinguishable from household expenditure. Similarly, capital goods such as buildings or vehicles may be used indistinguishably for business and household purposes.

Thus, for statistical purposes, the informal sector, as per guidelines of 15th ICLS is regarded as a group of production units which, according to the definitions and classifications provided in the United Nations System of National Accounts, form part of the household sector as household enterprises or, equivalently, unincorporated enterprises owned by households.

According to the 17th ICLS framework, informal employment is identified by jobs classified by status of employment of the workers and the types of production units in which they were employed. The different types of production units are:

- formal sector enterprises
- informal sector enterprises
- households which produce goods for their own final use and/or those employing domestic workers

The status of employment of the workers performing the jobs may be as follows:

- employers
- contributing family workers
- employees
- member of informal producers co-operatives

The employment may be considered as formal or informal depending upon the type of enterprises in which the workers are engaged or the nature of work they perform.

The informal employment comprises jobs held by:

- own-account workers and employers who have their own informal sector enterprises
- contributing family workers, irrespective of whether they work in formal or informal sector enterprises
- employees who have informal jobs⁷ whether employed by formal sector enterprises, informal sector enterprises, or as paid domestic workers by households
- members of informal producers cooperatives
- persons engaged in the own-account production of goods exclusively for own final use by their household, such as subsistence farming or do-it-yourself construction of own dwellings

Informal sector enterprises in NSSO reports mean proprietary and partnership (P & P) type enterprises within the non-agriculture and agriculture sector excluding growing of crops, plant propagation, combined production of crops and animals without a specialized production of crops or animals (AGEGC) sectors (NSSO 2014: 49). NSSO uses information on employment status, type of enterprise, type of job contract, availability of paid leave, availability of social security benefits, nature of employment, existence of union/ association, etc. for identification of informal employment (NSSO 2014: 27).

3. TRENDS

3.1 TRENDS IN INFORMAL SECTOR

The percentage of workers in the informal sector (defined as percentage of workers engaged in P & P enterprises among workers engaged in AGEGC and non-agriculture sectors) has decreased over time from 78% in 2004-05 (61st round) to 72% in 2011-12 (68th round) (calculated from statement 3.8 of NSSO (2014: 51)). The decline for males was about 3 percentage points and that for females was about 11 percentage points. Looking at the state wise decline from Table 1, we see that most states show a decline in percentage of workers engaged in the informal sector. Bihar shows a decline of 14.6 percentage points while Haryana, Nagaland and Rajasthan show a decline of nearly 10 percentage points. Union Territories (Dadra and Nagar Haveli and Daman and Diu) show a significant increase in percentage of workers in the informal sector. Some states also show an increase in percentage of workers in the informal sector. The most significant increase is for Arunachal Pradesh (15 percentage points). The change is usually higher for females than for males across most of the states.

The proportion of workers in the informal sector among workers engaged in AGEGC and non-agriculture sectors for different statuses in employment⁸ across states is presented in Table 2. Between 2004-05 and 2011-12, among the self-employed in AGEGC and non-agriculture sectors, the proportion of workers employed in the informal sector increased by about 1 percentage point in both rural and urban areas (NSSO 2014: 55). The change in percentage of informal sector workers across the two surveys shows a mixed pattern for among those who are self employed among most of the states but it has increased at the all India level. For regular wage/salaried employees the change in percentage of informal sector workers broadly shows a decline across most states/union territories. It has also declined at the all India level by about 1 percentage point.

3.2 TRENDS IN INFORMAL EMPLOYMENT

To get an idea about the volume of informal employment in the country, NSSO collects information on different conditions of employment of the employees (i.e., regular wage/salaried employees and casual labourers) in the usual status like, whether there was any written job contract in the employment, whether employees were eligible for the paid leave, whether employees were covered under social security benefits, etc., for those employed in AGEGC and non-agriculture sectors (NSSO 2014: 71). To see the trends in informal employment I examine the change across states in the two rounds for some of these variables. I begin by examining the percentage of employees with a written job contract. At the all India level there has been an increase in percentage of employees with no written job contracts in the non-agricultural and AGEGC enterprises. There has been an increase across males and females even though the percentage point increase for males is higher than that for females. In 2004-05 the percentage was nearly same for males and females while it is marginally higher by about 2 percentage points for males in 2011-12. Most states show an increasing trend in males and females without formal job contracts with the increase being higher for males. Table 3 presents the results across the states/union territories.

I then look at the change in nature of employment across the two surveys. Table 4 presents the trends across states and the 2 surveys. Nature of employment was defined to be permanent if the person was, in normal course, likely to continue in the same employment (NSSO 2014: 76). The percentage of temporary employees in the AGEGC and non-agriculture sectors decreased from 46% in 2004-05 to 42% in 2011-12. Not all states show this decrease though: Assam, Bihar, Chhattisgarh, Haryana, Punjab and Uttarakhand show an increase in the percentage of temporary employees with Chhattisgarh showing the highest increase of 14 percentage points. Additionally, the decrease is more uniform for males than it is for females across states. Some states that show a decrease or a marginal increase for males show a large increase in percentage of females in temporary employment. In the survey paid leave included the cases of leave during sickness, maternity or such leaves as the employee was eligible to take without loss of pay as per the conditions of employment. This is a good indicator of the informal nature of employment. Table 5 presents the comparison of percent of workers eligible for paid leaves across the states in the two survey years. At all India level there has been an increase in the percentage of employees (66% to 71%) not eligible for paid leave pointing towards a rise in informal employment. Manipur shows a very steep increase (30 percentage points) followed by Uttar Pradesh and Jammu & Kashmir. This increase is nearly uniform for males and females across states. Finally I look at the percentage of employees not eligible for any social security benefits. The survey considers Provident Fund (PF) scheme, gratuity and, health care & maternity benefits as forms of social security benefits⁹. Non-availability of social security benefits is a measure of

⁷ Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.). The reasons may be the following: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); employment by unincorporated enterprises or by persons in households; jobs where the employees place of work is outside the premises of the employers enterprise (e.g. outworkers without employment contract); or jobs, for which labour regulations are not applied, not enforced, or not complied with for any other reason. The operational criteria for defining informal jobs of employees are to be determined in accordance with national circumstances and data availability.

⁸ Status in employment (code): self-employed - 11, 12, 21; regular wage/ salaried employees 31; casual labour in public works - 41; casual labour in works other than public works - 51.

⁹ The term Provident Fund included General Provident Fund, Contributory Provident Fund, Public Provident Fund (PPF), Employees Provident Fund, etc. If an employee operated a PPF account in his/her individual capacity and the employer was not contributing to that account, it was not considered as availability of social security benefit. A scheme, in which both the employee and the employer contributed, was considered a social security benefit. Similarly, if an employee was eligible for paid leave for a specified period of pre-natal/childbirth/post-natal stages or if the expenditure for maternity care or childbirth was met by the employer as per the conditions of employment, then such benefits were considered as health care and maternity benefits.

insecurity/informality in the job one performs. The percentage of employees not eligible for any social security benefits in the non-agricultural and AGEGC enterprises has increased marginally by about 1 percentage point across the 2 survey years. The increase is the same for both males and females but there is no distinct pattern across the states.

4. CONCLUSIONS

A large percentage of the workforce in India is either in the informal sector or is informally employed. In 2011-12 72% of workers were employed in the informal sector with a larger proportion of males as compared to females working in the informal sector. In terms of status of employment the percentage of self-employed workers in the informal sector shows a slight increase between the two survey years while the percentage of regular wage/salaried workers shows a comparable decrease. Working conditions seem to have worsened for informally employed workers. Per cent of the employees in the AGEGC and non-agriculture sectors with no written job contract has increased and so has the proportion of employees not eligible for paid leave. The proportion of employees with no social security benefits has also increased between 2004-05 and 2011-12. The pattern is similar for males and females but is not so uniform across states. All this points towards a rise in informal employment. Given the large labour force in India, policy makers need to think about ways to provide skills to workers and also aid transition into the formal sector/economy. Further research can compare states that have experienced a decline in informality with those that have experienced an increase and look into policies/schemes that might have caused this.

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TABLES

TABLE 1: PERCENTAGE OF WORKERS ENGAGED IN P&P ENTERPRISES AMONG WORKERS OF AGECC AND NON-AGRICULTURE SECTORS

State	61 st round (2004-05)			68 th round (2011-12)		
	Male	Female	Total Persons	Male	Female	Total Persons
Andhra Pradesh	81.8	81.4	81.7	76.2	74	75.6
Arunachal Pradesh	14.2	8.5	13.2	30.2	18.5	28.3
Assam	62.2	48.2	60.4	62.6	40.1	60.3
Bihar	81.6	82.6	81.7	67.1	67.7	67.1
Chhattisgarh	70.7	70.2	70.6	67.8	58.6	65.3
Delhi	69.3	32.4	65	66.1	43.3	62.8
Goa	67	55	63.9	40.9	20.6	35.8
Gujarat	76.5	84.4	78.9	74.4	77.9	75.1
Haryana	71.4	92.1	78.8	65.8	77.8	68.3
Himachal Pradesh	50.7	70.3	55.9	45.4	57.4	48.8
Jammu & Kashmir	63.9	83.5	68.1	68.7	84.6	72.4
Jharkhand	67.7	68.2	67.8	69.7	70	69.7
Karnataka	78.6	76.4	78	69.8	65.3	68.8
Kerala	82.5	70.6	78.8	82.1	57.5	74.7
Madhya Pradesh	67.9	61.3	66.4	69	65.5	68.3
Maharashtra	71.9	64.2	70.2	66.4	58	64.7
Manipur	48	70.2	56.2	57.1	49	53.8
Meghalaya	52.5	47	50.3	55.7	43.6	51.8
Mizoram	33.7	58.7	41.6	38.1	54.4	43.5
Nagaland	45.5	58.8	48.9	36.6	48.4	38.8
Odisha	74.3	79.9	75.9	71.4	74.4	72.1
Punjab	79	90	83.2	80.8	86.1	82.3
Rajasthan	83.6	89	85.3	77	69.6	74.9
Sikkim	52.6	51.4	52.3	49.7	50.4	49.9
Tamil Nadu	80.9	81.2	81	77.7	58.1	71.2
Tripura	48.4	35.8	46.8	60.9	25.3	50.5
Uttarakhand	66.8	86.5	72.5	76.6	68	75.4
Uttar Pradesh	81.5	90.5	83.9	79.2	86.2	80.6
West Bengal	78.8	77.7	78.5	79.7	75.4	78.6
A & N Islands	53.6	43.3	51.5	54.1	40.5	50.6
Chandigarh	56	33.6	52.1	59.8	45.2	57.6
Dadra & Nagar Haveli	41.7	59.2	45.6	31.6	16.2	29.2
Daman & Diu	59.2	54	58.2	23	45.6	25
Lakshadweep	51.4	50.9	51.3	47.8	30.3	45.3
Puducherry	75.1	77.2	75.7	71.3	64.4	69.6
All India	76.7	79.7	77.5	73.4	69.2	72.4

Source: Statement 3.8.1 NSSO (2014: 102) and Statement 3.8.1 NSSO (2007: 74)

TABLE 2: PERCENTAGE OF INFORMAL SECTOR (P & P) WORKERS AMONG TOTAL WORKERS ACCORDING TO USUAL STATUS IN NON-AGRICULTURAL SECTOR AND AGECC SECTOR FOR EACH DETAILED USUAL EMPLOYMENT STATUS

State	61 st round (2004-05)			68 th round (2011-12)		
	11 - 21	31	51	11 - 21	31	51
	Status in Employment					
Andhra Pradesh	96.4	48.4	86.8	97.6	48.4	87.2
Arunachal Pradesh	34.9	4.1	30.4	71.7	7	35.1
Assam	93.1	19.4	34.2	89.6	20.1	39.6
Bihar	90.6	37.9	80	91.3	29.9	49.6
Chhattisgarh	94.4	37.9	80.8	93.3	29.7	80.6
Delhi	98.4	45.9	73.1	96.5	46.1	53.2
Goa	100	38.4	80.3	94.2	13	19.3
Gujarat	99.8	43.9	86.4	99.5	49.6	80
Haryana	97.3	43	69.5	97.6	30.5	78.2
Himachal Pradesh	94.2	18.6	46.6	94.9	18.9	41.8
Jammu & Kashmir	96.4	25.1	65.2	97.3	32.9	85.5
Jharkhand	91.7	27.5	64.4	93.7	27.8	74
Karnataka	98.4	43.9	83.1	98.3	34.7	82.3
Kerala	97.3	42.3	84.2	98	44.8	84.7
Madhya Pradesh	93	23.3	72.8	98.7	32	68.3
Maharashtra	96.9	41.8	83	98	37.1	82.6
Manipur	81	10.7	67.2	94.5	13.8	55.9
Meghalaya	86	8.8	67.3	88.6	11	59.1
Mizoram	87.6	5.7	64.3	93.3	10.7	75
Nagaland	81.1	6.5	52	94	5.1	37.4
Odisha	94.4	29.9	72	96.8	31.6	63.7
Punjab	98.1	52.6	82.7	98.6	53.9	93.1
Rajasthan	98.9	52.5	85.1	98	45.7	81.4
Sikkim	98.1	25.7	76.3	99.6	23.7	53.3
Tamil Nadu	99.8	51.9	91.1	99.2	50.1	88.5
Tripura	80.1	16.4	34.2	94.5	21	54.6
Uttarakhand	94.3	26.5	84.3	99.5	35.8	86.5
Uttar Pradesh	95.3	47.9	83.9	97.9	44.2	82.4
West Bengal	95.7	36.1	83.1	98.4	39	81.3
A & N Islands	99.8	6.5	68.9	99.2	25.9	75.1
Chandigarh	96.8	29.6	75.8	98.5	27.5	84.2
Dadra & Nagar Haveli	100	14.9	75.9	100	13.3	94.2
Daman & Diu	99.7	24.8	35.4	100	11.7	82.3
Lakshadweep	97	0	82.6	72.8	7.1	88.1
Puducherry	99.8	45.3	87.8	100	42.1	98.2
All India	96.3	42.3	80.7	97.4	40.9	78.7

Source: Statement 3.10.1 NSSO (2014: 111) and Statement 3.10.1 NSSO (2007: 83)

11-21:self employed, 31:regular wage/ salaried employees, 51:casual labour in works other than public works



TABLE 3: PERCENTAGE OF EMPLOYEES WITH NO WRITTEN JOB CONTRACT AMONG EMPLOYEES ENGAGED IN THE NON-AGRICULTURAL AND AGECC

State	61 st round (2004-05)			68 th round (2011-12)		
	Male	Female	Total Persons	Male	Female	Total Persons
Andhra Pradesh	77.5	79.4	77.9	85.8	87.1	86.1
Arunachal Pradesh	43.8	51.8	45.3	54.4	56.2	54.7
Assam	67.6	67.5	67.6	74.1	58	72
Bihar	66.9	63.7	66.5	79.3	44.1	77.2
Chhattisgarh	69.3	77.7	71	70.5	73.4	71.4
Delhi	78	62.3	75.9	62.6	60.2	62.2
Goa	75	76.9	75.5	73.4	72.7	73.2
Gujarat	76.9	82	77.9	82.4	77.3	81.6
Haryana	78.4	74.8	78	77.7	63.5	76
Himachal Pradesh	74.7	59.5	72.4	65.3	50.2	62.3
Jammu & Kashmir	78.3	78.7	78.3	80.4	73.6	79.6
Jharkhand	74.9	80.6	75.8	81.1	77.5	80.7
Karnataka	71.9	63.4	70.1	76.9	76.6	76.8
Kerala	83.4	68.9	79.5	86.8	68.5	81.2
Madhya Pradesh	67.1	81.9	70.4	73.4	81.2	74.8
Maharashtra	61.5	63.1	61.8	63.4	71.5	65
Manipur	57	48.3	55.2	58.8	70.7	63.7
Meghalaya	73.6	69.2	72.1	72.2	57.3	67.8
Mizoram	41.9	36.3	40.7	55.2	57.7	55.9
Nagaland	48.3	56	49.7	45	57.7	46.7
Odisha	69.5	75.5	70.7	78.2	80.2	78.6
Punjab	79.1	72.7	78.2	85.2	73.4	83.5
Rajasthan	78.8	77.5	78.6	87.1	87.5	87.2
Sikkim	45.6	44.3	45.3	40	42.3	40.5
Tamil Nadu	77	81.2	78.1	87.6	87.8	87.7
Tripura	70.7	68	70.3	83.6	83.5	83.6
Uttarakhand	64.6	58	63.6	69.5	48.6	67.4
Uttar Pradesh	77.1	66.7	76.2	86.2	71.1	84.8
West Bengal	73.9	78.2	74.7	76.1	72.2	75.4
A & N Islands	39.3	38	39	52.4	47.4	51.1
Chandigarh	96.6	99.9	97.3	68	63.8	67.4
Dadra & Nagar Haveli	98.9	100	99.1	84.8	68	81.9
Daman & Diu	74.7	91.4	77.1	89.1	70.7	87.8
Lakshadweep	53.7	14.6	51	52.2	25.7	48.3
Puducherry	78.6	87.3	80.3	84.7	78.3	83.2
All India	73.7	73.6	73.7	79.3	77.1	78.9

Source: Statement 3.19.1 NSSO (2014: 138) and Statement 3.19.1 NSSO (2007: 107)

TABLE 4: PERCENTAGE OF TEMPORARY EMPLOYEES AMONG EMPLOYEES ENGAGED IN THE NON-AGRICULTURAL AND AGEFC ENTERPRISES

State	61 st round (2004-05)			68 th round (2011-12)		
	Male	Female	Total Persons	Male	Female	Total Persons
Andhra Pradesh	39.5	38.2	39.2	34.1	42	35.9
Arunachal Pradesh	37.2	40.6	37.8	31.3	45.6	33.6
Assam	36.8	42.4	37.7	46.5	37.6	45.3
Bihar	49.1	36.2	47.5	56.6	49	56.1
Chhattisgarh	28.2	32	29	42.7	46.7	43.9
Delhi	57.1	50.6	56.2	42.6	47.9	43.5
Goa	55.1	62.2	57.1	29.3	43.9	33.5
Gujarat	42	63.6	46.3	38.3	48.5	40
Haryana	53.4	52.2	53.3	57.2	43.9	55.6
Himachal Pradesh	36.4	42.9	37.4	15.6	28.5	18.3
Jammu & Kashmir	37.9	33.9	37.6	38.1	38.7	38.2
Jharkhand	47.9	57.2	49.5	41.6	47	42.2
Karnataka	45	49.6	45.9	27.6	32.8	28.7
Kerala	50.4	46.7	49.4	39.8	44.7	41.3
Madhya Pradesh	44.1	50.6	45.6	56	65.2	57.6
Maharashtra	40.9	43.9	41.5	31.4	33.8	31.9
Manipur	17.6	31.6	20.4	17.4	41.5	27.2
Meghalaya	23.2	29.6	25.4	24.4	19.8	23
Mizoram	15.5	16.1	15.6	16.2	44.5	23.9
Nagaland	12.4	26.4	15.1	7.7	30	10.8
Odisha	49.4	59.1	51.4	33.6	52.1	37
Punjab	48	50.2	48.3	53.6	37.4	51.3
Rajasthan	51.7	61	53.2	43.5	53.5	45.8
Sikkim	45.9	42.7	45.2	16.9	19.6	17.5
Tamil Nadu	38.8	42.4	39.7	42.5	57.4	47.3
Tripura	29.3	34.1	30	20.3	35.8	25.6
Uttarakhand	27.4	31.5	28	35.5	26.5	34.6
Uttar Pradesh	50.1	51.9	50.2	48.7	51	48.9
West Bengal	47.1	54.9	48.5	37.8	45.1	39.1
A & N Islands	42.3	39.8	41.8	34.2	37.1	35
Chandigarh	41	42.3	41.3	23.1	16.5	22.2
Dadra & Nagar Haveli	36.5	87.1	46.3	24.6	34.7	26.3
Daman & Diu	49.6	79.3	53.9	4.4	24.5	5.8
Lakshadweep	43.2	25.3	41.9	46.3	51.1	47
Puducherry	72	86.2	74.8	55.5	65.3	57.9
All India	44.9	48.2	45.5	41.1	46.4	42.1

Source: Statement 3.21.1 NSSO (2014: 141) and Statement 3.21.1 NSSO (2007: 110)



TABLE 5: PERCENTAGE OF EMPLOYEES NOT ELIGIBLE FOR PAID LEAVE AMONG EMPLOYEES ENGAGED IN THE NON-AGRICULTURAL AND AGENC ENTERPRISES

State	61 st round (2004-05)			68 th round (2011-12)		
	Male	Female	Total Persons	Male	Female	Total Persons
Andhra Pradesh	68.8	72.4	69.7	69.3	79	71.5
Arunachal Pradesh	20.3	24.9	21.1	24	38.2	26.4
Assam	53.5	59.7	54.5	64.5	60.7	64.1
Bihar	62	65.5	62.4	73.9	55.9	72.8
Chhattisgarh	58.4	65.9	60	70.7	73.5	71.5
Delhi	66.6	45.7	63.8	51.2	36	48.6
Goa	52.9	57	54	36.3	46.8	39.4
Gujarat	63.3	74.7	65.6	73.7	69.8	73.1
Haryana	65.1	64	65	65.8	50.3	64
Himachal Pradesh	64.3	44.8	61.3	68.2	71	68.8
Jammu & Kashmir	55.9	54.1	55.7	68.3	58.2	67.2
Jharkhand	70.6	81.3	72.4	77.6	68.4	76.6
Karnataka	64.2	61.7	63.7	58	53.1	57
Kerala	79.5	61.9	74.8	81.3	67.4	77
Madhya Pradesh	62.2	75.5	65.2	69.3	76.3	70.6
Maharashtra	59.6	62.1	60.1	60.6	66.8	61.8
Manipur	27.5	43.2	30.6	46.8	87.9	63.7
Meghalaya	45.1	30.9	40.3	53.4	32.8	47.3
Mizoram	20.6	24.6	21.4	30.5	49.2	35.6
Nagaland	9.7	16.3	10.9	13.7	27.2	15.6
Odisha	64.6	73	66.3	76.3	76.4	76.3
Punjab	69.8	53.5	67.4	79.3	69.4	77.9
Rajasthan	76.9	78.4	77.2	80.6	84.9	81.6
Sikkim	52.1	48.3	51.3	44.4	45.2	44.6
Tamil Nadu	68.5	73.2	69.6	70	77.8	72.5
Tripura	68.4	64.9	67.9	83.1	89.6	85.3
Uttarakhand	51.5	47.8	51	64.3	46.2	62.4
Uttar Pradesh	70.2	56.9	69	83.6	74.7	82.8
West Bengal	61	58.6	60.6	70.2	65.1	69.3
A & N Islands	44.7	48.1	45.3	58.6	65.8	60.5
Chandigarh	39.5	37.4	39.1	45.9	24.2	42.9
Dadra & Nagar Haveli	70.3	93.9	74.8	81.3	68	79.1
Daman & Diu	57	77.1	59.9	52.7	37.1	51.6
Lakshadweep	54.6	13.7	51.8	52.1	37.6	50
Puducherry	69.3	79.4	71.3	68.8	84.8	72.7
All India	65.9	66.2	66	71.3	70.7	71.2

Source: Statement 3.22 NSSO (2014: 144) and Statement 3.22.1 NSSO (2007: 113)



TABLE 6: PERCENTAGE OF EMPLOYEES NOT ELIGIBLE FOR ANY SOCIAL SECURITY BENEFIT AMONG EMPLOYEES ENGAGED IN THE NON-AGRICULTURAL AND AGENC ENTERPRISES

State	61 st round (2004-05)			68 th round (2011-12)		
	Male	Female	Total Persons	Male	Female	Total Persons
Andhra Pradesh	75.6	72.3	74.8	69.3	80.1	71.8
Arunachal Pradesh	24.5	38.5	27.1	20.8	30.7	22.5
Assam	55	61.7	56.1	58.6	54.6	58
Bihar	65.2	74.9	66.4	69.6	59.1	69
Chhattisgarh	66.9	75.2	68.6	75.7	85.9	78.7
Delhi	66.9	54.8	65.2	53.2	39.3	50.8
Goa	52.3	55.2	53.1	33.5	45.4	36.9
Gujarat	69.3	85.6	72.5	74.6	76.2	74.8
Haryana	69.1	73.1	69.5	66.4	56.8	65.2
Himachal Pradesh	65.2	55.2	63.7	67.8	61.1	66.4
Jammu & Kashmir	54.8	59.8	55.3	68.5	65.8	68.2
Jharkhand	71	82.4	72.9	76.3	71.5	75.8
Karnataka	69.3	67.1	68.9	61.1	56.9	60.2
Kerala	81.9	67.4	78	83.7	70.3	79.6
Madhya Pradesh	69.2	84.9	72.7	68.7	77.7	70.3
Maharashtra	64.7	70	65.8	62.2	68.4	63.4
Manipur	30.2	53.7	34.9	38.1	77.4	54.2
Meghalaya	49.2	40.6	46.3	50.8	40	47.6
Mizoram	19.7	23.9	20.6	28.5	30.9	29.1
Nagaland	10.9	26.8	13.9	11.8	31.6	14.6
Odisha	66.9	77.4	69.1	72.7	79.5	73.9
Punjab	75	65.8	73.7	79.7	74.8	79
Rajasthan	79.8	84.3	80.5	81.9	86.3	82.9
Sikkim	54.1	50.7	53.4	50.6	53.3	51.2
Tamil Nadu	72.2	77.1	73.4	73.7	80.8	76
Tripura	71	70.4	70.9	83	89.4	85.2
Uttarakhand	56.7	60.9	57.3	66.9	56	65.8
Uttar Pradesh	73.7	73	73.6	80.4	81.5	80.5
West Bengal	67.9	78	69.7	74.7	76.9	75.1
A & N Islands	45.8	49.2	46.5	56.5	65.6	58.9
Chandigarh	46.7	44.8	46.3	49	28.2	46.1
Dadra & Nagar Haveli	71.6	93.1	75.7	37.1	70.4	42.7
Daman & Diu	66.1	77.1	67.7	17.4	58.8	20.2
Lakshadweep	51	13.7	48.4	55.4	60.1	56.1
Puducherry	66.5	74.4	68.1	68.4	82.5	71.8
All India	70.3	73.7	70.9	71.8	74.3	72.2

Source: Statement 3.24.1 NSSO (2014: 147) and Statement 3.24.1 NSSO (2007: 116)

EMPLOYEE MOTIVATION: ANALYSIS OF SELECT SMALL SCALE UNITS IN MYSURU

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ABSTRACT

A major of feature of post-Independence India is the emergence of small scale sector as a major force in the manufacturing segment of our country's economy. It has been playing a vital role in a number of ways – creating employment opportunities, small investment, quick returns as a result of short gestation period. It is equally important to note that it has been a major foreign exchange earner since the goods manufactured in this sector has boosted our exports. As a result, it is important to analyse the different aspects of this important segment of our economy. This study is one such effort with special reference to select small scale industrial units based in Mysore. For the success of every business, motivation is very important. Motivation helps to improve the confidence of employees and increase of productivity. The performance of motivation is creating condition in which people are willing to work with initiative, interest, enthusiasm, with high moral satisfaction. Employees always get motivated by various factors such as bonus, incentives, appraisals, etc... It is very much essential to motivate employees to achieve more profitability and productivity. Employees get motivated on different factors; hence it is very essential to identify the right factors and to imbibe them. In the small scale unit motivation is very helpful to improve the loyalty and physical presence. And which is helpful to achieve a desired goal and improve the financial level. In every business highly motivated persons work hard compare to unmotivated person. The present study is focused on small-scale industries in Mysore city. For this purpose survey will be conducted among select small scale located in Mysore. The questionnaire will be incorporate sector that are helpful in knowing the level of motivation that the employer has been providing to the worker.

KEYWORDS

Small scale industry, employee motivation, productivity.

THEORETICAL ASPECTS**SMALL SCALE INDUSTRY**

In Indian economy small-scale and cottage industries occupy an important place, because of their employment potential and their contribution to total industrial output and exports.

Government of India has taken a number of steps to promote them. However with the recent measures small-scale and cottage industries facing both internal competition as well as external competition.

There is no clear distinction between small-scale and cottage industries. However it is generally believed that cottage industry is one which is carried on wholly or primarily with the help of the members of the family. As against this, small-scale industry employs hired labor.

PRODUCTIVITY

A measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs.

Productivity is computed by dividing average output per period by the total costs incurred or resources (capital, energy, material, personnel) consumed in that period. Productivity is a critical determinant of cost efficiency.

MOTIVATION

Motivation is one of the most crucial factors that determine the efficiency and effectiveness of an organization with its help a desire is born in the minds of the employees to achieve successfully the objective of the enterprise. All organizational facilities will remain useless people are motivated to utilize these facilities in a productive manner.

Motivation is an integral part of management process. An enterprise may have the best of material, machines and other means of production but all these resources are meaningless so long as they are not utilized by properly motivated people. There was a time when the human resource of production was treated like other non-human resources and was not given any special importance. But this old concept has lost all importance in this competitive age classifying the importance of motivation Renis Likert has called it "The core of Management".

OBJECTIVES

1. To study the various motivation strategies of small business.
2. To understand the employee satisfaction towards the existing motivation strategies.
3. To study the various factors those influence the motivation of employees.
4. To study the effect of various motivational strategies in the organization.

In Mysore city several small industries are there, in that I chose four small scale industries those are as follows.

- **Abhi Fiber Products (Small Scale Industries):** Which is producing fiber products. M 29, Industrial Area, Near Sankalpa Group, Yadavagiri, Mysore
- **Abhinay Industries (Small Scale Industries):** Which is producing Almera & Steels. 55,2nd Stage, Near St. Thomas School, Vishweshwara Nagar,
- **Bharath Enterprises(Small Scale Industries):** Which is Arachnnt industry 77/E, Hootgali, Hebbal Industrial area, Near R P G cables, Hebbal, Mysore.
- **Archana Industries(Small Scale Industries):** Which manufactures Metal Fabricators of Machine Compoments ,Hebbal Industrial area, Near Ring road,

RESEARCH METHODOLOGY

Data collection: Data is collected through primary and secondary sources.

Primary Data: Primary data was collected through the distribution of questionnaires, direct interaction with the employees. .

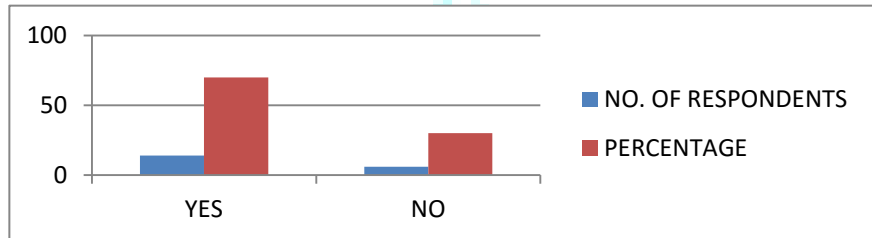
Type of research: Survey method.

ANALYSIS AND DATA INTREPRETATION

TABLE NO. 1: MOTIVATION IS AN IMPORTANT MANAGEMENT FUNCTION

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
YES	14	70
NO	6	30
Total	20	100

GRAPH NO. 1



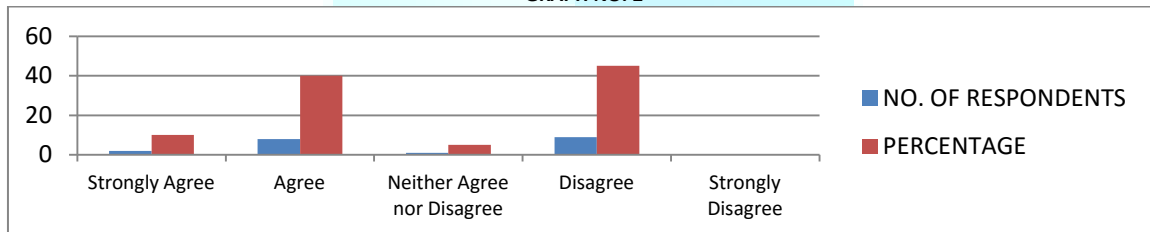
ANALYSIS: From the above table it can be seen that 70% of respondents are agreed motivation is an important management function, rest of 30% of respondents is not agreed.

INFERENCE: From the above analysis, it can be inferred that the majority of the employees are concentrating the motivational strategies.

TABLE NO. 2: OPINION ON THE PERIODICALLY INCREASE IN SALARY MOTIVATIONAL STRATEGIES IMPLEMENTED IN THE SMALL SCALE INDUSTRY

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	02	10
Agree	8	40
Neither Agree nor Disagree	1	5
Disagree	9	45
Strongly Disagree	0	0
Total	20	100

GRAPH NO. 2



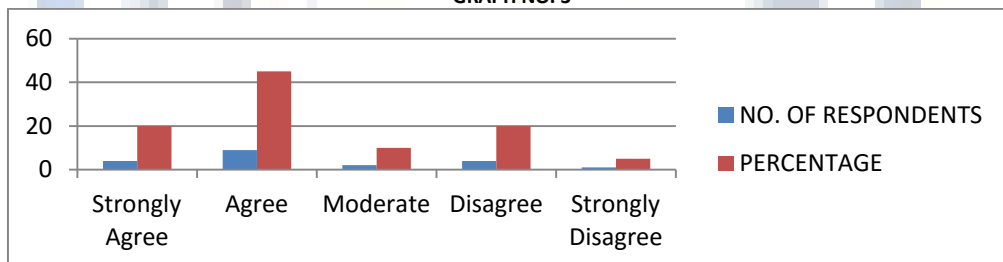
ANALYSIS: From the above table it can be analyzed that 10% of respondents strongly agree, 40% respondents agree , 45% of respondents disagree, 0% of respondents strongly disagree and 5% of respondents are moderate with compensation given by employees.

INFERENCE: From the above analysis, it can be inferred that the majority of employees are not happy with the Salary.

TABLE NO. 3: SHOWING THE OPINION OF EMPLOYEES TOWARDS EFFECTIVE PERFORMANCE APPRAISAL SYSTEM

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	04	20
Agree	9	45
Moderate	02	10
Disagree	04	20
Strongly Disagree	01	5
Total	20	100

GRAPH NO. 3



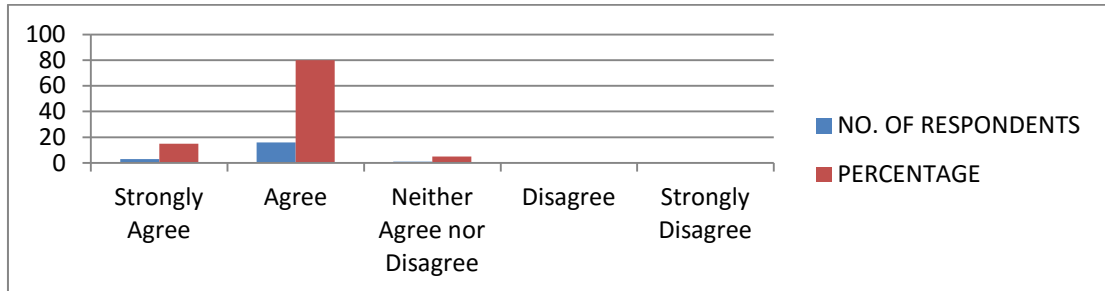
ANAYSIS: From the above table it can be analyzed that 20% of respondents strongly agree that appraisal system is a motivation factor,45% of respondents agree appraisal is a motivation factor, 20% of respondents disagree,5 % respondents strongly disagree and 10% of respondents neither agree nor disagree.

