

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



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

Indexed & Listed at:

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

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

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

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

Circulated all over the world & Google has verified that scholars of more than 4945 Cities in 183 countries/territories are visiting our journal on regular basis.

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

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

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	AN EVOLUTION ON DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY IN INDIAN INDUSTRIES <i>DR. A. JAGADEESH BABU</i>	1
2.	ENTREPRENEURSHIP DEVELOPMENT OF MSMEs IN NELLORE DISTRICT <i>DR. M. SAMBASIVAIAH & DR. K. RAJIAH</i>	6
3.	A STUDY OF THE FINANCIAL HEALTH PERTAINING TO SELECT INDIAN CPSE's - WITH SPECIAL REFERENCE TO SAIL, NTPC AND ONGC (1997 TO 2015) <i>VIJAYA PRIYA S & DR. K K SEETHAMMA</i>	11
4.	DOES CULTURE AFFECT MANAGEMENT DYNAMICS IN MULTICULTURAL ORGANIZATIONS: AN ANALYTICAL STUDY <i>DR. S. D. VASHISHTHA & SEEMA GARG</i>	18
5.	REFINANCE OPERATIONS OF NABARD IN CHITTOOR DISTRICT OF ANDHRA PRADESH STATE <i>KAYAM MUNEENDRA & DR. CHITRAPU SWARAJYA LAKSHMI</i>	23
6.	VARIATIONS IN CAREER INTERESTS OF GRADUATE STUDENTS <i>DR. VIJAYA PURANIK</i>	28
7.	NEW MEDIA PLAYS AN IMPORTANT AND VITAL ROLE IN WOMEN'S EMPOWERMENT AND Its DEVELOPMENT <i>DR. DILIP KUMAR</i>	37
8.	MICRO-ENTERPRISE DEVELOPMENT - WITH A SPECIAL REFERENCE TO NAGAON DISTRICT OF ASSAM <i>DR. SANJEEB HAZARIKA</i>	41
9.	THE MAIN DIFFERENCES BETWEEN GATT 1947 AND THE WTO <i>DR. OSAMA MUSTAFA MUDAWI & DR. ELFADIL TIMAN</i>	45
10.	IDENTIFY THE UNDERSTANDING LEVEL OF INVESTORS TOWARD SAFETY, RISK AND RISK RETURN ASSOCIATION OF MUTUAL FUND SCHEMES OF TAMILNADU - WITH SPECIAL REFERENCE TO CHENNAI, COIMBATORE, MADURAI AND TRICHY DISTRICT <i>DR. S. SIVARAMAN</i>	49
11.	WATER AND THE ENVIRONMENT <i>DR. N. SWAMINATHAN</i>	54
12.	MAKE IN INDIA: THE WAY FORWARD <i>DR. KAMLESH</i>	56
13.	A STUDY ON GROWTH AND INSTABILITY IN MAIZE PRODUCTION IN TAMIL NADU <i>DR. S. PRADEEPKUMAR</i>	60
14.	GREEN ACCOUNTING: THE NEXT STEP IN CORPORATE SUSTAINABILITY <i>MAHNOOR SAHRASH & TRISHA KUMAR</i>	65
15.	CONTRIBUTION OF FINANCIAL INCLUSIONS FOR ECONOMIC GROWTH <i>ARUNA POLISETTY & B. NIKHITHA</i>	71
16.	DETERMINANTS OF RURAL WOMEN ECONOMIC EMPOWERMENT: THE CASE OF ADAMI TULLU JIDDO KOMBOLCHA WOREDA, ETHIOPIA <i>SILESHI LETA NEMERA</i>	75
17.	EDUCATIONAL ALTERATION IN KERALA: EXPERIENCE AND CHALLENGES <i>SONY KURIAN</i>	80
18.	PRAGMATIC SIGNIFICANCE OF INDIAN ARTS AND CRAFTS IN MAKING STRATEGIES FOR DEVELOPMENT OF DOMESTIC TOURISM IN INDIA <i>DHANANJAY KUMAR SRIVASTAV</i>	83
19.	WOMEN EMPOWERMENT UNDER UMEED FOUNDATION IN SANGRUR: A CASE STUDY <i>GAGANDEEP KAUR</i>	90
20.	ADVANTAGE AND DISADVANTAGE OF ERP <i>SAJID NEGINAL</i>	93
	REQUEST FOR FEEDBACK & DISCLAIMER	95

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur

(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)

Chancellor, K. R. Mangalam University, Gurgaon

Chancellor, Lingaya's University, Faridabad

Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi

Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana

Former Vice-President, Dadri Education Society, Charkhi Dadri

Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

ADVISORS

PROF. M. S. SENAM RAJU

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

PROF. M. N. SHARMA

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

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

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

FORMER CO-EDITOR

DR. S. GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

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

PROF. SANJIV MITTAL

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

PROF. RAJENDER GUPTA

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

PROF. NAWAB ALI KHAN

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

PROF. S. P. TIWARI

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

DR. ANIL CHANDHOK

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

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

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

DR. MOHENDER KUMAR GUPTA

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

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

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

ASSOCIATE EDITORS**PROF. ABHAY BANSAL**

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

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

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

SUNIL KUMAR KARWASRA

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

DR. VIKAS CHOUDHARY

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

FORMER TECHNICAL ADVISOR**AMITA**

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

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

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

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

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

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ' _____ ' for likely publication in one of your journals.

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

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR :
 Designation/Post* :
 Institution/College/University with full address & Pin Code :
 Residential address with Pin Code :
 Mobile Number (s) with country ISD code :
 Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :
 Landline Number (s) with country ISD code :
 E-mail Address :
 Alternate E-mail Address :
 Nationality :

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. ***pdf. version is liable to be rejected without any consideration.***
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER. It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

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

CONTRIBUTIONS TO BOOKS

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

JOURNAL AND OTHER ARTICLES

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

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

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

ONLINE RESOURCES

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

WEBSITES

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

AN EVOLUTION ON DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY IN INDIAN INDUSTRIES

DR. A. JAGADEESH BABU
DIRECTOR
VESTAL ACADEMY OF I.T. & MANAGEMENT
ELURU

ABSTRACT

The present study finds out that the New Act's CSR requirements will increase the costs of doing business in India and add to existing administrative and reporting burdens. Unfortunately, the sheer amounts of money that must now be spent on CSR in India have increased substantially the dangers of violating U.S. and U.K. law, and we expect that there will be close scrutiny of companies' CSR payments by United States and U.K. authorities. Because of these risks, foreign companies with operations in India should seek the advice of counsel in structuring the CSR programs and establishing internal controls.

KEYWORDS

corporate social responsibility, Indian industry.

INTRODUCTION

The introduction of CSR provision in the Companies Act is a welcome step and all companies which satisfy the CSR criteria will have to undertake CSR activities under the new CSR regime during current financial year. This step will boost much required social projects with some professional management of the private sector.

CORPORATE SOCIAL RESPONSIBILITY

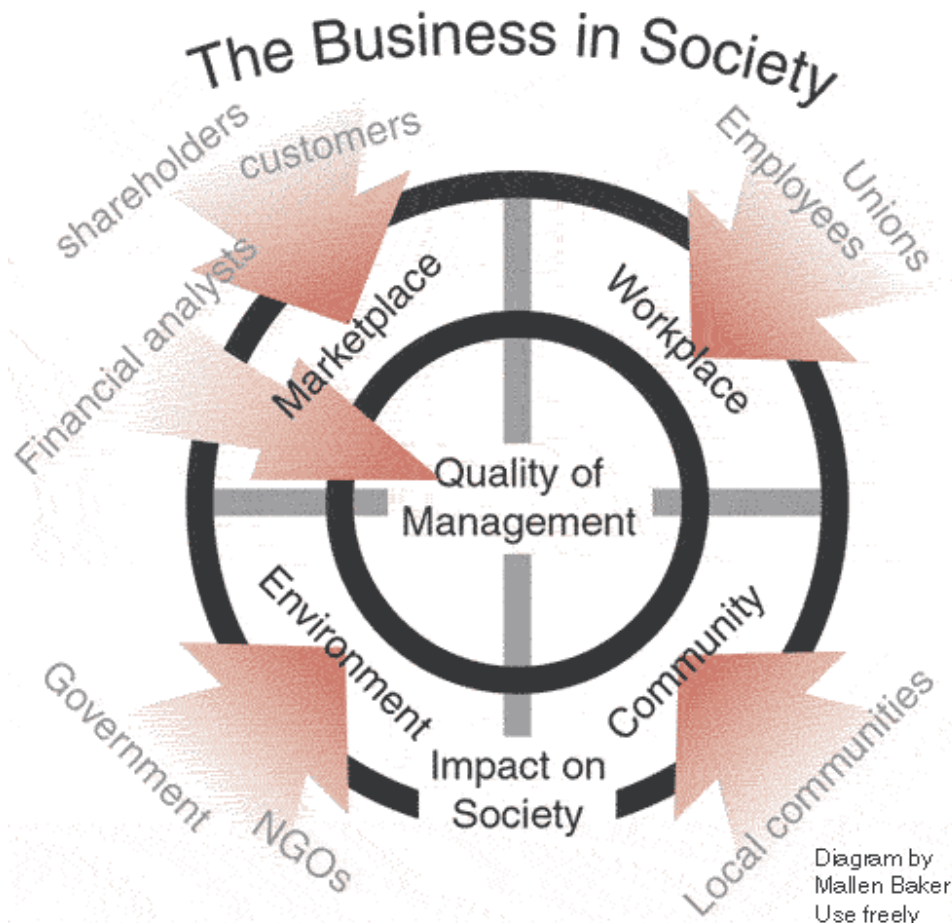
One of the most frequently asked questions at this site - and probably for all those individuals and organisations dealing with CSR issues is the obvious - just what does 'Corporate Social Responsibility' mean anyway? Is it a stalking horse for an anti-corporate agenda? Something which, like original sin, you can never escape? Or what?

Companies need to answer to two aspects of their operations. 1. The quality of their management - both in terms of people and processes (the inner circle). 2. The nature of, and quantity of their impact on society in the various areas.

Outside stakeholders are taking an increasing interest in the activity of the company. Most look to the outer circle - what the company has actually done, good or bad, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce. Out of the various stakeholders, it is financial analysts who are predominantly focused - as well as past financial performance - on quality of management as an indicator of likely future performance.

Different organisations have framed different definitions - although there is considerable common ground between them. My own definition is that CSR is about how companies manage the business processes to produce an overall positive impact on society.

FIG. 1



DEFINITIONS

The World Business Council for Sustainable Development in its publication *Making Good Business Sense* by Lord Holme and Richard Watts, used the following definition.

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”

The same report gave some evidence of the different perceptions of what this should mean from a number of different societies across the world. Definitions as different as CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government from Ghana, through to CSR is about business giving back to society from the Philippines.

Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

Definition of the term CSR: The term CSR has been defined under the CSR Rules which includes but is not limited to:

- Projects or programs relating to activities specified in the Schedule; or
- Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR policy subject to the condition that such policy covers subjects enumerated in the Schedule.

This definition of CSR assumes significance as it allows companies to engage in projects or programs relating to activities enlisted under the Schedule. Flexibility is also permitted to the companies by allowing them to choose their preferred CSR engagements that are in conformity with the CSR policy.

Activities under CSR: The activities that can be done by the company to achieve its CSR obligations include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed.

Local Area: Under the Companies Act, preference should be given to local areas and the areas where the company operates. Company may also choose to associate with 2 or more companies for fulfilling the CSR activities provided that they are able to report individually. The CSR Committee shall also prepare the CSR Policy in which it includes the projects and programmes which is to be undertaken, prepare a list of projects and programmes which a company plans to undertake during the implementation year and also focus on integrating business models with social and environmental priorities and process in order to create share value.

The company can also make the annual report of CSR activities in which they mention the average net profit for the 3 financial years and also prescribed CSR expenditure but if the company is unable to spend the minimum required expenditure the company has to give the reasons in the Board Report for non compliance so that there are no penal provisions are attracted by it.

NEED OF THE STUDY

When you review each of these, they broadly agree that the definition now focuses on the impact of how you manage your core business. Some go further than others in prescribing how far companies go beyond managing their own impact into the terrain of acting specifically outside of that focus to make a contribution to the achievement of broader societal goals. It is a key difference, when many business leaders feel that their companies are ill equipped to pursue broader societal goals, and activists argue that companies have no democratic legitimacy to take such roles. That particular debate will continue.

CORPORATE SOCIAL RESPONSIBILITY - INDIAN COMPANIES ACT, 2013

The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014.

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act. Contribution to any political party is not considered to be a CSR activity and only activities in India would be considered for computing CSR expenditure.

The net worth, turnover and net profits are to be computed in terms of Section 198 of the 2013 Act as per the profit and loss statement prepared by the company in terms of Section 381 (1) (a) and Section 198 of the 2013 Act. While these provisions have not yet been notified, it has been clarified that if net profits are computed under the Companies Act, 1956 they needn't be recomputed under the 2013 Act. Profits from any overseas branch of the company, including those branches that are operated as a separate company would not be included in the computation of net profits of a company. Besides, dividends received from other companies in India which need to comply with the CSR obligations would not be included in the computation of net profits of a company.

The CSR Rules appear to widen the ambit for compliance obligations to include the holding and subsidiary companies as well as foreign companies whose branches or project offices in India fulfil the specified criteria. There is a need for clarity with respect to the compliance obligations of a company as well as its holding and subsidiary companies.

The activities that can be undertaken by a company to fulfil its CSR obligations include eradicating hunger, poverty and malnutrition, promoting preventive healthcare, promoting education and promoting gender equality, setting up homes for women, orphans and the senior citizens, measures for reducing inequalities faced by socially and economically backward groups, ensuring environmental sustainability and ecological balance, animal welfare, protection of national heritage and art and culture, measures for the benefit of armed forces veterans, war widows and their dependents, training to promote rural, nationally recognized, Paralympic or Olympic sports, contribution to the prime minister's national relief fund or any other fund set up by the Central Government for socio economic development and relief and welfare of SC, ST, OBCs, minorities and women, contributions or funds provided to technology incubators located within academic institutions approved by the Central Government and rural development projects.

However, in determining CSR activities to be undertaken, preference would need to be given to local areas and the areas around where the company operates.

To formulate and monitor the CSR policy of a company, a CSR Committee of the Board needs to be constituted. Section 135 of the 2013 Act requires the CSR Committee to consist of at least three directors, including an independent director. However, CSR Rules exempts unlisted public companies and private companies that are not required to appoint an independent director from having an independent director as a part of their CSR Committee and stipulates that the Committee for a private company and a foreign company need have a minimum of only 2 members.

A company can undertake its CSR activities through a registered trust or society, a company established by its holding, subsidiary or associate company or otherwise, provided that the company has specified the activities to be undertaken, the modalities for utilization of funds as well as the reporting and monitoring mechanism. If the entity through which the CSR activities are being undertaken is not established by the company or its holding, subsidiary or associate company, such entity would need to have an established track record of three years undertaking similar activities.

Companies can also collaborate with each other for jointly undertaking CSR activities, provided that each of the companies are able individually report on such projects.

A company can build CSR capabilities of its personnel or implementation agencies through institutions with established track records of at least three years, provided that the expenditure for such activities does not exceed 5% of the total CSR expenditure of the company in a single financial year.

The CSR Rules specify that a company which does not satisfy the specified criteria for a consecutive period of three financial years is not required to comply with the CSR obligations, implying that a company not satisfying any of the specified criteria in a subsequent financial year would still need to undertake CSR activities

unless it ceases to satisfy the specified criteria for a continuous period of three years. This could increase the burden on small companies which do not continue to make significant profits.

The report of the Board of Directors attached to the financial statements of the Company would also need to include an annual report on the CSR activities of the company in the format prescribed in the CSR Rules setting out inter alia a brief outline of the CSR policy, the composition of the CSR Committee, the average net profit for the last three financial years and the prescribed CSR expenditure. If the company has been unable to spend the minimum required on its CSR initiatives, the reasons for not doing so are to be specified in the Board Report.

INDIA'S NEW CORPORATE SOCIAL RESPONSIBILITY REQUIREMENTS

In August 2013, the Indian parliament passed the Indian Companies Act, 2013 (the "New Act"), which has replaced the Companies Act of 1956. The New Act has made far-reaching changes affecting company formation, administration and governance, and it has increased shareholder control over board decisions. The New Act is being implemented in stages, and we have been monitoring its progression.

CORPORATE SOCIAL RESPONSIBILITY

One of the New Act's most startling changes—which came into effect on April 1, 2014—has been to impose compulsory corporate social responsibility obligations ("CSR") upon Indian companies and foreign companies operating in India. These obligations mainly come in the form of mandatory amounts companies must contribute to remedying social problems. This is a wholly new requirement; although companies were permitted, within certain limits, to make charitable contributions in the past, the New Act is essentially a self-administered tax. The Indian Ministry of Corporate Affairs recently has published, or "notified," detailed rules implementing the CSR requirements.

ENTITIES COVERED BY THE CSR OBLIGATIONS

The threshold coverage levels for CSR are low. Companies are subject to the CSR requirements if they have, for any financial year:

- a net worth of at least Rs. 5 billion (approximately U.S.\$80 million);
- a turnover of at least Rs. 10 billion (approximately U.S.\$160 million); or
- net profits of at least Rs. 50 million (approximately U.S. [\$800,000]).

Companies meeting these thresholds are required to develop a CSR policy, spend a minimum amount on CSR activities and report on these activities, or prepare to explain why they didn't.

REQUIRED AMOUNT OF CSR SPENDING

An entity or business that meets these specified thresholds must spend on CSR activities no less than two percent of its average net profit for its preceding three financial years. Net profit means a company's profits as per its profit and loss account prepared in accordance with the New Act, but excludes profits from a company's operations outside India or dividends received from an Indian company that has itself met its CSR requirements.

PERMITTED CSR ACTIVITIES

There is a long list of permissible areas for CSR funding. They include such purposes as ending hunger and poverty; promoting public health; supporting education; addressing gender inequality; protecting the environment; and funding cultural initiatives and theaters.

All CSR funds must be spent in India. The New Act encourages companies to spend their CSR funds in the areas where they operate, but money cannot be spent on activities undertaken that are part of the normal course of the company's business or on projects for the exclusive benefit of employees or their family members. Contributions of any amount to a political party are not a permitted CSR activity. However, the New Act has an exception allowing companies to use their CSR funds to support development projects initiated by the prime minister or central government. It is important to note, as discussed further below, that such projects in India have had a troubling tendency to become vehicles for political patronage, and they can raise legal issues in other jurisdictions if they come to be seen as political payoffs.

CSR COMMITTEE AND CSR

The New Act requires companies to appoint a Corporate Social Responsibility Committee consisting of at least three directors. If a company is one that is required by the New Act to appoint independent directors to its board, then the CSR committee must include at least one independent director. The CSR committee is required to recommend a formal CSR Policy. This document, which is to be submitted to the company's board, should recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor progress.

ADMINISTRATION OF CSR PROJECTS

A company can meet its CSR obligations by funneling its activities through a third party, such as a society, trust, foundation or Section 8 company (i.e., a company with charitable purposes) that has an established record of at least three years in CSR-like activities. Companies may also collaborate and pool their resources, which could be especially useful for small and medium-sized enterprises.

REPORTING REQUIREMENTS

Unfortunately, the New Act imposes significant bureaucratic requirements. It requires companies to prepare a detailed report, in a particular format, about the company's CSR policy, the composition of the CSR committee, the amount CSR expenditures, and the specifics of individual CSR projects. A company's board must include this report in its annual report to shareholders and publish it on the company's website.

The report must also include a statement from the CSR committee that the implementation and monitoring of the board's CSR activities is, in letter and spirit, in compliance with its CSR objectives and CSR Policy of the company.

FAILURE TO COMPLY

If the minimum CSR amount is not spent, the board is required to disclose this fact, with reasons therefore, in its annual Director's Report to the shareholders.

It is still not clear whether failure to comply is a legal offense of any sort. Thus, the new Act may be the advent of a new regime in Indian corporation law of the concept of "comply or explain." What is clear, however, is that failure to explain non-compliance is a punishable offence under the New Act. It is therefore likely that any company that fails to comply with its CSR obligations will be subject to investigation by the Indian authorities.

IMPLICATIONS FOR INDIAN SUBSIDIARIES OF FOREIGN CORPORATIONS

If the Indian company undertaking CSR is a subsidiary of a United States entity, or if its business activities "touch" the U.K., then the U.S. Foreign Corrupt Practices Act ("FCPA") or the U.K. Bribery Act ("UKBA"), respectively, as well as other regulatory laws of these jurisdictions, may apply to the Indian company's CSR payments. This may raise serious issues of compliance and liability.

It is typical in India for social welfare projects to be administered through private non-governmental organizations ("NGOs"). This has led to a proliferation of such groups; by one estimate, there are two million NGOs in India, or one for every 600 people. Although most NGOs are reputable and well-meaning, there have been many instances of fraud and abuse. Indian NGOs often are informally organized, unaudited, and operate with little governance. Thus, it is difficult to know their ownership structure or to monitor or audit their use of CSR funds. Moreover, it is common for politicians and political groups in India to form NGOs as a means of collecting political donations, dispensing patronage, or circumventing Indian election laws.

Because creating a CSR department may entail significant costs, such as increased headcount, overhead, and administrative expense, many companies may choose to implement their CSR activities through NGOs, such as the existing societies, trusts, or foundations that the New Act contemplates. While this decision may make financial sense, it will raise a number of concerns for the compliance functions of any company subject to the FCPA or the UKBA. In particular:

- If the ultimate or beneficial owner of the NGO is a government official, a company's CSR payments may violate the FCPA if they are seen to have been made to influence the actions of the government official or to secure an improper business advantage.
- Under the UKBA, the offense of bribery is committed when payment is made with the intention of inducing the person bribed to improperly perform a relevant function. Thus, regardless of whether the ultimate or beneficial owner of the NGO is or is not a government official, any payments made under a CSR program that can be said to have been made to induce an improper act may be a crime under the UKBA.

- If the NGO's beneficial or controlling owner is a Politically Exposed Person, this fact could trigger enhanced due diligence requirements under U.S. or U.K. anti-money laundering ("AML") regulations. Generally speaking, these AML regulations require a company to implement "know your client" due diligence procedures before engaging in monetary transactions, and failure to do so can expose an organization to penalties regardless of whether or not the company was found to have been involved in a suspicious transaction.

As corporate counsel knows all too well, the FCPA, UKBA and the AML laws of the U.S. and U.K. impose serious criminal and civil penalties upon companies and corporate officers that make improper payments, are involved in suspicious transactions, or fail to undertake reasonable measures to protect against or prevent the same. Thus, even though the New Act is directed at Indian companies, its effects will be felt in any multinational company with significant operations in India. Companies will need to police how they implement their CSR Policy and add CSR compliance oversight to their compliance and internal controls program to ensure that these functions remain robust, and that any CSR activities conducted under the New Act are *made* and *monitored* for appropriate purposes.

EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

The evolution of corporate social responsibility in India refers to changes over time in India of the cultural norms of corporations' engagement of corporate social responsibility (CSR), with CSR referring to way that businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate. The fundamentals of CSR rest on the fact that not only public policy but even corporates should be responsible enough to address social issues. Thus companies should deal with the challenges and issues looked after to a certain extent by the states.

Among other countries India has one of the oldest traditions of CSR. But CSR practices are regularly not practiced or done only in namesake specially by MNCs with no cultural and emotional attachments to India. Much has been done in recent years to make Indian Entrepreneurs aware of social responsibility as an important segment of their business activity but CSR in India has yet to receive widespread recognition. If this goal has to be realised then the CSR approach of corporates has to be in line with their attitudes towards mainstream business- companies setting clear objectives, undertaking potential investments, measuring and reporting performance publicly.

The Four Phases of CSR Development in India

The history of CSR in India has its four phases which run parallel to India's historical development and has resulted in different approaches towards CSR. However the phases are not static and the features of each phase may overlap other phases.

The First Phase

In the first phase charity and philanthropy were the main drivers of CSR. Culture, religion, family values and tradition and industrialization had an influential effect on CSR. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the wider society by way of setting up temples for a religious cause. Moreover, these merchants helped the society in getting over phases of famine and epidemics by providing food from their godowns and money and thus securing an integral position in the society. With the arrival of colonial rule in India from the 1850s onwards, the approach towards CSR changed. The industrial families of the 19th century such as Tata, Godrej, Bajaj, Modi, Birla, Singhanian were strongly inclined towards economic as well as social considerations. However, it has been observed that their efforts towards social as well as industrial development were not only driven by selfless and religious motives but also influenced by caste groups and political objectives. Or studies

The Second Phase

In the second phase, during the independence movement, there was increased stress on Indian Industrialists to demonstrate their dedication towards the progress of the society. This was when Mahatma Gandhi introduced the notion of "trusteeship", according to which the industry leaders had to manage their wealth so as to benefit the common man. "I desire to end capitalism almost, if not quite, as much as the most advanced socialist. But our methods differ. My theory of trusteeship is no make-shift, certainly no camouflage. I am confident that it will survive all other theories." This was Gandhi's words which highlights his argument towards his concept of "trusteeship". Gandhi's influence put pressure on various Industrialists to act towards building the nation and its socio-economic development. According to Gandhi, Indian companies were supposed to be the "temples of modern India". Under his influence businesses established trusts for schools and colleges and also helped in setting up training and scientific institutions. The operations of the trusts were largely in line with Gandhi's reforms which sought to abolish untouchability, encourage empowerment of women and rural development.

The Third Phase

The third phase of CSR (1960–80) had its relation to the element of "mixed economy", emergence of Public Sector Undertakings (PSUs) and laws relating labour and environmental standards. During this period the private sector was forced to take a backseat. The public sector was seen as the prime mover of development. Because of the stringent legal rules and regulations surrounding the activities of the private sector, the period was described as an "era of command and control". The policy of industrial licensing, high taxes and restrictions on the private sector led to corporate malpractices. This led to enactment of legislation regarding corporate governance, labour and environmental issues. PSUs were set up by the state to ensure suitable distribution of resources (wealth, food etc.) to the needy. However, the public sector was effective only to a certain limited extent. This led to shift of expectation from the public to the private sector and their active involvement in the socio-economic development of the country became absolutely necessary. In 1965 Indian academicians, politicians and businessmen set up a national workshop on CSR aimed at reconciliation. They emphasized upon transparency, social accountability and regular stakeholder dialogues. In spite of such attempts the CSR failed to catch steam.

The Fourth Phase

In the fourth phase (1980 until the present) Indian companies started abandoning their traditional engagement with CSR and integrated it into a sustainable business strategy. In the 1990s the first initiation towards globalization and economic liberalization were undertaken. Controls and licensing system were partly done away with which gave a boost to the economy the signs of which are very evident today. Increased growth momentum of the economy helped Indian companies grow rapidly and this made them more willing (Gajare, R.S. (2014). A conceptual study of CSR development in India. In D.B. Patil & D.D. Bhakkad, Redefining Management Practices and Marketing in Modern Age Dhule, India: Atharva Publications (p. 152-154).) and able to contribute towards social cause. Globalization has transformed India into an important destination in terms of production and manufacturing bases of TNCs are concerned. As Western markets are becoming more and more concerned about labour and environmental standards in the developing countries, Indian companies which export and produce goods for the developed world need to pay a close attention to compliance with the international standards.

Current State of CSR in India

As discussed above, CSR is not a new concept in India. Ever since their inception, corporates like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basic objective of CSR in these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. A growing number of corporates feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

Companies have specialised CSR teams that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the mainstream business. The programs are put into practice by the employees who are crucial to this process. CSR programs range from community development to development in education, environment and healthcare etc.

For example, a more comprehensive method of development is adopted by some corporations such as Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited. Provision of improved medical and sanitation facilities, building schools and houses, and empowering the villagers and in process making them more self-reliant by providing vocational training and a knowledge of business operations are the facilities that these corporations focus on. Many of the companies are helping other peoples by providing them good standard of living.

Also, corporates increasingly join hands with non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems.

CSR has gone through many phases in India. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporates. Not one but all corporates should try and bring about a change in the current social situation in India in order to have an effective and lasting solution to the social woes. Partnerships between companies, NGOs and the government should be facilitated so that a combination of their skills such as expertise, strategic thinking, manpower and money to initiate extensive social change will put the socio-economic development of India on a fast track.

Law

Under the Companies Act, 2013, any company having a net worth of rupees 500 crore or more or a turnover of rupees 1,000 crore or more or a net profit of rupees 5 crore or more should mandatorily spend at least 2% of last 3 years' average net profits on CSR activities as specified in Schedule VII of the Companies Act, 2013 and as amended from time to time. The rules came into effect from 1 April 2014.

SEBI, as per its notification on August 13, 2012, has mentioned that enterprises are accountable to the larger society and "adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance". SEBI has mandated the inclusion of Business Responsibility Reports as part of the annual reports of the Top 100 listed entities based on market capitalisation at BSE and NSE. These reports has to be made available in the websites of the companies. For companies that do not belong to Top 100, inclusion of Business Responsibility Reports is not mandatory, though SEBI encourages its inclusion in the annual report and website

CONCLUSION

The New Act's CSR requirements will increase the costs of doing business in India and add to existing administrative and reporting burdens. Unfortunately, the sheer amounts of money that must now be spent on CSR in India have increased substantially the dangers of violating U.S. and U.K. law, and we expect that there will be close scrutiny of companies' CSR payments by United States and U.K. authorities. Because of these risks, foreign companies with operations in India should seek the advice of counsel in structuring the CSR programs and establishing internal controls.

REFERENCES

1. Chahoud, Dr. Tatjana; Johannes Emmerling; Dorothea Kolb; Iris Kubina; Gordon Repinski; Catarina Schläger (2007). "Corporate Social and Environmental Responsibility in India - Assessing the UN Global Compact's Role" (PDF).
2. Gajare, R.S. (2014). A conceptual study of CSR development in India. In D.B. Patil & D.D. Bhakkad, Redefining Management Practices and Marketing in Modern Age Dhule, India: Atharva Publications (p. 152-154)
3. http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf
4. http://www.sebi.gov.in/cms/sebi_data/attachdocs/1368184343037.pdf
5. "Implications of Companies Act, 2013 Corporate Social Responsibility" (PDF). Grant Thornton India LLP. Retrieved 7 March 2014.
6. Khanna, Parul; Gitika Gupta (January 2011). PARUL KHANNA Paper- Corporate Social Responsibility-1[1.pdf "Status of Corporate Social Responsibility: In Indian Context"] Check |url= scheme (help) (PDF) 2 (1).
7. "Making Sense of Corporate Social Responsibility" (PDF). |first1= missing |last1= in Authors list (help)
8. Sathish, Ramya. "Corporate Social Responsibility in India - Putting Social-Economic Development on a Fast Track".
9. stateofCSRinIndia&ei=hWSDTufLEILYrQeR7pyXDg&usg=AFQjCNGUyibLgV0n1vNffp0qXbEEHsuytw&cad=rja "Executive summary and recommendations:CSR in India-perspectives for business" Check |url= scheme (help) (PDF). 1 May 2007. |first1= missing |last1= in Authors list (help)
10. "The Flag Off of CSR Rules: India Inc.'s To-Do List for Compliance to Section-135". *Forbes*. 4 March 2014. Retrieved 7 March 2014.
11. "Understanding and Encouraging Corporate Responsibility in South Asia" (PDF). 2001.

ENTREPRENEURSHIP DEVELOPMENT OF MSMES IN NELLORE DISTRICT

DR. M. SAMBASIVAIAH
HEAD
MSR DEGREE COLLEGE
KAVALI

DR. K. RAJIAH
ACADEMIC CONSULTANT
VSUPG CENTRE
KAVALI

ABSTRACT

Entrepreneurship is not new to India. In fact, to quote from the Indian Industrial Commission Report (1916-1918) -"At a time when the West of Europe, the birth place of modern industrial system, was inhabited by uncivilized tribes, India was famous for the wealth of her rulers and for high artistic skill of her craftsmen. And even at a much later period, when the merchant adventures from the West made their first appearance in India, the industrial development of this country was, at any rate, not inferior to that of the more advanced European nations." In the development of industries in general and particularly the development of Micro, Small and Medium Enterprises, entrepreneurship is the engine of economic growth and development. In this chapter an antagonistic attempt has been made to analyze the socio-economic factors that influence the entrepreneurship development such as the age, gender, education, social status of the entrepreneurs and other motivational factors of the entrepreneurs.

KEYWORDS

entrepreneurship development, msmes, nellore district.

INTRODUCTION

In the development of industries in general and particularly the development of Micro, Small and Medium Enterprises, entrepreneurship is the engine of economic growth and development. Youth entrepreneurship has a greater potential to aid the achievement of Millennium Development Goal and aims at providing decent and productive work for the youth. Provision of employment among the youth will save them from social exclusion. Entrepreneurship Development makes a powerful impact on the economic development of the country. The success of the entrepreneur depends on the environmental factors such as social, economic, legal, political and technological factors which influence their activities thus leading to successful entrepreneurship. The socio-economic factors are the major key factors influencing the entrepreneurial behavior and operation of the business and thus the need for the study and the due influence. In the development of industries in general and particularly the development of Micro, Small and Medium Enterprises, entrepreneurship is the engine of economic growth and development. This paper is sought to find out how to access the socio-economic factors that affect the development of entrepreneurship.

OBJECTIVES

1. To examine the socio-economic conditions of the selected MSMEs in Nellore district,
2. To motivate the entrepreneurial instinct in Nellore district and
3. To develop necessary knowledge and skills among the participants in Nellore district.

METHODOLOGY

SPSR Nellore District is purposively selected for the study because of the proximity and familiarity of the researcher. The study makes use of both the secondary and primary sources of data. The secondary data pertaining to a ten years period, from April 2003, was collected from the DIC Nellore, which includes internal records and annual reports. Besides secondary data has been collected from the journals, magazines, dissertations statistical hand book of government, publications from various institutions and also from different websites.

SAMPLE DESIGN

The main focus of the socio-economic conditions of the selected MSMEs in Nellore district. Due to the proximity and familiarity of the research, the study is confined to Nellore District only. Primary data is collected from the Micro, Small and Medium Enterprises (MSMEs) in Nellore district, by adopting stratified random sampling method. All the Micro, Small and Medium Enterprises in all three revenue Divisions of Nellore district belonging to different social groups (SC, ST, BC and Others) and different industrial categories are listed out. There were 5130 MSMEs in the district during 2005-2006. From this population, 256 MSME units (equal to 5 per cent) were selected and out of these, 6 were closed due to their sickness. Finally, 250 Micro, Small and Medium Enterprises are selected for this study covering all the three revenue Divisions, all social groups and all industrial categories.

ANALYSIS**CATEGORY-WISE MSMES IN NELLORE DISTRICT**

Table 1 reveals category wise and sector wise MSME units in Nellore district. The total selected sample MSME units in Nellore district are 250. Out of 250, 123 (49.20 per cent) are in micro sector, 78 (31.20 per cent) in small sector and 49 (19.60 per cent) in medium sector. Out of the 123 micro enterprises 25 are in agro based, 11 each in textile based, mineral based, electronic based and plastic and rubber based, 7 in forest based, 6 in paper and printings based, 4 in chemical based, 20 in building materials and only 3 in miscellaneous. Out of 78 (31.20 per cent) small sector units, 11 are in agro based, 8 each in textile and forest based 6 in mineral based, 5 each in paper and printing and electronic based, 3 in chemical based 4 each in plastic and rubber and miscellaneous, 12 each in building and engineering based industries. Out of 49 medium enterprises 11 are in agro based 2 each in textile, paper and printing, chemical and miscellaneous units. 3 each in mineral based and forest based 6 in plastic and rubber based, 10 in building materials and 4 each in electronic based and engineering based. Out of 250 selected MSME units in Nellore district 47 have food and agro, 21 each textile and plastic based, 20 each mineral and electronics based, 18 have forest based, 13 have paper and printing based, 9 each in chemical and miscellaneous, 42 have building materials, 30 have engineering based industries.

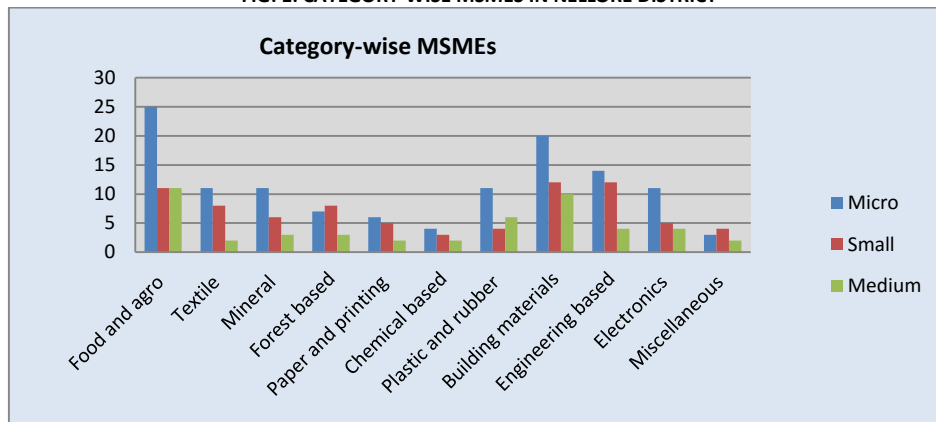
TABLE 1: CATEGORY-WISE MSMEs IN NELLORE DISTRICT

S. No.	Industrial Category	Micro	Small	Medium	Total
1	Food and agro based	25 (53.19)	11 (23.40)	11 (23.40)	47 (100)
2	Textile based	11 (52.38)	08 (38.10)	02 (9.52)	21 (100)
3	Mineral based	11 (55.00)	06 (30.00)	03 (15.00)	20 (100)
4	Forest based	07 (38.89)	08 (44.44)	03 (16.67)	18 (100)
5	Paper and printing based	06 (46.15)	05 (38.46)	02 (15.38)	13 (100)
6	Chemical based	04 (44.44)	03 (33.33)	02 (22.22)	09 (100)
7	Plastic and rubber based	11 (52.38)	04 (19.05)	06 (28.57)	21 (100)
8	Building materials	20 (47.62)	12 (28.57)	10 (23.81)	42 (100)
9	Engineering based	14 (46.67)	12 (40.00)	04 (13.33)	30 (100)
10	Electronics based	11 (55.00)	05 (25.00)	04 (20.00)	20 (100)
11	Miscellaneous units	03 (33.33)	04 (44.44)	02 (22.22)	09 (100)
	Total	123 (49.20)	78 (31.20)	49 (19.60)	250 (100.00)

Source: Field Survey

Note: Figures in parenthesis represent the percentages

FIG: 1: CATEGORY-WISE MSMEs IN NELLORE DISTRICT



CATEGORY-WISE FORM OF ORGANIZATION OF MSMEs

Table 2 presents the classification of the MSME units under different types of organizations. It shows that 70 of the units (28 per cent) are classified as under sole-proprietorship, followed by 84 (33.60 per cent) under partnership units, 38 (15.20 per cent) by private limited, 33 (13.20 per cent) under public limited, co-operative societies own 6 (2.40 per cent) and 19 units (7.60 per cent) are in the other organizations. Therefore, it is clear that the partnership form of organizations dominates among the units selected. Out of 47 food and agro based industries 19 (20.43 per cent) have sole proprietorship, 23 (48.95 per cent) have partnership, 3 (6.8 per cent) have private limited, 1 each (2.13 per cent) have public and other forms of business organization. Out of 21 textile based industries 2 have sole-proprietary, 8 have partnership, 3 under private limited, and 8 under public limited. Out of 20 mineral based industries 8 (40.00 per cent) have sole-proprietorship, 7 (35.00 per cent) have partnership, 4 (20.00 per cent) have public limited and only 1 (5.00 per cent) have co-operative organization, out of 18 forest based industries 7 (38.89 per cent) have partnership, 01 (5.56 per cent) has private limited, 4 (22.22 per cent) in public limited and 6 (33.33 per cent) have other forms of organization. Out of 13 paper and printing based industries, 2 each (15.38 per cent) have sole-proprietorship and co-operative and 03 each (23.08 per cent) have partnership, private limited and public limited companies.

TABLE 2: CATEGORY-WISE FORM OF ORGANIZATION OF MSMEs IN NELLORE DISTRICT

S. No	Industrial Category	Form of organization						Total
		Sole proprietor ship	partnership	Private limited	Public limited	Co-operative	Any others	
1	Food and agro based	19 (40.43)	23 (48.94)	03 (6.38)	01 (2.13)	00 (0.00)	01 (2.13)	47 (100)
2	Textile based	02 (9.52)	08 (38.10)	03 (14.29)	08 (38.10)	00 (0.00)	00 (0.00)	21 (100)
3	Mineral based	08 (40.00)	07 (35.00)	00 (0.00)	04 (20.00)	01 (5.00)	00 (0.00)	20 (100)
4	Forest based	00 (0.00)	07 (38.89)	01 (5.56)	04 (22.22)	00 (0.00)	06 (33.33)	18 (100)
5	Paper and printing based	02 (15.38)	03 (23.08)	03 (23.08)	03 (23.08)	02 (15.38)	00 (0.00)	13 (100)
6	Chemical based	02 (22.22)	05 (55.56)	00 (0.00)	02 (22.22)	00 (0.00)	00 (0.00)	09 (100)
7	Plastic and rubber based	10 (47.62)	04 (19.05)	05 (23.81)	00 (0.00)	00 (0.00)	02 (9.52)	21 (100)
8	Building materials	18 (42.86)	03 (7.14)	08 (19.05)	03 (7.14)	03 (7.14)	07 (16.67)	42 (100)
9	Engineering based	05 (16.67)	15 (50.00)	09 (30.00)	01 (3.33)	00 (0.00)	00 (0.00)	30 (100)
10	Electronics based	02 (10.00)	07 (35.00)	06 (30.00)	03 (15.00)	00 (0.00)	02 (10.00)	20 (100)
11	Miscellaneous units	02 (22.22)	02 (22.22)	00 (0.00)	04 (44.44)	00 (0.00)	01 (11.11)	09 (100)
	Total	70 (28.00)	84 (33.60)	38 (15.20)	33 (13.20)	06 (2.40)	19 (7.60)	250 (100.00)

Source: Field Survey

Note: Figures in parenthesis represent the percentages

CATEGORY-WISE AGE GROUP OF ENTREPRENEURS OF MSMEs

Table 3 reveals the age of entrepreneurs of MSME units at the time of inception of the unit. This distribution shows that out of 250 MSME units, majority of the entrepreneurs i.e., aged 64 (25.60 per cent) were between 21-25 years, about 54 (21.60 per cent) in the age group of 26-30 years, about 56 (22.40 per cent) were in the group of 36-40 years and 33 (13.20 per cent) were in the age group of above 40 years. Thus, more than 86 per cent of the entrepreneurs were below 40 years.

In agro based industries out of 47, 11(23.40 per cent) entrepreneurs were found in the age group of 21-25 years, 3 (6.38 per cent) in the age group of 26-30 years, 12 (25.53 per cent) in the age group of 31 -35 years, 10 (21.28 per cent) in the age group of 36-40 years and 11 (23.40 per cent) entrepreneurs in the age group of 41 and above.

Thus, Majority 12 (25.53 per cent) of the entrepreneurs in this category established their units when they were in the age group of 31-35 years. In textile based industry, 11 entrepreneurs were found in the age group of 21-25 years, 4 each in the group of 26-30 and 31-35 years and only 2 entrepreneurs were in the age group of above 41 years. In the case of mineral based industry 6 entrepreneurs were in the age group of 26-30 years, and 5 entrepreneurs were in the age group of 31-35 years and 3 entrepreneurs were in the age group of above 40 years.

In the case of forest based industry 5 each were in the age group of 21-25 years and 36-40, 6 were in the age group of 31-35 years and only 2 entrepreneurs found in the age group of 26-30 years of the 21 paper and printing based industries 2 each were in the age group of 21-25 years and 36-40 years respectively, 6 were in the age group of 31-35 years and 2 were in the age group of 26-30 years. In the case of chemical based industries 4 entrepreneurs were in the age of 31-35 years, 3 entrepreneurs were in the age of 36-40 years and only 2 were in the age group 40 and above. In plastic and rubber based industries 6 entrepreneurs were found in the age group 21-25 years, 4 entrepreneurs in the age group of 26-30 years, 3 each were in the age group of 31-35 and 41 and above years, 5 were in the age group of 36-40 years of the 42 entrepreneurs in building and materials units, 12 each in the age group of 21-25, 26 -30 years, 7 were in the age group of 31-35 years, 8 were in the age group of 36-40, only 03 were in the age group of 41 and above. Of the 30 engineering based units 13 were in the age group of 21-25 years, 8 were in the age group of 26-30 years 3 were in the age group of 31-35 years and 6 were in the age group of above 41 years.

In electronic based industries 12 entrepreneurs were found in the age group of 26-30 years, 5 entrepreneurs were in the age group of 31-35 years and only 3 members were in the age group of 36-40 years. Of the 09 entrepreneurs in miscellaneous units 4 entrepreneurs were in the age group of 21-25 years, 3 entrepreneurs were in the age group of 41 and above years and 1 each in the age groups of 31-35 and 36-40 years.

TABLE 3: CATEGORY-WISE AGE GROUP OF ENTREPRENEURS OF MSMEs IN NELLORE DISTRICT

S. No	Industrial Category	Age groups					Total
		21-25	26-30	31-35	36-40	41 and Above	
1	Food and agro based	11 (23.40)	03 (6.38)	12 (25.53)	10 (21.28)	11 (23.40)	47 (100)
2	Textile based	11 (52.38)	04 (19.05)	04 (19.05)	00 (0.00)	02 (9.52)	21 (100)
3	Mineral based	00 (0.00)	06 (30.00)	05 (25.00)	06 (30.00)	03 (15.00)	20 (100)
4	Forest based	05 (27.78)	02 (11.11)	06 (33.33)	05 (27.78)	00 (0.00)	18 (100)
5	Paper and printing based	02 (15.38)	03 (23.08)	06 (46.15)	02 (15.38)	00 (0.00)	13 (100)
6	Chemical based	00 (0.00)	00 (0.00)	04 (44.44)	03 (33.33)	02 (22.22)	09 (100)
7	Plastic and rubber based	06 (28.57)	04 (19.05)	03 (14.29)	05 (23.81)	03 (14.29)	21 (100)
8	Building materials	12 (28.57)	12 (28.57)	07 (16.67)	08 (19.05)	03 (7.14)	42 (100)
9	Engineering based	13 (43.33)	08 (26.67)	03 (10.00)	00 (0.00)	06 (20.00)	30 (100)
10	Electronics based	00 (0.00)	12 (60.00)	05 (25.00)	03 (15.00)	00 (0.00)	20 (100)
11	Miscellaneous units	04 (44.44)	00 (0.00)	01 (11.11)	01 (11.11)	03 (33.33)	09 (100)
Total		64 (26.60)	54 (21.60)	56 (22.40)	43 (17.20)	33 (13.20)	250 (100.00)

Source: Field Survey

Note: Figures in parenthesis represent the percentages

CATEGORY-WISE MALE AND FEMALE ENTREPRENEURS OF THE SAMPLE ENTERPRISES

Distribution of sample units in the three revenue divisions of Nellore district is presented in the table 4. It could be observed from the table 4 that out of 250 entrepreneurs, an overwhelming proportion of 184 members were male and that female entrepreneurs accounted for only 66 members. Among different categories of MSME units, it could be seen from the table that the number of women entrepreneurs seemed to be very high at 12 members in each food and agro based and engineering based units. Next to this category building materials based units has largest number of female entrepreneurs that is 8 members, as against 34 male entrepreneurs. Next to this category textile based and forest based units had largest number of female entrepreneurs that is, 06 each as against 15, and 12 male entrepreneurs respectively. Next to this category plastic and rubber and electronic based units has largest number of female entrepreneurs that is 5 in each, as against 16&15 respectively. It could also be seen from the table that there are 3 female entrepreneurs each in mineral and miscellaneous units. Next to this category paper and printing units have 4 female entrepreneurs against 9 male entrepreneurs, and chemical based industries have only 02 female entrepreneurs against 07 male entrepreneurs. In short, the proportion of female entrepreneurs seemed to be very high in food and agro based, engineering based units probably because these male entrepreneurs were experienced and technically qualified in the relevant traders.

TABLE 4: CATEGORY-WISE MALE AND FEMALE ENTREPRENEURS OF THE SAMPLE ENTERPRISES

S. No	Industrial Category	Gender		Total
		Male	Female	
1	Food and agro based	35 (74.47)	12 (25.53)	47 (100)
2	Textile based	15 (71.43)	6 (28.57)	21 (100)
3	Mineral based	17 (85.00)	3 (15.00)	20 (100)
4	Forest based	12 (66.67)	6 (33.33)	18 (100)
5	Paper and printing based	9 (69.23)	4 (30.77)	13 (100)
6	Chemical based	7 (77.78)	2 (22.22)	09 (100)
7	Plastic and rubber based	16 (76.19)	5 (23.81)	21 (100)
8	Building materials	34 (80.95)	8 (19.05)	42 (100)
9	Engineering based	18 (60.00)	12 (40.00)	30 (100)
10	Electronics based	15 (75.00)	5 (25.00)	20 (100)
11	Miscellaneous units	6 (66.67)	3 (33.33)	09 (100)
Total		184 (73.60)	66 (26.40)	250 (100.00)
$\chi^2=6.400357$; Degrees of Freedom = 10; TV = 18.307; Not Sig at 5% Level				

Source: Field Survey

Note: Figures in parenthesis represent the percentages

Category-wise Male and Female entrepreneurs of the sample MSMEs have been computed with Chi-Square analysis. The results show that the Chi-square value is less than the table value we accept the null hypothesis and hence it can be inferred that the male and female entrepreneurs is not significant.

CATEGORY-WISE EDUCATION OF ENTREPRENEURS OF MSMEs

Table 5 gives the information relating to the level of education attainments of the MSME entrepreneurs and their belongingness to different industry groups. As is evident from the Table the entrepreneurs in the study group are generally well educated. Out of 250 entrepreneurs, 65 (26 per cent) were graduates, 58 (23.20 per cent) were post graduates, 53 (21.20 per cent) were with secondary level education, 39 (15.60 per cent) were undergraduates, 25 (10 per cent) were at primary level and 5 (2 per cent) each were at technical and other levels. Thus, in the study group, 240 (96 per cent) have non technical qualifications and the remaining 10 (4 per cent) were technically qualified.

Among the highest 65 graduates, 6 entrepreneurs established Agro based units, 4 entrepreneurs established Textile based units, 3 entrepreneurs established Mineral based units and 5 each established Forest and Chemical based units, 8 entrepreneurs established Paper and Printing based units, 7 entrepreneurs established Plastic and Rubber based industries, 17 entrepreneurs established Building Materials, 8 from Engineering and 2 from Electronic based industries.

Among 58 who studied post graduation the highest 11 each established Food and Agro and Building Materials, and the lowest 2 each established Textile and Miscellaneous based units.

TABLE 5: CATEGORY-WISE EDUCATION OF ENTREPRENEURS OF MSMEs IN NELLORE DISTRICT

S. No	Industrial Category	Education levels							Total
		Primary	Secondary	Under Graduation	Graduation	Post Graduation	Technical Courses	Others	
1	Food and agro based	00 (0.00)	20 (42.55)	09 (19.15)	06 (12.77)	11 (23.40)	00 (0.00)	01 (0.00)	47 (100)
2	Textile based	04 (19.05)	03 (14.29)	07 (33.33)	04 (19.05)	02 (9.52)	01 (4.76)	00 (0.00)	21 (100)
3	Mineral based	03 (15.00)	08 (40.00)	00 (0.00)	03 (15.00)	05 (25.00)	00 (0.00)	01 (5.00)	20 (100)
4	Forest based	00 (0.00)	04 (22.22)	03 (16.67)	05 (27.78)	06 (33.33)	00 (0.00)	00 (0.00)	18 (100)
5	Paper and printing based	00 (0.00)	03 (23.08)	02 (15.38)	08 (61.54)	00 (0.00)	00 (0.00)	00 (0.00)	13 (100)
6	Chemical based	02 (22.22)	00 (0.00)	02 (22.22)	05 (55.56)	00 (0.00)	00 (0.00)	00 (0.00)	09 (100)
7	Plastic and rubber based	06 (28.57)	02 (9.52)	03 (14.29)	07 (33.33)	03 (14.29)	00 (0.00)	00 (0.00)	21 (100)
8	Building materials	02 (4.76)	06 (14.29)	03 (7.14)	17 (40.48)	11 (26.19)	02 (4.76)	01 (2.38)	42 (100)
9	Engineering based	03 (10.00)	06 (20.00)	02 (6.67)	08 (26.67)	09 (30.00)	00 (0.00)	02 (6.67)	30 (100)
10	Electronics based	04 (20.00)	00 (0.00)	05 (25.00)	02 (10.00)	09 (45.00)	00 (0.00)	00 (0.00)	20 (100)
11	Miscellaneous units	01 (11.11)	01 (11.11)	03 (33.33)	00 (0.00)	02 (22.22)	02 (22.22)	00 (0.00)	09 (100)
Total		25 (10.00)	53 (21.20)	39 (15.60)	65 (26.00)	58 (23.20)	05 (2.00)	05 (2.00)	250 (100)

Source: Field Survey

Note: Figures in parenthesis represent the percentages

CONCLUSION

Entrepreneurship Development makes a powerful impact on the economic development of the country. The success of the entrepreneur depends on the environmental factors such as social, economic, legal, political and technological factors which influence their activities thus leading to successful entrepreneurship. The socio-economic factors are the major key factors influencing the entrepreneurial behavior and operation of the business and thus the need for the study and the due influence. In the development of industries in general and particularly the development of Micro, Small and Medium Enterprises, entrepreneurship is the engine of economic growth and development.

REFERENCES

1. C Sandesara, "Institutional Frame Work for Promoting Small-scale Industries in India", Asian Development Review, 1988, No: 2 p. 10-40.
2. Dr. Tara Nand Singh Tarun and Dr. Devendra Thakur, "Small-scale Industries and Indian Economic Development", Deep and Deep Publications, New Delhi, 1986.
3. Hand book of Statistics in SPSR Nellore District

A STUDY OF THE FINANCIAL HEALTH PERTAINING TO SELECT INDIAN CPSE'S - WITH SPECIAL REFERENCE TO SAIL, NTPC AND ONGC (1997 TO 2015)

VIJAYA PRIYA S

**RESEARCH SCHOLAR, DEPARTMENT OF ECONOMICS, BANGALORE UNIVERSITY; &
ASSOCIATE PROFESSOR
MOUNT CARMEL COLLEGE (AUTONOMOUS)
BENGALURU**

DR. K K SEETHAMMA

**PROFESSOR
DEPARTMENT OF ECONOMICS
BANGALORE UNIVERSITY
BENGALURU**

ABSTRACT

Public Sector Enterprises had been set up in the post-independent era in the core and strategic sectors of steel, heavy industries, power, coal, fertilizers etc. In this context, this paper tries to analyse the performance of select CPSE's against the backdrop of liberalization measures especially during the second generation reform period (i.e.) from 2000 to 2015. The paper is with respect to the financial performance using Financial Ratios of select Maharatnas – Steel Authority of India Ltd., National Thermal Power Corporation and Oil and Natural Gas Commission. Using Prof. Edward I. Altman (1968) Z-score model, it is found that liquidity and profit earning capacity of the above stated enterprises have been quite good.

KEYWORDS

ratio analysis, SAIL, NTPC, ONGC, financial analysis, profitability, profits, Z-score.

INTRODUCTION

Ratio analysis is the most powerful tool to ascertain the financial health of the Company. A single ratio or a separate ratio would not give a holistic picturesque of the Company, therefore a single measure was evolved – by Altman, called the Z-score model. The model can provide a significant idea about the financial health of a company.

NTPC Limited (formerly **National Thermal Power Corporation**) is the largest Indian state-owned electric utilities company based in New Delhi, India. It is listed in Forbes Global 2000 for 2011 ranked it 348th in the world. It is an Indian public sector company listed on the Bombay Stock Exchange in which at present the Government of India holds 84.5% (after divestment the stake by Indian government on 19th October, 2009) of its equity. With a current generating capacity of 36,014 MW, NTPC has embarked on plans to become a 75,000 MW company by 2017. It was founded on November 7, 1975. NTPC's core business is engineering, construction and operation of power generating plants and providing consultancy to power utilities in India and abroad. By 2017, the power generation portfolio is expected to have a diversified fuel mix with coal based capacity of around 27,535 MW, 3,955 MW through gas, 1,328 MW through Hydro generation, about 1400 MW from nuclear sources and around 1000 MW from Renewable Energy Sources (RES). NTPC has adopted a multi-pronged growth strategy which includes capacity addition through green field projects, expansion of existing stations, joint ventures, subsidiaries and takeover of stations. NTPC has been operating its plants at high efficiency levels. Although the company has 19% of the total national capacity it contributes 29% of total power generation due to its focus on high efficiency. The Net Profit after Tax on March 31, 2006 was INR 58,202 million. Net Profit after Tax for the quarter ended June 30, 2006 was INR 15528 million, which is 18.65% more than for the same quarter in the previous financial year. 2005). It is listed in Forbes Global 2000 for 2011 ranked it 348th in the world.