INFERENCE: From the above analysis, it can be inferred that majority of the respondents are aware of the effective performance appraisal system done in the company to motivate employees.

TABLE NO. 4: TABLE SHOWING THE OPINION OF EMPLOYEES TOWARDS EFFECTIVE PROMOTIONAL OPPORTUNITIES

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	3	15
Agree	16	80
Neither Agree nor Disagree	01	5
Disagree	00	00
Strongly Disagree	00	00
Total	20	100

GRAPH NO. 4



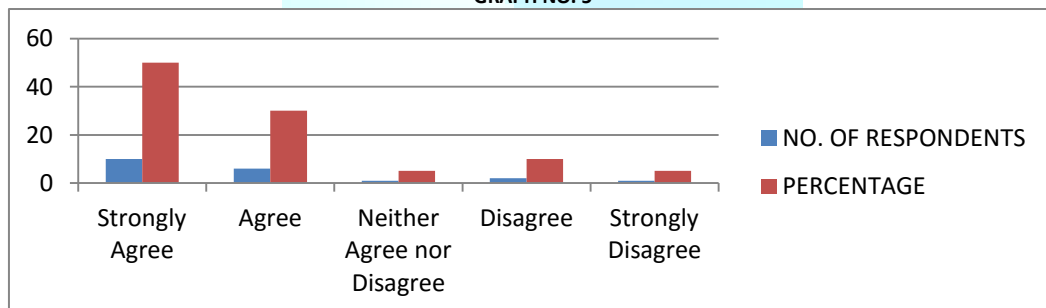
ANALYSIS: From the table it can be observed that 15% of respondents strongly agree that promotional opportunity is a motivation factor for them, 80% of respondents agree and 0% of respondents disagree, 5% of respondents neither agree nor disagree that promotional opportunities is motivational factor for them.

INFERENCE: From the above analysis, it can be inferred that the majority of the respondents think they get effective promotional opportunities by which they will be motivated.

TABLE NO 5: SHOWING THE OPINION OF EMPLOYEES WHETHER THE COMPANY IS FOLLOWING REWARD & RECOGNITION PROGRAM TO MOTIVATE EMPLOYEES

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	10	50
Agree	6	30
Neither Agree nor Disagree	01	05
Disagree	02	10
Strongly Disagree	01	05
Total	20	100

GRAPH NO. 5



ANALYSIS: From the above table it can be analyzed that 50% of respondents strongly agree that Recognition is a motivation factor, 30% of respondents agree Recognition is a motivation factor, 5% of respondents disagree, 5% respondents strongly disagree and 10% of respondents neither agree nor disagree that recognition is a motivation factor for them.

INFERENCE: From the above analysis, it can be inferred that the majority of the respondents are aware of reward & recognition program done in the company.

FINDINGS

1. Most of the employees agree that company implements best appraisal system
2. Employees are not happy with the salary they are been getting.
3. Employees in the company are happy with the promotional opportunities.
4. Most of the employees agree that the relationship with the superiors and co-workers will increase when motivated.
5. Employees expressed their opinion that performance increases when they are been motivated in the organization.
6. The Employees feel the organization is giving best career growth & development.

CONCLUSION

A study on employee motivation was carried out in Small scale industries. From the study it can be concluded that most of the employees are given enough opportunity for improving the performance. Employees are satisfied with the various incentives and benefits provided to motivate their performance and many of the employees feel that these policies in the organization boost their moral and create a sense of belongingness towards the company.

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A STUDY ON YOUNG ADULT CONSUMER BEHAVIOR TOWARDS ADVENTURE TRAVEL WITH SPECIAL REFERENCE TO HYDERABAD

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ABSTRACT

Tourism sector is one of the largest employment generators in India. It plays a pivotal role in promoting inclusive growth of the less-advantaged sections of the society. Growing disposable incomes and changing preferences of young adults towards leisure and tourism have brought in significant growth in adventure travel. Present study aims at understanding adventure travellers' preferences in general and their expectations from adventure tours. A primary study has been conducted to understand young adults' consumer behavior towards adventure tours. Responses were gathered from select respondents, who have experienced adventure tour in last one year. Their preferences helped in suggesting appropriate strategies to different stake holders in adventure tourism business.

KEYWORDS

Adventure travel, consumer behavior, travelers' preferences, soft adventure travel Vs. hard adventure travel.

INTRODUCTION

Adventure tourism in India is rapidly growing in popularity as Indian tourist seeks different kinds of vacations. Adventure tourism involves exploration or travel to remote, exotic areas. In Indian scenario there is lot of misinterpretation regarding adventure travel. People confuse independent adventure activities as adventure travel. As per Adventure Travel Trade Association (ATTA) cruise, hot air ballooning, bungee jumping, para-gliding, jet skiing, visits to adventure theme parks do not constitute part of adventure travel. Hard adventure travel includes caving, climbing, trekking, surfing, paragliding, marathon and running tours. Soft adventure travel includes polar expeditions, camping, cycling, walking/hiking, horseback riding, kayaking, rafting, bird watching, safaris, scuba and snorkeling and surfing.

Based on the growing demand for adventure travel Indian government is extending Central Financial Assistance to various State Governments/Union Territory Administrations for development of Tourism Infrastructure in destinations including Adventure Tourism destinations.

LITERATURE REVIEW

According to Adventure Travel Trade Association (ATTA) adventure tour operators expect business in 2015 to grow by 23%.¹⁰ In New York Times Travel Show, Vice-President of ATTA, Casey Hanisko expressed his strong conviction about growing market that has yet to be fully tapped by agents. The worldwide adventure travel is estimated to be worth \$263 billion, as per ATTA research.

Adventure tourism market study 2013 by ATTA provides a picture of demographics, psychographics, and behaviors of adventure travelers of three key regions, Europe, North America and South America. Key findings of that study include:¹¹

- Average age of adventure travelers is 36 years. They are much younger than non-adventure travelers.
- The sources of information they rely on include publications such as National Geographic, National Geographic Traveler and Men's Health, and general publications like Cosmopolitan and Vogue.
- Majority of adventure travelers planned their trips based on online research and consulting friends and family. They also preferred recommending trips on social media.
- Adventure travelers using Facebook has increased enormously from 2010 report. As per 2013 study 78% of travelers were using Facebook which was more than double since 2010.

In India, the average spend on adventure travel is INR8900 per day (excluding flights and visas)¹². Indian adventure travelers preferred hiking and trekking, outdoor photography and safaris followed by cycling, camping and rafting. Those who went on International adventure preferred Europe and UK followed by Far East. Like global adventure travelers, Indians too preferred online search for researching information. 62.25% respondents had prior domestic adventure travel experience. Majority are between 30-39 years old and negligible percentage below 20 years.

The Indian Ministry of Tourism has taken various initiatives to promote Adventure Tourism. It issued guidelines for the approval of Adventure Tour Operators, which is a voluntary scheme, meant for all bona-fide Adventure Tour operators.¹³ These guidelines cover various adventure activities of land, air and water, comprised of mountaineering, trekking, hang gliding, paragliding, bungee jumping and river rafting. The Indian Institute of Skiing and Mountaineering (IISM) in Gulmarg, Jammu and Kashmir is fully operational since 2009. And the institute is equipped with best of the modern equipment and training facilities. During year 2013-14, IISM was granted INR140.10 lakh to conduct adventure courses.

OBJECTIVES OF THE STUDY

The study aimed at understanding what young adults of Hyderabad region expect from adventure travel. Major objectives of the study include,

1. To understand specific preferences of young adult adventure travelers in Hyderabad region.
2. To suggest recommendations to travel agencies/tour operators regarding the appropriate ways to segment, target and position their offers.

RESEARCH METHODOLOGY

This study was conducted in Jan-Feb 2015. Given that the meaning of adventure differs from person to person, for the purpose of this study, ATTA definition of adventure travel is considered. A structured questionnaire is designed and sent to a representative sample of travellers from Hyderabad. 214 respondents participated in the study. Responses are considered from only those people who had been to adventure travel atleast once in last one year.

STUDY FINDINGS

1. 79% of the respondents belong to the age group of 20-25.
2. Given the same cost and duration 45% of the respondents preferred adventure travel over leisure travel.
3. 40% of respondents preferred rafting as most preferred adventure activity.

¹⁰ www.travelmarketreport.com (<http://www.travelmarketreport.com/articles/Adventure-Travel-A-Growing-But-Untapped-Market-for-Agents>)

¹¹ www.fairtrade.travel (http://www.fairtrade.travel/uploads/files/ATTA_Adventure_Tourism_Market_Study_2013.pdf)

¹² Outbound Adventure Travel Survey from India Report – Dec, 2014.

¹³ Annual Report 2013-14 by Ministry of Tourism

4. One fourth of the respondents preferred March-April for such travel and an equal percentage of respondents preferred Jan-March.
5. 54% of the respondents are ready to book their tours through start-up operators too, as long as the packages are affordably designed and attractive.
6. God's own country, Kerala is the preferred destination by 21% of travelers and Uttarakand is preferred by 22%. Andaman and Nicobar too is a favorite destination for around 15% of respondents.
7. 52% of adventure travelers preferred short trips of 3-5 days.
8. When asked about the preferred accommodation 47% voted tents and camping over hotels, motels and cottages.
9. 84% of respondents said that they prefer e-bookings over brick and mortar travel agencies.
10. An interesting revelation in the survey was 45% of the respondents prefer these travels with their friends and almost equal percentage of respondents that is 42% of respondents preferred these travels with family.
11. When asked about the significance of personal safety 63% of the respondents said it is highly important and to be taken care by the tour operator.
12. 72% of the respondents considered hospitality of the tour operator are very important in making tour operator's choice.
13. For 74% of respondents' tour operator's ability to manage the group is a crucial factor in choosing a right operator.
14. 35% of travelers are ready to accept basic food during this kind of travel but 65% said that they expect tasty food from tour operators.
15. 65% of the adventure travelers sought an instructor or tour guide. 35% travelers are ready to travel without a guide.
16. 55% of respondents wanted their tours to be packed with exciting nature visits during these adventure travels.
17. 74% of the respondents felt that adventure travel should give them a feeling of relaxation too.
18. 66% of respondents were expecting exciting new activities to be part of their adventure travel.
19. 62% of the respondents felt that the group composition has to be from varied cultures.
20. Since relaxation is one of the expectations from vacations only 54% of the respondents were ready to push their limits to physical ability. And 46% of respondents preferred adventure activities of moderate difficulty.

MANAGERIAL IMPLICATIONS

1. Study revealed that there is lack of awareness of adventure travel. Many do not know what exactly adventure travel comprised of. Travel and tourism ministry must spend enough on promoting adventure travel. Incredible India campaign has revamped the image of India as travel destination across the globe as well as within the country. One such attempt encouraging adventure travel will fetch growth in this segment too.
2. Trusted online travel agencies like Make My Trip, Yatra.com etc., should come up with attractive packages to encourage adventure tourism.
3. Study findings clearly depict that majority of the travelers wish to have trained adventure sports instructors. So tour operators need to appoint good instructors and promote the same while marketing their packages. Ministry of tourism and Ministry of HRD too need to take necessary actions. Universities have to be provided better coaching and training facilities. Government has to promote those courses in adventure sports by showcasing the successful career paths associated with such courses. Ministry of Tourism has already started one such institute IISM in Jammu and Kashmir. But more and more such universities have to be established. Government need to invest in developing necessary infrastructure and maintain well the beautiful natural resources and landscapes our country is gifted with.
4. To create awareness and attract people to adventure travel indoor adventure campaigns have to be conducted. Such camps train personnel for adventure tours and prospective travelers will have a first-hand experience that induces trial and adoption.
5. Majority of the respondents showed interest in booking their adventure travel through start-ups too, if the package is attractive. This is a clear indication to government that more and more people should be attracted into this sector to do business. Ease of regulations will attract more travel operators to open their e-shops. As on date many restrain from this adventure travel business as there are lots of restrictions and difficulties to obtain licenses.
6. Since equal majority showed interest in leisure and adventure travel. It's an indication to travel agents that they can offer proper blend of both in their tour packages. Another interesting finding from the survey is majority of the travelers prefer short trips of 3-5 days. This implies that travel operators have to offer more and more of short trips to this segment, that immediately attract them.
7. Survey result reveals that online travel operators and online mode of payments are most preferred over brick and mortar operators and cash payments. Creating a well-designed website is the crucial factor in promoting adventure travel offers.
8. Through patronage rewards and planned customer retention strategies travel operators can expand their business. Specific marketing strategies have to be tailored for acquiring more and more customers from different age groups.

SCOPE FOR FUTURE RESEARCH

The study is limited to young adult population comprising mostly of student segment at graduate and post graduate level. And the research is confined to Hyderabad region and hence it may not represent actual population. The study can be extended to different age groups. And a detailed analysis can be made on impact of demographics on consumer behavior of adventure travelers.

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PARTICIPATION OF RURAL DEVELOPMENT SCHEMES IN INDIA

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ABSTRACT

The purpose of this paper is to describe the rural development significance with the participation of rural development schemes in India. Rural development aims to improve the well being and self sustainability of people who are living in rural. It is a vital process to bring necessary changes among the rural people. The need for rural communities is a broad range of development goals. Rural people need to be given proper education, infrastructure facilities, entrepreneurial skills and so on. Rural development is a dynamic process, which is mainly concerned with the rural areas which include agricultural growth, economic, social infrastructure, housing and house sites for the landless, village planning, public health, education and functional literacy, communication etc. The Department of Rural Development is implementing a number of programmes in rural areas through the state Governments for poverty reduction, employment generation, rural infrastructure, provision of basic minimum services etc.

KEYWORDS

Rural development, Participation, Development schemes, Infrastructure facilities, Entrepreneurial skills.

INTRODUCTION

Rural development is the way of improving the quality life and economic well-being of people. In India rural development is one of the most important areas where we need to expose fully towards the comfortable life of the people. India is primarily an agriculture based country. In order to strengthen further the growth of agriculture, the government has planned several programs to attain the necessary goals in rural development. The Ministry of Rural Development in India is the apex body for formulating policies, regulations and acts pertaining to the development of the rural sector. Agriculture, handicrafts, fisheries, poultry, and diary are the primary contributors to the rural business and economy. The Department of Rural Development is implementing a number of programmes in rural areas through the state Governments for poverty reduction, employment generation, rural infrastructure habitant development, provision of basic minimum services etc. The segment like entrepreneurship, physical infrastructure, and social infrastructure also play a significant role in developing rural regions. Rural development aims at improving rural people's livelihoods in an equitable and sustainable manner. However the primary focus of all rural development schemes are train to rural unemployed youth, eradication of poverty, improve the living standard, skill enhancement, economic independent, nurture entrepreneurial skills, motivate leadership qualities and the like. This paper considers the participation of various rural development schemes in India for the purpose of attaining the steady rural economic growth.

STATEMENT OF THE PROBLEM

India is essentially a rural and agriculture oriented economy. It is essential segment to lift rural areas in a most compete manner. It requires simultaneous action in various sectors. The country needs a permanent mechanism of industry promoting agriculture and urban areas helping rural areas. Agriculture remains the challenging area in our nation economy. The government needs to provide a conceptual and methodological framework for evaluating rural development policy. Rural development is a veritable tool for fighting poverty and achieving economic prosperity at the grassroots level. So the Government of India should take necessary step with regard to community infrastructure facilities such as drinking water, electricity, road connectivity, health facilities, rural housing, education and promoting decentralization of powers to strengthen the panchayat raj institutions etc for the better life of the rural society.

LITERATURE REVIEW

Ramesh Rangappa in his paper he observed that poverty, unemployment and migration are dominating the nation in 21st century. Developing economy forces rural poor to urban migration. NREGA is an economic policy proposal aimed at providing a sustainable solution to the dual problems of unemployment and migration. Its aim is to create employment opportunities for unskilled manual workers and prevent rural-urban migration. MGNREGA has become successful to provide employment opportunities to the needy hands in the rural area and also it as become successful to prevent the rural urban migration in the study area. Ramesh Rangappa and Shripathi Kallurya in their paper analyzed the rural man power utilization in MGNREGA in Raichur. The main aim of MGNREGA is to create employment opportunities for rural unemployed peoples in the gross root level. Therefore, it is important to see how employment generated under MGNREGA in the rural areas.

Sandhya Suri in her study she has been pointed out that rural entrepreneurship can be defined as entrepreneurship emerging at village level which can take place in a variety field of endeavor such as business, industry, agriculture and related activities as a potent factor for economic development. The main aim of this paper is to facilitate economic development and generate employment by providing necessary factor inputs and infrastructure for productive uses in agriculture and rural industries and improving the quality of life of rural people by entrepreneurial empowerment.

OBJECTIVES OF THE STUDY

1. To study the need for the focused area.
2. To understand the significance of the rural development through its schemes.
3. To aware the requirement for the development of the rural areas.
4. To know the participation of rural development schemes in India.

METHODOLOGY

Secondary data has been used for this paper. It has been compiled from various sources like journals, books, magazines, newspapers, reports, dissertations and thesis.

NEED AND SIGNIFICANCE OF THE STUDY

Improvement in the quality life of rural people is the important agenda for rural development programme. In India rural development programme is necessary to enhance the life style of rural people. Rural development implies both the economic betterment as well as greater social transformation of people. The basic objective of all rural development programmes has been the welfare of the millions. In order to achieve this, planned attempts have been made to eliminate poverty, ignorance and inequality of opportunities. When we ensure like this people in rural areas could survive independently. So, Government need to take initiation of rural development particularly, agriculture, communication, education and health. The Ministry of Rural Development places importance now on health, education, drinking water, housing and road facilities for better life. Rural development in India has witnessed several changes over the years in its

emphasis, approaches, strategies and programmes. It has assumed a new dimension and perspectives as a consequence. Rural development can be richer and more meaningful only through the participation of clientele of development. People's participation is one of the foremost pre-requisites of development process both from procedural and philosophical perspectives. The rural economy is an integral part of the overall Indian economy. As majority of the poor reside in the rural areas, the prime goal of rural development is to improve the quality of life of the rural people by alleviating poverty through the instrument of self-employment and wage employment programmes.

IMPORTANCE OF RURAL DEVELOPMENT

A wide spectrum of programmes has been undertaken so far, to eliminate rural poverty and ensure improved quality of life for the rural population. Rural development is a national necessity and has considerable importance in India.

- To develop rural areas as whole in terms of culture, society, economy, technology and health.
- To improve living standard of rural mass.
- To equip rural youths, children and women.
- To empower human resource of rural area in terms of their psychology, skill, knowledge, attitude and other abilities.
- To enhance the leadership quality in rural area.
- To arrange rural marketing facility.
- To develop infrastructure facility in rural area.
- To provide minimum facility to rural mass in terms of drinking water, education, transport, electricity and communication.
- To stabilize rural institutions like panchayat, cooperatives, post-office and banking
- To provide financial assistance to rural entrepreneurs to lift the economically weaken people.
- To develop rural industries such as handicrafts, small scale industries, village industries, rural crafts, cottage industries and other related economic operations in the rural sector.
- To improve agriculture, animal husbandry and other agricultural related segments in a challenging way.
- To restore uncultivated land, provide irrigation facilities and motivate farmers to adopt improved seed, fertilizers, package of practices of crop cultivation and soil conservation methods.
- To minimize gap between the urban and rural in terms of facilities availed.
- To improve rural peoples participation in the development of state and nation as whole.
- To make the sustainable development in rural area.

RURAL DEVELOPMENT SCHEMES

Rural Development in India is one of the most important factors for the growth of the Indian economy. It is mainly focuses on poverty alleviation, better livelihood opportunities, provision of basic amenities and infrastructure facilities through innovative programmes of wage and self-employment.

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA)

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment to a rural household who volunteer to do unskilled manual work. The Indian government sponsored scheme, MGNREGA, aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year. MGNREGA is one of the government's largest flagship schemes, and is the largest job creation programme of its kind in the world. Supporters believe that it is necessary to help rural workers smooth income in times of distress and increase labour market access for marginalized groups. MGNREGA has brought momentum in the financial inclusion of our rural population. Moreover it helps to increase the role of panchayats for better planning and improve the quality under this scheme.

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

The primary objective of the PMGSY is to provide rural road connectivity with a view to promote greater access to economic and social services and thereby generate increased economic and social opportunities in rural India. The rural road connectivity is a key component of rural development, which promotes agricultural incomes and productive employment opportunities in rural India as well as ensures sustainable poverty reduction programme. This rural connectivity is essential for the overall development of the rural areas. There is a close link between rural connectivity and socio-economic aspects, such as, economic growth, employment, education and health care. Habitations, which are unconnected, do not have availability and accessibility to several facilities and socio-economic services.

There are a number of habitations in the country, which are still not connected by All-weather roads or are connected with poor quality roads (due to poor construction or maintenance) which cannot be categorized as All-weather roads. The rationale for launching PMGSY scheme is thus, to redress this situation so that certain opportunities and services (employment, educational, health, transport, marketing facilities etc.), which are not available in the unconnected habitation, become available to the residents.

INDIRA AWAAS YOJANA

Housing is one of the basic requirements for human survival. For a normal citizen owning a house provides significant economic security and status in society. For a shelter less person, a house brings about a profound social change in his existence, endowing him with an identity, thus integrating him with his immediate social milieu. It is a social welfare programme, created by the Indian Government, to provide housing for the rural poor in India. Indira Awaas Yojana (IAY), a flagship scheme of the Ministry of Rural Development has since inception been providing assistance to BPL families who are either houseless or having inadequate housing facilities for constructing a safe and durable shelter. This effort has been part of a larger strategy of the Ministry's poverty eradication effort, supporting the development of an environmentally sound habitat with adequate provisions for incremental expansion and improvement. The Constitution of India places rural housing in the domain of State Governments and the Panchayati Raj Institutions. Central Government has been implementing IAY as part of the enabling approach to shelter for all, taking cognizance of the fact that rural housing is one of the major anti-poverty measures for the marginalised. The house is recognised not merely as a shelter and a dwelling place but also an asset which supports livelihood, symbolizes social position and is also a cultural expression. A good home would be in harmony with the natural environment protecting the household from extreme weather conditions, has the required connectivity for mobility and facilities for economic activities.

SWARNAJAYANTI GRAM SWAROJGAR YOJANA (SGSY)

It is an initiative launched by the Government of India to provide sustainable income to poor people living in rural areas of the country. The scheme was launched on April 1, 1999. The SGSY aims at providing Self-employment to villagers through the establishment of Self-help groups. Activity clusters are established based on the aptitude and skill of the people which are nurtured to their maximum potential. Funds are provided by NGOs, Banks and financial institutions. The SGSY was somewhat intended to provide self-employment to millions of villagers. Poor families living below the poverty line were organised into Self-help groups (SHGs) established with a mixture of government subsidy and credit from investment banks. The main aim of these SHGs was to bring these poor families above the poverty line and concentrate on income generation through combined effort. The scheme recommended the establishment of activity clusters or clusters of villagers grouped together based on their skills and abilities. Each of these activity clusters worked on a specific activity chosen based on the aptitude and skill of the people, availability of resources and market potentiality. SGSY will ensure upgradation of the technology in the identified activity clusters. It will provide for promotion of marketing of the goods produced by the SGSY Swarozgaris. This would involve providing of market intelligence, development of markets, consultancy services, as well as institutional arrangements for marketing of the goods including exports.

NATIONAL SOCIAL ASSISTANCE SCHEME

The National Social Assistance Scheme (NSAS) or National Social Assistance Programme (NSAP) is a flagship welfare program of the Government of India initiated on 15 August 1995.

The NSAP aims at ensuring minimum national standard for social assistance in addition to the benefits that states are currently providing or would provide in future. The National Social Assistance Programme (NSAP) is a welfare programme being administered by the Ministry of Rural Development. This programme is being implemented in rural areas as well as urban areas. These are intended to secure for the citizens adequate means of livelihood, raise the standard of living, improve public health, provide free and compulsory education for children etc. At present, NSAP comprises of the following five schemes for BPL persons:-

- i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS)
- ii) Indira Gandhi National Widow Pension Scheme (IGNWPS)
- iii) Indira Gandhi National Disability Pension Scheme (IGNDPS)
- iv) National Family Benefit Scheme (NFBS)
- v) Annapurna

COUNCIL FOR ADVANCEMENT OF PEOPLES ACTION AND RURAL TECHNOLOGY (CAPART)

CAPART is a major promoter of rural development in India. This scheme was by the Government of India in September 1986.

The main objectives of the CAPART are:

- To encourage, promote and assist voluntary action for the implementation of projects intending enhancement of rural prosperity.
- To Strengthen and promote voluntary efforts in rural development with focus on injecting new technological inputs;
- To act as a catalyst for the development of technology appropriate for rural areas.
- To promote, plan, undertake, develop, maintain and support projects/schemes aimed at all-round development, creation of employment opportunities, promotion of self-reliance, generation of awareness, organization and improvement in the quality of life of the people in rural areas through voluntary action.
- CAPART s mandate is to encourage, promote, assist rural action and propagate appropriate rural technologies for the benefit of the rural poor. CAPART envisions playing a dynamic and catalytic role with various governmental agencies and NGOs, influencing public policy and contributes its share towards the many-sided development of rural India. It aims to safeguard the rights of rural poor, improve their living conditions through introduction of appropriate rural technology, acquire marketable skills for rural poor and assist them in their attempt to secure livelihoods through employment and self-employment.

DISTRICT RURAL DEVELOPMENT AGENCY (DRDA)

District Rural Development Agencies (DRDAs) are district level development execution and monitoring agencies created under the Indian Societies Registration Act. DRDAs are established for effective implementation of anti-poverty programmes in rural areas at the district level. It is an institution that acts as a delivery agency to support and facilitate the development process. The role of the DRDA is to plan for effective implementation of anti-poverty programmes coordinating with other agencies like Governmental, Non- Governmental, technical and financial for successful programme implementation. They enable the poor rural community to participate in the decision making process. The primary objective of District Rural Development Agency (DRDA) is to effectively manage the anti-poverty programmes, coordinate effectively with other agencies and line departments like Panchayat raj institutions, Banks and other financial institutions, the NGO's and other technical institutions to gather support and resources required for poverty elimination at the district level. Rural development and poverty alleviation programmes are implemented on a decentralized basis, keeping in view the large geographical areas, the administrative requirements and the need to involve grassroots-level officials and the community in the implementation of the programmes. At the central level the Ministry of Rural Areas & Employment has been implementing these programmes. The Ministry is responsible for the release of central share of funds, policy formulation, overall guidance, monitoring and evaluation of the programmes.

PROVISION OF URBAN AMENITIES IN RURAL AREAS (PURA)

The PURA has all the dimensions to become a business enterprise, which has global dimensions but operating in every nook and corner of our country. It means about the Provision of urban amenities and livelihood opportunities in rural areas to bridge the rural urban divide thereby reducing the migration from rural to urban areas. The objectives of PURA are proposed to be achieved under the framework of Public Private Partnership between Gram Panchayats and private sector partner with active state government support.

- It aims at a comprehensive development of rural areas to generate urban- level incomes, and not mere Poverty alleviation.
- It plans for an investment at urban levels and not the much lower amounts that prevails at present.
- It aims to generate employment for the educated, thereby, halt and even reverse rural-urban migration.
- It treats quality infrastructure as the prerequisite and not the consequence of development.
- It seeks modern industry, investment in social and commercial service instead of rural handicrafts and agri-based small industry.
- It relies on private initiative. It is a for-profit enterprise not dependent on subsidy from the government.

PRIME MINISTER'S RURAL DEVELOPMENT FELLOWS (PMRDF) SCHEME

PMRD Fellows Scheme is an initiative of Ministry of Rural Development, Government of India in collaboration with State Governments. The Fellowship has the twin objective of engaging young professionals to work with District Collectors in improving the development programmes as well as to build them as a cadre of development facilitators, who will be available as a ready resource for rural development activities over a long term.

AAJEEVIKA - NATIONAL RURAL LIVELIHOODS MISSION (NRLM)

It was launched by the Ministry of Rural Development, Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. The NRLM believes in harnessing the innate capabilities of the poor and complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to participate in the growing economy of the country. It would promote SHGs with exclusive women membership. The idea is to reach out to all family members through women. Process of formation of SHGs which includes organizing the women into affinity based groups, developing group norms, practicing Panchasutra (regular meetings, regular savings, regular inter-loaning, timely repayment and up-to-date books of accounts), and leadership development. Promotion of specialized institutions like livelihood collectives, producer's cooperatives/ companies for livelihoods promotion, which will work on scale, ensure backward and forward linkages, access to information, credit, technology and markets.

CONCLUSION

Development is a multi-dimensional exercise that seeks to transform society by addressing the entire complex of interwoven strands, living impulses, which are part of an organic whole. Rural development is a strategy designed to improve the economic and social life of rural poor. Rural development is all about bringing change rural development aims to improve the life style of rural people to fulfill their requirement. It is mainly focused to develop the social and economic development of the rural areas. The factors like education, entrepreneurship, physical infrastructure and social infrastructure is always playing a significant role in developing rural regions. Rural development is also characterized by its emphasis on locally produced economic development strategies. The rural economy is an integral part of the overall Indian economy. In order to improve the quality of life of the rural people we need to provide best self-employment awareness programmes, appropriate training programmes, community infrastructure facilities and so on to stabilize the rural economy. It is the time to transform rural economy to impart the need and importance of the rural development programmes to the rural people in a dedicative way.

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THE GROWTH OF GOLD LOAN NBFCs IN INDIA: A CASE STUDY ON MUTHOOT FINANCE

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ABSTRACT

Gold has long been a valued commodity, particularly in India where it is considered auspicious, and has been in use for centuries in the form of jewellery, coins and other assets. Though gold is a highly liquid asset, it wasn't until recently that consumers leveraged it effectively to meet their liquidity needs. Lenders provide loans by securing gold assets as collateral. Compared with the rest of the world, in India the gold loan market is big business. Until a decade back, most of the lending was in the unorganized sector through pawnbrokers and money lenders. However, this scenario changed with the entrance of organized sector players such as banks and non-banking finance companies (NBFCs) which now command more than 30% of the market. The recent regulatory measures initiated by the Reserve Bank are in the right direction and is expected to make the gold loans NBFCs robust and reduce the regulatory gaps between banks and gold loans NBFCs. With rapid growth, regulatory scrutiny has increased on gold loan lending practices. NBFCs are under greater focus as a result of their higher interest rates and charges, and non-adherence to know your customer (KYC) regulations. This may further impact the dominance of NBFCs in the gold loan market. This will be a study about the growth of Gold loan NBFCs in India with respect to the updated RBI guidelines. A case study on Muthoot finance has to be done which will be helpful for the successful completion of the paper.

KEYWORDS

Gold, Gold Loan Market, NBFC, RBI guidelines.

INTRODUCTION

Gold has always fascinated the mankind's imagination and influenced their urge to possess the same. Gold occupies a pivotal role in the social and economic life of poor and rich alike. In India, besides the economic and strong social considerations, individuals are highly sentimental about the gold jewellery in their possession, as the gold ornaments are passed on from one generation to another. Acquisition of gold is considered auspicious and necessary for making family ornaments to get a sense of wellbeing in our country. Gold is increasingly considered as an investment whose value appreciates over years and provides a hedge against inflation. Gold is also considered as a medium that can be pledged easily during difficult times for securing financial accommodation or liquidate the same through sale.

Concurrently, the gold loan market in India has shown rapid strides. While gold loans were provided by money lenders and pawn brokers for several centuries and availed extensively by people from all walks of life, the more recent years witnessed a transformation of the gold loan business with a decisive shift in the players from unorganized sector to organized sector like the banks and specialised non-bank financial institutions undertaking it in a big way. The rapid rise in the number of institutions involved, their branch network, volume of business in terms of gold pledged, volume of loans disbursed brought new dimensions to the gold loan market.

In the post crisis period, personal loans have become costlier with frequent upward revisions in interest rates by banks and financial institutions. Individuals, petty traders, borrowers in the low and middle income group resorted to taking loans by pledging their gold jewellery with banks and gold loan non-bank financial companies (NBFCs) to meet their funding requirements. The traditional and ubiquitous pawn brokers are known to charge usurious rate of interest. Therefore, there has been a rapid increase in the number of individuals and business entities seeking gold loans approaching the banks and the gold loan NBFCs in the organised sector to meet their consumption as well as funding needs. As the demand for gold loans increased at a scorching pace in recent years, the gold loans NBFCs have started expanding their operations at a hurried pace through opening of their branches rapidly across the length and breadth of the country. To accommodate the large demand for such loans, these NBFCs have also increased their reliance on bank and other borrowings on a massive scale.

RBI DIRECTION AND FUNCTIONING OF NBFCs

The recent direction by the Reserve Bank of India asking gold loan companies not to give loans in excess of 60 per cent of the value of the collateral has hit the non-banking finance companies where it hurts the most. The gold loan firms make robust profits only when their loan-to-value (LTV) goes closer to the value of the jewellery.

In the case of Manappuram Finance - the second largest gold loan company - the average loan-to-value ratio is 66 per cent, 6 percentage points above the RBI's prudential norm.

The largest gold loan firm, Muthoot Finance, charges an interest rate of between 12 and 24 per cent, and its average loan ticket size at the end of December 2011 quarter was Rs 40,000 - a 25 per cent year-on-year increase. The rate of interest tends to be on the lower side if the loan amount sought is at the lower side of the value of the jewellery and for a short period. But few borrowers would want to pledge too many pieces of jewellery to get the best rate. They would not mind paying a slightly higher rate if fewer ornaments would do for the pledge.

THE SUCCESS STORY OF MUTHOOT FINANCE

As the gold loan companies, all based in Kerala, showed feverish growth in business in recent quarters, the keen watchers of the sector saw the trouble coming. They knew RBI, as the watchdog, would not sit tight and do nothing as one sector overheated (the RBI calls this **concentration risk**). For example, Muthoot Finance's total income grew 91 per cent year-on-year at the end of the December 2011 quarter. All the leading players have been aggressively opening new branches to tap the latent demand and grow their business. Their **USP (Unique Selling Proposition)** lies in the ease with which they dispense loans in about 10 minutes after submitting the jewellery.

Gold loan firms have been growing steadily because they are known to lend against jewellery and not primary gold. Indian families, especially in the South where these firms get bulk of their business, have a certain sentiment attached to each piece of the family jewellery. They would have bought them on different

occasions - such as marriage, birthday, and anniversaries - and hence, would not want to lose them at any cost. This explains why the **non-performing assets (NPA) at these companies are very small.**

With the loan-to-value dropping, the established players are bound to face competition from unorganised lenders. To save and grow their turf, the gold loan non-banking finance companies may have to cut their peak rates of interest and keep their loan products attractive. Even then, it is doubtful if they can ever return to their heydays of the gold loan hungama.

Muthoot run 18 different businesses, from houseboats to rubber plantations. But mention the name 'Muthoot' and only one of these comes to mind: gold loans. Muthoot Finance, a non-banking finance company, or NBFC, run by the four Muthoot brothers, has made a remarkable success of a business historically associated with pawnbrokers. It is today the largest lender against gold jewellery in the country with around 130 tonnes of gold currently in its vaults held against advances of Rs 20,766 crore. Indeed, the enthusiastic response to Muthoot Finance's initial public offer in May 2011 year - oversubscribed 24.5 times and netting Rs 906 crore - makes the brothers, who own 80 per cent of the stake, worth nearly a billion dollars.

MUTHOOT FIN TO RAISE RS 6,000 CR IN FY12

Muthoot Finance's rise is due to two factors: its rapidly growing portfolio of gold loans and its low rate of borrower default. The first is the result of an aggressive advertising campaign to underscore the speed and ease with which the company provides the loans, as well as to point out that there is nothing wrong in families monetising gold ornaments in times of need. Muthoot's advertising budget, Rs. 60 crore in 2010/11, has been raised to Rs. 100 crore in the fiscal year. The company is also the main sponsor of the Indian Premier League cricket team, Delhi Daredevils. "We are positioning our product as an option of convenience and removing the stigma attached to pledging jewellery," says George Alexander Muthoot, Managing Director of Muthoot Finance, the youngest of the four brothers. The low default rate, observers believe, lies in Muthoot's accepting only jewellery - not gold bars or coins. For most families gold jewellery has emotional associations: they ensure it comes back to them.

"We have not shut down a single branch so far for want of business," says Muthoot. A new branch costs between Rs 8 lakh and Rs 13 lakh to set up. Customers can borrow up to 90 per cent of the value of the jewellery, for which they pay an annual interest varying between 12 and 24 per cent, depending on the size and tenor of the loan. In cases of default, the jewellery is auctioned off after a period of 16 months from the time it was pledged. The pledged valuables are kept in secure vaults, insured against burglary and fire. In 2010/11, Muthoot Finance's average lending rate was 19.7 per cent, while the cost of funds stood at 8.7 per cent. The average loan size was Rs 35,000.

SO, ARE BANKS THE REAL THREAT?

Not really, feel analysts. For one, dispensing gold loans is hardly the banks' central activity; they can never give it the sort of concentrated attention NBFCs like Muthoot Finance or Manappuram do. Both claim to disburse loans up to Rs 20,000 within 10 minutes of the gold jewellery being submitted - a **speed no bank can match**. Besides, banks need Reserve Bank of India's, or RBI's, permission to set up new branches, while NBFCs are currently under no such obligation.

Yet challenges remain. Though Muthoot Finance has a pan-India presence, around 85 per cent of its business still comes from the four southern states. It is trying hard to expand further in the rest of the country, with the eldest of the four brothers, company Chairman M.G. George Muthoot, who has based himself in Delhi, personally driving the growth in the north.

The RBI decision in February 2012 year, to take gold loan companies off the priority sector lending list for banks, has affected them adversely. Since lending to gold loan NBFCs no longer improves a bank's priority sector credit score, the flow of bank funds has fallen, forcing the NBFCs to tap other sources and increasing their cost of funds. "Our expansion depends on the availability of funds," says Manappuram's Nandakumar.

Why would you pledge gold for a loan when you can borrow from banks without collateral at almost the same rate? Or why would you take gold loan from a non-banking finance company, or NBFC, when banks charge a lower rate?

The answer is convenience. The 'gold loan in five minutes' sales pitch of NBFCs may not be true in letter but is true in spirit. As gold loans are secured, NBFCs relax the due diligence process. Banks, which have to follow strict Reserve Bank of India, or RBI, norms on bad loans and minimum capital, do not have such liberal rules on giving loans, either secured or unsecured.

But should you be guided only by convenience? Moreover, the recent RBI order limiting loans by NBFCs to 60 per cent value of the pledged gold has further taken the sheen off such loans, which are very popular in India.

GOLD LOAN PRIMER

You can take gold loans by pledging jewellery and gold coins (only in case of banks). NBFCs can offer loans only against gold jewellery. The purity of gold should be 18-24 carat. The lenders-banks and NBFCs-determine the value and give a part of that as loan.

Since valuation is done by the lender, you can either accept its figure or walk out. The documents required are address proof, identity proof, signature proof and passport size photographs.

If you fail to pay regular interest or principal and interest, the lender sends reminders, usually after three, six and 12 months. After that, if you still do not pay up, the gold is melted and auctioned to recover the outstanding amount.

BANK VS NBFC

As both banks and NBFCs offer gold loans, a comparison of rates, eligibility rules and loan amounts offered by them is important.

DEGREE OF FREEDOM

FUNCTIONAL RESTRICTIONS ON NBFCs VIS-À-VIS BANKS

Functions	Banks	NBFCs
Demand deposits	Can invite demand deposits	Can't collect demand deposits
Issue cheques	Can issue	Can't issue
Deposit insurance facility	Available	Not available
Term deposits	Can take short-term deposits	Deposit term of at least 1 year

LOAN-TO-VALUE

The RBI decides how much loan can be given as a proportion of the gold's value. At present, NBFCs cannot offer more than 60 per cent. Earlier, there was no such cap and usually NBFCs used to give up to 80-90 per cent value of the gold pledged. This means on jewellery worth Rs 5 lakh, you can now get Rs 3 lakh from an NBFC, as against Rs 4-4.5 lakh earlier.

INTEREST RATES

Despite collateral, NBFCs charge very high rates. Manappuram Finance charges 2.17 per cent a month or 26 per cent annually on Rs 1,800/gm loan while Muthoot Fincorp charges 24-27 per cent annually. Muthoot Finance has a wider range, 12-24 per cent. It offers a maximum loan of Rs 50,000 at 12 per cent and a maximum loan of Rs 25,000 at 27 per cent for a tenure of three months.

Banks, on the other hand, are offering gold loans at 14-16 per cent a year excluding the 1-2 per cent processing fee. The interest is charged on a diminishing balance basis. Thomas John Muthoot, chairman and managing director, Muthoot Fincorp, says since banks' cost of funds is extremely low, they can charge less. Banks have access to low-cost deposits in savings and current accounts. NBFCs are not allowed to collect low-cost short-term deposits. 27 per cent is the highest interest rate charged by any NBFC on gold loans.

REPAYMENT

NBFCs allow borrowers to repay just the interest regularly during the tenure of the loan and pay the principal at the end of the tenure. Gold loans by most banks, especially public sector banks, are term loans, which means both interest and principal have to be paid regularly. Most NBFCs allow prepayment without penalty. Banks do not offer this facility.

In case of default, the gold pledged is melted and auctioned by the lender to recover the outstanding amount. However, banks are free to decide the loan-to-value ratio. You can, therefore, get a higher amount by pledging the same gold with a bank than with an NBFC.

Satkam Divya, business head, Rupeetalk.com, says the cap imposed on NBFCs will give banks an edge. "Banks have a diversified business and, therefore, are better equipped to absorb losses from fall in the value of gold against which the loan has been given," says Satkam Divya.

However, there is one disadvantage of taking gold loans from banks-the total amount you can get is much less. For instance, Muthoot Finance and Manappuram Finance offer loans up to Rs 1 crore, while Muthoot Fincorp has no limit. HDFC Bank and ICICI Bank give a maximum of Rs 10 lakh and Rs 15 lakh, respectively. Federal Bank offers loans up to Rs 75 lakh.

GOLD Vs. PERSONAL LOAN

The eligibility criteria and the due diligence for personal loans are much stricter because they are unsecured. In case of default, the lender does not have the option of selling the borrower's assets. Interest rates on personal loans vary from 16 per cent to 24 per cent, excluding the processing fee, which is 1.5-2.5 per cent of the loan amount. The loan amount depends on income. The limit is Rs 15-20 lakh depending on income and credit history. For salaried people availing of personal loan from ICICI Bank, the net monthly salary has to be at least Rs 20,000, while for taking a loan from HDFC Bank, the monthly salary has to be at least Rs 15,000. Then there are pre-payment charges that could be as high as 5 per cent of the outstanding loan amount. Unlike in gold loans, both interest and principal have to be paid in monthly instalments.

"Personal loans are the costliest form of credit after credit cards," says Rakish Goyal, senior vice-president, Bonanza Portfolio.

TABLE 1

A comparison of gold and personal loans

Features	Gold loan from NBFCs	Gold loan from banks	Personal loans
Security	Secured	Secured	Unsecured
Processing fee	Nil	As applicable	As applicable
Proof of salary/income	Not required	Not required	Required
Maximum loan amount	Up to Rs 1 crore	Rs 10-15 lakh	Up to Rs 20 lakh
Tenure	6-36 months	1 year	Up to 5 years
Prepayment options	Only interest servicing during loan tenure	Both interest + principal	Both interest + principal
Prepayment charges	Mostly nil	As applicable	As applicable
Loan-to-value	60%	80-90%	Not applicable
Interest rates	20-27%	14-17%	16-25%

TABLE 2

NBFCs and banks head-to-head on gold loan parameters

Banks/NBFC	Maximum loan	LTV	Interest rate	Tenure
Muthoot Finance	Up to Rs 50 lakh	Up to 60%	12-27%	NA
Mannapuram	Up to Rs 1cr	Up to 60%	26%	1 yr
Muthoot Fincorp	No ceiling	Up to 60%	24-27%	3 yrs
HDFC Bank	Rs 10 lakh	Up to 100%	NA	2 yrs
ICICI Bank	Rs 15 lakh	NA	16%	1 yr
Federal Bank	Rs 75 lakh	Up to 80%	15.65%	1 yr
Union Bank of India	Up to Rs 5 lakh	Up to 80%	NA	NA
PNB	Up to Rs 2 lakh#	NA	14.75%	1 yr
Bank of Baroda	Up to Rs 2 lakh	Up to 80%	14.75%	NA

THE FINAL CALL

Gold loans offered by NBFCs are hassle-free, easy to take and require little documentation. They have easier repayment options and no processing fee, though the rates are higher than bank gold loans or personal loans. Those who cannot fulfil the strict eligibility and documentation criteria of banks can tap this avenue. Those who have good credit history, the required documents and are in mid- to high-income categories should look for options available with banks.

CHARGES AND OTHER STRINGS ATTACHED

Most banks charge a processing fee of 1-2 per cent of the loan value. ICICI Bank charges 1 per cent while HDFC Bank charges 1.5 per cent. NBFCs like Manappuram Finance, Muthoot Finance and Reliance Commercial Finance do not charge any processing fee.

Banks also charge a fee for valuing gold. NBFCs do not charge anything for this. Banks usually restrict funds' end use. Some offer loans only for agriculture. HDFC Bank's eligibility column has a note that says "the loan amount cannot be used for speculative activities, any purpose linked to capital market activities or for any anti-social purposes." Bank of Baroda mentions that the loan will be disbursed for "working capital requirement and/or purchase of equipment for development of shops.

GOLD NBFCs OFFER POTENTIAL BORROWERS SUPERIOR ADVANTAGES IN TERMS OF COST AND SECURITY

The commendable growth of major gold loan non-banking financial companies (NBFC) in India has attracted a lot of attention recently. Some comments have even hinted at the customers being poor victims fleeced by these companies out to make a quick profit. But the extraordinary growth in their business also means that despite other institutional options, individuals who require money urgently, and possess some gold, show a marked preference for the service of the gold loan NBFCs.

At the same time, no one can accuse the gold loan companies of being monopolists with sufficient coercive power to make people choose them over other options. Gold loan NBFCs, obviously then, meet a vital need in the market in a way superior to other players.

SO WHAT IS IT THAT MAKES THEM SUPERIOR?

1. CREDIBILITY AND CREDENTIALS

While availing a gold loan, customers must temporarily part with the family jewels which are precious to them beyond mere monetary value. They would rather entrust these to a lender who can be trusted to keep them secure and return these when required, intact and undamaged.

The large gold loan NBFCs are almost like banks and are well-governed, with established policies and procedures. Their branches have sufficient security measures such as strong rooms, CCTV cameras, guards and also specific procedures regarding access, in order to ensure safety of the collateral. Besides, they insure the gold against theft and other unforeseen events. Audits and inspections guarantee the continued integrity of the holdings. Handling and storage is also done carefully, so as to not damage the ornaments.

Apart from these, the reputation of the lenders and transparent institutionalised procedures followed by them assures borrowers of a fair deal. The major gold NBFCs have in place proper **KYC (know your customer)** as well as **Fair Practice Codes**. In cases of recovery, too, borrowers are given notice and a chance to redeem the gold or keep their auction in abeyance through payment of interest, as in any bank.

A **Fair Practices Code** is generally designed to foster just and equitable principles of conducting business; to maintain high standards of commercial practices and integrity among the relevant players; to prevent fraud and manipulative practices; to build safeguards against unreasonable profits, commissions and other charges; and to maintain collaboration with various agencies to protect borrowers and investors in public interest.

2. CONVENIENCE AND COMFORT

Convenience is another important aspect that influences a borrower when he thinks of taking a loan against gold. For obvious reasons, he/she would not desire to commute long distances with the gold or cash in their possession. Since most locations are covered by gold loan NBFCs, the potential borrower can find a branch nearby with ease.

Moreover, since the borrowers mostly require small loans against a collateral that is universally acceptable as quickly as possible, and the NBFCs are specialised institutions with employees highly experienced in the assessment and disbursal of gold loans, they can obtain these much faster than at other lenders. Some vestiges of the disrepute normally attached to gold loans still clings to the product.

A posh bank environment, where many high net worth customers would be around, does not put a gold loan borrower at ease. However, in the specialised environment of a gold loan NBFC, he is assured of being comfortable and at ease as the primary customer and concern of the lender.

3. CLOSENESS, CONFIDENCE, COST

Many gold loan NBFCs recruit at least some of their employees in each branch locally. Transfers are not too frequent and the branch ambience suits the locality as well. This ensures that the borrower enjoys the benefits of familiarity, besides the service of employees fluent in the local language and customs. That makes it easier for him/her to interact and clear their doubts.

The gold loan NBFC, ultimately, has only one business: Making loans against gold. That is its bread and butter. The potential gold loan customer can, therefore, be confident about being given quality service by trained and customer-centric employees. They can also be assured of the confidentiality of dealings.

Banks, by virtue of being the custodians of savings and current account deposits as well as float funds from remittances and clearing, have a considerable volume of low-cost money at their disposal. This keeps their cost of funds low. In addition, they are eligible for interest subvention on account of certain categories of priority sector advances. All these enable them to extend gold loans at relatively low interest rates.

Since gold loan NBFCs raise their funds through various other means, for which they have to pay a higher price, and gold loan making, which is labour-intensive, is their main business, they have to charge a higher rate to run a profitable business and ensure returns for all stakeholders.

Customers who approach gold loan NBFCs are aware of this higher cost. They are additionally aware that gold loans through NBFCs also require the necessary KYC documentation. Yet, many borrowers are willing to approach the NBFC in preference to banks. There are reasons for that.

Banks charge processing fees and also jewel appraisers' fee. Since appraising is done by a professional appraiser, the loans can also be extended only when he is available. Besides, for a bank, gold loan is only one among its many businesses.

Till recently, it was not a preferred mode of lending in view of the various difficulties involved – including the high security and care required in the preservation of the collateral.

When a borrower approaches a lender, he calculates the costs not only in terms of interest, but also in terms of all the elements listed above. Many borrowers from gold NBFCs are migrants from pawnbrokers. For them, the rates charged by the NBFCs are considerably lower. The others that come weigh all the benefits of the NBFC experience against that at a busy bank branch.

They, quite naturally then, opt for the NBFCs.

CONCLUSION

To summarize, RBI guidelines might moderate the growth and impact the profitability of gold loan NBFCs in short term. In the long term, however, they are expected to enhance the gold loan NBFCs' ability to assimilate the impact of any sharp decline in gold prices, thereby improving the sector's asset quality. These guidelines should not only strengthen the well-capitalized established business players but also help regulate new players which lack the experience or the necessary understanding of the business, making the gold loan market more mature.

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WOMEN'S STATUS IN THE ECONOMY OF INDIA

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ABSTRACT

Despite the fast growing economy of India in the world today, with a GDP growth rate of more than 8 % during the eleventh plan period. Twelfth five year plan of the Government of India (2012-2017) had decided for the growth rate at 8.2% ,women economic empowerment has not been fast mobilised in rural and urban areas and, in the context of growing inequalities, it remains a national concern. This paper examines the Women's Status in the Economy of India, with a view to understanding both the challenges and achievements of various programs in India. Using NSSO surveys, World Economic Forum and latest Economic Survey data, we first highlight the key indicators on women's status in India. Second, highlights the status of women in India and to investigate various parameters being women in mainstream of different sectors of Indian economy. Finally, to analyze prospects and challenges against women in Indian economy.

KEYWORDS

Attainments, Empowerment, Economic Status, Gender Equality, Global Economy.

INTRODUCTION

India is the fastest growing economy in the world today, with a GDP growth rate of more than 8 % during the eleventh plan period. Twelfth five year plan of the Government of India (2012-2017) had decided for the growth rate at 8.2% but NDC on 27th December 2012 approved 8% growth rate for twelfth five year plan. The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country is one of the G-20 major economies, a member of BRICS and a developing economy that is among the top 20 global traders according to the WTO. India was the 19th-largest merchandise and the 6th largest services exporter in the world in 2013; it imported a total of \$616.7 billion worth of merchandise and services in 2013, as the 12th-largest merchandise and 7th largest services importer. India's economic growth slowed to 4.7% for the 2013–14 fiscal year, in contrast to higher economic growth rates in 2000s. The Indian Finance Ministry projects the GDP growth for fiscal 2014 will be 5.5%. IMF projects India's GDP to grow at 5.6% over 2014-15.

This high level of growth can, however, be sustained only when all sections of the society, specially women become equal partners in the development process. It is well recognised that societies which discriminate by gender tend to experience less rapid economic growth and poverty reduction than societies which treat men and women more equally. Gender equality and empowerment would, thus, need to be a core development goal if the growth planned in the twelfth plan has to be achieved. Some deliberate policy steps are critical to achieve gender equality. Gender discrimination cannot be automatically corrected in the course of development. The institutions of economics, politics and the law must be considered in terms of how they relate to each other and how they play out across the different arenas where gender discrimination occurs; and gender assessments have to be undertaken continuously to reveal gaps and monitor progress towards gender equality. Empowerment of women is essentially the vehicle of change to achieve gender equality that is meaningful and sustainable.

Empowerment of women is a socio-political ideal, encompassing notions of dignity and equality, envisioned in relation to the wider framework of women's rights. It is a process of gaining control over self, over resources and over existing societal perceptions and attitudes and would be achieved only when an improvement in the 'condition' of women is accompanied by an advancement in their 'position' by enlarging the economic, social and political freedoms and choices available to them. Empowerment of women is closely linked to the opportunities they have in education, health, employment and for political participation.

A critical review of efforts aimed at women's development, therefore, assumes relevance and urgency. Out of multi dimensional assessment of women development, this paper attempts single dimension. This paper tries to give a basic idea about the condition and status of women in terms of Indian economy.

Over the years, significant advancements have been made in India on many of these counts. Before going to elaborate women in Indian economy, let us have a quick view of the overall status of women in terms of various parameters. Data on literacy rates, enrolment and drop rates in primary education, life expectancy, infant mortality, maternal mortality rates, etc has shown a progressive trend. However, other parameters that reflect the status and position of women in society such as work participation rates, sex ratio in the age group of 0-6 years and gender based violence continue to be heavily skewed against women (Table 1). New challenges such as increased intra-country migration, changing labour markets requiring new skill sets and rapidly changing technology have also emerged.

TABLE 1: KEY INDICATORS ON WOMEN'S STATUS IN INDIA

Indicators	Male	Female
Maternal mortality ratio (per 100,000 live births) SRS 2009-10	213	213
Worker Population ratios (Per 1000)	819	336
Literacy Rate (%) Census 2011	82.14	65.46
Child Sex Ratio (0-6 years) Census 2011	1000	914
Sex Ratio Census 2011	1000	940
MPs in Lok Sabha (%)	89.18	10.82

Quick view of the overall status of women in terms of gender gap index prepared by World Economic Forum in 2012.

TABLE 2: GLOBAL GENDER GAP INDEX OF INDIA AND SRI LANKA (Out of 135 Countries)

Gender Gap sub-Indices	India		Sri Lanka	
	Rank	Score	Rank	Score
1. Economic Participation and Opportunity	123	0.4588	105	0.5596
2. Educational Attainment	121	0.8525	108	0.9946
3. Health and Survival	134	0.9612	1	0.9796
4. Political Empowerment	17	0.3343	22	0.3151
Overall Index	105	0.6442	39	0.7122

Source: World Economic Forum (2012) Global Gender gap Index -2012, p.10-11.

The above Table-2 clearly depicts the status of low level of attainment of women in the varied field of their attainment. Keeping aside the Political Empowerment, the other three indices is all above the rank of 100. The Political Empowerment ranks quite high may be due to the 73rd and 74th Constitution Amendments of India providing greater opportunity to women to take part in active politics. The Global Gender Gap Report by the World Economic Forum in 2009 ranked India 114th out of 134 countries for inequality between men and women in the economy, politics, health, and education. On equal economic opportunities and women's participation in the labour force, India ranked 127th and 122nd respectively.

REVIEW OF LITERATURE

Swami Vivekananda says, "There is no chance of the welfare of the world unless the condition of women is improved. It is not possible for a bird to fly on one wing." In India, women are devalued traditionally and the men are normative reified. According to Hindu mythology, the word "Ardhanarishvara" meaning "The Lord whose half is a woman". We must work all together and both needs each other to survive and flourish." Recently, the World Bank has made gender mainstreaming a priority in development assistance which identifies both gender equality and women empowerment as a major development objectives and means to promote growth, reduce poverty and support better governance. Amartya Sen in his speech in told in a panel on "Securing the Future We Want: Gender Equality, Economic Development, and Environmental Sustainability" alongside the 67th UN General Assembly that empowering women and girls with more choices and more freedoms is crucial to achieving a better future for all. He also added that Women agency and freedom are among the crucial means for enhancing development (Sen, 2012). Stromquist (1995) identifies two elements of empowerment both cognitive and psychological elements. It involves "women's understanding of their conditions of subordination and the causes of such conditions at both micro and macro levels of society. It involves understanding the self and the need to make choices that may go against cultural and social expectations".

This means that the whole process of women empowerment requires the ability and active involvement of women themselves as the agents of change rather than merely as its recipients. Gaining control over their own lives is not an easy task as long as we cannot wither away the enormous gender gap in the provision of educational opportunities, and in the labor market, with women considerably disadvantaged which we notice in most developing countries (Thirlwall, 2007). There is no substitute to women empowerment if we have to bring social equality in the country. If women are unhappy, individual homes, society and the nation will not prosper," said President PratibhaPatil (Patil, 2012).

Keeping in view the importance of women empowerment the National Commission for women was set up by an Act of Parliament in 1990 to safeguard the rights" of women. Again the 73rd and 74th Constitution Amendments of India provided greater opportunity to women to take part in active politics. The year 2001 was declared as the year of women's empowerment for enhancing their status. To achieve the goal, the government introduced different programmes, identified strategies, established different institutions and made various legal provisions. In spite of all these efforts and actions, women in India still lag behind the men. In order to create a sustainable world, we must begin to empower women and girls. Empowering women empowers her family and in turn her community which translates to a powerful force that can change the world in significantly positive ways. Also, bringing more equality to mankind balances the strengths and weaknesses of men and women to complement each other. If the world were run by men and women in unity, how awesome it would be! I understand that this is certainly important, but I believe there needs to be a broader focus on helping women achieves empowerment through all aspects of their lives.

OBJECTIVES OF THE STUDY

- (i) To analyze prospects and challenges against women in Indian economy.
- (ii) To highlights the status of women in India and to investigates various parameters being women in mainstream of different sectors of Indian economy.

RESEARCH METHODOLOGY

This study comprises both quantitative and qualitative analysis based on exploratory research. To highlight the objectives and result of the study concerned, data have been collected on all India basis by using statistical reports of government and private agencies. Secondary have been collected through annual reports and periodic rounds of the NSSO surveys like 61st, 64th, 66th and 68th, World Economic Forum (2012) and Economic Surveys, Government of India.

WOMEN IN THE ECONOMY

The participation of women in the workforce, the quality of work allotted to them and their contribution to the GDP are indicators of the extent of their being mainstreamed into the economy. On all these parameters women in India fare worse than men and the challenge is to bridge the inequality. After achieving unprecedented growth of over 9 per cent for three successive years between 2005-06 and 2007-08 and recovering swiftly from the global financial crisis of 2008-09, the Indian economy has been going through challenging times that culminated in lower than 5 per cent growth of GDP at factor cost at constant prices for two consecutive years, i.e. 2012-13 and 2013-14. Sub-5 per cent GDP growth for two years in succession was last witnessed a quarter of a century ago in 1986-87 and 1987-88. Persistent uncertainty in the global outlook, caused by the crisis in the Euro area and general slowdown in the global economy, compounded by domestic structural constraints and inflationary pressures, resulted in a protracted slowdown. The slowdown is broadly in sync with trends in other emerging economies, but relatively deeper.

India's growth declined from an average of 8.3 per cent per annum during 2004-05 to 2011-12 to an average of 4.6 per cent in 2012-13 and 2013-14. Average growth in the emerging markets and developing economies including China declined from 6.8 per cent to 4.9 per cent in this period (calendar-year basis). What is particularly worrisome is the slowdown in manufacturing growth that averaged 0.2 per cent per annum in 2012-13 and 2013-14.

The following table and figure illustrates the annual growth rate of India's gross domestic product from 2000-2001 to 2014-15.

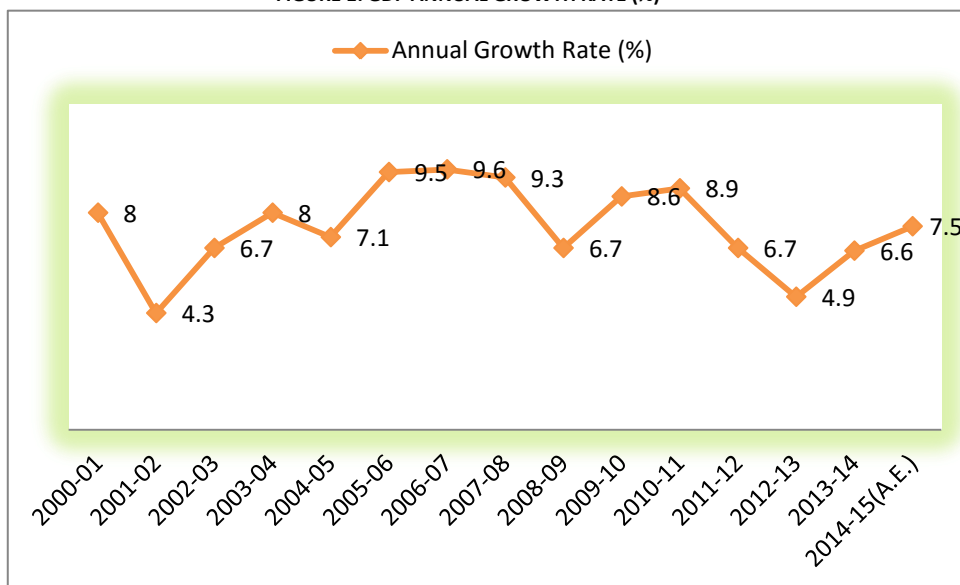
TABLE 3: GDP GROWTH (AT FACTOR COST) IN INDIA AT CONSTANT (2004-05) PRICES

Year	Annual Growth Rate(%)
2000-01	8.0
2001-02	4.3
2002-03	6.7
2003-04	8.0
2004-05	7.1
2005-06	9.5
2006-07	9.6
2007-08	9.3
2008-09	6.7
2009-10	8.6
2010-11	8.9
2011-12	6.7
2012-13	4.9
2013-14	6.6
2014-15(A.E.)	7.5

Source: Generated by the author from the ECONOMIC SURVEY 2014-15, Government of India, p.A-10.

Note: Data pertain to year 2012-13 to 2014-15 are based on New Series Estimates (2011-12 Series).

FIGURE 1: GDP ANNUAL GROWTH RATE (%)



Opening up of the economy and rapid economic growth have escalated some of the existing structural barriers faced by women and new challenges in the form of dismantling of traditional support structures, displacement due to migration, obsolescence of traditional skillsets have emerged. Data from the 66th round of the NSSO indicates that female work participation rate has decreased between 2004-05 to 2009-10. The share of women in usual status workers declined from 28.7% to 22.8%. In rural areas this has declined from 32.7% to 26.1% and in urban areas from 16.6% to 13.8%. The 68th round of the National Sample Survey Organization data (2011-12) shows a large decline in women's labor force participation rate (LFPR) in India falling from employment rates of 28.7% to 22.5% for the female population as a whole. This substantial decline is surprising given the fact that the economy has mostly grown rapidly during this period.

TABLE 4: GENDER PARTICIPATION IN THE LABOUR FORCE IN INDIA

INDICATORS	RURAL (%)			URBAN (%)			Total Persons
	Male	Female	Total	Male	Female	Total	
Labour Force Participation Rate	55.6	26.5	41.4	55.9	14.6	36.2	40.0
Work Participation Rate	54.7	26.1	40.8	54.3	13.8	35.0	39.2
Proportion Unemployed	0.9	0.4	0.7	1.6	0.8	1.2	0.8
Unemployment Rate	1.6	1.6	1.6	2.8	5.7	3.4	2.0

Source: NSSO 2009-10(Usual Status (principal status+ subsidiary status).

While the reasons for this would need to be looked into in greater detail and may partly be attributable to positive factors such as better retention in educational institutions, the decline in women's workforce participation rate is a matter for concern and would have implications for their overall economic empowerment.

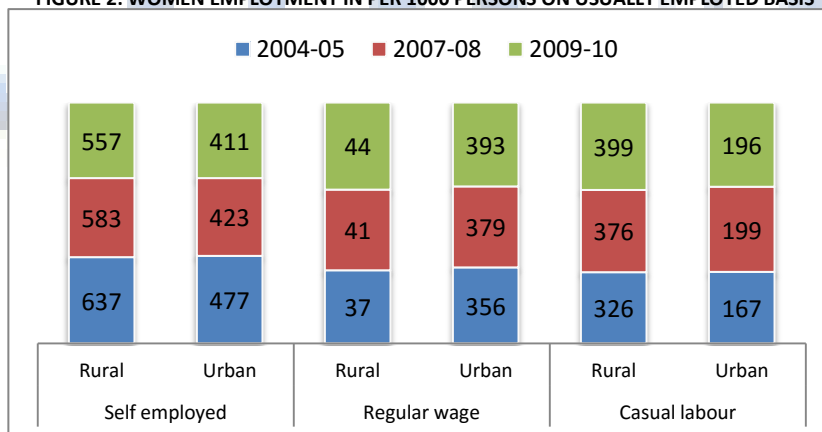
On the subject of the quality of work allotted to women and consequent remuneration, the major issue is that over 90 percent of women are in informal employment where they are poorly paid, have unsatisfactory conditions of work, do not enjoy the protection of labour laws, have no control on the terms and conditions of their employment and are subject to great insecurity of employment. This casualization of women's work increased with the downturn in the global economy. There is evidence to show that women in the unorganised sector suffered a decline in number of work days available, poorer payment for piece work, deterioration in employment status, conversion to casual or temporary status, etc. The sharp fall in household income levels also led to an increase in unpaid domestic work for women as well as increase in domestic violence.

TABLE 5: PER 1000 DISTRIBUTION OF USUALLY EMPLOYED (PRINCIPAL STATUS AND SUBSIDIARY STATUS) WOMEN IN INDIA

Sr.No.	Year	Self employed		Regular wage		Casual labour	
		Rural	Urban	Rural	Urban	Rural	Urban
1.	2004-05	637	477	37	356	326	167
2.	2007-08	583	423	41	379	376	199
3.	2009-10	557	411	44	393	399	196

Source: 61st, 64th and 66th rounds of NSSO Surveys.

FIGURE 2: WOMEN EMPLOYMENT IN PER 1000 PERSONS ON USUALLY EMPLOYED BASIS



The other issue is that the presence of women is predominantly in the agriculture sector and lower in the secondary sector (Table 6 and Figure 3). NSSO data for these secondary and tertiary sectors shows that only 13 per cent and 8 per cent respectively, of the rural women workers worked in these sectors. Going by the rate of change of the share of women in wage employment in the non-agricultural sector which was only about 2 percentage points over a period of 5 years from 2003-08 (M/o Statistics and Programme Implementation, "The India Country Report 2009, Millennium Development Goals"), it is projected that the share of women in wage employment can at best reach a level of about 24% by 2015. This slow opening of the labour markets in industry and service sectors to women affects the equal employment opportunity for women. The barriers to women's employment in these sectors need to be understood and addressed.

A little under four-fifths (about 79 per cent) of the rural women workers are employed in the agriculture sector, a sector that is marked by shortage of paid jobs, decelerating and differential wages on basis of gender and degradation of resources. It is estimated that about 60% of all agricultural operations are handled exclusively by women. Female hourly wage rates in agriculture vary from 50 to 75% of male rates, and are too low to overcome absolute poverty.

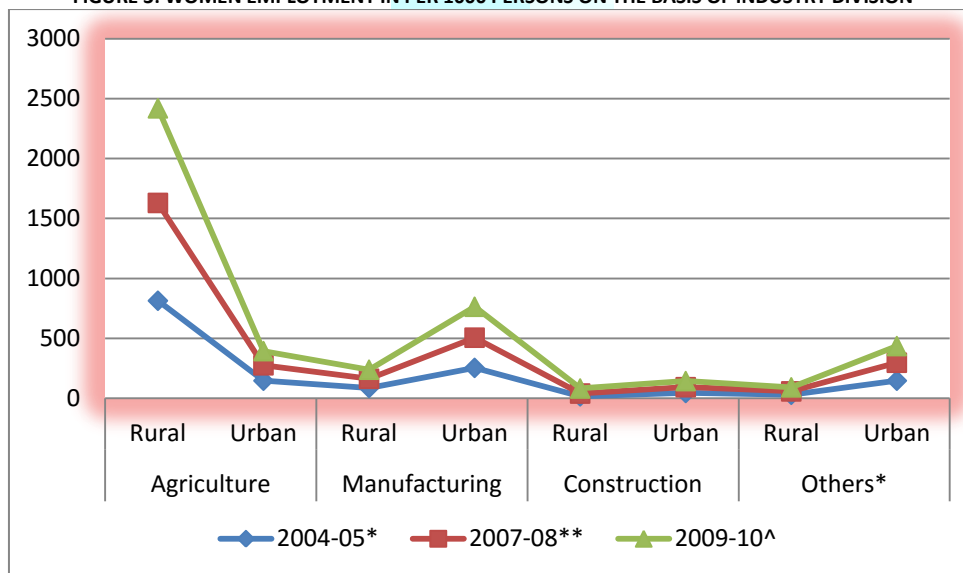
TABLE 6: DISTRIBUTION (PER 1000) OF USUALLY EMPLOYED WOMEN (PRINCIPAL STATUS) BY BROAD INDUSTRY DIVISION

Sr. No.	Year	Agriculture		Manufacturing		Construction		Others*	
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
1.	2004-05*	814	147	87	254	17	45	30	147
2.	2007-08**	816	129	76	252	23	48	28	150
3.	2009-10^	789	118	76	258	42	51	34	139

Source: * 61st, **64th and ^66th rounds of NSSO Surveys.

* Trade, hotel and restaurant, transport, storage and communications

FIGURE 3: WOMEN EMPLOYMENT IN PER 1000 PERSONS ON THE BASIS OF INDUSTRY DIVISION



The Census of 2011 estimates that 833 million people continue to live in rural India. A very large proportion of them are either wholly or significantly dependent on their livelihood on farm activity be it crop agriculture, horticulture, animal husbandry or fisheries. Women participation in favour related work, both in agriculture and in animal husbandry in framing policies/ schemes for the 12th five year plan, the special needs of women must be taken due care of. The Mahila Kisan Sahakari Pariyojana (MKSP) which is a sub-component of NRLM (National Rural Health Mission) was recently launched to meet the specific attention needs to be given to leverage the enormous potential of empowering rural women in the farm sector, and also in the rural non-farmer sector.