Steel Authority of India Limited (SAIL) is the leading steel-making company in India. It is a fully integrated iron and steel maker, producing both basic and special steels for domestic construction, engineering, power, railway, automotive and defence industries and for sale in export markets. SAIL is also among the seven Maharatnas of the country's Central Public Sector Enterprises. Steel Authority of India Limited (SAIL) manufactures and sells following wide range of steel products: Hot and Rolled sheets and Coils, Galvanised Sheets, Electrical Sheets, Railway Products, Plates, Bars and Rods, Stainless Steel and other Alloy Steels.

SAIL produces iron and steel at five integrated plants and three special steel plants, located principally in the eastern and central regions of India and situated close to domestic sources of raw materials, including the Company's iron ore, limestone and dolomite mines. The company has the distinction of being India's second largest producer of iron ore and of having the country's second largest mines network. This gives SAIL a competitive edge in terms of captive availability of iron ore, limestone, and dolomite which are inputs for steel making. SAIL's International Trade Division (ITD), in New Delhi- an ISO 9001:2000 accredited unit of CMO, undertakes exports of Mild Steel products and Pig Iron from SAIL's five integrated steel plants -

Bhilai Steel Plant (BSP) in Chhattisgarh, Durgapur Steel Plant (DSP) in West Bengal, Rourkela Steel Plant (RSP) in Orissa, Bokaro Steel Plant (BSL) in Jharkhand and Integrated Iron and Steel Company Steel Plant (ISP) in West Bengal.

Oil and Natural Gas Commission (ONGC) has been instrumental in transforming country's limited upstream sector into a large viable playing field, with its activities spread throughout the country and in overseas territories. Its main aim is to promote, organise, plan programmes for development of petroleum resources and the production and sale of petroleum and petroleum products.

The liberalised economic policy adopted by GOI sought to de regulate the petroleum sector with partial disinvestments of govt. equity in PSU's and other measures. Thus was reorganized as a Limited Company from 1994. It is a leader in exploration and production activities in the country having 75% contribution to India's total production of crude oil and 50% of natural gas.

OBJECTIVES OF THE STUDY

To evaluate the financial efficiency and performance of –

- SAIL
- NTPC
- ONGC

RESEARCH METHODOLOGY

Data for the Study – the study is based on secondary data sources compiled from Annual Reports, Balance Sheets, P&L accounts of the above mentioned CPSE's.

Period of the Study – the time frame is from late 2000 to 2015 pertaining to the three select CPSE's (i.e.) SAIL, NTPC and ONGC.

Methodology – the data have been tabulated and analysed from where inferences have been drawn with the help of Altman Z-score model as developed by Prof. Altman (1968).

The Model works with the help of Five Ratios (computed for the respective CPSE's)

- Net Working Capital to Total Assets
- Retained Earnings to Total Assets
- EBIT (Earnings before Interest & Taxes) to Total Assets
- Equity to Debt
- Sales to Total Assets

It is a linear combination of the above mentioned five ratios, weighted by a co-efficient. To calculate the Z score, the results of the five ratios are multiplied by a set of factor, the results of the multiplication are added together to arrive at the final result.

The Model is specified as:

$$Z = 1.2X1 + 1.4X2 + 3.3X3 + 0.6X4 + 1.0X5$$

The higher the score, the healthier is the financial position of the concerned Company.

Generalised Interpretation –

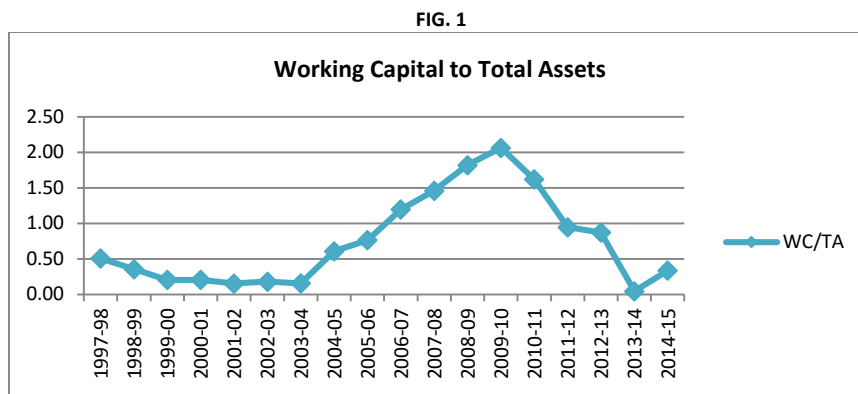
If Z-score is –

- <1.8 – the company is in the bankruptcy zone
- 1.8 to 3 – the company is in the grey zone (safety position)
- >3 – indicates good financial health of the company

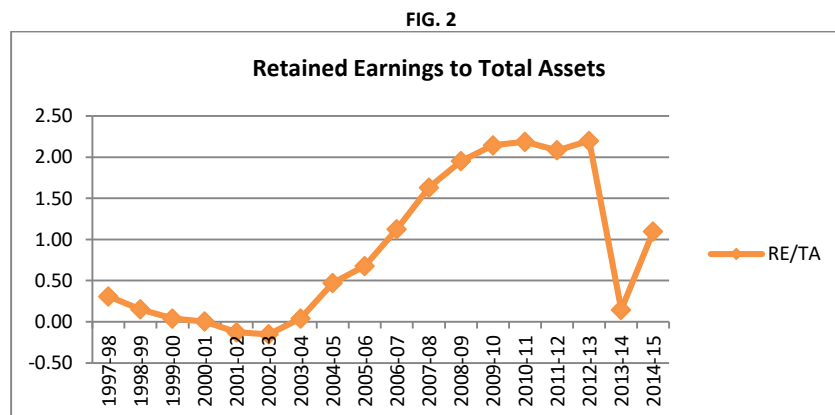
ANALYSIS

I. TO GAUGE THE FINANCIAL EFFICIENCY OF SAIL USING Z-SCORE ANALYSIS – (1997 TO 2015)

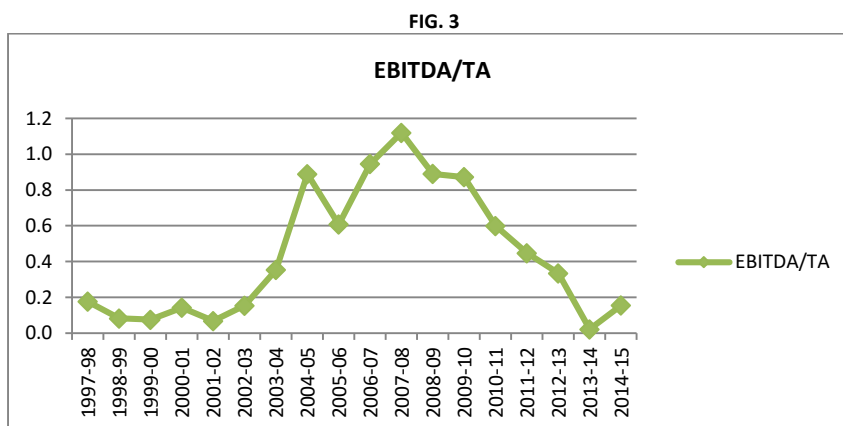
The following graphs depicts the five financial ratios, which is required to compute the final Z-score in the case of SAIL.



Working Capital to Total Assets has fluctuated between 0.15 to 2.06 during 1997 to 2014. Working Capital is the excess of total current assets, which shows the relative liquidity position of the enterprise. The ratio between 1997 to 2014 has ranged between 0.15 to 2.06, which indicates that SAIL has had good level of investment in current assets.

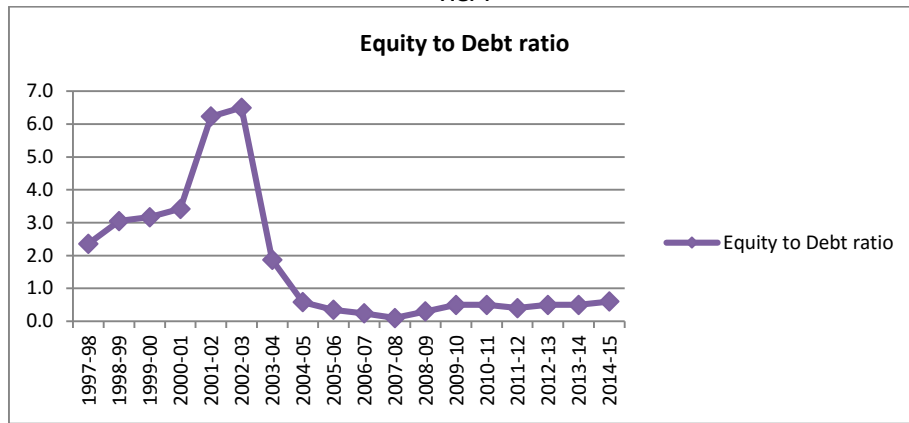


The ratio of Retained Earnings to Total Assets indicates that how much portion of total assets has been financed by retained earnings. Higher the ratio, the same enhances the financial stability of the company. Also the company is using its own earnings (cheaper source of finance rather debt finance). The ratio has been increasing from 0.15 to 2.20.



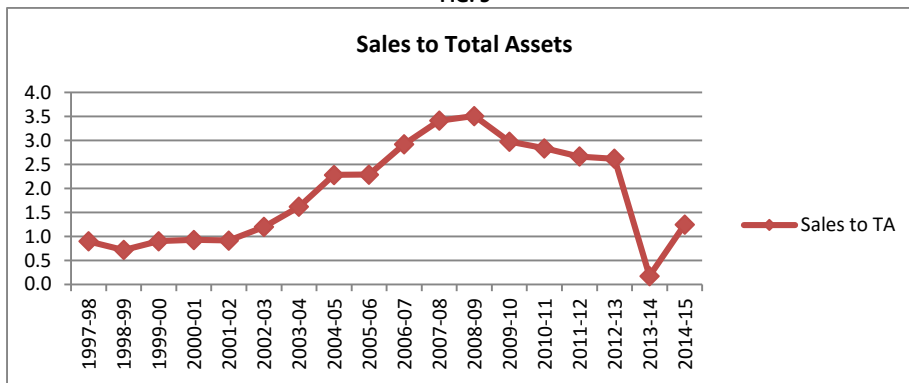
Earnings before interest and tax to total assets has been moderately fluctuating between 0.9 to 1.1.

FIG. 4



Equity to Debt ratio depicts the soundness of long term financial policies. Excessive debt would lead to insolvency and if the debt is more than equity, it will reduce the profits of the company, despite increasing the profitability to the shareholders. The ratio has been between 2.4 to 6.5 (SAIL provides measure of safety to its creditors).

FIG. 5



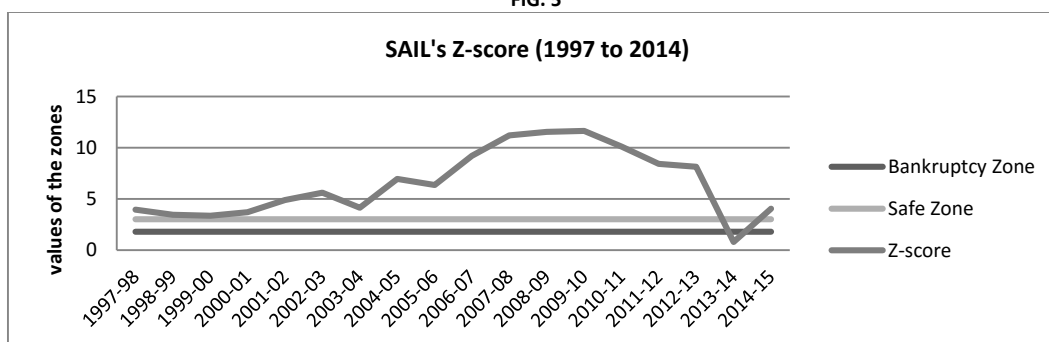
Sales revenue plays a vital role in the overall performance of the company, as the main source of revenue for an enterprise is through its sales. The study period experienced a ratio value between 0.7 to 0.9 upto 2004 and post 2004 saw a value of 2.1 to 3, thus showing considerable utilization of its assets to generate sales.

TABLE NO. 1 – STATEMENT SHOWING COMPUTATION OF Z-SCORE OF SAIL

Year	1.2 X1	1.4 X2	3.3 X3	0.6 X4	1.0 X5	Z score
1997-98	0.61	0.43	0.58	1.4	0.90	3.9
1998-99	0.43	0.21	0.27	1.8	0.72	3.5
1999-00	0.24	0.06	0.25	1.9	0.90	3.4
2000-01	0.24	0.00	0.47	2.1	0.93	3.7
2001-02	0.18	-0.18	0.23	3.7	0.91	4.9
2002-03	0.21	-0.21	0.51	3.9	1.20	5.6
2003-04	0.19	0.06	1.17	1.1	1.62	4.1
2004-05	0.73	0.66	2.93	0.3	2.28	7.0
2005-06	0.92	0.95	2.00	0.2	2.29	6.4
2006-07	1.44	1.58	3.12	0.1	2.92	9.2
2007-08	1.75	2.28	3.69	0.1	3.41	11.2
2008-09	2.18	2.73	2.94	0.2	3.51	11.5
2009-10	2.48	3.00	2.88	0.3	2.98	11.6
2010-11	1.94	3.06	1.98	0.3	2.84	10.1
2011-12	1.14	2.92	1.48	0.2	2.67	8.4
2012-13	1.04	3.08	1.11	0.3	2.62	8.1
2013-14	0.05	0.20	0.07	0.3	0.17	0.8
2014-15	0.40	1.54	0.51	0.4	1.25	4.1

Source: computed from Annual Reports of SAIL (various issues)

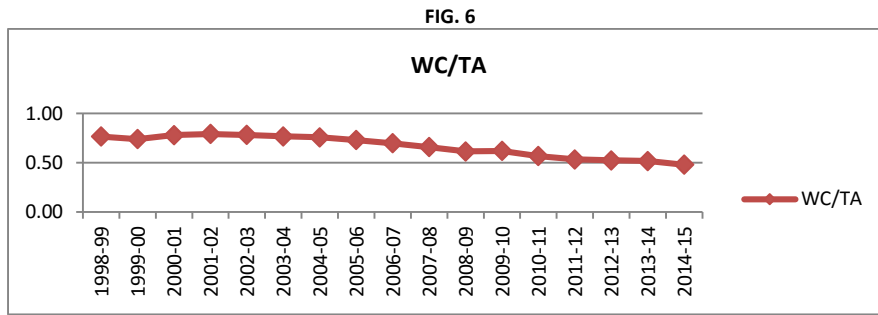
FIG. 5



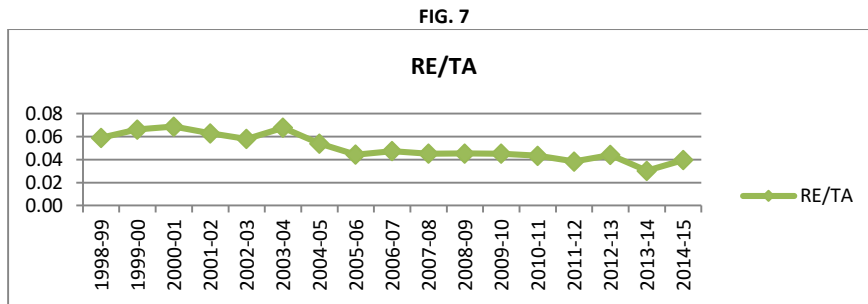
The above table and graph depicts the Z-score of SAIL from 1997 to 2015. The Z-score has varied from 3.4 to 11.6, except for 2013-14 when it was 0.8, which is below the bankruptcy zone. Otherwise, the company's composite financial position has been greater than 3, which is well above the safe zone.

II. TO EVALUATE THE FINANCIAL SOUNDNESS OF NTPC USING Z-SCORE ANALYSIS – (1998 TO 2015)

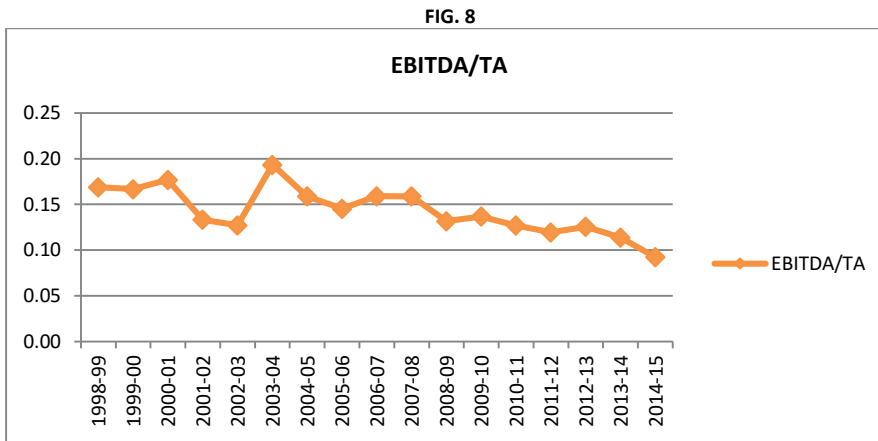
The following graphs depicts the five financial ratios, which is required to compute the final Z-score in the case of NTPC.



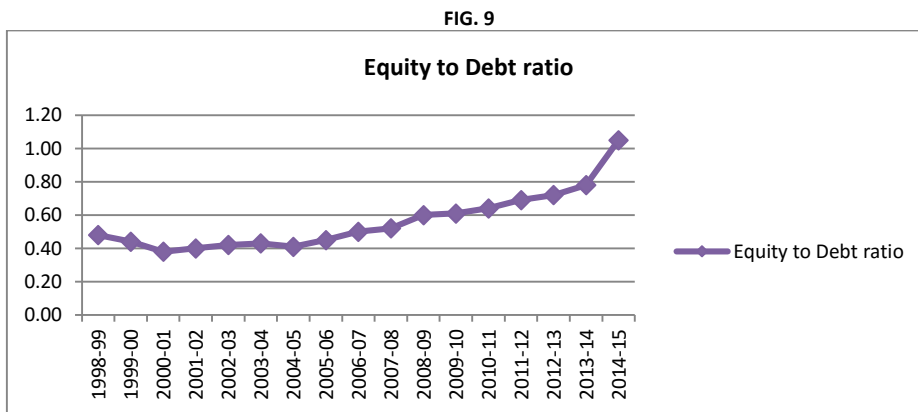
The Working Capital to Total Assets ratio has been oscillating between 0.5 to 0.7, except during 2014-15, when the same declined to 0.4. The ratio has been declining gradually.



Retained Earnings to Total Assets has witnessed mixed trends of increase and decrease, but largely is on the decreasing trend. The values had been 0.03 to 0.07 between 1998 to 2015.

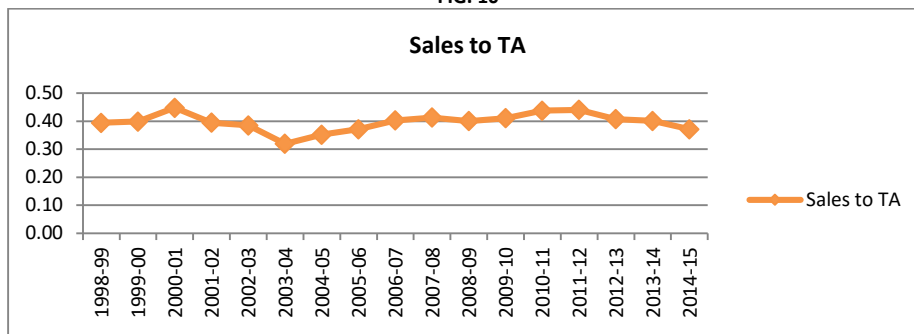


EBITDA ratio has been decreasing, it was 0.18 in 1998 which has come down to 0.09 in 2014-15.



Equity to Debt has been rising steadily rising from 1998 to 2015 – from 0.4 to 1.05.

FIG. 10



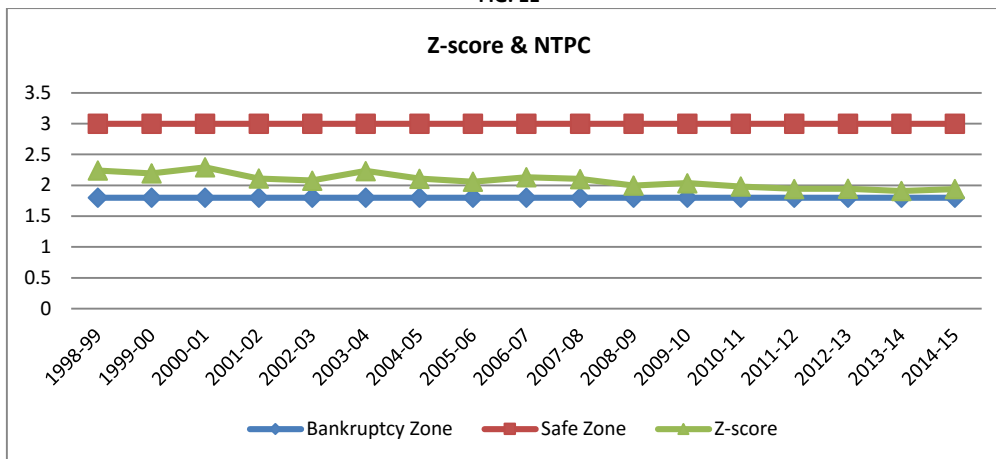
Sales to Total Assets has been considerably consistent between 0.3 to 0.4, but showing slight decline which is of concern for the enterprise.

TABLE NO. 2: STATEMENT SHOWING CALCULATION OF Z-SCORE OF NTPC

Year	1.2 X1	1.4 X2	3.3 X3	0.6 X4	1.0 X5	Z score
1998-99	0.92	0.08	0.56	0.29	0.39	2.24
1999-00	0.89	0.09	0.55	0.26	0.40	2.20
2000-01	0.94	0.10	0.58	0.23	0.45	2.29
2001-02	0.95	0.09	0.44	0.24	0.39	2.11
2002-03	0.94	0.08	0.42	0.25	0.39	2.08
2003-04	0.92	0.09	0.64	0.26	0.32	2.23
2004-05	0.91	0.08	0.52	0.25	0.35	2.11
2005-06	0.88	0.06	0.48	0.27	0.37	2.06
2006-07	0.84	0.07	0.52	0.30	0.40	2.13
2007-08	0.79	0.06	0.52	0.31	0.41	2.10
2008-09	0.74	0.06	0.43	0.36	0.40	2.00
2009-10	0.74	0.06	0.45	0.37	0.41	2.04
2010-11	0.68	0.06	0.42	0.38	0.44	1.98
2011-12	0.64	0.05	0.39	0.41	0.44	1.94
2012-13	0.63	0.06	0.41	0.43	0.41	1.94
2013-14	0.62	0.04	0.38	0.47	0.40	1.91
2014-15	0.58	0.06	0.30	0.63	0.37	1.94

Source: computed from Annual Reports of NTPC (various issues)

FIG. 11

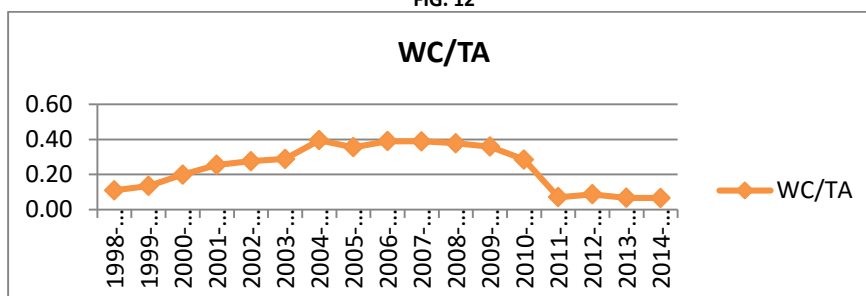


The Z-score of NTPC for the study period 1998 to 2015 has had a range of 1.9 to 2.4, but never has gone below 1.8 (i.e.) – the bankruptcy zone. But on the other hand, NTPC has not enjoyed comfortable financial position of greater than 3 Z-score for the last one and a half decades. Therefore, the Power Corporation has to be careful in terms of preventive steps so as to evade the bankruptcy zone.

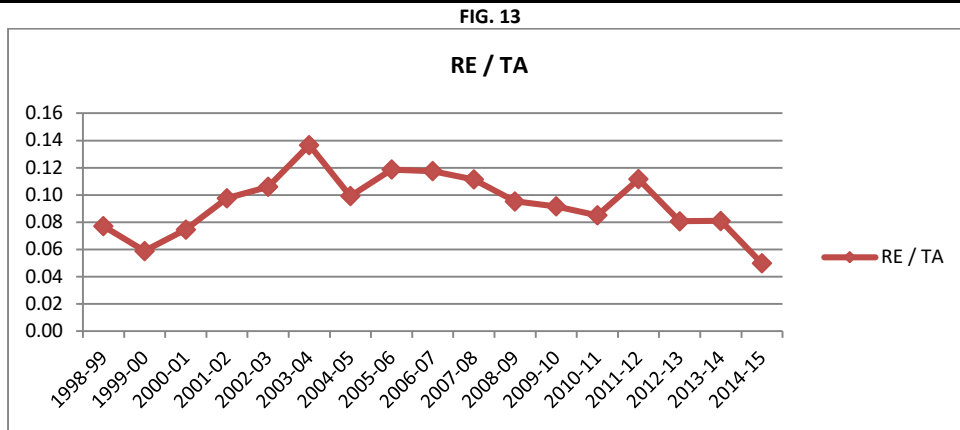
III. TO EVALUATE THE FINANCIAL SOUNDNESS OF ONGC USING Z-SCORE ANALYSIS – (1997 TO 2015)

The following graphs depicts the five financial ratios, which is required to compute the final Z-score in the case of ONGC.

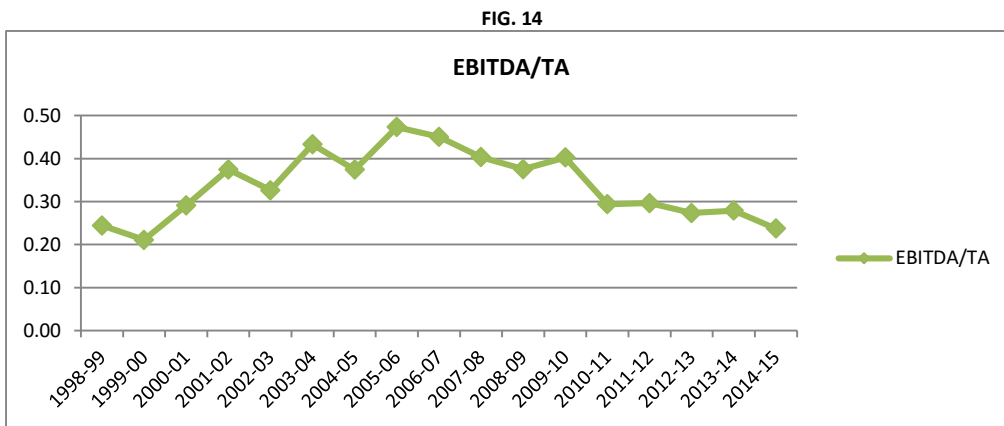
FIG. 12



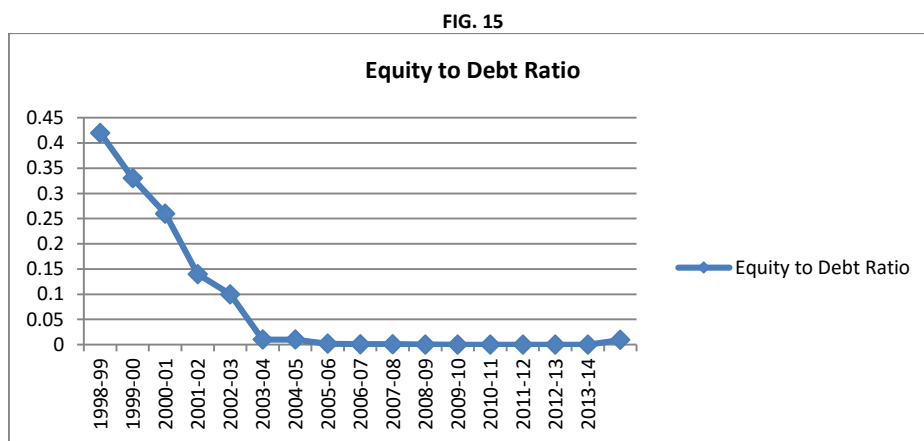
Working Capital to Total Assets had been 0.1 to 0.4 till 2005, but from then on has been on a decreasing trend and had come down to 0.07 from 2011-15.



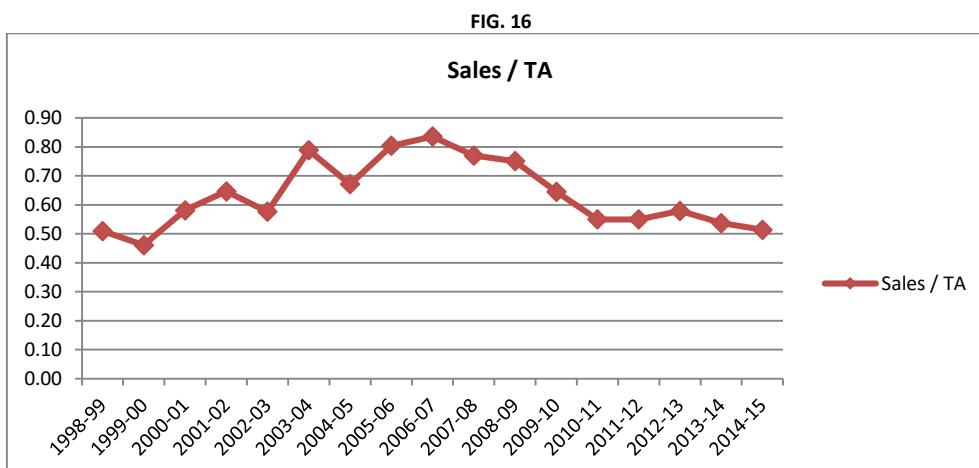
Retained Earnings to Total Assets had been increasing from 1999 to 2004 and from 2005 to 2007 and again started declining till 2004-2015 except for 2011-12.



EBITDA to Assets has been fluctuating in terms of alternate increases and decreases, but remained in the range of 0.2 to 0.4.



Equity to Debt has had a drastic fall from 0.4 to 0.1 and from 2005 onwards till 2014-15, the ratio is almost close to zero.



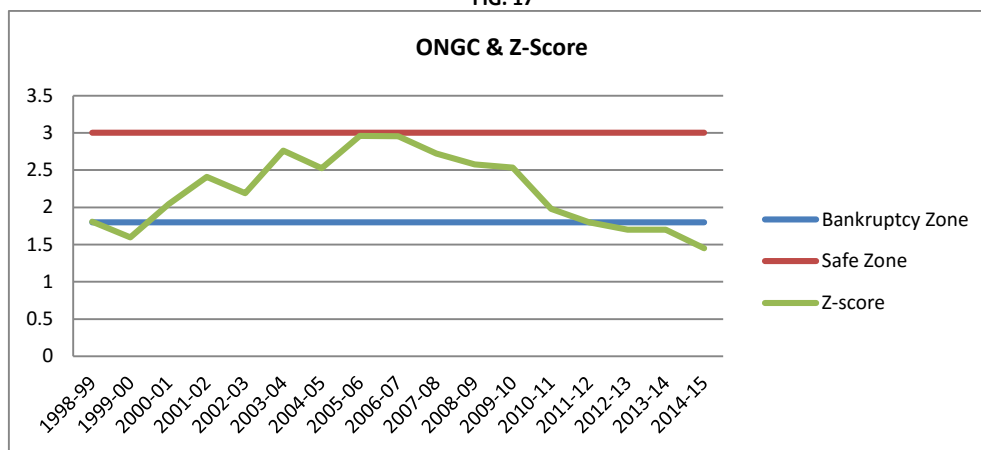
Sales to Total Assets has been in the band of 0.5 to 0.8; but the latter period from 2007 has been declining drastically.

TABLE NO. 3: STATEMENT SHOWING Z-SCORE OF ONGC

Years	1.2 X1	1.4 X2	3.3 X3	0.6 X4	1.0 X5	Z score
1998-99	0.13	0.11	0.81	0.25	0.51	1.81
1999-00	0.16	0.08	0.70	0.20	0.46	1.60
2000-01	0.24	0.10	0.96	0.16	0.58	2.04
2001-02	0.31	0.14	1.24	0.08	0.65	2.41
2002-03	0.33	0.15	1.08	0.06	0.58	2.19
2003-04	0.35	0.19	1.43	0.01	0.79	2.76
2004-05	0.47	0.14	1.23	0.01	0.67	2.53
2005-06	0.43	0.17	1.56	0.00	0.80	2.96
2006-07	0.47	0.16	1.49	0.00	0.84	2.96
2007-08	0.47	0.16	1.33	0.00	0.77	2.72
2008-09	0.45	0.13	1.24	0.00	0.75	2.58
2009-10	0.43	0.13	1.33	0.00	0.65	2.53
2010-11	0.34	0.12	0.97	0.00	0.55	1.98
2011-12	0.08	0.16	0.98	0.00	0.55	1.77
2012-13	0.10	0.11	0.90	0.00	0.58	1.70
2013-14	0.08	0.11	0.92	0.00	0.54	1.65
2014-15	0.08	0.07	0.78	0.01	0.51	1.45

Source: computed from Balance Sheets of ONGC (moneycontrol.com)

FIG. 17



The Z-score of ONGC from 1999-2000 and post 2012 has been disturbing for the Oil Corporation giant as it has been in bankruptcy zone. From 2000 to 2011, the financial position was within the Safe zone. But the warning signal has alarmed from 2012 – the Corporation needs to focus on corrective measures to reinstate its former comfortable financial footing.

SUMMARY OF FINDINGS

The Z-score of the three select Maharatnas are as follows –

- With regard to SAIL (1997 to 2015), the financial position is relatively very strong, except for 2013-14; otherwise the rest of the years have been very encouraging (i.e.) well above the safe zone.
- The Z-score of NTPC for the study period 1998 to 2015 has had a range of 1.9 to 2.4, but never has gone below 1.8 (i.e.) – the bankruptcy zone. The Power Corporation has not enjoyed comfortable financial position of greater than 3 Z-score for the last one and a half decades.
- ONGC's Z-score (1998 to 2015) from 1999-2000 and post 2012 has been disturbing for the Oil Corporation giant as it has been in bankruptcy zone. From 2000 to 2011, the financial position was within the Safe zone.

LIMITATIONS OF THE STUDY

- Only three select CPSE's is considered for the study
- No objective forecast done based on the past performance

CONCLUSION

It is a common phenomenon for companies to record mixed performances, and this is not an exception in the case of the CPSE's – the then commanding heights of the economy (according to Nehruvian economic literature).

From the above analysis, it can be deduced that, SAIL is in the forefront with good scores and enjoying a comfortable financial position. Next in the order is NTPC, whose scores have throughout been below the safe zone and is in the verge of touching bankruptcy zone, thus operating in the gray zone has to focus on preventive measures. Matter of concern is in the case of ONGC, which has registered bankruptcy during almost five years in the study period, thus has to adopt appropriate corrective measures to at least primarily recoup itself to the safe zone.

REFERENCES

1. Altman E I (1968), 'Financial Ratios – Discriminate analysis and the prediction of Corporate Bankruptcy', The Journal of Finance, Vol. 4, pp 589-609
2. Annual Reports of NTPC – various issues
3. Annual Reports of SAIL – various issues
4. Balance Sheet of ONGC from moneycontrol.com
5. Dun & Bradstreet (2012) – Analysing the might of Indian Public Sector Enterprises, December 15, 2012
6. Government of India (2008-2009), Public Enterprises Survey
7. Gupta L.C., 'Financial Ratios as Forewarning Indicators of Corporate Sickness', Bombay ICICI 1979 quoted by Pandey I.M., p-184
8. Sumita Sinku and Prashant Kumar, 'Analysis of Financial Health of Steel Authority of India Limited, Industrial Engineering Letters, Vol.4, No.12, 2014, pp38-47

DOES CULTURE AFFECT MANAGEMENT DYNAMICS IN MULTICULTURAL ORGANIZATIONS: AN ANALYTICAL STUDY

DR. S. D. VASHISHTHA
PROFESSOR (RETD.)
DEPARTMENT OF COMMERCE
M. D. UNIVERSITY
ROHTAK

SEEMA GARG
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
M. D. UNIVERSITY
ROHTAK

ABSTRACT

It is a postulate of our times that we are living in a world which is changing very speedily. With the invention of modern means of transport and communication, national boundaries are no more significant barriers in free movement of people and organizations from one place to another. With the growth of production and saturation in domestic market, multinational Corporations (MNCs) have to move to other countries, becoming competitor of the domestic businesses of such countries and most importantly operating in an environment having a different culture in most of the related aspects. Multicultural issues are the most current problem of today's management. The multiculturalism includes the co-existence of people from many cultural backgrounds like religion, Educational background, gender, age, ethnicity, social background etc. The present study aims at finding out the relationship between cultural aspects (religion, educational background) and management approaches used by managers in Multicultural organizations.

KEYWORDS

culture, management dynamics, multicultural organizations (MCOs).

1. INTRODUCTION

It is now widely accepted that one of the primary challenges that leaders, managers and even average citizen can expect to face now and in the future is the increased diversity of people with whom they will have to interact. This is especially true within the business sector. Thus, everyone who is managing in today's business world will have to engage with culture and values. However, such challenges are not limited to global marketplace. Even if one were to never leave his or her hometown, the increasing mobilization of societies and change in immigration patterns are changing the complexion of many countries. Hence, while certain population may have never been completely homogenous, the transient nature of our world society means that multiple culturally distinct peoples are now increasingly living side by side. Managers, now, in the workplace are facing the task of managing people from different cultures. For this purpose, they need to understand the culture of that place and have to adjust their management style and approach according to the requirement. For the sake of all this, we have to understand the meaning of Management, Management Dynamics, Culture, Multiculturalism, Multicultural Organizations (MCOs) so that we can enquire the relationship between cultural aspect and management dynamics in the present day organizations.

- **MANAGEMENT:** Management means ensuring that work activities are completed efficiently and effectively by the people responsible for doing them- or at least that's what managers aspire to do.
- **MANAGEMENT DYNAMICS:** Here, dynamics are related with the management approaches used by managers in managing the organization. Mainly, there are four major approaches to management theory: Classical, Quantitative, behavioral and contemporary approaches which provide guidance to managers while doing management.

Classical theory includes the Scientific management (F.W. Taylor), General Administrative Management (Henry Fayol) and Bureaucracy Theory (Max Weber). Quantitative Approach involves application of statistics, information models, computer simulation etc. Behavioral approach is contributed by Robert Owen, Hugo Munstenberg, Mary Parker Follet and Chester Bernard, Abraham Maslow (Need Hierarchy theory), Elton Mayo (Hawthorne Studies) and Douglas Mc Gregor (Theory X and Theory Y). Contemporary approaches include Systems Theory (Chester I. Bernard) and contingency approach. On the basis of extensive study of management approaches, we can say, basically there are 4 management styles (given by Professor Rensis Likert)

1. System 1 Management: This is also called "exploitative- authoritative" style. In this, managers are highly autocratic, hardly trust subordinates, use negative motivation techniques like fear, coercion and keep decision making powers with them only.
 2. System 2 Management: This management style is called the "Benevolent-authoritative" style. Here, managers are patronizing but have confidence and trust in subordinates, uses both positive and negative motivation, subordinates are allowed to participate to some extent in decision making but retain close control.
 3. System 3 Management: It is also called "Consultative" style. In this system, managers do not have complete trust in their subordinates, ask advice from subordinates but retain the right to make final decision.
 4. System 4 Management: This system is also called "Participative" style. In this system, managers have full confidence in their subordinates, use positive motivation techniques and take decisions with the help of employees.
- **MULTICULTURALISM:** Comean (1993) defines it as the "representation in one social system, of people with distinctly different group affiliations of cultural significance". Culture once portrayed ethnic or nationality groups now include race, gender, sexual orientation, age or disability.
 - **MULTICULTURAL ORGANIZATIONS:** An organization that operates efficiently in diverse work force can be described as a MCO. A diverse work force does not in itself constitute a MCO, for a true MCO, it must have several other distinguishing characteristics: (By Jarro Merrenivitch & Don Reigle)
1. It actively seeks to capitalize on the advantage of its diversity- rather than attempting to stifle or ignore the diversity and to minimize barriers that can develop as a result of people having different backgrounds, attitudes, values, behavior styles and concerns.
 2. Organizational resources (key jobs, income, perquisites, access to information etc.) are distributed equitably and are not determined or affected by cultural characters such as race or sex.
 3. The ability to influence decisions and the way they are carried out is shared widely, not differentially by cultural characteristics.
 4. The organizational culture (assumptions about people and groups, take it for granted norms, the way work gets done) is pluralistic in what it recognizes and appreciate diversity, it acknowledges both the needs for "bring the same" in some ways to work together effectively and the need for "being different" in some ways to recognize individual and group interest, concerns and backgrounds.
 5. Institutional policies, practices and procedures are flexible and according to the needs of all employees.

2. REVIEW OF LITERATURE

- **Garfield, Charles A (2005)** commented that without an understanding and appreciation of the needs, backgrounds and unique contributions of diverse groups, communication is difficult and misunderstanding is inevitable-even with the best of intentions.
- **Zdenka KONECNA (2006)** had the view that culture and cultural differences play an important role in international companies.
- **Jacob Lauring (2007)** recommended the management of diverse organizations to direct a lot of attention to interaction processes on local level and guide social classification in an inclusive and positive way.
- **Patrick A. Edewor, Yetunde A Aluko (2007)** specifies the strategies for managing multiculturalism in organizations. Among them are- setting a good example, written communication, time to time training programs, recognition of individual differences, actively participation from minority groups, redesigning of reward system, provision for social programs, flexible timings and continuous monitoring are specifically important.
- **Anita Ollapolly and Jyotsna Bhatnagar (2009)** are of the view that the success of management practices largely depends on the existing culture of the organization and the prejudices people have. If the management is successful in creating a culture of inclusion to manage multiculturalism, it will not only enhance employees' involvement but also employer's branding, helping to retain as well as attract competent employees.
- **A. Somalingam and Dr. R Shanthakumar (2013)** found that the ancient Indian society had strict rules and cultural norms. But, modern India is transformed on the western model of development which consists of high dose of science and technology. Indian Companies have already started practicing westernized management style with cut throat competitions, merit and quality considerations and a no-nonsense approach to work ethics.
- **Wiebren S. Jansen, Sabine Otten and Karen I Vanderzee (2015)** explored how majority support for diversity can be achieved. All Inclusive Multicultural (AIM) approach is an effective strategy to enhance majority members' perceptions of inclusion and thereby to achieve majority support for organizational diversity efforts.

3. NEED OF THE STUDY

Today's organizations are essentially multicultural in nature and the work of manager is not limited to get work done from their subordinates but to act as a facilitator which require a complete understanding of the various aspects of their own culture and that of others. The present study is an attempt to find out the relationship between cultural aspects and management approach/style used by managers which will provide an insight to the managers to do introspection of their behavior and help them to become a better manager. Also this will open new ways for further researches in the area of management.

4. OBJECTIVE OF THE STUDY

To find out the relationship between cultural aspects (Religion and educational background) and the management style or approach used by managers of the units under study

5. HYPOTHESIS

Ho: There is no impact of culture of a manager on the management style/approach adopted by him.

H1: Culture has significant impact on the style/approach of a manager to be used in the organizations.

6. RESEARCH METHODOLOGY

For the purpose of research, 6 organizations were chosen including Indian Organizations and MNCs. These were from two sectors: Automobile and Electronics and Communication. In automobile sector, the companies which were selected by the researcher were Maruti Suzuki Ltd., Hyundai Motor India Ltd. and Tata Motors. In Electronics and Communication sector, the companies chosen were BSNL, Nokia India Ltd. and Samsung India Electronics Pvt. Ltd. The study is basically primary data based and information is collected by preparing two sets of Questionnaires; one is meant for managers (Form A) and other for subordinates (Form B). Each Questionnaire comprises two parts- Personal background and Feedback Form. The Personal Background Form includes the information about Name, Designation, Religion, Age, Education, Gender, Background, Income, Experience etc. In Feedback Form, the feedback from the respondents is asked about the relationship of boss and subordinates and the different management approaches adopted by the managers in the organization. The researcher, as discussed before, has selected 6 companies in total, selecting 5 managers and 45 subordinates from each company. In this way, the total number of respondents is 300, out of which 30 were of managers' level and 270 were of subordinate level. These Questionnaires were answered through personal interviews, telephone calls, through internet and through mailing.

The research instrument was developed on the basis of scaling. The technique used for this purpose was Rating Scale. It was 10 point Rating Scale. The respondents were requested to select a number which was considered to reflect the perceived quality of the manager. Many researchers believe scale should have an even number of alternatives- so respondent cannot take the easy way out by picking the midpoint, neither pro nor con, as in picking zero. Each response was given a numerical score, indicating its favoring and unfavoring attitude and the scores were totaled to measure the respondents' attitude. And, the overall score represented the respondents' position on the continuum of favorable unfavorable approach towards the problem.

The scale used in the Questionnaire ranged from lowest to highest. Each point on the scale carried a score. Response indicating the least favorable is given least score i.e. (1), and the most favorable is given the highest score i.e. (10). The question no. 1 to question no. 19 evaluated the attitude of boss towards their subordinates in both the questionnaires. Highest rating was 10 and lowest was 1. So, the total highest score was 190(19*10) and lowest score was 19 (19*1). The Mean scores given by different category managers and subordinates were calculated and analyzed on the basis of 4 styles of management (given by Professor Rensis Likert) i.e. if mean score is (less than 38) - exploitative-authoritative style, (38-95) – benevolent authoritative, (95-133) - consultative style and (more than 133) participative style of management.

STATISTICS USED FOR ANALYSIS

Statistics play a vital role as tool in designing research, analyzing its data and drawing the conclusions. The tools used were mean, S.D., variance and t test.

7. ANALYSIS AND INTERPRETATION

Data were analyzed on the basis of cultural aspects of respondents. Religion and educational background of respondents were taken as cultural aspects for analysis purpose. After collecting the responses, the analysis was made pertaining to their cultural background.

I. RELIGION WISE ANALYSIS

a) For Managers

TABLE 1

Religion	No. of respondent	Mean	S.D.	Variance
Hindu	21	151.33	19.36	374.73
Muslim	4	148.75	33	1088.92
Sikh	4	153.5	22	484.33
Christian	1	121	—	—

b) For Subordinates

TABLE 2

Religion	No. of respondent	Mean	S.D.	Variance
Hindu	245	149.55	25.1	625.58
Muslim	17	140.58	27.05	731.75
Sikh	05	134	13.67	186.5
Christian	03	155.33	19	361

c) T values

TABLE 3

Category	Manager	Subordinate
Hindu and Muslim	.218	1.38
Hindu and Sikh	-.201	1.38
Hindu and Christian	1.53	-.40
Muslim and Sikh	-.24	.51
Muslim and Christian	.752	.88
Sikh and Christian	1.321	-1.87

Table 1 & 3

In table 1, religion wise analysis of the managerial cadre has been done to check the style of managers from different religions. Along with this table, Table 3 should be studied which analyses the difference of Mean scores of management styles followed by the managers of different religions. The religions for this purpose were divided into 4 categories i.e. Hindu, Muslim, Sikh and Christian with number of respondents being 21,4,4,1 respectively. Their corresponding mean scores were 151.33, 148.75, 153.5 and 121. The Mean scores given by Hindu, Muslim and Sikh managers were above 133 which shows all managers from these religions adopt participative style of management while the only Christian manager gave himself only 120 score which indicate his consultative style of management In table 3, T values were calculated to know the difference of Mean scores of management approach between Hindu and Muslim, Hindu and Sikhs, Hindu and Christians, Muslims and Sikhs, Muslims and Christians, Sikhs and Christians which had been calculated as .218, -.201, +1.53, -.24, .752, 1.321 respectively. These t values were much less than the table value of t, which means there was no significant difference between management styles followed by the managers of different religions. This seems to be a very healthy sign for the corporate world.

Table 2 & 3

This Table analyses the subordinates' views about the management approaches used by the managers. Again the religion is divided into 4 categories i.e. Hindus, Muslims, Sikhs and Christians with their corresponding number of 245, 17, 5, 3 covering 270 in all (in 2nd column). In next column, Mean scores of management styles used by managers (in view of subordinates) were given which were 149.55, 140.58, 134 and 155.33 respectively. This is again more than 133 in each religion which showed that the scores given by managers in Table 1 were approved by subordinates. The t values calculated in Table 3 again showed that there was no significant difference between the Mean scores given by people of different religions. T values were again calculated to know the significance of difference of mean scores for subordinates' responses; between Hindus and Muslims, Hindus and Sikhs, Hindus and Christians, Muslims and Sikhs, Muslims and Christians, Sikhs and Christians, which were 1.38, 1.38, -.40, .51, -.88, -1.87 respectively. These t values were less than the table values proving that there was no significant difference between the Mean scores of subordinates of different religion, providing that all the managers follow more or less the same management approaches irrespective of their religions i.e. religion hardly plays any role on the management approach follows by the managers.

II. EDUCATION WISE ANALYSIS

a) For Managers

TABLE 4

Education	No. of respondent	Mean	S.D.	Variance
Under Graduate	3	141.67	33.29	1108.33
Graduate	12	147.50	22.4	501.91
Post Graduate	2	143.50	23.33	544.5
Professional	13	152.92	18.35	336.91

b) For Subordinates

Table 5

Religion	No. of respondent	Mean	S.D.	Variance
Under Graduate	79	151.57	27.12	735.50
Graduate	101	148.67	22.55	508.52
Post Graduate	31	142.33	22.38	500.83
Professional	59	148.57	27.29	745.21

c) T values

TABLE 6

Category	Manager	Subordinate
Under Graduate and Graduate	-.37	.78
Under Graduate and Post Graduate	-.07	1.68
Under Graduate and Professional	-.83	.640
Graduate and Post Graduate	-.23	1.37
Graduate and Professional	.66	.03
Post Graduate and Professional	.66	1.09

Table 4 & 5

Table 4 represented the analysis of management style followed by managers with different educational background. Educational background, for this purpose, has been categorized into 4 categories i.e. under graduates including diploma holders, graduate, Post Graduate and Professional which includes MBAs, CAs, Engineers etc. The numbers of managers corresponding to these 4 categories were 3, 12, 02, and 13 covering 30 managers in all. The Mean scores indicating the management approach were 141.67, 147.50, 143.50 and 152.92 respectively. The Mean scores were above 133 which indicated that all the managers follow the participative or democratic style of management. After analyzing Table 6, further, it is proved that the t values which were -.37, -.07, -.83, -.23, .66, .66 of Mean differences for different educational backgrounds were not significantly different. So, we can again generalize the statement that educational background does not affect management approach adopted by managers.

Table 5 & 6

Table 5 represented the number, Mean scores, S.D. and variance of rating for management style followed by managers in the eyes of subordinates having different educational backgrounds. Management approach/style is a kind of behavior which relates to human psychology and as the modern corporate world is changing, human beings have become more conscious about the way they are treated. This is the reason; managers are adopting more democratic style of management. Here is the table 5 all the 4 categories previously mentioned with Table 4 were created. The Mean scores were 151.57, 148.67, 142.33 & 148.57 which confirms the results shown by table 4 i.e. all managers were very positive in their approach and have a democratic/participative outlook. Table 6 indicated t values of Mean

differences between scores given by subordinates belonging to different educational backgrounds. Their corresponding t values were .78, 1.68, .64, 1.37, .03 and 1.09. These values were less than the table values of t at this level. This showed that there was no significant difference between the management approaches/styles adopted by managers according to subordinates with different educational backgrounds.

8. FINDINGS AND RESULTS

On overall basis, it was found that there is no significant relation between cultural aspects [religion and educational background] and management approaches/styles used by the managers. All managers, irrespective of culture they belong to, adopt democratic/participative approach in management. This was verified by their subordinates also. Thus, null hypothesis is accepted. Perhaps, it is because of multicultural nature of Indian society. All people whether they are Hindu or Muslim or Sikh or Christians, are having many things in common i.e. schools, colleges, play grounds, neighborhood, festivals, traditions, rituals etc. all promote tolerance and improve cohesiveness among the people. The researcher is of the view that it is not the personal cultural aspects which affects the management approaches/style of management but the organizational culture, national culture, economic and political environment of a country which forces a manager to adopt one approach or other. The same views were given by Anita Ollapolly and Jyotsna Bhatnagar (2009) while saying that the success of management practices largely depends on the existing organization culture and the prejudices people have. If the management could create a culture of inclusion to manage multiculturalism, it will not only improve employees' commitment but also employer's branding, helping to retain as well as attract the best employees for the organization. But, the findings do not match with the findings of Mr. Zdenka KONECNA (2006) who said that culture and cultural differences play an important role in international companies.

9. SUGGESTIONS FOR THE MANAGERS TO MANAGE A MULTICULTURAL ORGANIZATION

Though the results showed that managers did not have any difference in their approach to management, yet a few suggestions may be given so that better productivity, higher morale, improved communication, congenial work environment could be obtained.

- Follow 'principle of equality'. Treat every individual equal but not "same". The real equality means keeping in view the values, attitudes and preferences of employees of different cultures. The notion of "same" treatment sometimes does not help the management in achieving the harmony at work place.
- Give feedback equally to all staff members regardless of their cultural background. Give immediate feedback to minority members about the points where they were lack of required skills after giving them training and opportunity to develop these skills
- Make sure that all employees from various cultures have effective communication skills or have the opportunity to acquire them. Manager must use supportive words, positive strokes and feedbacks and must avoid showing his displeasure in front of others in case of mistake of employee.
- Openly discuss and debate negative news, stereotypes and valuations. Encourage team members to explore any prejudicial view held by them.
- Stimulate and motivate the subordinates by giving adequate incentives to obtain training for understanding and respecting cultural diversity at work. Carry out targeted training for specific groups of staff i.e. cross cultural communication skills and developmental skills for lower staff.
- Make a diversity policy which should state the organizations' commitment to cultural diversity and highlight particular groups whose experiences are more likely to be discriminated against on grounds of culture, race, gender, disability, sexual orientation or age.
- Review of current practices to ensure no discrimination in the areas of:
 - a) Recruitment and Selection
 - b) Terms and Conditions of Employment
 - c) Access of Promotions
 - d) Access to training activities
 - e) Working Hours
 - f) Grievances and Disciplinary Procedures
 - g) Job Security
 - h) Performance appraisal system
 - i) Prevention of workers' exploitation
- Don't limit yourself to official work only or to become purely task oriented. Try to become Employee oriented also and solve personal problem of employees as far as possible.
- Organize social programs in the organization like Parivar Milan, get togethers, Festival celebrations, Sports days etc. where employees could come with their families and can develop informal relations with each other and with managers also.
- Be indifferent between religions. It is very much essential when communal disturbances are mounting up in the country as it will help in taking decisions rationally and impartially.
- Locate yourself on 'Management Grid' and make efforts to reach to team management (9,9) situation of the said Grid built by Blake and Mouton.

10. CONCLUSION

This study on "Does Culture affect Management Dynamics in Multicultural Organizations - An Analytical Study" was undertaken to understand the relationship between cultural aspects and management style i.e. a manager from a particular culture work on a particular management approach/style or not. The results of the study answer the question and would be able to extend the horizon of management dynamics in many respects.

11. LIMITATION

Every research project (Even the very big ones conducted by a team is wrapped with certain limitations. The volume and gravity of the limitations depend upon the; nature of the study, respondents, information's availability, area of the study, financial resources and human nature itself. The limitations with the present work were as follows:

1. The respondents were not found research friendly in the sense that some used to say, "I do not have time", "come after some days etc. So, it was very difficult to find out the accurate responses from the respondents
2. The study area covered under present study is from Northern side only i.e. it covered the organizations in north only
3. The religions are categorized in very broad fashion i.e. Hindu, Muslim, Sikh and Christians. It has not covered the various ethnic groups.

It is a vast subject and still needs a lot of attention from the management researchers. The present study has tried its best to fulfill its objectives.

12. SCOPE FOR FURTHER RESEARCH

The present work focuses on finding the relationship between culture and management approach adopted by a manager. The research endeavors to explore all feasible solutions to increase efficiency and effectiveness of the organization, however, like any other study; this study too has several limitations. For the future work, the following points may be considered.

- The present study is made only in Automobile and Electronics and Communication Sectors. The scope of the work could be enlarged to many other sectors also.
- The topic of "Does culture affect management dynamics in multicultural organizations- an analytical study" is highly dynamic in present context. So, continuous research is required to make.
- Both sectors covered in study are growing in leaps and bounds. The result of the same study conducted in South India, West India and East India may present different results.

REFERENCES

1. Edewar, P., & Aluko, Y.A. (2007). "Diversity management, challenges, opportunities in multicultural organizations." *The International Journal of Diversity in Organizations, Communities and Nations*, 7 (7)
2. Garfield, Charles A (2005). "Diversity as an asset- Variety in the spice of life and business success". *Leadership Excellence*; April 2005; 22; 4; ABI/INFORM Complete pg.19
3. Jansen, W.S., Otten, S., & Vander Zee, K.I. (2015). "Being part of diversity. The effects of an all inclusive multicultural diversity approach on majority members' perceived inclusion and support for organizational diversity efforts". *Group processes and Intergroup Relations*, 1368430214566892
4. KONECNA Zdenka (2006). "Cross culture management: Worker in a multicultural Environment". *Vadyba/Management* 2006 m. Nr. 3-4 (12-13)
5. Luring Jacob (2007). "Obstacles to Innovative Interaction: Communication management in culturally diverse organizations". *Journal of Intercultural Communication. ISSN 1404-1634*, issue 15, November 2007
6. Likert, R. (1979). "From production-and employee-centeredness to systems 1-4". *Journal of Management*, 5(2), 147-156.
7. Merenivitch Jarrow & Reigle Dan (1979). "Toward a Multicultural organization". A paper presented in seminar when they were with Procter & gamble Company.
8. Olapally, A., & Bhatnagar, J. (2009). "The holistic approach to diversity management: HR implications". *Indian Journal of Industrial Relations*, 454-472.
9. Somalingam, A., Shanthakumari, R. (2013). "Cross cultural management: An Empirical Study on Cultural Identity and knowledge Management of Indian Software Engineers" *International Journal of Information, Business and Management*, 5(2), 20

REFINANCE OPERATIONS OF NABARD IN CHITTOOR DISTRICT OF ANDHRA PRADESH STATE

KAYAM MUNEENDRA
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
S.V.U COLLEGE OF CM & CS
SRI VENKATESWARA UNIVERSITY
TIRUPATI

DR. CHITRAPU SWARAJYA LAKSHMI
PRINCIPAL (RETD.)
SPW DEGREE & PG COLLEGE
TIRUPATI

ABSTRACT

National Bank for Agriculture and Rural Development (NABARD) was created in response to the aspirations of the people and Government of India to create a strong public policy institution in rural credit for building a strong rural India. Agriculture is the backbone of the Indian economy as it is major source of income for rural India where more than 65% of total Indians reside. The significance of farm credit as a critical input to agriculture is reinforced by the unique role of Indian agriculture in the macro-economic framework and its role in poverty alleviation. In this backdrop, the present study is conducted to review the refinance operations of NABARD in Chittoor District of Andhra Pradesh State. The required data was collected from the bankers with the help of structured schedule relating to advances refinanced by NABARD under different schemes and purposes. The study reveals that the Commercial Banks have disbursed more funds to the agricultural sector by adopting various schemes under NABARD than the other institutional agencies. The involvement of Chittoor District Central Co-operative Banks and Saphthagiri Grameena Banks in the districts in adopting NABARD schemes is deprived compared to Commercial Banks.

KEYWORDS

NABARD, refinance, agricultural credit, co-operative banks, rural development.

INTRODUCTION

India is primarily an agriculture based country and a large proportion of the population in India is rural based, and depends on agriculture for living. In developing countries like India, the growth of agriculture sector is imperative for a variety of reasons. Agriculture, in most developing economics, is the core sector providing livelihoods to a significant proportion of the population, especially in rural areas. Since this sector faces the largest brunt of underemployment, unemployment, and poverty, a growing agriculture and allied sector is expected to contribute vastly to overall growth and poverty alleviation. The institutional credit has been conceived to play an important role in the agricultural development of India. A large number of institutional agencies are involved in the disbursement of credit to agriculture under the refinance of National Bank for Agriculture and Rural Development (NABARD).

It has been the constant endeavor of the 'planners' to give adequate thrust to rural development as the sector is directly related to agriculture, still the mainstay for the majority of India's population. India's agricultural economy is undergoing structural changes. Between 1970 and 2015, the GDP share of agriculture has fallen from 43 to 14.2 per cent. This isn't because of reduced importance of agriculture or a consequence of agricultural policy. This is largely because of the rapid economic growth in services, industrial output and non agricultural sectors in India. The rural development in India is one of the most important factors for the growth of the Indian economy. Rural economy in India is wholly agriculture based, the ministry of agriculture, the ministry of rural infrastructure and the Planning Commission of India are the main governing bodies that formulate and implement the policy related to rural development in India for the overall growth in Indian economy.

One of the biggest challenges experienced by the Indian economy is enhancing viability of agriculture. In this context, capital formation "in" and "for" agriculture are of critical importance for the sustainability of agricultural growth. NABARD was created in response to the aspirations of the people and Government of India to create a strong public policy institution in rural credit for building a strong rural India and accordingly, NABARD flagged capital formation in rural economy as the thrust area. There has been an impressive growth in agricultural credit flow from 1.25 lakh crore to 8.41 lakh crore during the eleven-year period from 2004-05 to 2014-15. Doubling of agricultural credit (2004), Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008, interest rate subvention (2007 & 2011) etc, are the noteworthy policy initiatives taken by the Government of India in agriculture and rural development paradigm. The total amount of refinance disbursements during the year 2014-15 was at Rs.3564.27crores in Andhra Pradesh against Rs.31423 crores at all India level.

REVIEW OF LITERATURE

Amiya Kumar (2015), in his piece of writing "Inclusive Agricultural Development", pointed that Agricultural credit is one of the key determinants of agricultural production and its growth. Thus to empower the farmers, availability and access of easy credit is essential to meet the rising need for food production for the growing population and to meet the industry requirement. For this, the provision of agricultural credit in the union budget is on a continuous rise. The provision of agricultural credit has increased from Rs.375000 crores (2010-11) to Rs.850000 (2015-16).

R.C. Rajamani (2014), in his editorial "Rural Development Budget: Critical appraisal", revealed that the budget proposes to set up an Agriculture Infrastructure Fund of Rs 100 crores to encourage research and development in the critical area. This is necessary to make farming competitive, and give an impetus to investment, both private and public. It is proposed to allocate an amount of Rs 50,000 crore for Short Term Cooperative Rural Credit (STCRC) Fund during 2014-15. A long-term rural credit fund will be set up in National Bank for Agriculture and Rural Development (NABARD) with an initial investment of Rs 5000 crores to provide long-term refinance support to the farmers.

Tiken Das (2015), stated in his article "Informal Finance – A case study of North India", that The continuance of domination of informal finance in rural areas has questioned the measures the government of India have taken during various times to reach the unreached people. During the period of 1961 – 2002 Andhra Pradesh has shown highest share of non institutional finance and indicated the positive link between domination of informal finance and progress of micro finance programme.

N. Thyaga Raju (2015), in his article "Financing Of Agricultural Sector By National Bank For Agriculture & Rural Development(NABARD)-Analysis", noted that With increasing involvement of the private sector in supporting developments in agriculture, NABARD invited select corporate houses to explore the possibilities of collaborating with them in specific programmes like Agri-clinics and Agri-business centers, contract farming, farmer clubs, etc., and involve them in the implementation of these programmes for the benefit of farmers.

Veerpaal Kaur Maan and Amritpal Singh (2013), in their research "Role of NABARD and RBI in Agricultural Sector Growth", stated that the scope of the operations of NABARD is large indeed. Besides providing finance to credit institutions, it is providing innovations in regard to formulation of schemes, monitoring of implementation, evaluation of results and evolution of suitable supporting structures of all kinds of agricultural activities. It is, in brief, an institution for the purpose of refinance; with the complementary work of directing, inspecting and supervising the credit- flows for agricultural and rural development.

NEED FOR THE STUDY

In relation to NABARD operations, several studies have been undertaken to evaluate the financial assistance for agriculture at national level by individual researchers, financial institutions, NABARD, Reserve Bank of India (RBI), Committees, Commissions and Government. But area specific studies are comparatively limited in number. In a vast country like India with varying agro-climatic and socio-economic conditions, location specific studies are required.

STATEMENT OF THE PROBLEM

NABARD was established on July 12, 1982 by an act of parliament. It was entrusted with the entire activities of the Agricultural Re-financing and Development Corporation (ARDC) along with Agricultural Credit Department of RBI. NABARD has to provide all types of production and investment credit to agriculture, small scale industries, artisans, cottage and village industries, handicrafts and allied economic activities in the name of refinance.

However, NABARD has been functioning ever since its inception, it is superlative with a variety of problems in dealings with other financial agencies owing to several internal and external factors. Hence the evils distressing the performance of NABARD are to be recognized in the light of banking development. The present study is an endeavor in this direction.

OBJECTIVES

The present research paper is prepared with certain objectives as mentioned under.

- To review the refinance operations of NABARD in Chittoor District.
- To offer appropriate suggestions to improve the refinance operations of NABARD in Chittoor District of Andhra Pradesh State.

HYPOTHESIS

Refinance of NABARD to various financial institutions in Chittoor District is not significantly different.

RESEARCH METHODOLOGY

To study the stated objectives, Chittoor District was taken as the universe of study. The sample data for the study was collected from the different bank branches which were refinanced by NABARD in three revenue divisions namely Chittoor, Tirupati and Madanapalle of Chittoor District. Survey method is adopted for the study by using convenient random sampling technique at a sample of 10 per cent of total bank branches in the three revenue divisions. A sample of 18 Commercial Bank (CBs) branches out of 183 branches, 9 Saphthagiri Grammeena Bank(SGBs) branches out of 94 branches, and 3 Chittoor District Central Co-operative Bank(CDCCBs) out of 33 branches are selected. The primary data was collected from the bankers with the help of structured schedule, which was employed to collect the information from bankers relating to advances refinanced by NABARD under different schemes. The Refinance operations of NABARD in Chittoor District is evaluated for a 7 years period from 2007 – 08 to 2014-15 so as to arrive at meaningful and purposeful inferences.

RESULTS AND DISCUSSIONS

AGENCY WISE REFINANCE OF NABARD IN CHITTOOR DISTRICT

Table 1 depicts agency-wise refinance by NABARD in Chittoor district during the period 2008-15. The total amount disbursed during the period was Rs.4721068 lakhs, of which CBs have got a dominant share of Rs. 3780181 lakhs i.e. 80 per cent, followed by SGBs Rs. 580185(12.3 per cent) and CDCCBs Rs. 360702 lakhs (7.7 per cent).

Refinance to all agencies had shown significant growth rate. Linear Growth Rate (LGR) of refinance by NABARD to CBs in Chittoor district during 2008-15 is significant at 1 per cent level, while refinance to SGBs, and CDCCBs is significant at 5 per cent level.

PURPOSE WISE REFINANCE OF NABARD IN CHITTOOR DISTRICT

Table 2 presents purpose-wise refinance disbursements made by NABARD during the period 2011-15 in Chittoor district through different banks. Regarding major purposes for which refinance disbursed to different agencies, the following conclusions are drawn. The total amount of refinance disbursed for different purposes during the period is Rs.279444.88 lakhs of which Rs.97968.77 lakhs is disbursed to CDCCBs, followed by SGBs Rs.94525 lakhs and CBs 86951.11 lakhs. In terms of percentages of total amount refinanced share of CDCCBs is 35.06 per cent, share of SGBs is 33.83 per cent and CBs is 31.12 per cent.

While considering purposes individually, the lion's share of refinance is disbursed for NFS22 purpose which amounts to Rs.130777.78 lakhs which is 46.8 per cent. The amount disbursed to IRDP is Rs.13346.25 lakhs which is 4.78 per cent, while the amount disbursed to MI is Rs. 10985 lakhs which is 3.93 per cent, and to DAIRY it is Rs.8537.9 lakhs which is 3.06 per cent of the total amount disbursed to all purposes. For all other miscellaneous purposes together an amount of Rs. 109659.32 lakhs were disbursed which is 39.24 per cent.

DIVERSIFICATION OF REFINANCE FOR SELECT YEARS (2011 AND 2015)

The indices of diversification of refinance calculated for two bench-mark years 2011 and 2015 in relation to agencies are depicted in table 3. Diversification of refinance was the highest in the case of CDCCBs followed by SGBs and CBs. For all agencies put together the index changed from 36.30 to 46.80 between benchmark years, showing the difference of 10.50 points, which indicates that there was diversification in loan refinance disbursed by NABARD to different purposes through various agencies in Chittoor district during 2011-2015.

SCHEME AND YEAR WISE REFINANCE OF NABARD TO SELECT CBs

Table 4 presents the Scheme and year wise Refinance operations of NABARD to select CBs in Chittoor District during the period 2007-15. Out of the three major schemes for which refinance was made by NABARD to SGBs, IRDP scheme got the lion's share of Rs.5586.67 lakhs which is 59.86 per cent, followed by MI of Rs.3295.49 lakhs at 35.72 per cent and FM of Rs.460.52 lakhs at 4.68 per cent of total refinance disbursed to all schemes at Rs.9342.68 lakhs.

The LGR value of FM is the highest at 14.77 and the next highest is IRDP at 10.61. The MI scheme got the least LGR value at 9.14 and it reveals that refinance to FM has significant growth rate than other schemes. Refinance to MI shows more consistency than FM and IRDP based on their CV values. From the above analysis it is noted that, refinance to all schemes during the period are showing significant growth at 1 per cent level.

SCHEME AND YEAR WISE REFINANCE OF NABARD TO SELECT SGBs

Table 5 presents the Scheme and year wise Refinance operations of NABARD to select SGBs in Chittoor District during the period 2007-15. Out of the three major schemes for which refinance was made by NABARD to SGBs, IRDP scheme got the lion's share of Rs.4066.25 lakhs which is 59.21 per cent, followed by MI of Rs.2445.04 lakhs at 35.6 per cent and FM of Rs.356.53 lakhs at 5.19 per cent of the total amount disbursed to all schemes is Rs.6867.82 lakhs.

The LGR value of FM is the highest at 14.68 and the next highest is IRDP at 10.8. The MI scheme got least LGR value at 9.21. Refinance to MI shows more consistency than FM and IRDP based on their CV values.

From the above analysis it is clear that, refinances to all schemes during the period are showing significant growth rates at 1 per cent level.

SCHEME AND YEAR WISE REFINANCE OF NABARD TO SELECT CDCCBs

Table 6 presents Scheme and year-wise refinance operations of NABARD to select CDCCBs in Chittoor District during the period 2007-15. Out of the three major schemes for which refinance made by NABARD to CDCCBs, IRDP scheme got a lion's share of Rs.3535.87 lakhs which is 59.34 per cent of total refinance, followed by MI with the share of Rs.2126.1 lakhs at 35.68 per cent and FM with the share of Rs.297.11 lakhs at 4.99 per cent.

During the above said period the total amount of refinance disbursed is 5959.08 lakhs for all schemes. Refinance to MI shows more consistency than to FM and IRDP based on their CV values. The LGR value of FM is the highest at 14.68 and the next highest is IRDP at 10.8. The MI scheme got the least LGR value at 9.21. But refinances to all schemes during the period are showing significant growth at 1 per cent level.

FINDINGS

Refinance of NABARD to different agencies under different purposes and schemes are showed significant growth, but some bank branches are not getting refinance from NABARD consistently due to operational sickness, short fall in reaching targets, overdues and other problems.

Regarding agency wise refinance of NABARD in Chittoor district during the study period, CBs have got a predominant share i.e. 80 per cent, followed by SGBs at 12.3 per cent and CDCCBs at 7.7 per cent of total disbursements. While considering the purpose wise refinance of NABARD in the district lion's share of refinance is disbursed for NFS22 purpose at 46.8 per cent and the least share is recorded for DAIRY at 3.06 per cent of the total amount disbursed to all purposes. Diversification of refinance was the highest in the case of CDCCBs followed by SGBs and CBs.

With regard to Scheme-wise refinance of NABARD to select CBs, IRDP scheme got the lion's share at 59.86 per cent. In the case of select SGBs and CDCCBs also the same IRDP scheme got predominant share at 59.21 per cent and 59.34 percent respectively. But refinance to all schemes during the period are showing significant growth.

SUGGESTIONS

The interpretations of the data gathered from the select bank branches in Chittoor District to study the refinance operations of NABARD in the District have facilitated to offer some suggestions presented as follows.

To make NABARD's refinance operations in Chittoor district more pragmatic, the District Development Manager (DDM) should forward all applications of schematic lending of special nature to Regional Office(RO), as the DDM can recommend based upon the merits of each case on the basis of local resources, conditions and constraints.

As Chittoor District is a drought prone area, NABARD should provide more refinance for Minor Irrigation purpose, water shed program and surface water conservative programs should be implemented in a big way.

The time gap between registration of application and sanctioning of loans must be reduced by banks, with the use of simplified loan appraisal and sanction procedures.

That the NABARD have to provide some assistance to banks by deputing some personnel on adhoc basis at the time of necessity, so as to implement all schemes efficiently.

The NABARD should focus its attention while designing and implementing schemes/programmes for the areas like Chittoor District by taking in to consideration the beneficiaries' problems and facilities in terms of their (i) transaction cost (ii) time taken for securing loan (iii) income generation (iv) income utilisation and repayment of loan.

NABARD should take special care in bringing better functional co-ordination between state Government, client banks and others in the preparation of schemes/projects for financing.

Implementation of Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008, interest rate subvention scheme (2007 & 2011) by the Indian government, does not hold well in some cases, some beneficiaries wilfully have not made repayment of loans. Such schemes are to be implemented by the Government and Banks for the deserved beneficiaries only.

CONCLUSION

Through its refinance operations, NABARD has been performing with the help of banking sector to augment the credit support to production and investment purposes for the agriculture and rural development. The study reveals that the Institutional credit in Chittoor District of Andhra Pradesh State to have been increased in its quantum as the NABARD has increased the quantum of refinance to its client agencies. But certain efforts have to be taken by the banks to wipe out over dues problem, so that the recovered institutional credit should be pumped in to agricultural sector further for its growth.

In recent years Commercial Banks have disbursed more funds to the agricultural sector by adopting various schemes under NABARD, but still there is a need to occupy the missing spectrum of agricultural credit in the district. The participation of CDCCBs and SGBs in the districts in adopting NABARD schemes is poor compared to CBs. The CDCCBs and SGBs have to strive hard to increase their operational efficiency; hence availability of timely agricultural credit is enhanced.

LIMITATIONS

The study is confined to the refinance operations of NABARD in Chittoor District of Andhra Pradesh State. Major schemes and purposes are considered for the study for which NABARD has refinanced amounts extensively. Though the study is restricted to Chittoor district, the findings of the study may be relevant to all districts or areas with similar agro-climatic and socio-economic conditions.

SCOPE FOR FURTHER RESEARCH

The present study is focussed on refinance operations of NABARD under various schemes and purposes to different financial institutions in the Chittoor District. There is a scope for further study to assess the impact of NABARD's refinances on the occupation, income, assets of beneficiaries in the Chittoor District.

REFERENCES

1. Amiya Kumar, "Inclusive Agricultural Development", Kurukshetra, Vol.63, No.6, April 2015, p.39.
2. Dr. Ashish Kant Chaudhari, "Emerging Dimensions of Indian Economy Through Agriculture: A Comparative Study Between Farm & Non Farm Sector", International Journal of Research & Development in Technology and Management Science, Vol.21, Issue 5, December 2014, p.208-219.
3. Gowhar Bashir Ahangar, Ashaq Hussain Ganie and MohdUmmer Jan Padder, "A study on institutional credit to agriculture sector in India", International Journal of Current Research and Academic Review, Vol.1, Number 4 (2013), pp. 72-80.
4. N. Thyaga Raju, "Financing of Agricultural Sector by National Bank for Agriculture & Rural Development (NABARD)-Analysis", Asia Pacific Journal of Research, Vol: I. Issue XXV, March 2015, p.143.
5. R.C. Rajamani, "Rural Development Budget: Critical appraisal", Kurukshetra, Vol. 62 No. 10, August.2014, p.11.
6. Rajiv Theodore, "Rural Development", Yojana, Vol.49, Jan 2005, P.39.
7. Tiken Das, "Informal Finance – A case study of North India", Journal of Rural Development, Vol.34, No.1, Mar 2015, p.29.
8. Veerpaul Kaur Maan and Amritpal Singh (2013), "Role of NABARD and RBI in Agricultural Sector Growth", International Journal of Emerging Research in Management & Technology, Vol.2, Issue.3, March 2013, P.39.

ANNEXURE

TABLE 1: AGENCY-WISE REFINANCE BY NABARD IN CHITTOOR DISTRICT (Rs.in lakhs)

Year	CBs	SGBs	CDCCBs	TOTAL
1	2	3	4	5
2008-09	326649	66043	51255	443947
2009-10	478997	78620	36308	593925
2010-11	496534	80154	44562	621250
2011-12	574531	89657	49871	714059
2012-13	569846	82365	55860	708071
2013-14	652369	88657	62589	803615
2014-15	681255	94689	60257	836201
Total	3780181 (80.07)	580185 (12.29)	360702 (7.64)	4721068 (100)
Mean	540025.86	82883.57	51528.86	674438.29
CV	22.14	11.32	17.72	19.89
LGR	9.81	4.66	6.30	8.91
t' values	7.414**	4.365*	2.679*	8.601**

Source: Field survey.

Notes: 1. Figures in parentheses are percentages to row totals.; &

2. * Significant at 5 percent level, ** Significant at 1 % level.

TABLE 2: PURPOSE WISE DISBURSEMENT OF REFINANCE BY NABARD IN CHITTOOR DISTRICT DURING THE PERIOD 2011-2015 (Rs. in lakhs)

Purpose	CBs (Rs.)	SGBs (Rs.)	CDCCBs (Rs.)	TOTAL (Rs.)	Col.5 as a percentage of that column total
1	2	3	4	5	6
MI	4685.56	3287.12	3012.85	10985.53	3.93
IRDP	5962.35	4835.25	2548.65	13346.25	4.78
LD/DLA	94.31	26.44	19.63	140.38	0.05
FM	486.32	297.64	224.85	1008.81	0.36
P&H	126.50	187.95	215.40	529.85	0.19
DAIRY	2654.15	3128.50	2755.25	8537.90	3.06
POULTRY	245.35	358.45	258.30	862.10	0.31
SGPR	354.65	305.52	654.25	1314.42	0.47
FISHERY	115.15	268.55	341.18	724.88	0.26
SERI	95.35	58.57	23.55	177.47	0.06
WH/SG/MY	12.50	2.50	8.45	23.45	0.01
IRDP(ISB)	850.25	150.54	355.95	1356.74	0.49
NFS 22	45620.35	36897.62	48259.81	130777.78	46.80
OTHERS	25648.32	44720.35	39290.65	109659.32	39.24
Total	86951.11	94525.00	97968.77	279444.88	100
Percentage	(31.12)	(33.83)	(35.06)	(100)	

Source: Field survey.

Note: Figures in parentheses are percentages to row totals.

TABLE 3: INDICES OF REFINANCING DIVERSIFICATION

Agencies	Index		Change in Indices
	2011	2015	
1	2	3	4 (2-3)
CBs	33.89	43.69	9.80
SGBs	36.84	47.50	10.66
CDCCBs	38.18	49.22	11.04
All	36.30	46.80	10.50

Source: Calculated from Table 3.7

TABLE 4: SCHEME AND YEAR WISE REFINANCE OF NABARD TO SELECT CB BRANCHES IN CHITTOOR DISTRICT DURING 2007-2015 (Rs. in lakh)

YEAR	MI	FM	IRDP	TOTAL
1	2	3	4	5
2007-08	268.35	30.15	455.59	754.09
2008-09	322.69	34.67	547.87	905.23
2009-10	369.50	47.15	556.32	972.97
2010-11	356.22	44.55	582.89	983.66
2011-12	486.96	63.98	744.51	1295.46
2012-13	452.99	72.80	834.79	1360.58
2013-14	486.61	86.37	892.46	1465.44
2014-15	552.16	80.85	972.24	1605.24
Total	3295.49	460.52	5586.67	9342.68
Percentage	(35.72)	(4.68)	(59.86)	(100)
Mean	411.94	57.57	698.33	1167.83
CV	23.58	37.14	26.98	26.00
LGR	9.14	14.77	10.61	10.43
t' value	8.076**	9.483**	12.271**	13.044**

Source: Field survey

Notes: 1. Figures in parentheses are percentages to column totals.; &

2. ** Significant at 1% level, *Significant at 5% level.

TABLE 5: SCHEME AND YEAR WISE REFINANCE OF NABARD TO SELECT SGB BRANCHES IN CHITTOOR DISTRICT DURING 2007-2015 (Rs. in lakh)

YEAR	MI	FM	IRD	TOTAL
1	2	3	4	5
2007-08	199.10	23.34	331.60	554.04
2008-09	239.42	26.84	398.76	665.03
2009-10	274.15	36.50	404.92	715.57
2010-11	264.29	34.49	424.26	723.04
2011-12	361.30	49.54	541.89	952.72
2012-13	336.09	56.36	607.60	1000.05
2013-14	361.03	66.86	649.58	1077.47
2014-15	409.66	62.59	707.64	1179.90
Total	2445.04	356.53	4066.25	6867.82
Percentage	(35.60)	(5.19)	(59.21)	(100)
Mean	305.63	44.57	508.28	858.48
CV	23.58	37.13	26.98	26.01
LGR	9.21	14.68	10.80	10.44
t' value	8.074**	9.484**	12.272**	13.046**

Source: Field survey

Note: 1. Figures in parentheses is percentages to column totals.; &

2. * Significant at 5% level, ** Significant at 1% level

TABLE 6: SCHEME AND YEAR WISE REFINANCE OF NABARD TO SELECT CDCB BRANCHES IN CHITTOOR DISTRICT DURING 2007-2015 (Rs. in lakh)

YEAR	MI	FM	IRD	TOTAL
1	2	3	4	5
2007-08	173.13	19.45	288.35	480.93
2008-09	208.19	22.37	346.75	577.31
2009-10	238.39	30.42	352.10	620.91
2010-11	229.82	28.74	368.92	627.48
2011-12	314.17	41.28	471.21	826.66
2012-13	292.25	46.97	528.35	867.57
2013-14	313.94	55.72	564.85	934.51
2014-15	356.23	52.16	615.34	1023.73
Total	2126.10	297.11	3535.87	5959.08
Percentage	(35.68)	(4.99)	(59.34)	(100)
Mean	265.77	37.14	441.98	744.89
CV	23.58	37.13	26.98	25.99
LGR	9.21	14.68	10.80	10.43
t' value	8.075**	9.482**	12.271**	13.033**

Source: Field survey.

Notes: 1. Figures in parentheses are percentages to column totals.; &

2. * Significant at 5 percent level, ** Significant at 1 % level.

VARIATIONS IN CAREER INTERESTS OF GRADUATE STUDENTS

DR. VIJAYA PURANIK
ASSOCIATE PROFESSOR
SINHGAD INSTITUTE OF MANAGEMENT & COMPUTER APPLICATION
NARHE

ABSTRACT

Students in India pursue graduation in various streams like Arts, Science, Commerce, Engineering, Pharmacy and many others. They study at different institutes and graduate colleges all over the country. Having decided their stream of education they are sure, to some extent, of their career interest. However not all students may know their interest and therefore there exists a gap between the stream of education chosen by the student and his or her career interest. Career interest may vary also by the city in which the student is studying or the medium or language of study of the student. This article analyses data of students studying in the final year of their graduation. The data of their preference of career was collected using the Career interest test of MN Careers. The test based on Holland's typology gives scores on 6 different career interests. It was found that significant differences in career interest do exist for students by city, medium of study and their stream of education for certain career interests.

KEYWORDS

career, graduate, interest, medium, stream.

INTRODUCTION

Students in India pursue graduation in streams like Arts, Science, Commerce, Engineering, Pharmacy and many others. They study from various graduate colleges all over the country. The approximate age of all these students is between 19 years and 22 years. Some of them may pursue further studies and some of them will take up jobs after graduation. Most of them, having decided their stream of education are more or less clear on their academic interest. However not all may be clear about what they may pursue as a career interest. In India, we also see cultural and social variations to a large extent across various cities. These variations may be due to reasons like industrial development, educational opportunities, political influence, infrastructure and logistical developments and also history associated with the city. As a result, the career interest of the students is not only affected by their own ability but also by all the above factors. In India, it is observed that the society and parents have a great influence on the career interest of the students. Family and friends advising and influencing girls and boys about career choices is often seen in India. As a result, the present researcher was interested to know if career interest of the graduating students is affected by city, gender, stream or medium of instruction at the school and college level viz. English, Hindi, Marathi.

LITERATURE REVIEW

A number of different interest inventories use Holland's typology as their primary organizing schema.

Self Directed search (SDS: Holland 1987), can assist career counselors in assessing the work personalities of their clients. SDS career explorer (Holland, Powell, 1996) has been developed to assess middle school students. Presently used Strong interest inventory is developed by Minnesota Workforce Center, and is based on the Holland's inventory of basic interests. Skills Confidence inventory (Betz, Borgen, Hammon, 1996) provides users with information using Holland's six types. A comprehensive list of Holland types is available in the Dictionary of Holland Occupational Codes (DHOC; Gottfredson and Holland, 1996). Holland's occupational typology has considerable validity for describing work activities, general training requirements, and rewards (Gottfredson, 1980). The Self-Direct Search (SDS) and the Myers-Briggs Type Indicator (MBTI) were used to achieve the desired results of the study, which revealed important relationships between the two typologies and their implications for career counselors. (Chauvin Ida, Miller, Mark, Godfrey, Landrum, Thomas, 2010)

At the same time a lot of research has been conducted on the typology. Research reveals relations between personality environment congruence and levels of academic major or occupational satisfaction (Spokane & Cruza-Guet, Chapter 20, 2012). Various research studies have tried to relate Holland's personality types with various other personality types. Holland and Neo-PI (Larson et al, 2002), 16PF (Bolton, 1985), MBTI (Martin and Bartol, 1986). Structure of interests as used in the typology given by Holland, is found to be remarkably invariant across gender and racial ethnic groups from US (Trusty, 2000). Measures of women's connected self and the Social dimension of Holland's typology were found to be related but separate constructs (Rees, Amy M.; Luzzo, Darrell Anthony et al, 2007). Scholars have used Holland's theory to study vocational behavior (G. Gottfredson, 1999) and industrial and organizational behavior (Muchinsky, 1999), but this is not as true for higher education scholars. A search of the *Journal of College Student Development (JCSD)*, the *NACADA Journal*, and the *NASPA Journal* from 1994-2002 for articles on academic advising or educational planning that were based on Holland's theory revealed no relevant publications in the *NACADA* or *NASPA Journals* and one in *JCSD* that examined Holland's RIASEC typology in relation to college students. Smart et al. (2000) found a few college majors, faculty, or students in their samples categorized as Realistic or Conventional. Smart, Feldman, and Ethington (2000) examined longitudinal data over a four-year period of study (1986-1990) on approximately 2,309 college students participating in the Cooperative Institutional Research Program (CIRP; Higher Education Research Institute, 1986). They found that the number of students in the 'Enterprising' environment over four years remained relatively stable (21% to 22%), and smaller changes occurred in the Investigative and Artistic environments, 25% to 29% and 8% to 15%, respectively. However, students in the Social environment increased from 22% to 34%, the largest area of change. Smart et al. noted that about 22% of the students had freshman majors that were undecided, not classified, or associated with Realistic or Conventional academic environments.

THEORETICAL BACKGROUND OF THE TEST

Holland's Typology of Personality and Congruent Occupations:

TABLE 1

<i>Type</i>	<i>Personality characteristics</i>	<i>Congruent occupation</i>
Realistic – prefers physical activities requiring skill, strength and co-ordination	Shy, genuine, persistent, stable, conforming, practical	Mechanic, drill press operator, assembly-line worker, farmer
Investigative – prefers activities that involve thinking, organizing and understanding	Analytical, original, curious, independent	Biologist, economist, mathematician, news reporter
Social – prefers activities that involve helping and developing others	Sociable, friendly, co-operative, understanding	Social worker, teacher, counsellor, clinical psychologist
Conventional – prefers regulated, ordered and unambiguous activities	Conforming, efficient, practical, unimaginative, inflexible	Accountant, corporate manager, bank teller, file clerk
Enterprising – prefers verbal activities in which there are opportunities to influence others and attain power	Self-confident, ambitious, energetic, domineering	Lawyer, real estate agent, public relations officer, small business manager
Artistic – prefers ambiguous activities that allow creative expression	Imaginative, disorderly, idealistic, emotional, impractical	Painter, musician, writer

According to John Holland's theory, most people are one of six personality types: Realistic, Investigative, Artistic, Social, Enterprising, and Conventional. Take the valid Career Key test to find out which ones you are most like and the careers that fit you best. The characteristics of each of these are described below:

REALISTIC

- Likes to work with animals, tools, or machines; generally, avoids social activities like teaching, healing, and informing others;
- Has good skills in working with tools, mechanical or electrical drawings, machines, or plants and animals;
- Values practical things you can see, touch, and use like plants and animals, tools, equipment, or machines; and
- Sees self as practical, mechanical, and realistic.

INVESTIGATIVE

- Likes to study and solve math or science problems; generally, avoids leading, selling, or persuading people;
- Is good at understanding and solving science and math problems;
- Values science; and
- Sees self as precise, scientific, and intellectual.

ARTISTIC

- Likes to do creative activities like art, drama, crafts, dance, music, or creative writing; generally, avoids highly ordered or repetitive activities;
- Has good artistic abilities -- in creative writing, drama, crafts, music, or art;
- Values the creative arts -- like drama, music, art, or the works of creative writers; and
- Sees self as expressive, original, and independent.

SOCIAL

- Likes to do things to help people -- like, teaching, nursing, or giving first aid, providing information; generally, avoids using machines, tools, or animals to achieve a goal;
- Is good at teaching, counseling, nursing, or giving information;
- Values helping people and solving social problems; and
- Sees self as helpful, friendly, and trustworthy.

ENTERPRISING

- Likes to lead and persuade people, and to sell things and ideas; generally, avoids activities that require careful observation and scientific, analytical thinking;
- Is good at leading people and selling things or ideas;
- Values success in politics, leadership, or business; and
- Sees self as energetic, ambitious, and sociable.

CONVENTIONAL

- Likes to work with numbers, records, or machines in a set, orderly way; generally, avoids ambiguous, unstructured activities
- Is good at working with written records and numbers in a systematic, orderly way;
- Values success in business; and
- Sees self as orderly, and good at following a set plan.

METHODOLOGY

POPULATION: The students who are appearing for the Final year examination of BA, B. Com., BBA, B.E., B.Pharm., B.Arch, BMS, B.Sc, B.SW. in Maharashtra, UP and Bihar(Vaishali).

SAMPLING: Convenience sampling has been used. Institutes/Colleges were contacted. Prior permission of the Head of the Institute was taken. The data of all the available students was collected.

TOOL FOR DATA COLLECTION: Paper pencil test was used for collecting the data.

INSTRUMENT: The tool used for analysis is the 42-item Career Interest Test. The test analyzes Holland’s personality types (Six) of the respondent. The scoring returns 6 different scores, each corresponding to one Personality type. The Cronbach Alpha reliability of the scale was found to be Alpha=0.8217.

SAMPLE SIZE: The total sample size is of 2607. The sample distribution over city, medium of study, Stream/ Course which the student is undergoing and gender is as given below.

TABLE 1: SAMPLE SIZE BY CITY

	Pune, Nagpur	Nashik	Bhusawal, Nanded, Wardha, Yavatmal	Jabalpur, Vaishali	Missing	Total
Code	1	2	3	4	0	
Sample Size	428	200	566	93	1320	2607

Jabalpur, Vaishali sample is not being considered because of the large difference in sample size.

TABLE 2: SAMPLE SIZE BY MEDIUM OF STUDY

	English	Hindi	Marathi	Unknown	Total
Code	1	2	3		
Sample Size	428	43	149	1962	2607

Hindi medium students are not considered because of the large difference in sample size.

TABLE 3: SAMPLE SIZE BY STREAM/COURSE

	BBA, B.Com	BMS, B.Pharm	B.Tech, B.Arch, B.Sc(IT), B.E.	BCA, B.Sc.	BA, B.S.W	Unknown	Total
Code	1	2	3	4	5		
Sample Size	1251	115	342	427	98	374	2607

TABLE 4: SAMPLE SIZE BY GENDER

	Female	Male	Missing	Total
Code	1	2		
Sample Size	1187	1322	92	2607

It is a survey Research.

DESCRIPTION OF THE TOOL USED

The tool used has been developed by Minnesota State Colleges and Universities Career and Education Resource. The MNCareers interest assessment is a simple 42 item test based on Holland’s typology. This is sometimes called the RIASEC assessment. It can be taken online or in print form. An online interactive PDF version of the test is also available.

DATA COLLECTION

The data collection was done over a period of 3 months. Print copies of the test were used. Facilitators were trained in conducting the tests before they administered the tests on students in various cities. The administered and filled print copies were then submitted by the facilitators to the researcher.

ANALYSIS

The analysis of the data is done using descriptive and inferential statistics. For both parametric statistics is used to find out the prominent personality type and also the differences if any in the personality types by city, medium, stream and gender.

DESCRIPTIVE STATISTICS

Overall data indicates the following preference of the entire sample

TABLE 5: PREFERENCE OF ENTIRE DATA IN RANKS

		REALIST	INVEST	ARTIST	SOCIAL	ENTERPR	CONVENTI
N	Valid	2607	2607	2607	2607	2607	2607
	Missing	0	0	0	0	0	0
Sum		11380.00	11415.00	11173.00	13210.00	11086.00	11611.00
Rank		4	3	5	1	6	2

Most preferred is the Social career and the least preferred is Enterprising career.

THE PREFERENCES

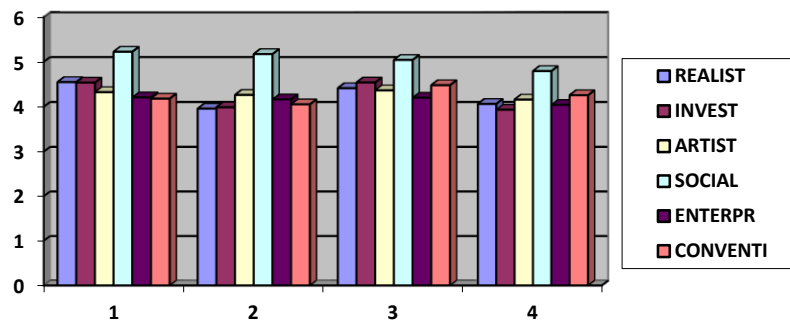
By City: The descriptive statistics of mean and standard deviation of the sample by City is presented in table 6.

TABLE 6: MEAN AND STD. DEVIATION OF CAREER INTEREST BY CITY

CITY			REALIST	INVEST	ARTIST	SOCIAL	ENTERPR	CONVENTI
0	N	Valid	1320	1320	1320	1320	1320	1320
	Mean		4.3659	4.3462	4.2492	5.0280	4.3152	4.6038
	Std. Dev		1.58707	1.65866	1.71843	1.54438	1.56751	1.65615
1	N	Valid	428	428	428	428	428	428
	Mean		4.5514	4.5397	4.3271	5.2266	4.2103	4.1822
	Std. Dev		1.54698	1.61979	1.70562	1.30484	1.58378	1.77795
2	N	Valid	200	200	200	200	200	200
	Mean		3.9600	3.9900	4.2650	5.1750	4.1650	4.0550
	Std. Dev		1.60351	1.65639	1.77780	1.29722	1.59073	1.72536
3	N	Valid	566	566	566	566	566	566
	Mean		4.4152	4.5424	4.3675	5.0442	4.2032	4.4823
	Std. Dev		1.73839	1.73994	1.84993	1.70989	1.78372	1.61592
4	N	Valid	93	93	93	93	93	93
	Mean		4.0645	3.9355	4.1613	4.7957	4.0430	4.2581
	Std. Dev		1.79254	1.71189	2.02318	1.65213	2.25019	1.39021

Graphical representation of the Means of Career interest by city is shown below:

GRAPH 1: MEANS BY CITY



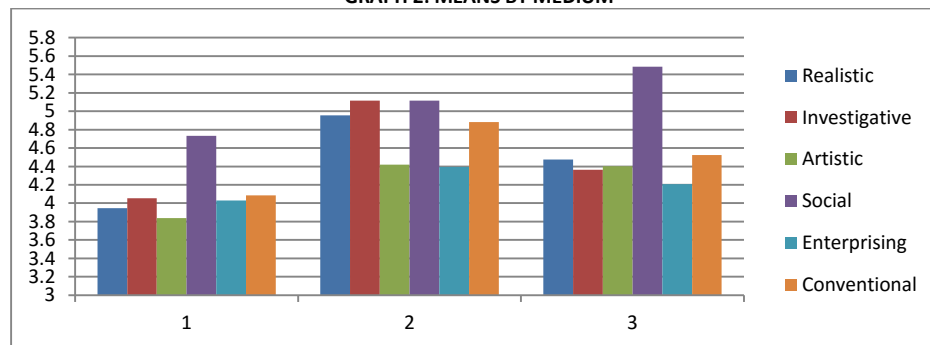
Social careers seem to be most preferred across all types of cities. However, there is a difference in the second and third preferences of students by cities. It is seen from the above graph that in the Big cities students are preferring realistic and investigative careers more than the others. In the mid-size towns artistic and investigative seem to be preferred. In the small towns investigative and conventional careers are preferred and out of Maharashtra conventional seems to be most preferred.

Career Interest by Medium is given in Table 7.

TABLE 7: MEAN AND STD. DEVIATION OF CAREER INTEREST BY MEDIUM

MEDIUM		Realistic	Investigative	Artistic	Social	Enterprising	Conventional
	N	1987	1987	1987	1987	1987	1987
	Mean	4.4343	4.4338	4.3709	5.1072	4.3005	4.5189
	Std. Dev	1.61628	1.67230	1.71064	1.45427	1.59834	1.68101
English(1)	N	428	428	428	428	428	428
	Mean	3.9463	4.0537	3.8364	4.7313	4.0304	4.0841
	Std. Dev	1.71763	1.65656	1.93001	1.82495	1.85329	1.71982
Hindi(2)	N	43	43	43	43	43	43
	Mean	4.9535	5.1163	4.4186	5.1163	4.3953	4.8837
	Std. Dev	1.02245	1.59178	1.31353	1.29485	1.32987	1.17937
Marathi(3)	N	149	149	149	149	149	149
	Mean	4.4765	4.3624	4.4027	5.4832	4.2081	4.5235
	Std. Dev	1.47769	1.73289	1.84874	1.56656	1.74478	1.42651

GRAPH 2: MEANS BY MEDIUM

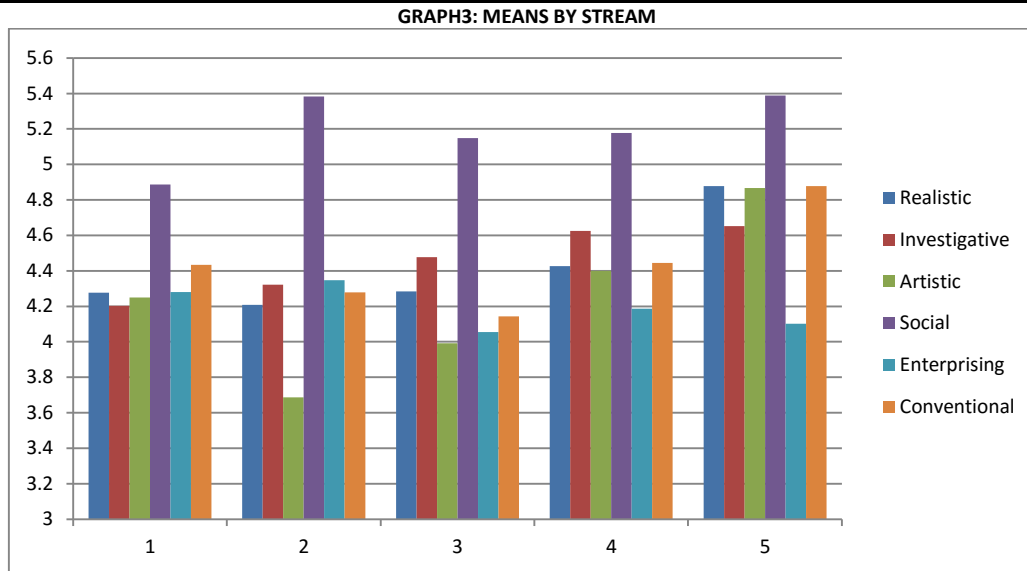


From the above graph it is seen again that social careers are the most preferred across all mediums. However, the second preference varies. In the English medium students and the Marathi medium student's preference of conventional careers is seen. Hindi medium students prefer investigative careers as much as social careers.

Descriptive statistics of Career Interest by Stream is given in Table 8.

TABLE 8: MEAN AND STD. DEVIATION OF CAREER INTEREST BY STREAM

STREAM		Realistic	Investigative	Artistic	Social	Enterprising	Conventional
.	N	374	374	374	374	374	374
	Mean	4.58	4.53	4.57	5.28	4.42	4.75
	Std. Dev	1.54	1.60	1.72	1.45	1.63	1.70
1	N	1251	1251	1251	1251	1251	1251
	Mean	4.27	4.20	4.25	4.88	4.28	4.43
	Std. Dev	1.66	1.67	1.73	1.59	1.63	1.64
2	N	115	115	115	115	115	115
	Mean	4.20	4.32	3.68	5.38	4.34	4.27
	Std. Dev	1.59	1.73	1.90	1.35	1.44	1.94
3	N	342	342	342	342	342	342
	Mean	4.28	4.47	3.99	5.14	4.05	4.14
	Std. Dev	1.66	1.67	1.80	1.37	1.65	1.73
4	N	427	427	427	427	427	427
	Mean	4.42	4.62	4.40	5.17	4.18	4.44
	Std. Dev	1.63	1.70	1.77	1.55	1.73	1.59
5	N	98	98	98	98	98	98
	Mean	4.87	4.65	4.86	5.38	4.10	4.87
	Std. Dev	1.21	1.66	1.39	1.38	1.68	1.50



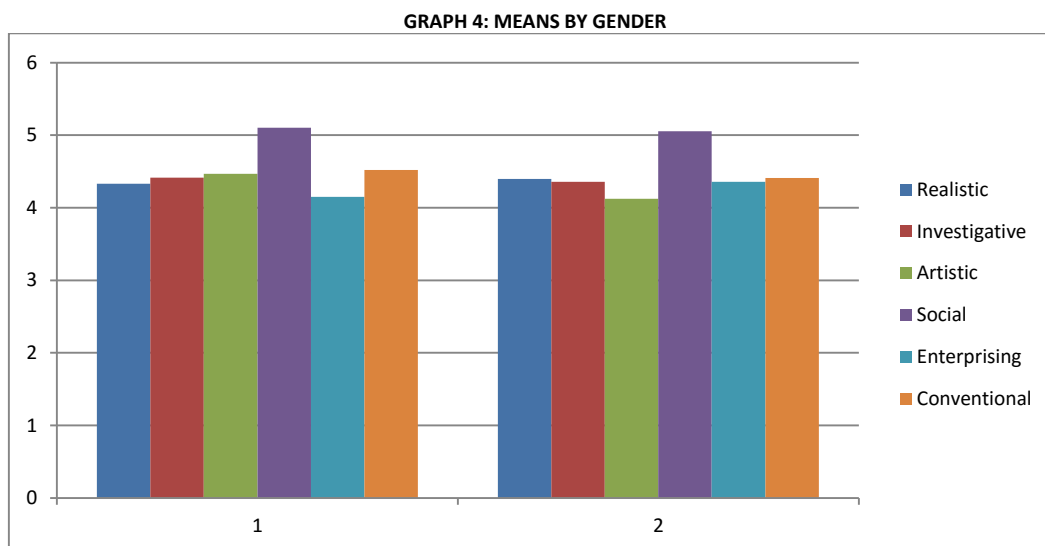
Graph: By Stream

The BBA and B.Com. students prefer conventional careers, BMS and B.Pharm students prefer enterprising careers, Technical students and BCA and B.Sc. students prefer the investigative careers and BA and B.S.W prefer realistic careers more than the other career interests.

CAREER INTEREST BY GENDER

TABLE 9: MEAN AND STD. DEVIATION OF CAREER INTEREST BY GENDER

GENDER		Realistic	Investigative	Artistic	Social	Enterprising	Conventional
	N	98	98	98	98	98	98
	Mean	4.3878	4.2653	4.2755	4.8163	4.0918	4.2347
	Std. Dev	1.79709	1.70838	1.93599	1.90142	1.72362	1.73978
Female(1)	N	1187	1187	1187	1187	1187	1187
	Mean	4.3286	4.4128	4.4693	5.1036	4.1508	4.5215
	Std. Dev	1.60833	1.68059	1.70250	1.46409	1.64363	1.65493
Male (2)	N	1322	1322	1322	1322	1322	1322
	Mean	4.3964	4.3563	4.1218	5.0530	4.3555	4.4092
	Std. Dev	1.63523	1.67702	1.78466	1.56424	1.64414	1.68612



Both males and females are seen to prefer conventional careers besides social careers. So there seems to be no difference by gender.

INFERENCE STATISTIC

To compare data parametric statistic of ANOVA was used. The result of ANOVA for analysis by city, stream, medium and gender is given in the following table:

TABLE 10: ANALYSIS BY ANOVA

	Realistic	Investigative	Artistic	Social	Enterprising	Conventional
By City	sig	Sig	-	-	-	sig
By Medium	Sig	Sig	Sig	Sig	-	sig
By stream	Sig	Sig	Sig	Sig	-	sig
By gender	-	-	sig	-	sig	-

BY CITY

However, using Post Hoc analysis by Sheffe’s test It is seen that for data analysis by city using Sheffe’s test the table shows a clearer indication of the findings.

TABLE 11: POST HOC ANALYSIS BY CITY

Dependent Variable	(I) CITY	(J) CITY	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
REALIST	1.00	2.00	.5914	.14129	.000	.2451	.9377
		3.00	.1362	.10567	.436	-.1228	.3952
	2.00	1.00	-.5914	.14129	.000	-.9377	-.2451
		3.00	-.4552	.13570	.004	-.7878	-.1226
INVESTI	1.00	2.00	.5497	.14422	.001	.1963	.9032
		3.00	-.0027	.10786	1.000	-.2670	.2617
	2.00	1.00	-.5497	.14422	.001	-.9032	-.1963
		3.00	.0027	.10786	1.000	-.2617	.2670
ARTISTIC	1.00	2.00	.0621	.15309	.921	-.3131	.4373
		3.00	-.0404	.11449	.940	-.3210	.2402
	2.00	1.00	-.0621	.15309	.921	-.4373	.3131
		3.00	-.1025	.14703	.784	-.4628	.2578
SOCIAL	1.00	2.00	.0516	.12929	.923	-.2652	.3685
		3.00	.1825	.09669	.169	-.0545	.4194
	2.00	1.00	-.0516	.12929	.923	-.3685	.2652
		3.00	.1308	.12417	.574	-.1735	.4352
ENTERPRI	1.00	2.00	-.1308	.12417	.574	-.4352	.1735
		3.00	.0071	.10779	.998	-.2571	.2713
	2.00	1.00	-.0453	.14413	.952	-.3985	.3080
		3.00	-.0382	.13842	.963	-.3774	.3011
CONVENT	1.00	2.00	.0382	.13842	.963	-.3011	.3774
		3.00	-.3001	.10851	.022	-.5660	-.0342
	2.00	1.00	-.1272	.14509	.681	-.4828	.2284
		3.00	-.4273	.13934	.009	-.7688	-.0858
CONVENT	1.00	2.00	.3001	.10851	.022	.0342	.5660
		3.00	.4273	.13934	.009	.0858	.7688

* The mean difference is significant at the .05 level.

The students from large cities are significantly higher in their preference of realistic and investigative careers as compared to mid size cities. The students from large cities also have significantly higher preference for conventional careers. Smaller town students have a significantly higher preference of realistic, investigative and conventional careers than students from medium size towns.

By Medium: (1-english, 3-marathi)

Comparison of the two groups using t-test is presented below.

TABLE 12: t-TEST BY STREAM

		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
REALIST	Equal variances assumed	-3.360	575	.001	-.5302	.15782	-.84023	-.22027
	Equal variances not assumed	-3.612	297.184	.000	-.5302	.14679	-.81913	-.24136
INVEST	Equal variances assumed	-1.936	575	.053	-.3087	.15947	-.62190	.00454
	Equal variances not assumed	-1.894	248.433	.059	-.3087	.16299	-.62969	.01234
ARTIST	Equal variances assumed	-3.118	575	.002	-.5662	.18162	-.92296	-.20951
	Equal variances not assumed	-3.183	268.228	.002	-.5662	.17788	-.91646	-.21602
SOCIAL	Equal variances assumed	-4.486	575	.000	-.7519	.16761	-1.08111	-.42271
	Equal variances not assumed	-4.828	297.836	.000	-.7519	.15573	-1.05838	-.44544
ENTERPR	Equal variances assumed	-1.023	575	.307	-.1777	.17369	-.51882	.16346
	Equal variances not assumed	-1.053	272.522	.293	-.1777	.16869	-.50978	.15442
CONVENTI	Equal variances assumed	-2.801	575	.005	-.4394	.15688	-.74751	-.13124
	Equal variances not assumed	-3.064	308.313	.002	-.4394	.14342	-.72157	-.15718
ACTIVIST	Equal variances assumed	.803	575	.422	.3146	.39188	-.45511	1.08429
	Equal variances not assumed	.756	233.430	.450	.3146	.41598	-.50496	1.13414

Preference of English medium students of realistic jobs is less than the vernacular medium students. Marathi medium students are more investigative than the English medium ones. Marathi medium students are more artistic than English medium ones. Marathi medium students prefer more social jobs than English medium. Marathi medium students prefer more conventional jobs than English medium students.