An ILO study (Women Workers in Agriculture: Expanding Responsibilities and Shrinking Opportunities, June 2010) indicates that 81% of women agriculture workers are from Scheduled Castes, Scheduled Tribes and other Backward Classes and 83% from landless, marginal or small farm households and that more than half the women workers in agriculture are employed as unpaid family workers. Thus, while economic development creates more jobs in the industrial and service sectors it is the men who move away and avail of these while the women who are left behind are compelled to become the prime agriculturists without the benefits of having the title to the land, the necessary resources and access to credit, seeds, fertilizers, extension services etc- required for enhancing production and household income. They may also have to cope with debts left behind by the men. Hence, a highly vulnerable group of women is being created and the challenge is to adopt a rights based approach to empower them. Taken together, the decrease in workforce participation rates, large presence in the unorganised sector and increasing stake in agriculture is leading to the feminization of poverty and low levels of asset building by women. This is recognized as an extremely "troubling" trend, resulting in "capabilities failure".

Civil Society Approach Inputs for the 12th Approach Paper- 12th Five Year Plan published by UNDP, focusing women labour has been surviving from feminization of poverty. With traditional occupations eroded and wiped out, women are now being forced to enter new markets, where labour was not enforced. Mushrooming of special Economic Zones and Free Trade Zones are live examples of what is happening to the labour market. This is the result of the neo-liberal policies that have only helped in widening the gap between the rich and the poor, with the poorest of the poor being women. Wage disparities should be removed. Proper implementation of wage act should be ensured. Minimum Wages Act as well as the Equal Remuneration Act must be implemented. In both of the informal and formal sector, women have faced discriminations in terms of wages. In the formal sector, the labour laws are not implemented. While in the formal sector, there is a glass ceiling that does not allow women in high level decision-making positions.

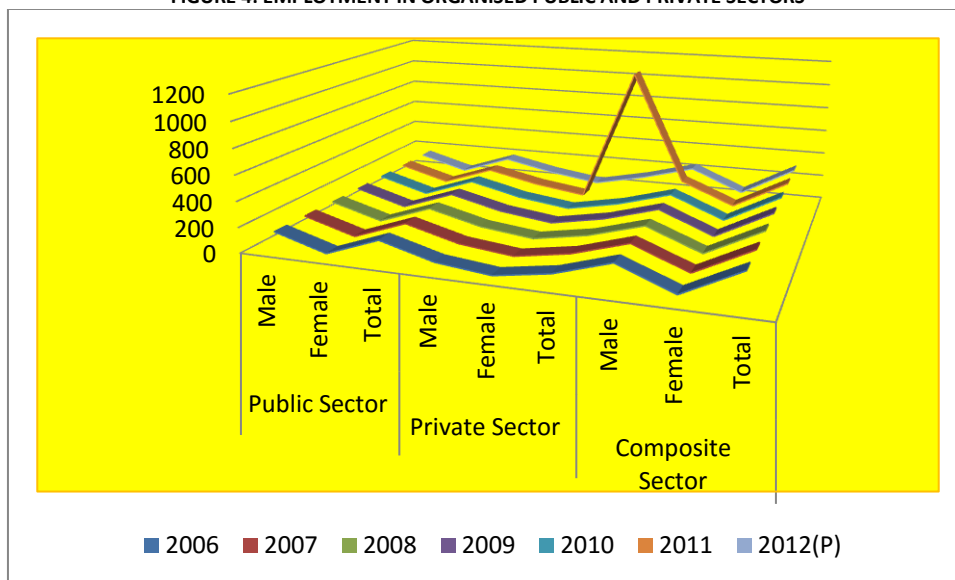
While we study the female employment in Indian organised sectors, it is obvious that in the year 2006, total 51.2 lakh women were employed out of them 30 lakh and 21.2 lakh were working in public sector and private sector respectively. In the year 2012, total female employment reached up to 60.5 lakh persons out of them share in public and private sectors were 31.52 lakh and 29.03 lakh respectively. Female employment is raised by 13.9% during the period from year 2007-2012 but in the same period male employment raised 5% only. In the aforesaid period, The absolute increase in the employment of male and female were 10.9 lakh and 6.4 lakh persons respectively (Table 7 and Figure 4).

TABLE 7: EMPLOYMENT IN ORGANISED SECTORS (PUBLIC AND PRIVATE) IN INDIA (Lakh persons as on March 31, 2012)

Year	Public Sector			Private Sector			Composite Sector		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
2006	151.9	30.0	181.9	66.9	31.2	88.1	218.7	51.2	269.9
2007	149.8	30.2	180.0	69.8	22.9	92.7	219.6	53.1	272.7
2008	146.34	30.4	176.74	74.03	24.72	98.75	220.4	55.1	275.5
2009	147.04	30.91	177.95	78.88	24.98	103.77	225.9	55.8	281.7
2010	146.66	31.96	178.62	81.83	26.63	108.46	228.5	58.6	287.1
2011	143.77	31.71	175.48	86.69	27.83	114.52	230.5	59.5	290.0
2012(P)	144.57	31.52	176.09	90.67	29.03	119.70	235.3	60.5	295.8

Source: Generated by the author from the ECONOMIC SURVEY 2014-15, Government of India, p.A-55.

FIGURE 4: EMPLOYMENT IN ORGANISED PUBLIC AND PRIVATE SECTORS



BARRIERS TO ECONOMIC PARTICIPATION OF INDIAN WOMEN

Women’s economic participation is hindered by low skills, capacities as well as lack of ownership and control over assets. One of the major concerns is the gender gap in educational level of the labour force. Whereas in 2004-05, 60% of the female employed was illiterate and 3.7% were graduates, these shares for the male labour force were about 28% and nearly 8%, respectively. Further, gender disparities are reported in Technical and Vocational Education and Training, with girls accounting for just 7% of enrolment at the secondary level and their courses concentrated in traditional areas such as nursing and sewing. In general, the benefits of vocational training are not immediately apparent. Some 60% of graduates from ITIs are still unemployed three years later, also because they do not derive benefits in entry to higher technical education courses. This needs to be addressed and institutions that have been set up to enhance skills for employability need to be made more sensitive to gender issues.

LAKE OF CLASSIFICATION TO ECONOMIC ACTIVITIES

Another issue of concern is that many activities in which women are engaged which are not taken into account in the workforce as well as GDP estimates. For example activities like processing of primary products (e.g. dehusking of paddy, preparation of jaggery, making of baskets and mats, preparation of cow dung cake, etc) undertaken mostly by women are not classified as economic activities in India. It is necessary that these activities be recognised and women in these activities be provided the necessary support mechanisms to improve their working conditions and productivity.

INDIAN WOMEN IN FINANCIAL INCLUSION

In addition to decent work and inclusion of women’s work in the economy, another area of concern is the financial inclusion of the marginalised, which is crucial for their integration into the economy. Women remain inadequately covered by the banking system as they own only 20.8 percent of the total deposit accounts in scheduled commercial banks and 11.3 percent of the total deposits. The situation is equally bad when one looks at the credit scenario. Women had access to only 19.8 percent of the small borrowing accounts of scheduled banks with an outstanding credit share of 16.8 percent (RBI, Basic Statistical Returns, 2010).

An important strategy of financial inclusion in India, particularly for women, has been Micro finance. The model encourages access of SHGs to banks both as a means of savings and providers of loan services. By the end of March 2010, 69.53 lakh SHGs had been covered under NABARD’s SHG-Bank linkage programme including those formed under SGSY. Of these 76 % are exclusively women SHGs, accounting for 72.5 % of the savings and 82% of the outstanding loans (NABARD, 2009- 2010). However, microfinance remains a minuscule proportion of total bank credit in the country. In 2010, outstanding loan to women’s SHGs constituted less than one per cent of the total outstanding credit from scheduled commercial banks. Further, the expansion has not been uniform across States with the Southern States having a much larger presence of the SHG movement in terms of absolute numbers of SHGs, the bank credit extended to them as well as the coverage of poor persons. Moreover, even as the country considers a Bill to regulate Micro-finance institutions, the micro-credit and SHG movement as the sole panacea for addressing poverty and women’s empowerment is increasingly coming under critical review.

The focus on credit provisioning for micro-enterprises has increased but the challenge in the micro credit movement is to reach out to the poorest and most vulnerable and marginalized populations like SC/STs, single women and other socially excluded communities. Many of these SHG groups have low levels of credit absorption, low skill base and low asset base, and find it hard to create economic enterprise. At the heart of the problem lies the need for appropriate institutional mechanisms to address illiteracy, lack of investment, poor credit worthiness, poor mobilization, and other structural exclusions. These will need to be addressed to realise the vision of financial inclusion.

As per the country’s policy on the Right to Livelihood, all human beings irrespective of gender must have equal opportunities to seek out economic opportunities. It is critical that during the 12th plan period women are enabled to exercise this right. Women should be able to access resources and livelihoods for survival and sustenance. But beyond this the economic power should help them acquire capabilities that enlarge their choices for satisfying and creative lives. This is critical as a growing body of evidence has shown that gender equality is good economics.

It is worth mentioning that before sixth five year plan, there was no provision for women’s cause. However, seventh and eighth plans emphasize on women’s development and women empowerment. But since the 11th five year plans, women are considered as a category of the notion of inclusive growth as it is

attached with the notion of inclusive democracy. We know that despite the half of the population, their voice was not counted in various decisions – making bodies. Democracy is based on the principle of equality. Planning should be made at abolishing poverty and jobs discrimination in terms of the eradication the discriminatory status of women in the various economic sectors. So, bringing Indian women in the mainstream is need of the hour. Ms. Lakshmi Puri, Assistant Secretary General of the United Nations and acting head of UN Women pointed that economic inequality and gender inequality are the stumbling block in the way of women's development India. She added that UN Women supported a right based approach to development.

CONCLUSION

It is concluded that, despite the major milestone taken by the country towards the achievement of women empowerment in Indian economy, the implementers still have a challenge to deal with the contemporary issues because even though they might appear minute but in the long run they can have a great negative influence on the attainment of women empowerment in Indian economy.

RECOMMENDATIONS

It is recommend that other scholars and interested parties should do a further research to establish other contemporary issues that arise as the implementation of women empowerment in Indian economic and other sectors are ongoing.

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TREND ANALYSIS OF IMPACTS OF CARGO PILFERAGE RISK ON POST CONCESSION CARGO THROUGHPUT PERFORMANCE OF NIGERIAN SEAPORT TERMINALS

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ABSTRACT

The aim of this study is to analyze the impact of cargo pilferage risk on post concession cargo throughput performance of seaport terminals in Nigeria. The simple regression analysis model was used to achieve this objective. Data on post concession cargo throughput performance and cargo pilferage in Nigeria seaport terminals from 2002 to 2012 were collected from the Nigerian ports authority (NPA) statistical reports. Hypothesis was set to test all the data collected using t-test. The test showed an acceptance of the null hypothesis with the conclusion that there is no significant impact of cargo pilferage risk on the cargo throughput performance of seaports in Nigeria in the post port concession era. Recommendation was made based on the research findings.

KEYWORDS

Analysis, cargo pilferage risk, post-concession, throughput, performance.

INTRODUCTION

Seaport infrastructures and terminal facilities play strategic facilitative role in the development, growth and sustenance of international seaborne trade. They sustain the domestic and global systems of logistics and supply chain network, by provision of materials management and cargo handling super structures, storage and warehousing facilities, and other logistical services, that enables seaborne cargo of heterogeneous kinds to be efficiently and cost effectively delivered to consignors.

Agim, (2014) observed that consignors, terminal operators, ship operators, and consignees of various cargo kinds handled by the port terminals faces risk of financial liability for loss of full container loads (FCL) or less than container loads (LCL) of such seaborne cargoes. Ndikom (2006) noted that cargo transiting via seaport terminals in Nigeria over the years faced various risks militating against the successful delivery of cargo without loss or damages to consignees. Okon, (2010) opined that such risks represent threats and hazardous conditions which endanger safety of cargo delivery and financial investment in cargo being handled in port terminals. Agim, (2014) stated that in both pre and post port reform eras, seaborne cargo transiting through Nigeria port terminals faced the risk of cargo pilferage, risk of damage during stevedoring and handling, risk of wrong delivery with all endangering the safety of financial investment in cargo.

Mars, (1994), defined cargo pilferage in seaport terminals as the Act of stealing cargo transiting through the seaport by dockworkers and or, other persons having access into the seaport terminals whether in large or in small quantities. Cargo pilferage/theft in Nigeria port terminals reached maximum in the pre-port reform era, proceeding the year 2001. Seaport terminals in that era observed Ndikom (2006), witnessed the prevalence of Wharf rats (Cargo thieves), who got so highly organized in the crime that cargo pilferage/theft developed into an organized crime involving both dockworkers, some management staff of terminal operators, other port stakeholders, and external individuals. This was supported by the views of Aipre-concession era in Nigeria was characterized by cases of insecurity of seaborne cargo transiting through the seaport terminals. Airahubor (2011), who posited that the attendant problem of discrete cargo theft and in some cases outright theft/flying of stuffed containers. The effect of this is the high cost of transiting cargo through Nigeria ports, as underwriters were made to charge higher premium on Nigerian bound consignments, following high risk of theft/pilferage and loss (Airahubor, 2011).

Failure to secure and provide safety for cargo in seaport terminals, indicates the failure of the port system, which consequently signals the breakdown of international trades logistics and supply chain systems flow, for continuity of investment, its sustenance, growth and development. This may cause shippers to loose their investment in cargo while port service delivery and performance will be derailed (Albert, 2014).

Albert (2014) opined that both seaports and inland ports in Nigeria have provision for large storage and warehousing facilities, transit shed, stacking areas, silos, tank farms, provided by both private and public stakeholders, to safely store and secure import and export cargo transiting through the ports. The extent to which the provision of these facilities has gone in curtailing cargo theft/pilferages and the relationship between the existence of these facilities and cargo theft/pilferage in Nigeria is uncertain. A major challenge facing the seaports, even in the post reform era of privatized seaport terminals remains cargo pilferage/theft (Ndikom, 2005).

LITERATURE REVIEW

The process of cargo delivery from seaport begins with vessel arrival in the allocated berth with the Cargo fully discharged onto the quay side from where it is moved to the transit shed, stacking area and or warehouse for temporary storage pending the conclusion of documentation formalities, duty assessment and payment, customs examination and government regulation agencies requirements (Ifezue, 1999).

Agim, (2014) reported that seaborne import cargo get exposed to the risk of pilferage/theft in the port from the point when it is discharged from the vessel onto the quay apron, up to the period it awaits in the transit shed, stacking area and warehouse (cargo dwell time), awaiting delivery by the consignee. Cargo theft/pilferage risk in seaports in Nigeria increases with increase in cargo dwell time (length of time/period between arrival of cargo in the seaport and its delivery by the consignee), and decreases with decrease in cargo dwell time (CDT) in the seaport (Agim, 2014). Shippers and freight forwarders can limit risk of

exposure of cargo to pilferage/theft by securing early clearance for their consignment as it arrives the port, and limiting cargo dwell time (CDT) in port by taking delivery of all cleared cargo to the destination (Fezue, 1999).

Agim (2014) noted that quicker and successful cargo clearing and delivery from seaport terminals in Nigeria to owner-consignees, suffer challenging setbacks which include; variation in interpretation of tariff by custom officers, wrong classification of cargo by inspection agents and freight forwarders culminating delays in cargo release, wrong cargo particulars, slow and inefficient documentation system, frequent labour dispute.

Harilars (1992) observed that the productivity of the seaport is usually affected by cargo theft challenges as seaports with prevalence of cargo pilferage problem tend to show less competitive ability than terminals with zeronized cargo pilferage challenges. Throughput performance of cargo pilferage prevalent port terminals may plummet, affecting negatively returns on investment in port terminal infrastructure. Statistics by Nigeria ports authority NPA (2012) showed a direct relationship between cargo throughput performance of Nigeria ports in the post concession era and volume of cargo pilfered in the terminals, as cargo throughput performance of the ports increase, cargo pilferage through the port terminals also increased in a similar manner over the period, until in the year 2007 while volume of pilfered cargo showed a sharp decline from the 2006 value, while cargo throughput performance of the port continued to rise (NPA, 2012).

A cargo safety and security assessment (CSSA) on cargo dwelling in, and transiting through seaport terminals is a necessity to unearth the risk factors that could subject cargo to pilferage/theft. Preventive action could thus be applied based on the CSSA to terminate anticipated pilferages.

OBJECTIVES

The main objective of the research is to assess the impact of cargo pilferage on the post-concession cargo throughput performance of seaport terminals in Nigeria. The specific objectives are:

1. To ascertain the quantitative relationship between cargo throughput performance of Nigeria seaports and cargo pilferage/theft in the port from 2002-2012.
2. To establish the trend of cargo pilferage/theft in Nigeria ports in the post concession era.

HYPOTHESIS

H_{0A}: There is no significant impact of cargo pilfered in seaport terminals on the cargo throughput performance of the ports over the period covered by the study.

METHODOLOGY

The research adopted an analytical method in which data was obtained on cargo throughput performance of Nigeria seaports and volume of cargo pilfered (VCP) in the port terminals in the post reform eras from 2002 to 2012. The above data on cargo throughput and volume of cargo pilfered (VCP) are denoted as Y_c and X_c respectively and analyzed using regression analysis with Y_c and X_c representing the dependent and independent variables respectively. T-test was used to test the hypothesis.

We assume linearity of relationship between the variables and propose that;

$$Y_c = a + BX_c + e$$

Where

Y = Cargo throughput

a = intercept

b = Coefficient

X_c = volume of pilfered cargo (VPC)

e = error term

DATA PRESENTATION

TABLE 1: CARGO THROUGHPUT AND VOLUME OF CARGO PILFERED IN NIGERIAN SEAPORTS FROM 2002-2012 IN METRIC TONES

S/No	Year	Cargo throughput Y _c	Volume of pilfered cargo X _c
1	2002	36,987, 241	6, 004
2	2003	39, 765, 945	6, 842
3	2004	40, 816, 947	8, 3741
4	2005	44, 952, 078	9, 322
5	2006	49, 173, 324	4, 151
6	2007	57, 473, 350	3, 322
7	2008	64, 372, 749	4, 596
8	2009	65, 775, 509	4, 596
9	2010	76, 744, 727	3, 093
10	2011	83, 461, 697	2, 111
11	2012	89, 506, 535	3, 013
Total		229, 523, 567	

Source: Nigeria Ports Authority statistical Reports, 2005, 2010, 2013 editions.

REGRESSION

DESCRIPTIVE STATISTICS

	Mean	Std. Deviation	N
Cargo Throughput	59002736.5455	18439210.08793	11
Cargo Pilfered	5107.3636	2378.86979	11

CORRELATIONS

	Cargo Throughput	Cargo Pilfered
Cargo Throughput	1.000	-.783
Pearson Correlation		
Cargo Pilfered	-.783	1.000
Cargo Throughput	.	.002
Sig. (1-tailed) Cargo Pilfered	.002	.
Cargo Throughput	11	11
N Cargo Pilfered	11	11

VARIABLES ENTERED/REMOVED^a

Model	Variables Entered	Variables Removed	Method
1	Cargo Pilfered ^b		Enter

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square	F Change	df 1	df 2	Sig. F Change
1	.783 ^a	.613	.570	12090977.46803	.613	14.257	1	9	.004

a. Predictors: (Constant), Cargo Pilfered

ANOVA^A

Model	Sum of squares	df	Mean Square	F	Sig.
1. Regression	2084319061475 343.000	1	2084319061475 343.000	14.257	.004 ^b
Residual	1315725625191 286.000	9	1461917361323 65.120		
Total	3400044686666 629.000	10			

a. Dependent variable: Cargo Throughput

b. Predictors: (Constant), Car go Pilfered

COEFFICIENTS^a

Model	Unstandardized		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1. (Constant)	89998919.094	8982037.096		10.020	.000
Cargo Pilfered	- 6068.920	1607.277	-.783	-3.776	.004

a. Dependent Variables: Cargo Throughput

DISCUSSION OF RESULT

The output of the result of the analysis showed the quantitative relationship and impact of cargo pilferage on post reform cargo throughput performance of Nigerian seaport as: $Y_c = 89998919.094 - 6068.920 X_c + e$

The average (mean) cargo throughput of the ports over the period is 59002736.55 tons with a standard deviation of 18439210.09, and the average (mean) quantity of cargo pilfered from the seaport terminals in each year over the same period covered by the study (2002-2012) is 5107.40 tons. The multiple R indicating the degree of association between post reform seaport performance measured by cargo throughput and volume of cargo pilfered (VCP) from the port terminals over the same period is 0.783 while the R square is 0.613. The R square result indicates that about 61.39% variation in cargo throughput of the seaports over the period covered by the study is explained by cargo pilfered from the port terminals.

The t-test showed a t-stat of -3.776 and t-critical of 1.81 at (n-1) degrees of freedom. Since t-stat is less than t-critical, i.e. $-3.776 < 1.31$, we accept the null hypothesis H_{0a} and conclude that there is no significant impact of cargo pilferage on the cargo throughput performance of seaports in Nigerian in the post port reform era. Figure 1 showed a decreasing trend in the volume of cargo pilfered in the seaports over the same period (2002-2012).

CONCLUSION

From the above analysis, a sharp and consistent decline from the year 2005 in VCP in the seaports is noted and an increasing cargo throughput performance from 2002. In conclusion, the result showed that there is no significant impact of cargo pilferage on cargo throughput performance of the ports in post reform era.

RECOMMENDATION

It is recommended that cargo safety and security assessment (CSSA) be conducted on cargo transiting through, and dwelling in the seaport from the point of their arrival, by terminal operators to unearth the risk factors that could increase pilferage risk, and eliminate it.

Policy framework must be developed to eliminate administrative bottlenecks on cargo clearing procedures by government agencies. This will limit or reduce cargo dwell time (CDT) in ports and limit risk of cargo exposure to pilferage.

Policy should be made to streamline the operation of multiple government agencies involved in cargo inspection. The multiplicity of such agencies must be discouraged by reducing the number of such agencies or at least, to ensure strict adherences to joint cargo examination (JCE) policy by all such agencies.

Lastly, terminal operators must be compelled by policy regulation to adequately fund cargo safety and security programs and schemes of the ports Authority, particularly the access control programme of the Nigeria ports Authority (NPA) in the implementation of the ISPS code, which seeks to deny non port users access into seaports. Cargo safety and security (CSS) must constitute a major component in maritime safety and security programmes and schemes of the seaports.

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CHANGING LANDSCAPE OF FINANCE IN INDIA DURING THE PAST DECADE

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ABSTRACT

Share market or exchange is a place where stocks and shares and other long term investments are bought and sold. It is a market where savers can buy and dispose of securities as and when they like. In capitalist economics joint stock companies issue stocks and bonds to raise capital. India.....in 2013 It is hard to imagine that India, a country which was in a fiscal debt of 7% of the GDP would be amongst the top ten countries in the world in terms of nominal GDP, when countries with fiscal deficit as low as 5% (like Argentina) had gone bankrupt. Indeed, India has come a long way-the growth rate of India is predicted to be 6.4% in 2013, as predicted by the United Nations (the highest amongst the Asia-Pacific nation) despite the current economic slowdowns that the world has been repeatedly suffering. The more or less escalating growth rate has brought in ample of investment. The first organized stock exchange in India started in Bombay towards the latter part of the 19th century. With both B.S.E and N.S.E., Mumbai leads the stock market operations in the country. The derivative market has become multi-trillion dollar markets over the years. Derivatives are financial commitments indexed or linked in some capacity to changes in the value of underlying assets. A very small volume of derivatives, compared to the total, is indexed to traditional commodities. Small by comparison to other derivatives markets, these commodities-indexed derivatives markets are large compared to the underlying physical commodity markets. By their very nature, the financial markets are marked by a very high degree of volatility. The development of the industries consequently led to the development of financial market in India. New vistas in the financial markets opened leading to the greater turnover. On the whole, the scenario has been positive and the development cumulative. In this paper we are presenting the recent trends in the capital market, money market and derivatives in India.

KEYWORDS

Share market, Derivative market, Derivatives, Capital market.

INTRODUCTION

India.....in 2013 It is hard to imagine that India, a country which was in a fiscal debt of 7% of the GDP would be amongst the top ten countries in the world in terms of nominal GDP, when countries with fiscal deficit as low as 5% (like Argentina) had gone bankrupt. Indeed, India has come a long way-the growth rate of India is predicted to be 6.4% in 2013, as predicted by the United Nations (the highest amongst the Asia-Pacific nation) despite the current economic slowdowns that the world has been repeatedly suffering. The more or less escalating growth rate has brought in ample of investment. With the recent advent of FDI in retail and aviation, and private sector openings in sectors like infrastructure and transportation, the trends in finance have greatly transformed in recent years. The development of the industries consequently led to the development of financial market in India. New vistas in the financial markets opened leading to the greater turnover. On the whole, the scenario has been positive and the development cumulative. Before we look into the trends in the different segments of the financial markets of the nation, let us study briefly about the financial market. In simple words, financial markets are the markets where financial instruments are traded or exchanged. This helps in determining the prices of the assets that are traded in and is also called the price discovery process. GDP Growth Rate, 6.3 0 2 4 6 8 10 12 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 AxisTitle GDP Growth Rate

INDIAN FINANCIAL MARKETS COMPRISES OF THE FOLLOWING

1. Capital Market/ Securities Market: Capital market is a market for long-term debt and equity shares. a. Primary Market b. Secondary Market
2. Money Market: Money market is a market for debt securities that pay off in the short term (usually less than one year).
3. Debt Market the instruments of Capital Markets include [1]:
 - a. Equity
 - b. Preference Shares
 - c. Debentures/Bonds
 - d. Derivatives

Further, we will discuss the trends that have been seen over the past decade in each of the above listed categories. According to RBI, money market is defined as, "Money market is centre for dealings, mainly of a short-term character, in monetary assets, and it meets the short – term requirements of the borrowers and provides liquidity or cash to lenders. It is the place where short term surplus investible funds at the disposal of the financial and other institutions and individuals are bid by borrowers, again comprising institutions and individuals and also by the govt."

MONEY MARKET IN INDIA

Money markets play a crucial role in managing the liquidity of the banks and the transmission of monetary policy. A developed, active and efficient interbank market enhances the efficiency of central bank's monetary policy, consequently transmitting its effectiveness into the economy. Thus, the development of the money market smoothen the progress of financial intermediation and boosts lending to economy, hence improving the country's economic and social welfare.

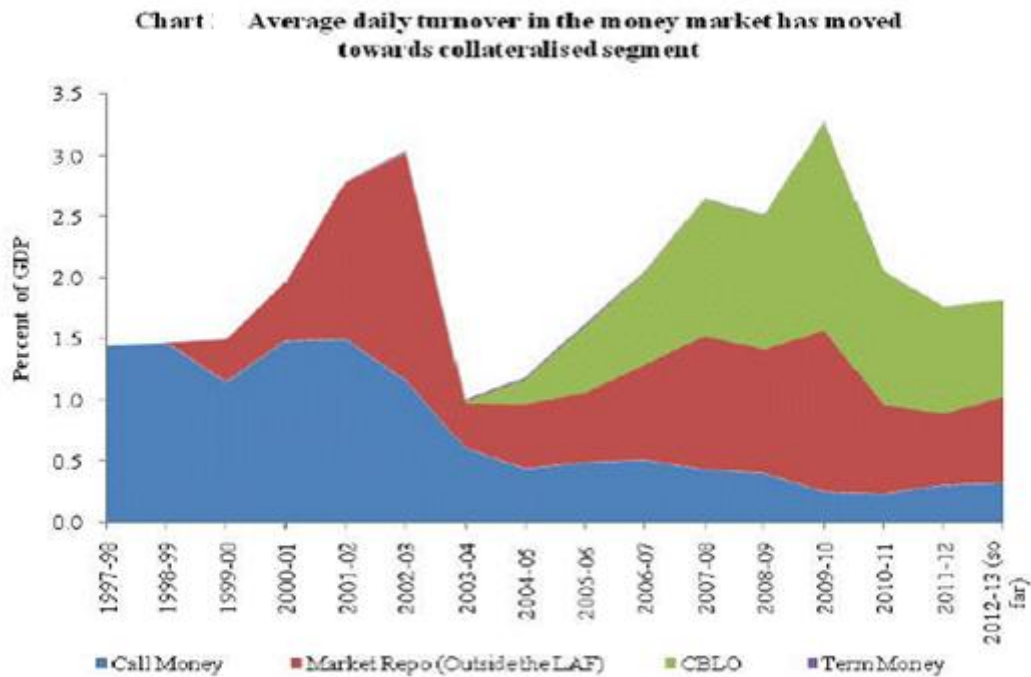
Money Market only came in its full form after the financial reforms in 1991, before which the money market constituted only of limited instruments. In 2000, RBI introduced a full-fledged liquid adjustment facility (LAF) which was operated by varying the fixed repo rate and the reverse repo rate, November 2004 onwards. The major transformation that came through this reform was that the interest rate was now an integral part of money transmission system. Efforts were also disbursed in transforming the call market into primarily an inter-bank market, whereas schemes were made to attract the other participants to the collateralized segments of the market. This helped in diversification and thus achieving overall market stability. So that the corporate banks and the non-banks did not suffer due to phasing out.

MAJOR DEVELOPMENTS IN MONEY MARKET SINCE THE 1990s

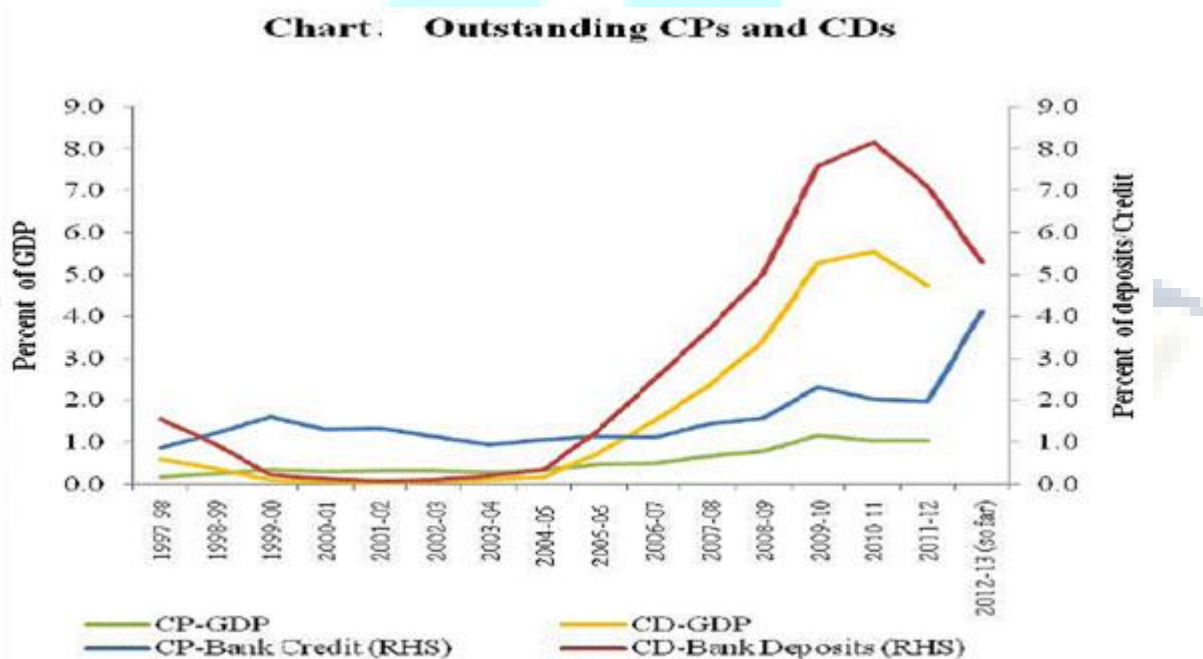
1. Abolition of ad hoc treasury bills in April 1997
2. Full fledged LAF in June 2000.
3. CBLO for corporate and non-bank participants introduced in 2003
4. Minimum maturity of CPs shortened by October 2004
5. Prudential limits on exposure of banks and PDs to call/notice market in April 2005
6. Maturity of CDs gradually shortened by April 2005
7. Transformation of call money market into a pure inter-bank market by August 2005
8. Widening of collateral base by making state government securities (SDLs) eligible for LAF operations since April 2007

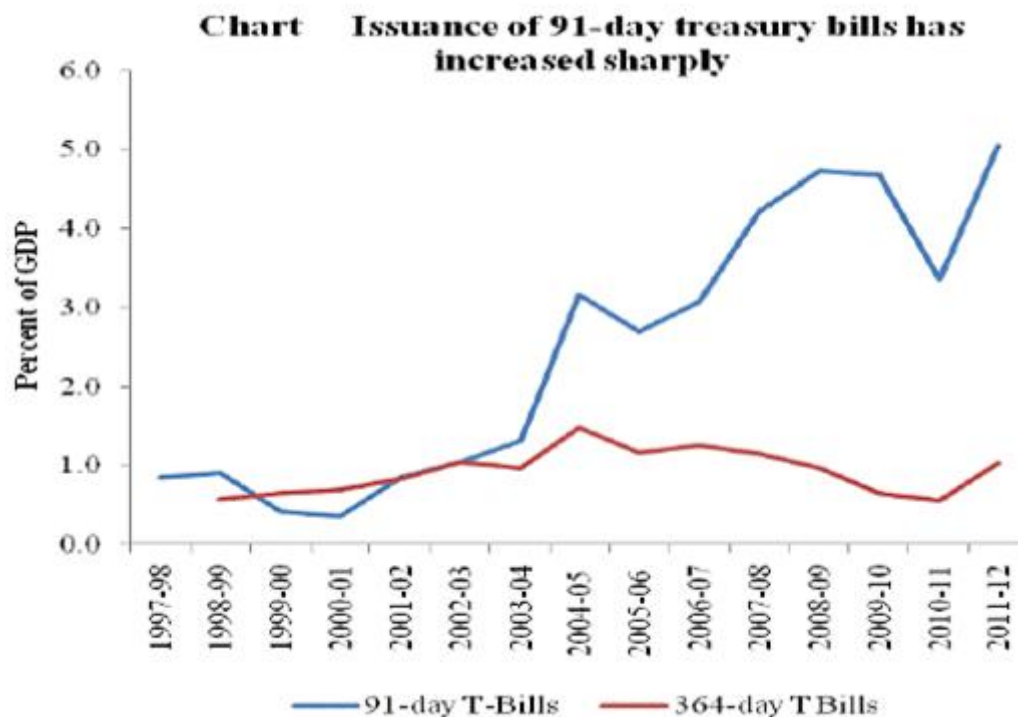
- 9. Operationalization of a screen-based negotiated system (NDS-CALL) for all dealings in the call/notice and the term money markets in September 2006. The reporting of all such transactions made compulsory through NDS-CALL in November 2012.
- 10. Repo in corporate bonds allowed in March 2010.
- 11. Operationalization of a reporting platform for secondary market transactions in CPs and CDs in July 2010.