BY STREAM

TABLE 13: POST HOC ANALYSIS OF DATA BY STREAM IS PRESENTED BELOW

SCHEFFE

Dependent Variable	(I) STREAM	(J) STREAM	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	Lower Bound	Upper Bound
REALIST	1	2	.0679	.15953	.996	-.4239	.5597	
		3	-.0070	.09990	1.000	-.3150	.3009	
		4	-.1497	.09176	.616	-.4325	.1332	
		5	-.6010	.17173	.016	-1.1304	-.0715	
		2	-.0679	.15953	.996	-.5597	.4239	
	2	3	-.0749	.17648	.996	-.6190	.4691	
		4	-.2175	.17200	.809	-.7478	.3127	
		5	-.6689	.22507	.066	-1.3627	.0250	
		1	.0070	.09990	1.000	-.3009	.3150	
	3	2	.0749	.17648	.996	-.4691	.6190	
		4	-.1426	.11880	.837	-.5089	.2236	
		5	-.5939	.18758	.040	-1.1722	-.0156	
		1	.1497	.09176	.616	-.1332	.4325	
	4	2	.2175	.17200	.809	-.3127	.7478	
		3	.1426	.11880	.837	-.2236	.5089	
5		-.4513	.18338	.195	-1.0166	.1140		
1		.6010	.17173	.016	.0715	1.1304		
5	2	.6689	.22507	.066	-.0250	1.3627		
	3	.5939	.18758	.040	.0156	1.1722		
	4	.4513	.18338	.195	-.1140	1.0166		
	INVEST	1	2	-.1179	.16390	.972	-.6232	.3874
3			-.2728	.10264	.133	-.5892	.0436	
4			-.4215	.09427	.001	-.7121	-.1308	
5			-.4492	.17644	.166	-.9932	.0947	
2			.1179	.16390	.972	-.3874	.6232	
2		3	-.1549	.18132	.948	-.7138	.4041	
		4	-.3036	.17672	.566	-.8483	.2412	
		5	-.3313	.23124	.726	-1.0442	.3816	
		1	.2728	.10264	.133	-.0436	.5892	
3		2	.1549	.18132	.948	-.4041	.7138	
		4	-.1487	.12206	.829	-.5250	.2276	
		5	-.1765	.19273	.933	-.7706	.4177	
		1	.4215	.09427	.001	.1308	.7121	
4		2	.3036	.17672	.566	-.2412	.8483	
		3	.1487	.12206	.829	-.2276	.5250	
	5	-.0278	.18840	1.000	-.6086	.5530		
	1	.4492	.17644	.166	-.0947	.9932		
5	2	.3313	.23124	.726	-.3816	1.0442		
	3	.1765	.19273	.933	-.4177	.7706		
	4	.0278	.18840	1.000	-.5530	.6086		
	ARTIST	1	2	.5632	.17069	.028	.0371	1.0894
3			.2590	.10688	.209	-.0705	.5885	
4			-.1503	.09818	.673	-.4529	.1524	
5			-.6171	.18374	.024	-1.1836	-.0507	
2			-.5632	.17069	.028	-1.0894	-.0371	
2		3	-.3043	.18882	.627	-.8864	.2778	
		4	-.7135	.18403	.005	-1.2808	-.1462	
		5	-1.1804	.24081	.000	-1.9228	-.4380	
		1	-.2590	.10688	.209	-.5885	.0705	
3		2	.3043	.18882	.627	-.2778	.8864	
		4	-.4092	.12711	.035	-.8011	-.0174	
		5	-.8761	.20070	.001	-1.4948	-.2574	
		1	.1503	.09818	.673	-.1524	.4529	
4		2	.7135	.18403	.005	.1462	1.2808	
		3	.4092	.12711	.035	.0174	.8011	
	5	-.4669	.19620	.226	-1.0717	.1380		
	1	.6171	.18374	.024	.0507	1.1836		
5	2	1.1804	.24081	.000	.4380	1.9228		
	3	.8761	.20070	.001	.2574	1.4948		
	4	.4669	.19620	.226	-.1380	1.0717		
	SOCIAL	1	2	-.4961	.14970	.027	-.9576	-.0346
3			-.2626	.09374	.098	-.5516	.0264	
4			-.2915	.08610	.022	-.5569	-.0261	
5			-.5013	.16115	.047	-.9981	-.0045	
2			.4961	.14970	.027	.0346	.9576	
2		3	.2335	.16560	.738	-.2770	.7440	

		4	.2046	.16140	.807	-.2929	.7022
		5	-.0051	.21120	1.000	-.6562	.6459
	3	1	.2626	.09374	.098	-.0264	.5516
		2	-.2335	.16560	.738	-.7440	.2770
		4	-.0289	.11148	.999	-.3725	.3148
		5	-.2386	.17602	.766	-.7813	.3040
	4	1	.2915	.08610	.022	.0261	.5569
		2	-.2046	.16140	.807	-.7022	.2929
		3	.0289	.11148	.999	-.3148	.3725
		5	-.2098	.17207	.829	-.7402	.3207
	5	1	.5013	.16115	.047	.0045	.9981
		2	.0051	.21120	1.000	-.6459	.6562
		3	.2386	.17602	.766	-.3040	.7813
		4	.2098	.17207	.829	-.3207	.7402
ENTERPR	1	2	-.0673	.16076	.996	-.5629	.4284
		3	.2250	.10067	.288	-.0853	.5354
		4	.0932	.09247	.907	-.1918	.3783
		5	.1785	.17306	.900	-.3550	.7121
	2	1	.0673	.16076	.996	-.4284	.5629
		3	.2923	.17784	.609	-.2560	.8405
		4	.1605	.17333	.931	-.3739	.6948
		5	.2458	.22681	.882	-.4534	.9450
	3	1	-.2250	.10067	.288	-.5354	.0853
		2	-.2923	.17784	.609	-.8405	.2560
		4	-.1318	.11972	.876	-.5009	.2373
		5	-.0465	.18903	1.000	-.6292	.5363
	4	1	-.0932	.09247	.907	-.3783	.1918
		2	-.1605	.17333	.931	-.6948	.3739
		3	.1318	.11972	.876	-.2373	.5009
		5	.0853	.18480	.995	-.4844	.6550
	5	1	-.1785	.17306	.900	-.7121	.3550
		2	-.2458	.22681	.882	-.9450	.4534
		3	.0465	.18903	1.000	-.5363	.6292
		4	-.0853	.18480	.995	-.6550	.4844
CONVENTI	1	2	.1558	.16177	.921	-.3429	.6545
		3	.2908	.10130	.084	-.0215	.6031
		4	-.0109	.09305	1.000	-.2978	.2759
		5	-.4435	.17414	.166	-.9803	.0933
	2	1	-.1558	.16177	.921	-.6545	.3429
		3	.1350	.17895	.966	-.4167	.6867
		4	-.1667	.17441	.923	-.7044	.3710
		5	-.5993	.22823	.142	-.1.3029	.1043
	3	1	-.2908	.10130	.084	-.6031	.0215
		2	-.1350	.17895	.966	-.6867	.4167
		4	-.3017	.12047	.180	-.6731	.0697
		5	-.7343	.19021	.005	-.1.3207	-.1479
	4	1	.0109	.09305	1.000	-.2759	.2978
		2	.1667	.17441	.923	-.3710	.7044
		3	.3017	.12047	.180	-.0697	.6731
		5	-.4326	.18595	.248	-.1.0058	.1407
	5	1	.4435	.17414	.166	-.0933	.9803
		2	.5993	.22823	.142	-.1.043	1.3029
		3	.7343	.19021	.005	.1479	1.3207
		4	.4326	.18595	.248	-.1407	1.0058

* The mean difference is significant at the.05 level.

The students doing BA and BSW seek more realistic careers than students pursuing commerce, medical or technical graduation. BCA and B.Sc. students are more keen on doing investigative jobs than those pursuing commerce and management. BA and BSW students seem to have a significantly higher preference than all other students for Artistic jobs. The orientation of BBA and B.Com. students towards Socially oriented jobs is the least of all the other graduates. The technical students are having a significantly lower preference towards conventional jobs as compared to the students who pursue BBA, B.com or BA and BSW.

DISCUSSION

The overall finding of maximum preference of Social careers as seen in the present analysis (Table 5) is also seen universally (Smart et al, 2000). The difference in career interests across city, Medium, stream and gender is given in Table 10. Except artistic and Enterprising careers, other careers do not differ by gender. Which means gender is not a criteria while deciding most of the careers. This seems to be a sign of gender equality atleast socially to a large extent in the cities covered under the sample. Realistic, Investigative and conventional careers vary significantly by city, stream and medium of instruction opted for by the student. Artistic career choice does not vary by city however varies by medium, stream and gender. Enterprising career interest does not seem to vary by either of the factors except gender.

The analysis of all the other career interests indicates the following findings. The mid size town (Nasik) students seem to be less than the large and the small town students on realistic, investigative and conventional careers. They seem to prefer the Artistic career the most. Students from large cities are showing a significantly higher preference (Table 11) of Conventional careers. Probably competition for success and the need to succeed is so high that the students are drawn only to those careers which are well established and conventional to get success. They probably do not wish to explore newer avenues like the mid-size town students.

The analysis by medium finds that the Marathi medium students prefer the Social, Artistic, Investigative and Conventional jobs more than the English medium students (Table 7) whereas the English medium students have a significantly high preference of the realistic careers (Table 12). Realistic careers demand a practical approach to work. It may be due to the difference in approach towards teaching in the different mediums or due to the difference in the pattern of evaluations in schools.

BCA and B. Sc. Ie. Science students prefer investigative careers (Table 8). This shows that the students' career interest and their option of the graduation course are very well matched with each other. The BA and BSW students show a significantly high preference of realistic careers (Table 13) as compared to those pursuing commerce and management. As given earlier realistic career preference indicates good skills in tools, mechanical things, avoiding social activities and values practical things like animals, plants, machines, equipment. Probably there are many students who have taken Arts or Social work as a preferred course not because of their liking but because of other social reasons like society pressure, amount of fees or sheer non availability of the required course in the preferred area of residence. Though this needs to be further explored.

REFERENCES

1. Chauvin, Ida, Miller, Mark, Godfrey, E. Landrum, and Donna Thomas. "Relationship between Holland's Vocational Typology and Myers-Briggs' Types: Implications for Career Counselors." *Psychology Journal* 7.2 (2010): 61-66. Web. 1 November 2010.
2. Gottfredson, Linda, S. (1980) 'Construct Validity of Holland's Occupational Typology in terms of Prestige, Census, Department of Labor, and Classification Systems', *Journal of Applied Psychology*, Vol 65, No 6, 697-714.
3. Larson, L. M., Rottinghaus, P. J., & Borgen, F. H. (2002). Meta-analyses of Big Six interests and Big Five personality factors. *Journal of Vocational Behavior*, 61, 217-239.
4. Linda Gottfredson, James M Richards, Jr. (1999), 'The meaning of measurement of environment in Holland's theory', *Journal of Vocational Behaviour*, 55, 57-73.
5. Martin, D.C., & Bartol, K.M. (1986) 'Holland's Vocational Preference Inventory and the Myers-Briggs Type Indicator as predictors of vocational choice among master's of business administration.' *Journal of Vocational Behaviour* 29, 51-65.
6. Muchinsky, P.M., "Applications of Holland's theory in Industrial and organisational settings," *Journal of Vocational Behaviour* 55(1999) pp 127-35
7. Rees, Amy M.; Luzzo, Darrell Anthony et al., 2007, 'Relational Personality Theory and Holland's Typology among Women: An Exploratory Investigation Career Development Quarterly, March 2007
8. Robert Reardon, Emily Bullock (2004), 'Holland's Theory and Implications for Academic Advising and Career Counseling Technical Report 38, Career Center UCA 4150, The Florida State University, Tallahassee, FL 32306-2490'
9. Smart, J.C, & Feldman, K.A. & Ethington, C.A. (2000). 'Academic disciplines: Holland's theory and the study of college students and faculty. Nashville, T.N: Vanderbilt University Press.
10. Spokane, A. R., & Cruza-Guet, M. C. (2005). Holland's theory of vocational personalities in work environments. In S. D. Brown & R. W. Lent(Eds.), *Career development and counselling: Putting theory and research to work* (pp. 24-41). Hoboken, NJ: Wiley
11. Steven D. Brown, *Robert W. Lent - 2012 - Business & Economics*, *Career Development and Counseling: Putting Theory and Research to Work*, John Wiley & Sons, 29-Jun-2012
12. Trusty, Kok-Mun Ng, Dee Ray (2000), 'Choice of Holland's Social Type College Majors for U.S. Racial/Ethnic Groups', *Journal of Career Development*, Sep, Vol. 27, issue 1 pp 49-64
13. Whisto, Susan. 'Principles and Applications of Assessment in Counseling, (2012), Cengage Publication, pp 187

NEW MEDIA PLAYS AN IMPORTANT AND VITAL ROLE IN WOMEN'S EMPOWERMENT AND ITS DEVELOPMENT

DR. DILIP KUMAR
ASSOCIATE PROFESSOR
TECNIA INSTITUTE OF ADVANCE STUDIES
GURU GOBIND SINGH INDRAPRASTHA UNIVERSITY
DELHI

ABSTRACT

The empowerment of women is being regarded these days as a very important aspect for the development of the country. Empowering women aims to inspire them and persuade them to come out from different adverse conditions, be it societal or religious, that have traditionally kept them suppressed and unable to see their true strength, power and beauty. We are living in the modern era, even though; today in the rural areas women are suffering from various problems in different fields of life. Empowerment of women has emerged as an important issue in recent time. As per the latest Census in the year 2011, the total female sex ratio in India is 940 per 1000 males. The population of India is more than 1.21 billion and out of this, women constitute nearly 50% of the total population, Women empowerment in India is a much debated topic. New Media plays an important and vital role in women's empowerment and its development. Media can create an awakening inspiration to achieve their potential as prime source of change in the society, we live in. With the growing dominance of the Internet, blog, chat, Social sites etc, the use of New Media has already begun and consequently, communication is rapidly changing and becoming mobile, interactive, personalized and multi-channel. Internet has served as a vehicle or as a channel to convey information in a useful and easy to understand manner. This extraordinary revolution is affecting the basic structure of societies, and is raising discussions and debates that are profoundly related to women: the rapid transformation of the boundaries between the public and the private spaces, the relationship between the new media and women's empowerment. New Media is considered as an important source in helping the women empowered. It is helping as the important source and access to speak out against the oppression and marginalization of women at the grass root level. The media is considered as the most potent and influential mean in this regard as it has the capacity of persuading and moulding opinion. The relationship of the media and the women is important because whatever image women have in our country is influenced by media. It is thus vital, to utilize the media for the improving the status of women in India and divulging their role in national development. Basically, this paper deals with empowerment of women through the New Media (Internet). Empowerment of women led to the development of the family, community, society, state and the nation. This paper will specially highlight the positive perception and use of New Media as a development tool to empower the women.

KEYWORDS

media role, women's empowerment.

INTRODUCTION

As far as Gender equality is concerned, its values are being accepted and promoted in almost all regions of the world. The country's overall development depends greatly on the inclusion of women in its development process. The importance of gender equality is well recognized and well accepted for development. Men and women can neither reach excellence with the cooperation of each other.

In the context of knowledge sphere, the issues of gender equality, equity and empowerment of women become even more significant as women have a strategic role in incubation and transfer of critical knowledge, which often forms the blue print for survival of communities to depth and minimize their risk in adverse circumstances. Women, because of their biological and social roles, are generally more rooted than men in the confines of their locality. They are therefore more aware than men of the social, economic and environmental needs of their own communities. (Miller, 2000).

Women play an important role in the development of the society and the nation. In this century in various developments process in scientific and technological era the status of women is changing at a fast pace but at the same time, we cannot ignore the part of the society where women are marginalized, discriminated and feel oppressed because of different gender divide issues. Empowerment of women has emerged as an important issue in recent time and the process of development will be left incomplete without the active participation of women. Women are the transmitters of culture in all the societies. The status of women in a society is a true mirror of its social, religious, cultural and spiritual level.

There is a need to uncover many factors like Cultural and Social aspects, self decision making, economic independency, health and sanitation, participation in decision making, awareness and exercise of rights, political participation and many more issues that can help progressive development of women in the society. For the emancipation of women in every field self decision making, economic independence and creating awareness in them about their rights and responsibilities is very important. The media is considered as the most effective and important tool in this regard as it has the power of molding public opinion. All over the world, the impact of media and new media has been witnessed in recent years, with online platforms becoming increasingly powerful mechanisms for mobilizing popular support. People in India are demanding change, and they are harnessing the power of modern media to make their voices heard, Media is an important tool that affects all aspects of our life. It can work for the development of women and gender equality. Right information given by the media can empower the rural women and protect them from various problems. Various New Media tools such as blogs, face book, social sites and internet are used for empowering the women by education, information, awareness, economic empowerment and self decision making. Internet can be easily used for empowerment of women. As we all know that the relationship of the media and the women is important because whatever image women have in our country is influenced by media. It is thus vital, to utilize the media for improving the status of women and empower them and divulging their role in national development. Keeping this in view, the present paper is focused on role of New Media (Internet) in empowerment of women.

STATUS OF WOMEN IN INDIA

The reality of women's lives remains invisible to men and women alike and this invisibility persists at all levels beginning with the family to the nation. Although geographically men and women share the same space, they live in different worlds. The mere fact that "Women hold up half the sky" does not appear to give them a position of dignity and equality. True, that over the year's women has made great strides in many areas with notable progression reducing some gender gaps. Yet, "the afflicted world in which we live is characterised by deeply unequal sharing of the burden of adversities between men and women". Sprawling inequalities persist in their access to education, health care, physical and financial resources and opportunities in the political, economic, social and cultural spheres. The impact of inequality is reflected in the status of women worldwide and in India.

Women are extensively exposed to the mass media, particularly television and now the Internet, which is allowing them to know of the world around them, their rights and new opportunities. Efforts have been made by incorporating the New media in educating people regarding various programs that can help in their empowerment. This approach will help integrate women more fully into the economic, political, and social mainstream of independent India. According the Jensen and Oster (2003) cable television was impacting the attitudes of women and the authors find an increase in the female school enrolment and decrease in fertility. "Gender inequality holds back the growth of individuals, the development of the nations and the evolution of the societies to the disadvantage of both men and women". Gender issues are not simply talking about women's issues. Understanding gender means understanding opportunities, constrains and the impact of

change as they affect both men and women. (The term "Gender" is used to describe a set of qualities and behaviours expected from men and women by their societies. A person's social identity is formed by these expectations).

In the modern time, women in India were given freedom & right such as freedom of expression & equality as well as the right to be educated. Various prestigious positions at this period were held by women. They're enjoying the 'ladies first' facility in different fields. However, some problems such as dowry, domestic violence, sex selective abortion, female infanticide are still prevalent. The women in rural areas are deprived of minimum facilities of enlightenment and education. In urban areas women are educated about the social benefits including awareness about the existing social problems in the society, good recognition & image in the family & community, role in making important decision in their family, plan & promote better education for their children, taking care of health of the aged and the children just to mention a few. Women are also allowed to participate in political and public life. The government of India is also setting aside funds that are used to empower women & other initiatives that will empower them.

NEED AND IMPORTANCE OF NEW MEDIA FOR WOMEN EMPOWERMENT

Women empowerment is very much necessary in the nation's growth be it economically, politically or socially. The term 'empowerment of women' has become popular especially after 1980s. It refers to the process of strengthening the hands of women who have been suffering from various disabilities, inequalities and gender discrimination. The term "empowerment of women" refers to the process of providing power to woman to become free from the control of others, that is, to assume power to control her own life and to determine her own conditions. The term of "empowerment of women" could also be understood as the process of providing equal rights, opportunities, responsibilities and power positions to women so that they are able to play a role on par with men in society.

In this contemporary world, women need to gain the same amount of power that men have. There is inequality and vulnerability of women in all spheres of life; they need empowerment in all walks of life. In India, women are still facing different obstacles in male-dominated cultures. The things are related to women's status and their future. However, Indian women are slowly getting empowerment in the sectors like education, politics, the work force and even more power within their own households, there is a need to work at the grass root level to empower them especially in rural areas. Father of the nation-Mahatma Gandhi firmly states that the status of the women will not change merely by bringing legislations; it must be supported by change in the women's social circumstances and situations and also men's sexist attitude to women.

Safety for women is an obsolete word for Women in Today's India; they still receive negative sexual attention from males. Indian societies have received notoriety for being unsafe for women. Whereby the fair sex is not only being hassled, stalked and raped but incidents of immoral trafficking also are very high.

All over the world, the impact of New media has been witnessed in recent years, with online platforms becoming increasingly powerful mechanisms for mobilising popular support. India is no exception, and the media coverage of this particularly horrific Delhi gang rape case and the online responses changed the mindsets of the youth and it seems that people are no longer willing to accept rape and sexual assault as "a simple fact of life." People in India demanded change, and they used the power of modern media to make their voices heard. In Delhi gang rape case Platforms such as the Face book group 'Gang Rape in Delhi' and 'Justice for Raped Girl in Delhi' have united people in expressing their hopes for a future free from similar cases. People raised their voices through Twitter, Face book and other new media, expressing their frustrations against the government and administration. Following news of the case reaching the masses, the huge crowds of protestors taking to the streets provide an indication of the growing strength of the internet and new media in harnessing public support. Perhaps for the first time, internet and new media were utilised as tools to mobilise public support throughout India. People contacted each other and established platforms from which they campaigned for governmental action, with the intention of ensuring justice for the victim and offering protection for all Indian women. This outpouring of public outrage was not accidental; it was organised through new media and other messages which brought people – especially Indian youth – together in support of a cause which they feel has become extremely important in their country. Within 10 days of the incident, Face book groups 'Gang raped in Delhi' created on December 20, 2012 and 'Delhi for Women's Safety' created on December 18, 2012 received 5046 and 4263 'Likes' respectively. Other Face book groups such as 'Another girl gang raped in Delhi – Can we stop it?', 'Delhi Gang Rape – Please Don't Ignore "Must Read" For Damini', and 'Delhi Gang Rape – Protest' emerged as individual iGtft against such crimes. These groups acted like platforms for justice and empowering women and have given a voice to everyone, even those who want to protest against sexual assault cases in India even if they are out of the country.

Empowerment of women is a long and difficult process which is to be promoted with full public support and this could be successful only when those women who have been suppressed by the male dominated society taking undue advantage of their lack of education and poverty can fight to claim their true place in the society.

NEW MEDIA: A TOOL FOR WOMEN EMPOWERMENT

Gender researchers and feminist scholars have also become interested in new media as a development which has the potential to break down or flatten social hierarchies (Friedman, 2005) in more general terms. For example, Williamson suggests that digital media have already begun to challenge socio-cultural and political norms in Britain (Williamson, 2009). New media differs from traditional 'old' media in that its structures of ownership and participation are new and directly challenge the monopoly on mass communication possessed by traditional media producers: 'The internet has fragmented and decentralised the context in which communication occurs' (ibid, 2009).

Blogs are used as public diaries where women discuss public and personal issues in their life and development. Storytelling used by women in blogs to introduce their thoughts has been proven to have its major effect (Ayish, 2009).

Geniets (2010) also finds that new media provides a potential break with old social hierarchies: 'new technologies give individual producers of media content more freedom, and empower them to expose, interact with and reveal backstage behaviour related information about themselves as well as others to a mass media audience'. However, while new media, overall, is identified as an agent for (generally positive) social change, its effects are not gender neutral.

New Media help people to connect, it easily collaborates with other people and create new content, services, communities and channels of communication that help people to deliver information and services.

People of all ages and backgrounds are online and using new media tools for a variety of reasons such as searching of information and connecting with others. The term "New media" may be defined as an interactive forms of communication that use the Internet, including podcasts, RSS feeds, social networks, text messaging, blogs, wikis, virtual worlds and more. We take as a starting point the basic definition of 'new media' provided by Google web definitions and Wikipedia which defines it as 'on-demand access to content any time, anywhere, on any digital device, as well as interactive user feedback, creative participation. Another aspect of new media is the real-time generation of new, unregulated content' (Google web definitions, Wikipedia). The rise of new media has increased communication between people all over the world and through Internet. It has allowed people to express themselves through blogs, websites, pictures, and other user-generated media. New media makes it possible for *anyone* to create, modify, and share content and share it with others, using relatively simple tools that are often free or inexpensive. New media requires a computer or mobile device with Internet access.

In new media, the product is called website. Every website has an address. To see a website one needs a computer. On every computer there is an icon, called internet explorer. After clicking on it, a screen opens up, after typing the address of the website, it opens up. Then one can see and read whatever is posted on website.

According to Mia Consalvo the term new media is ambiguous and relative—what was new in the early 1990s (World Wide Web pages, for example) became mundane and accepted within a decade and was quickly replaced by newer new media such as digital video recorders and Weblogs. Moreover, many new technologies (or media) fail to take the path predicted for them in their use or future development (Marvin, 1988).

One of the innovations in recent years has been the use of internet as a form of new media., the creation of different websites that focus on women empowerment in terms of education, literacy, health, knowledge, lifestyle and many more areas have been proliferated. Today it is possible, to find anything related to empowerment by typing keyword searches using a reliable internet browser.

The characteristics of New Media are:

CONNECT people with information and services.

COLLABORATE with other people—including those within your organization or community.

CREATE new content, services, communities, and channels of communication that help you deliver information and services.

INTERACTIVITY New media is known for its ability to involve the audience. This is known as interactivity. In comparison to other media forms, new media has the most evolved feedback system in place.

NARRATIVE - New Media uses a narrative style of writing. The other special feature of new media is the use of multimedia

WOMEN EMPOWERMENT THROUGH NEW MEDIA

A nation that wants to progress cannot afford to ignore capacity building and empowerment of women. Gender sensitivity is the prerequisite that must prevail and be strengthened at all levels. Women's development is now linked with technology. Thus, technological intervention assumes a greater and more vital role, especially when viewed globally. Since, women have limited access to technologies in India However; there are now experiences to show that when women are trained, they show remarkable understanding and control in using technologies effectively.

Barriers to engendering knowledge networking process with the inception of ICT and convergence technologies, it is possible to bring up a significant fraction of women communities in a more symbiotic digital network which focuses on localized information and customized solution's, and works on the theme of Global Technologies for local use. Women, however, are still very much in a minority among the beneficiaries of knowledge networking. Women still face huge imbalance in the ownership, control and regulation of these new Information technologies, similar to those faced in other areas. (New York Times, 2000).

New Media have a huge potential for the empowerment of women, however the overall use of this media by women is very low. New Media has played an important role in empowering the women. The way new media has played its part in portraying about the atrocities faced by the women and empowering the women, no other sector has done.

The urban educated women need information mainly on the following things:

- Employment /Job Prospects in India and Abroad
- Research and Information
- Educational opportunities
- Career advancement facilities
- Beauty and Fashion, Hair care, Health & Lifestyle, Apparel and accessories
- Matrimonial ads
- Art and Entertainment, Music videos and films
- Social Support system for working women

The urban lower middle class women need information mainly on the following topics:

- Employment /Job Prospects in India /self locality
- Inexpensive childcare & Healthcare
- Educational facilities at their doorstep
- Dowry system, other legal rights like self help, violence etc
- Information about NGO's
- Legal provisions against Sexual harassment, Domestic Violence and Social injustice

We know that women are looking for information on various issues mentioned above *New media* provides them with opportunities to bring information on every issues / topic to them at their doorstep, and reach everyone in new ways. In women, Internet user base is increasing rapidly. New Media is emerging as a powerful tool for gender empowerment in a developing country like India. There has been a rapid growth in the ICT sector since the late 1980's and the use of ICT has dramatically expanded since 1990's. The Internet has rapidly evolved its ability to inform, connect, enable, and empower. From distance learners and small business owners to democracy activists and music downloader's, the Internet has allowed people around the world to imagine and construct new possibilities for themselves, their families, and their nations. Internet has changed lives of women, empowered them, enabled them and connected them to rest of the world.

"In a recent report published by Goggle, it is clear that Internet is empowering Indian women with easy access to information and helping them to make more informed decisions in their day-to-day life."

According to the report released in June 2013 titled "Women & Web Study", out of the total 150 million Internet users in the country, around 60 million women in India are now online and use the Internet to manage their day-to-day life. With easy access to Internet at homes, cyber cafes, offices and growing adoption of smart phones, the Internet is being used by women for a variety of things, It noted that women who are online are relatively more affluent and younger—75% are in the 15-34 age group, with over 24 million women accessing the Internet daily. In terms of top searched categories by women on Google in India, apparel and accessories were the biggest followed by food and drink, baby care, hair care and skincare.

In terms online activity, email, search and social networking are the biggest drivers for women. Downloading music, looking for educational content, job search, watching videos and consuming news are the other top activities. The report also indicated adoption of ecommerce by women in India, with 1 in 4 shoppers buying baby products online. Women also emerged as strong brand advocates – with 80% saying that they recommend their purchases to other women and 25% stating that they share it online.

Video on the web are also the key drivers of Internet usage among women in India. With women accounting for 40% of the total monthly YouTube user base in India. Apart from music videos, TV shows and film content – beauty & fashion videos were popular among women on YouTube. Education, health and fitness, home care & cooking were also rated among the top 10 video content categories of choice on YouTube.

Indian females make for 27% of the total Indian Facebook population on Facebook. More than **60 million** people in India use social networks – equivalent to the total population of Italy India is home to a staggering **934 million** mobile subscriptions – equivalent to more than **13%** of the world's entire population Social Networking continues to be the main driver behind much of India's increased online activity, although social media penetration in India remains remarkably low at just **5%**. Facebook continues to dominate India's social media landscape with more than **60 million** active users, and the world's most popular platform show no signs of slowing either, adding a new Indian user **every single second**.

As far as the education among women is concerned internet can create awareness among the women about health issues. Nutrition education and other important component. Through nutritional education, women's health status can be improved. For creating awareness about the Dietary Patterns in Various Age Groups different blogs can be create to add on awareness about dietary pattern among women with the help of nutritional experts and dieticians. Information about Cause of Various Health Problems, such as solutions to problems with reproductive health and fertility, and knowledge about breastfeeding, contraception etc is available on different health and fitness related websites like doctorndtv.com and other health related blogs. There are different Government Facilities as well, this information can be provided among women in the various formats of Internet advertising, and advertisements can be designed in a way to make the women aware of and informed about government hospitals, and various rules and laws on gender.

Women, who constitute half of the population, need particular attention of the media for their optimal development - both material and intellectual. Internet can be useful to create in women a sense of self respect, self reliance, economic independence and equality in status with men. Information to educate women about the constitutional and legal rights and the special provision made and measures adopted for their welfare by the Government and other agencies is necessary apart from creating the awareness about the Dowry Prohibition Act, Maternity Right, and other aspects of law. For many women in the developing world, the Internet serves as a gateway to benefits clustered around empowerment connoting a variety of ideas, including self-confidence, autonomy, and the capacity to alter the structures that govern one's situation. Internet use also provides more subtle, longer-term benefits around empowerment, such as increased confidence,

external validation, and expression. Empowerment benefits flow from the fact that the Internet permits information, ideas, and perspectives to travel with greater ease. Social networking allows women to enlarge their communities and to retain their old ones. New media can provide effective tools for women to:

- document and generate knowledge on important issues like health, education, empowerment
- represent and share their experiences and their knowledge
- Provide a platform to speak out about their lives, needs and the issues they face
- Help them to develop their ideas and creativity
- offer means for self-reflection and self-advocacy
- Improves standard of living
- Self Confidence and Increases social interaction
- Enhance awareness and sense of achievement Apart from Internet other forms of New Media are:

BLOGS: Blogs are website with regular updates and typical combine text, image (graphics or video), and links to other web pages.

MOBILE: Mobile is a way of receiving, viewing and /or sending information to and from cellular phones and other wireless devices.

PHOTO SHARING SITES: Photo sharing sites allow to literally "share photos", online with friend family and colleagues, like Flickr.

SOCIAL BOOKMARKING: Social bookmarking is a way to store, organise and search your favourite web pages on the Internet.

TEXTING: - Text messaging is a way of sending information to and from cell phones and other personal digital assistants (PDA's) like tablet.

WEBCAST /WEBINARS: A webcast is a way of broadcasting over the internet. A webinar is a specific type of web conference.

MASHUPS: A mashup is a website "that combines data from more than one source into a single integrated tool".

PODCASTS: Pod casts (a blend of the term "i Pod" and "broadcast") are audio or video files that you can listen or watch on your computer or on a variety of media devices like i Pod and cell phones.

SOCIAL NETWORKING SITES: Social networking sites are online communities that give opportunities to connect with, or provide resources to friends, family, clients and colleagues with common interests.

VIDEO SHARING SITES: Video sharing sites allow uploading and sharing online videos similar to photo sharing sites. You Tube is the most well known of these types of sites.

TWITTER: One can think of "Twitter" as a micro blog. Computer/Mobile Phone can be used to broadcast short messages or tweets. People can sign up on Twitter to follow the tweets.

CONCLUSION

Today, Information Technology has changed the communication paradigm, making it no longer difficult to reach a large number of people. It can be seen that new media has played a significant role in the empowerment of women through the help of Information and Communication Technology. Out of the total 150 million Internet users in the country, around 60 million women in India are now online and use the Internet to manage their day-to-day life. With easy access to Internet at homes, cyber cafes, offices and growing adoption of smart phones, the Internet is being used by women for a variety of things. The development of New Media has enabled the women section to participate in the daily affairs of the state, which range from the household work to education, health, governance and so on. New Media is emerging as a powerful tool for gender empowerment in a developing country like India. There has been a rapid growth in the ICT sector since the late 1980's and the use of ICT has dramatically expanded since 1990's. The use of internet as a form of new media., the creation of different websites that focus on women empowerment in terms of education, literacy, health, knowledge, lifestyle and many more areas have been proliferated. Today it is possible, to find anything related to empowerment by typing keyword searches using a reliable internet browser. New Media have a huge potential for the empowerment of women, however the overall use of this media by women is very low. New Media has played an important role in empowering the women. In sum, the way new media has played its part in portraying about the atrocities faced by the women and empowering the women, no other sector has done.

REFERENCES

1. Beher Helen (1980) Women and Media-Pergamon Press.
2. Carter Cynthia, Gill Banston and Stiert Allan (ed) (1998). News, Gender and Power.
3. Comparison of Approaches', in E. Devereux (ed.), Media Studies: Key Issues and Debates, London: Sage, 101-33.
4. Creedon, Pamela J. (1989). Women in Mass Communication Challenging Gender Values. Sage Publication.
5. Enhancing Women Empowerment through Information and Communication Technology.
6. <http://www.hrindiaonline.com>
7. <http://www.livemint.com>
8. Najam Sethi, New Media: Prospects & Problems.
9. Philo, G. (2007) 'News Content Studies, Media Group Methods and Discourse Analysis
10. SWAYAM-Ending Violence against women, <http://www.swayam.info>
11. The SAGE Handbook of Gender and Communication – Bonnie. J. W & Julia T. Wood (Chapter 19: Gender & New Media)
12. Women Empowerment in India, www.womenempowermentindia.com
13. Women for sustainable cities, <http://womenforsustainablecities.org>

DR. SANJEEB HAZARIKA
ASSOCIATE PROFESSOR
DEPARTMENT OF MANAGEMENT
KALIABOR COLLEGE
NAGAON

ABSTRACT

This paper emphasizes the need of active support of banks and financial institutions for promotion of micro enterprises. For development of micro enterprises, the role of financial institutions is most important. The financial institutions should take pragmatic approach for providing finance to the poor and to the needy unemployed directly or support the Government sponsored programmes to alleviate poverty and generation of employment. Micro enterprise will develop only when the credit facilities are available. Assam holds a unique position in the North East Region of the country as it is a gateway to other state of the region. The state is rich in a variety of resources but unfortunately, with all potentialities of development, Assam is still lagging behind in the sphere of industrialization. This paper states that, though most of the formal financial institutions are based in Assam and in the study district Nagaon, the credit scenario is not satisfactory. So far several studies have been carried out on micro and small scale enterprise but more stress should be necessary on financing aspect of the Micro Enterprises. This paper suggests that for the development of micro enterprises in Assam in general and the Nagaon district in particular, simplification of application procedure, uniform interest rate, cluster development approach, entrepreneurship development programme, awareness about various government sponsored schemes, etc. are necessary.

KEYWORDS

awareness, entrepreneurship.

1. INTRODUCTION

Indian economy is largely an agrarian economy and about 78 per cent of its total population depends on agriculture and allied agricultural activities for their livelihood rather than depending on industrial as well as other sectors. As industrial development is one of the major factors of economic growth, hence without industrial development, 8-10 per cent economic growth, which is targeted for next couple of years, seems to be quite impossible.

Some efforts towards industrialization have been made in the last three decades but, in spite of all round efforts, India is still considered as an industrially backward country and the fact is more prominent in North Eastern Region including the state of Assam.

India is the second largest populous country in the world where majority of the people live in rural areas and most of the rural areas are backward in every aspect. Therefore, economic development of a country like India depends largely on the establishment of small and micro enterprises, particularly in rural areas along with agricultural activities.

2. SOME POSITIVES OF MICRO ENTERPRISE

#Though micro-enterprises are very small type of enterprises, yet they can play a forceful and vital role in the industrialization of developing nations.

#These enterprises are now regarded as more appropriate business for sustainable development

#Micro enterprise is one of the strategies for alleviation of poverty.

#Micro enterprises by virtue of being labour intensive thus can create more employment opportunities in this respect. Small enterprises in India are the second largest manpower employer in the country, next to agriculture.

3. MICRO-ENTERPRISE

According to National Agricultural Bank for Rural Development (NABARD), 'Micro Enterprise' are those enterprises which employ less than 10 workers including family labour and use predominantly locally available resources and skills and to cater the local and sub-regional markets and require less than Rs. 50,000 as investment in fixed capital, and enterprises carrying out non-crop activities should be considered as Micro Enterprise.

The Micro, Small and Medium Enterprises Development Act,(2006) defines that "The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the First schedule to the Industries (Development and Regulation) Act,1951, as a micro enterprise, where the investment in plant and machinery does not exceed rupees twenty five lakh and enterprise engaged in providing or rendering of services as micro enterprise, where the investment in equipment does not exceed rupees ten lakh."

4. MICRO FINANCE

- Finance is the prerequisite of every organization and so availability of minimum finance is a must to start an enterprise. However, those who are living below poverty line and those who are unemployed they cannot afford to generate even the bare minimum finance to start an enterprise.
- It is most unfortunate that the financial institutions are still unable to provide sufficient finance to these deserving poor and prospective entrepreneurs in the country. Ninety percent of the people in developing countries lack access to financial services from institutions, either for credit or savings (Robinson 2002).

5. PROFILE OF THE STUDY DISTRICT

The Nagaon district is one of the most industrially backward district of the state. There are 13 commercial banks and regional rural banks with a network of ninety-one branches which can provide financial support to the prospective entrepreneurs in the district. 2778 number of micro enterprises functioning till up to 2010 (NEDFi, Data Bank).

Again in the district there are 3, 35,329 people living below poverty line and 94,889 person are unemployed. Therefore, for solving the problem of unemployment and poverty, establishment of micro enterprise and its development is immense necessary in the district.

The district has lot of potentiality for promotion of micro enterprises. Though most of the formal financial institutions are based in Assam and in the study district Nagaon, the credit scenario is not satisfactory.

6. SCOPE AND IMPORTANCE OF THE PRESENT STUDY

Till now, there is no sufficient study carried out in a holistic view to study the credit aspect of micro enterprise in the present scenario particularly in rural areas of the Nagaon district. The present study has made an attempt to observe the Conventional credit provided by the Banks for the all round development of micro enterprises in Nagaon district of Assam.

7. OBJECTIVES OF THE STUDY

The main Objective of the present study are:

1. To analyze the growth and development of micro and small enterprises in Assam in general and study district in particular.
2. To study the trend of bank finance for development of micro enterprise in Nagaon district.
3. To examine the different problems faced by the micro enterprises and financial institutions in the study district.
4. To suggest measures in improving the performance of the financial institutions in promotion of micro enterprise in Assam in general and the study district in particular.

8. RESEARCH METHODOLOGY

The present study is an empirical as well as descriptive in nature. It is based upon the methods of survey research and the data which have been collected both from primary and secondary sources. Data are mostly representative in nature. For convenient of the study, four development blocks have been selected purposively out of 18 development blocks functioning in the Nagaon district. The sample blocks are Kaliabor, Pakhimoria, Jugi-jan and Rupahihat. These blocks cover three subdivisions of the district viz. Nagaon, Kaliabor and Hojai. In order to make the study more relevant, it has been purposively decided that the study would be carried out on 120 beneficiaries/ entrepreneurs selected from four sample blocks. There are, 30 beneficiaries/ entrepreneurs have been selected randomly from each sample block. The study was restricted only on those micro entrepreneurs, who have submitted their loan proposals to banks for financial assistance. For collecting the primary data, one structured questionnaire was prepared for the micro entrepreneurs and accordingly, information has been collected personally by the researcher. Secondary information was also collected from the Bank and Block officials in the study district for carrying out the study. Different statistical tools and techniques were used for analysis the collected data.

9. HYPOTHESES

During the course of the study the following hypotheses are tested.

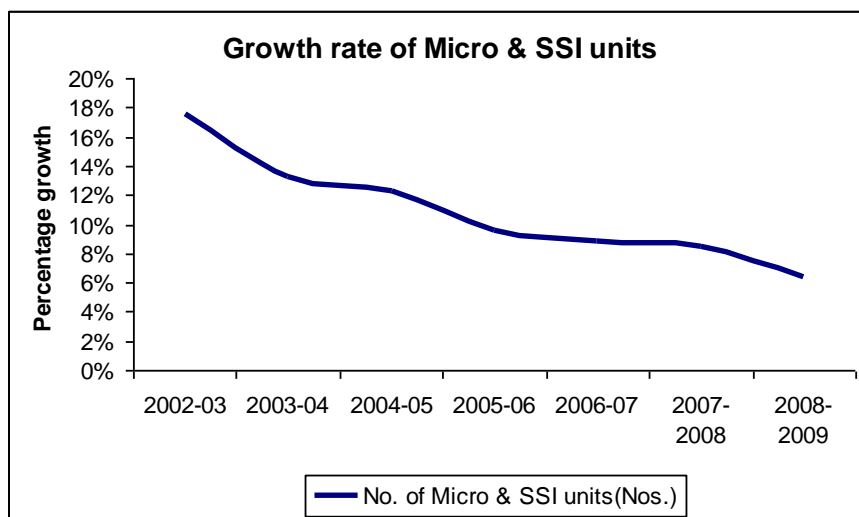
1. The flow of financial assistance from commercial bank and other banks to the micro enterprise in district are not adequate
2. Both entrepreneurs and the banks are facing lot of problem for expansion of micro enterprises in the study district.

10. FINDINGS

GROWTH OF MICRO AND SMALL ENTERPRISE IN ASSAM

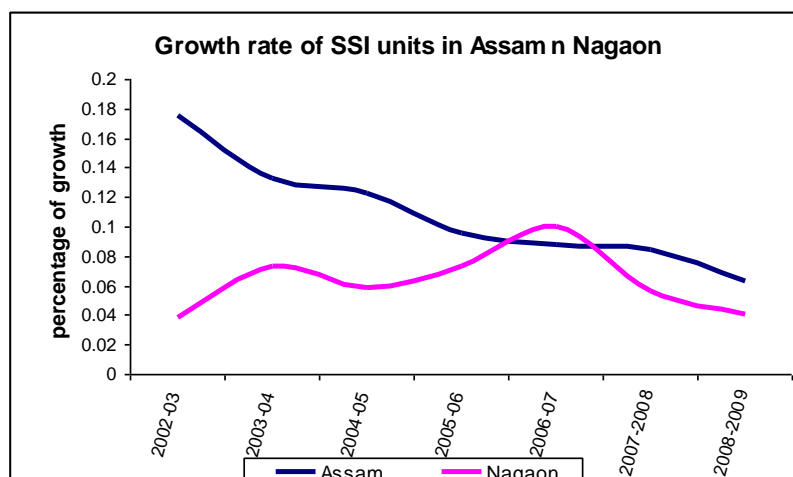
The trend of growth of micro & small scale enterprises registered in Assam has decreased over the years. In 2002 the growth rate of SSI in Assam was 17 per cent which was decreased to 6 per cent in 2009. One reason for this ground may be mentioned as closed down of sick units.

FIGURE 1



When the rate of growth of enterprises in Nagaon district is compared with Assam it displays a very unsteady picture with a frequent fluctuation as shown in the figure.2. However, after 2007- 08 however, there has been a decline in the number of units registered in Nagaon district.

FIGURE 2: GROWTH RATE OF SSI AND MICRO UNITS OF ASSAM & NAGAON



BANK FINANCE IN NAGAON DISTRICT

An analysis of the data of the banks reveals that overall credit flow of commercial banks, regional rural banks and state cooperative banks to the district has decreased from 2006 in comparison to the state. While, the credit flow trend for Assam shows a steeply rising after 2001-02, but in respect of Nagaon district this curve is more or less stagnant with a slight rise after the year 2003-04.

11. FIELD SURVEY

Following are some major findings of the field survey:

1. During the course of the study, it was found that all the respondent entrepreneurs are literate. Under graduate entrepreneurs consists of highest percentage (54%). Technical qualification holders are not yet opting out for micro enterprises in the district.
2. The study revealed that 65 per cent entrepreneurs are general caste, followed by 25 per cent are from other backward class, Schedule caste entrepreneurs are 9 per cent and only 1 per cent entrepreneurs are schedule tribe.
3. Similarly, the family background of majority of owners/ promoters showed that they were from previous agriculture background (45.8%), followed by 31.6 per cent from the families with business (trading background), 22.6 per cent from the service holder families.
4. It was found from the survey that majority of the respondents i.e. 77 per cent were from above poverty line families and only 23 per cent were from below poverty line families. It was observed that procedural bottlenecks related to loan sanctioning and lack of awareness are the main reasons for which investment of entrepreneurs below the poverty line was found to be smaller.
5. Majority of the enterprises are agro based i.e. 25 per cent, followed by textile based industry are 11 per cent, forest, building materials and engineering based enterprises are 9 per cent, livestock based 2 per cent, chemical based 1 per cent and miscellaneous industries are 34 per cent.
6. It was found from the study that 39 per cent of the entrepreneurs started the business with their own sources of fund. 28 per cent entrepreneurs got funds from banks and 17 per cent from private money lenders and friends and relatives provided credit to 19 per cent of the micro entrepreneurs.
7. Banks and financial institutions have not extended timely and adequate finance to enterprises in the district. It has been observed that from out of 120 total samples, only 1 per cent of the projects were approved within a week's time. Again it has been observed that a majority of the projects (56%) took more than 2 months for approval.
8. When the reasons for delay were analyzed, it was found from the survey that out of 120 sample unit the highest number of (43 per cent) respondents opined that indifference attitude of bankers led to the delay in releasing funds, 34 per cent opined that lengthy procedure, 28 per cent opined that too much paper work and only 2 per cent opined due to own negligence are the causes of delay of the releasing assistance.
9. Many of the loan applications submitted were not sanctioned at all. The respondents when asked about the reason for non sanctioning of loan, they cited various reason like non cooperation by the banker, high collateral security, high margin money etc. are the reasons. Most of the respondents viewed that high collateral security is one of the main cause of non sanctioning the credit.
10. From the analysis of data, it is found that 51 per cent of the units had a utilization status of 50-70 per cent and 45 per cent units had a utilization status of more than 70 per cent. The study also reveals that only 4 per cent of the units has a utilization capacity of 30-50 per cent, as an attempt was made to analyze the reasons for under utilization of the plant capacity. Majority of the respondents (58%) cited lack of finance as the reason for under utilization of plants. Shortage and irregular power supplies, outdated machinery, lack of skilled manpower were other reasons for under utilization of plant.
11. The study shows that due to poor economic condition, most of the borrowers 57 per cent have not been able to repay their loans. Only 43 per cent respondents repay their loan regularly.
12. The study reveals that 86 per cent respondents opined that the standard of living has improved after setting up of their enterprise. It was found that 42 per cent entrepreneurs acquired asset and 58 per cent entrepreneurs were unable to acquire assets after setting up of their enterprises.

12. PROBLEMS FACED BY MICRO ENTREPRENEURS

The various problems faced by the sample entrepreneurs and the financial institutions are discussed in this study. It was found that the entrepreneurs and the financing banks are facing a lot of problem at various stages in promotion of micro enterprises in the district. The basic problems faced by the entrepreneurs are shortage of raw materials, inadequate finance, shortage of power and marketing facilities etc. on the other hand inadequate manpower, lack of proper branch network, loan recovery etc are some of the problems faced by the bank in the study district Nagaon.

The study reveals that out of 120 sample unit 63 per cent micro entrepreneurs facing the problems of finance, followed by 25 per cent facing the problems of power, 21 per cent facing the problems of competition, 18 per cent facing the problems of labour and marketing, 11 per cent facing the problems of raw materials, 13 per cent facing demand problem, 8 per cent facing the problems of technology and 5 per cent facing the problems of education.

13. SUGGESTIONS

In the light of the above findings, the researcher felt that the following suggestions would help the policy makers, financial institutions especially banks and the entrepreneurs for better prospect of micro enterprises in the state of Assam in general and study district Nagaon in particular.

A. INSTITUTIONAL FINANCE

* In view of the backwardness of the district, the quantum of the financial assistance provided by the banks and other financial institutions should be proportionately higher as far as possible. The procedure of applying for loan should be made simple and at the same time, time for sanctioning and disbursing the loan should be lesser. Considering the backwardness of the district the interest rate of the different commercial banks should be uniform to attract the prospective entrepreneurs.

B. IMPROVEMENT OF PHYSICAL INFRASTRUCTURE:

Power supply is basic requirements for development of industries. But power supply in Nagaon district is inadequate particularly in rural areas. There is unshed load shedding and unexpected power failure. It is suggested to take some urgent steps to improve the power supply position.

C. ENTREPRENEURSHIP DEVELOPMENT PROGRAMME AND TRAINING

The people of the Assam and the district lack entrepreneurship. Large sections of entrepreneur do not have much information about the functioning of promotional agencies in the state. Thus entrepreneurship development programme will play important role. The programme may be conducted at regular intervals at different location of the district and Panchayat by the different promotional agencies, banks and other financial institution with their own initiative.

D. FOLLOW UP MEASURES

It is generally one of the duties of the financing banks to take follow up measures after sanctioning and disbursing the loan amount. But it was found that none of the bank branches made a follow up visit to the entrepreneurs after sanctioning the bank loan. Therefore, it is suggested that the financing bank should make surprise and frequent visit to the units for smooth implementation of the project.

E. EXPORT PROMOTION

Certain location of the district there are some specific skill based units are located such as Kuhila mat making, ornament making, Cane and Bamboo product etc. This has tremendous export potential. Government should start district level export promotion organization.

F. AWARENESS ABOUT VARIOUS SCHEMES

Majority of the entrepreneurs of the district were not aware about the various scheme of the government and the financial institutions. Bank should be advised by the Government to print brochures and pamphlets in local language about the financial / non financial assistance available at each bank and district industries centre (DIC) and distribute it to prospective and existing entrepreneurs. More awareness about some important scheme like The Credit Guarantee Fund Trust for Micro Small Enterprises (CGTMSSE), Credit Linked Capital Subsidy Scheme (CLCSS), Rajiv Gandhi Udyami Mitra Yojana (Under MSME Act 2006) etc. is necessary.

G. AWARENESS ABOUT REPAYMENT

Banks, other financial institutions, Government should provide incentives for prompt repayment and better performance. Recovery position of the bank loan is very poor in the district. The recovery position needs to be improved for better recycling for further lending. Special attention has to be paid for recovery of loans under all Government sponsored programmes. Joint recovery drives have to be launched with the active support from the sponsoring agencies.

14. CONCLUSIONS

Considering the importance of micro enterprise, Financing of Micro Enterprise by the banks should be treated on par with the financing of agriculture. The testing of hypothesis shows that growth and development of micro enterprise in the study district is slow in progress and the assistance of banks for development of this sector is inadequate, which requires proper attention for better development of micro enterprise in near future.

It has been recognized that micro enterprise sector is one of the largest employment potential sectors which can generate more employment opportunities and income for development of the nation. To achieve this objective several organizational, managerial, technical and marketing problems of this sector are to be removed in an integrated manner. In this respect, the Government and Financial institutions especially banks should take pragmatic steps for its overall development.

REFERENCES**BOOKS**

1. Saikia, Sunil Kumar (2007): Small Scale Industries in Assam, Indian Institute of Entrepreneurship, Guwahati-781029.
2. Silva, de Sarath (1998) 'Linkage of Micro Credit for Micro Enterprise Development', "Micro Enterprise development Potentials and Possibilities, Edit. By Dr. N.P. Singh (1998), Published by ASSED.
3. Upadhyaya, K.K (1980) *Financing of Industrial Growth in a developing Region*: CHUGH Publications, Allahabad (UP)

THESIS

4. Deka, Rani Mudiar (1992): "A Study in Institutional Finance relating to Small Scale Industries in Assam". PhD thesis, Gauhati University Library
5. Maria, R. Inigo (1998). "Banks' financing of small scale industries in Tamilnadu" PhD thesis 1998, Allagappa University, Tamilnadu
6. Misra, S.K (1984) "Studies in the Nature and problems in financing of SSI in North Bengal" PhD thesis North Bengal University. West Bengal

JOURNAL

7. Misra, J. C and Thanking, R. K: (February 2004) Indian Banking System and Micro Finance, Kurukshehra.
8. Deene, Shivkumar & Madari, D.M (April 2007) "Impact of Globalization of Small Scale Industries" Journal of Commerce and Trade.
9. The Indian Journal Commerce, Vol.61, No.2, April-June 2008 pg. no.36

REPORTS

10. National Bank for Agriculture and Rural Development: Potential Link Credit Plan (2008-2009), Nagaon, Assam
11. NEDFI Data Bank Quarterly, October 2004

THE MAIN DIFFERENCES BETWEEN GATT 1947 AND THE WTO

DR. OSAMA MUSTAFA MUDAWI

**EX. ACADEMIC STAFF, DEPARTMENT OF PUBLIC LAW, UNIVERSITY OF DONGOLA, SUDAN; &
LEGAL EXPERT
LEGAL AFFAIRS DEPARTMENT
PUBLIC WORKS AUTHORITY
DOHA**

DR. ELFADIL TIMAN

**TRAINING EXPERT, INSTITUTE OF PUBLIC ADMINISTRATION, DOHA; &
ASSOCIATE PROFESSOR
DEPARTMENT OF BUSINESS ADMINISTRATION
UNIVERSITY OF GEZIRA
SUDAN**

ABSTRACT

Purpose: The purpose of this article is to discover the aims behind applied the General Agreement on Tariffs and Trade (GATT) 1947 and the main reasons which led to replace it by the World Trade Organization (WTO) in 1994. Also, exploring the main differences between the GATT 1947 and the WTO and evaluating the impact of the WTO. **Methodology/Approach:** This article has employed descriptive and comparative methods. The following materials were referenced as part of this article: books, journal articles, reports, agreements. **Findings:** This article has found that after the Second World War there was a need to establish an international regime to cancel trade barriers. Moreover, this article has discovered that, in the 1940s, the negotiators intended to create an International Trade Organization (ITO) in order to complete the Bretton Woods system, which includes the International Monetary Fund and World Bank. ITO was adopted to organise trading the goods. However, it failed because the United States Congress did not approve it. Then the GATT 1947 was provisionally applied according to the Protocol of Provisional Application, which was signed in late 1947. Finally, it has been found that the GATT 1947 faced many difficulties, which led to replacement of it by the WTO in 1994. The latter tried to address shortages in the GATT 1947. Nevertheless, there are some matters that need further improvement. **originality/value:** This article contributes to increase the understanding of the idea behind applied the GATT and discover the main reasons led to setup WTO and the limitations of the latter.

KEYWORDS

International Monetary Fund, World Bank, Multilateral Trade Agreements, Second World War, goods, services, ITO, IMF, GATT, WTO, GATS, TRIPS, TRIMs, BISD, NGOs, DSB and DSU.

THE MAIN DIFFERENCES BETWEEN GATT 1947 AND THE WTO

INTRODUCTION

After the Second World War there was a need to establish an international regime to cancel trade barriers (Simon 2012). In the 1940s, the negotiators intended to create an International Trade Organization (ITO) in order to complete with the Bretton Woods system, which includes the International Monetary Fund and World Bank. In Havana in 1948, a charter for an International Trade Law (ITO) was adopted to organise trading the goods. However, it failed because the United States Congress did not approve it (John 2013). Thus, the GATT 1947 which means; 'the provisions in the General Agreement on Tariffs and Trade, dated 30 October 1947...as rectified, amended or modified by the terms of legal instruments which have entered into force before the date of entry into force of the WTO Agreement' (General Agreement on Tariffs and Trade 1994), it was intended to be under ITO, was provisionally applied according to the Protocol of Provisional Application, which was signed in late 1947. Therefore, the GATT 1947 was not meant to be an organization (John 2013). The GATT 1947 faced many difficulties, which led to replacement of it by the World Trade Organization (WTO) in 1994. The latter tried to address shortages in the GATT 1947. Therefore, many differences appeared in favour of the WTO. Nevertheless, there are some matters that need further improvement. This article will focus on the reasons behind the replacement of the GATT 1947, determining the main differences between the GATT 1947 and the WTO and evaluating the impact of the WTO.

WHY WAS IT NECESSARY TO REPLACE THE GATT 1947?

The GATT was considered as one of the most important factors, which played a vital role in recovery of the World from the desolation after the Second World War and it also achieved a huge growth (Pitroda 1995). However, it was not meant to be an organization as thus it created many difficulties, as described by Jackson (2007) as 'birth defects'. These defects amongst others led to the creation of the WTO instead of the GATT 1947. The most important defects maybe divided based on structure and non-structure as follows:

The reasons related to the structuring of the GATT 1947 treaty were: Firstly, a difficulty of amendment to the procedures (John 2013). This was due to delayed procedures, complicated to reach the numbers of acceptance that the states required, the bargaining influence involved in the procedures with a large number of states (John 2013). In the case of the agreement on the amendments, it was applied only between the parties, which accepted it. The authorities of the parties under the General Agreement of GATT 1947 were very vague (Pitroda 1995). Consequently, these difficulties led to certain inflexibility that harmed the improvement of the rules acclimatize into new changes (John 2013). Secondly, it remained to deal only with the goods (Michael 2012). Thirdly, it seemed as a secret regime, therefore, some documents were released for the first time in 1966 (Jackson 2007). Fourthly, the major problem was the link between the General Agreement of the GATT 1947 and side agreements, with about 200 (John 2013), sometimes the relationship was not clear and created various procedures for the different subjects. Some states were not parties thereof and consequently, the GATT 1947 was accused as a system of selective (John 2013). Fifthly, the relationship between the GATT 1947 and national law of some parties was very ambiguous (John 2013).

Furthermore, the sixth reason is based on the membership; there were many ways whereby the countries could become a party. Moreover, there were some ambiguous articles. For instance, Article XXXV by which some parties could withdraw from the GATT 1947 connection with other parties (John 2013). Seventhly, the weak dispute settlement procedures, because the provisions were diffused over the GATT 1947 Agreement (John 2013), it was based on the consensus, and therefore it was possible to block the request to establish a panel or to adopt the panel's reports and in some cases the government interfered in the panel's decisions (John 2013). As Pitroda (1995) said : 'many loopholes exist in the mechanism dealing with disputes regarding unfair trade practices'. In addition, there were no specific remedies (Jackson 2007). There was no timetable to tie every stage of the procedures (Simon 2012). Furthermore, it was seemed to harm the developing countries because it was formed based on diplomatic without formal procedures; and usually the elements of the power are considered (Jackson 2007). Finally, the market access became difficult, because the GATT 1947 failed to address the textiles and clothing trade and so therefore became more limited. In 1974, the Multi Fibre Agreement extended this restraint to cover some fiber goods. As a result, some countries could use some non-tariff measures. For example,

quotas and voluntary export restraints (Cable 1987). In conclusion, it appears there were reasons as to the structuring of the GATT 1947 treaty, which led the WTO to replace it.

In addition, there are also other reasons which seem not to be relating to the treaty structure such as: Firstly, the GATT 1947 was treated as a lower by IMF and the World Bank, compared to other organizations and sometimes this led to conflict (Simon 2012). Secondly, in the 1980s and 1990s some industrial developed countries faced competition from industrial countries in Asia and Latin America. Therefore, the intellectual property rights became on the trade agenda (Michael 2012). Furthermore, the preamble of the WTO agreement apparently indicates other reasons (Bosschle 2013), for instance, the standard of living was decreased and the unemployment rate was increased (Robert E. Hudec 1993).

THE MAIN DIFFERENCES BETWEEN THE GATT 1947 AND THE WTO

The WTO generally follows the GATT 1947 institutional notions, in it is processes (John 2013). However, there are five main differences between them, which include:

Firstly: The GATT 1947 was an international treaty for trade, which was only valid temporarily and therefore, it did not become an organization (John 2013). In contrast, the WTO is an international organization with legal entity. The WTO agreements state that various bodies should carry out particular duties. For instance, the Ministerial Conference, which consists of all the members, the General Council (the WTO Agreement n.d.), the Dispute Settlement Body and Trade Policy Review Body (the WTO Agreement n.d.). Furthermore, the WTO has a Secretariat headed by a Director-General of the WTO (the WTO Agreement n.d.). The structure of the WTO may assist to manage it effectively in particularly in the amending process (John 2013), because, it makes clear procedures for different matters, such as interpretations, waivers and changes to the agreements (John 2013). Moreover, the WTO structure assisted to create the new GATT 1994 and can be easily withdrawn from the GATT 1947 (John 2013).

Secondly: The WTO Agreement is considered as one unit with numerous texts (John 2013). In other words, when the state accepts it automatically it becomes a member of all Multilateral Trade Agreements. In addition, the reservation is generally not permitted, (Art XV1: 5 of The WTO Agreement) states: 'No reservations may be made in respect of any provisions of this Agreement. Reservations in respect of any of the provisions of the Multilateral Trade Agreements may only be made in accordance with the provisions set out in those Agreements. Reservations in respect of a provision of a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement'. Conversely, the GATT 1947, had about 200 side agreements, which sometime stand alone. Consequently, the WTO Agreement and relevant agreements may be applied easily. Nevertheless, in the WTO Agreement, there are optional agreements, which include: Agreement on Trade in Civil Aircraft, Agreement on Government Procurement, International Bovine Meat Agreement and International Dairy Agreement. The two latter were terminated in 1997.

Thirdly: The GATT 1947 rules covered only the trade of goods (John 2013). In contrast, the WTO has extended this scope to cover trade in new areas which includes: (a) Trade in services according to the General Agreement Trade in Services (GATS). The word services cover more than 100 different fields, for instance, banking and transport (John 2013). (b) Intellectual property rights under the Agreement on Trade Related Intellectual Property Rights (TRIPS). It is commonly referred to others intellectual property treaties. For example, Paris Convention for the Protection of Industrial Property. (c) Trade investment according to the Agreement on Trade Related Investment Measures (TRIMs).

Fourthly: The GATT 1947 dispute settlement was weak compared with The WTO dispute settlement system, because the latter seems more advanced and active (Lowe 2007). These reasons were that: (a) Generally, it is based on rules rather than negotiations (Matsushita, Mavroidis and Schoenbaum 2015). (b) The members must start with consultations (Bosschle 2013), (c) A complaining member has entitled to demand an established penal or an appellate penal and the reports of both are adopted automatically unless there is a consensus contrary to adoption (Lowe 2007), (d) The WTO system establishes a permanent Appellate Body, consisting of seven members who are appointed for four years (the WTO Agreement n.d.). It has the jurisdiction only to review the matter of law. (e) There is an improvement in quality, because the members of the panel are well-qualified, (Article 8) 1 of the DSU of Annex 2 of the WTO Agreement) states that: 'Panels shall be composed of well-qualified governmental and/or non-governmental individuals, including persons who have served on or presented a case to a panel, served as a representative of a Member or of a contracting party to GATT 1947 or as a representative to the Council or Committee of any covered agreement or its predecessor agreement, or in the Secretariat, taught or published on international trade law or policy, or served as a senior trade policy official of a Member'. In addition, the appellate body consists of individuals who have practiced the law and international trade law. (f) Sets specific time limits for each stage of the procedures, (Article 20 of the DSU of Annex 2 of the WTO Agreement) states that: 'Unless otherwise agreed to by the parties to the dispute, the period from the date of establishment of the panel by the DSB until the date the DSB considers the panel or appellate report for adoption shall as a general rule not exceed nine months where the panel report is not appealed or 12 months where the report is appealed...'. (g) Remedy is more apparent. If the respondent does not comply with the recommendations in a reasonable term of time or a satisfactory compensation has not been reached in 20 days after the expiry of the suitable period, then the winning member may request permission from the DSB to claim temporary remedies include the suspension of concessions or other obligations. (h) The implementing of the recommendations or other obligations is observed by the DSB.

Fifthly: The GATT 1947 seemed without transparency, as mentioned above. In contrast, the WTO system may be considered relatively transparent. This is due to the many agreements that the WTO provide for its members to declare their plans and strategies internal or to WTO (Simon 2012). For instance, under (TRIMs), the members must comply with their obligations on transparency and notification, (Article 6(1) of Agreement on Trade-Related Investment Measures of the Annex 1A of the WTO agreement states that: 'Members reaffirm, with respect to TRIMs, their commitment to obligations on transparency and notification in Article X of GATT 1994, in the undertaking on "Notification" contained in the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance adopted on 28 November 1979 and in the Ministerial Decision on Notification Procedures adopted on 15 April 1994', also (Article 7(3) of Agreement on Trade-Related Investment Measures) states that 'The Committee shall monitor the operation and implementation of this Agreement and shall report thereon annually to the Council for Trade in Goods'.

Finally: The GATT 1947 did not prohibit a quota regarding textiles and clothing. Conversely, Article 4 (2) of the Agreement on Agriculture of the WTO Agreement states that 'Members shall not maintain, resort to, or revert to any measures of the kind which have been required to be converted into ordinary customs duties (1), except as otherwise provided for in Article 5 and Annex 5', in other words the WTO states explicitly quantitative restrictions are not allowed.

THE GREAT IMPROVEMENTS OF WTO COMPARING TO GATT 47

It seems that the WTO is an improvement compared with the situation in the GATT 1947. For instance, the WTO dispute settlement system with a registered degree of acceptance (Davey 2009). This system attempted to address the shortcomings in the GATT 1947 as mentioned above, and all differences are considered as an improvement. Consequently, in the first decade of the WTO, more than 300 disputes were brought to the WTO system, and about 95 penal reports were approved. However, about 300 complaints were filed during the duration of the GATT 1947 (Sacerdot, Yanovich and Bohanes 2006). However, the settlement disputes of the WTO, seems to need more reforming as to the suspension of concessions, as this suspension executes by a winning member. Bosschle (2013) states that these measures appear not to be the best option and difficult to carry out by a member from a developing country against a developed country, because of the imbalance as regards to the economy and policy powers between them. In addition, the compensation may be only paid if the members agree about it. It has been argued that: 'available remedies give no assistance to injured members' (Georgiev and der Borgh 2006). However, retaliation may achieve temporary economic benefits, in general these measures could damage weaker countries. Moreover, it has been criticised by Georgiev and der Borgh (2006) that as being a suspension against the principle of the free of trade. As a result, the financial compensation or fines may give a solution by creating gradation considering therein the developing countries, (Simon 2012). In particular, this proposal may be better for the developing countries, as the implementation is not expected to happen in reasonable time and comparatively action is not practical, (Davey 2009). In conclusion, the WTO dispute settlement is considered a great improvement. However, it needs more development as regards to the developing countries and compensation.

Moreover, it has been argued that the WTO extends the scope to include the GATS being considered an improvement over the GATT 1947, because this agreement aims to liberalize the services between the members of WTO (Matsushita, Mavroidis and Schoenbaum 2015). In fact, it is important to the national and international economy, because it is considered the foundation of the modern economy (Simon 2012). For instance, telecommunication services and technology, in general, are found in a wide range of other sections that leads to an economic and productivity increase (John 2013). Consequently, the contribution of the trade in services may consider more than two thirds of World Gross Domestic Product (Simon 2012). Similarly, the TRIPS is considered as an essential development, since it achieves a relative the degree of protection for intellectual property rights and enforcement (Matsushita, Mavroidis and Schoenbaum 2015). It seems that, the protection of the intellectual property rights led to an increase in the investment sectors, and technology transfer therefore becomes easier (Matsushita, Mavroidis and Schoenbaum 2015). Furthermore, it supports research in many fields, for instance, the pharmaceutical industry (Simon 2012). On the other hand, some civilian groups and NGOs criticised that, TRIPS is used to protect the domination over seeds, genes, technologies and medicines. Moreover, it obstructs the free trade (Simon 2012). Generally, the value of such products and services, as a result of the invention, without protecting the rights as to TRIPS, the trade in their items will not be developed (Bosschle 2013). However, TRIPS tries to balance its policies by providing some exceptions, for example, protection of humans, animals, and health and to prevent environmental damage. Furthermore, it seems fair to grant the under developed countries or developing countries, deferential treatments as to their agriculture inputs and medicines. For instance, under developed countries granted an extension to the grace period until 2016 as regards to their pharmaceutical products (Simon 2012).

Furthermore, it may be argued that the WTO is relatively transparent, as mentioned above, however, it was criticised by some members regarding the contribution of developing countries is less than expecting as regards to the decision-making procedures (Bosschle 2013). The reason behind this problem may be the gap between the developed countries and developing ones as regarding their power. Therefore, it has been proposed that, the developing countries must be assisted in order to improve their capability to participate positively in consultations (Steger 2008). Similarly, some members demanded to improve external transparency by various means, for instance, publishing the WTO secretariat working documents, minutes of the meetings and correspondences amongst the members of the WTO and its bodies (Matsushita, Mavroidis and Schoenbaum 2015). In addition, the WTO criticised that, the public are not allowed to attend the hearing at panel and Appellate Body or watching/listening to the hearing in any form, such as tapes (Jackson 2006). It may be argued that, it seems impractical to open all sessions to the public. On the contrary, it may be proposed that some NGOs may be selected to each session randomly. Moreover, it could be published on the WTO's website. Thus, it may increase the knowledge for individuals, NGOs, and all states. As a result, it may lead to an increase in its supporters (Matsushita, Mavroidis and Schoenbaum 2015).

Moreover, there is a pressing need for transparency with regards to revenues of the members and other activities such as roads, in order to reduce the corruption, in particular, in the developing countries (Cottier, Oesch and Fischer 2005). In fact, the Agreement on Government Procurement (GPA) stays as a plurilateral treaty and almost all the parties are from developed countries. Therefore, efforts are required from all states in this regard to concluding a mandatory agreement. In other words, it requires total commitment from developing countries and real assistances from the developed countries, such as in its technical support.

What's more, the WTO has been criticized that, it has reached to level which makes it difficult to set up productive rules for decision-making or consultations, with the high number of members (Jackson 2006), which currently stands at 162 (WTO n.d.). This difficulty may harm the efficiency of the WTO. As Matsushita and others proposed that, an elected 'Executive Body' of the General council, based their objective and according to elements such as Gross Domestic Product, could contribute to the world trade, population, or to represent an developing countries and geographic balance (Matsushita, Mavroidis and Schoenbaum 2015). It has been evaluated that, an executive body consisting of some representatives may help to reach a suitable proposal by negotiation, like those formed in the IMF or the World Bank (Bosschle 2013). However, as to select the member, the first proposal may not be reasonable because the element of the population sometimes is not importance. In other words, a state with the small population may play a more vital role than one, which has a larger population. In addition, the second proposal may face difficulties because the developing countries existing in different areas have contrasting interests. It has been proposed that, for each geographical area selection a reasonable number of representatives who have votes, should equal the number of States represented by them for a fixed period; this it seems more democratic and practical. Moreover, Van Den criticised that, the WTO has not a perpetual advisory body consisting of domestic parliaments or NGOs to make discussion within a civil society as existing in some international bodies (Bosschle 2013). It has been evaluated that, it is a good suggestion because some opinions may help the WTO bodies. In fact, this is accepted in a few cases, for example in 2003, the WTO Director-General formed the Informal Business Advisory Body (Bosschle 2013).

Although, there are some articles in the WTO agreements regarding the environment, such as Article XX on General Exceptions as to human health protection (WTO n.d.). In addition, the WTO Dispute Settlement Body has dealt with some conflicts as regards to the environment such as E C- Measures affecting asbestos and asbestos-containing products, in this case France prohibited import asbestos and products including asbestos; therefore, Canada asked consultations with the EC in this regard and alleged that, the Decree issued by France not comply with the WTO agreement. The (Appellate Body, 2001) upheld that 'the Panel's conclusion, under Article XX(b) of the GATT 1994, that the French Decree is necessary to protect human ... life or health'. Another example, United States-Import Prohibition of Certain Shrimp and Shrimp Products, in this disputes the United States banned import specific shrimp and shrimp products, which harvest by nets lead to kill Turtles. Therefore, some states include; India, Malaysia, Thailand and Pakistan argued that, the United States measures against the WTO agreement. The Appellate Body states that the United States measure, did not comply with Article XX of the GATT 1994. In other words, those measures were applied in a manner reflecting the arbitrary discrimination or unfair between states (the Appellate Body 1998). Nevertheless, some argued that, the WTO fails to address the environment problem; in contrast it appears to have succeeded with regards to the TRIPS. It seems useful if the environment matters were incorporated into the WTO with the same mechanism dealt with in the TRIPS (Thomas 2002). On the other hand, one could argue that, there is the WIPO originally deals with intellectual property rights; in contrast there is no one to deal with the environment. It could be criticised that, there is the United Nations Environmental Programme and many treaties concluded under its umbrella. In addition, one argues that, there is no need to be much internationally discussed in order to protect the environment, as it can apply domestically (Jackson 2006). It has been criticized that, the environment is transboundary. In addition, it depends on the abilities of states (Jackson 2006). In other words, the poor countries are very unlikely to protect it. Moreover, as suggested by Matsushita and others, the WTO may assist in protecting the environment by imposing border taxes against products that do not comply with environmental requirements (Matsushita, Mavroidis and Schoenbaum 2015). However, the questions remain, how much these taxes will amount to and how can that improve the specific products that harm the environment?

In addition, it seems practicable to establish an international body to look after the environment. Moreover, the WTO could be given a complementary jurisdiction to enforce agreements relating to the environment. Similarly, to the TRIPS, the developing countries must be granted full support and discriminatory treatment (McKenzie 2008). However, the idea of establishing the organization, has been criticized as part of its aim is to remove the environment from the jurisdiction of the WTO (Jackson 2006). It may be argued that, although the WIPO exists, the WTO plays a vital role in protecting the intellectual property rights. Furthermore, it has been criticised that, the Committee on Trade and Environment, established in 1995, seems unenthusiastic to make recommendations regarding the environment (Charnovitz 2007). It may be useful to appoint an advisory team to support this committee.

CONCLUSION

Although, the GATT 1947 was originally a temporary agreement it succeeded in respects to the increase in the trading of goods. In addition, there were reasons behind replacing the GATT 1947 by the WTO. For instance, there was not an institutional structure, difficulty in making decisions, huge number agreements and a weak dispute settlement system, making it appear as a secret regime, focusing on goods only and failing to address the textiles and clothing trade. Furthermore, this article has shown that, there are main differences between the GATT 1947 and the WTO as the latter is characterized as: an institutional organization, decisions not being blocked, strong dispute settlement system, more transparency and extending its scope to cover trade in new areas such as trade in services, intellectual property rights and investment. Moreover, this article has suggested that, more improvement may be required in some areas such as: compensation, decisions making, transparency and the environment.

REFERENCES

1. Appellate Body, Appellate Body Report WT/DS135/AB/R. WTO, 2001.
2. Charnovitz, Steve. "The WTO's Environmental Progress." *Journal of International Economic Law* 10, no. 3 (2007): 685-706.
3. Davey, William J. "Compliance Problems in WTO Dispute Settlement." *Cornell International Law Journal* 42, no. 1 (2009): 119-128.
4. Jackson, John H. *Sovereignty, the WTO and Changing Fundamentals of International Law*. Cambridge University Press, 2006.
5. Matsushita, Mitsuo, Petros C Mavroidis, and Thomas Schoenbaum. *The World Trade Organization: Law, Practice, and Policy*. Oxford: Oxford University Press, 2015.
6. Bosschle, Peter den Van. *The Law and Policy of the World Trade Organization Text Cases and Materials*. Cambridge: Cambridge University Press, 2013.
7. Cable, Vincent. "Textiles and Clothing in a New Round of Trade Negotiations." (*World Bank Econ Rev*) 1, no. 4 (1987): 619 – 621.
8. Cottier, Thomas, Matthias Oesch, and Thomas M. Fischer. *International Trade Regulation: Law and Policy in the WTO, the European Union and Switzerland: Cases, Materials and Comments*. London: Staempfli; Cameron May, 2005.
9. Georgiev, Dencho, and Kim Van der Borgh. *Reform and Development of the WTO Dispute Settlement System*. Cameron, 2006.
10. Jackson, John H. *The jurisprudence of GATT and the WTO: Insights on Treaty Law and Economic Relations*. Cambridge University Press, 2007.
11. John, William, Alan. *Extracts from Legal problems of international economics relations: Cases, Materials and Text*. Sixth. West, 2013.
12. Lowe, Vaughan. *International Law*. OUP, 2007.
13. McKenzie, Michael. "Climate Change and the Generalized System of Preferences." *The Journal of International Economic Law (The Journal of International Economic Law)* 11, no. 3 (2008): 679- 695.
14. Michael, Rober, Antonia. *The Regulation of International Trade*. Fourth. Routledge, 2012.
15. Pitroda, Salil S. "From GATT to WTO: The institutionalization of world trade." *Harvard International Review* Vol. 17, no. 2 (March 1995): 46 -67.
16. Robert E. Hudec. *Enforcing International Trade Law: The Evolution of the Modern GATT Legal System*. 3rd. Butterworth, 1993.
17. Sacerdot, Giorgioi, Alan Yanovich, and Jan Bohanes. *The WTO at Ten: The Contribution of the Dispute Settlement System*. Edited by Giorgioi Sacerdot, Alan Yanovich and J Bohanes. Cambridge: Cambridge University Press, 2006.
18. Simon, Bryan, Arwel. *World Trade Law: Texts, Materials and Commentary*. 2nd: Hart Publishing, 2012.
19. Steger, Debra P. "Introduction to the Mini-Symposium on Transparency in the WTO." *Journal of International Economic Law* 11, no. 4 (2008): 705-715.
20. the Appellate Body. *United States-Import Prohibition of Certain Shrimp and Shrimp Products-Report WT/DS58/AB/R*. WTO, 1998.
21. Thomas, Chantal. "Trade-Related Labour and Environment Agreements?" *Journal of International Economic Law* 5, no. 4 (2002): 791.
22. World Trade Organization. 15 April 1994. <http://docsonline.wto.org> (accessed January 5, 2016).
23. WTO. WTO. n.d. https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (accessed May 16/5/2016, 2016).
24. —. "WTO." n.d. (accessed May 24, 2016).

**IDENTIFY THE UNDERSTANDING LEVEL OF INVESTORS TOWARD SAFETY, RISK AND RISK RETURN
ASSOCIATION OF MUTUAL FUND SCHEMES OF TAMILNADU - WITH SPECIAL REFERENCE TO CHENNAI,
COIMBATORE, MADURAI AND TRICHY DISTRICT**

**DR. S. SIVARAMAN
ASST. PROFESSOR
SCHOOL OF COMMERCE & INTERNATIONAL BUSINESS
DR. G. R. DAMODARAN COLLEGE OF SCIENCE
COIMBATORE**

ABSTRACT

The identification of risk return association between any kinds of investment is more important one. So, the researcher wants to identify the understanding level of investors toward safety, risk and risk and return association of mutual fund schemes are described below. The mutual fund investment with respect to the predominant reasons of regular income, growth income, Tax savings, balanced fund, sector fund, pension fund, money market, gift fund and any other, in 4 cities. The identification of risk return association between any kinds of investment is more important one. So, the researcher wants to identify the understanding level of investors toward safety, risk and risk and return association of mutual fund schemes are described below. The mutual fund investment with respect to the predominant reasons of regular income, growth income, Tax savings, balanced fund, sector fund, pension fund, money market, gift fund and any other, in 4 cities.

KEYWORDS

safety, risk and risk return association of mutual fund schemes.

INTRODUCTION

The mutual fund institutions have entered a new era in India. The so-called second phase of reforms has slowly crept in and is almost half way through without any formal say-so. Financial Markets, Financial Institutions, Financial services and financial instruments are playing an important role for smooth economic activities of India and transfer or allocation of funds in an efficient manner. The mutual funds have grown to be an important part of the Indian financial system. The main aim of the Indian financial system is that of providing efficient services to the capital market. Mutual fund is one of the financial mechanisms which play an important role to improve not only economic system of India but also improves financial market, institutions, service and instruments. A mutual fund is a vehicle to pool money from investors, with a promise that the money would be invested in a particular manner, by professional managers who are expected to honour the promise.

Mutual fund is the most suitable investment for the common man, and under the system a pool of money is collected from various individuals based on their trust and who are willing to share a common financial interest, like capital and dividend appreciation. The pooled money is then invested in Wealth Maximization Avenues such as shares, debentures and in foreign markets. The profit gained from investments is shared by unit holders in proportion to the number of units owned by them. According to their investment, the investors get the units as per the unit value which is called as Net Assets Value (NAV). The rich experienced fund managers can manage "risk-return-trade-off" where they minimize the risk and maximize the return through diversification of the portfolio. Mutual fund plays an important role to provide an alternative avenue to the investors who want to diversify their investments in a scientific and professional manner. The Indian mutual fund system has grown at a dynamic speed, influencing various sectors of the financial market and the National economy. The Indian economy is under transition on account of the on-going structural adjustment programs and liberalization. The money market mutual fund segment has a total corpus of \$1.48 trillion in the U.S against a corpus of \$100 million in India.¹ For many investors, mutual funds are the investment vehicle of choice. And, this is increasingly so. From 1991 to 1999 in the U.S., the value of corporate equities held by mutual funds increased ten-fold, from \$309 billion in 1991 to \$3.4 trillion in 1999. In contrast, direct ownership of common stock increased only three-fold during the same period, from \$2.6 trillion to \$7.8 trillion. In 1991, 6.4 percent of common stocks were held indirectly through mutual funds; in 1999, that figure had grown to 18 percent.² In 1999, nearly half of all U.S. households owned a mutual fund.³ Given the size and growing importance of mutual fund investors, it is important to gain a better understanding of their behavior. In India mutual funds are governed by the regulations of Securities and Exchange Board of India (SEBI).

OBJECTIVES OF THE STUDY

1. To understand the Mutual Fund Mechanism in India.
2. To measure investors safety level in investing mutual fund scheme.
3. To measure the Investors' Risk Level in Investing Mutual Fund Schemes.

REVIEW OF LITERATURE

Robert J. Shiller (1993) reported that most of the mutual fund investors don't have the ability of interpretation and data analysis skills. The unreceptive investors elected their investment choices on the basis of information received from scientific avenues.

Phillip (1995) reported that the result of participating in investors' education programme depends upon changes in financial decision-making and investor behavior. Madhusudhan V Jambodekar (1996) evaluated the alertness of Mutual Fund investors. The study showed that the sources of information were authority more the purchasing judgment and the reasons authorizing the selection of a mutual fund. The research revealed that income and open ended mutual fund schemes were offered by many investors than growth and close ended mutual fund schemes at the time of customary market conditions. The investors' order preference was first safety then liquidity and finally capital appreciation. Newspapers and magazines were their first sources of information.

Shanmugham (2000) conducted a study related to the information source of investors and their insight of different investment approach measurements and the factors that motivated to invest in share and psycho and socio factors which dictated the factors of economic in investment in shares.

Elizabeth Howlett, Michael Pagano Kozup, and John C (2008) tested the impact of available information (internal and external) on the understanding altitude of characteristics of mutual fund. The study shows that investors' first preference before going to investment in mutual fund is gathering information. The information may be in the form of graphical layout and oral information from the investors. Hence the information plays significant role on investors' sensitivity and understanding of investment in mutual funds.

ANALYSIS

SAFETY LEVEL OF MUTUAL FUND SCHEMES

The identification of risk return association between any kinds of investment is more important one. So, the researcher wants to identify the understanding level of investors toward safety, risk and risk and return association of mutual fund schemes are described below. The mutual fund investment with respect to the predominant reasons of regular income, growth income, Tax savings, balanced fund, sector fund, pension fund, money market, gift fund and any other, in 4 cities is cross tabbed with measure of safety and presented in the following table.

TABLE 1: INVESTORS' SAFETY LEVEL IN INVESTING MUTUAL FUND SCHEMES

Scheme name	City	Absolute safe	Reasonable safe	Somewhat safe	Insecure	Highly Insecure
Regular income scheme	Chennai	17 (29.31)	31 (53.45)	10 (17.24)	-	-
	Madurai	44 (62.86)	25 (35.71)	1 (1.43)	-	-
	Coimbatore	20 (74.07)	7 (25.93)	-	-	-
	Trichy	53 (58.24)	25 (27.47)	13 (14.29)	-	-
Growth income scheme	Chennai	-	37 (66.07)	14 (25)	5 (8.93)	-
	Madurai	1 (1.47)	21 (30.88)	34 (50)	12 (17.65)	-
	Coimbatore	-	12 (50)	10 (41.67)	2 (8.33)	-
	Trichy	13 (14.61)	32 (35.96)	41 (46.07)	3 (3.37)	-
Tax savings scheme	Chennai	41 (73.21)	15 (26.79)	-	-	-
	Madurai	24 (35.29)	41 (60.29)	3 (4.41)	-	-
	Coimbatore	7 (26.92)	19 (73.08)	-	-	-
	Trichy	30 (32.61)	49 (53.26)	13 (14.13)	-	-
Balanced fund scheme	Chennai	19 (35.85)	22 (41.51)	12 (22.64)	-	-
	Madurai	25 (36.23)	32 (46.38)	12 (17.39)	-	-
	Coimbatore	7 (26.92)	14 (53.85)	5 (19.23)	-	-
	Trichy	40 (45.45)	29 (32.95)	19 (21.59)	-	-
Sector fund scheme	Chennai	15 (26.32)	20 (35.09)	22 (38.6)	-	-
	Madurai	11 (16.92)	15 (23.08)	39 (60)	-	-
	Coimbatore	3 (13.04)	8 (34.78)	12 (52.17)	-	-
	Trichy	3 (3.41)	35 (39.77)	50 (56.82)	-	-
Pension fund scheme	Chennai	6 (10.17)	35 (59.32)	18 (30.51)	-	-
	Madurai	2 (2.82)	40 (56.34)	29 (40.85)	-	-
	Coimbatore	10 (37.04)	12 (44.44)	5 (18.52)	-	-
	Trichy	19 (20.43)	25 (26.88)	49 (52.69)	-	-
Money market scheme	Chennai	7 (13.46)	14 (26.92)	30 (57.69)	1 (1.92)	-
	Madurai	4 (6.67)	10 (16.67)	44 (73.33)	2 (3.33)	-
	Coimbatore	-	3 (15.79)	16 (84.21)	-	-
	Trichy	6 (6.98)	15 (17.44)	63 (73.26)	2 (2.33)	-
Gift fund scheme	Chennai	4 (6.78)	18 (30.51)	37 (62.71)	-	-
	Madurai	5 (7.25)	15 (21.74)	49 (71.01)	-	-
	Coimbatore	2 (8.7)	4 (17.39)	17 (73.91)	-	-
	Trichy	14 (15.22)	27 (29.35)	44 (47.83)	7 (7.61)	-
Any other	Chennai	2 (15.38)	7 (53.85)	4 (30.77)	-	-
	Madurai	1 (5.88)	6 (35.29)	10 (58.82)	-	-
	Coimbatore	-	2 (14.29)	12 (85.71)	-	-
	Trichy	1 (5.88)	1 (5.88)	15 (88.24)	-	-

Results: The above table shows that 74 per cent, 63 per cent and 58 per cent of investors felt absolutely safe when they invest in mutual fund scheme of regular income in Coimbatore, Madurai and Trichy respectively. The investors in Chennai also agreed as reasonably safe to invest in this scheme at 53 percent.

The investors in Chennai and Coimbatore agreed as reasonable safe to invest in growth income at 66 percent and 50 percent respectively. 50 percent of Madurai investors and 46 percent of Trichy investors agreed somewhat safe.

73 percent, 60 percent and 53 percent of investors in Coimbatore, Madurai and Trichy agreed reasonably safe to invest in tax savings mutual fund scheme respectively whereas the investors in Chennai agreed as absolute safe at 73 percent.

The mutual fund scheme of balanced fund is agreed as reasonably safe by the investors in Coimbatore, Madurai and Chennai at the percent of 53, 46 and 42 respectively. The investors in Trichy alone agreed at 45 percent as absolutely safe.

60 percent, 57 percent, 52 percent and 39 percent agreed that it was somewhat safe to invest in sector fund mutual fund scheme in Madurai, Trichy, Coimbatore and Chennai respectively.

The investors at 59 percent in Chennai and 56 percent in Madurai agreed that it was reasonably safe to invest in pension fund scheme whereas 52 percent investors in Trichy agreed that it was somewhat safe and 37 percent in Coimbatore agreed it as absolutely safe.

In Coimbatore 83 percent, Madurai 73 percent, Trichy 73 percent and Chennai 58 percent of investors agreed that it was somewhat safe to invest in money market mutual fund scheme.

Gift fund scheme was agreed by the investors at 74 percent, 71 percent, 63 percent and 48 percent in Coimbatore, Madurai, Chennai and Trichy respectively as somewhat safe to invest.

88 percent, 86 percent and 59 percent of investors agreed that it was somewhat safe if they preferred any (other) mutual fund scheme among these 9 schemes in Trichy, Coimbatore and Madurai respectively whereas the investors in Chennai agreed as that it was absolutely safe.

Of the safety level perception of mutual fund investors towards 9 kinds of mutual funds, investors in Madurai perceived more safety conscious followed by Trichy, Chennai and Coimbatore.

RISK LEVEL OF MUTUAL FUND SCHEMES

Now, the researcher wants to identify the perception level of risk factor and the mutual fund investment with respect to the predominant reasons of regular income, growth income, Tax savings, balanced fund, sector fund, pension fund, money market, gift fund and any other. In 4 major cities this factor is cross tabbed with measure of risky level computed and is presented in the following table.

TABLE 2: INVESTORS' RISK LEVEL IN INVESTING MUTUAL FUND SCHEMES

Scheme name	City	Highly risk	Risk	Moderate risk	Risk free	Highly risk free
Regular income scheme	Chennai	-	-	10 (17.24)	31 (53.45)	17 (29.31)
	Madurai	-	-	1 (1.43)	25 (35.71)	44 (62.86)
	Coimbatore	-	-	-	7 (25.93)	20 (74.07)
	Trichy	-	-	13 (14.29)	25 (27.47)	53 (58.24)
Growth income scheme	Chennai	1 (1.75)	5 (8.77)	14 (24.56)	37 (64.91)	-
	Madurai	4 (5.56)	12 (16.67)	34 (47.22)	21 (29.17)	1 (1.39)
	Coimbatore	2 (7.69)	2 (7.69)	10 (38.46)	12 (46.15)	-
	Trichy	3 (3.33)	5 (5.56)	37 (41.11)	45 (50)	-
Tax savings scheme	Chennai	-	-	4 (7.02)	16 (28.07)	37 (64.91)
	Madurai	-	-	25 (35.71)	35 (50)	10 (14.29)
	Coimbatore	-	-	3 (12.5)	15 (62.5)	6 (25)
	Trichy	-	-	13 (14.94)	44 (50.57)	30 (34.48)
Balanced fund scheme	Chennai	-	-	12 (22.64)	22 (41.51)	19 (35.85)
	Madurai	-	-	15 (22.73)	26 (39.39)	25 (37.88)
	Coimbatore	-	-	5 (19.23)	14 (53.85)	7 (26.92)
	Trichy	-	-	19 (23.17)	23 (28.05)	40 (48.78)
Sector fund scheme	Chennai	-	-	22 (38.6)	20 (35.09)	15 (26.32)
	Madurai	-	-	22 (45.83)	15 (31.25)	11 (22.92)
	Coimbatore	-	-	12 (52.17)	8 (34.78)	3 (13.04)
	Trichy	-	2 (2.15)	45 (48.39)	40 (43.01)	6 (6.45)
Pension fund scheme	Chennai	-	-	18 (30.51)	35 (59.32)	6 (10.17)
	Madurai	-	-	29 (40.85)	40 (56.34)	2 (2.82)
	Coimbatore	-	-	5 (18.52)	12 (44.44)	10 (37.04)
	Trichy	-	-	49 (52.69)	25 (26.88)	19 (20.43)
Money market scheme	Chennai	-	1 (1.92)	30 (57.69)	14 (26.92)	7 (13.46)
	Madurai	-	2 (3.39)	39 (66.1)	14 (23.73)	4 (6.78)
	Coimbatore	-	-	16 (84.21)	3 (15.79)	-
	Trichy	-	2 (2.33)	63 (73.26)	15 (17.44)	6 (6.98)
Gift fund scheme	Chennai	-	-	37 (62.71)	18 (30.51)	4 (6.78)
	Madurai	-	-	46 (69.7)	15 (22.73)	5 (7.58)
	Coimbatore	-	-	17 (73.91)	4 (17.39)	2 (8.7)
	Trichy	-	7 (8.05)	39 (44.83)	27 (31.03)	14 (16.09)
Any others	Chennai	-	2 (15.38)	4 (30.77)	7 (53.85)	-
	Madurai	-	4 (20)	10 (50)	6 (30)	-
	Coimbatore	-	1 (6.67)	12 (80)	2 (13.33)	-
	Trichy	-	2 (11.11)	15 (83.33)	1 (5.56)	-

Result: The investors in Coimbatore, Madurai, Trichy agreed as highly risk free when they invest in regular income mutual fund scheme at 74 percent, 63 percent and 58 percent respectively whereas 53 percent of investors in Chennai agreed it as the only risk free mutual fund scheme.

The growth income scheme is agreed as risk free scheme by the investors in Chennai, Trichy, and Coimbatore at 65 percent, 50 percent and 46 percent respectively whereas 47 percent of investors in Madurai agreed it as moderate risky.

63 percent, 51 percent and 50 percent of investors in Coimbatore, Trichy and Madurai agreed that it was risk free scheme to invest in tax savings mutual fund scheme and 65 percent of investors in Chennai agreed it as the highly risk free.

The investors at 53 percent, 42 percent and 39 percent in Coimbatore, Chennai and Madurai agreed balanced fund scheme as risk free scheme respectively but the investors in Trichy agreed it at 49 percent.

52 percent, 46 percent, 48 percent and 39 percent agreed sector fund scheme as moderately risk schemes in Coimbatore, Madurai, Trichy and Chennai respectively.

In Chennai 59 percent, Madurai 56 percent and in Coimbatore 44 percent of investors agreed pension fund scheme as risk free to invest whereas the investors in Trichy only agreed as moderately risk at 53 percent.

84 percent, 73 percent, 66 percent and 58 percent agreed money market scheme as moderately risk scheme in Coimbatore, Trichy, Madurai and Chennai respectively.

74 percent, 70 percent, 63 percent and 45 percent of investors in Coimbatore, Madurai, Chennai and Trichy agreed respectively agreed that the mutual fund scheme of gift fund scheme as moderately risk investment.

The investor in Chennai at 54 percent agreed that any mutual fund scheme among these 9 schemes is risk free scheme whereas the investors in Trichy, Coimbatore and Madurai agreed that they are moderately risk at 83 percent, 80 percent and 50 percent respectively.

The risk level perception of investors towards 9 kinds of mutual funds in four cities is different. But maximum investors' perception in all the cities is that investment in Mutual Fund is risk free.

RISK RETURNS ASSOCIATION BETWEEN MUTUAL FUND SCHEMES

The measure of risk returns association with specific reasons of regular income, growth income, Tax savings, balanced fund, sector fund, pension fund, money market, gift fund and any other, in the 4 major cities are cross tabbed and presented in the following table.

TABLE 3: INVESTORS' RISK RETURNS ASSOCIATION LEVEL IN INVESTING MUTUAL FUND SCHEMES

Scheme name	City	Absolutely association	Association	Some extent association	No association	Absolutely no association
Regular income scheme	Chennai	-	55 (94.83)	2 (3.45)	-	1 (1.72)
	Madurai	-	26 (100)	-	-	-
	Coimbatore	1 (1.47)	38 (55.88)	17 (25)	12 (17.65)	-
	Trichy	10 (10.99)	55 (60.44)	8 (8.79)	18 (19.78)	-
Growth income scheme	Chennai	-	1 (1.75)	54 (94.74)	2 (3.51)	-
	Madurai	-	-	25 (100)	-	-
	Coimbatore	4 (6.45)	1 (1.61)	47 (75.81)	9 (14.52)	1 (1.61)
	Trichy	5 (5.43)	17 (18.48)	45 (48.91)	13 (14.13)	12 (13.04)
Tax savings scheme	Chennai	-	1 (1.75)	54 (94.74)	2 (3.51)	-
	Madurai	-	-	24 (100)	-	-
	Coimbatore	-	-	42 (66.67)	18 (28.57)	3 (4.76)
	Trichy	-	15 (16.48)	55 (60.44)	13 (14.29)	8 (8.79)
Balanced fund scheme	Chennai	1 (1.82)	50 (90.91)	4 (7.27)	-	-
	Madurai	-	25 (100)	-	-	-
	Coimbatore	4 (5.8)	51 (73.91)	7 (10.14)	7 (10.14)	-
	Trichy	11 (12.22)	51 (56.67)	15 (16.67)	5 (5.56)	8 (8.89)
Sector fund scheme	Chennai	1 (1.72)	1 (1.72)	54 (93.1)	2 (3.45)	-
	Madurai	-	-	22 (100)	-	-
	Coimbatore	-	22 (30.99)	39 (54.93)	10 (14.08)	-
	Trichy	10 (11.24)	5 (5.62)	54 (60.67)	7 (7.87)	13 (14.61)
Pension fund scheme	Chennai	-	26 (46.43)	30 (53.57)	-	-
	Madurai	1 (4)	23 (92)	1 (4)	-	-
	Coimbatore	6 (8.57)	41 (58.57)	19 (27.14)	4 (5.71)	-
	Trichy	12 (12.77)	50 (53.19)	16 (17.02)	8 (8.51)	8 (8.51)
Money market scheme	Chennai	-	-	-	55 (96.49)	2 (3.51)
	Madurai	-	-	-	20 (100)	-
	Coimbatore	-	-	14 (21.21)	50 (75.76)	2 (3.03)
	Trichy	6 (6.9)	13 (14.94)	8 (9.2)	56 (64.37)	4 (4.6)
Gift fund scheme	Chennai	-	-	-	55 (96.49)	2 (3.51)
	Madurai	-	1 (3.7)	-	26 (96.3)	-
	Coimbatore	8 (13.11)	4 (6.56)	14 (22.95)	34 (55.74)	1 (1.64)
	Trichy	-	7 (10)	9 (12.86)	51 (72.86)	3 (4.29)
Any others	Chennai	-	-	-	55 (96.49)	2 (3.51)
	Madurai	-	-	-	12 (100)	-
	Coimbatore	2 (3.23)	10 (16.13)	11 (17.74)	30 (48.39)	9 (14.52)
	Trichy	7 (8.14)	12 (13.95)	4 (4.65)	57 (66.28)	6 (6.98)

Result: The above table shows that 100 per cent, 95 per cent, 60 per cent and 56 per cent of investors in Madurai, Chennai, Trichy and Coimbatore respectively agreed that regular income scheme has risk and return association.

The investors in Madurai, Chennai, Coimbatore and Trichy agreed at 100 percent, 95 percent, 76 percent and 49 percent respectively that growth income scheme has some extent risk return association.

100 percent, 95 percent, 67 percent and 60 percent agreed that tax savings scheme was having some extent risk return association to by the investors in Madurai, Chennai, Coimbatore and Trichy respectively.

100 percent, 91 percent, 74 percent and 57 percent of the investors in Madurai, Chennai, Coimbatore and Trichy respectively agreed that balanced fund scheme has risk return association.

100 percent, 93 percent, 61 percent and 55 percent of the investors agreed that sector fund scheme has some extent risk return association by the investors in Madurai, Chennai, Trichy and Coimbatore respectively.

92 percent, 59 percent and 54 percent of the investors in Madurai, Coimbatore and Trichy respectively agreed that pension fund has risk return association. Whereas 53 percent investors in Chennai agreed that it was to some extent risk return association.

100 percent, 96 percent, 76 percent and 64 percent of the investors in Madurai, Chennai, Coimbatore and Trichy respectively agreed that money market scheme has no risk return association.

96 percent, 96 percent, 73 percent and 56 percent of the investors in Chennai, Madurai, Trichy and Coimbatore respectively agreed that gift fund scheme has no risk return association.

100 percent, 96 percent, 66 percent and 48 percent of the investors in Madurai, Chennai, Trichy and Coimbatore respectively agreed that other schemes has no risk return association.

The investors' perception of risk return association towards 9 mutual fund schemes, except Money Market Scheme, Gift Scheme and Others Scheme, is mean wise accepted by all investors in the four cities.

FINDINGS SAFETY LEVEL OF MUTUAL FUND SCHEMES: Of the safety level perception of mutual fund investors towards 9 kinds of mutual funds, investors in Madurai perceived more safety conscious followed by Trichy, Chennai and Coimbatore.

RISK LEVEL OF MUTUAL FUND SCHEMES: The risk level perception of investors towards 9 kinds of mutual funds in four cities is different. But maximum investors' perception in all the cities is that investment in Mutual Fund is risk free.

RISK RETURNS ASSOCIATION BETWEEN MUTUAL FUND SCHEMES: The investors' perception of risk return association towards 9 mutual fund schemes, except Money Market Scheme, Gift Scheme and Others Scheme, others are mean wise accepted by all investors in the four cities.

SUGGESTIONS

1. Investors must know that the superstitious approaches in investments give temporary winning and rational approach gives sustainable winning.
2. Try to avoid quit the market immediately after earning as much as profit possible in a short period.
3. Continuous observation, self evaluation and regulated reaction levels are necessary traits for ideal investors.
4. An ideal investor should not be a person satisfied with temporary decision taken in haste and must try to be a conventional investor aiming to maximize profit or minimize risk.

CONCLUSION

It may be concluded that like any other behavioral or social science, behavioural finance concept is based on certain assumptions; the concept is only a statement of general tendency or general behaviour of investors. The identification of risk return association between any kinds of investment is more important one. So, the researcher wants to identify the understanding level of investors toward safety, risk and risk and return association of mutual fund schemes are described below. The mutual fund investment with respect to the predominant reasons of regular income, growth income, Tax savings, balanced fund, sector fund, pension fund, money market, gift fund and any other scheme of four major cities.

REFERENCES

1. Avani Shah and Narayan Baser, Mutual Fund: Behavioral Finance's Perspective, Asia Pacific Journal of Marketing & Management Review, Vol.1 No. 2, October 2012, ISSN 2319-2836.
2. Elizabeth Howlett, Michael Pagano Kozup, and John C (2008), The effects of summary information on consumers' perceptions of mutual fund characteristics, Journal Consumer Affairs, 42(1), 37-59.
3. Flow of Funds Accounts of the United States, 1991-1999, Board of Governors of the Federal Reserve System, Table L.213, p.82.
4. Madhusudhan V. Jambodekar (1996). Marketing Strategies of Mutual Funds – Current Practices and Future Directions, Working Paper, UTI– IIMB Centre for Capital Markets Education and Research, Bangalore.
5. Phillips, J. J. & Phillips, P. P. (August, 1995) "Return to Sender: Improving Response Rates to Questionnaires and Surveys", Performance Improvement, 43(7), pp. 40-44.
6. Robert J. Shiller, From Efficient Markets Theory to Behavioral Finance, The Journal of Economic Perspectives, Vol. 17, No. 1. Winter, 1993, pp. 83-104.
7. Shanmugham, R., 2000, "Factors Influencing Investment Decisions", Indian Capital Markets-Trends and Dimensions (ed.), Tata McGraw-Hill publishing Company Limited, New Delhi, 2000.
8. The Investment Company Institute, Mutual Fund Fact book, 2000, reports as of year-end 1999 48.4 million households own mutual funds. In December, 1998, there were roughly 103 million households in the U.S.

WATER AND THE ENVIRONMENT

DR. N. SWAMINATHAN

ASST. PROFESSOR

DEPARTMENT OF AGRICULTURAL ECONOMICS

PANDIT JAWAHARLAL NEHRU COLLEGE OF AGRICULTURE & RESEARCH INSTITUTE

KARAİKAL

ABSTRACT

Water and ecosystems are inextricably linked. The ecosystems of our planet, the plants and animals that live within them, need water for their survival. Ecosystem, in turn, regulate the quantity and quality of water. The functions (goods and services) that natural and semi-natural ecosystems provide to humankind are often in economic planning and decision making. Human water management affects ecosystems, which in turn affect the livelihoods of the people that depend on them. Hydrological, ecological, and social processes are closely connected. People are an inalienable part of the ecosystem. Therefore, we must look at the big picture: the management of fresh water within an ecosystem. The ecosystem approach to water management may provide answers to the social, economic, and ecological problems we face. Water security is based on protection of the ecosystems on which resources depend. Recognizing the vital role of healthy ecosystems in the water cycle and protecting them should form the basis of any water management decision.

KEYWORDS

ecosystem, sustainable management, water efficiency, water security.

INTRODUCTION

Water and ecosystems are inextricably linked. The ecosystems of our planet, and the plants and animals that live within them, need water for their survival. For instance, the Okavango Delta in Botswana, the largest Ramsar site (wet-land) in the world at 35,000 square kilometers, directly provides a livelihood to 150,000 people and harbors a unique biodiversity with 2,500 plant species, 65 fish species, 20 large and over 450 bird species.

Ecosystem, in turn, regulate the quantity and quality of water. Wetlands retain water in periods of high rainfall, slowly release it during dryer periods, and purify it of heavy metals and other contaminants. Forests recharge our groundwater, which can be used elsewhere for drinking or irrigation. The functions (goods and services) that natural and semi-natural ecosystems provide to humankind are often in economic planning and decision making. They include:

- **Regulatory functions** for essential ecological processes and life support systems, including air quality, climate, water supply, soils, waste treatment, and biological control of pests and pollination;
- **Habitat functions** for wild plants and animals (and native people) to maintain biological and genetic diversity, including refuges and nurseries for resident and migratory species;
- **Production functions** for food, fiber, shelter, fuel, fodder, fertilizer, medicines, genetic resources, and ornamental resources; and
- **Information, aesthetic, and spiritual functions** such as opportunities for reflection, relaxation, communion with nature, and cognitive development through aesthetically valued scenery, recreation and tourism, cultural and artistic connection to history and heritage, and scientific education.

Not only do natural ecosystems help to prevent floods or provide shelter, millions of people also directly derive their food, water, and fuel from these areas. In the Hadejia Nguru Wetlands or Nigeria, the traditional use of the flood plain yields US\$12 per cubic meter of water, compared to US\$0.04 per cubic meter for a proposed irrigation scheme. Globally, natural ecosystems provide an estimated US\$32 trillion to societies.

MATERIALS AND METHODS

THE DECLINE OF NATURE AND WATER

People are overusing water and natural resources, Half of the 'world's wetlands have already been lost due to over abstraction of water and conversion into agricultural land. With the loss of their ecosystems, more than 3.500 species are threatened worldwide, of which 25 percent are fish and amphibians. In 1999, 20 million hectares of forest were lost. Overuse and misuse of Water harm the human population as well. When too much water is abstracted from rivers, one effect can be that seawater comes inland and makes arable land infertile. It can also damage coastal mangroves, which are vital spawning areas for shrimp and fish.

Human water management affects ecosystems, which in turn affect the livelihoods of the people that depend on them. Hydrological, ecological, and social processes are closely connected. People are an inalienable part of the ecosystem. Therefore, we must look at the big picture: the management of fresh water within an ecosystem.

RESULTS AND DISCUSSION

THE ECOSYSTEM APPROACH

An ecosystem approach looks beyond specific sectors, such as food production, hydropower, nature conservation, or sanitation, to find integrated solutions for the variety of demands we place on our freshwater resources. It establishes a management regime that mimics natural processes and productivity and considers all goods and services to be on equal footing with water delivery. It strives to maintain biodiversity and to conserve land and water resources and includes environmental monetary values in determining the cost-effectiveness of interventions and the sustainable allocation of resources.

Because users within a basin are interdependent, an integrated water management approach is essential. Upstream uses of Water have an impact on downstream users, the management of the land affects the water resources, and vice versa. The ecosystem approach is holistic, taking all these aspects into account. Even though the ecosystem approach appears to emphasize hydrological and ecosystem processes, the real focus is on human processes. The different human uses and behaviors in a basin are interlinked; the actions of one can have an impact on another.

Large dams are a good example. In 1979, a dam was constructed in Waza-Logone (northern Cameroon) to supply water to a 70-square-kilometer irrigated rice scheme. But the resulting lack of water downstream of the dam changed the biodiversity of a 50,000 square-kilometer area. Fish disappeared and grasses for livestock no longer grew. Down stream, people eventually moved out of the area because they could not feed their livestock. The benefits of the dam went the owners of the irrigated lands. The communities downstream bore the costs.

For the proper management of a basin, all people that change the quality of Water (the Stakeholders) have to be involved and have a say in water management. Fighting over the resource will not work. It is better to establish the different needs of all parties involved and find the optimum solution for everyone. Local communities, governments, technical institutions, private companies, and nongovernmental organizations have to work together on problem definition, planning, and management of the natural resource base. Such cooperation also allows for setting objectives at the local and basin levels for conservation, sustainable management, and poverty alleviation.

ECOSYSTEMS FOR WATER

The protection of ecosystems should be a premise of water management deliberations, as ecosystems are the source of water and life. Some ecosystems, such as cloud forests, springs, and certain wetlands, provide clean water directly. Other ecosystems produce goods upon which communities rely. For ecosystems to

continue producing their goods and services, a minimum amount of water must be left for the ecosystems to function. Using all the water there is destroys ecosystems and the communities that depend on them.

With regard to dams, there have been many debates on the negative impacts on downstream communities and biodiversity and the minimum flood releases required to mitigate or prevent such impacts. The recommendations of the World Commission on Dams need to be complemented by specific tools for optimizing dam design and management. More work needs to be done on the trade-offs between retaining water behind the dam for "reservoir-based livelihoods" (irrigation, hydropower) and releasing it downstream for "flood-based livelihoods." Based on this work, recommendations can be made for using multi-criteria analytical methods to make decisions on flood releases.

The consequence of the ecosystem approach would inevitably be to reduce the amount of water abstracted from ecosystems. The demand for water will have to decrease from irrigated agriculture, which is 70 percent of all the water used in the developing world, but also from industry and households (especially in the developed world). This requires both behavioral changes and technical improvements to increase water efficiency (drip agriculture, crops that require less water). The same line of thought could lead to the restoration of ecosystems that have been degraded. As in the Hadejia Nguru Wetlands, traditional multipurpose use is more beneficial than single-use, irrigated agriculture. Unfortunately, much of the economic value an ecosystem provides has been ignored in the past. At times, it can even be economically efficient to restore an ecosystem to deliver certain functions, especially if clean water becomes a scarce resource.

Increasingly, we see that certain parties in basins are paying for specific services. A water company may pay farmers for not using certain insecticides that pollute the water, or a city may pay mountain communities for protecting the forest that is vital for its water supply. Attention to the financial aspects of water management needs to increase and should start with a proper valuation of the services ecosystems provide. At the moment, much of their value is taken for granted or underestimated. Their proper assessment would certainly lead to other choices for management. Political systems also need to make the participation of stakeholders in basin negotiations possible, and effective laws are required to regulate the processes involved.

CONCLUSION

Water is a scarce resource. If we continue to overuse and pollute our water and destroy our natural ecosystems, we may fulfill the prediction that 30 percent of the world's population will not have enough water by 2025.

The coming decade will be important for the management of water. The question is how we will use the available water to provide food, safe environments, health; and livelihoods to a growing world population, in harmony with nature. We need to grow more food with less water, meet the growing needs in cities and industry, and so on. It is a question of daunting complexity, but one that has to be answered in the coming years.

The ecosystem approach to water management may provide answers to the social, economic, and ecological problems we face. Water security is based on protection of the ecosystems on which resources depend. Recognizing the vital role of healthy ecosystems in the water cycle and protecting them should form the basis of any water management decision.

REFERENCES

1. IUCN, (2000), "*Vision for Water and Nature: A World Strategy for Conservation and Sustainable Management of Water Resources in the 21st Century.*" Gland, Switzerland and Cambridge, U.K.
2. Pirot, J. Y, Meynell, P.J, and D. Elder, (2000), "*Ecosystem Management: Lessons from Around the World*", Gland; Switzerland.
3. World Commission on Dams, (2000), "*Dams and Development, A New Framework for Decision making*", Earthscan: London.

MAKE IN INDIA: THE WAY FORWARD

**DR. KAMLESH
ASST. PROFESSOR
KVA DAV COLLEGE FOR WOMEN
KARNAL**

ABSTRACT

A nation's competitiveness depends on the capacity of its industry to innovate and upgrade. The economic growth is a phenomenon of market productivity and rise in GDP. Manufacturing development in developing countries could improve GDP and economic development. Make in India was launched by Prime Minister, Narendra Modi on 25 September 2014, to encourage companies to manufacture their products in India. He has launched this ambitious campaign with an aim to turn the country into a global manufacturing hub, employment generation, boosting trade and economic growth, safe guard and sustain the overall development of India. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. The new government has undertaken many reforms in the recent times that have created scope for rejuvenation of India's growth story. The focus of the government has been on refueling growth, taming price pressures, facilitating industrial and businesses environment and simplifying the policies and procedures. Make in India campaign surely makes India an investment destination and global hub for manufacturing and innovation. The study based on secondary data and highlight about Make in India scheme, its opportunities, challenges and changes needed.

KEYWORDS

make in India, employment, infrastructure, GDP, growth, and economy.

INTRODUCTION

The Prime Minister of INDIA "Mr. Narendra Modi" unveiled the "MAKE IN INDIA" program on September 25th 2014 in New Delhi. He along extending an invitation to foreign firms to invest in INDIA also solicited the CEOs of domestic firms to invest in INDIA by saying that, "There is no need to leave the nation. We want our companies to shine as MNCs". The "MAKE IN INDIA" program laid the foundation of India's new national manufacturing policy. The Indian manufacturing sector is the classic example of an industry that has great potential. Make in India is aimed at making India a manufacturing hub and economic transformation while eliminating the unnecessary laws and regulations, making bureaucratic processes easier, make government more transparent, responsive and accountable and to take manufacturing growth to 10% on a sustainable basis. Three sectors which contribute to GDP of any country are agriculture, manufacturing and services. There are lots of opportunities to be tapped as far as Indian manufacturing sector is concerned. Major objective of this scheme focuses on 25 sectors. The sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defence, Manufacturing, Ports, Food Processing, Mining, Media and Entertainment, IT and BPM, Pharmaceuticals, Renewable Energy, Roads and Highways, Railways, Thermal Power, Oil and Gas, Space, Leather, Construction, Aviation, automobile components, chemicals and Electronic System. The 'Make in India' week is celebrated 13-18 February 2016 in Mumbai for showing the potential of India's manufacturing sector in the coming decade.