From the call-market, other instruments such as market repos and CBLOs (Collateral Borrowing and Lending Obligations) were introduced. Further, the aim was to move towards a transparent and efficient system, therefore it was made mandatory that all the call money dealings are to be reported within fifteen minutes of the conclusion of the transaction through negotiated dealings systems (NDS). Furthermore, a screen-based negotiated quote-driven system for all dealings in the call/notice and the term money markets (NDS-CALL), developed by the Clearing Corporation of India Limited (CCIL), was operationalise in September 2006 to ensure better price discovery. While various instruments of dealings in the money market were introduced, the general trend that was observed was the growth of the collateralised market in comparison to the uncollateralised market. In the past decade, the daily turnover has decreased or has become stagnant whereas the turnover of market repos and CBLOs have increased manifold. After 2008, CP and CD have both shown a magnanimous increase. The following charts shed light on the shift towards the collateralised money market:



Average daily turnover in the money market has shifted towards the collateralised segment (Source: RBI) these charts show the increasing trends in both CPs and CDs and the T-Bills: Chart3: Growth in collateralized segments to sum it up, the following table shows the reforms money market underwent, beginning liberalization [3], [4]:





Recent Reforms in Money Market in India Some reforms that have not been mentioned above include the establishment of DFI, the Discount and Finance House of India which plays a major role in stabilizing the money market by imparting liquidity to it. Money Market Mutual Funds were also introduced in April 1992-this was another mode of generating short term revenue. Also the transactions are now more or less electronic, which lends more transparency to the system. Money Market has definitely shown a good growth in the past decade, however, experts think that there is a lot that can be done in this field, as the number of instruments are still less and the reach of the market is not much. Moreover, the absence of integration and the lack of organized banking system could also be worked upon.

After Independence capital market has shown a remarkable progress. The first organised stock exchange was established in India at Bombay in 1887. When the Securities Contracts (Regulation) Act 1956 was passed, only 7 Stock exchanges Viz. Mumbai, Ahmedabad, Kolkata, Chennai, Delhi, Hyderabad and Indore, received recognition. By end of March 2004, the number of stock exchanges increased to 23.

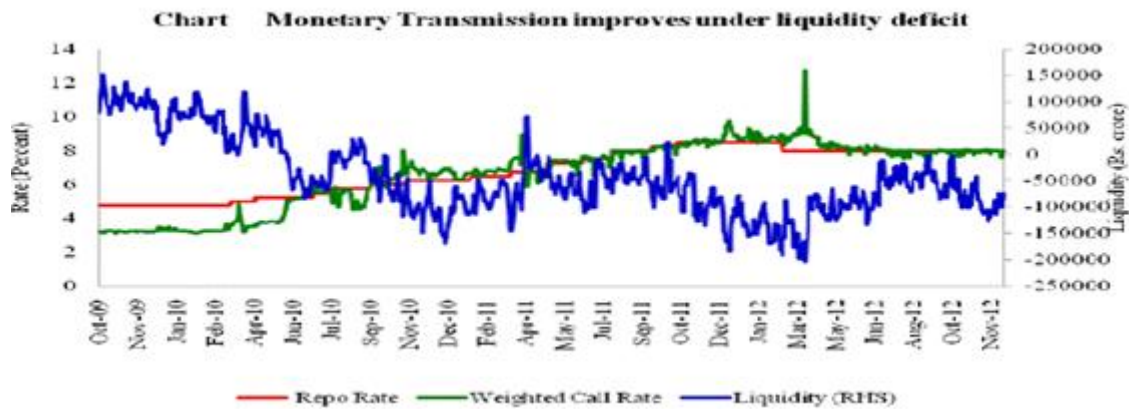
1) PRIMARY MARKET

After liberalization policy of 1991 and the abolition of capital issues control with effect from May 29, 1992, the primary market got a tremendous, boost. This can be seen from following points:

- a) **New Capital Issues by Private Sector:** - The number of new capital issues by private sector was only 364 in 1990-91 and the amount raised by them was Rs.4,312 crore. The number of new capital issues rose to 1,678 in 1994-95 and the amount raised by them was Rs. 26,418 crore. Since 1995 the capital market was sluggish and the resources raised fell to Rs. 10,409 crores in 1996-97. In 2003-04, the amount raised from new capital issues was only Rs.3, 210 crores. In 2004 it increased again to Rs.33,475 crore and in 2005 Rs.30,325 crore of resources were raised on this market. The primary issues of debt securities felt a low of around Rs. 66 crore in 2005.
- b) **Public Sector Bonds:** - The resources raised by issuing bonds by Public Sector undertakings rose from Rs.354 crores in 1985-86 to 7,491 crore in 2004-05.
- c) **Mutual Funds:** - In 1997-98, the total number of mutual funds in the country was 34. In 1997-98, the mutual funds were able to mobilize Rs.4, 064 crore. In 1999-2000 mutual funds mobilized a record of Rs.22, 117 crore. There was a massive resource mobilization of Rs.41,570 crore by private sector mutual funds in 2003-04, pushing up the total resource mobilization by all mutual funds to as high as Rs.47,873 crore. In 2004-05, resource mobilization once again declined to Rs.3, 015 crore.

2) SECONDARY MARKET

- a) **Industrial Securities Market:** - In 1991-92, there was a huge rise in the share prices. The RBI All India Index Number of Ordinary Share Prices rose to 1,485.4 in 1991-92 (base year 1980-81), showing a gain of 181.4%. In 1992-93 due to irregularities the Stock Market declined. The years 1993 and 1994 saw increased activity in stock market due to Better performance of companies, improvement in Balance of Payment position, increasing investment by Foreign Institutional investors etc. India enjoys 2nd.largest investor population in the world next to U.S.A.
- b) **Bombay Stock Exchange (BSE):-** The scrip movements in Bombay Stock Exchange reflected the same trend as the RBI index (BSE sensitive index with base 1978-79 = 100). Market capitalization of Bombay Stock Exchange was Rs.12, 01,207 crore in 2003-04. It rose to Rs.30, 66,076 crore in 2008-09.
- c) **National Stock Exchange (NSE):-** The NSE of India was set up in 1992 and started its operations in 1994. It provides facility for trading of equity investments, warrants, debentures, preference shares etc. The market capitalization of NSE reached to Rs.28, 96,194 crore in 2008-09.
- d) **Over The Counter Of Exchange Of India:** - It was set in August 1989 and started .operating since 1992.
- e) **Financial Intermediaries:** - Financial Intermediaries are the latest trend in Indian Capital Market. They have to play an important role in field of venture capital, credit rating etc. As we can conclude from the changes above, the Indian capital market today is at par with the other capital markets in the world. There are many new markets, players and instruments that have come into existence. The Indian securities market has developed and grown voluminously on several counts such as number of stock exchanges, intermediaries and institutional investors, the number of listed stocks, market capitalization, trading volumes and turnovers. All of this is presented in the chart given below:



THE MAJOR REFORM UNDERTAKEN IN CAPITAL MARKET OF INDIA INCLUDES

- Establishment of SEBI:** The Securities and Exchange Board of India (SEBI) was established in 1988. It got a legal status in 1992. SEBI was primarily set up to regulate the activities of the merchant banks, to control the operations of mutual funds, to work as a promoter of the stock exchange activities and to act as a regulatory authority of new issue activities of companies.
- Establishment of Creditors Rating Agencies:** Three creditors rating agencies viz. The Credit Rating Information Services of India Limited (CRISIL - 1988), the Investment Information and Credit Rating Agency of India Limited (ICRA - 1991) and Credit Analysis and Research Limited (CARE) were set up in order to assess the financial health of different financial institutions and agencies related to the stock market activities. It is a guide for the investors also in evaluating the risk of their investments.
- Increasing of Merchant Banking Activities:** Many Indian and foreign commercial banks have set up their merchant banking divisions in the last few years. These divisions provide financial services such as underwriting facilities, issue organizing, consultancy services, etc.
- Rising Electronic Transactions:** Due to technological development in the last few years. The physical transaction with more paper work is reduced. It saves money, time and energy of investors. Thus it has made investing safer and hassle free encouraging more people to join the capital market.
- Growing Mutual Fund Industry:** The growing of mutual funds in India has certainly helped the capital market to grow. Public sector banks, foreign banks, financial institutions and joint mutual funds between the Indian and foreign firms have launched many new funds. A big diversification in terms of schemes, maturity, etc. has taken place in mutual funds in India. It has given a wide choice for the common investors to enter the capital market.
- Growing Stock Exchanges:** The numbers of various Stock Exchanges in India are increasing. Initially the BSE was the main exchange, but now after the setting up of the NSE and the OTCEI, stock exchanges have spread across the country. Recently a new Inter-connected Stock Exchange of India has joined the existing stock exchanges.
- Investor's Protection:** Under the purview of the SEBI the Central Government of India has set up the Investors Education and Protection Fund (IEPF) in 2001. It works in educating and guiding investors. It tries to protect the interest of the small investors from frauds and malpractices in the capital market.
- Growth of Derivative Transactions:** Since June 2000, the NSE has introduced the derivatives trading in the equities. In November 2001 it also introduced the future and options transactions. These innovative products have given variety for the investment leading to the expansion of the capital market.
- Commodity Trading:** Along with the trading of ordinary securities, the trading in commodities is also recently encouraged. The Multi Commodity Exchange (MCX) is set up. The volume of such transactions is growing at a splendid rate. These reforms have resulted into the tremendous growth of Indian capital market.

TRENDS IN THE STOCK MARKET

Indian financial market has seen an extraordinary volatility in the last few years. Since year 2002, Indian market has grown from a much volatile conditions to growth phenomena, from a SENSEX point of 5500 in December 2003 to 13,787 in December 2006 and crossed the mark of 20,000 in the year 2007. Due to various reasons the stock market has also experienced drastic decline to even less than 8,000 points in 2008. It is not because of only the domestic market but also the international investors. There are many other variables which contribute to the positive growth of the stock market. FII's investment is considered to be one of the biggest push after the economic fundamentals. There is no doubt that the liberalisation of the FII flows into the Indian Capital Market since 1993 has had a considerable impact on Indian stock market.

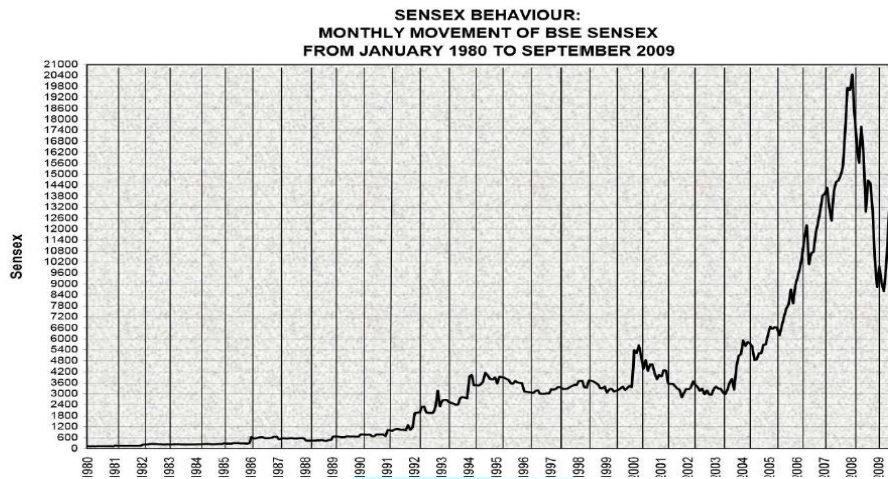
RECENT TRENDS IN STOCK MARKET

- 1) Listing of securities in foreign markets allowed.
- 2) Online trading system is established.
- 3) Trading system is changed from outcry system to onscreen based system.
- 4) Derivative trading started.
- 5) Dematerialization of shares allowed. Depositories Limited started.
- 6) Foreign institutional investment in securities permitted.
- 7) Companies are allowed to buy back their shares.
- 8) Emergence of Credit Rating Agencies.

The capital market edifice, covering both primary and secondary segments is today vastly superior to the one that obtained till early 1990's. Yet the progress has been uneven. The secondary market has shown greater resilience and absorbed technology to the extent that it can now be compared to the best stock exchange systems in the world. The new issues market or the primary market on the other hand has languished. Far-reaching changes in the primary market procedures are likely if the first report of the Securities Market Infrastructure Leveraging Expert Task Force (SMILE, Sept. 2004) is implemented.

- 9) Indian companies are allowed to raise capital from abroad.
- 10) Foreign companies are allowed to raise capital from Indian market.

The following graph sheds some light on the SENSEX performance in the last decade: Graph: Trend of SENSEX from 2000-2013.

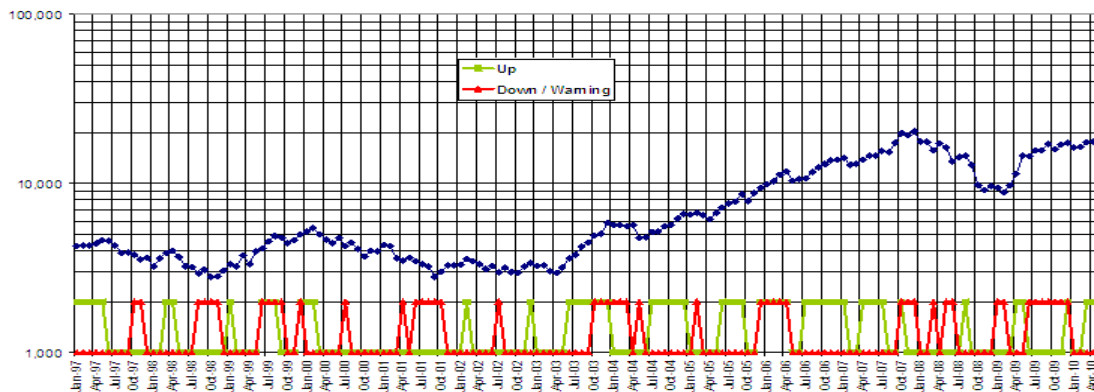


Source: Yahoo Finance

From the above graph, we can decipher four basic features of “market performance” since liberalization. The first is that, liberalisation, which changed the rules of the game in stock markets, replaced the Controller of Capital Issues with the Securities and Exchange Board of India, and allowed Foreign Institutional Investors (FIIs) to invest in India’s equity markets, did substantially increase market activity. The Sensex, which was well below the 1000 mark in 1990, moved up to 4000 by the first quarter of 1992 and remained (despite fluctuations) in the 3000 to 4000 range through most of the period till 2003. This was the decade when the Indian stock market had reportedly “arrived”. The second feature is that a remarkable boom began in 2003, which took the Sensex from 3100 in March 2003 to a closing peak of close to 20700 at the beginning of April 2008. That remarkable run was cut off and reversed only by the onset of the global financial crisis, which

Saw the Sensex slump to around 8200 by early March 2009. Third, we observe a smart recovery after March 2009 with the Sensex crossing the 15000 mark in June 2009. After that, the Sensex almost never fell significantly and in fact climbed to a new peak of close to 20900 in November 2010. Finally, after this recovery and despite the recent difficulties in the global economy and India, the Sensex has never fallen below 15000, let alone even approach its post crisis trough of 8000-plus. In sum, notwithstanding the poor real economy trends, the Sensex has fluctuated in the 15000-20000 bands since June 2009, as brought out more clearly by Graph 2. Graph 2: Recent Trends in the SENSEX (Source: BSE)

BSE SENSEX Trend Trading History Chart (StockTrendInvesting.com)



Overall, as we can ourselves infer from the graph, the SENSEX have come a long way. With lot many investors, companies listed on the stock exchange and of course the growing economy, Indian stock market has become one of the most new exciting place to invest in.

TRENDS IN THE DERIVATIVE MARKET

The term derivatives refer to a broad class of financial instruments which mainly include options and futures. The value of derivatives depends on the underlying asset; they have no independent value of their own. Section 2(ac) of Securities Contract Regulation Act (SCRA) 1956 defines Derivative as: a) “a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; b) “a contract which derives its value from the prices, or index of prices, of underlying securities”. Derivatives trading are comparatively new to the Indian financial market, having had its debut in June 2000 after the Securities and Exchange Board of India (SEBI) granted the final approval in May 2001. Since then, equity derivatives market in India has registered an explosive growth-both in terms of volume and traded contracts. The turnover of derivatives on NSE (which accounts for 99% of trading in the derivatives market) has shown a magnanimous increase- from Rs. 23,654 million in 2000-01 to Rs.157, 585,925 million in the first half of 2011-12. A comparison of the derivatives market over the last few years, among various countries gives rise to an interesting pattern. The exchange of the developed economies have shown robust growth, at the same time Indian market have emerged as the forth strongly along with the markets in US, Japan and Korea. Total Derivative Turnover since Inception.

Top 5 Exchanges (by no. of Stock Index Options Contract traded)			
EXCHANGE	No. of contracts traded in 2008	No. of contracts traded in 2003	% Change
Korea Exchange	2,011,059,741	3	-
Chicago Board Option Exchange	435,860,762	110822096	293.30

The following table gives a brief upon the total derivative contracts and turnover since the inception of the derivative market. Table 4.2.1: Turnover of Derivatives since 2000

Period	NSE (Rs. In crores)
2001-02	101,925
2002-03	439,865
2003-04	2,130,447
2004-05	2,547,053
2005-06	4,824,245
2006-07	7,356,271
2007-08	13,090,478
2008-09	13,120,567
2009-10	23,092,197
2010-11	29,305,421
2011-12	31,356,878

Generally, worldwide, options have been the preferred mode of trading in derivatives. However in India, futures were the preferred mode. The growth of index options at NSE in terms of turnover has been from Rs.37.65 billion in 2000-01 to Rs. 80, 279.64 billion in 2009-10. As of March 2010, there were 190 stocks options available for trading at NSE.

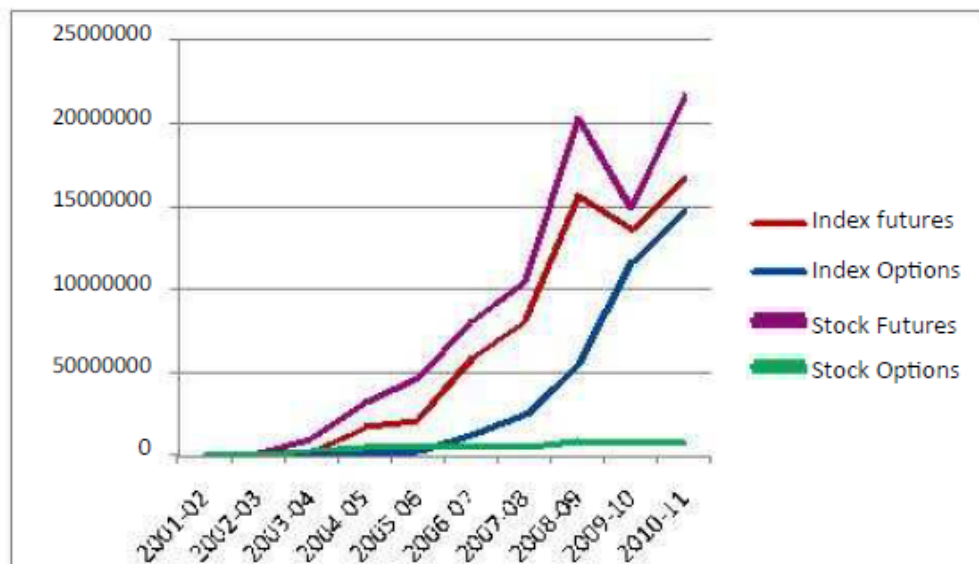
WORLD

The table below shows the volume of contracts of F&O traded in the NSE during the period 2001-2011.

Period	Index futures	Index Options	Stock Futures	Stock Options
2001-02	90580	0	0	0
2002-03	1025588	175900	1957856	1037529
2003-04	2126763	442241	10676843	3523062
2004-05	17191668	1732414	32368892	5583071
2005-06	21635449	3293558	47043062	5045112
2006-07	58537886	12935116	80905493	5243801
2007-08	81482474	25157438	104955401	5845391
2008-09	156598579	55366038	203587952	9478653
2009-10	136476747	116790708	149159997	7826231
2010-11	167560480	147156292	217839109	8374067

Source: NSE

Graph showing the volume of contracts of F&O traded in NSE during the period 2001-2011.



CONCLUSION

1. Investors are gradually becoming more market-savvy. They are now more in touch with the market and its trends.
2. Information and Communication Technology has revolutionized the derivative market.
3. Electronic Trading is replacing the pit-trading all over the world at an increasing rate.
4. The need for better cooperation/coordination among regulators is increasing to understand the cross border movements of funds of ambiguous origin and purpose.
5. Emergence of MNC/supranational financial institutions has brought about financial integration. From above, we can therefore conclude that India is one of the most successful developing countries in terms of a vibrant market for exchange-traded derivatives. This reiterates the strengths of the modern development in India's securities markets, which are based on nationwide market access, anonymous electronic trading, and a predominant retail market. There is an increasing sense that the equity derivatives market plays a major role in shaping price discovery.

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IMPACT OF CELEBRITY ENDORSEMENT ON CONSUMER BEHAVIOUR

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ABSTRACT

Advertising is important but is it really necessary to pay high celebrity endorsements??? Launching a new product in the market and encouraging customers to use the new product or use the services is done by advertising, so advertising is imperative. The aims of the companies make the advertisement the turning point in the product life cycle. People do not go to shopping every day; they don't keep changing their usual product which they have been using for years. For example, think of family which has no information about "All Out mosquito repellent", and is still stuck with "the Mortein Coil", how would they know about new and many times more effective new product than the traditional mosquito coils? Here, advertising plays a pivotal role in changing the lifestyle. But, is it really required for a celeb, let's say Aamir Khan, to come on the media and convince us to switch from coils to electric mosquito repellents? Recently in a report by times magazine, Rajnikant charged 250cr for various advertisements, in the race of establishing brand loyalty, the companies pay hefty about in the name of celebrity endorsement, which ultimately raises the price of the product to many folds, and thus raising the price of the product which could have been priced at much lower rate. But do these gimmicks really pay off? There are many good and successful examples of trusted brands which are against celebrity endorsements and are quite successful in India and abroad.

KEYWORDS

advertising, celebrity endorsement, product life cycle.

INTRODUCTION

Advertisement is a remunerated structure of non-personal demonstration or exaltation of goods, services or ideas by advertising is a paid form of non-personal presentation or promotion of ideas, goods or services by a recognizable sponsor with a prospect to distribute information regarding a product, idea or service. The information which is conferred or advertises is called advertisement. In today's modern time there is barely any business activity relating to marketing which does not support advertisement of its services or newly launch or existing products. The form of this advertisement differs according to the geographical aspects, business to business or services to services. Whenever a new product or service or anything which can be sold in today's time is launched, the dilemma of making it public haunts the owner of the product or the idea. It is to be projected in such a manner that it must have a mass appeal in the first go, so that people may easily relate themselves to the newly launched product or to any idea or information which is to be promoted or advertised.

This is one of the remarkable aspects of the exaltation mix. Substantially advertising means spreading of information about the features and the nature of the product to the potential customers with the prime objective in the back of the mind to sell the services or products. The core objectives of advertising are:

- To create base for the new product in the market
- Create demand in public for the new product
- To build a brand image and brand loyalty to face and beat the competition.
- Create or enhance goodwill to increase the market receptiveness of the company's product and helps them to win the customers easily.
- Inform the customers about the changes in prices, channels of distribution, quality improvement, size, weight, brand, packing, etc.
- Build new image for company's product to neutralise competitor's advertising.
- Barring new entrants by building image through long advertisements

Therefore it is summarised that the prime aim of advertising is to profit the producer, and educate the customers about the pros and cons of the product and aid the salesman.

Advertising is performed to promote the sales of business. It is a remunerated arrangement of publicity and it is non personal. They are guided towards the mass audience and not specifically towards the individual. Advertising is a way or better call it a technique to keep the consumers abreast the new products or services that are available in the market at their disposition. It's a mean to spread knowledge about products or services that may be of some usage to the potential buyers. Advertising is one of the essential thing in our society present today, like an old slogan it says 'Advertising your right to choose'. The prime aim is to sell, as many people believe. Advertising do suffer fierce opposition from people who wants to prove by any unethical means that advertising is only selling. This is not the case as advertising do helps business to prosper and helps to boom the economy as well as makes the consumer of the products or services aware of the goods and the bads of it, also they have various choices available at their disposal, from which they can exactly choose as per their needs. Advertising is productive in variant ways as it educates consumers, who can then utilise this knowledge to make choices wisely as per the guidelines. With the assistance of advertising, consumers can easily buy required products without any delay. This in turns gives boost the sales of commodities, raises the increases the effectiveness of labour engaged in labour in circulation, and reduces the price of selling. It is a widely acclaimed reality that in the absence of market encouragement of heavy advertising, consumers may have to wait for many years for the verification and authentication that took place in less than 10 years- it took many years for people to realise that they can actually use toothpaste to brush their teeth even after the availability in the market. These words are more than enough to affirm the capability of advertising in modern marketing scheme.

ESSENTIAL BENEFITS OF ADVERTISING

BENEFITS TO MANUFACTURERS: It boost the capacity of sales by developing attention towards the product, it also helps smooth launch of new products or ideas into the markets by the same maker. Producer gets a new image along with the products It helps to create an image and reputation not only of the products but also of and also its reputation is consolidated with the help of advertisement. Retail price, maintenance is also possible by advertising where price appeal is the promotional strategy. A direct link is established between the consumers and the makers. Due to heavy availability the demand of the product is equalise. Advertising is essential to beat the struggle in the market and for the survival of the product. Periodic variations of the product are saved as the

advertising gives opportunities of new products and new usage of the product. As the products are advertised, self-esteem of the employees rises and in turns the services.

BENEFITS TO WHOLESSELLERS AND RETAILERS: Consumers are well aware of quality of the product, these results in easy sale of the products. Advertisement creates demands as a result of which the rate of consumption increase and hence the turn-over of the stock grows. It aids the salesmen in selling activities. It equips them with through product information and thus, makes sure more and more efficient selling by reducing cost of continue operations. The wholesalers and retailers benefits from the reputation of the product which they share equally of a heavy advertised product

BENEFITS TO CONSUMERS: The sole aim of advertising is to emphasis on quality and not on the cost of product. There are hardly any advertisements which openly say the price of the newly launched or already existing product, until and unless it is very economical and are appealing to the mass due to its very low cost. Advertising aids the manufacturing unit to lower the cost of the product due to tremendous pressure built by the advertisement of the already existing product of a different; this enables the seller to sell the product at lower cost. Further large scale production assumed by advertising enables the seller to sell product at a lower cost. Advertising aids in removing the middlemen by securing a direct link between the consumers and producers, thus resulting in economical goods. Consumers have the option of choosing products from wide range available products of different products; this enables them to shop in lesser time. They can also compare form wide variety of new products.

BENEFITS TO SALESMAN: Salesmanship is inadequate without advertising. Advertising provides as the precursor of a salesman in the dispersion of goods. Advertisement aids the sales in following ways:

Launching of the product becomes convenient and very easy as the maker has advertised about the product, thus the consumer is already informed in advance, and that makes the sale obvious. As the salesman gets the required platform to start his work efficiently becomes very smooth. Advertising sets up a lasting contact with the customer by the salesman, as the customer is already educated about the quality and the cost of product through the help advertisement. When the salesman makes direct contact with the customer he can give the references of the advertisement of the product.

BENEFITS TO COMMUNITY OR SOCIETY: Advertising generates employment as the mass production required to meet the demands of the consumer leads to number vacancy swell in size. Advertising is informative and educative in nature. As said by the late President Roosevelt of USA "Advertising brings to the greatest number of people actual knowledge concerning useful things: it is essentially a form of education and the progress of civilization depends on education." Advertising helped important inventions to reach the mass, inventions such as radios, automobiles, various gadgets and household appliances were put to use because of their advertisements only. Advertisements creates more and more healthy competitions which is ultimately good for the consumers as well as the makers, as every manufacturer wants to improve the quality and reduce the cost of the product in order to increase the mass popularity and thus the sales. Cost of the newspapers has been reduced and the recognition due to the advertisements that are daily printed on them.

OBJECTIVES OF THE STUDY

- To understand the concept of advertisement and its importance.
- To understand the concept of celebrity endorsement.
- To know about the impact of celebrity endorsement on consumer behaviour.

RESEARCH METHODOLOGY

The study is based on secondary data and the information has been collected through the internet and newspapers.

CELEBRITY ENDORSEMENT ADVERTISING

A celebrity is famous person who uses his popularity and attention to publicize a product or service. Mainly, a celeb is someone who gets a considerable amount of media attention and uses that in his favour to promote a product of a particular brand. As the celebrity is watched and their lifestyles copied by mass, it becomes a plus point to hire them for endorsing. If a beauty queen endorses soap then there are chances it may be used by many young girls who dream about becoming one like her. A cricketer endorsing for a health drink will definitely catch eyes of budding cricketers who adore them, thus the sale will automatically rise. According to **Friedman & Friedman**, a "*celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed.*" So, in the Coco-Cola ad; actor Aamir Khan is the celebrity endorser for the brand called Coke and this technique is referred to as Celebrity Endorsement.

BENEFITS OF USING CELEBRITY ENDORSEMENTS

Endorsement has become a common tool for manufacturers to advertise their products or services now because of the trust and credibility. Celebrities are known for their sporting attainment, presence, creation or other talents. Advertisers accordingly use this to retail their products that claim to have a particular effect. For cosmetics companies, nothing works better than getting a gorgeous celebrity to endorse a product. Many anti-aging product ads feature famous models or actresses (like Kajol in Olay anti-aging cream ad) who are in their forties, and their skin looks to be twenty years old. This is great advertisement, because it appeals to so many women.

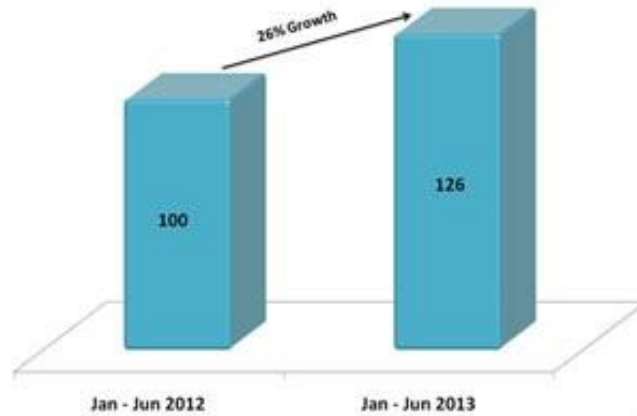
SOME FACTS ABOUT CELEBRITY ENDORSEMENT DURING JANUARY-JUNE 2013

- Celebrity Endorsement alleged 26% growth in Jan - Jun 2013 in comparison with Jan - Jun 2012
- Katrina Kaif ranked number 1 Celebrity Endorser during Jan - Jun 2013
- Aerated Soft drink is the top Product Category with 8% share of Celebrity Endorsement Ad Volume
- Hindustan Unilever Ltd is the top advertisers in terms of Celebrity Endorsement during Jan - Jun 2013

NOTE:

This analysis is based on the Ad volume during commercial time i.e. Duration in seconds & does not include any promotional appearances/activities. Base for the analysis is Celebrities (Actor/Actress) from Hindi Movies & TV Industry and Sports personality considered.

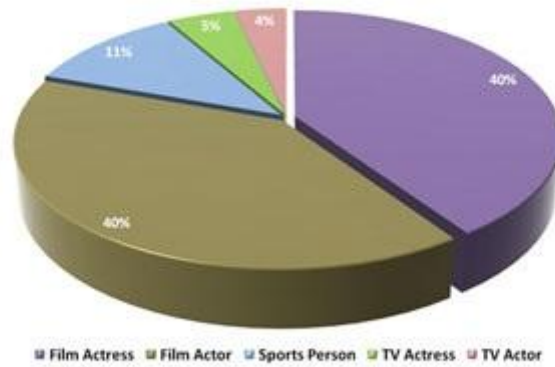
**Growth of Celebrity Endorsement Advertising
(Jan – Jun 2013 Vs. 2012)**



Source : AdEx India, a division of TAM Media Research
Note : The analysis is based on Ad Volumes and presented it in Index Numbers

Celebrity Endorsement ad volume witnessed growth by 26% in Jan - Jun 2013 in comparison with Jan - Jun 2012.

**Share % of Celebrity Endorsement as per Profession
(Jan – Jun 2013)**



Source : AdEx India, a division of TAM Media Research
Note : The analysis is based on Ad Volumes and presented it in Index Numbers

- Film Actresses and Actors both captured 80% of Celebrity Advertising in terms of Ad Volume in Jan - Jun 2013
- Sports Celebrities, TV Actors and Actresses captures remaining 20% of share in Celebrity Endorsement Ad Volume during Jan - Jun 2013

**Top 10 Celebrities Endorsing Brands
(Jan – Jun 2013)**

Rank	Celebrities	Share %
1	Katrina Kaif	6.71
2	Shahrukh Khan	6.67
3	Salman Khan	5.2
4	Aamir Khan	5.0
5	Kareena Kapoor	3.8
6	Saif Ali Khan	3.5
7	Virat Kohli	3.2
8	M S Dhoni	3.1
9	Amitabh Bachchan	3.0
10	Kajol	2.9

Source : AdEx India, a division of TAM Media Research
Note : The analysis is based on Ad Volumes and presented it in Index Numbers

- Katrina Kaif ranked number 1 celebrity with 6.71% share followed by Shahrukh Khan with 6.67% share
- The top 10 celebrity list is dominated by Male celebrities which is mix of 5 Film Actors and 2 Sports Personalities
- 3 Film Actresses, Katrina Kaif, Kareena Kapoor and Kajol contributed to more than 13% share of Celebrity Endorsement during Jan - Jun 2013

Top 10 Product Categories using Celebrity Endorsement (Jan – Jun 2013)

Rank	Product Categories	Share %
1	Aerated Soft Drink	8
2	Toilet Soaps	6
3	Social Advertisements	6
4	Non Aerated Soft Drink	4
5	Perfumes/deodorant	4
6	Shampoos	3
7	Hair Oils	3
8	Tooth Pastes	2
9	Scourers	2
10	Milk Beverages	2

Source : AdEx India, a division of TAM Media Research
Note : The analysis is based on Ad Volumes and presented it in Index Numbers

- Aerated Soft Drink is the top ranking category that used Celebrity Endorsement extensively with 8.4% share during Jan - Jun 2013
- Top 10 Product categories contributed to 41% share of Celebrity Endorsement during Jan - Jun 2013

THE NEED FOR CELEBRITY ENDORSEMENT

The fog of the celebrities almost always persuades and their words are blindly followed and worshipped by their fans. They are also invited for actors turned politician like Govinda for Congress, HemaMalini for BJP and Jaya Bachchan for Sa-Pa .Most of the time these gimmicks pays off and compel buyers to go for the products which are endorse by them. When actor Shahrukh Khan endorses Santro-Zip drive; the consumers are made to think that he is vouching to get this car. In similar fashion, our beloved Rani Mukherjee has swapped for Bata's ladies footwear brand called "Sundrop" as sales increased by a staggering 500%.There is a psychological factor that celebrities inspire the "esteem needs" of a person. For instance a Bollywood or a Hollywood actress is anticipated to have an impeccable and perfectly toned skin. She automatically qualifies to endorse for a beauty product let it cosmetics, soaps, powders etc., as her fans would definitely want to the secret behind her beauty and thus, this becomes the trade secret. Positioning their Brand Differently: Lux has positioned itself worldwide as the 'soap the film stars use'. From AishwaryaRai to Leela Chitins, all top actresses have modelled for Lux. Celebrity Standing for a Single Brand: If a imagine ZakirHussain, you will definitely remember that 'WahTaj' TajMahal tea add where he plays "tabla". Ditto with A. R. Rahman for Airtel. In India Shahrukh Khan was the first male in a Lux advertisement and he is now joined by AbhishekBachchan.Now the Ghajini actress AsinThottumkal has also become the brand ambassador of Lux.

COST OF ACQUIRING CELEBRITY FOR ENDORSEMENT

Companies must have high financial status to be able to afford the best available celebrities. Recently, a newspaper report showed how cola firms had gone beyond their advertising budgets to get the best celebrities. Advertise through celebrity endorsement is thus now quite unimaginable for small business enterprises because of their low finance background. Although the charges for endorsers is not accurately disclosed but industry sources say Indian cricketer Sachin Tendulkar's price is believed to be between Rs.2.0-2.5crore per endorsement, and Oscar winning musician A. R. Rehman, who had signed up with AirTel, is believed to have picked up Rs.1.75crore.

MUMBAI: Aamir Khan has inked a deal with a UAE- based telecommunications service provider for an amazing Rs35crore, soon after his success from 3 Idiots. This deal was called the mother of all the deal signed so far, as it was the highest deal ever inked by a Bollywood celebrity, none as ever received such amount for endorsement, and this deal left behind the previous record of Rs12crore to Rs15crore. As informed it is two-year contract, in this course of assignment Aamir Khan will make himself for a limited numbers of, media appearances, press conferences, press advertisements and personal presentations. Aamir Khan was first launched by Advertisement guru PrahladKakkar, who supervised Khan for his first soft drink commercial way back in 1993(the actor was paid a sum of Rs17 lakh), reacted, saying , " That is hell lot of a money to pay. He has done some very good movies in Bollywood, every time choosing precisely what he actually wants? But this same nature makes him exclusive; he brings a great depth to any brand he is associated with. As, Aamir Khan is very specific about the script, his image and about the product he supports, it is a plus point for the company whose product is associated with him."

This news has not gone down well in the advertising circles, so far the last highest fees paid for endorsement lies in the range of Rs12crore to Rs15crore reportedly paid to Bollywood celebs like Shahrukh Khan, Salman Khan and Akshay Kumar. A well-known producer in the Bollywood circles, nodded with the fact that even new kids on the block like Ranbir Kapoor is paid somewhere near Rs7crore for a 2 year contract by another advertiser," he said Aamir's own earlier deals foe FMCG, a watch, a satellite TV provider, a soft drink were all paid in-between Rs11crore to Rs12crore, so, even by his own benchmark, his fees have tripled. Trade insiders ascribed his rising stock to his recent stupendous box-office successes.

Aamir Khan did not confirm directly or indirectly about his latest fees on endorsement. He said he love doing his ads. And did confirmed that he is choosy about the creative team and the add he endorses, and the way the team works. "I work as hard on my ads as I do on my films," he said. Prabhat Chaudhary, head of Spice, a marketing agency, said: "The brand endorsement world has become the true barometer of a star's success and appeal.Ranbir is the latest example of this desirable success, alone in the last year, the young actor signed sun staggering deals for advertisements from mobile sets to television. Another example is Amitabh Bachchan who was paid a big fee for endorsing a chawanprash brand, prior to this contract that brand never had a brand endorser. Bollywood heroine Priyanka Chopra is said to be in the lead among female stars; reports suggest that she gets paid anything between Rs3.5 crore and Rs4 crore for a deal. Closely following up are the two famous actress well applauded for their work and fan following -- Kareena Kapoor and Katrina Kaif -- who gets an yearly fee of Rs2.5 crore. Commanding a blessed fee for her cosmetic deals and for watch, AishwaryaRai continues to be a universal icon, commanding an enviable fee for her watch and cosmetic deals on the international-circuit.

DO WE REALLY NEED CELEBRITY ENDORSEMENT OR ITS A BLIND RACE FOLOWED BY ALL??

What is the secret behind the success of aerated drinks like Pepsi, Coca-Cola etc.? Is celebrity endorsement entirely responsible for boosting the sale or the brand value? We are learned enough to understand that the quality of any product which we consume cannot be compromised whether it is endorsed by Amitabh Bachhan or Al-Pacino, regardless of popularity of the celebrity, we simply cannot feed our youngsters a junk, just because a famous personality says so. Based on a medical investigative research by," Get Holistic Health", it turns out that "the secret recipe of Pepsi&Coca-Cola is entirely advertising play. Endorsements by a celebrity are a big gamble played exactly in the right place like India that played-off well. What is the secret behind this? When it is very well known to everybody that this is a weak solution of cocaine mixed with preservatives, colorants, stabilizing agents and etc., that it is a legalized cocaine addiction plus pure poison been served to us and our children with smile. Diet coke is even worse, because it contains aspartame, and this chemical present in the diet

coke, replaces sugar, ultimately it becomes a pure neurotoxic poison. Stevia is the actual substitute of the sugar but as it is a plant it is never used by these aerated drinks companies. Diuretic effect of the drink is another spoil sport and enters in "the game". Are bones becomes devoid of the calcium, zinc and magnesium as these are removed out of from the organism, which are a part of our bones. At this time we have already become irritable or subdued. Urination removes the whole quantity of water, the only good thing contained in a coca cola.

In the year 2013 10% of the brand endorsed by the celebrity was from the aerated soft drinks and 2% were of milk products. When a child is born he should not be given anything, as mother's milk a more than enough for the infant for entire 6 months. But as the child grows old he introduced into the world of advertisement, from where they start picking up things like burger and aerated soft drinks, pizza which is banned in many schools in different countries. As it is a slow poison which doesn't kill instantly but keep pushing us inch by inch, right from messing up with the metabolism by slowing it down to alerting the DNA pattern and increasing the chance of diseases like cirrhosis and degenerative diseases like Parkinson's.

San Francisco (August 3, 2006): Coca-Cola and PepsiCo carbonated drinks in India contain dangerously high levels of pesticides, according to a new study released yesterday by the Centre for Science and Environment (CSE), a leading public interest research and advocacy group in India.

CSE tested 57 samples of Coca-Cola and PepsiCo carbonated products from 25 different bottling plants across 12 states and found pesticide residues in all samples.

The study found a "cocktail of between three to five different pesticides in all samples" - and on an average, the pesticide residues were 24 times higher than European Union (EU) standards and those proposed by the Bureau of India Standards (BIS), the government body responsible for standardization and quality control.

The study found high levels of:

- Lindane - a confirmed carcinogen - sometimes as high as 140 times those allowed by EU and BIS standards
- Chlorpyrifos - a neurotoxin - sometimes as high as 200 times those allowed by EU and BIS standards
- Heptachlor - which is banned in India and also has not been used in the US since 1988 - was found in 71 per cent of the samples, at levels 4 times higher than the proposed BIS standards.
- Malathion - a pesticide that the US EPA recommends that workers wait at least 12 hours before entering the area of application - were found in 38.6% of the samples tested.

"This is a grave public health scandal," said Sunita Narain, director of the Centre for Science and Environment and winner of the prestigious 2005 Stockholm Water Prize.

SO THERE IS NO FUTURE OF COMPANIES WITHOUT ENDORSING THE PRODUCTS THROUGH CELEBRITIES?

Well the answer is "no". From the detailed analysis given above through various aspects, it is determined that the celebrity endorsement strategy is high-risk. It increases the cost and ultimately the price of the product which directly or indirectly burdened the customers. Moreover customers cannot easily assess the quality of products at least before they consume them. There are many brands which have set an example for successfully promoting their products without using celebrity endorsement advertising and they are running well in the present market too. Below are some of the examples that promote their products without using celebrities.

FABINDIA It is one of the largest foreign exchange earners where it stands at 16% of India's total exports with a market growth rate at 11% every year.

PROMOTION STRATEGY OF FABINDIA PRODUCTS: Fabindia has traditionally relied on word of mouth for its promotion. It believes that products speak of it and this has worked well till now. Hence the promotion strategy is completely customer driven. The only problem is the customers are not aware of the location of stores, but once it is cured, no other mechanism is needed. For this, it uses mobile marketing and publishes its ads in newspapers to increase the awareness of its store location. Fabindia banners also placed in malls and on streets to increase sales volume. It has 95 k likes in facebook that proves its strong social presence.

ACCOMPLISHMENT OF FABINDIA WITHOUT CELEBRITY ENDORSEMENT

- Maintain its Indian tradition with the authenticity of hand-woven fabric for over years.
- It has achieved sustainable employment for the skilled artisans in rural areas.
- Employees' freedom has resulted into their accountability
- Word of mouth promotion strategy has proved very effective (like they charge reasonable prices and maintain quality standards) as the brand does not spend much on advertise.

PATANJALI: Swami Ramdev has assured that patanjali's products will be 30% cheaper than those of MNCs products as they directly source the products from farmers. This has resulted into low overhead cost. Patanjali Ayurveda sells all its entire range of 800 products through its exclusive outlets with a big no to celebrity endorsement advertising. It has brought out about 500 products (includes 250 medicinal products where 100 products ranging from cosmetics to toiletry and from vitality products to spices).

PROMOTION STRATEGY OF PATANJALI'S PRODUCTS

- Yoga crusade by Baba Ramdev and the Patanjali trust.
- Advertise its products in India through journals and newspapers and globally hire ad agency
- It has its own website to ensure national and international visibility.
- Regular collaboration with industries and business organisation.
- Communication with foreign embassy or trade council of India.

The Patanjali Mega Food Park (PMFP) has been confronted to create infrastructure for food processing with exhausted farm-to-plate supply chain system with an objective to maximise value addition by backward and forward integration between farmers, factory and the market. This supply chain has direct communication from supplier to producer to consumer with zero intermediaries. This also erases the need of celebrity endorsement advertising. This drastically reduces its cost as it avoids unnecessary commission cost and other related charges.

DECATHLON: Sports Company like "Decathlon", launched in recent years in India by Decathlon Group is successful brand. Its success has greatly contributed to the decline in selling price in France; it has brought its own brands and is quite popular among the professional sports persons. In 2008, the brand Decathlon beat all its competitors on three points: margin, market share, highest turnover per square meter of retail space. It is up to the third at a world level.

CONCLUSION

The study concludes that celebrities definitely attract many customers and this generally compels manufacturers, retailers and brands to promote or endorse their products through celebrities. However there is another side of this. It is not always a valuable way to go for celebrity endorsement as promoting with celebrity does more damage than benefit in consumer's perception. Most of the time customers accomplice the negative traits of celebrity with the products they endorse. Thus, the funds must be utilized in research and development of the products so that its sustainability can be improved, and to reduce the market price of the product which would ultimately retain the customers' faith too.

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TO TAX OR NOT TO TAX: THE DILEMMA OF ABOLISHING INCOME TAXES IN INDIA**K SREEHARI NAIR****STUDENT****AMRITA VISHWA VIDYAPEETHAM****MYSORE****VIDYA AVADHANI****LECTURER****DEPARTMENT OF COMMERCE & MANAGEMENT****AMRITA VISHWA VIDYAPEETHAM****MYSORE****ABSTRACT**

In this world, nothing can be said to be certain, except death and taxes" quipped Benjamin Franklin, the great American statesman. But it is everyone's wish to avoid both! In the context of the present study, a preliminary study is made to cover the feasibility of abolishing income taxes in India and its implication. The concept of income tax can be traced to the 19th century Britain. It is now a global phenomenon and a major source of income to governments the world over. The advocates of abolition cite the examples of some West Asian countries and some European countries which have successfully abolished Income Taxes and are still able to prosper. But whether this is applicable to our country's economy is a thing to be pondered upon. Economists in favor of the abolishment of Income Tax suggests that , through various other sources such as Coal Block allocation and Telecom Spectrum that kind of money can be raised. The naysayers on the other hand are wary about it as it will destabilize our economy and it is not suitable for our economy as in the case of other West Asian countries. The study, using the published data taken from various sources attempts at examining the implications of foregoing this major source of income that comes from both personal incomes and corporate incomes. Also to be examined are the alternative sources of income, which have continuity and sustainability.

KEYWORDS

Tax, Income Tax, Avoidance of taxes, Evasion of taxes.

INTRODUCTION

Concept of tax: The term 'tax' is defined from an economist's point of view as a compulsory transfer of purchasing power without any *quid pro quo*. The salient features of a tax may be highlighted:

- *It is a compulsory transfer of purchasing power or money from the individual to the government.*
- *There is no quid pro quo suggesting that the tax payer cannot claim a return for his payment.*

A tax can be a 'direct tax' or an 'indirect tax'. In case of the former, the *impact* and *incidence* falls on the same person. In other words, the burden of a tax cannot be shifted to any other person/s. But in case of the latter, the *impact* and *incidence* fall on two different person/s. That is, the burden of a tax can be shifted from the person who immediately pays a tax to some one for the final payment. Generally, taxes on income are considered direct taxes, while taxes on goods are considered indirect.

In India, both direct and indirect taxes are levied. Till recently, bulk of the tax collected by both government of India and the State governments were 'indirect' in nature, suggesting that commodity taxes were the main contributors to the exchequer. But currently, 'direct taxes' are assuming greater importance in the tax structure of the country due to its greater contribution to the government. Generally, economists prefer direct taxes due to their 'equity' effect.

My study is basically concerned with the abolition of 'direct taxes'. The two major forms are the personal income taxes and the corporation taxes. While the former is levied on the incomes of individuals, the latter is levied on incomes of companies or corporates. A brief analysis of these two taxes and the effects of their abolition are analysed here.

In India, the Corporate Income tax rate is a tax collected from companies. Its amount is based on the net income companies obtain while exercising their business activity, normally during one business year. The benchmark we use refers to the highest rate for Corporate Income. Revenues from the Corporate Tax Rate are an important source of income for the government of India.

The Corporate Tax Rate in India stands at 34.61 percent. Corporate Tax Rate in India averaged 35.02 percent from 1997 until 2015, reaching an all-time high of 38.95 percent in 2001 and a record low of 32.44 percent in 2011. Corporate Tax Rate in India is reported by the Ministry of Finance, Government of India.

A cut in corporate taxes has been announced by the government along with other initiatives for a more stable and predictable tax regime in a bid to woo foreign investors and spur faster growth.

The moves are aimed at encouraging foreign companies to set up shop in India, and attracting overseas investment for roads, railways, ports, power plants and other dilapidated infrastructure.

"This will lead to a higher level of investment, higher level of growth and more jobs,"

India's tax authorities have been embroiled in lawsuits with a string of international companies including Royal Dutch Shell and IBM.

British mobile giant Vodafone is currently fighting a bitter, \$2.4-billion battle with authorities, while Finnish company Nokia had a plant seized over a tax dispute.

A wealth tax would also be abolished and replaced with a two percent surcharge on the super-rich, a move that is estimated to add Rs. 9,000 crores (\$1.4 billion) to government coffers.

Abolishing income tax and other levies and replacing them with some other suitable form of revenue is feasible and desirable, say experts, although some believe that such a move would militate against social equity.

Describing the concept as "aspirational", FICCI president Sidharth Birla said, "If the steps proposed enhance revenue by broadening and broad basing the tax payer base and help improve transparency of regulatory framework, we will tend to welcome these aspects."

The radical proposal, which is being talked about by the BJP, relates to abolition of all direct and indirect taxes for individuals as well as corporates in favour of a nominal banking transaction tax. The proposal, would involve hard arithmetic as the revenue losses would have to be recovered from other sources while stressing that India needs a stable, equitable and a friendly tax regime.

While pointing out implementation of the tax proposal is within the realm of possibility, some experts also opined that it has the potential to deal with menace of black money.

"...it may reduce corruption and collusion with the government agencies. It may remove the tax burden from individual as well as corporate taxpayers. The taxpayers will also not indulge into practices like falsification of accounts, money laundering and other illegal ways of tax evasion," said Girish Vanvari, co-head of tax, KPMG in India.

However, that a comprehensive and holistic analysis is required before going for such a drastic reform.

Another leading global tax consultant PwC India, however, expressed apprehensions saying that abolition of income tax would be against the progressive system of revenue collection.

"It is unlikely that we can completely dispense with the collection of personal income tax and at the same time maintain the progressive tax system to meet the revenue requirements," said Rahul Garg, Leader Direct Tax, PwC India.

Sudhir Kapadia of EY, a global tax consultancy firm, said it is feasible to abolish the personal income tax, but the question is whether it is desirable.

"There is indeed a case for tax reform that brings in simplification and rationalization in the tax system by eliminating unwanted distortions and multiplicity of taxes.

Industry body Assocham, however opposed the proposal saying that replacing income tax with expenditure or banking transaction tax will be anti-poor.

The big impact tax in terms of the *am aadmi's* psyche is personal (non-corporate) income tax, and there is no reason why the government should not seek its total abolition both to energize the middle class and to make the economy turn around.

Income tax is largely a tax on the middle class salary earner and no other class, though we should include professional, non-salaried people too in it. The poor don't pay any income tax, and the rich get a big chunk of their incomes from dividends and capital gains - very little from salaries.

In sum: out of India's taxpaying base of around 35-40 million, only 1 percent accounts for the bulk of the tax collections. Put another way, 99 percent of India's taxpayers are being forced to file returns and pay paltry amounts of taxes for no good reason. It is harassment and hassle without purpose.

Even among the 4, 00,000 who do pay more taxes, it's largely because they can't evade it. The taxes are probably deducted from salaries or other incomes and collected at source.

The case for abolishing income tax, or at least modifying it substantially, is simple: it is unfair because only one important class is an easy pick; it creates a huge need for paperwork both at the corporate end and at the taxpayers' end; the deductions given on taxes (80C, etc) drive savings to areas that are tax-efficient rather than for meeting the real needs of taxpayers.

Income tax also makes criminals out of many of us. It forces both employers and employees to cheat. As for other non-corporate taxpayers - professionals (doctors, lawyers, etc), firms (non-corporate), associations of persons (AoPs), or bodies of individuals (Bols), these categories are possibly more capable of evading tax and vulnerable to corruption.

Non-corporate income tax is also an indirect hindrance to job creation. If companies know that there is no income tax, they can recruit new employees at lower salaries without reducing an individual's tax-home pay. This will bring down wage bills and encourage companies to hire more. If coupled with easier labour or contract labour laws, employment generation will explode.

WAYS TO RECOUP TAX LOSSES

One, when income tax is abolished, there will be no deductions too. The costs of tax administration and tax compliance will come down. The government will need less tax revenues. Moreover, the current catchall head of "Taxes on Income" includes earnings from securities transaction tax, which need not be abolished.

Two, non-corporate income tax is earned from two basic sources - individuals (who earn it as salary, interest, dividends, property income, capital gains, etc) and firms (assesseees who earn business incomes). If, in the first instance, income tax is abolished only for those not earning a business income, then the tax loss will be much less. However, it is best to exempt business income too - for this is the real sector that creates huge jobs through self-employment and setting up productive unincorporated businesses. In 2011-12, non-corporate firms, AoPs and Bols together yielded less than Rs 20,000 crore in taxes. Not exactly a huge cache for the finance minister to tap. On the other hand, the corruption potential in this group of nearly 5, 68,194 assesses (in 2011-12) is enormous. Spare them the tax heart-burn, and this sector could employ more and create more jobs.

Three, as companies will end up reducing labour costs over time, one can also start withdrawing their tax breaks. On direct taxes alone, the net taxes forgone were Rs 68,000 crore 2012-13, according to the finance ministry. Eliminating the major ones would save at least another Rs 40,000 crore in one or two years.

Four, when incomes rise due to zero income taxes, demand will sprout. This means taxes from excise and customs will balloon as the economy picks up steam. Since the tax abolition will benefit the taxpaying classes directly, the demand will flow directly to the manufacturing and services sectors - two sectors with lower inflation than food.

Five, a part of the loss on income taxes can be made up by higher value-added taxes, especially the new goods and services tax (GST). Between them, excise, customs and service taxes are budgeted to yield over Rs 5.6 lakh crore in 2013-14. A one or two percent hike will yield another 50,000-100,000 crore in indirect taxes.

Six, the government simply has to cut subsidies to the middle class. Right now, subsidies on diesel, LPG and kerosene add up to over Rs 1,50,000 crore. If only one-third of this is paid out to the poor for LPG and kerosene, the entire tax blow on eliminating income taxes would be taken care of. Subsidies will be easier to cut if income tax is abolished altogether.

There is talk of replacing income tax with an expenditure tax, where money flowing out of bank accounts will be taxed. This will need to be thought through, but this would be another way to fix the tax hole over time.

However, there is no doubt that eliminating income tax will rejuvenate the economy and reduce tax hassles at the level of the taxpayer.

Unlike promises of free water or cheap electricity, which can only increase corruption, the abolition of income tax is a reform that will actually make taxpayers more honest. It will eliminate a huge area of corruption and falsehood while also serving as an economic stimulus to a stagflating economy.

It might sound surprising, but there are countries where you do not need to pay income tax (UAE, Qatar, Kuwait, Oman, Cayman Islands, Bahrain, Bermuda, The Bahamas, Saudi Arabia, Brunei Darussalam), as per KPMG's 2012 survey of 114 countries. People in these countries, however, do need to contribute towards social security. Some of these countries are well-known tax havens, while most others have managed to use natural resources to fund government expenses. Can India afford to do away with income taxes?

The consumption tax, sometimes referred to as a 'spending tax' or 'expenditure tax', is quite like the income tax, with one key difference being that the tax base is expenditure, not income. Levied directly, tax payers may still file annual returns accompanied with exemptions and deductions, if at all. Irving Fisher, writing in 1942, and earlier advocates of the expenditure tax based their case primarily on the argument that the income tax involved "double taxation" of savings and distorted the choice of individuals in favour of consumption. Thus, not only is the income tax unjust but it encourages consumption and leisure at the expense of thrift and enterprise.

Nicholas Kaldor, in his book 'Expenditure Tax' (1955), broadened the case for the expenditure tax by arguing that expenditure was a better measure of ability to pay than income. Kaldor viewed the individual's taxable capacity as his "spending power" which includes all the various forms of economic wealth (stocks of wealth as well as recurrent and irregular flows of money) which must be reduced to a common denominator of so much per annum for tax purposes. Also, allowance should be made for differences in individual needs which make some persons more or less able to pay than others with the same spending power.

Kaldor argued that the best way to arrive at a person's spending power vis-a-vis his needs is to look at his day-to-day living expenses. He viewed income as an inferior measure of taxable capacity because it does not encompass spending power in other forms and takes no account of differences among individuals as to the need to save.

CONCLUSION

One major argument put forward against the expenditure tax is that by taking away savings from the tax-base, one tends to favour the rich, as they are in a better position to save larger portions of their incomes. This would render the proposition 'inequitable'. It may also lead to greater concentration of wealth in the hands of few. Kaldor addressed this criticism by arguing that the rates of an expenditure tax can be made steeply progressive in order to tax the rich heavily. One would be still better off, as a large part of the spending by the rich is out of capital, which is generally untouched by the income tax.

Another criticism of the consumption base is that it would favour the miser over the spendthrift, even where both had the same spending power or ability to pay. Kaldor's response to this objection goes to the basic rationale of the expenditure tax: People should be taxed on what they take out of the common pool, not on what they put into it. He argued that only by spending, and not by earning and saving, does the individual impose a burden on the rest of the community. In other words, personal consumption drains the resources available to the community for investment and public uses while work and saving add to these resources.

But then how would the government make up for the loss in tax-revenue, if it were to scrap income taxes. As per 2013-14 Union Budget, personal income tax has been budgeted at Rs. 2, 47,639 crores for the current fiscal year. This, as also in the past years, accounts for about 23 per cent of the total revenue receipts of the govt. The total gross tax revenue of the govt. (including the state's share) stands at about Rs. 12.4 lakh crore (budgeted) in the current fiscal. A two per cent Banking Transaction Tax on current banking transaction can potentially generate about Rs. 15 lakh crore - more than compensating for the loss.

The biggest criticism of the BTT is that a large fraction of consumption expenditure in India is still cash (83 per cent by my estimates in 2011 and informally verified by experts in Finance Ministry) and hence we would be leaving a large section of the population out of the tax-net. This is a fair criticism. But, then we surely would be moving up on the 'indifference curve' and getting closer to the Pareto Optimal choice. In plain-speak, the new proposed tax system would be more equitable than the existing one, without compromising on the revenue side.

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**THE ACT NO. 9 OF 1995 ABOUT SMALL SCALE ENTERPRISE: IMPLICATION TOWARDS SMALL SCALE
BUSINESS SELF RELIANCE IN STRENGTHEN NATIONAL ECONOMY STRUCTURE
(EMPIRICAL STUDY TO SMALL SCALE AGRIBUSINESS INDUSTRY IN SOUTH SUMATERA-INDONESIA)**

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ABSTRACT

Small-scale businesses had an important role in employment absorption, economic services, income generation, economic growth, and national stability. Although in practice the development effort had been made, but in reality small businesses were not entirely detached from the problems encountered, both internal and external. With serious attention from the government and its related agencies, the existence of small businesses would be developed as the basis for national economic growth. The purpose of this study was to look at the implications of empowerment as stipulated in The Act No. 9 of 1995 about small business that had been made towards agribusiness small business self reliance in South Sumatera. Primary data were collected through questionnaire from 300 respondents who were randomly assigned and treated through the analysis of Structural Equation Modeling (SEM). The conclusions of the empowerment were composed of the business climate strategy; establishment and development, funding and guaranting, as well as partnerships provide positive implications toward the internal resources and competitive advantage. Furthermore, the internal resources and competitive advantage also gave positive implications toward the business self reliance. The results of the above analysis give an explanation that all the proposed research hypotheses were accepted.

KEYWORDS

The Act No. 9 of 1995, small-scale business, empowerment, internal resources, business self reliance.

INTRODUCTION

 ne effort to improve people's welfare, employment, income distribution, as well as strategic role in the growth of the national economy; people's economic independence are matters of urgency. The role of the people's economy in the national economy is increasingly important, both in increasing the family income, employment and global trade. However, the economic activity of the people who dominate economic activity is sometimes not reasonable attention in economic development policy map. Even a serious concern for the people of this new economic development activity began in 6th Repelita.

Economic folk or people's economy is related to the economic actors. People's economy is essentially the equivalent of a popular economic term that means the economy held by the people. Economy held by the people is the source of economic enterprises or the family income per person. Economy held by the people means that the national economy is rooted in the potential and power of the wider community in the running of their own economy. The term "people" connote "process", which means that all citizens (people) play a role in building the opportunity, and equal opportunities.

Thus the people's economy (economy of the people) are the indigenous economy (people's economy is indigenous economy), not the economic activity that comes from outside the community (external economy). This understanding should be understood that the concept of the people's economy is not experiencing bias. People's economy is a slow-growing economy groups with various problems encountered.

People's economy terms actually defined that small business economic as a siding effort (Mubyarto, 1997). National development challenges today is the "turn on" the small business economy as the economy of the people. A process can be called development when the onshore process embodies a fair and equitable prosperity. Every citizen as economic actors should participate in the development process, have the same capabilities, and act rationally. That is, the production must come to enjoy the income and expenses in accordance to the sacrifice; there is no exclusion (marginalization), moreover the removal.

Small agribusiness businesses as a research topic in South Sumatera have pursued its development, though in fact, has not completely detached from the problems or obstacles encountered. With limited capital, both working capital and investment for business development remains an obstacle (Yusi, 2012). Capital shortage, mainly due to their lack of direct access to financial services and facilities provided by the formal financial institutions (banks) and nonbank. This means that most or all of the funds required for investment (expansion or increase the volume of production) and working capital comes from informal sources. These resources are very variable, from the owner's personal savings, loans or financial assistance from family or acquaintances, borrowing from suppliers of raw materials in the form of consignment, the money in the form of advance payment (partial or total) of the purchaser, up to the invested profits (Yusi, 2014).

With limited owned capital every effort to improve both quality and productivity is going to be blocked. Minimum viable products quality with a limited number of goods produced lead to miss market opportunities. Capital support can provide wider opportunities for entrepreneurs to develop their business. Sufficient working capital plays a dominant role in the development of business (Kotler, 2005).

Business facility problems can be said is less supportive. Yusi and Zahri (2006) research results on small businesses in Palembang city shows that most small businesses occupy a less favorable business location, because it was less strategic, in fact many of them have difficulty in transportation and communication. In addition, production equipment used for daily activities is still traditional and simple thus the resulting output is not standardized.

In term mindset and paradigm, agribusinesses entrepreneurs in the area study are generally have a traditional mindset and tend to close themselves to change and innovation. They were fanatical about the products and easily satisfied and less anticipated to every technology update around them. The growing market demand does not stimulate employers to modify their products, because according to them is not necessarily profit on the goods produced. With the mindset, their production tends to be static in shape, look and benefits obtained. In addition, the limitations of the entrepreneurial spirit, such as seeing market opportunity, the courage to bear the risk, lack of motivation, and work ethic remains a dilemma.

Another empirical reality shows that, most entrepreneurs still have low level of formal education. This condition leads to low capacity and quality of entrepreneurs. The result is that employers are less able to manage their finances well; they generally can not distinguish between funding for business and funds for personal use, so that their business can not run smoothly. Many of the hard-earned credits they earn channeled into consumptive expenditure, resulting in small businesses doers are sometimes not able to repay their debts on time. More over such low quality also lead to ack of knowledge to improve the quality of production, production, labor productivity, and marketing techniques.

Education is an important factor to change the economic backwardness and raise the ability and motivation to move forward, it is essential to improve the knowledge and skills of small entrepreneurs. In fact, without improvement in the quality of human factor there will be no progress, in connection with the education to be something that needs to be (Jhingan, 2004).

Mentioned problems can be concluded that, the fundamental problems that exist in small agribusiness in the area of research is the lack of management skills and professionalism as well as limited access to capital, technology, especially marketing network. This factor is sometimes a barrier to self and reliance of small businesses, such as increasing sales turnover, increase business assets, and the assurance of sustainable markets (Industry and Trade Official, 2012), and be a logical reason for the big enterprises not to do partnerships with small businesses.

In globalization era which is characterized by tighter competition, resource-based theory which emphasizes the strengthening of the internal resources is very relevant to small business empowerment. The main attention should be focused on the creation of added value to achieve competitive advantage in the form of cost advantage, differentiation strategy and focus strategy (Porter, 2001) through the development of specific capabilities (entrepreneurship), so that small businesses no longer rely on a strategy of market power through monopoly and government facilities. In this strategy, small businesses should be directed to the special expertise internally that could create a superior core product to enlarge the share of production. Such strategy is cheaper and more effective in developing small businesses, because small businesses can use and take advantage of local resources availability.

The Act No. 9 of 1995 about small business legalized in the form of business climate, establishment and development of a government effort to enable the strengthening of the internal resources that can support the creation of competitive advantage to small businesses self reliance and strong. With the small businesses self reliance is expected to: 1) increase the ability of small businesses so that they can develop into medium-sized enterprises; 2) increase the role of small business in the formation of the national product, the expansion of employment and business opportunities, increase in exports, as well as increased and equitable distribution of income to manifest itself as the backbone as well as strengthen the structure of the national economy.

REVIEW OF LITERATURE

THE ACT OF SMALL BUSINESS

The Act No. 9 of 1995 about small business is approved by government to empower small businesses further that are empirically recognized as having an important role in strengthening the resilience of the national economy. Small business empowerment strategies in such act are growing a conducive business climate, establishment and development, funding and guaranting, as well as partnerships.

Business climate strategy is the condition that the government pursued by establishing laws and policies on various aspects of economic life to guarantee small businesses get certainty, equal opportunities, and support the broadest strive to develop into a strong and independent businesses. Legislation and policies for the business climate conducive to the development of small businesses include: financial aspect, competition aspect, business infrastructure aspects, business information aspects, business partnership aspects, and business licensing and protection aspects.

Establishment and development strategy is a community, businesses, and government efforts to conduct training and small business development include: aspects of production, aspects of marketing, aspects of human resources, and aspect of technology. In coaching and development strategy concerns the procedures, weight, intensity, priority, and time period, carried out with due regard to the classification and level of development of small businesses based on assets and an annual net turnover. Small businesses that have been built into medium-sized businesses can still be located in the business and carry out business activities that are reserved, and can still be given coaching and development within a maximum period of three years as a stabilization process.

Funding and guaranting strategy is an effort to governments, businesses, and communities to provide financing to small businesses include bank loans, loans of non-bank financial institutions, venture capital, loans from the fund allowance portion (1-5%) from state-owned operating income, grants and other financing such as donations from the community, including from the big private business. To improve small business access to financing sources, needs to be done by: a) improve the ability of owned capital accumulation, prepare feasibility studies, and financial management; and b) grow and develop underwriting institution established by the legislation in force, ensure the financing of small businesses in the form of bank credit guarantee financing, financing on the results, and others who sought financing with a simple and easy requirement.

Partnerships strategy is medium and large enterprises that implement partnerships with small businesses that have the ability but do not have a business relationship. Partnership implemented with coaching and development in one or more in the field of production, capital, human resources, and technology.

SMALL BUSINESS AND PROBLEM

In general, the problems faced by small businesses include (Hafsah, 2004):

A. INTERNAL FACTORS

1. CAPITAL SHORTAGE

Capital is a key factor needed to develop a business unit. Capital shortage is therefore generally small businesses an individual businesses or companies that are covered that rely on limited owner's capital, while capital loans from banks or other financial institutions are difficult to obtain, since the administrative and technical requirements requested by banks can not be fulfilled.

2. LIMITATIONS OF HUMAN RESOURCES

Most small businesses grow traditionally and are a hereditary family business. Limited human resources of small businesses both in terms of formal education as well as knowledge and skills greatly affect the management of the business, so the business is difficult to develop optimally. In addition to the limited human resources, such business units are difficult to transform and adopt new technology to enhance the competitiveness of the products.

3. WEAK BUSINESS NETWORK AND MARKET PENETRATION CAPABILITIES

Weak business networks and the ability of the small business market penetration due to the limited resulting product and less competitive quality. In contrast to large businesses that already have a solid network and supported by technology to reach the international market and good promotion.

4. LIMITED INFRASTRUCTURES

The lack of information relating to the progress of science and technology, leading facilities and infrastructure that they own to develop less quickly and do not support business progress as expected.

B. EXTERNAL FACTORS

1. UNFINISHED CONDUCIVE BUSINESS CLIMATE

Government policies to foster small businesses from year to year continue to be refined, but it is felt not to be conducive yet. It is clearly shown that unhealthy competition between small businesses and large enterprises is still occurred.

2. IMPLICATIONS OF REGIONAL AUTONOMY

The Act No. 22 of 1999 about regional autonomy implications for small businesses in the form of new levies imposed. If this condition is not addressed it will reduce the competitiveness of small businesses. In addition, excessive spirit of regionalism, sometimes creating conditions are less attractive to outside businesses to expand its business in the area.

3. IMPLICATIONS OF FREE TRADE

With the enactment of AFTA started in 2003 and the APEC began in 2020 has important implications for small businesses to compete in the free trade. In this case inevitably small businesses are required to improve the production process to be more productive and efficient, as well as can produce the products according to the demands of the global market and guaranteed quality standards.

RESOURCE-BASED THEORY

To be able to grow and develop a sustainable basis, companies should try to nurture capability of all resources in corporate optimally and it can be changed into a unique opportunity for productive. One of the important element in efforts to develop business is strengthening internal resources company. Internal resources are factors or general conditions that are within an organization, that affect the management of the organization in achieving the objectives (Yusi, 2015). According to Grant (in Suryana, 2001) there were at least five factors that affect internal resources could influence the competitive advantage of the organization, in the form of: low cost, differentiation, and focus (Porter, 2001) namely: financial resources, human resources, technological resources, physical resources, and reputation organizational resources.

In the context of global competition as now, small business must shift strategy on the use internal resources. Enterprise development strategy should lead to a specific skill internally that can create superior products to enlarge its share of the production. The share of production, i.e. the company that appears on a wide range of products with various components of the same importance and no longer seeking market share at end-consumer products such as the past. With the resource-based theory, it can be concluded that in the context of free competition as now, employers are required to use its business management strategies.