OBJECTIVES OF MAKE IN INDIA

1. To convert India into Global Manufacturing Hub
2. To make investing in manufacturing more attractive to domestic and foreign investors
3. To create competitive industrial environment
4. To development infrastructure
5. To invite latest technologies
6. To generate employment and skill formation
7. To Provide Employment
8. To Boost Economic Growth

ADVANTAGES OF INVESTING IN INDUSTRY SECTOR

1. Make in India scheme will create large scale employment opportunities to low skill workforce since majority of workforce in India are low skilled.
2. India is hugely dependent on FDI to keep the economy positive.
3. Make in India scheme will attract more FDI to revitalize Indian economy.
4. Any manufacturing hub needs supply of parts which is boon for SME's. Make in India will help to generate indirect employment through SME's.
5. Manufacturing sector helps to reduce India's trade deficit through exports.
6. India is the largest consumer market. Any company investing in India under Make in India initiative will directly get access to huge market of 125 Cr people.
7. Job Creation, Enforcement to Secondary and Tertiary sector, boosting national economy.
8. Converting the India to a self-reliant country and to give the Indian economy global recognition.

FOCUS SECTORS

1. Automobiles
2. Automobile Component
4. Aviation
5. Biotechnology
6. Chemicals
7. Construction
8. Defense Manufacturing
9. Electrical Machinery
10. Electronics Systems
11. Food Processing
12. IT & BPM
13. Leather
14. Media and Entertainment
15. Mining
16. Oil and Gas
17. Pharmaceuticals

18. Ports
19. Railways
20. Renewable Energy
21. Roads and Highways
22. Space
23. Textiles and Garments
24. Thermal Power
25. Tourism
26. Hospitality and Wellness.

LITERATURE REVIEW

Seema in her paper "Making 'Make in India' a realism: Role of FDI" focuses on the impact of fdi in the long term development of the country. The study by PHD Chamber of Commerce (2015) and Industry in association with World Trade Centre titled "Exploring Prospects for Make in India and Made in India: A Study" revealed that Indian manufacturing sector provide an excellent opportunity to international investors to collaborate with existing businesses as most of the businesses have plans to expand through various options. Prime Minister Narendra Modi wants the country to make 'Brand India' popular globally by ensuring that industry manufactures products with "zero defect" and no environmental effect (The Hindu Business Line, 2014). All round development of industries is the higher priority of the Government (Business Standard, 2014).

OBJECTIVES

The objectives of the study are:

1. To analyses the growth prospects of the manufacturing sector in India with reference to make in India and made in India.
2. Suggestions for Make in India and Made in India.

RESEARCH DESIGN

This study used descriptive type of research design. For data collection, the secondary data sources are used. The collection of secondary data includes sources like such as government reports, journals, newspapers and others.

ANALYSIS AND INTERPRETATION

Make in India is an initiative launched by the Government of India to encourage multi-national, as well as national companies to manufacture their products in India. This section of the study explains the key initiative taken by the government, the industrial corridors and the key deals in line with the 'Make in India' programme.

IMPROVING THE EASE OF DOING BUSINESS IN INDIA

According to World Bank report, India ranks 130 out of 189 countries in the category for ease of doing business based on surveys conducted in the two major cities of India, Mumbai and Delhi. A firm looks at many business indicators like starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency before going forward with an investment decision in a country. To attract more investment, it is necessary that the Government works to improve the various components of Doing Business indicators. Table No. 1 presents the parameters wise score of ease of doing business in India in 2016, 2015 and 2014.

TABLE 1: EASE OF DOING BUSINESS SCORE IN INDIA

Topics	DB 2016 Rank	Change in Rank	DB 2015 Rank	Change in Rank	DB 2014 Rank
Ease of doing Business (out of 189 economies)	130	↑4	134	↑8	142
Starting a Business	155	↑9	164	↓-8	156
Dealing with Construction Permits	183	↑1	184	↓-1	183
Getting Electricity	70	↑29	99	↑35	134
Registering Property	138	No change	138	↓-23	115
Getting Credit	42	↓-6	36	↓-6	30
Protecting Minority Investors	8	No change	8	↑13	21
Paying Taxes	157	↓-1	156	↓-2	154
Trading Across Borders	133	No change	133	↓-11	122
Enforcing Contracts	178	No change	178	↑8	186
Resolving Insolvency	136	No change	136	↓-1	135

Source: Compiled from Doing Business Report, World Bank Group.

KEY POLICY ANNOUNCEMENTS

The government has undertaken many reforms that have created scope for rejuvenation of India's growth story. The focus of the government has been on refueling growth, taming price pressures, facilitating industrial and businesses environment and simplifying the policies and procedures.

- Launch of 'Make in India' to make India a manufacturing hub
- FDI limits in insurance and defence enhanced to 49% and 100% FDI in railway infrastructure
- Development of 100 smart cities to facilitate infrastructure development
- Launch of a user-friendly Indian Trade Portal aimed to facilitate Indian exporters
- Launch of Jan Dhan Yojana to remove financial untouchability.
- Amendments to three archaic labor laws - Apprenticeship Act 1961, Factories Act 1948 and Labor laws act (Exemption from furnishing returns and maintaining of registers by certain establishments 1988) approved
- Relaunch of Kisan Vikas Patra Scheme to increase domestic savings
- Launch of labour inspection schemes, 'Shram Suvidha' portal, Universal Account Number (UAN) facility for Employees Provident Fund Organisation (EPFO) subscribers
- Easing of green rules for mining, roads, power and irrigation projects
- Proposal to replace the Planning Commission with a new body
- Digital India to connect all gram-panchayats by broadband internet.
- Creation of a 'Common National Market' for the entire country to ensure free movement of goods across the state borders.

INITIATIVES COMPLETED TO FACILITATE THE EASE OF DOING BUSINESS

The unified online portal (Shram Suvidha) for registration of labour identification number (LIN), submission of returns, grievance redressal, combined returns under 8 labour laws has been made online on 24x7 basis. The online portals for Employees State Insurance Corporation (ESIC) and Employees Provident Fund Organization (EPFO) for real-time registration, payments through 56 accredited banks, online application process for environmental and forest clearances, 14 government

services delivered via eBiz, a single-window online portal, investor facilitation cell established, dedicated Japan+ cell established, consent to establish/NOC no longer required for new electricity connections, documents reduced from 7 to 3 for exports and imports and option to obtain company name and DIN at the time of incorporation has been made online and completed. The simplified forms for industrial licence, industrial entrepreneur's memorandum, many defence sector dual-use products no longer require licences, validity of security clearance from ministry of home affairs extended to 3 years, extended validity for implementing industrial licences, no distinction between partial and full commencement of production for all products and colour-coded maps for locations requiring NOC from the Airports Authority of India hosted online completed.

MEASURED UNDERWAY

The eliminate requirement of minimum paid-up capital and common seal, integrate processes for obtaining PAN, TAN, ESIC and EPFO registration with incorporation of company and single-window clearance for import and export are still in progress.

FACTORS IMPACTING THE EASE OF DOING BUSINESS IN INDIA

- Delays in land acquisition
- Delays in municipal permission
- Delays in supply of materials
- Delays in award of work
- Operational issues dragging down the implementation of the projects
- Movement of projects through multiple departments at the state and Central levels
- Involvement of multiple agencies
- Requirement of various approvals across different stages of the project cycle
- Common solutions to improve the ease of doing business
- Single window clearances
- Effective coordination between Centre and state governments
- Digitization of all the government departments
- Electronic filing and fulfillment of procedures
- Creation of a central cloud where all States should have access
- Making all approvals electronically

ROAD AHEAD

- Plan to develop new smart cities and industrial clusters in selected industrial corridors
- Work on 5 smart cities- Dholera, Shendra-Bidkin, Greater Noida, Ujjain and Gurgaon, is in progress as a part of the Delhi-Mumbai Industrial Corridor
- New youth-oriented programs to develop specialized skills
- Impetus has also been given on developing Industrial Corridors
- 'National Industrial Corridor Development Authority' has been created to coordinate, integrate, monitor and supervise development of all Industrial Corridors
- New Industrial Clusters have been proposed.
- 21 Industrial projects under Modified Industrial Infrastructure Upgradation Scheme have been approved with an increased emphasis on use of recycled water
- Approval accorded to 17 National Investment and Manufacturing zones (NIMZ).
- 100% FDI under automatic route in construction and operation and maintenance in specified Rail Infrastructure projects.
- Government of India is building a pentagon of corridors across the country to boost manufacturing and to project India as a Global Manufacturing destination of the world.

INDUSTRIAL CORRIDORS IN INDIA

- Delhi Mumbai Industrial Corridor
- Chennai-Bengaluru-Chitradurga Industrial Corridor
- Bengaluru-Mumbai Economic Corridor (Bmec)
- Amritsar-Kolkata Industrial Corridor (Akic)

MAKE IN INDIA IMPACT: KEY DEALS

The following are the key deals in line with the 'Make in India' policy of the Governments:

1. Kalyani Group and Rafael Advanced Defense Systems Ltd. have announced the formation of a Joint Venture Company in India (51:49), which will focus on a wide range of technologies and systems, like Missile Technology, Remote Weapon Systems and Advanced Armour Solutions.
2. Hyundai Heavy Industries (HHI) will work with Hindustan Shipyard Limited, Vizag to build warships in India.
3. The Solar Industries and Government of Maharashtra to set up a Nagpur plant for manufacturing of ammunition for armed forces.
4. Uber and Skill Development and Entrepreneurship Department (SDED) of the Maharashtra government
5. The agreement between Government of Jharkhand and Adani Group to set up a coal based Methane fertilizer plant and thermal power plant.
6. Sterlite Group Company TwinStar Display Technologies & MIDC for LCD manufacturing unit forged technical collaboration with Autron of Taiwan.
7. BAE Systems and Mahindra collaborate for assembling and testing of M777 Howitzers.
8. ORACLE's to invest USD 400 investment in India to set up 9 incubation center.
9. Trivitron healthcare to setup manufacturing unit in Chennai.
10. Gujarat Government and Vestas (Denmark) partner for wind mill blades manufacturing unit at Ahmedabad.
11. Raymond Industries to invest ₹1400 crore for manufacturing linen yarn and fabric facility.
12. Mahindra & Mahindra to invest a total of ₹8000 crores in Nashik (₹6500 crores) and Chakan (₹1,500 crore).
13. Gujarat Government and Tar Kovacs Systems (France) partner for offshore platform to develop marine applications in Gujarat.
14. Tar Kovacs and Government of Karnataka to setup ocean based renewable energy project
15. Yes Bank and IREDA partner for financing of renewable power projects.
16. Ascendas to invest ₹4571 crore in India, with expected employment to 1.09 Lakh.
17. Mercedes to invest ₹1500 crore in India, with expected employment of 4270.
18. Rashtriya Chemicals and Fertilizers to invest ₹6204 cr with expected employment of 140
19. Godrej Industries to invest ₹3000 cr with expected employment of 2000.
20. JSW Jaigarh Port Ltd to invest ₹6000 crores with expected employment of 1000.
21. CREDAI and MCHI partner with an investment of ₹1.1 lakh crore to create 5.7 Lakh affordable homes and 7.6 lakh jobs.
22. Deal between Government of Jharkhand and Vedanta Ltd.

CONCLUSIONS AND SUGGESTIONS

There are infrastructure constraints in terms of lack of basic amenities, proper transportation facility and connectivity. Further, the administrative procedures are complex and time consuming. There is no single window mechanism in practice and hence taking licenses from various government departments leads to delays in process thereby increasing the costs of doing business in the country. Also small enterprises face problems relating to availability of finance. Banks are not willing to give loans to small manufacturing firms due to which these firms have to resort to private moneylenders who charge them a very high rate of interest.

Further, the problem of heavy and dual taxation, difficulties in marketing and selling, complex labour related compliances, unskilled workforce, heavy documentation, problems in land procurement, bureaucratic hurdles, and limited R&D are other areas of concern for the firms.

In light of these problems, we would like to suggest some reforms that need to be undertaken.

- Simplification and rationalization of taxation system with long term stability is the need of the hour. A well designed GST bill, by reducing state border taxes, will have the important consequence of creating a truly national market for goods and services, which will be critical for our growth in years to come. Implementation of the Goods and Services Tax (GST) at the earliest.
- Labour laws should be amended in a way that does not overlook the interest of labour. Progressive labour laws to create more jobs in the market.
- Revisit the Land Acquisition Act, a robust land acquisition policy which eases the process of acquisition is essential for Investment in Infrastructure and Manufacturing.
- Overall re-hauling of transport system through increasing the capacity of railways, highways and expressways.
- Physically linking every corner of the country to domestic and international markets through roads, railways, ports and airports.
- Digitization of all the government departments to improve the ease of doing business.
- Strengthening the corporate R&D activity in the country to further the international competitiveness of national enterprises.
- Development of industrial corridors to facilitate ease of doing business.
- MSMEs scale should be increased manifold in terms of financials and manpower so that more companies come under MSMEs
- Increased access to finance for MSMEs to reduce the delays and stalling of business projects due to no availability of finance.
- Developing energy infrastructure with up-gradation of technology and strengthening of high capacity national transmission grid.
- Linking everyone electronically and financially to the broader system through mobiles, broadband, and intermediaries such as business correspondents.
- Encouraging the development of public institutions such as markets, warehouses, regulators, information aggregators and disseminators, etc.

REFERENCES

JOURNALS/ARTICLES

1. Chatturvedhi Siddharth (2013). Skill development for the youth-A Global Quest. *AISECT University Journal*, 2(4), ISSN: 2278-4187.
2. Dhawan Kamna (2013). Indian Entrepreneurs in Import Substitution – Need of the Hour for Indian Economy. *AISECT University Journal*, 2(4), ISSN: 2278-4187.
3. Hassan M. Kabir (1998). The impact of globalization on the developing countries. *Journal of Economic Cooperation among Islamic Countries*, 19(1-20), 71-135.
4. R. Bhattacharyya (2012). The Opportunities and Challenges of FDI in Retail in India, *IOSR Journal of Humanities and Social Science*, 5(5), 99 – 109
5. Sangwan seema (2015). Making ‘Make in India’ a realism: Role of FDI. *International Journal of Applied Research*, 1(7), 770-773.

WEBSITES

6. en.wikipedia.org/wiki/Economic_development_in_India
7. en.wikipedia.org/wiki/Make_In_India
8. layamgroup.com/the-make-in-india-campaign-should-be-more-than-just-a-slogan/
9. phdcci.in/file/thematic_pdf
10. timesofindia.indiatimes.com/newsliveblog/43390722.cms
11. twitter.com/makeinindia_
12. www.facebook.com/makeinindiaofficial
13. www.makeinindia.com/

A STUDY ON GROWTH AND INSTABILITY IN MAIZE PRODUCTION IN TAMIL NADU

DR. S. PRADEEPKUMAR
ASST. PROFESSOR
PG & RESEARCH DEPARTMENT OF ECONOMICS
GOBI ARTS & SCIENCE COLLEGE
GOBICHETTIPALAYAM

ABSTRACT

Agricultural production includes two components viz., food and non-food articles. Of all the food articles, foodgrains constitutes the most significant part of agricultural production of any country. Importance of foodgrains in the world economy is being recognized and there is an urgent need to raise production in view of the large gap between demand and supply of foodgrains. Foodgrains are grown in many states in our country providing employment to a large number of people and contributing to the growth of the vital rural economy. The major foodgrains growing states in India are Uttar Pradesh, Punjab, Andhra Pradesh, Rajasthan, Haryana, Maharashtra, Madhya Pradesh, West Bengal, Karnataka, Tamil Nadu, Bihar, Gujarat, Orissa and Chhattisgarh, which together accounted for more than 90 per cent of area and production of foodgrains. Among these states, the growing of the foodgrains has assumed greater significance in Tamil Nadu. The principal crops like paddy, millets and pulses, groundnut, cotton and sugarcane accounted for more than 60 per cent of the gross cropped area of the State. The millets viz., cholam, cumbu, ragi, maize, korrah, varahu and samai are grown in the State. In Tamil Nadu, the total area under cereals was 24.98 lakh ha. of which 19.20 lakh ha. of land was irrigated and the rest was unirrigated. Therefore, an analysis of growth and instability in maize production in Tamil Nadu is of great importance for a comprehensive understanding of the food security at the state level. In this context the present study assumes growth and instability of maize production in Tamil Nadu. This study also exhibits the inter-district analysis of the maize production in Tamil Nadu. The compound growth rate for area under maize, production and yield of maize cultivated in Tamil Nadu shows a clear picture of increasing growth. The study also concludes that there persists a huge increase in the instability of area, production and yield of the crop studied over the review period. Maize cultivation in the post-reform period remained more unstable as compared to the pre-reform period. The results of the decomposition analysis revealed that the change in mean production of Maize was mainly due to the change in mean area.

KEYWORDS

growth, instability, decomposition.

INTRODUCTION

Agricultural production includes two components viz., food and non-food articles. Of all the food articles, foodgrains constitutes the most significant part of agricultural production of any country. Importance of foodgrains in the world economy is being recognized and there is an urgent need to raise production in view of the large gap between demand and supply of foodgrains. A strong food and agricultural system thus, constitutes an important factor in the strategy of overall economic growth and development. Any change in agriculture sector has a spillover effect on the entire India economy. In India variety of crops are grown throughout the length and breadth of the country in various agro-climatic conditions. Agriculture and allied activities, the single largest sector, acts as a growth engine by ensuring food and nutritional security to the masses besides providing raw-materials to agro-based industries and also providing employment and thereby income to the rural folk of Indian Economy.

The growth in the production of agricultural crops depends on many factors such as area cropped, input management and yield. The cropped area and productivity are determined by the fertility of soil, monsoon behaviour, rainfall, irrigation, availability of agricultural labourers, climatic changes, prices etc. Foodgrains are grown in many states in our country providing employment to a large number of people and contributing to the growth of the vital rural economy. The major foodgrains growing states in India are Uttar Pradesh, Punjab, Andhra Pradesh, Rajasthan, Haryana, Maharashtra, Madhya Pradesh, West Bengal, Karnataka, Tamil Nadu, Bihar, Gujarat, Orissa and Chhattisgarh, which together accounted for more than 90 per cent of area and production of foodgrains. Among these states, the growing of the foodgrains has assumed greater significance in Tamil Nadu.

Tamil Nadu shares about 4 per cent in respect of the geographical area, 7 per cent of population and 3 per cent of water resources of the country. The gross area sown in 2010-11 accounted for about 44.1 per cent of the total geographical area, of which 56 per cent of the land was irrigated. The contribution of agriculture (including allied activities) of the State to the Gross State Domestic Product (GSDP) at Constant prices accounts for 9.16 percent (at 2004-05 constant prices) during 2010-11. However, the agriculture sector ensures household food security and brings forth equity in distribution of income and wealth which would result in the reduction of poverty.

The principal crops like paddy, millets and pulses, groundnut, cotton and sugarcane accounted for more than 60 per cent of the gross cropped area of the State. The millets viz., cholam, cumbu, ragi, maize, korrah, varahu and samai are grown in the State. In Tamil Nadu, the total area under cereals was 24.98 lakh ha. of which 19.20 lakh ha. of land was irrigated and the rest was unirrigated.

Therefore, an analysis of growth and instability in maize production in Tamil Nadu is of great importance for a comprehensive understanding of the food security at the state level. In this context the present study assumes growth and instability of maize production in Tamil Nadu. This study also exhibits the inter-district analysis of the maize production in Tamil Nadu.

OBJECTIVES

The main objectives of this study are as follows:

1. To estimate the rate of growth and instability in maize production, area and yield in Tamil Nadu,
2. To know the sources of instability in production of maize in Tamil Nadu,
3. To measure the relative contribution of area, yield and their interaction to production of maize in Tamil Nadu; and
4. To suggest some policy measures to overcome the problems faced in the agriculture sector.

METHODOLOGY

The methodology used in the study is discussed in this section. It includes period of study, sources of data and analytical techniques used in this study.

PERIOD OF STUDY

The present study utilizes time series data with respect to area, production and yield of maize cultivated in the state of Tamil Nadu from the year 1979-80 to 2010-11. The entire study period is divided into two periods. Period I is Pre-reform period related to 1979-80 to 1990-91. Period II is Post-reform period related to 1991-92 to 2010-11.

SOURCES OF DATA

The present analysis was based on secondary data relating to the area, production and yield of maize cultivated in Tamil Nadu. The data was obtained from various Season and Crop Reports published by the Department of Economics and Statistics, Chennai. District wise data were used to study the growth, instability and sources of instability in maize production in Tamil Nadu. According to the Season and Crop Report - 1979-80, there were 15 districts in Tamil Nadu. Presently the state is demarcated into 32 districts including so many new born districts. Comparable data were not available for the period of all the 32 years particularly for newly formed districts as these were created in different years during the study period. To make the comparison feasible, the new born districts were merged

with the parent districts to form 15 original districts. Out of 15 districts only 9 districts had data for entire study period. So that the analysis was restricted to those nine districts only. The secondary data compiled from the various season and crop reports were formatted by using electronic spreadsheets (MS-Excel 2007). SPSS-15 (Statistical Package for Social Sciences) software was used for the data analysis.

ANALYTICAL TECHNIQUES

The collected data were systematically analyzed through the following techniques.

COMPOUND GROWTH RATE

To study the growth pattern of area, production and yield of major foodgrains in Tamil Nadu for the period 1979-80 to 2010-11, a semi log transformation model was used.

INSTABILITY

To measure the instability in area, yield and production of foodgrains in Tamil Nadu, the coefficient of variations (CV) was worked out.

DECOMPOSITION MODEL

In order to find out the sources of growth and variability in maize production in Tamil Nadu, Hazell's decomposition model was employed. A fairly long period of 32 years was taken to measure the sources of change in the variance of maize production. Here an attempt is made to break down the growth of maize production during 1991-92 to 2010-11 over the period of 1979-80 to 1990-91. Hazell (1982) suggested the linearly detrended data for his entire decomposition analysis. Because the long-term trend in each variable needs to be removed in order to separate it from the short-term stochastic variation.

ANALYSIS AND DISCUSSION

Tamil Nadu is a well known place for Paddy production. Apart from Paddy, some other foodgrains including Chulam, Cumbu, Ragi and Maize are also cultivated. In this study, maize was selected for analysis.

Keeping in view the objectives of the study, data pertain to area, production and yield of maize was collected for the period of 32 years from 1979-80 to 2010-11. The necessary data were obtained district wise as well as state level from the various Season and Crop Reports published by Department of Economics and Statistics, Government of Tamil Nadu, Chennai. The collected data were systematically analyzed through the Compound growth rate analysis, Instability analysis and Decomposition Analysis. This following section presents the results of analysis and interpretation.

GROWTH PERFORMANCE OF MAIZE

The growth pattern, in terms of area, production and yield of Maize cultivated in the state of Tamil Nadu has been studied at the district level as well as the state as a whole during the pre and post reform periods and the results are depicted in the Table 1, 2 and 3.

TABLE 1: GROWTH RATE OF AREA UNDER MAIZE CULTIVATION (in Per cent)

District	Pre-reform Period	Post-reform Period	Overall Period
North Arcot	-3.30	1.38	4.14
Salem	29.43	25.59	17.99
Dharmapuri	-8.26	-0.86	1.34
Coimbatore	10.91	5.24	4.83
Periyar	6.84	16.23	15.64
Tiruchirappalli	-14.38	55.18	40.72
Pudukkottai	-1.86	34.59	9.65
Thanjavur	-6.92	20.46	6.40
Madurai	40.48	6.63	12.47
State	3.94	13.74	12.94

Source: Computed

The area under Maize cultivation in Tamil Nadu had shown a positive growth rate of 3.94 per cent in the pre-reform period as revealed by table 1. On the other hand, area under Maize cultivation in the post-reform period had shown a much improved growth rate of 13.74 per cent.

The district wise analysis revealed that, Madurai (40.48%) and Salem districts (29.43%) witnessed a remarkable growth rate in Maize cultivated area in the pre-reform period. During the post-reform period the performance of Tiruchirappalli (55.18%) and Pudukkottai districts (34.59%) is a notable one.

TABLE 2: GROWTH RATE OF PRODUCTION OF MAIZE (in Per cent)

District	Pre-reform Period	Post-reform Period	Overall Period
North Arcot	-0.57	9.77	4.22
Salem	33.57	25.83	21.24
Dharmapuri	-8.26	8.45	1.21
Coimbatore	9.67	13.41	9.39
Periyar	13.77	22.69	16.62
Tiruchirappalli	-13.11	58.99	22.05
Pudukkottai	2.81	21.85	-0.21
Thanjavur	0.28	14.47	-0.13
Madurai	47.77	13.79	24.49
State	7.29	18.80	13.31

Source: Computed

The growth rate of Maize production was 7.29 per cent during the pre-reform period, in the state level, whereas, during the post-reform period, the growth rate of Maize production was increased to 18.8 per cent. During the pre-reform period, Madurai district (47.77%) registered a higher growth rate in Maize production. Whereas, Tiruchirappalli district (58.99%) registered higher growth rate in the post-reform period.

TABLE 3: GROWTH RATE OF YIELD OF MAIZE CULTIVATED IN TAMIL NADU (in Per cent)

District	Pre-reform Period	Post-reform Period	Overall Period
North Arcot	2.83	5.81	2.75
Salem	3.20	4.75	2.24
Dharmapuri	0.01	8.56	3.72
Coimbatore	-1.12	9.17	3.42
Periyar	6.49	5.74	3.45
Tiruchirappalli	1.46	3.09	1.71
Pudukkottai	4.76	6.55	3.37
Thanjavur	7.74	3.16	2.61
Madurai	5.19	5.31	2.84
State	6.25	5.34	2.62

Source: Computed

It is evident from table 3 that, the Maize yield had shown a positive growth rate of 6.25 per cent. In the case of post-reform period, the growth rate of Maize yield had shown a slighter decline as compared to the previous period.

From the district wise analysis, it is clear that, Thanjavur district showed the highest growth rate of Maize yield and Coimbatore district showed the lowest growth rate, during the pre-reform period.

It is also clear from the Table 3 that, during the post-reform period, all the districts witnessed a positive growth rate in Maize yield. Coimbatore district showed the highest growth rate of 9.17 per cent among the others.

INSTABILITY IN MAIZE CULTIVATION

An attempt is also made in this study is to examine how year to year fluctuations in crop output changed from one period to another period, and what is the effect of new economic policy on the instability in crop output. Accordingly, the instability measures (Coefficient of Variation) for area, production and yield of Maize at the district level as well as at the state level in Tamil Nadu during the pre and post reform periods were computed and the results are depicted in the Table 4, 5 and 6.

TABLE 4: INSTABILITY INDEX OF MAIZE CULTIVATED AREA IN TAMIL NADU (in Per cent)

District	Pre-reform Period	Post-reform Period	Overall Period
North Arcot	108.61	94.03	97.88
Salem	86.56	109.1	148.98
Dharmapuri	165.88	47.97	202.06
Coimbatore	55.82	28.32	44.06
Periyar	35.57	80.29	113.95
Tiruchirappalli	104.25	115.74	160.78
Pudukkottai	31.95	118.54	81.61
Thanjavur	29.59	94.69	70.79
Madurai	119.35	44.74	88.62
State	26.34	68.0	95.73

Source: Computed

It is evident from the Table 4 that the coefficient of variation in Maize cultivated area in Tamil Nadu for post-reform period was much higher than the pre-reform period.

It could be observed from the district wise analysis that there was a decline in instability of Maize cultivated area in North Arcot, Dharmapuri, Coimbatore, and Madurai districts during the post-reform period than the pre-reform period.

It is also clear that the instability in area wise Maize cultivation in Salem, Periyar, Tiruchirappalli, Pudukkottai and Thanjavur districts were much higher in the Post-reform period than the pre-reform period.

TABLE 5: INSTABILITY INDEX OF MAIZE PRODUCTION IN TAMIL NADU (in Per cent)

District	Pre-reform Period	Post-reform Period	Overall Period
North Arcot	79.3	194.3	196.51
Salem	84.92	152.03	200.32
Dharmapuri	167.8	85.57	169.82
Coimbatore	52.1	113.78	135.54
Periyar	47.49	134.13	177.88
Tiruchirappalli	98.25	127.78	175.63
Pudukkottai	22.93	158.81	132.98
Thanjavur	38.1	132.9	99.55
Madurai	123.01	101.9	144.67
State	29.38	115.69	152.7

Source: Computed

As far as the production of Maize in Tamil Nadu is concerned, the coefficient variation was much higher in post-reform period (115.69%) than the pre-reform period (29.38%). At the district level, Dharmapuri and Madurai districts witnessed a decline in instability during the post-reform period.

Apart from Dharmapuri and Madurai districts, all other districts observed a huge increase in the instability. During the overall study period, the maximum instability (200.32%) was noticed in Salem district and the minimum instability (99.55%) was observed in Thanjavur district.

TABLE 6: INSTABILITY INDEX OF MAIZE YIELD IN TAMIL NADU (in Per cent)

District	Pre-reform Period	Post-reform Period	Overall Period
North Arcot	29.28	60.71	57.84
Salem	40.85	50.58	49.03
Dharmapuri	4.4	80.79	81.02
Coimbatore	24.2	87.51	85.42
Periyar	33.82	65.26	64.92
Tiruchirappalli	10.82	35.12	32.38
Pudukkottai	39.57	70.01	69.2
Thanjavur	38.06	40.34	42.27
Madurai	36.09	55.5	54.01
State	27.95	52.88	50.93

Source: Computed

It is evident from the Table 6 that the coefficient of variations of Maize yield in Tamil Nadu for post-reform period was almost doubled from the pre-reform period. It is also clear that the instability of Maize yield in all the districts were higher in the Post-reform period than the pre-reform period.

During the overall period, the maximum instability (85.42%) was observed in Coimbatore district and minimum instability (32.38%) was observed in Tiruchirappalli district.

COMPONENTS OF CHANGE IN AVERAGE PRODUCTION OF MAIZE

The pure effect of change in the mean yield and change in mean area, the effect of interaction between changes in mean area and mean yield and the change in covariance between area and yield was analyzed by using Hazell's statistical procedure. The decomposition analysis was carried out and the percentage contribution of each component towards the change in average production of Maize were estimated for each study districts and for the state as a whole.

Components of change in the average production of Maize are presented in the Table 7.

TABLE 7: COMPONENTS OF CHANGE IN AVERAGE PRODUCTION OF MAIZE (in per cent)

Districts	Change in Mean Yield	Change in Mean Area	Interaction between Changes in Mean Yield and Mean Area	Change in Area-Yield Covariance
North Arcot	53.15	2.72	1.18	42.95
Salem	1.42	73.16	19.17	6.24
Dharmapuri	-139.76	126.34	106.27	7.14
Coimbatore	30.44	36.28	26.08	7.2
Periyar	4.7	57.13	34.4	3.77
Tiruchirappalli	0.69	79.67	21.28	-1.64
Pudukkottai	-599.03	606.27	354.4	-261.65
Thanjavur	-113.47	171.42	62.59	-20.54
Madurai	2.1	67.41	27.19	3.3
State	6.11	63.95	26.28	3.66

(Source: Computed)

It is very clear from the table 7 that, Pudukkottai, Dharmapuri and Thanjavur districts revealed a negative change in mean yield (-599.03%, -139.76%, and -113.47%) respectively, while positive change in mean yield showed in North Arcot (53.15%), Coimbatore (30.44%), Periyar (4.7%), Madurai (2.1%), Salem (1.42%) and Tiruchirappalli (0.69%) districts.

The change in the mean area and interaction between changes in mean yield and area was positive in all the districts. Pudukkottai district has registered the highest percentage in change in mean area (606.27%) and interaction between changes in mean yield and area (354.4%).

The change in area-yield covariance was negative in Pudukkottai (-261.65%), Thanjavur (-20.54%) and Tiruchirappalli (-1.64%) districts, and the same was positive in the remaining districts.

The average production of Maize for the state as a whole was predominantly due to change in mean area (63.95%) followed by interaction between changes in mean yield and area (26.28%) change in mean yield (6.11%) and change in area-yield covariance (3.66%).

COMPONENTS OF CHANGE IN THE VARIANCE OF PRODUCTION OF MAIZE

The change in variance of production of maize was decomposed by using the analytical procedure developed by Hazell (1982). The factors responsible for the change in the variance of maize production are decomposed in to ten components. The components of change in the variance of production of Maize at the district wise and state level have been shown in Table 8. The perusal of the table reveals that interaction between changes in mean area and yield accounted as high at 32.33 per cent of the total change in the variance of Maize production in Tamil Nadu. Interaction between changes in mean area and yield and changes in area-yield covariance contributed more than 20 per cent and the change in residual explaining 14.18 per cent of variability in Maize production. The pattern was different for different districts.

For example, in case of North Arcot district, change in residual accounted for the largest share followed by change in mean yield. In case of Salem district, change in yield variance accounted for the most of the changes in the variance of production of Maize followed by interaction between changes in mean yield and area variance. In the case of Dharmapuri district, interactions between changes in mean yield and area variance and change in area variance were important components explaining larger proportions in the variability of Maize production between the two periods. Most of the changes in the variance of Maize production in Thanjavur district were due the changes in area-yield covariance and changes in yield variance.

CONCLUSION

The compound growth rate for area under maize, production and yield of maize cultivated in Tamil Nadu shows a clear picture of increasing growth. The study also concludes that there persists a huge increase in the instability of area, production and yield of the crop studied over the review period. Maize cultivation in the post-reform period remained more unstable as compared to the pre-reform period. The results of the decomposition analysis revealed that the change in mean production of Maize was mainly due to the change in mean area.

TABLE 8: COMPONENTS OF CHANGE IN THE VARIANCE OF PRODUCTION OF MAIZE (in per cent)

District	Change in Mean Yield	Change in Mean Area	Change in Yield Variance	Change in Area Variance	Interaction between Changes in Mean Yield and Mean Area	Change in Area-Yield Covariance	Interaction between Changes in Mean Area and Yield Variance	Interaction between Changes in Mean Yield and Area Variance	Interaction between Changes in Mean Area and Yield and Changes in Area-Yield Covariance	Change in Residual
North Arcot	17.07	-0.04	5.08	-4.39	-0.04	11.37	0.23	-4.64	5.52	69.86
Salem	0.04	14.51	0.02	31.05	-0.22	0.51	4.16	18.4	17.76	13.78
Dharmapuri	-227.7	1.97	-37.55	93.91	1.6	3.15	35.39	224.43	-1.78	6.58
Coimbatore	8.93	-0.61	23	-4.3	-2.78	8.17	56.28	-8.4	17.73	1.98
Periyar	0.04	5.29	0.53	9.21	-0.53	0.8	35.98	14.43	12.1	22.16
Tiruchirappalli	0.09	1.15	0.02	59.79	-0.11	-0.3	19.1	36.21	-8.61	-7.35
Pudukkottai	6.04	-3.23	82.35	3.59	10.6	84.93	-68.62	5.43	-31.19	10.1
Thanjavur	4.31	-33.71	36.4	28.87	2.63	59.77	-29.08	24.93	-23.63	29.5
Madurai	0.31	18.72	0.19	3.9	-1.49	1.06	36.52	3.78	23.81	13.2
State	0.11	11.28	1.19	9.19	-0.82	2.9	32.33	9.1	20.55	14.18

Source: Computed

POLICY IMPLICATIONS

In the view of the above findings following suggestions are recommended for suitable policy formulations.

- Supply of land resource is limited in nature. To meet the future increased demand for foodgrains, the productivity should be boosted up by adoption of improved technologies like hybrid varieties cultivation.
- Long-term investments should be encouraged and boosted up to bring the uncultivated barren and waste lands under the plough.
- Site specific techniques depending on the type of soil and pattern of rainfall have to be increasingly made familiar with the farmers.
- Packages for efficient water harvesting technology should be adopted for getting maximum benefit from the available water resources.
- The production and distribution of seed of improved varieties need to be paid special attention to bring stability in production.
- Expansion of area under irrigation, development of watershed and development of varieties resistant to insects, pests and climate stress are the other major factors for reducing variability in area, production and yield.
- Farmers should be encouraged to use appropriate amounts of inputs like fertilizers, improved seeds, pesticides and water.

REFERENCES

1. Badal, P. S. and R. P. Singh (2000), "Resource Productivity and Allocative Efficiency in Maize Production in Bihar", **Agricultural Situation in India**, Vol. LVI, No. 10, pp: 593-596.
2. Haridoss, R., (2003), "Inter-District Variations in Foodgrains Production in Tamil Nadu", **Agricultural Situation in India**, Vol. LIX, No. 11, pp: 673-684.
3. Hasan M. N., M. A. Monayem Miah, M. S. Islam, Q. M. Alam and M. I. Hossain, (2008), "Change and Instability in Area and Production of Wheat and Maize in Bangladesh", **Bangladesh Journal of Agricultural Research**, Vol. 33, No. 3, pp: 409-417, September 2008.
4. Hazell, P.B.R., (1982), "Instability in Indian Foodgrain Production", Research Report 30, International Food Policy Research Institute, Washington, D. C., USA.
5. Kumar, Ranjit, R. P. Singh, N. P. Singh and A. K. Vasisht, (2005), "Production Performance of Maize Crop in Northern India: A District-wise Exploration", **Agricultural Situation in India**, Vol. LXI, No. 11, pp: 765-771.
6. Meenakshi, R. and J. Gayathri, (2006), "Instability in Cereals Production: An Analysis of Tamil Nadu", **Agricultural Situation in India**, Vol. LXIII, No. 7, pp: 431-434.
7. Radha Y., and Y. Eswara Prasad (1999), "Variability and Instability Analysis of Area, Production and Productivity of Rice and Maize in Northern Telangana Zone of Andhra Pradesh", **Agricultural Situation in India**, Vol. LV, No. 10, pp: 623-626.
8. Saravanan, P. (2005), "Growth Performance of Agriculture in Agro-Climatic Zones of Tamil Nadu", **Agricultural Situation in India**, Vol. LXI, No. 10, pp: 679-686.
9. Siju. T., and S. Kombairaju (2001), "Rice Production in Tamil Nadu: A Trend and Decomposition Analysis", **Agricultural Situation in India**, Vol. LVIII, No. 4, pp: 143-146.
10. Venkatram, R., and P. Subramanian, (2000), "Supply Response of Major Food Crops in Southern Districts of Tamil Nadu", **Agricultural Situation in India**, Vol. LVI, No. 12, pp: 759-763.

GREEN ACCOUNTING: THE NEXT STEP IN CORPORATE SUSTAINABILITY

MAHNOOR SAHRASH
ASST. PROFESSOR
FRANCIS COLLEGE FOR WOMEN
BEGUMPET

TRISHA KUMAR
STUDENT
FRANCIS COLLEGE FOR WOMEN
BEGUMPET

ABSTRACT

With the increasing focus on environmental sustainability and responsible business, the concept of Green Accounting, also known as Environmental Accounting has been in the news for quite some time now. Where businesses today are trying to focus on sustainable measures for more responsible business, accounting practices have also found their place in this melee. Going by the principle, 'you cannot manage, what you cannot measure', companies and nations the world over are trying to value natural resources for better management. Green accounting found prominence when the world realised the need to take into account environmental costs and benefits to enable sustainable growth. Over the years, GDP based indices are paving way for more comprehensive systems of accounting and reporting, although the pace is arguably slow. This paper seeks to understand the subject matter of Green Accounting, its relevance in current times, and how, it is superior to traditional methods used for accounting for the environment.

KEYWORDS

environmental accounting, gdp, green accounting, sustainability.

INTRODUCTION

There are various definitions of Green Accounting, important of which are presented as under:

➤ **According to UN Glossary of Environment Statistics**

"Environmental accounting refers to: - national accounting: physical and monetary accounts of environmental assets and the costs of their depletion and degradation"

➤ **Environmental Accounting can be defined as,**

"A branch of accounting that deals with (i) activities, methods and systems, (ii) recording, analysis and reporting, (iii) environmentally induced financial impacts and ecological impacts of a defined economic system" (Schaltegger and Burritt 2000: 30)

➤ **Economists Pătru V. Ciuraru - Andrea C., Luca M. (2008) perceive green accounting as,**

"A process of identifying, calculating, monitoring, analyzing of the business-environment costs relationship reporting resulted from the prevention, confining and discharging the environmental green disasters, with a favorable impact on company and environment".

➤ Green Accounting entails the estimation of prices for all national assets, including natural and human capital assets, and their inclusion in the 'financial statement' of the nation. 'Green Accounting' is a methodology for capturing the so-called 'externalities' of 'mainstream' economics (which include most material and unaccounted changes in **natural capital**, human capital, and social capital) by estimating their stock or net asset values, and thus bringing them within a common framework of value accounting for the nation. (GIST INDIA- Green India States Trust)

➤ **AT&T** defines Green Accounting to mean "identifying and measuring AT&T's costs of environmental materials and activities, and using this information for environmental management decisions. The purpose is to recognize and seek to mitigate the negative environmental effects of activities and systems.

To sum up the above definitions, Environmental Accounting is defined as the identification, compilation, estimation and analysis of environmental cost information for better decision making within the firm.

GDP looks at only one part of economic performance – income – but says nothing about wealth and assets that underlie this income. For example, when a country exploits its minerals, it is actually depleting wealth. The same holds true for over exploiting fisheries or degrading water resources. These declining assets are invisible in GDP and so, are not measured.

Wealth accounting, including natural capital accounting, is needed to sustain growth. Long term development is a process of accumulation and sound management of a portfolio of assets—manufactured capital, natural capital, and human and social capital. As Nobel Laureate Joseph Stiglitz has noted, a private company is judged by both its income and balance sheet, but most countries only compile an income statement (GDP) and know very little about the national balance sheet. A major limitation of GDP is the poor representation of natural capital. The full contribution of natural capital like forests, wetlands, and agricultural land does not show up. Forestry is an example timber resources are counted in national accounts but the other services of forests, like carbon sequestration and air filtration are ignored. So, GDP can give misleading signals about the economic performance and well being of a country.

The concept of accounting for natural capital or Green Accounting has been around for more than 30 years. To date, however, progress in moving beyond conceptual thinking towards practical implementation of natural capital valuation has been slow. Barriers to implementation include

- (i) The lack of internationally agreed methodologies for ecosystem valuation,
- (ii) A lack of uptake of natural capital accounting by policy makers, especially finance ministers
- (iii) Capacity limitations in many developing countries
- (iv) Lack of leadership in moving "beyond GDP".

Growing pressures on the environment and increasing environmental awareness have generated the need to account for the manifold interactions between all sectors of the economy and the environment. Conventional national accounts focus on the measurement of economic performance and growth as reflected in market activity. For a more comprehensive assessment of the sustainability of growth and development, the scope and coverage of economic accounting need to be broadened to include the use of non-marketed natural assets and losses in income-generation resulting from the depletion and degradation of natural capital. Further, the principles of Green Accounting are not restricted to Governments alone. In today's world Corporation is the most significant form of human organization today, in terms of global production and employment. It is essential for Sustainability that businesses evolve on a sustainable growth path. Thus they must gear up to measure and manage their "externalities", or their negative impacts on Nature (natural capital) and on Society (human capital and social capital). It is recognized that optimizing a Corporation's impacts on forms of capital other than its owned physical & financial capital, and doing so for stakeholders other than its own shareholders, is yet to get widespread attention and adoption. Going forward, all Corporations – both in public and private sectors have to embrace Green Accounting without exception.

Green Accounting involves putting a value on a country's natural resources, like forests, air, soil etc, in order to have a more complete "snapshot" of a country's economic performance. It is also commonly called "Environmental Accounting," as it ultimately aims to have integrated statistics showing the relationship between the environment and the economy.

Under green accounting, countries modify their System of National Accounts (SNA) to reflect the use and depletion of natural resources. Data from the SNA are the basis of major economic indicators, like GDP and gross national product (GNP). In having data that show the contribution of the environment to the economy, as well as the costs of pollution and environmental degradation, governments can come up with policies tackling natural resource management and sustainable development.

REVIEW OF LITERATURE

According to Dr. Mukesh Chauhan¹ in his research project titled "Concept of Environmental Accounting and its Practice in India" in 2005, provides insights into the concept of environmental accounting from an Indian perspective. While industrial licensing has been abolished for all practices, environmental clearances from various Government authorities have now taken a center-stage. All new projects are required to get environmental and anti-pollution clearances before setting up. There are various accounting procedures which the corporate is required to adhere to. Despite the various legislations, very few corporations give information regarding environmental issue. Some measures are suggested whereby companies are advised to make environmental accounting an integral part of accounting at the corporate level, briefly analyzing the various laws rules and regulations regarding environmental issues, understanding impact of working of the organization on the environment and preparing environmental policy, preparing short term and long term environmental budget, separate statement showing investments in various pollution control devices etc.

Pradhan and Bal² (Ibid pp313-320) collected primary data of a sample of 80 executives during 1997-98, with the help of a structured questionnaire containing 36 questions. The purpose of the study was to examine the perceptions of corporate managers on corporate environmental reporting. Majority of them agreed that a company should disclose information on its environmental policy, environmental audit report, quantifiable future goals and targets on environmental issues, disposal of toxic or hazardous substances and on environmental spending.

Kumar P³ in his research project titled "Environmental Accounting; An Indian Panorama" examined the Indian Scenario towards environmental disclosures by taking a random sample of 6 giants of Indian corporate sector. As regards the accounting and reporting aspects of environmental protection, sample companies made policy statements in their annual reports. Such information was given in the Chairman's report or Director Report in the form of statements. Particulars on Conservation of energy were given by all the selected companies; but no information was given on the expenses incurred, targets set and achieved in respect of natural resources. The study concluded that the environmental reporting in India was limited to little more than a sentence or two each in the annual report.

Gautam and Bora⁴ (Pramanik A.K, pp 320-333) studied 25 organizations from Assam and found that 13 of them did not have any concern for environmental information disclosure. 9 Companies disclosed descriptive type information, covering space from one fourth of a page to one page only. 2 Organizations presented this information pictorially along with description. Only one company gave some financial information on environment in social accounts attached to the annual report. It was concluded that environmental information disclosure by majority of the companies in Assam was confined only to the making of generalized statements with reference to protection of environment, pollution control, conservation of energy, and raw material. The felt that quality of disclosure was so poor that users could not use it in decision-making.

According to Dr. V K Gupta⁵ in his research project titled "Environmental Accounting and Reporting-An Analysis of Indian Corporate Sector" in 2007, did an exploratory study to have an understanding of the nature and extent of environmental reporting and accounting practices followed by Indian Corporate and to determine the factors or attributes that drives the companies to adopt these practices. An attempt has been made to analyze the published annual reports of the selected companies in India to examine their disclosure practices regarding the environmental issues. It also examines the type, length and location of the disclosure in these reports. The study finds that a very few companies in India are voluntarily disclosing the environmental issues in their Annual reports. The reason behind the poor disclosure in environmental issues in India was found to be a lack of environmental legislations compelling the companies in disclosing the same in companies' annual reports.

SIGNIFICANCE OF THE STUDY

The measures like Gross Domestic Product (GDP) and Net Domestic Product (NDP) have been key indicators in the economic policy making since last 50 years. These measures are part of the national income accounts developed in each country, whose objective is to provide a database for macroeconomic analysis. Besides this, these indicators were for a long time used as a measure of the economic progress of a country and also as a measure of standard of living. These traditional measures of economic activity such as GDP and NDP are now recognized as inadequate. They cannot accurately measure the contribution of environment and the impact of economic activities on environment.

Over-reliance on GDP as a measure of economic health can be misleading. GDP measures the value of output produced within a country over a certain time period. However, any depreciation measurements used, will account only for manmade capital and not the negative impact of growth on valuable natural capital, such as water, land, forests, biodiversity and the resulting negative effects on human health and welfare. However, these traditional measures of economic activity failed to recognize the fact that economy cannot operate in a black box. As a result, the national accounts allow depreciation allowance for man-made assets, while the contribution of environmental assets to economy is not valued and hence no depreciation allowance is made for these assets. Thus the depletion and degradation of environment is treated as increases in income, while this depletion and degradation can in fact have negative consequences to the economy in the future.

Despite India having set in place a remarkable Protected Areas network (4.8 per cent of the total geographical area of the country), it continues to be challenged by the loss of natural habitats. Over the course of the last fifty years, India has lost over half its forests, 40 per cent of its mangroves and a significant part of its wetlands. At least 40 species of plants and animals have become extinct with several hundred more endangered. Livelihoods have been lost, poverty increased, food security threatened and health risks raised. Today, annual economic costs of air pollution, contaminated water, soil degradation, and deforestation are estimated to be close to 10 per cent of India's GDP.

RESEARCH PROBLEM

It is generally noted that, decades ago, the lack of understanding of the eventual environmental impacts of products and services together with the related liabilities caused companies to ignore the consideration of those impacts in their calculation of product costs. Traditional accounting is limited when it comes to measuring natural wealth. Accountants' measure assets, earnings one year behind the times. Accountants needed to develop new ways to account for natural resources.

Environmental accounting forms that part of accounting that deals with environmental concerns. Although it is indivisible from financial and managerial accounting, it addresses specifically the environmental costs related to information systems that permit data collection and analysis, performance follow up, decision making and accountability for the management environmental risk and costs.

This study is to understand the concept of Green Accounting, its need and relevance, how it differs from traditional accounting and finally the state of adoption of Green Accounting at both national and individual firms' level.

OBJECTIVES OF THE STUDY

1. To understand the concept of Green Accounting.
2. To understand the objectives and functions of Green Accounting.
3. To analyse various forms of Green Accounting.
4. To uncover the limitations and challenges of Green Accounting.

SCOPE OF THE STUDY

The scope of study is review of published literature on the subject sourced from internet research. Based on the objectives chosen for the study, extensive internet research was undertaken to source data and information which would aid in preparing a comprehensive report on the topic.

Forms of Environmental Accounting/ Green Accounting:

1. Environmental Management Accounting (EMA): Management accounting with a particular focus on material and energy flow information and environmental cost information for both conventional and environmental decision making within an organization. For companies that have the goals of saving money, especially environmental costs, and reducing environmental impacts, EMA provides essential information for meeting those goals. This type of accounting can be further divided into the following subsystems:
 - Segment Environmental Accounting: This is an internal environmental accounting tool to select an Investment activity, or project, related to environmental conservation from among all processes of operations, and to evaluate environmental effects for a certain period.
 - Eco Balance Environmental Accounting: This is an internal environmental accounting tool to support PDCA for sustainable environmental management activities.
 - Corporate Environmental Accounting: This is a tool to inform the public about relevant information compiled in accordance with green accounting.
2. Environmental Financial Accounting (EFA): Financial accounting with a particular focus on reporting environmental liability costs and other significant environment costs.
3. Environmental National Accounting (ENA): National level accounting with special focus on natural resources stocks and flows, environmental costs, external-ity costs etc.

The major functions of Environmental Accounting are:

1. Recognizing and seeking to mitigate the negative environmental effects of conventional accounting practices.
2. Separately identifying environmentally related costs and revenue within the conventional accounting systems.
3. Taking active steps to initiate incentives in order to ameliorate existing environmental effects of conventional accounting practice.
4. Devising new forms of financial and non-financial accounting system, information systems and control systems to encourage more environmentally benign decisions.
5. Developing new forms of performance measurement, reporting and appraisal for both internal and external purposes.
6. Identifying, examining and seeking to rectify areas in which conventional (financial) and environmental criteria are in conflict.
7. Experimenting with ways in which sustainability maybe incorporated into organizational orthodoxy.

OBJECTIVES OF GREEN ACCOUNTING/ ENVIRONMENTAL ACCOUNTING:

Environmental Accounting is required to fulfill a lot of demands from different stakeholders. However, for academic reason, the following objectives can be identified on a logical ground:

1. Environmental accounting would aid the discharge of the organization's accountability and increase its environmental transparency.
2. It helps in negotiation of the concept of environment and determines the company's relationship with the society in general and the environmental pressure group in particular.
3. Because of the ethical investment movement, ethical investors require the companies to be environmentally friendly. Therefore, by upholding the friendly image, companies may be successful in attracting funds from 'green' individuals and groups.
4. By making environmental disclosures companies may show their commitment towards introduction and change thus appear to be responsive towards new factors.
5. Companies engaged in environmentally unfriendly practices arose strong public emotion. There is strong environmental lobby against these industries. Green reporting maybe used to combat potentially negative public opinions.
6. By cultivating the enlighten approach of environmental accounting, companies can improve their image of being enlightened to the outside world and this can be regarded as enlightened companies.
7. Generating competitive advantages for companies producing "green products" and thus they can achieve a competitive advantage by making this public.
8. Separate recognition of environmental costs and conventional accounting systems revenues;
9. Developing new forms of performance measurement, reporting and evaluation, both for internal and external purposes;
10. Taking dynamic actions to improve the conventional accounting practices effects on the environment; conceiving of new financial accounting systems and non-financial forms, information and control systems to encourage management to make more environmentally friendly decisions.

TRADITIONAL GDP ACCOUNTING VERSUS GREEN ACCOUNTING

*The only yardsticks of growth or development that are available today -Gross Domestic Product (GDP) at the National level or Gross State Domestic Product (GSDP) at the State level - is unfortunately not designed to capture the significant gains/ losses to human capital and **natural capital** that happen year after year and affect the true or holistic wealth of the nation and its people.*

Much recent work on 'inclusive wealth' measurement (e.g. Arrow, Dasgupta & Maler, 2003) highlights the importance of holistic measures of wealth. National wealth should include not just a measure of manufactured assets and financial assets (physical capital), but also natural capital (oil, other minerals, forests, freshwater resources, cropland, fisheries, etc), human capital (knowledge and skills), and social capital (institutional and legal infrastructure, political maturity, social harmony, etc). Sustainable growth is then defined as that which increases per-capita national wealth, defined in this 'inclusive' or holistic manner. In the absence of any measure of sustainable growth, it is not surprising that India and its States often embark on unsustainable growth initiatives, at a very large future cost to the economy, to society, and to the natural ecosystems within which they survive.

The emphasis of SNA on "GDP" as the key measure of growth will probably be studied by future generations as the single most significant design defect in the economic history of mankind. An appropriate alternative, Green Accounting, entails the estimation of prices for all national assets, including natural and human capital assets, and their inclusion in the 'financial statement' of the nation.

'Green Accounting' is a methodology for capturing the so-called 'externalities' of 'mainstream' economics (which include most material and unaccounted changes in natural capital, human capital, and social capital) by estimating their stock or net asset values, and thus bringing them within a common framework of value accounting for the nation.

In practice, Green Accounting involves an array of quantitative estimations: modeling and valuing the non-marketed services of environmental assets such as forests, calculating the value of education as a generator of future incomes, present-valuing future liabilities in the form of pollution abatement costs and healthcare costs, etc. This appears quite daunting an exercise, however, as we describe below, there is a sufficient body of work and precedent which will enable India to implement holistic Green Accounts.

FIG. 1

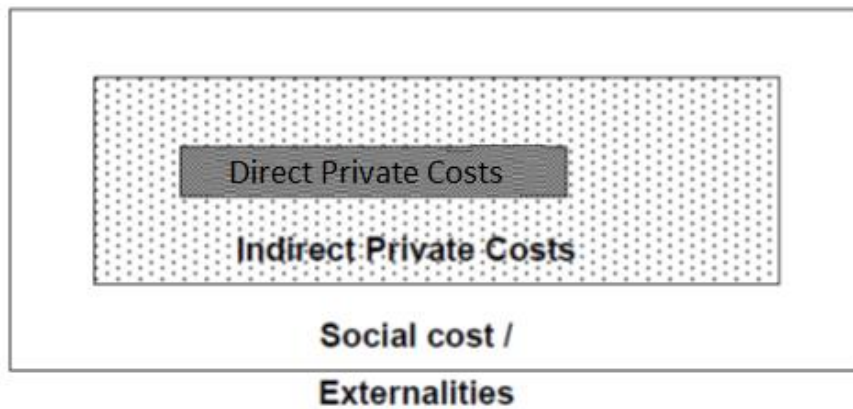


TABLE 1: GRAPHIC ILLUSTRATION - SCOPE OF GREEN ACCOUNTING VS TRADITIONAL ACCOUNTING

Typical accounting framework: dark shaded area shows direct private costs allocated to products or activities, light shaded area shows indirect private costs (including some environmental costs) allocated to overhead accounts. Unshaded area shows social costs resulting from corporate activities but not charged to the company.

Modified full cost accounting framework: All direct and Indirect costs private costs are allocated to products or activities. Social costs resulting from corporate activities are not charged to the company.

Green accounting framework: All direct, Indirect and Social cost are allocated to products or activities.