Development strategies of companies both new and old should lead to the use of internal resources. With these strategies, entrepreneur can better flourish either in local competition, national, and international level (Suryana, 2001).

STATEMENT OF THE PROBLEM

In reality small businesses were not entirely detached from the problems encountered, both internal and external. With serious attention from the government and its related agencies, the existence of small businesses would be developed as the basis for national economic growth. From the mentioned issues, it will be relevant to have a study on the implications of the small business regulations as an effort to empower internal resources and self-reliance of small businesses agribusiness in South Sumatera.

OBJECTIVES

Research on the applicabe economy of the people is expected to provide information that is useful for the creation of business synergies that are interrelated in order to develop the business into a better direction. The development of small businesses in rural areas and suburbs at least will have an impact on population spreading more evenly. In developed countries, many small businesses have important role as a driving force of economic growth, national stability, employment absorption, the source of creation, and innovation in productive business activities (Handayani, et.al., 2010).

RESEARCH METHODOLOGY

RESEARCH DESIGN

The method used is explanatory survey with a view to analyze the relations of research variables and test the hypothesis. This research method is expected to find theory which is developed through testing (verification) factual propositions. These propositions are deduction propositions (hypothesis) to be tested empirically. Thus, the appropriate research method is to combine qualitative and quantitative approaches. Glaser and Strauss (Moleong, 2004), state that both form, qualitative and quantitative, requires to use simultaneously, rather than quantitative to test qualitative only.

POPULATION AND SAMPLE

The population in this study is all small businesses agribusiness in South Sumatera, amounting to 15,168 units. Samples were taken with stratified random sampling method, with strata of potential business unit. Of the 17 regencies and cities which have a small business center in South Sumatera elected Ogan Komering Ilir regency, Ogan Komering Ulu regency, Muara Enim regency, and Palembang city which has the largest business unit in the other sub-districts. Total sample set of 300 entrepreneurs, with details of 75 entrepreneurs in Ogan Komering Ilir, 75 entrepreneurs in Ogan Komering Ulu, 75 entrepreneurs in Muara Enim, and 75 entrepreneurs in Palembang.

OPERATIONALIZATION OF VARIABLES

To identify the capacity of small businesses in the areas of agribusiness research, several key variables interrelated variables grouped into cause and consequence variables. In the analysis using SEM, it is possible to cause variable become consequences variables to other variables. In this study the empowerment variables consist of: business climate (X₁) is legislation and policy for a conducive business climate includes aspects: funding, competition, business infrastructure, business information, business licensing, and protection efforts. Establishment and development (X₂) is the coaching and development of small businesses which include some aspects: human resources, marketing, production, and technology. Funding and guaranting (X₃) is providing assistance in the provision of financing, management of self-obtain capital accumulation, and the establishment of underwriting Institution. Business partnership (X₄) is small business cooperation with medium and large businesses with coaching and sustainable development in the transfer of technology, capital, labor manajemen, and marketing collateral (The Act No. 9 of 1995). The internal resources (X₅) is the change in internal resources conditions such as improving the quality of financial resources, human resources, technological resources, physical resources, and reputation organizational resources of small businesses (Grant in Suryana, 2001). Competitive advantage (X₆) is a small business excellence through a generic strategy, ie a strategy that emphasizes the advantages of low cost, differentiation, and focus (Porter, 2001). Business self reliance (X₇) is the ability of small businesses to conduct business by increasing sales turnover, increase business assets, and market certainty (Industry and Trade Official, 2012).

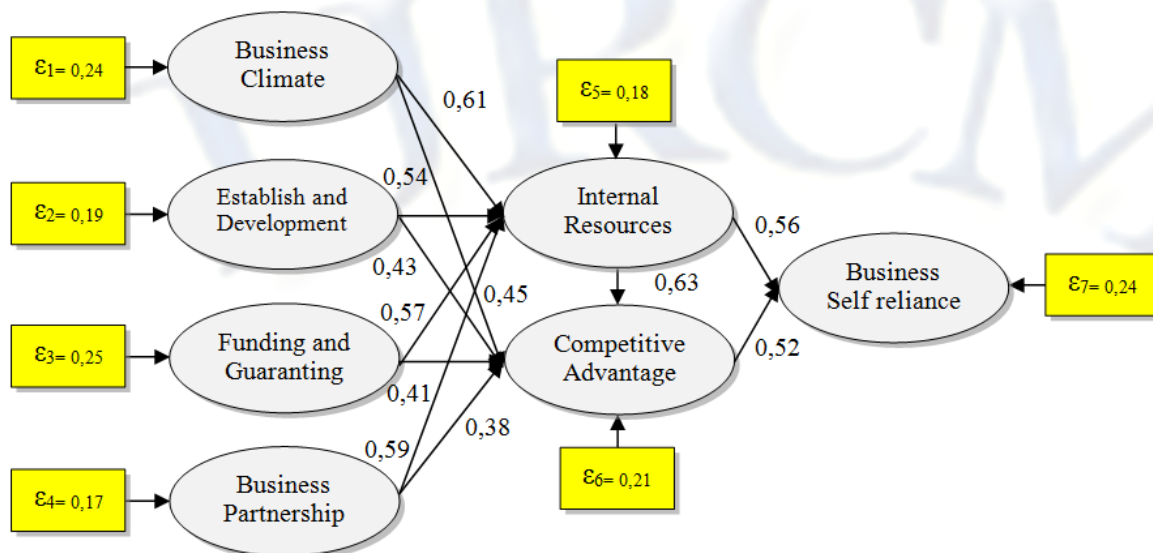
DATA ANALYSIS TECHNIQUES

For purposes of analysis, the data obtained in the form of an ordinal scale is transformed into an interval scale. The steps to transform the ordinal data into interval data is by using the Method of Successive Interval (MSI), which in practice can be done with the help of software Method of Successive Interval integrated in Microsoft Excel program. Once the model is developed and illustrated in a path diagram, then convert the model specification into a series of structural equation. This equation was formulated to express causality relationship between the various variables. Data were analyzed using analysis of different test average ANOVA and Structural Equation Modeling (SEM) to test the hypothesis and confirm the established theoretical models (Solimun, 2002).

RESULTS AND DISCUSSION

Data were presented in the SEM using AMOS program with source data that has been prepared for computation which will produce a standardized estimates measurement model confirmatory factor analysis of the data presented. The relationship between cause and consequence variables indicating the total implications of each of the variables included in the model as described in the research paradigm in Figure 1.

FIGURE 1: PATH DIAGRAM OF STRUCTURAL EQUATION MODELING INTERRELATED RESEARCH VARIABLES



Business climate strategy (X_1) has a positive impact toward the internal resources (X_5) and competitive advantage (X_6). It shows that a conducive-business climate that includes aspects: funding, competition, business infrastructure, business informations, business licensing, and protection of business, have an important role as one of the elements of empowerment.

Conducive business climate can only be created through the policies set by the government, either through the ease with regard to the problem of capital, marketing, bureaucracy, business licensing procedures, tax breaks, and other supportive policies. Conducive business climate in the form of protection to small businesses, especially in the current economic conditions is very strategic because it is expected to be able to generate sufficient added value since the number of business units is many enough (Kristiyanti, 2012). With small businesses in the front, it will absorb many labours thru labor-intensive business, expand opportunities and obtain equitable distribution of national income which nowadays has been dominated by large capital-intensive companies.

Sriyana (2010) in his research also stressed that the development of small businesses will be greatly determined by the presence or absence of supportive business climate. Improvement of conducive business climate by having reformation and deregulation of licensing for small businesses is one of the appropriate strategies to develop small businesses. It is important to have an effort to facilitate the implementation of a business climate that is economically efficient, healthy and non-discriminatory competition for the continuation and improvement of small businesses performance. In addition, there needs some actions to eliminate various unappropriate charges, cross-sectoral policy integration, as well as surveillance and defense against the practices of unfair competition and which is supported by improvement of legislation and institutional development.

Support for the development of small businesses also occurs in developed countries like America. The US Government's commitment to develop the small business sector is seen in the establishment of the Small Business Administration (SBA) by the Federal Government in 1953. The purpose of this institution is to support and drive small business sector there. There are four kinds of effort given by this entity; *first*, in the financial field for the provision of financial assistance; *second*, the provision or procurement assistance in meeting the requirements of licensing and administrative provisions necessary to establish a business; *third*, in the field of management by providing management assistance, either directly or through training; *fourth*, the provision of legal assistance or advocacy in seeking justice relating to the affairs of small businesses (Karjantoro, 2002).

Hu and Schive (1996) study in Taiwan has been supporting the above facts. The pro-active government role and industrial policies which are very globally oriented and consistent, which creates both a close business cooperation and fair competition among small businesses with medium and large enterprises as well as providing a wide range of facilities to support the development of the sector has led to the small business improvement, both in contribution to output and exports and diversify its products with high technological content. The government's policy also gives a positive impact on the development of entrepreneurship, which is undoubtedly very important for the development of small businesses (Lin, 1997). Likewise, the study of Adachi (1997) concluded that, advancement of small businesses in Japan can not be separated from the full support of the government through its industrial policy. These include technology policy (research and development), finance, and workforce and managers training (Tambunan, 2002).

The results of the above study shows one thing that is very important as an example for Indonesia, an effective government policies help to increase global competitiveness in the small business sector. In the era of free trade, we need a new strategy in the development of small businesses more effective and market-oriented global (global market oriented), thus it is no longer a political orientation and social (social and political oriented) with the sole purpose to reduce the gap. This new strategy should contain the policies of development of small businesses that have a position to the business group as one of the backbone of the national business in general and agribusiness sector in particular.

Establishment and development strategies (X_2) have a positive impact toward the internal resources (X_5) and competitive advantage (X_6). It shows that, establishment and development issues that include aspects: human resources, marketing, production, and technology is also an important factor as one of the elements of empowerment.

Empirical data shows that one of the problems of less competitive of small businesses in the area of research is the relatively traditional mindset of entrepreneurs and they tend to close themselves to change and innovation, it is caused by low levels of formal education. Indeed, in one case, the dominance of workers with low-educate- inexpensive means small businesses can maintain a traditional comparative advantage. But in the era of globalization that characterized the free trade that will stand out are the factors of competitive advantage, including human resources, ranging from workers and employers. Lack of education will lead to low quality of human resources capabilities and employers in understanding and anticipating a good business activity in the fields of production management, marketing strategy, entrepreneurship, and business technology.

Though the condition is contrary to the concept of the formation of the entrepreneurial spirit that is necessary for the business who dares to think creatively, and know how to develop internal resources (Suryana, 2001). In terms of education and mindset of this, it is clear that the creative mindset will bear expertise (skills) in all fields ranging from labor to employers determines the success of a business (Hafsah, 2004). In contrast to other countries which are very powerful small business such as Taiwan, South Korea, Japan, US and Western European countries, the level of education of the majority of small business entrepreneurs in Indonesia is still very low.

It is often said that to address the problem of human resources, providing direct training to entrepreneurs is very important and this is the only and the most effective way. However, many small businesses, especially micro-enterprises, can bear the cost of training due to limited funds. Human resources quality limitation is a serious threat to small businesses agribusiness in South Sumatera as an object of research to be able to compete in both the domestic and international market. Reinforcement is an important factor to change the economic backwardness and raise the ability and motivation to move forward, it is very important to increase the knowledge in the form of training to small business entrepreneurs (Yusi, 2014).

For advanced developing, establishment and development human resource of small businesses need to be done both in terms of entrepreneurship, administrative and knowledge and skills in business development (Hafsah, 2004). Furthermore, research Mongid and Notodihardjo (2011) of SMEs in Malaysia also stated that, for the rapidly growing, knowledge and skills play important roles for the development of SMEs. Training contributes to the understanding of SMEs.

From the above description explains that the role of government, business, and society has a significant effect in improving the quality of human resources of small businesses. Without improvement in the quality of human factor there will be no progress, in connection with the education is indispensable (Jhingana, 2004). Education supported by experience directly related to the ability of entrepreneurs; to establish an entrepreneurial spirit should start from knowing yourself first, is to know the potential and limitations, so it can work very hard to develop this potential and strive to overcome existing limitations. The availability of qualified human resources, who has skills and motivation, positively developed resource organization, and supportfull physical resources can generate the company's core competencies. These core competencies will generate competitive advantage.

Funding and guaranting strategies (X_3) has a positive impact toward the internal resources (X_5) and competitive advantage (X_6). This shows that in addition to a conducive business climate, establishment and development, funding and guaranting are important factors in empowerment.

Funding became one of the main elements forming the empowerment of the internal environment of business, funding and guaranting strategy is the best approach in an effort to strengthen the internal environment of small business in the form of capital assistance which is now considered remains an obstacle. In some research on small business development efforts, capital shortage is a major problem faced by entrepreneurs. Capital is important or the most important aspect in the life trying. With limited capital every attempt to do in order to improve both quality and productivity is to be blocked. Meanwhile capital support can provide wider opportunities for entrepreneurs to develop their business. Capital is the principal driving force for business development. Capital can: (1) assist small businesses in overcoming the limitations of the relatively small capital with interest, and (2) reduce their dependence on middlemen and moneylenders (Ashari, 2009). Problem in capital also is one of the main reasons for employers to delay the development of business (Kaplan and Schoar, 2005). Therefore, the strategy of funding and guaranting is very urgent for the development of small businesses.

Empirical evidence shows that the highest share of economy actors in Indonesia are low-income groups and small and micro businesses, that they are not served by commercial banks because the demanding requirements. Without access to banking services, almost all of the group financing rely on their own abilities which are very limited, or the informal financial institutions (middlemen and moneylenders), which limits the ability of these groups to participate in development activities (Krishnamurti, 2005).

The lack of small business capital is generally due to individual businesses or companies that are privately closed, which rely on the very limited owner's capital. Therefore, small business loans still have to be improved in the future, given the small businesses who can not get credit disbursement as yet bankable (Kuncoro, 2008). The study of Susilo, et.al. (2008) also explains that the main problem faced by small entrepreneurs in Bantul Yogyakarta is the inability to meet financial obligations of the other party and limitations to raise capital. Access to capital is often regarded as the key to success in establishing and developing a business (Efrata and Herdinata, 2012). The role of capital is an important factor, strategic, becoming one of the key factors in the process of economic development and very influential to the volume of business, results of operations (production), and an increase in income of a business economy (Riniwati, 2011).

Partnership strategy (X_4) has a positive impact toward the internal resources (X_5) and competitive advantage (X_6). It shows also that the partnership strategy is an important factor that is required in the form of business self reliance. Partnership is one of the solutions to strengthen and increase the chance of involvement of small businesses in the arena of national economy while improving people's welfare and reduce social inequalities. Formally conception of the partnership has been listed in The Act No. 9 of 1995 about small business, which reads: "the cooperation between small businesses with a medium or large businesses with coaching and sustainable development with due regard to the principle of mutual need, mutually reinforcing, and mutual benefit". The essential philosophy of partnership contained in the law implies a moral responsibility is unity and equality. Thus the partnership will always be needed for the demand of equity is not yet resolved. On the other hand, the partnership is a long-term process that changes dynamically to meet the expectations and needs of all players in the partnership. Later on The Government Regulations No. 44 of 1997 also stated that the ideal form of partnership is mutually reinforcing, mutual benefit and mutual protection.

Partnering arrangements should be based on the principle of synergy, namely mutual need and mutual help. The principle of mutual need will ensure lasting partnerships run because it is "natural" and not on the basis of "mercy". Based on this principle, medium and large enterprises to invite small business as a partner in progress (Kuncoro, 2008).

To be able to enter the global market, there is no other strategy is to be prepared by small businesses but with preparing high competitiveness. High competitiveness exists only if there is a correlation between large and small, because only with a fair production linkages efficiency will be awakened. Therefore, through a partnership each party will be empowered (Sriyana, 2010). In connection with this partnership activity, in Singapore the government formed organization called SPRING to assist the development of SMEs are working with partners to help enterprises in financing SMEs, the development of management skills, technological innovation, and access to markets (Mongid and Notodihardjo, 2011).

A company that can achieve and maintain competitive advantage is the company that has performed above the industry average under the condition of domination the targeted market. Market domination is only possible if the relevant company's internal resources above competitors. According to Grant (in Suryana, 2001) there were at least five factors that affect the internal resources can establish competitive advantage, namely financial resources, human resources, technological resources, physical resources, and reputation organizational resources.

Basically the internal resources has a significant influence in shaping the competitive advantage (ibid). It gives indication that the better internal resources of a company the better competitive advantage that can be achieved. In facing of increasingly intense global competition both coming from similar companies from domestic market, especially with its exports come from other countries with more advanced technology, a company must be superior to the others in its business performance. To make it superior, the increase of internal resources is the basic foundation (Hammel and Prahalad, 1994).

From the calculation results with SEM Analysis Figure 1 above show that there is a positive implication between the internal resources (X_5) toward competitive advantage (X_6). This finding indicates that there is no difference between the findings of the study with the theory that has been proposed above. Empowering the business climate strategy (X_1), establishment and development (X_2), funding and guaranting (X_3), and business partnerships (X_4) implicate positively in creating an internal resources that is conducive to the realization of competitive advantage.

Small agribusiness becomes the object of study is one component of small business products which is meaningful in the composition of small businesses in South Sumatera. The existence of a small business is very closely related to the availability and potential of agricultural products as raw materials to the marketing area covering the local market, national, and abroad.

Problems in terms of capital, human resources, production technology and business facilities as well as other issues remain a dilemma for internal environment that can hinder the creation of competitive advantage of the company. A company which has a competitive advantage will have a positive impact on the independence of the business, such as a persistent attempt to perform a combination of economic resources available, able to create products and new business techniques, able to look for new opportunities, working with more effective and efficient methods, making decisions quickly, and taking risks (Utami, 2006). Furthermore, these conditions will affect the development of the business by increasing sales turnover, increase business assets, and market certainty.

The analysis shown there is a positive implication between the internal resources (X_5) and competitive advantage (X_6) toward the business self reliance (X_7). This means, that business self reliance can be achieved if supported by the availability of strong internal resources and high corporate competitive advantage.

Internal resources which is characterized by the presence of managerial skills which include conceptual skills, technical skills, and human skills can have a positive effect on the improvement of operational performance of small businesses (Hafid, 2014). Similarly, the effect of capital loans to small businesses that can be used both for the improvement of production technology and means of its efforts to strengthen the internal resources showed a positive effect. These results are consistent with the findings of Haryanto (2008), and Rakib (2011), where credit is needed and is able to push the business activities of a company.

It can be concluded, that the implications of all the variables involved in the model studies both as a cause variable and consequences variables did not differ as a result of the findings of several studies that have been done before. Empowerment affects the internal resources and competitive advantage of small businesses that have implications for the business self reliance. Simply put, the results of the analysis show that efforts should be made in the context of a small business self reliance is nothing but strengthen the presence of the company's internal resources. This retrofitting effort can not be done only by small businesses because of the many limitation factors faced. Government, business, and community active roles by empowerment strategy are absolutely necessary to establish the small businesses self reliance.

POLICY IMPLICATIONS

In simple terms it can be said that a company can compete in both domestic and export markets in addition to the external environment, internal environment within the company should also be solid, and to make it sturdy need strengthening efforts within and outside as a buffer (Sjarkowi and Sufri, 2004). Indonesia's experience during the last 30 years, especially in times of economic recession in 1997, providing valuable information and at the same lesson that, in the past, the collapse of the Indonesian economy turns as a result of the incapacity of government decision makers in Indonesia at that time in response to a variety of critical issues as the importance of small-scale economy development. At that time, the Indonesian economy relies on a few large-scale enterprises (conglomeration). Therefore, rapid and appropriate response to the people's economy (micro and small) will be very beneficial to the possibility of resilience and security of the Indonesian economy at the same time in the future.

The command of The Act No. 9 of 1995 about small business implies that small-scale business activities must be supported by adequate management system through empowerment so that they can be more independent in carrying out its business activities. Development with the ability of self-owned businesses seems difficult for small businesses because of the limitations they face both internal and moreover external.

Conducively business climate to the independence of small businesses need to be done through the improvement of the institutional, policy formulation and implementation, improvement of the regulatory framework at national and local levels, increased access of small businesses and stakeholders regarding access to information. A wide variety of both legal and illegal levies, various types of licenses that overlap with the complicated bureaucracy, corruption, collusion, and nepotism to expedite efforts, no guarantee of safety consideration shows the ugly face of the business climate in Indonesia (Yusi, 2012).

Business establishment and development, especially in improving the quality of human resources is also an important aspect for the development of the business which has been a serious obstacle for many small businesses, especially in the aspects of entrepreneurship, management, production engineering, product development, engineering design, quality control, business organization, accounting, data processing, marketing techniques, and market research. To

improve the performance of small business organizations it is needed to build human resource investments with indicators of changes in skills, creative and intelligent, develop new ideas and knowledge to be the best. Red (2009) explains that the changes in the organization that invests in the quality of human resources will improve organizational performance.

Funding and guaranting to strengthen small business capital needs to be improved, this is due to the current problems of capital remains a serious obstacle. Limited capital, mainly due to their lack of direct access to financial services and facilities provided by the formal financial institutions (banks) and nonbank, whereas in the business activities of the continuous availability of capital is a must. Yao and Alles (2006) stated that in the theoretical order in which the development of a company business activity, the absolute need for a source of funds to finance the provision of business activities in order to improve the operational performance of the company to benefit in accordance with the targets and time specified.

To increase the chances of small businesses are active in the arena of national economy while improving people's welfare and reduce social inequalities in society, partnership is an answer. By having partnership it has allowed the transfer of technology and knowledge and managerial abilities to employers. Thus, it has an impact on the improvement and upgrading of human resources so small businesses become more independent and professional (Iwantono, 2004).

In limited situations, both in the field of production are still conventional nature of the product, the marketing field which sometimes does not guarantee the continuity of marketed products, as well as human resource constraints in many ways, the partnership is still needed. Partnership is a long-term process that changes dynamically to meet the expectations and needs of all players in the partnership. Through partnerships between small businesses with medium and large businesses, it is believe to increase productivity, market share, ensure the supply of raw materials, increase profits, bear the risk equally, and marketing and distribution.

From empirical facts can be concluded that, consistent research findings and support the notion of theory and previous research how the need for empowerment in order to strengthen the internal resources and for the sake of self-reliance in the business. Therefore the mandate set forth in The Act No. 9 of 1995 about the small business is not one that in all aspects of small business does still require conditions that have been mandated by the law.

SUGGESTIONS

Small business as the economy of the people means that the national economy is rooted in the potential and power of the wider community in the running of their own economy. People's economy is the indigenous economy, not the economic activity that comes from outside the community. People's economy is the slow growing economy because it is still facing many obstacles; therefore it must empower people's economy, especially in strengthening their self reliance so that they can still exist in the business and provide maximum contribution to the GDP.

Conducive business climate through policies set by the government, either through the ease with regard to the problem of capital, marketing, bureaucracy, business licensing procedures, tax breaks, and other supportive policies should always be created so that small businesses can secure in the move. Establishment and development should always be activated in an effort to overcome the weaknesses of entrepreneurs. Funding and guaranting that can strengthen the capital should be done by creating policies relief in getting capital venture and guarantees. Cooperation in the form of partnerships between small businesses with a medium or large businesses with establishment and sustainable development with due regard to the principle of mutual need, mutually reinforcing, and mutual benefit that can always grown up.

This study is intended as an attempt to understand the implementation of the small business regulations to see some variables empowerment that has implications to the small businesses self reliance. The results of this study may not fully intact because of other issues outside of the model is still a lot that makes it possible for other researchers to observe empirically. However, further research is still needed in order to get better approach to the issues that have not been revealed in this study. It is important because small business is the people's economy which contributed in relatively big part to the economic viability of the region in particular and national in general.

CONCLUSIONS

This study aims to analyze the implications of empowerment as mandated by The Act No. 9 of 1995 to the small agribusiness self and reliance in South Sumatera. This is important because empirically small businesses grow and thrive plays an important role in building the national economic fundamentals. Although its contribution to GDP is still not optimum yet, small business has a strategic role in the economic development of the region, because in addition to a role in economic growth and employment it also plays a role in the distribution of development outcomes.

Based on the results of the study using a sample of 300 respondents of small entrepreneurs agribusiness as determined from 4 regencies and selected cities had findings that the mandate The Act No. 9 of 1995 concerning the strategy of empowerment that includes the business climate strategy, establishment and development strategies, funding and guaranting strategies, and strategic partnerships involved in the model provides positive implications in shaping the internal conducive resources and competitive advantage of the business.

Furthermore, the internal resources and competitive advantage possessed the basis for the business self reliance in the form of an increase in sales turnover, increase business assets, and market certainty. This proves that the role of government, business, and society are indispensable in efforts to develop small businesses in the future, because the empirical facts show, when there is a recession in 1997 in which many large businesses were suffering, small businesses still existed in the operations as economic actors.

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EFFECT OF EDUCATIONAL ON EMPLOYMENT OPPORTUNITIES FOR PEOPLE LIVING WITH DISABILITIES IN SELECTED UNIVERSITIES IN KENYA

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ABSTRACT

All over the world, reports from different organizations say that people living with disabilities (PLWDs) are underemployed. In Kenya besides many organizations lobbying for the increased employment of PLWDs, amplified by the constitution that at least 5% elective positions must be spared for (PLWDs) there is lower rate of employment. For example the entire cabinet and parastatal secretaries of about twenty six people only one is disabled. The empirical review has pointed out that education has affected negatively on people with disability employment; the employer stereotype also has made it difficult for PLWDs to attain jobs. The literature revealed that the organizational culture is of dare consequences as it may work against the advantage of the disabled, also inaccessibility inhibit Disabled employees from accessing organizational facilities. The employer perception in the literature shows that employers view people living with disabilities as costly. The objective of the study investigated the challenges facing employment opportunities for PLWDs while the specific objective investigated; the effect of education on employment opportunities for People Living With Disability. The target population was all People Living with Disability employees in selected Universities in Kenya and associations of People Living with Disabilities in Kenya. The sample size was all employees living with Disabilities and all members of the association of People Living with Disabilities in Murang'a County. The findings were presented in tabular form. Both Descriptive statistics i.e. mean standard deviation, skewness, kurtosis and inferential statistics i.e. Correlation, Regression, ANOVA models were used to analyze the findings. The findings showed that People Living with Disabilities do not secure employment opportunities due to: lack of required Education and Skills. The study recommended that for people living with disabilities to increase their employment opportunities, their Educational level, working experience have to be enhanced.

KEYWORDS

employment opportunities, people living with disabilities.

INTRODUCTION

One billion people, or 15 percent of the world's population, experience some form of disability. One-fifth of the estimated global total, or between 110 million and 190 million people, encounter significant disabilities. Persons with disabilities on average as a group are more likely to experience less employment, World Bank (2014). Many countries in the world have passed laws directed towards equal employment opportunities for the people living with disabilities in the labour market; however, employment disparities are persistent, even in industrialized countries.

Disability and Employment statistics for people with disabilities in high income countries are not only unreliable due to insufficient data, incompatible disability definitions and statistical biases; they are also plagued by huge differences in employment definitions Sarpong (1974). Employment statistics for people with disabilities are virtually non-existent in developing countries. Nevertheless, the existing evidence suggests that lack of employment opportunities for people with disabilities in high income countries are extremely high, and that unemployment rates for people with disabilities in developing countries are at least as high or higher Wright (1960). In the United States, only 14.3 million of an estimated 48.9 million people with disabilities were reported to be employed in 1991-92 in Austria, where people with disabilities must register, only 69% of those who registered were reported to be employed in 1994.

In 1996, it was estimated that no more than 30% of the disabled people in Belgium were employed. 23 Only 48.2% of the disabled people in Canada were reported to be employed in 1991, with 51.8% either unemployed or "not in the labor force Lippman (1972). Society's documented interest in disability dates back to the early study and practice of Medicine, as medical scholars and practitioners developed strategies to prevent and overcome impairments that occur due to sickness and injury Thomas (1957). Within this narrow context, a disability was defined as an impairment or disturbance at the level of the body, a medical problem to be either prevented or corrected. Disabled people with disabilities that could not be corrected were viewed by society as pitiable and lacking in social and economic potential. As a class, they tended to be included in early European welfare policies among "the worthy poor" deserving of alms Franzen Bjorn (1990).

GLOBAL PERSPECTIVE

In general, disabled are less valued in the world of work as shown by lack of equity in participation, pay, the kind of jobs they have, and the positions they hold. Studies conducted across the globe using both micro Blau & Kahn, (2003) and macro data Azmat *et al* (2006) United Nations Economic Commission for Europe UNECE (2008) have converging findings regarding people living with disabilities employment disparities. For instance, Blau and Kahn (2003) investigated the people living with disability employment gap in 22 countries across the globe. The data were extracted from the International Social Survey Program between 2000 and 2010 and include countries such as the United States, Britain, Canada, Japan, Germany, The Netherlands, and Russia. The discrimination gap averaged between 44 and 84%. The study outcome revealed the following gender pay gaps: United States (40%), Britain (37%), Japan (85%), and Slovenia (44%).

Apart from people living with disability being underrepresented in the world of employment, studies have shown they are also underrepresented in official and managerial positions while they are overrepresented as sales, clerical, and service workers. The UNECE (2008) found that, except for the United States and Lithuania, where the proportion of PLWDs legislators, managers, and senior officials was rather high (54 and 47%, respectively), the rest of Europe and North America has a clear majority of PLWDs among legislators, managers, and senior officials. Trends in Europe and North America also show that PLWDs are less likely to be employed or self-employed, and no country within 18 the UNECE has attained a 5% proportion of PWDs among employees (UNECE, 2008).

Despite the awareness of employment disparities and the need for equal pay for equal work, disparities in employment persist, with PWDs being disadvantaged. Inadequate human capital, low participation rate in the labor force, and discrimination are attributed to the predicament of women in the labor force (Azmat et al., 2006). In Africa particularly Tanzania and Kenya have entrenched in their constitutions law that compel the employer to at least set a site 3% and 5% plus progressive employment opportunities for people living with disabilities, Constitution of Tanzania and Kenya (2010) respectively.

THE REGIONAL PERSPECTIVE

Variations in the treatment of persons with disabilities are manifest in Africa as in other parts of the world Amoako (1977). Among the Chagga in East Africa, the physically handicapped were perceived as pacifiers of the evil spirits. Hence, care was taken not to harm the physically handicapped. Among the citizens of Benin (formerly Dahomey in West Africa), constables were selected from those with obvious physical handicaps. In some communities in Benin, children born with anomalies were seen as protected by supernatural forces. As such they were accepted in the community because they were believed to bring good luck Wright (1960). Nabagwu (1977) observed that among the Ibo of Nigeria, treatment of persons with disabilities varied from pampering to total rejection.

Diversifications in perception of persons with disabilities exist in Ghana as they do in other places in Africa. Among the Ashanti of central Ghana, traditional beliefs precluded men with physical defects, such as amputations from becoming chiefs. This is evident in the practice of destooling a chief if he acquires epilepsy Sarpong (1974). Children with obvious deviations were also rejected. For instance, an infant born with six fingers was killed upon birth. Severely retarded children were abandoned on riverbanks or near the sea so that such "animal-like children" could return to what was believed to be their own kind Danquah (1977). In contrast, the Ga from Accra region in Ghana, treated the feeble-minded with awe. They believed the retarded were the reincarnation of a deity. Hence, they were always treated with great kindness, gentleness and patience (Field 1937).

Franzen Bjorn (1990) observed that in some communities in Kenya and Zimbabwe, "a child with a disability is a symbol of a curse befalling the whole family. Such a child is a "shame" to the whole family, hence their rejection by the family or the community. Children who are met by those beliefs and attitudes can hardly develop to their full potential: "They get less attention, less stimulation, less education, less medical care, less upbringing and sometimes less nourishment than other children." Franzen Bjorn (1990). Thomas (1957) sees societal perceptions and treatments of persons with disabilities within cross-cultural settings as a kaleidoscope of varying hues that reflect tolerance, hatred, love, fear, awe, reverence and revulsion. The most consistent feature in the treatment of persons with disabilities in most societies is the fact that they are categorized as "deviants rather than inmates by the society." Lippman (1972).

STATEMENT OF THE PROBLEM

Wilkins (2013) established that majority of people with disabilities unemployed, improvement in the last decades has been below targets and expectation. Kwek a (2010) revealed that employment of people with disabilities have improved only marginally and continue to be a serious concern for economic and social policy alike, but his study is questionable for generalization since the population used was 197, while his sample size was only 26 people living with disabilities and only involved people from just Dar-es salaam.

Another study by Mkumbo (2012) established that people living with disabilities do not get employment opportunities easily because of lack of education. Makwena (2012) established that people living with disabilities especially people on wheel chairs do not access employment opportunities due to their nature as they cannot utilize the organizational facilities in many of the country's buildings.

In the study carried out on employment opportunities among the ethnic communities in the Kenyan Universities and colleges, it was found that only Egerton University, Technical University of Mombasa, and Multimedia University had complied with the National cohesion and integration Act (2008) by employing less dominant ethnic groups in their regions, since people with disabilities are part of affirmative issues, then one is left to wonder why the rule of ethnicity balance in employment has been complied to but why not disability rule? Charles, J. (2015). Reported that there is an increase in unemployment for people living with disabilities. Daily Nation (2015). Multimedia University, Rongo University Colloge, and Kibabii University College advertised job vacancies and clearly indicated that people living with disabilities are encouraged to apply. In Kenya besides the constitution guideline of at least 5% plus progressive employment opportunities, according to National council for people living with disabilities less than 2% of the employment positions are occupied by persons with disabilities NCPWD (2013). Scanty research has been done on challenges facing employment opportunities for people living with disabilities. Therefore the gap exist as there is scanty research on challenges facing employment opportunities for people living with disabilities, these triggered the need for investigation into the challenges facing equal employment opportunity for people living with disabilities in Kenya to address the gap.

OBJECTIVES

GENERAL OBJECTIVE

To investigate the challenges facing employment opportunity for people living with disabilities in selected Universities in Kenya

SPECIFIC OBJECTIVES

To find out how stereotype affects employment opportunities for people living with disabilities.

RESEARCH HYPOTHESES

H₀1 Stereotype does not affect employment opportunities for people living with disabilities

JUSTIFICATION OF THE STUDY

- i. The republic of Kenya will benefit from the findings as the problems inhibiting employment of disabled is known and the corrective measures have been recommended on how to increase employment of the people living with disabilities.
- ii. Researchers and Scholars in the field of disabilities will benefit from the findings it adds knowledge in the academic field.
- iii. The Human Resource Managers will benefit from the study as they can utilize the recommendations of the study to solve employment problems of the people living with disabilities at workplace.
- iv. The National Council for People Living with Disabilities will benefit as they will utilize the findings of study to champion for the rights of people living with disabilities.

SCOPE OF THE STUDY

There are many factors that affect employment for people living with disabilities. The study concentrated on how Skills, Stereotype, Employer perception, Organizational Culture, and Organizational facilities affect the employment opportunities of the Blind, the Deaf, and the physically handicapped. The study was conducted among the public Universities in Nairobi County as these Universities have the largest population of employees hence the findings from the institutions can be generalized as true representative of the people living with disabilities and unemployed PLWDs in Murang'a County between February and April 2015.