GREEN ACCOUNTING AS A PATHWAY FOR SUSTAINABILITY

Green accounting is a relatively new and dynamic area and is an attempt to identify and bring to light the exhaustible natural resources and the cost paid by companies. Green accounting aims to make the environmental costs more transparent through corporate accounting systems and reports, thus offering the best quantitative assessment (in both monetary terms and in physical units) of protecting the company costs and benefits from the environment activities, which it undertakes. This area involves identifying, assessing and allocating environmental costs, integration of these costs in the business plan, identifying environmental obligations, if any and, finally, communicating that information to the company shareholders as part of overall financial reports.

Environmental reporting can be considered an umbrella term that describes the various ways in which companies publish information on their environmental activities. In the traditional concept of economy and environment are two separate spheres, and improve one determines the cost incurred by the other. Unlike this in the nowadays economy, the economists, ecologists' researchers and managers, consider economy as a whole, comprising the all ecosystems in the world and most of environmental issues, including those not traded on markets, but that have economic value.

Researchers Gray, Bebbington and Walter (1993) have defined ecology accounting in the following terms: "can be understood as covering all aspects of accounting that may be affected by the company response to environmental issues, including new areas of ecological accounting".

Economists Pătru V. Ciuraru - Andrea C., Luca M. (2008) perceive green accounting as "a process of identifying, calculating, monitoring, analyzing of the business-environment costs relationship reporting resulted from the prevention, confining and discharging the environmental green disasters, with a favorable impact on company and environment".

The link between accounting and ecology is obvious at three levels:

- The national accounting level (for example, calculation of gross domestic product and applying Generally Accepted Accounting Principles - GAAP)
 - The financial accounting of enterprises (for example, reports used by lenders and Investors)
 - The managerial accounting (decisions management).
 - Traditional accounting methods do not take into account environmental costs and activities affecting the environment, while ecological methods include calculating environmental costs, as follows:
 - Identification of environmental costs (expenses);
 - Conventional calculation of environmental costs, with the objectives targeted to environmental costs reporting and harmful factors costs affecting the environment;
 - Calculation of costs of losses, including: costs of prevention, protection costs, costs of material losses, costs of generating losses flow;
- Identification and Assessment of Ecological Obligations - cash flow reporting, which identifies and analyzes the total cost of both materials used and the flow generated by the loss of those, generated loss, material and energy use, efficiency in order to get a minimum loss level.

Environmental indicators and green accounting try to examine interactions between economy and environment. Environmental indicators and "green" accounting purposes are meant to reveal the path to sustainable development and to help understand the impact of policies, attitudes or simply contemporary lifestyles (Dachin)

The methodology of administration costs generated by relation between company and environment, facilitated by green accounting, covers two phases (Patru et al, 2008):

1. The first stage involves identifying, collecting, and controlling the costs generated by company-environment relationship and issuing of some development financial reports related to environment (reporting);
2. The second stage involves analyzing and interpreting data from financial reports related to environment. Based on these reports it will be made decisions on correction measures to be introduced, so that in future at least will be possible to reduce the costs of removing the economic damage, by guiding from the principle that "is easier to prevent than to treat".

LIMITATIONS OF GREEN ACCOUNTING

1. There is no standard accounting method
2. Comparison between two firms or countries is not possible if method of accounting is different.
3. Input for EA is not easily available because costs and benefits relevant to the environment are not easily measurable.
4. It mainly considers the cost internal to the company and excludes cost to society.
5. The cost for its tools and application initially is high.

FINDINGS AND SUGGESTIONS

Green accounting is a relatively new and dynamic area and is an attempt to identify and bring to light the exhaustible natural resources and the cost paid by companies. Green accounting aims to make the environmental costs more transparent through corporate accounting systems and reports, thus offering the best quantitative assessment (in both monetary terms and in physical units) of protecting the company costs and benefits from the environment activities, which it undertakes. This area involves identifying, assessing and allocating environmental costs, integration of these costs in the business plan, identifying environmental obligations, if any and, finally, communicating that information to the company shareholders as part of overall financial reports.

Environmental reporting can be considered an umbrella term that describes the various ways in which companies publish information on their environmental activities. In the traditional concept of economy and environment are two separate spheres, and improve one determines the cost incurred by the other. Unlike this in the nowadays economy the economists, ecologists, researchers and managers, consider economy as a whole, comprising the all ecosystems in the world and most of environmental issues, including those not traded on markets, but that have economic value.

Specifically, this project suggests/recommends policy makers to re-calibrate the existing annual GSDP accounts to incorporate changes in each state's stock of natural capital (minerals, arable land, forests & freshwater) and its investment in human capital (education, health, and pollution control). The main objectives of this paper are to argue the case for Green Accounting for India (i.e. a framework of national accounts and state accounts showing genuine net additions to wealth) and to present a preferred methodology and models to reflect natural capital and human capital externalities in India's national accounts, measuring as depreciation the depletion of natural resources and the future costs of pollution, and rewarding education as an addition to human capital stock. Our over-riding purpose is to show that Green Accounting for India is desirable, feasible, realistic and practicable and that a start can be made with available primary data already being collected by various official sources of the Government of India.

There is a dearth of focused sustainability analysis and information provided to policy makers at the National and State levels in India. As a result, the processes of public debate, government planning, budgetary allocation, and the measurement of economic results are in effect being conducted without a sustainability framework. High GDP growth usually accompanies investment in physical infrastructure, which places mounting pressure on the country's environment and natural resources. However, there is an asymmetry between man-made and natural capital in that depreciation in the former reflects in GDP accounts but the latter (natural capital) does not. Recognizing that GDP growth is too narrow a measure of economic growth and not a measure of national wealth, we propose a "Green Accounting" framework for India and its States and Union Territories.

The most important conclusion and recommendations of the study are as follows:

1. The existing financial accounting framework is not comprehensive enough to deal with specific environmental problems. There is need for a separate standard and /or conceptual framework on the issue.
2. Environmental statements prepared by a company should be verified by an auditor to increase credibility of information provided by them. An audit also helps the company in complying with environment. There is a need for appointment of a team mainly comprising of external environmental auditors to do this work.
3. In the present situation, it is necessary for public and private companies to practice environmental accounting to comply with the international trend, although implementation of environmental accounting will face many problems such as lack of available environmental performance related information, lack of experts etc. However, a beginning has to be made.
4. The Public & private sector companies both treat the expenditure incurred towards the improvement of environmental performance as operating expenditure. They should classify the expenditure into capital and operating clearly.
5. Environmental bodies of public and private companies should develop a standard to guide the valuation practices.
6. A separate account should be opened for environmental expenditures. It will enable measurement and reporting of environmental expenditures and environmental performance of each company as well as the whole sector
7. Public and private companies should show data on environmental expenditure, environmental costs charged to income in the notes to the accounts in their annual reports.
8. Companies should show fines and penalties, environmental liabilities, environmental provisions, and environmental Costs capitalized in their annual reports.
9. The Indian companies should disclose both the positive and negative impact of their activities on environment. Company which is more responsible for environmental degradation should be more environmental friendly.
10. The company should take a proper environmental policy and set aside a part of their funds for environmental promotion. It should abide by various laws and regulation to prevent and control the pollution of environment.
11. The Environmental statements prepared by a company should be verified by an auditor to 'increase credibility of information provided' in them.
12. SEBI may require listed companies to disclose information on some important items like compliance with environmental laws, pending judicial proceedings arising under environmental laws and significance environmental liabilities, on prescribed form. For this purpose, a clause in the listing agreement may be inserted for strict compliance.
13. The main reasons for poor disclosure of environmental information may be its voluntary in nature. Secondly, it may be due to the lack of awareness and commitment on the part of the company management about the social responsibility of the company. Thirdly, the poor environmental performance of the company may also bound them to non- disclosure or less disclosure. And finally, the poor enforcement of the environment protection acts is also partly responsible for freeing the companies from disclosure of such information. There is a need of enough legal compulsion with adequate fairness.

In India too, embracing Green Accounting is in its early stages. Companies are slowly transitioning from CSR to more broad based responsibility of sustainability. The concept of "Triple Bottom Line" is increasingly getting into the Indian companies reporting. Companies such as ITC have adopted Triple Bottom Line reporting. NTPC, ONGC, BPCL, RIL, Yes Bank has also started sustainability reporting.

CONCLUSION

Professional accounting bodies like ICAI, ICWA etc need to evolve uniform guidelines and also accounting methodologies for Green Accounting. Coupled with this, the Ministry of Corporate Affairs and SEBI which are associated with Indian companies should enact laws for making Green Accounting mandatory. While it is recognized that the concept of green accounting and methods are still evolving even in the developed world, it would certainly take some time before the same becomes widespread in India. Thankfully, Government of India has seized with the importance of green accounting which is evident from the constitution of Prof.Dasgupta committee and also the Prime Minister's message to implement the committee's report for adoption of green accounting of India's national accounts. It is expected that Indian companies will also follow suit in adopting green accounting.

SCOPE FOR FURTHER RESEARCH

Since Green Accounting is a relatively new term, there is much scope for further academic research in this area. Prominent companies following Green Accounting practices can be analysed as case studies. Traditional techniques followed for environmental sustainability by other countries can also be taken up for research purpose.

REFERENCES

1. Alok Kumar "Green Accounting and Reporting in India", December 2007.
2. Dr. Anita Shukla*, Nidhi Vyas "Environmental Accounting in India BPCL and ONGC" Pacific Business Review International, Volume 5 Issue 7, January 2013.
3. Dr. Mukesh Chauhan "Concept of Environmental Accounting and its Practice in India", November 2005.
4. Dr. S. Haripriya "Concept paper Green Accounting", Pg 11
5. Dr. VK Gupta, "Environmental Accounting and Reporting-An Analysis of Indian Corporate Sector", 2007
6. Gyanesh Pandey "Green Accounting in India"
7. Haripriya Gundimeda, Pavan Sukhdev, Pushpam Kumar, Rajiv Sinha, Sanjeev Sanyal "Green Accounting Methodology for India and its States"
8. ICAI "Concept of Environmental accounting and Practice in India", 2005
9. ICAI "Corporate Environmental Accounting and Reporting in India", April 2006.
10. Kumar P "Environmental Accounting; An Indian Panorama"
11. Ministry of Statistics and Programme Implementation, Government of India "Green National Accounts in India- A framework", March 2013.
12. Nicoleta Radneantu, Emilia Gabroeanu, Roxana Stan "From traditional accounting to knowledge based accounting organizations" Annals of the University of Petroşani, Economics, 10(1), 2010, pg 313
13. Paul, K. C. and B. Pal (2001), "Corporate Environmental Reporting in India," Indian Accounting Review, December: 27 – 45.
14. PPR Kerring "An Expert Review of the Environmental profit and Loss Account of PUMA"
15. Pramanik, A. K. (2002), Environmental Accounting and Reporting (eds.), New Delhi, Deep & Deep publications Pvt. Ltd.
16. Social Statistics Division Central Statistics Office Ministry of Statistics & Programme Implementation New Delhi "Environmental Accounting Methods-A General Overview and an Indian Perspective"

CONTRIBUTION OF FINANCIAL INCLUSIONS FOR ECONOMIC GROWTH

ARUNA POLISETTY
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT STUDIES
KLU BUSINESS SCHOOL
GUNTUR

B. NIKHITHA
STUDENT
DEPARTMENT OF MANAGEMENT STUDIES
KLU BUSINESS SCHOOL
GUNTUR

ABSTRACT

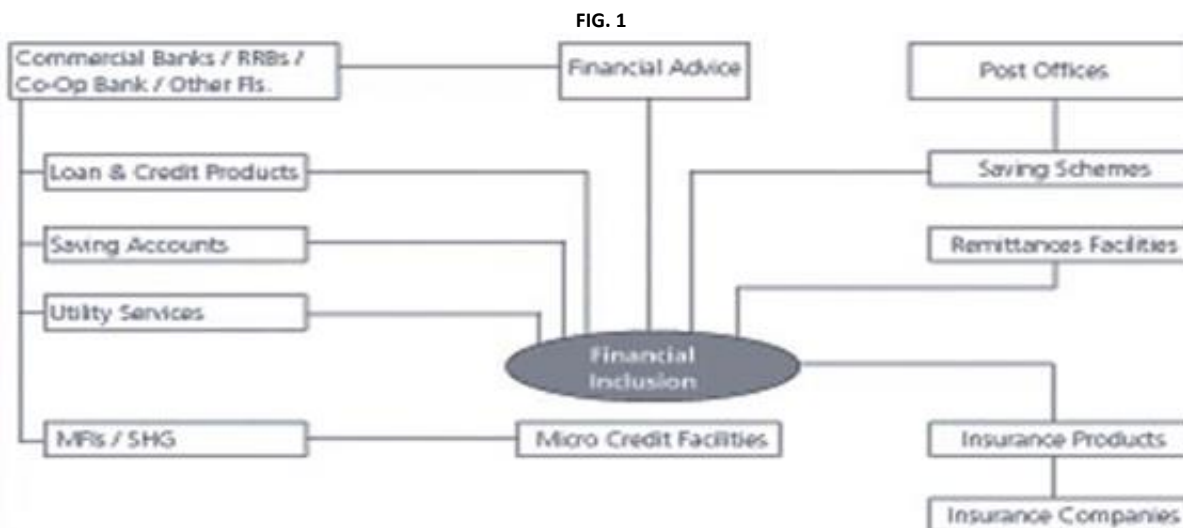
The economy is in the path of growth route and with vibrancy in all round economic activities as well as creation of new activities apart from a lean period of 18 months resulting from the global turmoil the economy resilience needs to be appreciated. The main driver being the manufacturing sector which grew at 16.3% in the last quarter, mining 14% (Q4) and the overall GDP growth was 7.4% in the year 2009-10 only China surpassed with higher growth rate at 11.9% in the January–March quarter whereas rest of the world are witnessing fragile recovery aftermath the global financial crises. At present the financial depth in Indian scenario is not that encouraging against Asian countries though it has gained momentum. As deepening financial system and widening its reach is crucial in terms accelerating the growth and achieve equitable objectives. With sudden burst in entrepreneur drive across the country will require additional financial support to nurture them. With pressure for credit delivery will need to mobilize additional resources from a wider deposit base. Thus financial inclusion will help strengthen financial deepening and enable resource mobilization for extending and broadening credit leading to economic development and accelerate growth. Inclusive Growth depends mainly on equitable distribution of growth benefits and opportunities and Financial Inclusion is one of the most critical parts, which need to be equitably distributed in the country in order to attain comprehensive growth. It needs to be assumed by the state that to bring higher growth, there should be inclusive finance irrespective of all sections of people. But, it is felt that the efforts taken are not good enough to meet this awe-inspiring issue of Financial Inclusion. Financial Literacy and Awareness continue to remain a matter of concern with regard to usage of financial services or products. It appeals for harmonization of all the participants like-Banks, Governments, Civil Societies, and NGOs etc. to reach the objective of Financial Inclusion.

KEYWORDS

banking services, financial inclusion, financial exclusion, inclusive growth.

INTRODUCTION

The term “Financial Inclusion” means the transfer of banking services at a reasonable cost to the huge sections of deprived and low income group. “Inclusive Growth” by its definition implies an impartial distribution of resources with profits gained to every sections of the society. Financial inclusion and inclusive growth are the two sides of a coin. Both are interrelated and interdependent. For growth to be inclusive, all people should be come under access to financial services. In India, we can see that growth is hampered by Financial Exclusion, which is just the opposite of financial inclusion. Many a times, banking services etc. are not delivered adequately; especially in rural areas. So, there is a need to examine or verify the contribution of financial inclusion (i.e. delivery of financial services to poor) to mould the growth of India which is inclusive i.e. proper allocation of resources to every corners of the country. The theme of the paper is to understand the inter- relation between financial inclusion and its overall contribution to economic growth and the impediments to financial inclusion. Financial inclusion has much wider perspective not confined to bare minimum access to no frill accounts but on a larger canvas it is to deliver affordable financial services to vast section of the society, devoid of any disparities in income and other social structures.



Source: Financial Inclusion: A Viable Option for Inclusive Growth

WHY SPEAKING ABOUT FINANCIAL INCLUSION?

“Financial Inclusion” literally means the transfer of banking services at a reasonable cost to the huge sections of deprived and low income group. The services which normally comes under Financial Inclusion, It include – credit, savings, insurance, payments and most importantly remittance facilities. It is imperative that inclusive growth without financial inclusion will not succeed in achieving equitable objectives as financial inclusion can truly fortify the economic standards of the

poor and the disadvantaged whose enrichment is foremost prerequisite for a nation encumbering growth trajectory. And the issue is aptly discussed in academic literature that there exists a correlation between financial development and economic growth. "Inclusive Growth" implies an impartial distribution of resources with profits gained to every sections of the society.

RESEARCH METHODOLOGY

The Data source of this paper is Secondary, collected from various journals, research papers, reports, books, E-Journals, RBI Report, Report of NABARD etc. Then, a broad framework is made on the role of Financial Inclusion over comprehensive growth pattern in India. The study covers entire India.

OBJECTIVES

- The main goal of study is to find out the influence of economic growth on financial inclusions
- How financial inclusions depend on economic growth? And how both go hand in hand.

REVIEW OF LITERATURE

"Financial inclusion may be interpreted poor households' access to basic financial services from formal and semiformal service providers which include savings, loans and insurance and other financial services in a manner that is reasonably convenient and flexible in terms of access and design." In this perspective, the study attempts to measure financial inclusion as a composite measure that takes into consideration access to transaction banking, savings, credit and insurance.

TRANSACTION BANKING: refers to access to bank's financial services other than savings, credit and insurance.

SAVINGS: Lesser savings leads to lesser capital formation implying lesser development. Not having a savings account can lead to financial exclusion. Credit: credit is the most valid indicator for assessing the status of financial inclusion. Though other indicators are measured, credit access and indebtedness of a family determines the level of wellbeing achieved. Credit measured as a sole measure of financial inclusion can also be useful that it may provide status of the stakeholder considering aspects like source, cost of borrowing, adequacy, proximity etc.

INSURANCE: Insurance provides coverage to the accidents/emergencies arising in a society affecting human lives, assets or livelihoods. Recent developments have Review of Literature Department of Applied Economics, CUSAT 4444 increased popularity and access to insurance. Also Government has enacted insurance policies for the benefit of sea faring fishers. Insurance inclusion is measured as sub element in the financial inclusion designating appropriate weights.

Macro indicators of financial inclusion are built up on available financial monitoring indicators such as number of bank accounts, coverage of population by bank branches, per capita credit, deposit etc. Alternatively, this does not suffice an indicator explaining access to financial services. Access is not easy to measure, and empirical evidence linking access to development outcomes has been quite limited because of lack of data. Existing evidence on the causal relations between financial development, growth, and poverty is consistent with theory. However, most of the evidence comes either from highly aggregated indicators that use financial depth measures instead of access or from micro studies that use financial or real wealth as proxy for credit constraints (World Bank, 2008). Economic approach to measuring financial inclusion/exclusion depicts it based on simple economic concepts using 'exclusion curve', which plots the proportion of the population in a particular income band that consumes a particular financial service.

SHORTCOMINGS

LACK OF FINANCIAL LITERACY: Low literacy rate has been a great impediment for financial inclusion as ignorance caused low levels of awareness causing difficulty to communicate the necessity for banking habits and what savings can do to enrich their living standards. With little knowledge it turns out to be difficult task to make them understand the product features and second the complex legal terminologies.

GAP IN TECHNOLOGY: Next generation of banking is era of technology, an inevitable source to improve branch infrastructure in terms of usage, increase outreach and help in scaling up activities. With growing spread in clientele and the need for servicing them once the relationship is established will call for low cost delivery alternatives and technology can be leveraged to increase delivery channels at lower cost, have better internal controls, augment the competency, safety and reliability of the payments and remittances system and develop a credit information system for future requirements. IT can reduce cost and time in processing of applications, maintaining and reconciliation of accounts and enable banks to use their staff at branches for making that critical minimum effort in sustaining relationship especially with new accountholders.

LANGUAGE BARRIER: One of the major hitch in financial inclusion being non availability of printed literature in regional vernaculars which is otherwise a prerequisite for reaching the masses. Thus a barrier is immediately created for communicating the need for inculcating banking practices. As most of the literature in the banking industry are in bilingual mode (Hindi / English), with large demographic spread are habitually jeopardize by the ignorance of language which creating a fear psychosis. As it's often found that language is a mode by which people try to identify and connect one self. Here every possible effort should be made to present printed literature in regional languages so that the message can be delivered in a larger vein thereby attracting people from all walks of life. Though the procedure will attract lot of man — hours, language authenticity and expensive printing expenditure but in the long run it will be highly beneficial in cutting across the myth and create a social relevance of inclusion and contributing to nation's development.

TRAINED AND COMPASSIONATE MANPOWER: Human resource has been the crux for successful endeavours. In all counts trained manpower is a versatile asset which can be harnessed to achieve visionary goals. This has been the void that needs to be plugged from the grass root level as found most of the staff are either semi-skilled or trained only for performing regular banking activities, but what needed is versatile manpower with a human touch who can feel the pulse of the consumers and shifting gears as according to circumstances.

STATUTORY DOCUMENTAL REQUIREMENTS: The necessity for simplifying the documentation procedures in opening a SB account is utmost prerequisite as people from both urban and rural belt with low incomes face problem when they approach banks or in turn are approached by the banks or financial service provider for opening accounts. RBI should set guidelines for alternative mode of identification as the essence of Know Your Customer is to identify a person by profession and class and second prevent any unforeseen event harming the interest of the nation. In case of rural belt, the help of Gram Pradhan or Sarpanch (Village Head) can be used to identify a person if a document can be issued in his or her name stating his or her credentials it can be taken as viable document. Eccentric practices need to be advocated otherwise the vision reaching the mass with banking services will receive a setback.

LACK OF CUSTOMIZED PRODUCTS: As people differ in their perception, opinions and thoughts so does their needs. The banking industry has to understand this basic philosophy and develop customer centric innovative products. The whole banking industry is offering generic products matching the needs of urbanized population and arsenal of other services whereas the unbanked still remains to see the light of the dawn.

INFRASTRUCTURAL REQUIREMENTS: With the liberalization branch opening under new branch authorization policy of RBI which encourages the opening of branches in under banked or unbanked areas. But they are still excluded population in all the parts of the country stretching from North- Eastern Belt, the Eastern and Central zone. Infrastructural deployments are not that enthusiastic to run even a satellite operation which requires power, telecommunication services and roads for geographical access.

HOW FINANCIAL INCLUSION CAN BE FACILITATED?

Financial inclusion in India can be facilitated by following ways:

1. Restructuring financial architecture fitting to the needs of inclusive growth
2. Usage of Mobile Banking
3. More use of Business Facilitator and Business Correspondent
4. Micro Finance Institutions
5. Active role of educational institutes for furthering financial inclusion

In this way financial inclusion is necessary for inclusive growth in India. Financial inclusion is the need of the hour which is possible through coordination between banks, government and others to facilitate access to bank accounts among the financially excluded.

MEASURES TAKEN BY RBI

1. Introduction of 'No frill accounts': In November 2005, the banks were advised to open no frill accounts with minimum balances. The required documents for no frill accounts have been provided in regional language. Overdraft facility was extended on no frill account by various state banks.
2. Relaxing Know your customer (KYC) norms: KYC norms for account holder with Balances not greater than Rs 50000 has been simplified. Ration card and voter Id are taken as KYC norms. Bio-metric cards have been issued.
3. General Purpose Credit Card Schemes: revolving credit facility in the form of General Purpose Credit Card (GCC) with Rs 25000 as credit limit has been sanctioned. Overdue loans up to Rs 25000 are eligible for one-time settlement. The borrowers availing one-time settlement schemes are very much eligible for fresh loans.
4. Intermediaries: From January 2006, banks were permitted to take assistance from non government organizations; Self Help Groups (SHGs) and Micro Finance Institutions (MFI) and other societal association as business facilitator. SHG are the association of women who contributes their savings to extend loan to the members against the guarantee of members.
5. Business Facilitator and Business correspondent model: RBI based on the recommendations of the Internal Group on Rural Credit and Microfinance adopted the ICT based agent bank model for ensuring door step delivery of financial products and services.

GOVERNMENT INITIATIVES

The 'inclusive growth' as a strategy of economic development received attention owing to a rising concern that the benefits of economic growth have not been equitably shared. Growth is inclusive when it creates economic opportunities along with ensuring equal access to them. Apart from addressing the issue of inequality, the inclusive growth may also make the poverty reduction efforts more effective by explicitly creating productive economic opportunities for the poor and vulnerable sections of the society. The inclusive growth by encompassing the hitherto excluded population can bring in several other benefits as well to the economy. The concept "Inclusion" should be seen as a process of including the excluded as agents whose participation is essential in the very design of the development process, and not simply as welfare targets of development programmes (Planning Commission, 2007)¹.

The Eleventh Five Year Plan (2007-12) envisions inclusive growth as a key objective. The Plan document notes that the economic growth has failed to be sufficiently inclusive particularly after the mid-1990s. The Indian economy, though achieved a high growth momentum during 2003-04 to 2007-08, could not bring down unemployment and poverty to tolerable levels. Further, a vast majority of the population remained outside the ambit of basic health and education facilities during this high growth phase. In recent decades, economic and social inequalities have increased alongside high growth rates which have exacerbated regional inequalities. The latest seventh quinquennial survey by the National Sample Survey Organisation (NSSO) (61st Round) reveals that growth rate of employment increased from an annual 0.98 per cent in the period 1993-94 to 1999-00 to 2.89 per cent in the period 1999-2000 to 2004-05, while the acceleration in the rate of growth of labour force from 1.03 per cent to 2.93 per cent during same period had negative impact on employment rate.

Thus, the Eleventh Plan Document tries to restructure the policies in order to make the growth faster, broad-based and inclusive by reducing the fragmentation of the society. It clearly stated that 'The development of rural India is an imperative for inclusive and equitable growth and to unlock huge potential of the population that is presently trapped in poverty with its associated deprivations' (Gol, 2007). Huge investments in education and health, and rural infrastructure were the key elements of the inclusive growth strategy as envisaged.

The draft 11th Plan recognizes the importance of **small-scale industries** (SSI). It has a share of over 40 per cent of the gross industrial value added in the economy. About 44.0 per cent of the total manufactured exports of the country are directly accounted for by the SSI sector. In terms of employment generation, this sector is next to agriculture sector, employing approximately 295 lakh people.

SUGGESTIVE LINE ACTION

TECHNOLOGICAL INTERVENTION: Rural belts are poorly connected and customers needs to be drawn into the system as under privilege and low income groups are in the pursuits of daily employment and hence it calls banks to make extra efforts to reach them through a variety of devices like branch on wheels' concept, Biometric ATMs and using mobile phones as a platform for banking transactions as the penetration in both urban and even in rural areas has surpassed expectations. Biometric voice interactive Hand held devices backed by technical support rendered by telecom service provider can be effective instrument for banking in unbanked areas for real time settlements at extreme low cost. Once the data base and track record is established then an array of financial services can be offered apart from general banking transactions like utility payments, loans and insurance products. Technology will open new frontiers for financial inclusion and offer a huge potential in terms of business and banks therefore need to take aggressive steps to use technology, as a mechanism to exploit potentials in innovative and creative manner. In fact, technology is critical block for future endeavors apart from providing operational support, to building massive database for referrals, reducing the transaction cost and valuable man hours.

EFFICIENT DELIVERY MECHANISM: The use of intermediaries will only augment the process of financial inclusion by connecting people to banks. And the involvement SHG, community leaders and especially the state-level administration at grass-root level (PRIs) in India would bolster the concept of door step banking and enable effective penetration into under-served areas. Focus should be to synergize the local entities with the broad based goals for improving bankable activities and up-scaling this program for financing productive actions. While up-scaling the SHG-bank linkage program, care needs to be taken to identify the group, ensure their integrity and their reputation before exercising the project. Up-scaling additionally call for knowledge enhancement and capacity building. Though Khan Committee spelt out the agent related risk in the CGAP paper but on the contrary intermediaries' functionalities enables risk reduction where the group is disciplined and social capital acts as credit enhancements. Banks should enter into agreement with postal authorities to use their wide area network and reach of post offices as business correspondents to outreach the masses by leveraging the proximity of the postman to the local population, his intimate knowledge of their backgrounds and the trust reposed on him.

PROACTIVE INVOLVEMENT OF RBI is required, when such unconventional mode operandi is facilitated. RBI should set framework on use of business correspondents and facilitators as outsourcing agents and review the process in regular basis to provide solidity. The use of MFIs as indirect mode for credit disbursements to large segment of poor and needy customers can add another dimension one helping banks to minimize credit risk and the second social upliftment.

SPREADING FINANCIAL LITERACY: An aggressive drive is recommended to raise literacy standards to spread financial literacy "which is a mechanism by which an individual can understand the concepts and risks embedded in a financial product and develop skill to build confidence and identify the potential financial hazards and prospects to make informed choices to improve economic standards". The context of financial education has a broader understanding which involves understanding the behavioral and psychological factors which is innate to an individual which could be major barriers. Thus promoting intensive awareness by adult education programme, enacting village stage shows, public campaigns, usage of mobiles phones, using electronic media for promoting innovative advertisements, village panchayats, local school masters, and platforms like e-choupal and SreiSahay can provide extrav edge to reach the goal. Banks should avail the support of social organizations and village leaders who are well informed and undergone schooling to spread the need of joining the mainstream and remove any unnecessary fear housing in their minds.

CONCLUSION

The economy is in the path of growth route and with vibrancy in all round economic activities as well as creation of new activities apart from a lean period of 18 months resulting from the global turmoil the economy resilience needs to be appreciated. The main driver being the manufacturing sector which grew at 16.3% in the last quarter, mining 14% (Q4) and the overall GDP growth was 7.4% in the year 2009-10 only China surpassed with higher growth rate at 11.9% in the

January–March quarter whereas rest of the year are witnessing fragile recovery aftermath the global financial crises. At present the financial depth in Indian scenario is not that encouraging against Asian countries though it has gained momentum. As deepening financial system and widening its reach is crucial in terms accelerating the growth and achieve equitable objectives. With sudden burst in entrepreneur drive across the country will require additional financial support to nurture them. With pressure for credit delivery will need to mobilize additional resources from a wider deposit base. Thus financial inclusion will help strengthen financial deepening and enable resource mobilization for extending and broadening credit leading to economic development and accelerate growth.

Inclusive Growth depends mainly on equitable distribution of growth benefits and opportunities and Financial Inclusion is one of the most critical parts, which need to be equitably distributed in the country in order to attain comprehensive growth. It needs to be assumed by the state that to bring higher growth, there should be inclusive finance irrespective of all sections of people. But, it is felt that the efforts taken are not good enough to meet this awe-inspiring issue of Financial Inclusion. Financial Literacy and Awareness continue to remain a matter of concern with regard to usage of financial services or products. It appeals for harmonization of all the participants like- Banks, Governments, Civil Societies, and NGOs etc. to reach the objective of Financial Inclusion.

REFERENCES

1. Banerjee, T, "Economic Impact of SHGs-A Case Study". (2009): Journal of Rural Development, Vol. 28, No. 4 pp. 451-461
2. Garg, A.K and Pandey, N. (2009): Making money work for the poor in India: Inclusive finance through bank-moneylender linkages, www.afcindia.org
3. Karmakar, K.G. Mehta, G.S. Ghosh, S.K. and Selvaraj, P. (2009): Review of the development of microfinance services for coastal small scale fisheries and aquaculture for South Asia Countries (including India, Bangladesh & Sri Lanka) with special attention to women, Paper presented in the Asia Pacific Fisheries Commission (APFIC) Regional Consultative Workshop "Best Practices to supporting and Improving Livelihoods of Small Scale Fisheries and Aquaculture Households", 13-15 October 2009, Manila, Philippines
4. Nagayya, D and Koteswara Rao, D. (2009): "Microfinance and support organizations in the southern states of India", Journal of Rural Development, Vol.28. No.3. pp 285-301
5. RBI. (2009): "Financial Inclusion", Report on Currency and Finance, www.rbi.org.in
6. Subbarao. (2009): Financial Inclusion: Challenges and Opportunities, Remarks at the Bankers Club, Kolkata, December 9, 2009. www.rbi.org.in
7. Suran, B. S and Narayana, D. (2009): The Deluge of Debt: Understanding the Financial Needs of Poor Households, CDS Working paper, www.cds.edu Review of Literature Department of Applied Economics, CUSAT 7373
8. Agrawal. (2008): The need for Financial Inclusion with an Indian Perspective, IDBI, GILTS
9. Arunachalam, R. S, Katticareen, K., Swarup, V and Kalpanalyer. (2008): Enhancing Financial Services Flow to Small Scale Marine Fisheries Sector, A study for FAO/UNTRIS, www.un.org.in
10. Arunachalam, R.S. (2008): Scoping paper on financial inclusion, considerations and recommendations for UNDP, pp.52, www.data.undp.org
11. Das, S.K and Nanda, B.P. (2008): Microfinance and Sustainable Rural Development, in Microfinance and Rural Development in India, Eds. Das, S.K, Nanda, B. P and Rath J, New Century Publications, New Delhi, India
12. EC (European Commission). (2008): Financial Services Provision and Prevention of Financial Exclusion, [www.ec.europa.eu/employment social/spsi](http://www.ec.europa.eu/employment_social/spsi)
13. Rangappa, K. B, RenukaBhai and Sandesh A.L. (2008): SHG-Bank Linkage Programme and Financial Inclusion; Rural Household Study in Davangere District in Karnataka, pp 1-13, www.igidr.ac.in

DETERMINANTS OF RURAL WOMEN ECONOMIC EMPOWERMENT: THE CASE OF ADAMI TULLU JIDDO KOMBOLCHA WOREDA, ETHIOPIA

SILESHI LETA NEMERA

LECTURER

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT & LEADERSHIP

PUBLIC SERVICE COLLEGE OF OROMIA

ETHIOPIA

ABSTRACT

This study is aimed at identifying the “Determinants of Rural Women Economic Empowerment in Adami Tullu Jiddo Kombolcha Woreda of Oromia Regional State of Ethiopia”. The data were analyzed by using qualitative and quantitative methods. Descriptive statistics and econometric analysis methods were used for quantitative data. Nine indicators were taken to substantiate evidence. The data results showed that economic empowerment level of rural women were affected by media exposure, participation of rural women that affect their economic empowerment options and constraints to freedom of mobility. The institutional factors that affect rural women economic empowerment included poor economic condition of the rural women and lack of law enforcement of gender affirmative provisions to resolve inequality and constraints of the will of policy makers.

KEYWORDS

determinants, economic empowerment, rural, women.

INTRODUCTION

Women are half of the world's population and other half also directly or indirectly depends on them. Despite their major share in the development of civilization, yet their status in most parts of the world is not equal to men and they are less privileged (Rahman and Naoroze, 2007).

Women are doing more hour of work than men but they earn little because 60% of total unpaid work is done by them (UN, 2007). Despite their hard work and contributions to world economy, women have only one percent of the total world assets in their names (Al Mughairy, 2004).

Although Ethiopian women constitute about 50% of the population, they comprise the majority of the unemployed segment of the population that is hardest hit by poverty. They often resort to self-employment. All in all, rural women live in worst situation where basic social services such as health and education are scarce and diseases, malnutrition and illiteracy are widespread (ARWEA, 2007).

The Oromia National Regional State has made a number of efforts towards effective and smooth implementation of political, social and economic as well as legal related empowerment of women. Furthermore, the regional laws and policies demand all organizations in the region to include gender issues in their development plans. However, the deep rooted economic problem of women remained pervasive.

It is line of this background that the researcher seeks to identify the determinants of rural women economic empowerment and the extent to which those determinants affects the economic empowerment of women living in AdamiTullu Jido Kombolcha Woreda, East Shoa zone, Oromia regional state.

REVIEW OF LITERATURE

The literature on women's empowerment suggests that empowerment involves choice and control that it is a process and an outcome and that empowerment occurs across a number of domains and dimensions. Therefore, when thinking about empowerment, we must think of where it occurs and the dimension in which it occurs, we must consider the context in which decisions are made and the power structures being challenged, and we must look at the characteristics of the women or communities involved in the process.

According to Pathfinder (2007), rural women were not only subjected to different right violation but also discriminated from the land and other property rights. The traditional beliefs and customs, that are practiced in rural societies are playing important role for discrimination. In most culture male has right of inheritance while in most cases women cannot inherit the land and other properties directly from their families. These traditional norms prevent the implementation of constitutionally declared women right, on land holding at different levels.

Given the dominance of economic thinking within the World Bank, it is not surprising it was one of the first agencies to explicitly adopt the language of women's economic empowerment: 'Economic empowerment is about making markets work for women (at the policy level) and empowering women to compete in markets (at the agency level)' (World Bank 2006: 4). From the point of view of gender advocates within the Bank, this definition, with its clear focus on economic sectors (specified as land, labour, product and financial markets), had the advantage of giving gender issues more traction institutionally (World Bank 2006: 3).

Empowering women especially in the economic aspect is very important for environmental sustainability and reduction of HIV/AIDS infection rate (World Bank, 2007). According to World Bank (2007) rural poor women depend on forest to get their basic needs such as: food, clothes and means for household consumption. To get these commodities they are forced to cut trees, which lead' to deforestation that greatly affect the sustainability of the environment.

Economic dependencies of women expose them to sexual violence, early marriage and engage in commercial sex-working which increases the spreading of HIV/AIDS infection rate. Most of the African women have not benefited from investment and trade of Agricultural products because they have limited access to land, credit, transport, etc. Women produce 80 % of basic food staff but receive less than 10% of the credit given to men. Agricultural productivity would have been increased by 20% if women have got access to credit (USAID, 2005).

In addition to traditional practices and cultural norms low commitment of African leaders and policy makers in avoiding such social bias which contributes to the economic insecurity of rural women (African protocol, 2003). This shows that the African leaders, politicians, policy makers,

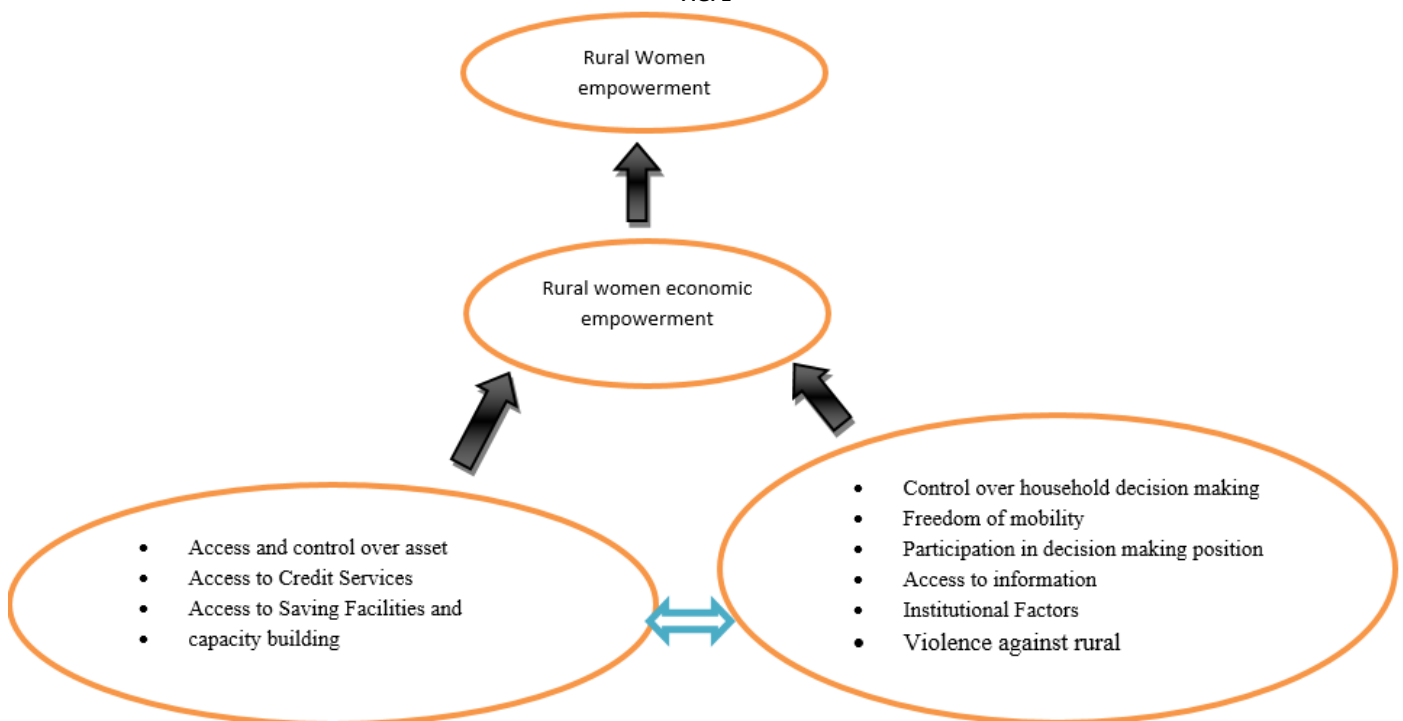
In rural areas of Ethiopia in general, and in Adami Tullu Jido Kombolcha Woreda in particular, rural women have subjected to home based attack by husband (physical and psychological) because of their economic dependence. It is true that women do not have their own income, have no right to decision making power on property, have no option to divorce, and have faced home based attack. When they act divorced and separated from their husband, the traditional practices and cultural norms do not allow or favor the women to share all property equally with their husband.

Economic empowerment is enhancing the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth (Eyben, etal-, 2008).

CONCEPTUAL FRAMEWORK

Conceptual framework is commonly developed in the light of literature review and theoretical framework. It is logically developed network of relationship between the variables related to the research (Sekaram, 1992:63). Cited in (Kahan 2010) the figure 1 represents the theoretical framework for the present study which indicates the tentative relationship among the variables of the study. The variables used in present study were classified into two categories; independent variables and dependent variables. Rural women economic empowerment is the dependent variable and Control over household decision making, Freedom of mobility, Participation in decision making position, Access to information, Institutional Factors, Access and control over asset, Access to Credit Services, Access to Saving Facilities and capacity building are the independent variables identified for this research study.

FIG. 1



Source: Own representation by summarizing the concepts from literature review Khan (2010)

NEED /IMPORTNACE OF THE STUDY

The present study is likely to provide valuable information to the government and nongovernment agencies about the extent of economic empowerment of the rural women and it initiated to generate and add some information to the existing knowledge of socio-economic factors that have contributions for empowering women economically and sustainable livelihood. The finding of this research would provide multipurpose information to different users, including practitioners in donors, policy planners, academicians and the public at large. To the specific, women's economic empowerment promoters and development policy makers use the findings of this study to improve women's participation in all aspects as well as to justify investment in the sector. In addition, it raises questions for further research and study.

STATEMENT OF THE PROBLEM

Much concern has been shown in recent years with regard to economic empowerment of rural women. Globally, empowering women economically received special attention as world leaders become committed to avoid all factors that promote gender based discrimination. Bedru (2011:3)

Women constitute about 50 percent of the Ethiopian population and they involve in different sectors of the economy. Although poor women are engaged in heavier and highly time-consuming workloads, they never obtain the commensurate earnings. This leads them to be highly dependent on their husbands. The burden is worse in rural Ethiopia where peasant women have no alternative to generate their own income and to be self-reliant. Even the main asset of the agricultural economy – land - is typically held in the name (ownership title) of their husbands except in some parts of the regions in the country, where the land ownership title is held in the name of both husband and wife.

Women's economic empowerment has many dimensions and is specific to the context under consideration. Projects address economic empowerment through different pathways. The indicators suitable for one area or program may not be relevant elsewhere. Several studies have also indicated that women may be empowered in one area of life, while not in others (Kishor 2000) No universal set of indicators is appropriate for every project, in every sector and in every context. Local studies on women's economic empowerment in Adamii Tullu Jiddo Kombolcha Woreda are rare. Particularly studies based on direct indicators of empowerment such as decision making power on household matters, autonomy in seeking health care, attitude towards resisting wife beating and attitude towards right to refuse sex with husband for any reason are scarce. As a result, there is lack of comprehensive knowledge regarding different dimensions of women's economic empowerment and the factors associated with them. It is believed that implementation of pertinent policies and programs targeting gender equality and women's empowerment can benefit immensely from current studies in this area. Hence, the researcher seeks to fill this gap by identifying the determinants of rural women economic empowerment in Adami Tulu Jiddo Kombolcha woreda based on both direct and indirect indicators using the data supplied by the Demographic health survey of 2005.

OBJECTIVES

The general objective of the study was to investigate the determinants of rural women economic empowerments and analyzing the level of their influence on rural women economic empowerments and the specific objectives were to:

- Analyze the status of rural women's economic empowerment in the study area.
- Assess the institutional changes of rural women's economic empowerment in terms of policies in the study areas.
- Analyze the determinants of rural women's economic empowerment.
- Analyze the correlation between the rural women economic empowerment and the determinants.

BASIC RESEARCH QUESTIONS OF THE STUDY

The study enquired the determinants of rural women's economic empowerment in Adami Tulu Jido Kombolcha Woreda of Oromia regional state. The study tried to answer the following specific research questions.

1. What is the status of economic empowerment of rural women in the study area?
2. What are the institutional changes of rural women's economic empowerments in the study area?
3. What are policy interventions in place to ensuring rural women's economic empowerment in the study area?
4. What are the determinants of women's economic empowerment in the study area?
5. How each determinant of rural women economic empowerment correlates with the rural women economic empowerment?

RESEARCH METHODOLOGY

This study used both descriptive and econometric models to analysis and find out the results. The descriptive method of data analysis was important to analysis the demography of the population in the study area and linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. The linear regression model assumes that there is a linear, or "straight line," relationship between the dependent variable rural women economic empowerment (RWEE) and each predictor. This relationship is described in the following formula.

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_n X_{ni} + e_i \dots (1)$$

Where: β_0 is the intercept and $\beta_{1,2}$ are slope parameters in the model and e_i is the error in the observed value for the i^{th} case. The model is linear because increasing the value of j^{th} predictor by 1 unit increases the value of the dependent by β_j units. Note that β_0 is the intercepts, the model –predicted value of the dependent variable when the value of every predictor is equal to 0.

FINDINGS

Assessments of rural women economic empowerment depends on several key socio-economic and legal factors that differ from place to place. This study conducted over determinant factors on rural women economic empowerment at ATJK district attempted to include those variables that have direct and indirect relevance with rural women economic empowerment. The appropriate responsive methods of analysis also used a **leaner regression models** to estimate the result. The model is more appropriate to examine the effect of nine explanatory variables on rural women economic empowerment.

Table 1 below portrays the degree of correlation between dependent and the independent variable. According to the correlation results, except one variable (violence against rural women), all the other explanatory variables shows positive relationship with the explained (dependent variable). In the case the one variables, violence against rural women, it was negatively related to the dependent variable (rural women economic empowerment).The reason is that the higher the violence against rural women, the lower their economic empowerment. That means, the higher prevalence of violence against rural women like rape, abduction, forced unplanned child bearing by the males and frequent beating of husband, the lower in access to information, participation in decision making and other social and economic affairs which decrease their economic empowerments.

On the other hand, increasing media exposure, participation in social affairs, freedom of mobility, having the active participation in decision making position whether in family matter and political aspects, access and control over family assets including productive asset like land, institutional factors and access to credit and saving services have positive correlation with the dependent variable (Economic empowerment of rural women). To this effect, the following table indicates the correlation results between the explained (dependent) and explanatory variables of rural women economic empowerment.

TABLE 1: CORRELATIONS FOR WOMEN ECONOMIC EMPOWERMENT (Total sample N=318)

Variables	RWEE	MEDIA	PAR	FREE	INST	ASST	VIO	TRN	CRED
RWEE	1.000	.591 .000*	.488 .000*	.536 .000*	.058 .320	.031 .592	-.143 .014*	.149 .010*	.190 .001*
MEDIA	.591 .000*	1.000	.391 .000*	.441 .000*	.060 .306	.130 .026*	.112 .054**	.024 .680	.211 .000*
PAR	.488 .000*	.391 .000	1.000	.547 .000*	-.046 .433	.097 .099**	-.179* -.002*	.375 .000*	.266 .000*
FREE	.536 .000*	.441 .000*	.547 .000*	1.000	-.111 .059**	.246 .000*	-.149 .011*	-.226 .000*	-.213 .000*
INST	.058 .320	.060 .306	-.046 .433	-.111 .059	1.000	.035 .554	-.096 .100**	-.025 .668	.042 .472
ASST	.031 .592	.130 .026*	.097 .099**	.246 .000*	.035 .554	1.000	-.050 .391	-.209 .000*	.123 .036*
VIO	-.143 .014*	.112 .054**	-.179 -.002*	-.149 .011*	-.096 .100**	-.050 .391	1.000	.012 .838	100 .088**
TRN	.149 .010*	.024 .680	.375 .000*	-.226 .000*	-.025 .668	-.209 .000*	.012 .838	1.000	.262 .000*
CRED	.190 .001*	.211 .000*	.266 .000*	-.213 .000*	.042 .472	.123 .036*	.100 .088**	.262 .000*	1.000

Source: Author’s computation based on own fieldwork data

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

* Correlation is significant at the 0.05 level (2-tailed).

Goodness-of-fit statistics helps us to determine whether the model adequately describes the data. The ANOVA table tests the acceptability of the model from a statistical perspective. Therefore, the table2 reports the ANOVA in which the calculated value of F is 31.853at P<0.005 (0.000). This implies that the result supports the overall significance of present multiple regression model i.e. rural women economic empowerment (dependent variable) in Adamii tullu jiddo kombolcha woreda of Oromia regional state depends upon a listed set of independent variables.

TABLE 2: ANOVA RESULT FROM ECONOMETRIC ANALYSIS USING LINEAR REGRESSION MODEL

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	176.991	9	19.666	31.853	.000 ^b
	Residual	174.722	283	.617		
	Total	351.713	292			

Source: Author’s computation based on own fieldwork data

In the linear regression model, the coefficient of determination, R^2 , summarizes the proportion of variance in the dependent variable associated with the predictor (independent) variables, with larger R^2 values indicating that more of the variation is explained by the model, to a maximum of 1. Thus, as the model summary table below indicates, the value of R Square was computed as 0.503 at the study area implies that all the variables included in present linear regression model accounts for about **50.3%** of variance in the dependent variable of rural women’s economic empowerment in the district.

TABLE 3: MODEL SUMMARY FROM THE LINEAR REGRESSION MODEL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.709	.503	.487	.786

Source: Author’s computation based on own fieldwork data

Table 3 depicts the link exist between the dependent variable and the independent variables in the district. To conduct the analysis, nine (9) determinant factors were considered in the study. Hence, of the total independent variable used in the analysis, finally five (5) factors, such as, media exposure, women’s participation

in social affairs, rural women freedom of movement, institutional factors and rural women participation in different organization were found to be statistically significant. The table depicts the beta value for several independent variables, which means larger the beta, and t-value at small significance level suggests that an independent variable is having a large impact on the dependent variable (RWEE). Hence, the p-value associated with each predictor factor is the position of the log odds ratio due to that factor.

The largest t-value 6.936 at p-value < 0.05 (.000) of the media exposure to the rural women economic empowerment which was followed by t-value 3.579 at the p-value < 0.05 (0.000) of rural women freedom of mobility and rural women participation in social affairs of t-value 3.264 at the p-value less than 0.05 (0.000) are the most determinant factors on rural women economic empowerment. It is also well followed by other independent variable like rural women participation in organization and institutional factors to support rural women with t-value 3.401 and p-value < .05 (.001) and t-value 2.767 with p-value < 0.05 (0.006) were strongly statistically significant. The Beta value for the independent variable media exposure to rural women at the study area was 0.360 which means that rural women who has the media exposure are 0.360 times higher of their economic empowerment compared with those who have no or low media exposure for their empowerment provided that all other things remain constant. In the same way, Beta value of the independent variable women participation in social affairs at the study area was 0.179 which means that the rural women who have the opportunities of participation in social aspect were 0.179 times economically more empowered than those who have no access to participate in social affairs and etc.

TABLE 4: LINEAR REGRESSION MODEL RESULTS INCLUDING ITS COEFFICIENTS

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.234	.421		-.556	.579
Rural Women media exposure	.381	.055	.360	6.936	.000
Rural Women Participation in Decision Making Position	.211	.065	.179	3.264	.001
Rural Women Freedom of Mobility	.193	.054	.209	3.579	.000
Institutional factors	.097	.035	.118	2.767	.006
Rural Women Access and Control over Asset	.033	.056	-.028	-.588	.557
Violence Against Rural Women	-.035	.095	-.016	-.368	.713
Rural Women Access to Training	.019	.109	.008	.173	.863
Rural Women Access to Credit and Saving	.122	.109	.053	1.121	.263
Rural Women Participation in the Organization	.160	.047	.187	3.401	.001

a. Dependent Variable: Rural women Economic Empowerment

Source: Author's computation based on own fieldwork data

RECOMMENDATION

The low level economic empowerment and the identified determinant factors of rural women economic empowerment calls for policy interventions and institutional redress. Rural women lack exposure to media, participation in decision making, freedom of mobility and training. Also there are weak institutional supports to ameliorate the prevalence of challenges in rural women empowerment in the Woreda. To address the economic empowerment issues gender disparity in education, in distribution of property and in paid job participation was prevalent in the study areas therefore, government, NGOs and concerned groups or individuals should pay due attention towards this issue by focusing on female education, by introducing less complicated laws for inherited property and by creating paid work and media access opportunities for women at their door steps. These steps of government and others will lead women towards economic self-reliance. At individual level also women should recognize themselves and build capacity among them to enhance awareness about their rights, increase their knowledge and develop a sense to bring positive change in their status and As individual, women have few chances to improve their status; therefore, there is a need for them to engage themselves in groups where they can share their problems and can work out solutions for these problems and use different medias to add knowledge about their right and then to be empowered economically.

CONCLUSION

In the past 20 years, different approaches and policies to address women's economic disempowerment have been employed and significant progress has been made in the area of promotion of gender equity in few sectors. Though the constraints still remain unaddressed and remain determinants of women's economic empowerment, institutional and policy changes have become conducive environment (as legal framework of amelioration of the gender gaps). Based on empirical results and discussion, the overall conclusion of this study is that the status of rural women's economic empowerment is not satisfactorily addressed in ATJK Woreda of Oromia Regional State. Most of the rural women are economically underrepresented and disempowered.

The study has shown factors that have positively contributed to women's economic empowerment at one hand and that have negatively affected for the economic empowerment of rural women at ATJK Woreda. It highlighted the fact that exposure to media, participation in social affairs in the community, women's freedom on the decisions on mobility, women's access to training, women's control over resources and credit and saving services are the determinant factors of their empowerment. Women that have access to these factors have relatively shown positive progress in their economic empowerment. Of all factors, access to exposure to media, participation in social and political affairs of the society and freedom of mobility of women are the most influential determinants that enhanced women's economic empowerment.

SCOPE FOR FURTHER STUDIES

Rural Women's empowerment is a broad area of study but this study was focused only on rural women economic empowerment in ATJK Woreda among more than 265 woredas in the region using few indicators. But present study is not an end in itself rather it highlights some of its aspects; therefore, there is need for further studies in this area. And further research can replicate this study in other Woredas in the region so as to make Woreda and sectorial comparison on the economic empowerment of rural women.

ACKNOWLEDGMENTS

It is impossible to mention all, those who helped me in undertaking this research, I thank all of them particularly I indebted to my wife, Shitaye Adugna for her unreserved support and encouragement throughout my studies. Her strong commitment to take responsibility to manage the housework, care for our children and handle social affaire made it possible for me to complete this research work.

REFERENCES

1. Al Mughairy L. (2004) *Women, Education and Culture*, Paper Presented in 18th IDP Australian Education Conference: The Path to cultural understanding and development 5th to 8th October,
2. ARWEA. (2007). *National Women Business Network: Trade Faire and Bazar*, at Addis Ababa Exhibition Center, From March 8-12, 2007
3. AU protocol (2003), *African charter of Human and people's right*, the right of women
4. Eyben, R., N. Kabeer and A. Cornwall (2008) *Conceptualizing empowerment and the implications for pro-poor growth* Paper prepared for OECD-DAC POVNET Brighton: Institute of Development Studies
5. Khan Mahmood (2010) socio-cultural determinants of women's empowerment in punjab, pakistan

6. Pathfinder (2007), *Empowering Girl's and Women's for effective social change*
7. Rahman, M.H. and K. Naoroze. (2007), *Women empowerment through participation in an aquaculture experience of a large scale technology demonstration project in Bangladesh.*
8. UN (2007) The Millennium Development Goal Report 2007 United Nations, Washington, D.C.
9. World Bank (2006) World Development Report 2006. *Equity and development* Washington: World Bank
10. World Bank (2007), *Women's economic empowerment for poverty reduction and economic growth in Ethiopia* 2006

EDUCATIONAL ALTERATION IN KERALA: EXPERIENCE AND CHALLENGES

SONY KURIAN
RESEARCH SCHOLAR
DEPARTMENT OF ECONOMICS
GOVERNMENT BRENNEN COLLEGE
KANNUR UNIVERSITY
THALASSERY

ABSTRACT

Kerala achieved a remarkable achievement in educational development with involvement of governments, private agencies and social reformers. However, currently Kerala focuses on quality education rather than mass education. Growing concerns on quality education forces parents to deviate from public to private institutions leading to emergence of numerous unaided and self-financial institutions. Since the 1990s, higher education in Kerala has been subject to significant policy shifts, which hold long-term implications for the general arts and science segment. Thus, while people with higher purchasing power can procure quality education and thereby invest more fixed capital in the form of education, people with less purchasing power are forced to procure less quality education. This unequal distribution of quality education creates wide income gap leading to social and economic imbalance.