LIMITATION OF THE STUDY

There are some factors that limited the comprehensive coverage of the study. One of the difficulties encountered was the release of information; the respondent were not willing to give correct information as they feared repercussions, however the study overcame the problem as the respondents were assured that the information given was confidential and was to be used only for purposes of academic. The other problem was communication barrier especially when dealing with people that have hearing impairment, however problem was overcame by the help of specialist in sign language

BANDURA'S SOCIAL LEARNING THEORY

According to Bandura,(1978) people learn through observing others' behavior, attitudes, and outcomes of these behaviors. The person learns human behavior by observation through modeling: from observing others, one can form idea of how new behaviors are performed, and on later occasions this coded information serves as a guide for action. Through Social learning theory behavior can be enhanced in terms of continuous reciprocal interaction between cognitive, behavioral and environmental influences.

Employment opportunities are enhance by the level of Skills one has acquired (Millington, *et. al.*, 2000), Skills are necessary for people to perform duties and tasks better. Some of the skills identified are job knowledge/production Skills which affects the person's ability to get the job done. The other Skill was social and emotional coping Skills, the social Skills affects the ability to get along with coworkers and supervisors and to cope with stress in the workplace (Greenwood & Jackson, 2007). The other type of Skill was trainability/task flexibility Skills a worker has affects his or her ability to learn new Skills and to be flexible in taking on new tasks and being where you are supposed to be when you are supposed to be there, these leads to motivation/satisfaction.

The theory is important to the study as it shades light on how skills can be learned through observation and modeling of what has been seen and heard. The theory address independent variable Skills as it highlights how people with disabilities will attain Skills through learning behavior and environmental influence which in turn enhances the employment opportunities for people living with disabilities in the current turbulent job market that require one to be equipped with necessary Skills in order to have competitive edge over the ever swelling number of competitors for the fewer chances that surface up.

CONCEPTUAL FRAMEWORK

A conceptual framework is a model of presentation where a researcher conceptualizes or represents the relationships between variables in the study and shows the relationship graphically or diagrammatically (Orodho, 2008). In this context, Orodho posits, a conceptual framework is a hypothesized model identifying the concepts or variables under study and showing their relationships. Kothari (2009) defines a variable as a concept that can take different quantitative value such as weight, height, or income. Mugenda (2008), on the other hand, defines a variable as a measurable characteristic that assumes different values among units of specific population.

The conceptual Framework below shows that education which is the level attained in the learning institution e.i. Level of Education/Training, Experience, Professional Training, Area of Training (technical, social), stereotype is the general assumption about certain category of people i.e. shy/distant, dependent/noncompetitive, bitter/unhappy, and ingressive. Organizational culture is the way things are used to be done here i.e. high performance, equity, bureaucracy and organizational facilities i.e. Availability of ramps & lifts, Designated parking bays, Toilet facilities, Installation of Braille which are the dependent variables have influence on employment for the disabled people which is the dependent variable. Employment is in terms of the position one is holding in the organization i.e. Number of PLWD, Rank/Position, Reserved Positions, Policy on employment of PLWD etc.



EDUCATION

Education is crucial in the acquisition of functional skills. For the individual, among other factors, knowledge, skills and competencies acquired through education are vital for effective labor market participation. Citing Lau, et al. (1991) Wodaj (2002) espoused that among others, education enhances the ability of an individual to perform standard tasks as well as learn to perform new tasks. The author further indicated that education improves the ability of the individuals to deal with information and communication and higher levels of education has been identified with innovation in production technology. Linking the positive effect of human capital improvement through education to employability, Fasih (2008) argued that education is critical in preparing individuals to enter the labor market, as well as equipping them with the skills to engage in lifelong learning experiences. The literature shows that different levels and kinds of education have different effects on the probability of being employed. A research by Kuepie et al. (2006) in seven major cities of the West African Economic and Monetary Union (WAEMU) - Abidjan, Bamako, Cotonou, Dakar, Lomé, Niamey and Ouagadougou - show that unemployment rates were lower (14.6%) for individuals without minimum level of education. The authors also observed that unemployment rates are higher among individuals (20% to 21%) with completed primary to secondary education. The rate however drops slightly to 19 percent among individuals who have completed at least a year of higher education (Kuepie et al. 2006). It has been observed that the incidence and duration of unemployment are also influenced by level of education. Riddell and Song (2011) cite a number of studies which show that higher level of education shortens the duration of unemployment by improving re-employment rate. In the European Union (EU) for instance, it is argued that once in the labor market, the more educated have less than half the chance of being unemployed relative to the less educated (Psacharopoulos, 2007). The above notwithstanding, some arguments have questioned the actual effect of 124 African Sociological Review 16(1) 2012 education on employment. This is typified by the argument by Riddell and Song (2011) that the correlations between education and unemployment incidence and duration are likely to be confounded by the endogeneity of education. In addition to influencing employability, available literature also suggests that education also affects sector of employment. Thus whether an individual will work in the formal or informal sectors is also partly determined by educational attainment. Kuepie et al. (2006) identified a close link between educational attainment and formal and informal sector employment in a survey of seven WAEMU cities. Kuepie et al. (2006) found that as many as 91 percent of the employed workers who did not start or complete primary school worked in the informal sector. However, informal sector participation appeared to diminish as education attainment increases. The same survey showed that among the employed persons with completed primary schooling, 75 percent are engaged in the informal economy while 50 percent of those with completed middle school are working in the informal sector. For those with some higher education, only 19 percent were engaged in the informal sector. The above observation by Kuepie et al. (2006) is corroborated by Baah (2007) who stated that there is some association between illiteracy and informality. According to him, people with no formal education are more likely to engage in informal economic activities as a coping mechanism. Low levels of education in Ghana and other African countries partly explain the high level of informality in such countries (ibid). In addition to the above, the kind of education has also been identified as one of the determinants of formal or informal sector participation. In Abidjan, Bamako, Cotonou, Dakar, Lomé, Niamey and Ouagadougou, Kuepie et al. (2006) observed that although level of education influences formal sector participation, the type of education also has an important effect on formal sector participation. In the seven WAEMU cities the authors observed that while only 37 percent of the individuals who had vocational training worked in the informal sector, about half of their counterparts who attained an equivalent level in the secondary system worked in the informal sector. Similarly, in the Nigerian capital, an estimated 82 percent of the workers with vocational training work in the formal sector (ibid). The forgoing shows the critical rule that education plays in labor market outcomes of individuals. The above elucidates that not only does education influence the employability of individuals but it also determines the sector of employment. In addition to influencing employability, education is also identified as vital in the determination work earnings.

RESEARCH METHODOLOGY**RESEARCH DESIGN**

The study adopted descriptive design. Descriptive research determines and reports the way things are Mugenda and Mugenda (2003). This design was chosen because it helps to gain more information about the dependent variables (Organizational Culture, Education, Employer perception, Stereotype and Organizational Facilities) and independent variable (Employment Opportunities) of the study. The data that generated from this design helped to establish the relationship between challenges and employment opportunities of disabled persons.

The population is defined as including all people or items with the characteristics one wishes to understand, Mugenda & Mugenda (2004). The study used representative sample (subset) of the population Jagger, (2009). The population in the study was 14,600 people which included all employees with disabilities in the three Universities i.e. Kenyatta University, Technical University of Mombasa and University of Nairobi, the human resource managers in these Universities and unemployed people living with disabilities in the Murang'a PLWDs association. The target population was people living with disabilities as they can give their views concerning how they are discriminated against during recruitment and selection. The study also chose human resource managers since they are the custodians of all the records concerning employees and also they are in charge of recruitment and selection, so they can give detailed information on how they arrive at the right person and why the number of people with disability is small in their organizations. The unemployed PLWDs gave valuable information as to why they are unemployed.

The sample frame in the study was 742 people which were a combination of Universities staff and unemployed PLWDs in Murang'a association of PLWDs. The frame gave a large number of people from which the more effective and efficient number to work with was drawn. The study used stratified sampling technique to incorporate people living with disabilities from selected Universities who are employed and those from Murang'a association of PLWDs who are unemployed; this ensured that comprehensive information was collected. The sample size was 191 people living with disabilities which was 25.7% of the target population. The collection procedure was drop and pick; questionnaires were dropped and picked upon agreed time period with the respondent. The permission for the study was sought from the top Management before administering the questionnaires. The researcher also provided explanation on issues that were not clear to the respondent before the respondents were left to complete the forms at their convenient time.

RESULTS

Fowler (1994) defines the response rate as the extent to which the final data set includes all sample subjects and it is calculated as the number of people with whom interviews are completed, divided by the total number of people in the entire sample, including those who refused to participate and those who were unavailable, multiplied by 100. A total number of 191 instruments were administered to all the sample size. From table 4.1 it shows that only 120 respondents filled the questionnaires making a percentage of 62.8%. Babbie (2002) observes that in descriptive research, a response rate of above 50% is adequate for analysis. A response of 62.8% in the study was considered very adequate.

EDUCATION AS A CHALLENGE FACING EMPLOYMENT OPPORTUNITIES FOR PEOPLE LIVING WITH DISABILITIES

In this study it shows that Education have an effect on employment opportunities as it is indicated by the $R^2=0.137$ meaning 13.7% change in employment opportunities can be explained by unit change in Education. This study yielded same results as those of Fasih (2008) *et al* (2012) and that of Wodaj *et al* (2002). We can confidently conclude that Education enhance employment opportunities for people living with disabilities. The equation for regression of Education on employment opportunities is as shown below:

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$Y = \beta_0 + 0.137 + 0.849$$

TABLE 2: MODEL SUMMARY FOR EDUCATION CHALLENGES FACING EMPLOYMENT OPPORTUNITIES FOR PLWDs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.370 ^a	.137	.124	.849
a. Predictors: (Constant), Education				

H_{01} the level of Education does not affect employment opportunity for people living with disabilities at significance level of 0.05, the outcome shows that significance level of 0.002 which is less than 0.05 meaning we reject the null hypothesis and conclude that Education has an effect on determining employment opportunities for people living with disabilities.

The study investigated the challenges facing employment opportunities for the people living with disabilities with an assessment of individual skills and work environment. Especially the study focused on educational level of individuals. The conclusions relate directly to specific objectives and the recommendations refer to the suggestions for further study or proposal for change or both. Each recommendation traces directly to each conclusion.

FINDINGS

The literature showed that employment opportunities for people living with disabilities are affected by various challenges. In the organizations studied, employment opportunities for people living with disabilities are lower than expected. The study examined a population of three thousand people in University of Nairobi, Kenyatta University, Technical University of Mombasa, and Murang'a Association of people living with disabilities. Stratified random sampling technique was used to select one hundred and fifty (150) people for investigation, this was to ensure that even number of respondents are given chance to participate. The study was conducted by use of questionnaires. Out of 150 people only 120 responded giving a response rate of 80%. The instruments were pilot tested and analyzed for reliability and validity using Cronbach's Alpha formula. Confirmatory factor analysis to reduce the factors was also used. This confirmed the conceptual framework of the study, SPSS version 17 was used as the statistical tool for analysis all through the study. The data was analyzed and using descriptive and inferential statistics. Scatter plots were visually examined to check whether linear regression relationships existed after which linear regression was done to establish the magnitude and direction of relationship. Multi regression was used to test the combined effect of all the independent variables to the dependent variables. The study found that education has effect on employment opportunities for people living with disabilities.

RECOMMENDATIONS

The study therefore recommends that Skills for people living with disabilities should be improved; the educational qualifications must be increased by acquiring more education standards. This can be achieved through enrollment to higher education studies. The professionalism can be acquired through enrollment to professional courses; the technical qualifications can be attained by enrolling into technical courses.

AREAS FOR FURTHER RESEARCH

Due to constraints highlighted in the study, it was not exhaustive of all the challenges facing employment opportunities for people living with disabilities. Research should be conducted to establish other challenges that influence employment opportunities for people living with disabilities since only 67.5% of the employment opportunities were covered by the five independent variables, meaning that the 32.5% of the unexplained influence have to be accounted for by the next research. The other disabilities like Hyper, HIV/AIDS, and Slow learners should be conducted.

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IMPLEMENTATION OF NATIONAL SOCIAL ASSISTANCE PROGRAMME IN JORHAT DISTRICT OF ASSAM

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ABSTRACT

The Present paper tries to examine the efficacy of the implementing machinery of the National Social Assistance Programme, presently which comprises Indira Gandhi National Old Age Pension Scheme (IGNOAPS); Indira Gandhi National Widow Pension Scheme (IGNWPS); Indira Gandhi National Disability Pension Scheme (IGNDPS); National Family Benefit Scheme (NFBS), and Annapurna. The study is based on both primary and secondary data. The data collected in this study are mainly related with fund received & allocated by the implementing agency and method employed to execute the schemes etc. The Government of India has undertaken various schemes for social security, but due to many reasons like lack of fund, inadequacy of the implementing machinery and negligence of governing body etc some of these schemes are not working properly. Smooth functioning of the implementing agency is necessary for successful performance of the National Social Assistance Programme.

KEYWORDS

Social Assistance, Poverty, Implementing Machinery, Efficacy, Zila Parishad.

1. IMPORTANCE OF SOCIAL ASSISTANCE

 Social Assistance plays a vital role in reducing poverty. Social assistance refers to regular and predictable transfers provide as cash, in-kind (often food) or as vouchers to vulnerable individuals or households, and that are not based on prior contribution. Such transfers can be conditional-usually on the contribution of labour or on attendance at school or health facilities- or unconditional. They can also be universal, covering all citizens regardless of their financial status, or targeted, using a means test or other eligibility criteria including age or disability. (Barrientos and Lloyd- Sherlock 2002)

Growth with social justice has been accepted as main objective of planned economic development. In a balanced approach for the alleviation of poverty, the target group of population should be those who are deficient in the minimum requirement of decent human living or those who have not access to the basic needs of life. Realizing such needs Government has started various schemes for the poor sections of society. The present study is undertaken with a view to examine the efficacy of the implementing machinery of NSAP.

2. INTRODUCTION TO THE NATIONAL SOCIAL ASSISTANCE PROGRAMME

India as a welfare state is committed to the welfare & development of each people, the valuable action in particular. The constitutions of India direct the state to provide public assistance to each citizen in case of old age, unemployment, sickness and disablement within the limits of its economic capacity. In accordance with the directive principle of state policy, the government of India launched National Social Assistance Programme (NSAP) on 15 Aug, 1995 with the objective of supporting minimum needs of poor (BPL) households. The government of India initiated the direct assistance programme to provide social security to vulnerable sections of society particularly those living below the poverty line. Thus, a package was evolved by the name of NSAP in order to provide coverage to the disadvantaged section of the society. The Prime Minister, in his broadcast to the Nation on 28th July, 1995, has announced that the Programme will come into effect from 15th August, 1995. Currently this programme comprises of

- a) Indira Gandhi National Old Age Pension Scheme (IGNOAPS);
- b) Indira Gandhi National Widow Pension Scheme (IGNWPS);
- c) Indira Gandhi National Disability Pension Scheme (IGNDPS);
- d) National Family Benefit Scheme (NFBS), and
- e) Annapurna.

Initially, the National Social Assistance Programme comprises three schemes as its components:

- National Old Age Pension Scheme (NOAPS)
- National Family Benefit Scheme (NFBS)
- National Maternity Benefit Scheme (NMBS).

These schemes were meant for providing social assistance benefit to the aged, the BPL household in the case of the death of the primary breadwinner and for maternity. Later, two other components viz National Widow Pension Scheme (NWPS) and National Disability Pension Scheme were also added to it. Annapurna was introduced on 1st April, 2000 for providing 10 kg of free food grains to those not covered under NOAPS.

The NSAP provides opportunities for linking the social assistance package to schemes for poverty alleviation and the provision of basic needs. Specifically, old age pensions can be linked to medical care and other benefits for the old and the poor. Maternity assistance can be linked to maternal and child care and provision of better diet to pregnant mothers.

The basic objectives of the programme are

- to ensure national minimum standards of social assistance for vulnerable groups
- to be an addition to the benefit that are currently providing or might provide in future.

The scale of benefit and eligibility of various schemes of NSAP:

(a) National Old Age Pension Scheme (NOAPS): Initially, Rs 75 per month was provided per beneficiary for destitute above 65 years under the scheme. The States were requested to contribute an equal amount from their own resources so that a beneficiary could get at least Rs 400 per month. From 2009, the age of the applicant should be 60 or above after the revised guidelines. According to the 2012 budget, the amount of old age pension is Rs. 200 per month for applicants aged 60-79. For applicants aged above 80 years, the amount has been revised in Rs. 500 a month. The ceiling on the number of old-age pensions for purposes of claiming central assistance will be specified for the states and UT/s from time to time. However, states are requested to contribute an equal share. The benefit under NOAPS should be disbursed in not less than two installments in a year and, if possible, the benefit may be disbursed in more installments as per direction of state government.

(b) National Family Benefit Scheme (NFBS): In the beginning, a grant of Rs 5000 in case of death due to natural causes and Rs 10,000 in case of accidental death of the "primary breadwinner" was provided to the bereaved household under this scheme. The primary breadwinner as specified in the scheme, whether male or female, had to be a member of the household whose earning contributed substantially to the total household income. The death of such a primary breadwinner occurring whilst he or she is in the age group of 18 to 64 years i.e., more than 18 years of age and less than 65 years of age, makes the family eligible to receive grants under the scheme. In 1998, the amount of benefit under NFBS was raised to Rs 10,000 in case of death due to natural causes as well as accidental causes. Recently, from 2012-13 fiscal the amount increased to Rs 20,000 irrespective to the cause of death.

(c) National Maternity Benefit Scheme (NMBS): Under the scheme, Rs 300 per pregnancy upto the first two live births is provided. The beneficiary should belong to a household Below the Poverty Line (BPL) according to the criteria prescribed by Government of India. The assistance under the National Maternity Benefit Scheme was increased to Rs. 500/- per pregnancy.

(d) Annapurna Scheme: This scheme aimed at providing food security to meet the requirement of those citizens who, though eligible, have remained uncovered under the NOAPS. So, the criteria for eligibility are same as National Old Age Pension Scheme. The applicant should not be in receipt of pension under the NOAPS or State Pension Scheme. The identification of the beneficiaries is a necessary first step. Under the Annapurna Scheme 10 k.g.s of food grains per month are provided free of cost to the beneficiary. The number of persons to be benefitted from the scheme is, in the first instance, 20% of the persons eligible to receive pension under NOAPS in States.

(e) National Widow Pension Scheme: The central assistance under NWPS was provided at the rate of Rs 200 per month per beneficiary. The age of the widow should be 40-64 years. The applicant must belong to a household below the poverty line according to the criteria prescribed by the Government of India. From the fiscal year 2012-13, the amount of pension increased to Rs 300 per month to widows below poverty line. The criterion of eligibility also revised from 40-64 to 40-79. Pradhan of Gram panchayat should review the list of widows and report in case of any re-marriage.

3. RATIONALE OF THE STUDY

The need for social security scheme is high in a country like India mainly because more than 26% of the people living below the poverty line. Further in Assam, the situation is far more grim. Social Security programmes play an important role in reducing poverty by helping the marginalized section of the society. The availability of social security programmes are very much essential for reducing poverty and also for the development of human capital.

There is evidence that social security programme can able to support the unprivileged section of the society to access the minimum needs of life. Availability of social security programmes are very much essential for socio economic development of the poor. It is also important to remember that only introduction of a programme can't improve the welfare of a society. To what extent a programme can improve the society's welfare depends on the working of the implementing machinery as well as the awareness of the beneficiaries. However, it is found that unlike other welfare schemes, no further study or research work is available on the performance of the National Social Assistance Programme.

Though government of India has undertaken various schemes for social security, but some of these schemes are not working properly due to many reasons like lack of fund, inadequacy of the implementing machinery and negligence of governing body etc. The present study has been proposed to focus on the efficacy of the implementing machinery of National Social Assistance Programme in Jorhat district of Assam. It is expected that the proposed study will bring to light certain new dimension in improving the performance of the schemes under NSAP.

4. OBJECTIVES AND METHODOLOGY

The present study addresses itself to examine the efficacy of the implementing machinery of NSAP in the Jorhat district. The study methods used in this paper are both primary and secondary in nature.

5. IMPLEMENTATION OF NSAP IN JORHAT DISTRICT AND ITS ACHIEVEMENT

The data collected in this study are mainly related with fund received and allocated by Zila Parishad, Jorhat and method employed to execute the schemes. The study is carried out in two development block of Jorhat District namely Jorhat Development Block (Baghchung) and Titabar Development Block. Collection of primary data was done mainly on three schemes under NSAP:

1. Indira Gandhi National Old Age Pension Scheme
2. Indira Gandhi National Widow Pension Scheme
3. Annapurna Scheme

Total of 160 beneficiaries are interviewed under this study. In case of NOAPS and NWPS, it is found that the beneficiaries are selected through Gaon Panchayat and in case of Annapurna scheme, the beneficiaries are selected through Gaon Panchayat Samabay samitee. In the time of the survey, the benefit under Indira Gandhi National Old Age Pension Scheme was Rs 250/- per month; the benefit under Indira Gandhi National Widow Pension Scheme was Rs 200/- per month and the benefit under Annapurna Scheme was 10 kgs of rice per month. Recently, in the fiscal year 2012-13, the norms and amount of benefit under these schemes has changed.

5.1. METHOD OF IMPLEMENTATION

The success of social security schemes depends exclusively on the process of preparation and implementation techniques. NSAP is a 100% centrally funded programme, though states are requested to contribute an equal share. Implementation of the scheme rests with state governments and union territories. The States / UTs have the flexibility to implement the schemes through any State Govt. Department. They have to however, designate a Nodal Secretary at the State level to report the progress of implementation by coordinating with different departments concerned with the implementation of the schemes. The progress of implementation of the schemes is to be reported through quarterly reports in a given monitoring format by the 15th of month of the following quarter. Non reporting of the physical and financial progress reports is considered as lack of progress and therefore, may result in the non-release of additional central assistance for the last quarter of the financial year. Since the ACA allocations for the schemes lapse at the end of the financial year, the installments cannot be released during the next financial year, even if a State Govt. reports progress subsequent to the cut-off dates fixed as above. The states Government have been given the requisite flexibility in the choice and implementation of the schemes. It is expected that the State Governments will streamline disbursements so that the payments are made timely, will also have a mechanism for a more transparent system of sanction especially in the event of death of beneficiaries under NOAPS/NWPS, adopt a system of annual verification and will also actively involve the Gram Panchayats.

Before 2010-2011, the implementation of schemes under NSAP in Jorhat District was done by various departments; District Social Welfare Office, Deputy Commissioner Office, Department of food and civil supplies. Recently, it is the responsibility of the Office of Zila Parishad to implement and monitor the schemes under NSAP. In reality, programme preparation is done by the Central Government but in case of implementation it will have to pass through different authorities. After preparation of the programmes, the Central Government discharges it to the State Government with necessary financial assistance and guidelines for execution. In its turn, the State government directs it to the Zila Parishad for execution through blocks and panchayats. The District Zila Parishad has to follow all necessary guidelines for implementation provide to them by the Central and State Government. The Gram Panchayats / municipalities play an active role in selection of beneficiaries and also disbursement of benefits. Disbursement of pension is done by the panchayats by A/C payee cheques. So, the beneficiaries should have a bank account or post office saving bank account. In case of Annapurna scheme, the disbursement procedure is done by Gaon Panchayat Samabay Samiti. Fund for these schemes are released to Zila Parishad in one or two installments. The disbursement of pension is taking place on two monthly installment basis by the Gram Panchayats through the bank account / post office saving account of the beneficiary. In a recent guideline, the Government has instructed to deposit the amount in beneficiaries account directly by the Zila Parishad excluding the Annapurna Scheme. In Jorhat District, this process of online account payment is done upto 40% of total beneficiaries. From the officials of Zila Parishad, we came to know that by 2014, June, the process of online payment will be fulfilled.

TABLE 1: THE PHYSICAL STATEMENT FOR THE YEAR 2012-13

Sl No.	Name of the Scheme	Unit	Total Target of the District	Target for Current Year
1	IGNOAP	43391	43391	a.41997(60-79) b.1394(80 years and above)
2	Annapurna	1097	1097	1097
3	IGNDPS	1381	1381	1381
4	IGNWPS	3617	3617	3617
5	NFBS	445	445	445

Source: Zila Parishad, Jorhat

TABLE 2: PHYSICAL STATEMENT OF IGNOAPS UNDER BLOCK WITH ZPC/MB/TC

Sl No	Name of Blocks with ZPC/JMP/JZP/MTC/Titabar TC/Teok TC	No. of beneficiaries under Block with ZPC/MB/TC		Total(A+B)
		A	B	
		Additional target 60 to 79 years	Against earlier 80 years & above beneficiaries	
1	Kaliapani Dev. Block	3930	33	3963
2	East Jorhat Dev. Block	3443	46	3489
3	Central Jorhat Dev. Block	4304	243	4547
4	North West Jorhat Dev. Block	6667	166	6833
5	Jorhat Dev. Block	9556	157	9713
6	Titabar Dev. Block	5688	91	5779
7	Majuli Dev. Block	4330	263	4593
8	Ujani Majuli Dev. Block	2890	319	3209
9	Jorhat Municipal Board	768	59	827
10	Mariani Town Committee	354	10	364
11	Titabar Town Committee	55	6	61
12	Teok Town Committee	12	1	13
	Total=	41997	1394	43391

Source: Jorhat Zila Parishad

From the above table of targeted beneficiary, it is found that, under National Social Assistance Programme, Indira Gandhi National Old Age Pension is a dominant one. The Annapurna scheme is actually complementary to Indira Gandhi National Old Age Pension Scheme as it covers the persons which though eligible left by the Old Age Pension scheme because of lack of capital or error in the identification process. The beneficiaries under Indira Gandhi National Disability Pension Scheme and National Family Benefit Scheme are too small compared to the National Old Age Pension Scheme. So, in this study, we concerned mainly with only Indira Gandhi National Old Age Pension Scheme, Indira Gandhi National Widow Pension Scheme and Annapurna as well. Further, the secondary data are available mainly on National Old Age Pension Scheme. The targeted beneficiaries under Old Age Pension Scheme show a quite increasing trend. Now it covers 43391 persons.

TABLE 3: IMPLEMENTATION OF THE SCHEME OF NATIONAL OLD AGE PENSION (NOAP) UNDER NSAP W.E.F. 1995-96 IN JORHAT DISTRICT

Year	Fund Allocation (in Rs.)	Targeted beneficiary	Fund utilized (in Rs.)	Achievement
1995-96	8,45,000	2268	-	
1996-97	-	2268	8,45,550	2191
1997-98	10,21,000	2268	10,25,675	2268
1998-99	31,83,000	2265	15,44,375	2265
1999-00	-	2855	17,49,094	2837
2000-01	81,20,000	9060	80,81,182	8754
2001-02	84,83,000	9060	82,36,951	8845
2002-03	-	9060	4,90,258	580
2003-04	-	-	1,36,125	169
2004-05	81,53,100	9059		
2005-06	83,16,158	9059		
2006-07	6,09,84,648	38118		
2007-08	12,38,73,600	38118		
2008-09	12,38,73,600	38118		
2009-10	10,88,10,150	38179		
2010-11	9,35,38,550	38179		
2011-12	6,10,86,400	38179		
2012-13	4,47,85,000	43391		

Source: District Social Welfare Office, Jorhat Zila Parishad

TABLE 4: STATUS OF NSAP IN JORHAT DISTRICT

Scheme	Year	Amount Received in Lakhs	Amount utilized in Lakhs	Target	Achieved	Remarks
IGNWPS	2010-11	31.62	31.14	3617	-	Balance Rs 48000/-
	2011-12	27.19	27.19	3617	2719	Fully utilised
	2012-13	28.71	28.71	3617	-	Under process
NFBS	2011-12	50.72	23.90	445	-	
	2012-13	12.00	-	445	-	Under process
NDPS	2010-11	17.16	17.16	1381	-	Fully utilised
	2011-12	10.53	10.53	1381	895	Fully utilised
	2012-13	10.96	10.96	1381	-	Under process
Annapurna	2011-12	13.53	5.75	1097	-	Fully utilised
	2012-13	3.83	-	1097	-	Under process

Source: Zila Parishad, Jorhat

5.2. EVALUATION OF THE EFFICACY OF THE IMPLEMENTING MACHINERY OF NSAP USING PRIMARY DATA

NSAP acts as a means to empower the poorer sections of the society and helps in creating a balanced equation within society and enhances the social acceptability of the beneficiaries along with financial security. To evaluate the efficiency of the implementing machinery of NSAP, it is very important to know the view of the beneficiaries regarding various aspects of the schemes under NSAP.

5.2.1. SATISFACTION WITH SELECTION AND DISBURSEMENT PROCEDURE

From the data obtained in the field survey, it is seen that, satisfaction levels with respect to selection procedure are very high (app. 98%). Only 3 respondent showed dissatisfaction which is negligible. The noticeable fact is that all three beneficiaries are fall under the Annapurna Scheme. In fact they preferred pension instead of the food grain. The dissatisfaction level is higher at Jorhat development block while Titabar development block shows 100% satisfaction level which is very commanding achievement of National Social Assistance Programme. Benefits from the schemes are received in time and beneficiaries have stated their satisfaction with the timely payment, again satisfaction levels are at appreciating level (100%). Pensions from IGNOAPS and IGNWPS are given half yearly. However, food grain under Annapurna scheme was given on monthly basis. Though the beneficiaries show high satisfaction level with the timely payment, it has seen that the period of disbursement of the benefit changes from time to time.

TABLE 5: SATISFACTION WITH SELECTION PROCEDURE

Name of the Blocks	Scheme						Total	
	NOAP		NWP		Annapurna		Yes	No
	Yes	No	Yes	No	Yes	No		
Jorhat	50 (100)	0 (0)	20 (100)	0 (0)	7 (70)	3 (30)	77 (96.25)	3 (3.75)
Titabar	50 (100)	0 (0)	20 (100)	0 (0)	10 (100)	0 (0)	80 (100)	0 (0)
	100 (100)	0 (0)	40 (100)	0 (0)	17 (85)	3 (15)	157 (98.125)	3 (1.875)

Source: Field Survey

Note: Parentheses indicate percentage.

TABLE 6: RESPONDENTS OPINION REGARDING RECEIPT OF BENEFITS ON TIME

Name of the Blocks	Scheme						Total	
	NOAP		NWP		Annapurna		Yes	No
	Yes	No	Yes	No	Yes	No		
Jorhat	50 (100)	0 (0)	20 (100)	0 (0)	10 (100)	0 (0)	80 (100)	0 (0)
Titabar	50 (100)	0 (0)	20 (100)	0 (0)	10 (100)	0 (0)	80 (100)	0 (0)
	100 (100)	0 (0)	40 (100)	0 (0)	20 (100)	0 (0)	160 (100)	0 (0)

Source: Field Survey

Note: Parentheses indicate percentage.

5.2.2. TIME LAG BETWEEN APPLICATION AND SANCTION OF APPLICATION

There exists considerable time between applying for the schemes and sanction of the benefit. It is observed that app. 50% of applicant got the benefit between 6 to 12 months. In more than 20 % cases , it took more than 1 year to get the benefit sanctioned. In Titabar Development Block, it took more time. This may happens because of the lack of awareness about the schemes under NSAP as the literacy rate is also lower in Titabar Development Block compared to Jorhat Development Block.

TABLE 7: TIME REQUIRED FOR SANCTION OF THE APPLICATION

	< 6 months	6-12	12-18	18-24	>24	Total
Jorhat	28(35)	43(53.75)	5(6.25)	4(5)	0(0)	80(100)
Titabar	18(22.5)	36(45)	15(18.75)	9(11.25)	2(2.5)	80(100)
Total	46(28.75)	79(49.375)	20(12.5)	13(8.125)	2(1.25)	160(100)

Source: Field Survey Note:

Note: Parentheses indicate percentage.

From the study we have seen that almost all beneficiaries of the Jorhat and Titabar Development Block were fully satisfied with the selection procedure in case of NOAPS and NWPS. But in case of Annapurna scheme there are few beneficiaries who are unsatisfied with the selection procedure.

6. SUMMARY AND CONCLUSION

In a developing country like India, the most important problem today is that of improving the socio-economic conditions of the large section of the people living below the poverty line. The socio-economic development of the poor section of the society is essential if the pace of overall economic development of the country is to be accelerated. Therefore the Central Government introduces various flagship programmes to improve the living standard of the people living below the poverty line. It is not possible to study the efficacy of the implementing machinery of all the programmes because of various constraints. So far in this, we tried to examine to what extent the implementing machinery of NSAP is efficient.

This study based on empirical investigation, it is hoped, will bring to light certain new dimensions in improving the performance of National Social Assistance Programme. The study basically based on primary data provides a brief description of the performance of NSAP in Jorhat District of Assam.

During the study period, lots of individual beneficiaries, officials from Jorhat Zila Parishad and Block Development Offices of Jorhat & Titabar Development Block were visited. The beneficiaries selected for this study are from most remote areas. The summary of the findings of the study are summarized below.

- Satisfaction levels with selection procedure are very high, and the benefits are received in time.
- Income as criteria for beneficiary selection is acceptable and favored by most beneficiaries.
- The role of Chief Executive Officers (CEO) of Zila Parishad is very important in successful implementation of all schemes executed by Zila Parishad. But from the time of formation of Zila Parishad i.e. from 29.08.2002 to the present time as many as 5 nos. of Chief Executive Officer's are transferred and posted in Jorhat Zila Parishad. This kind of frequent change at the top level causes a setback in smooth progressing of the schemes under NSAP.
- For successful implementation of the schemes, wide publicity of the schemes taken for execution is very essential. For this purpose foundation stone was laid for most of the schemes by ZP member/Social Worker etc. in the presence of local residents. This process also increased people's participation and awareness and also helps in reducing corruption.
- Generally, the State Government released funds to the Zila Parishad in time. But, it takes atleast 6 months to distribute these funds under different schemes to APs, MBs and TCs due to lack of sufficient working stuff.
- However, biasness was seen in distributing the funds to the different ZPC area under Jorhat Zila Parishad. The allocation was not equally distributed to all ZPCs. The more powerful political ZPC members were able to draw more funds to the ZPC from where they belonged.

- Earlier the schemes under NSAPs are implemented by various departments (District welfare Office, Deputy Commissioner Office and District supply Office) and from 2011 the state government gave the responsibility of implementation and execution to Zila Parishads. Change of implementing machinery from time to time hampers the progress of the schemes under NSAP.

7. RECOMMENDATIONS

To improve the efficacy of the implementing machinery of the National Social Assistance Programme, the following suggestions are offered :

- Attention should be given to develop awareness among people about the programme.
- People's participation at grass root level should be encouraged in the implementation of the programme.
- Special effort should be made to utilize fully the available fund under each programme.
- The benefits should be disbursed monthly, if not possible atleast made it quarterly.
- Efficient working staff should be available at the offices to make the disbursement procedure fast and easy.
- Changing of implementing agency from time to time has hampered the effective implementation of the programme. So, there must be a single body for implementing various schemes under NSAP.
- The time lag between application and sanction of application should be reduced.

8. LIMITATIONS OF THE STUDY

First of all, it is felt that it has been insufficient to draw a definite conclusion on Assam as a whole since the findings are related to only the Titabar and Jorhat (Baghchung) Development Blocks of Jorhat District of Assam. Secondly, Before 2010-2011, the schemes under National Social Assistance Programme were implemented by various departments of state. Now, Zila Parishad has the responsibility of implementation of all the schemes under NSAP. So, proper records are not available. Thirdly, the field survey was done between September and November, 2013. Due to the festival season, in some of the districts, the officials were not available for discussion. Lastly, though inexorable attempts were made to collect the necessary information through informal discussions with the respondents, yet there might have been some omissions.

It will be our endeavor to make further research on the subject in future removing atleast some of the limitations, for making the findings more representative and accurate.

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