KEYWORDS

educational development, quality of education and socio economic changes in education.

INTRODUCTION

Educational accomplishment is one of the most important factors that distinguish Kerala from rest of India. In contrast to the delayed growth of education elsewhere in the country, Kerala experienced a continuous process of educational expansion since the last decades of eighteenth century (Nair, PRG 1976, Salim and Nair, PRG 2002). An emerging literature since the 1990s, has dealt with higher education in Kerala in the context of macroeconomic policy shifts or what may be designated broadly as globalization. Much of this literature looks at the economics of higher education framed in the context of macro resource constraints but ranging from issues of financing and costs to entry barriers to professional and technical education (Salim, 1995, 1997, Devasia 2008, Mathew 1991, GoK, 2006). In the traditional system, education was confined to the upper caste students and the lower castes neither had the right nor felt the necessity to get education since caste-based work division was prevalent. By the end of the 19th century, primary education for all was accepted as the government responsibility resulting from various movements and agitation for mass education. As a consequence, the overall literacy rate in Kerala is higher than the all-India average and ahead of other Indian states (ADB 2007, Patnaik 1995, Tharamangalam 1998). Government intervention is indispensable to overcome this discrepancy to ensure optimum quality education to desirable members of the state. This seems to have contributed to the scarcity of teachers in many private aided colleges. The Kerala State Higher Education Council (KSHEC), which was set up in March 2007, proposed several moves to generate the informational base for restructuring higher education. At least three sets of policy move in the recent past have altered or hold the potential to alter significantly the context of general arts and science education in the state. This paper examines the relevance of quality education in the context of Kerala. The educational alterations in Kerala, impact of educational development on socio-economic changes, challenges for development of quality education are also discussed briefly in this paper.

LITERATURE REVIEW

The importance of Technical education, Growth of technical education and the quality of education has been the focus of a number of studies carried out in recent times. A brief review of some of these studies has been made here.

Education has become a powerful tool of social change, especially in a society in which the majority is poor. The Supreme Court of India declared in 1992 "Education is a means for life with dignity". A study by World Bank (The Hindu, 24 march 1998) also opined, "Education is a corner stone of economic growth and social development and a principal means of improving the welfare of individuals" (Salim 2004). Private sector gets little awareness in India's education debate, but it makes an important contribution. In 2001, 42 percent of institutions of higher learning were privately owned; they served 37 percent of the students enrolled in higher education. Their quality varies greatly. A few are among India's most-respected institutions, including the Christian Medical College in Vellore and the Indian School of Business in Hyderabad. So far, the government's support of private investment in education has been limited (Hangaragi 2012). The Indian Constitution determines to provide quality education to all. In the effort to fulfill educational needs of the country, particularly for the various societies and cultures of the country the government has chalked out different educational categories namely, Elementary Education, Secondary Education, Higher Education Adult Education, Technical and Vocational Education. Institutions of excellence in higher education were formed with a view to provide subsidized quality higher education to build a self-dependent and modern India. Government funding on higher education has been moving back on a year basis for more than one decade. In the view of withdrawal of government support to finance higher education private institutions has been allowed to take over the responsibility of imparting education to all. Further, in government aided universities the model of self financing and self-sustaining institutions has been introduced (Singh 2012).

Equality of educational opportunity in higher education is considered essential because higher education is a powerful tool for reducing or eliminating income and wealth disparities. If higher education is fully privatized and priced at its full cost, only those who can afford will buy it. The stability of the society will be disturbed if it consists of sections of the population which get higher education obtain income and assets at increasing rate while large proportion of the population remains deprived of higher education and remain poor. The idea of equalizing educational opportunities also lies in the fact that "the ability to profit by higher education is spread among all classes of people. There are great reserves of untapped ability in the society; if offered the chance they can rise to the top. A great deal of talent of the highest level is, in fact, lost by an egalitarian system of education. At present the education sector as a whole in the state is characterized by the existence of a dual system: one segment comprising high-quality institutions catering to the affluent five percent of the population and the second consisting of low-quality institutions meant for the masses (George and Ajith Kumar 1999). The author examines here the equity and the quality in the higher education sector of the state, principles highlighted in the National Policy on Education, 1986, in the context of the current trends and tendencies, in the face of steady withdrawal of the Government from the financing of education in general and of higher education in particular, a mushrooming of the unaided, self-financing institutions has set in Kerala during the past few decades (Nair 2008). The professional education enjoys considerable prestige in India. In fact, the entire school education, especially, at the higher stage, is regarded by the section of the population as an elaborate preparation for entry into professional courses (Sivasankaran and Babu 2008).

OBJECTIVES AND RELEVANCE OF THE STUDY

Technical Education is one of the most significant components of human resource development spectrum in improving the quality of life of the people. In recognition of the importance of this sector, the planners have accorded priority to this sector. There has been phenomenal growth in the field of technical education during the previous plan periods. The established the Indian Institutes of Technology, Indian Institutes of Management and Indian Institutes of Science were a vital step in the development of technical education in the Indian subcontinent. The ability of these institutions to produce competent and hard core intelligent scien-

tists and engineers had managed to change the outlook of Indian on the global front. The technical and management education sector has made immense contribution to the country's economic and industrial development. It has produced high quality skilled, technical and managerial manpower. Therefore the major objectives of this paper are:

1. To examine the growth of technical education in India
2. To analyze the quality of technical education in the state of Kerala

METHODOLOGY

The present investigation makes use of analytical and descriptive techniques to fulfill the objectives of study. For analyzing such facts, data for the study has been gathered from secondary sources including Tenth Five Year Plan 2002-07, Economic Survey 2014-15, Economic Review of State Planning Board 2013, Report from Universities, AICTE, Books, Journals, News Papers and Books on technical education and other articles written by eminent authors.

EDUCATIONAL ALTERATION IN KERALA

Kerala has long and rich tradition of education even during the pre-British period. However, this system of education was limited to the upper class minority and the lower caste neither had the right nor felt the necessity to get education since caste-based division of work was common in the society. This system started to change gradually, and attained momentum right from the last decades of the eighteenth century. (Nair, PRG 1976). Private sector exploited the government support for educational development leading to an increase in number of schools in private sector. Private agencies used this favorable atmosphere; leading to an indiscriminate expansion of low quality education, emerging as communal pressure groups, and commercialization of education with regard to admissions and appointments. The gross enrolment ratio (GER), a widely used indicator of access to higher education is also used to denote the educational advancement of a region. It is the ratio of persons enrolled in higher educational institutions regardless of age divided by the number of persons in the relevant age group. The GER for Kerala has tended to suggest different trends depending on the source of data used to compute it. Although governments introduced various measures for mass education right from the last decades of the nineteenth century, the unprivileged majority was alienated from educational mainstream until the left government introduced the Kerala Education Bill of 1957 for social control over education system. Government involvement in education through the direct payment forced the private institutions to follow government norms for student's admission, which ensured educational opportunity to all who were alienated from educational mainstream on the grounds of caste disability. Along with expansion of general education, higher education attained momentum during the post-independence period. Number of universities and colleges increased remarkably during this period (Velayudhan 2010).

IMPACT OF EDUCATION ON SOCIO-ECONOMIC CHANGES IN KERALA

Educational development in Kerala contributed significantly to the complex processes of technology dissemination, individual earnings, reduction of poverty, development of healthy families, gender equality, creation and sharing of values, responsibilities of citizenship, and quality of life (ADB 2001, Adams 2004). According to Dreze and Sen (1996), Kerala's experience powerfully brings out the dialectical relationship between educational progress and social change: the spread of education helped to overcome traditional inequalities of castes, class, and gender. Kerala made an early start down that road, in the nineteenth century, leading to wide-ranging social achievements later. Education elevated the self-esteem of the most oppressed and is one of the reasons for loosening the rigid social structure and greater civic involvement ranging from more participation in political decision-making to more parental involvement in local schools. For several decades now the inadequacy of the colleges to meet the needs of undergraduate arts and science education in the state, was addressed, however poorly, by the provision for private registrations. Unlike other states of India, people in Kerala are more politically conscious and are active in the democratic process indicating the significant role of education. Education empowered women, which influenced birth and mortality rate in Kerala. The birth rate depicts rapid decline before the intensification of family planning programme; and the impact of this fall has already begun to be felt in growth rate of primary school enrolment. There is no reason other than influence of education for better performance in demographic changes of Kerala. Educational development helped economic development of Kerala by increasing economic efficiency; improving quality of life; producing both public and private benefits. The repressed classes and untouchables passionately sought the opportunities of education as a means of liberation from caste disabilities since social situation in Kerala was wretched during the late eighteenth and early nineteenth century. Equity concerns are implicated in the fees charged in higher education as well as the dearth of scholarships. The impression that higher education is free in Kerala or involves very low fees has been questioned. In short, Kerala experience reveals that education improves capabilities of individuals and becomes a catalyst for all the closely interrelated economic, social, cultural, and demographic changes.

CHALLENGES OF QUALITY EDUCATION

Kerala has achieved educational development at the level of developed economies. Governments, private agencies and several progressive and social reform movements have contributed significantly to this achievement. The recent ferment in higher education may be located within the context of changes in political economy that gained a new coherence in the 1990s with what may be referred to as globalization and raised rather new challenges. They include the relevance of higher education as the basis of new employment opportunities in an economy that was fast opening up to global forces. It has been pointed out that on higher education, Kerala fell behind several Indian states on several dimensions of access but especially on the availability of educational opportunities within the state relative to population and the number of students enrolled in these institutions (Tilak 2001). Currently, Kerala focuses on quality education rather than mass education. Growing concerns on quality education force people to deviate from public to private institutions. Exploiting the concerns on quality education along with the resource constraints of government, business minded people initiated several unaided and self-financing institutions. Thus Kerala witnessed a reemergence of unprecedented growth of unaided and self-financing institutions that had vanished from Kerala about half a century ago. These profit oriented institutions made education a consumer product rather than a social investment. People with high purchasing power can buy quality education with high price. Restoration of old educational system, which was extinct from Kerala, gave managements freedom for commercialization of education, through admissions and appointments.

CONCLUSION

Kerala has achieved a remarkable accomplishment in educational development with involvement of governments, private agencies and social reformers. Even in pre-British period, traditional system of education had both primary and higher education facilities. However, this system was confined to the upper class minority, which stated to change right from the early decades of nineteenth century. By the end of nineteenth century, government recognized primary education to all as its responsibility. Consequently, governments introduced various measures to promote mass education. Government interventions in education at various period ensured equal educational opportunities to all irrespective of caste or class consideration. Now Kerala focuses on quality education rather than mass education. Growing concerns on quality education forces parents to turn from public to private institutions, which led to emergence of numerous unaided and self-financial institutions that had vanished from Kerala about half a century ago. Adequate facilities, availability of regular teachers and the quality of teaching are key factors in the provision of quality higher education. The casualty in the process is a policy environment that would provide incentives to deliver quality higher education while also ensuring regulations that prevent profiteering or the use of education to dispense patronage. In this context, the current reforms are marred by the suspicion it has generated among the reputed private aided colleges that they are yet another effort to enable political interference in their affairs. This creates a situation in which people can purchase quality education depending on their purchasing power. Consequently, people with higher level of investment will be able to get better returns and people with less purchasing power will be marginalized in the society. Whatever is the reason, unequal distribution of education is good enough to create social and economic imbalance. Unequal distribution of education distorts equitable distribution of income, which in turn welfare of the society. In this context, government intervention for social control over education is necessary to ensure optimum benefit from quality education to the maximum number of members in the society.

REFERENCES

1. Adams D., (2004) Education and National Development: Priorities, Policies, and Planning.
2. ADB (2001) Education and National Development in Asia, Philippines, On line http://www.adb.org/Documents/Books/Education_NatDev_Asia/enda.pdf.
3. ADB (2007) India: Modernizing Government and Fiscal Reform in Kerala Program, *Project Report*, online, Accessed on 01-25-07, <http://www.adb.org/Documents/PCRs/IND/31328-INDPCR.pdf>.
4. Becker G. S., (1964) *Human Capital*, 1st edn. New York: Columbia University Press for the National Bureau of Economic Research.
5. Devasia M D. 2008. 'Pricing Higher Education: Equity vs Profit', in Meera Bai ed., *Kerala Economy: Slumber to Performance*, New Delhi: Serial Publications.
6. Dreze J. and A. Sen (1996) India, Development and Participation. Oxford University Press. EMS, (1967) Kerala: Yesterday, Today and Tomorrow, 1st edn. Calcutta: National Book Agency.
7. George K. K. and N. Ajith Kumar (1999), *What is wrong with Kerala's education system?*, Working Paper No.3, CSES
8. Government of Kerala. 2006. *Human Development Report, 2005*, Trivandrum: State Planning Board.
9. Hangaragi, S. S (2012), *Need to Improve Quality of Higher Education Institutions in India for Sustaining Long Term growth*, University News, 50 (39) September 24-30, P 13
10. Mathew E T. 1991. *Financing Higher Education*, Concept Publishers, New Delhi.
11. Murthy N., I. Hirway, P. R. Panchmukhi, and J. K. Satia (1990) 'How well do India's social service programs serve the poor?', Country Economic Department, World Bank, WPS 491.
12. Nair, K. N and Nair, Gopinathan, P. R (2008), *Studies in local- level Development-7, Higher Education in Kerala Micro – level Perspectives*, P 1
13. Nair, P. R. Gopinathan (1976) 'Education and socio-economic change in Kerala, 1793 1947', *Social Scientist*, 4(8): 28–43.
14. Nair, P. R. Gopinathan (1976) 'Education and socio-economic change in Kerala, 1793 1947', *Social Scientist*, 4(8): 28–43.
15. Patnaik P., (1995) 'The international context and the Kerala model', *Social Scientist*, 23 (260–62): 37–49.
16. Salim A. and P. R. Gopinathan Nair (2002) Educational development in India. The Kerala experience since 1800. New Delhi: Anmol Publications.
17. Salim, A. Abdul (2004), *Opportunities for Higher Education: An enquiry into entry barriers*, Discussion paper series, Kerala Research Program on Local Level Development, Centre for Development Studies, Trivandrum, P 6
18. Salim, Abdul. 1995. 'Subsidisation of Higher Education in Kerala', *Indian Economic Journal*, 42 (2).
19. Salim. A. 1997. *Cost of Higher Education in India*. New Delhi: Anmol Publications.
20. Singh, Meenu (2012), *Higher Education: Challenges in New Era*, University News, 50(39) September 24-30, P 21
21. Sivasankaran, C. J and Babu, Suresh, B. V (2008), 'Wastage in Engineering Education in Kerala', in Nair, K.N. and Nair, Gopinathan, P.R.(eds.) (2008), *Studies in local- level Development-7, Higher Education in Kerala Micro – level Perspectives*, P 89
22. Tharamangalam J., (1998) 'The perils of social development without economic growth: the development debacle in Kerala', *Bulletin of Concerned Asian Scholars*, 30(1): 23–34.
23. Tilak J B. 2001. 'Higher Education and Development in Kerala', Working Paper no 5. Centre for Socio-economic and Environmental Studies, Kochi.
24. Velayudhan K.V., (2010) *Economic Development in Kerala: Retrospect and Prospect, Rainbow, Chengannur, Kerala*.

PRAGMATIC SIGNIFICANCE OF INDIAN ARTS AND CRAFTS IN MAKING STRATEGIES FOR DEVELOPMENT OF DOMESTIC TOURISM IN INDIA

DHANANJAY KUMAR SRIVASTAV
RESEARCH SCHOLAR
INSTITUTE OF TOURISM & HOTEL MANAGEMENT
BUNDELKHAND UNIVERSITY
JHANSI

ABSTRACT

India is a treasure-trove in terms of uniqueness, richness and diversity of cultural manifestations. Over the years, the sustained interplay between the 'local social fabric and 'extremely diverse topographic, meteorological and biotic environments prevailing in different parts of the country paved way for emergence of ever newer traditions, festivities, life styles, settlement patterns and art and craft forms. One can aptly perceive the magnitude of 'uniqueness' and 'diversity' of Indian culture through the varied art and crafts traditions of the country. Consequently, these forms have been and would continue to prove instrumental towards enhancing the 'tourist appeal of a given destination, which go a long way in enriching the destination experience of both international and domestic tourists. Of the various art forms, handicrafts have special significance from the perspective of both the guests and hosts. For tourists, the handicraft products are practically tangible expressions of the otherwise intangible 'cultural experience'. They love to buy such native products as 'souvenirs/memoirs' and gift items, while others take them on account of their utilities or aesthetic values. On account of this, 'promotion to tourist shopping' is now being seen as an integral part of destination development strategy, in almost every part of the world. Fact remains that every popular destination offers some unique souvenirs that ultimately acts as a source of 'world of mouth publicity'. The present work seeks to prove that, today, it is imperative to foster and develop endemic art and craft, as an important ingredient of tourist products. It also attempts to provide reasons for inclusion of Indian art and crafts, while formulating strategies for promotion of domestic tourism in India.

KEYWORDS

shopping tourism, indian arts and crafts, tourist shopping destinations, sustainable development.

INTRODUCTION

At global level, every country is engaged in strategic formulation of plans and policies and tactical implementation through deploying all the available natural and manmade tourist resources to expand the elements of tourist product lines, horizontally and vertically. Amongst those elements of tourist product lines, the art and craft, which is an inseparable part of any culture from great ancient era to modern perspective, in turn, has been converted as a new emerging tourism trend known as 'Tourist Shopping'. Interestingly, looking its enormous benefits, several countries are vigorously attempting to establish themselves as 'tourist shopping destinations' by exploring, nurturing, facilitating and promoting the entire potential of tourist shopping products. The fact remains that many Asian countries like Singapore, Hongkong, Thailand, Macao, Malaysia, etc. and some western countries have successfully developed themselves as 'Tourist Shopping Destinations'.

Promotion of local art and craft 'through tourism and for tourism' will naturally ensure optimum benefits of tourism to the local community, in terms of entrepreneurial and employment opportunities. This, in turn, paves way for self-motivated involvement of local people in tourism development which is so vital for long term success of any destination. Otherwise also, the very purpose of tourism development is defeated if the local community is not benefited from it. Community involvement in tourism naturally fosters a stronger sense of 'self-confidence', 'self-reliance', and 'self-pride' among the local people, apart from providing them a befitting opportunity for 'self-actualization' and 'quality life'. It is particularly true in case of developing economies. However, to this effect, community empowerment through appropriate training and skill development programs is vitally required. Local traditions, products and, art and crafts etc. are particularly decisive in the ultimate success, especially that of a cultural tourism destinations.

LITERATURE REVIEW

A good deal of literature, in the form of books, popular articles and research papers, is now available on tourist shopping. The themes of the available literary contributions on the subject touch almost every important perspective of tourist shopping. Some key studies to this effect are documented, herein under.

Shopping has emerged as a universal activity which tourists indulge in, while traveling to different places (Kent, Shock, Snow, 1983). In spite this, shopping is seldom mentioned as the primary motive for undertaking a trip. *It is however an important leisure and tourist activity and also a significant contributor to an economy* (Cook, 1995; Di Matteo & Di Matteo, 1996; Jansen-Verbeke, 1991; Timothy & Butler, 1995). *For many visitors, no trip is complete without having spent time on shopping* (Kent, Schock, & Snow, 1983 cited in Turner & Reisinger, 2001; Heung & Qu, 1997). *Many studies have recorded that travellers often spend more money on shopping than on food, lodging or other entertainment* (Turner, W.L. and Reisinger, Y., 2001). *In some regions of the world shopping ranks number one in terms of tourist expenditure* (Turner & Reisinger, 2001). *Shopping may constitute a major attraction, drawing tourists to many less developed countries where prices of goods are generally low* (Jansen-Verbeke, 1991; Ryan, 1991; Timothy & Butler, 1995). *Hence, other than simply accounting for the largest portion of total tourist spending, shopping actually offers a real attraction for tourists* (Law & Au, 2000).

A considerable percentage of a tourist's time and money is spent on shopping; however, the subject of shopping as a tourist activity has been relatively under researched. Turner and Reisinger (2001) *enumerate several reasons for including shopping as a tourist activity; "it creates an attractive and inviting environment and incentive to travel; it develops an attractive tourist product, and it is a source of pleasure and excitement"*. Jansen-Verbeke (1991) *opines that the development of shopping sectors is instrumental in tourism promotion. Tourist shopping behaviour may be different from that of an ordinary shopping and there may be several shopping motives when on holiday. Shopping behaviour may change within the exciting and non-home atmosphere of travel* (Turner & Reisinger, 2001). *Tourist shoppers may seek unique products and souvenirs and are concerned about the brand names and logos, product and package size, price, product attributes and location of stores* (Gee, 1987 cited in Turner & Reisinger, 2001, p. 17). *The range of goods purchased by tourists is large and it does not just consist of souvenirs and necessary personal items. It includes items such as clothes, jewellery, books, art and craft, duty-free goods and electronic goods* (Turner & Reisinger, 2001) *and the items bought may differ from culture to culture and also between young and senior travellers* (Kim & Littrell, 2001). *In addition to acquiring goods, many tourists may seek to experience a specific habitat (i.e., the shopping street) in different ways* (Bloch, Ridgway, & Dawson, 1994 cited in Jones, 1999). *These reflect the capabilities of shopping to entertain and include looking at exhibits, talking with other shoppers and shop assistants, socializing with friends, and browsing with no intentions of buying* (Jones, 1999). *It should be noted that tourists may have multiple motives for a single shopping trip, including the motives of diversion, self-gratification, learning about local traditions and new trends, and sensory stimulation* (Tauber, 1972 cited in Jones, 1999).

Thus, the given state of art entails us to effectively work on promoting Indian art and craft as an important tourist product amongst domestic tourist market as well as international tourist market.

OBJECTIVES OF THE STUDY

After going through the extensive literature survey it seems pertinent to enlist the objectives to be completed by the present work.

1. To the extent possible, identify and record the existing art and craft practices in various parts of India
2. To understand the comprehensive significance of promotion of Indian art and craft, as a tourist product
3. To provide the reason for inclusion of Indian art and craft, while formulating strategies for promotion of domestic tourism in India

RESEARCH METHODOLOGY

This Research Paper is based on the Descriptive analysis of secondary data. Hence, the Scholar is totally depending on the available secondary resources of information which have been collected through Books, Journals, Research Papers, Newspapers, Public/Private Institutions' Data and Survey Reports, Periodicals, Magazines, Conferences/Seminar/Symposium' Proceedings, etc. The data, so collected have been analyzed and interpreted to detect the right conclusion.

TOURIST SHOPPING

So far as Tourist Shopping is concerned, it refers to the phenomena of purchase of specific endemic tangible goods (handicrafts/souvenirs) which are not available to the tourists' residence market.

Jafari (1982) in his article on '*Tourism- market basket of goods and services*' has classified tourist products four generic categories, i.e., *ROPs (Resident Oriented Products)*, *TOPs (Tourist Oriented Products)*, *BOPs (Back Ground Oriented Product)* and *RTPs (Retrievable Tourism Products)*. For promotion of a destination in an effective manner, all the four categories of products are required to be developed in an integrated manner. The last component of tourism product identified by Jafari, i.e., *Retrieval Tourist Product* refers to '*tourist experience/memories*', are vitally instrumental in sustained success of a destination. In this context, souvenirs purchased by the tourists not only tempt them to revive the destination experience every now and then, but also instigate them share the same with others. In this way, the souvenirs practically act as '*the marketing representatives*' on behalf of the concerned destination, while the money spent by tourists in purchase of souvenir goes a long-way in conservation and promotion of the given art-form. *The artisans, alongside earning a respectable livelihood by selling their artifacts, are also simultaneously motivated to 'innovate' as well as, 'create more'*. In the process, tourism vitally contributes to the cause of heritage conservation and promotion. Further, money spent on craft products by foreign tourists not only leads to increase in the net income of the destinations but also handsomely add to the foreign exchange earnings of the country.

Opportunities for shopping at a given destination essentially enrich the '*destination experience*' of the tourists, while also acting as a decisive point of reference in destination choice, especially in case of shopping enthusiasts. UNWTO's leading reference documents, the International Recommendation for Tourism Statistics (IRTS 2008) state that "*tourism trips can be classified according to the main purpose, one of those are 'shopping' from demand perspective i.e. visitor making a trip with shopping mind.*"

SIGNIFICANCE OF PROMOTION OF INDIAN ART AND CRAFT, AS A TOURIST PRODUCT

So far as, the objectives of tourism development are concerned, India, as a massive reservoir of traditional arts and crafts that flourished almost every city of the country, may be a best alternative to fulfill those objectives which encompass; (1) *earn foreign currency as well as national currency for country* (2) *boost up socio-economic status of the poor communities,*(3) *generate potential for employment and entrepreneurship and also carried out as a part time job* (4) *prevent from extinction of unique arts and crafts and artistry skills* (5) *stop population migration towards urban* (6) *develops a sense of self-respect in poor communities* (7) *re-sustaining artisanal skills which have reached to the verge of extinction* (8) *instrumental in transmitting endemic cultural values over the nation as well as the worldwide* (9) *restrain from languishing of product quality* (10) *contributes in mitigation of negative impacts on environment and ecology* (11) *inject anxiety in the tourist to revisit the destination and also enforced the others to visit the place* (12) *play a decisive role to choose destination to visit* (13) *artifacts itself act as a marketing representative of the concerned destination* (14) *The artisans, alongside earning a respectable livelihood by selling their artifacts, are also simultaneously motivated to 'innovate' as well as, 'create more'*. Consequently, the above mentioned characteristics make the Indian art and craft most requisite components for promotion and development of domestic and international tourism. Thus, Indian art and craft, as an important element of tourist product, needed to formulate strategies and intense implementation to penetrate domestic market as well as international.

In the present study, the term 'Tourist Shopping' is applied to 'buying of souvenirs by the tourists'. The local art products taken by the tourists as 'souvenirs' actually act as '*goodwill ambassadors*' and '*image builders*' alongside performing as a resilient medium of '*world of mouth publicity*' for the concerned destination. In fact, 'destination development' and 'conservation of art and craft', have synergic relationship, where-in each contributes towards effective enhancement of the other. Evidently, 'promotion of 'souvenir sector' as an integral part of destination development may prove instrumental in '*enhancement of the touristic appeal of the destination*', '*substantial increase in per tourist expenditure*'; '*enrichment of the tourist experience*'; '*promotion/conservation, and even revival and rediscovery of many lost art and craft traditions*'; '*building positive destination image*'; and '*paving way for better life to the artisans*' while also '*strongly infusing the zeal for creativity in them*' besides '*giving them due recognition for their creativity*'. Further, buying of souvenir by foreign tourists is virtually '*on the spot export of it*' which may also go a long way in creating a demand for it in the foreign and consequently. Every part of the country has its unique heritage of art and craft with obvious flavor of the local folk culture and values

INDIAN ART AND CRAFT

Every destination, region or state of India has its own unique heritage of art and craft with obvious flavor of local folk culture and values which make it distinctive. However, India is virtually un-parallel, in this regard. The country is blessed with dramatically diverse and multilayered culture heritage of art and imbibed through the ebb and flow of historical events that rest upon societal practices and religious belief. The art forms have seeped; taken roots; spread through time, generations and communities and through the simple act of a living in dynamically changing political, socio-economic and environmental conditions. Extreme geographic contrasts prevailing from north to south and east to west of the country too has its distinct imprints on the expressions of art and artisans.

The crafts of India present both the widest canvas of creative activity and the broadest spectrum of development. From village pottery, made in the same manner as it was done during the Indus Valley days of the third millennium BC to the highly evolved and sophisticated artistic forms of today, Indian crafts have travelled a long way to reach to its existing state of '*dynamic diversity*' and '*magnitude of distinctiveness*'. Taking elements of *Thurianian, Dravidian, Greek, Sassanian, Mongol, European* and various other sources, India now has become a fabulously rich repository of unique art and crafts forms of the world.

The unique and distinctive art and craft products which flourished almost in every state of India have been identified and recorded here-in under.

TABLE 1

	Andhra Pradesh
Hyderabad	Bidriware; Paagdu bandhu – yarn tie-resist- dyeing; Banjara embroidery; Lac bangles
Warangal	Durrie weaving; Painted scrolls of Cherial; Nirmal painting; Lace making; Silver filigree; Dhokra – lost wax metal casting; Sheet metal work
Visakhapatnam	Wood and lac turnery of Etikoppaka; Veen –string instrument; Jute craft; Metalwork
Machilipatnam	Block printing; Telia rumal – yarn-resist-dyed textile; Knotted carpets; Leather puppets; Wooden toys of Kon-dapalli; Crochet work
	Arunachal Pradesh
Bomdila	Bamboo and cane bridges; Flattened bamboo containers
Ziro	Apa Tani; bamboo products
Along	Cane haversacks; Coiled cane hats
Khonsa	Wood carving
	Assam
Nalbari	Bamboo craft of Assam; Bamboo nesting bas-kets; Coiled cane work; Brassware; Eri silk spinning
Silchar	Sheetalpati – reed mat ; Flattened bamboo mat ; Cane furniture ; Coiled cane craft
	Bihar
Madhuban	Terracotta; Madhubani painting; Sujuni embroidery; Sikki craft; Papier-mâché; Lac bangles
Patna	Stone carving; Wooden toys; Khatwa – appliqué
Bhagalpur	Tribal jewellery; Jute work
	Chandigarh (Union territory)
Chandigarh (Union territory)	Palm leaf work; Sarkanda work; Brass ware; Jutti – leather, Palm leaf work; Sarkanda work; Brass ware; Jutti – leather footwear; Surahi – pottery
	Chhattisgarh
Sarguja and Raigarh	Painted clay relief; Dhokra – lost wax metal casting; Bamboo basketry; Brass vessels; Bronze ware
Bastar	Iron craft; Terracotta and pottery; Pata weaving
	Dadra & Nagar Haveli
Dadra & Nagar Haveli	Bamboo fish traps; Bamboo baskets; Terracotta and pottery; Fishing nets
	Daman & Diu
Daman & Diu	Crochet and lace work; Tortoise shell and ivory carving
	Delhi
Delhi	Naqqashi – engraving; Zardozi – gold embroidery; Terracotta ware; Papier-mâché; Wood inlay; Carved wooden furniture; Chik making; Sandalwood carving
	Goa
Goa	Kashita kari – wood carving; Crochet and lace work; Menawati – candle making; Otim kaam – brass ware; Boat making; Terracotta; Coconut based crafts; Dhaatu kaam – copper ware; Shimpla hast kala; seashell craft; Maniche Kaam – bamboo craft; Fibre craft
	Gujarat
Kachchh	Clay relief work Painted terracotta; Kachchhi embroidery; Rogan painting; Bandhani – tie-resist-dyeing Appliqué; Namda – felted rugs; Leather work; Wood and lac turnery; Wood carving; Ajrakh printing ; Silver work Bell making
Rajkot	Bullock cart making; Wood with metal embossing; Pathar kaam/Sompura kaam – stone carving
Ahmedabad	Kite-making; Block making; Mata ni pachedi – ritual cloth painting; Patola weaving; Mashru weaving; Ari embroidery; Bohra caps; Wood carving; Silver ornaments
Vadodara	Sankheda furniture; Pithora painting; Silver ornaments; Agate stone work; Bead work; Terracotta and pottery; Brass and copper ware
Surat	Marquetry; Mask making; Patku weaving; Sujuni weaving; Vaaskaam – bamboo crafts; Devru – embossed metal
	Haryana
Haryana	Palm leaf work; Sarkanda work; Brass ware; Jutti – leather footwear; Surahi – pottery
	Himachal Pradesh
Chamba	Lost wax metal casting; Silver jewelry; Chamba rumal; Chamba painting; Embroidery on leather
Kangra	Thangka painting; Dras-drub-ma – appliqué thangka; Metal work; Wood work of Dharamsala
Kullu	Basketry; Doll making; Thattar ka kaam – sheet metal work; Knitted socks; Pula chappal – grass footwear; Kullu shawls
	Jammu & Kashmir
Kashmir	Papier-mâché; Kaleen–knotted carpets; Kashidakari–Kashmiri embroidery; Namda-felted rugs; Gabba–embroidered rugs; Walnut wood carving; Pinjrakari and khatumband – wood work; Wicker work; Copper ware
Ladakh	Thangka painting; Ritual cloth installations; Khabdan – pile carpets; Tsug-dul and Tsuggdan–woollen pile rugs; Challi–woollen textiles; Hand-spinning Paabu; stitched boots; Thigma; tie-resist-dyeing; Metal work; Wood carving; Painted wood Basketry
	Jharkhand
Ranchi	Bamboo work; Dhokra – lost wax metal casting; Musical instruments; Tribal jewellery; Wall painting of Hazaribagh
Dumka	Jadupatua painting; Black terracotta
	Kerala
Thiruvananthapuram	Bell metal utensils; Marapani – wood carving; Palmyra basketry; Ramacham root products; Horn carving
Ernakulam	Vallam – boat making; Aranmula kannadi – metal mirror; Stone carving; Coconut based crafts; Coir work, Bamboocraft; Natural fibre crafts; Laminated wood work and inlay
Thrissur	Pooram crafts; Bronze casting; Wood carving; Cane and bamboo craft; Kora mat weaving; Screw pine craft
Kannur	Bronze casting; Ship building; Kathakali and Theyyam headgear; Nettu petti – jewellery boxes; Symmetric wood stringing
	Karnataka
Bangalore	Metal casting; Stone carving; Wood carving; Wood & lac turnery of Chennapatna
Mysore	Sandalwood carving; Rosewood inlay; Soapstone carving; Gesso painting of Mysore; Ganjifa cards; Metal casting; Sheet metal embossing; Terracotta; Tibetan carpets
Mangalore	Stone carving; Rosewood carving; Terracotta and pottery; Bhoota figures; Yakshagana costume making; Bronze casting; Areca palm leaf craft; Mooda – rice packaging

Bellary	Terracotta and pottery; Banjara embroidery; Sheet metal embossing
Bijapur	Surpur painting; Bidriware; Sheet metal work; Banjara embroidery; Wood carving
Belgaum	Gold jewelry and silver ware; Navalgund durrie; Kasuti embroidery
	Madhya Pradesh
Jhabua	Wood carving; Pithora painting; Terracotta and pottery
Indore	Block printing of Bagh; Bandhani – tie-resist-dyeing; Leather toys
Ujjain	Wood carving; Papier-mâché; Bohra caps
Bhopal	Zardozi – gold embroidery; Jute craft; Wood and lac turnery
Gwalior	Stone carving
Mandla	Stone carving; Wood carving; Terracotta and pottery; Gond chitrakala – tribal painting
	Maharashtra
Kolhapur	Kolhapuri chappal – leather footwear; Ganjifa cards; Wooden toys; Chandi che kaam – silver ware; Sitar – string instrument
Pune	Terracotta and pottery; Tambaat kaam – copper and brass ware; Uthavache kaam – metal embossing; Bidri ware; Metal dies and metal casting; Durrie weaving; Ambadi – sisal craft; Taal, jhanjh, ghanta – brass musical instruments; Banjara embroidery
Mumbai	Warli painting; Terracotta and pottery; Bamboo work; Patua kaam – jewelry stringing work; Stringing of flowers
	Manipur
Imphal	Traditional bamboo products; Thongjao pottery; Bell metal work; Kauna phak – reed mats
	Meghalaya
Shillong	Bamboo rain shields; Bamboo carrying bas-kets; Garo bamboo house
	Mizoram
Aizawl	Bamboo basketry; Cane stool; Mizo puan weaving; Gourd craft
	Nagaland
Kohima	Wood carving; Kohi – cane baskets; Loin loom weaving
	Orissa
Bhubaneswar	Cowdung toys; Coconut shell carving; Betel nut carving; Talapatra khodai – palm leaf engraving; Pathar kama – stone work; Papier-mâché
Puri	Patachitra – painting; Pipili appliqué; Shola pith craft; Seashell craft; Coir craft; Wood carving; Dhenkanal; Dhokra – lost wax metal casting; Brass and bell metal ware; Brass ornaments; Straw craft; Bamboo craft
Sambalpur	Bandha – yarn tie-resist-dyeing; Kumbhar kama – terra-cotta and pottery
Cuttak	Chandi tarkashi – silver filigree; Stone carving; Sikki craft; Katki chappal – leather footwear; Brass and bell metal ware; Katho kama – wood carving
Koraput	Kotpad sari; Dongaria scarf – kapra gonda; Dhokra – lost wax metal casting; Tribal ornaments; Bamboo craft; Paddy and root craft; Lac products; Terracotta and pottery
	Pondicherry
Pondicherry	Terracotta and pottery; Soapstone sculpture; Kora mat weaving; Seashell craft
	Punjab
Amritsar	Khunda – bamboo staves; Galeecha – knotted carpets
Hoshiarpur	Carved and turned wood work; Panjabi durrie; Wood inlay of Hoshiarpur; Wood and lac turnery
Patiala	Phulkari and bagh – embroidered textiles; Nala – draw-strings; Tilla jutti – traditional footwear
	Rajasthan
Jaipur	Blue pottery of Jaipur; Kundan jadai – gem setting; Meenakari – enamel work; Lac ware; Razai – quilt making; Bandhej and leheriya – tie-resist dyeing; Block making; Block printing of Bagru and San-ganer; Mojari – leather footwear; Handmade paper; Felt products; Bahi – clothbound books; Sanjhi – paper stencils;
Ajmer	Phad painting; Miniature painting on wood; Leather work; Marble carving
Bikaner	Usta kaam – gesso painting; Gangaur idol making; Meghwal embroidery; Bhatti chitra – wall painting; Miniature painting; Sandalwood carving; Silver ware; Meenakari and kundan jewellery
Jodhpur	Mojari – leather footwear; Wood work; Dabu – mud resist printing; Bandhej – tie-resist-dyeing; Seep ka kaam – mother-of-pearl work; Bone work; Musical instruments; Wrought iron work; Pattu weaving; Panja dhurrie weaving; Maati ro kaam – terracotta and pottery; Paatra kaam – utensil making
Jaisalmer	Camel trappings; Terracotta of Pokharan; Stone carving
Udaipur	Pichhwai – painted temple hangings; Kavadi – mobile shrines; Terracotta of Molela; Damascening; Metal engraving; Koftgiri – weaponry; Thewa – gold leaf; Silver jewellery; Meenakari – enamel work; Dabu printing of Akola; Leheriya – tie-resist-dyeing
Jodhpur	Mojari – leather footwear; Wood work; Dabu – mud resist printing; Bandhej – tie-resist-dyeing; Seep ka kaam – mother-of-pearl work; Bone work Musical instruments; Wrought iron work; Pattu weaving; Panja dhurrie weaving; Maati ro kaam – terracotta and pottery; Paatra kaam – utensil making
Jaisalmer	Camel trappings; Terracotta of Pokharan; Stone carving
Udaipur	Pichhwai – painted temple hangings; Kavadi – mobile shrines; Terracotta of Molela; Damascening; Metal engraving; Koftgiri – weaponry; Thewa – gold leaf; Silver jewellery; Meenakari – enamel work; Dabu printing of Akola; Leheriya – tie-resist-dyeing
	Sikkim
Ku	Buddhist figurines; Choktse – tables
	Tamilnadu
Kanyakumari	Palm leaf work; Kora mat weaving; Seashell craft; Bobbin lace; Kavasam – sheet metal cladding; Stone carving; Stucco work
Tiruchirapalli	Bronze casting; Vilakku – brass lamps; Brass repoussé; Bell metal ware; Thanjavur kalamkari – dye painted textiles; Pallagai padam – Thanjavur painting; Veena – string instrument Nadaswaram – wind instrument; Root carving; Pith work; Cut glass work
Madurai	Terracotta and pottery; Wood carving; Appliqué; Sungadi – tie-resist-dyeing; Muthangi – pearl-studded attire; Brass ware
Salem	Wood carving; Soapstone utensils; Bhavani durries; Woollen druggets; Rayon durrie; Bamboo flute
Auroville	Handmade paper products; Pottery; Crochet and bead work; Stone carving, Leatherwork
Cuddalore	Wood carving; Silk garland making
Kanchipuram	Stone carving; Wood carving
Chennai	Wood carving; Palm leaf work
Thanjavur	Glass painting; Doll making
Coimbatore	Toda embroidery
	Tripura

Agartala	Traditional bamboo products; Bamboo crafts; Bamboo furniture of Katlamara; Pressed clay work of Melaghar; Bamboo fences; Tripuri textiles
	Uttarakhand
Almora	Aipan – ritual floor painting; Ringaal basketry; Nettle fibre craft; Likhai – wood carving; Copper ware
Dehradun	Rambaans – natural fibre craft; Lantana furniture; Tibetan carpets
Joshimath	Wool Work - Carpets, Shawls, Baskets etc
Uttarkashi	Wool Work - Carpets, Shawls, Baskets etc
	Uttar Pradesh
Saharanpur	Wood carving; Tarkashi – metal inlay in wood; Ebony wood carving
Moradabad	Brass ware
Bareilly	Bamboo flutes; Cane furniture
Aligarh	Pottery of Khurja and Chinhath
Agra	Pacchikari – stone inlay of Agra; Marble carving; Soft stone carving; Knotted carpets; Glass work; Sanjhi – paper stencils
Lucknow	Chikankari – Lakhnavi embroidery; Kamdani and fardi ka kaam – metal work embroidery; Silver work; Zardozi – gold embroidery; Varaq ka kaam – gold and silver foil work; Sheet metal work; Terracotta and pottery;
Varanasi	Wood and lac turnery; Repoussé; Wood carving ; Carpets and durries; Meenakari – enamel work; Block printing; Zardozi – gold embroidery
Gorakhpur	Black pottery of Nizamabad; Terracotta and pottery
Allahabad	Moonj basketry; Papier-mâché; Shazar stone jewelry; Date palm craft
	West Bengal
Darjeeling	Wood carving ; Beaten silver engraving; Hill painting ; Carpet weaving ; Konglan – stitched boots ; Terracotta; Cane furniture
Birbhum	Leather craft ; Terracotta ; jewelry; Kantha – patched cloth embroidery ; Wooden toys ; Sherpai – measuring bowls ; Dhokra – lost wax metal casting ; Clay work of Krishnanagar
Bankura	Terracotta of Bankura ; Patachitra – scroll painting ; Ganjifa cards ; Conch shell carving ; Coconut shell carving ; Wood carving; Stone carving;
Cooch Behar	Sheetalpati – reed mats ; Gambhira masks
Murshidabad	Shola pith craft ; Metal ware
Kolkata	Beaten silver work

Source: Parashar, D. A., 2014. Thesis entitled 'Shopping by Foreign Tourist in India: Prevailing Trends, Scope, Grey Areas and Strategic Considerations with Special Reference to Delhi, Agra and Jaipur Circuit'. Submitted at H.N.B. Garhwal University, Srinagar (unpublished).

NECESSITY TO DEVELOP STRATEGIES FOR PROMOTION AND DEVELOPMENT OF INDIAN ARTS AND CRAFTS ALONG WITH TOURISM

International Scenario

UNWTO current report states that Tourism, as an industry, now has assumed the status of 'largest' and yet the 'fastest' growing Industry of the world. And it is expected to increase at an average rate of 3.3% per annum during next one a half decade i.e., per annum increase of about 43 million tourists. The development of shopping tourism is a phenomenon that is attracting increased attention from policy makers, academics and business leaders around the globe. Travelling away from home impacts tourists' shopping habits, spending increases, more non-essential items are bought, and purchases are made on unusual days (e.g., Sundays, evenings and/or holidays). The International Recommendations for Tourism Statistics (IRTS 2008) states "tourism trips can be classified according to main purpose, one of these being 'shopping', from the perspective of demand, i.e. visitors making a trip with shopping mind". Many overseas nations already have included Shopping Tourism, as a new emerging trend, in their strategies for promotion and development of tourism. Many countries have adopted specific policies to improve the shopping experience for visitors, create new shopping tourism products and promote their own unique shopping experiences to potential visitors. For instances (1) NYC, the top international destination, shopping is the single most popular activity among all types of visitors. Almost 20 cents out of every dollar spent by visitors in NYC are spent on shopping. (2) In recent year Barcelona has become synonymous of shopping tourism. Currently it is riding high as a shopping destination. (3) A survey in 2013 showed that about 50% tourists in Venice come specially for shopping. (4) In Paris itself, the 'Shopping By Paris' campaign for 2014 includes a package offering visitors a 10% reduction in over 270 stores for a set period. (5) 'Shopping and dining' are the most popular activities carried out by international visitors to the United States. Global Blue estimates (2014) that a total of US\$1.1 billion was spent on shopping in the country by visitors. (6) PATA's Power market intelligence tool indicates, in 2014 visitors to Hong Kong spent almost 60% of their travel budget on shopping. Visitors to Macau spent 49%, visitors to Korea spent 43% and visitors to Japan dedicated 32% of their travel budget to shopping purchases. (7) In Malaysia (2013) shopping expenditure represents the second biggest share of tourist expenditure after accommodation. (8) Italian Government Tourism Board has made well publicized efforts to promote the country's image as a shopping destination.

Indian Scenario

FIG. 1



Source: Export Promotion Council of Handicrafts (EPCH) Report 2015. Website: www.epch.in

According to the Export Promotion Council of Handicrafts (2015), the exports of handicrafts have estimated growth of Rs. 387.00 Crore in 1986-87 to 27746.84 Crore in year 2014-15. The Indian Handicrafts & Gifts Fair is one among the few fair in world where entry is only for overseas buyers / buying agents. There are 900 permanent marts which are open throughout the year.

According to tourist statistics 2003 (Dept. of Tourism), 'the foreign tourist expenses on handicraft in India formed about 21% of total foreign exchange earnings from tourism.' Statistical data says, on an average a foreign tourist spends about Rs.12187 on handicrafts. UNESCO's crafts/tourism index defined as expenses on handicrafts per foreign tourist per day is found to be Rs.609/-(approx.\$13) in India in 2003. Available report describes, per capita expenditure per tourist is approximately Rs. 16,333. Female tourist spends more than their male counterpart. Business tourists spend highest on handicrafts.

Various Specific Handicrafts' Export Status

TABLE 2

HANDICRAFTS	2012-2013	2013-2014
ARTMETALWARE"	4317.21 CRORE	5244.78 CRORE
WOODWARE	3933.84 CRORE	4477.02 CRORE
"HAND-PRINTED TEXTILES	2673.71 CRORE	3013.46 CRORE
"EMBROIDERED & CROCHETED GOODS	5308.77 CRORE	5628.25 CRORE
"SHAWL AS ARTWARE"	709.06 CRORE	942.40 CRORE
"ZARI AND ZARI GOODS	328.30 CRORE	353.49 CRORE
"IMITATION JEWELLERY	1483.39 CRORE	1959.93 CRORE
MISCELLANEOUS HANDICRAFTS	4750.14 CRORE	6127.41 CRORE

Source: Export Promotion Council of Handicrafts (EPCH) Report 2015. Website: www.epch.in

Though, the above given table describes the last two successive year's comparative growth status, handicrafts have continued its growth rate from many years back, prove it that all the types of handicrafts' export are increasing with good percentage.

'SWOT' Analysis of Indian Handicrafts

TABLE 3

Strengths	<ol style="list-style-type: none"> 1. Rich traditions of excellence in arts and crafts 2. Development of supply-chain with skill satisfaction. 3. Component level manufacturing, providing it the efficiency 4. Achievable/ acceptable social standard. 5. High employment potential. 6. Highly export-driven, for foreign exchange accrual and skill requir
Weaknesses	<ol style="list-style-type: none"> 1. Unorganized marketing and inadequate market information. 2. Inadequate support mechanism for product development. 3. Power interruption and other infrastructural deficiencies 4. Inadequacy of raw material at appropriate prices 5. Lack of mechanism for dispersal of technology for enhancing 6. Lack of investment of fulfilling international requirements. 7. A general poor image of the country as a supplier of quality productivity and final finis goods with consistency.
Opportunities	<ol style="list-style-type: none"> 1. A large trained, skilled manpower base. 2. Existing international presence 3. Existing social interventions and structure 4. Traditional knowledge base 5. Growing export market for quality products and 6. Growing environmental concerns 7. Growing sophistication and buying power of Indian reduction in acceptance of mass produced products, especially in Euro consumers.
Threats	<ol style="list-style-type: none"> 1. Competitors gaining market share on strength of volume 2. Competitors edge out Indian exporters on strength of quality 3. Growing environmental concerns in the country affecting supply of raw materials 4. International campaigns against child labour and social standard 5. Lack of coordination between institution affecting production and export 6. Increased competition among indigenous suppliers leading to price war, high supply costs 7. Excessive reliance on state incentives and props. to price wars, high transportation costs. production and exports standard supply of raw materials. quality. and price supply of raw materials standard production and exports.

Source: Planning Commission' Report, Govt. of India, 2012.

CONCLUSION

It can be obviously said that India is fabulously bestowed with natural and manmade tourist resources which have full potential to be turn as tourism products if, rigorous and judicious efforts take-place, in that order. The massive number of presently existing unique Indian art and craft, some of them have internationally recognized and demanded, have full capability to turn as an important instrumental in development of rural community who have no other source of economy but agricultures, as well as, may be a strong contributor in earning foreign currency for the nation.

The fact remains that India, in spite of having tremendous form of arts and crafts, very little efforts have been given to promote and develop it at international level and even national level too. Although, whatsoever, have been done till date, is only enhancing the attractiveness of documentary record. Interestingly, looking into the SWOT analysis of Indian art and craft and its overall impacts on the rural community, it becomes imperative to not only formulate strategic promotional and development plan but also make sure of the effective implementation of the same at ground level.

REFERENCES

1. Bloch, P.H., Ridgway, N.M. and Dawson, S.A., 1994. The shopping mall as consumer habitat. *Journal of Retailing* **70**, pp. 23–42.
2. Cook, S.D., 1995. Outlook for travel and tourism basics for building strategies. In: Cook, S.D. and McClure, B., Editors, 1995. *Proceedings of the travel industry association of America's twenty-first annual outlook forum*, Travel Industry Association of America, Washington, DC, pp. 5–18.
3. Di Matteo, L. and Di Matteo, R., 1996. An analysis of Canadian cross-border travel. *Annals of Tourism Research* **23** 1, pp. 103–122.
4. Export Promotion Council of Handicrafts (EPCH) Report 2015.
5. Gee, C. Y. (1987). Travel related shopping and financial services. In: *The Travel Industry*, pp. 422–456.
6. Govt. of India, (2003). A survey of foreign tourist's expenses on handicrafts. *Economic Services Group, National Productivity Council, New Delhi*.
7. Heung, V.C.S. and Qu, H., 1997. Tourism shopping and its contributions to Hong Kong. *Tourism Management* **19** 4, pp. 383–386.
8. Jafari, J., 1987. Tourism models: The socio-cultural aspects. *Tourism Management* **8** 2, pp. 151–159.
9. Jansen-Verbeke, M., 1991. Leisure shopping: A magic concept for the tourism industry?. *Tourism Management* **12**, pp. 9–14.
10. Jones, A.M., 1999. Entertaining shopping experience: An exploratory investigation. *Journal of Retailing and Consumer Services* **6**, pp. 129–139.

11. Kent, W., Schock, P. and Snow, R., 1983. Shopping tourism's unsung hero(ine). *Journal of Travel Research* **21** 4, pp. 2–4.
12. Kent, W., Schock, P. and Snow, R., 1983. Shopping tourism's unsung hero (ine). *Journal of Travel Research* **21** 4, pp. 2–4.
13. Kim, S. and Littrell, A.M., 2001. Souvenir buying intentions for self versus others. *Annals of Tourism Research* **28** 3, pp. 638–657.
14. Law, R. and Au, N., 2000. Relationship modeling in tourism shopping: A decision rules induction approach. *Tourism Management* **21**, pp. 241–249.
15. Planning commission' Report, Govt. of India
16. Report of the Development Commissioner (Handicrafts).
17. Ryan, C., 1991. Recreational tourism: a social science perspective, *Routledge, London*.
18. Tauber, E.M., 1972. Why do people shop? *Journal of Marketing* **36**, pp. 46–49.
19. Timothy, D.J. and Butler, R.W., 1995. Cross-border shopping: A North American perspective. *Annals of Tourism Research* **22** 1, pp. 16–34.
20. Turner, W.L. and Reisinger, Y., 2001. Shopping satisfaction for domestic tourists. *Journal of Retailing and Consumer Services* **8**, pp. 15–27.
21. Turner, W.L. and Reisinger, Y., 2001. Shopping satisfaction for domestic tourists. *Journal of Retailing and Consumer Services* **8**, pp. 15–27.
22. UNWTO, (2008). *The International Recommendation for Tourism Statistics*
23. UNWTO, Global Report on Shopping Tourism. *Madrid, Spain*, Vol. (8),
24. UNWTO, Tourism Highlights. (2015 Edition), *Madrid, Spain*,
25. www.unwto.org

WOMEN EMPOWERMENT UNDER UMEED FOUNDATION IN SANGRUR: A CASE STUDY

GAGANDEEP KAUR
RESEARCH SCHOLAR
DEPARTMENT OF ECONOMICS
PUNJABI UNIVERSITY
PATIALA

ABSTRACT

Microfinance is considered not only effective tool of poverty reduction but also a way to empower the poor women in rural areas. This research paper throws the light on the working of microfinance policy in terms of women empowerment. To analyse the effectiveness of microfinance, data was collected from an educationally backward district of Punjab i.e. Sangrur during August 2012-April 2013. For this purpose, 200 women beneficiary of 22 Self Help Groups working under Non Government organization i.e. Umeed Foundation was selected. 12 villages of two blocks i.e. Bhawanigarh and Sangrur were covered. Further close ended questionnaire was formed to get the responses of beneficiaries. Those beneficiaries were interviewed who were in the scheme since one and half year. Majority of the target women were illiterate and belonged to schedule caste. Six indicators under economic empowerment and four indicators under social/familial empowerment were selected. Study found mixed results regarding these indicators. In some areas women were empowering, where in other areas empowerment was not found.

KEYWORDS

non government organization, self help groups, umeed foundation.

INTRODUCTION

For centuries, women have been treated as the weak and marginalized sections of the society. They had to depend upon the male members for their needs. They did not have right to speak and interfere in the matters of the family. They had to face inequalities and partialities in the families. But with the passage of time, their condition in society has been gradually and steadily changing. Although the society is still male dominated, but the orthodox thinking has been changing. Women are now empowering themselves. They are getting educated, doing jobs and are taking part in politics too. Microfinance is an effective tool of poverty reduction, but it is also considered as a tool of women empowerment. A number of studies have been conducted to assess the impact of microfinance on women empowerment. All the studies have taken a number of indicators of women empowerment. In order to analyze the impact of microfinance on women empowerment, five domains of empowerment, i.e. economic empowerment, familial/social empowerment, political empowerment, legal empowerment and educational empowerment have been taken in the present study.

REVIEW OF LITERATURE

Bayes et. al. (1998) in their study tried to find the empowerment of women through microfinance in relation with their participation in rural Bangladesh. Provision of microfinance provided women an additional source of income that reduced their dependency on others leading to autonomy incidence. It provided women courage and more control over sources that led to consultation indices. improved the economic condition of women by enhancing their income, saving, skill etc. Awasthi et. al. (2001) carried out a study to measure the impact of microfinance through SHGs on the socio economic condition of women in Madhya Pradesh. A positive impact on empowerment was also seen as they developed leadership among them and became aware of benefits of the education and nutritional values. Basu (2006) conducted a study on microfinance in Hooghly district of West Bengal. Thus microfinance was not affecting poor women members. They did not have any role in decisions on repairing and construction of house, buying and purchasing of livestock. 78 percent women did not have independent income. Swain and Fan (2007) carried out a study to analyse the effectiveness of microfinance in empowering women. SHGs were empowering women members. But empowerment was not the same for each woman. Factors such as behavior of women, position in family, village culture, religious norms, training and awareness programmes were responsible for the empowerment. Arora and Meenu (2011) conducted a study in three districts of Punjab i.e. The study found that women were not satisfied with the formal sector in respect of availing loan because it demanded collateral security and the procedure of loaning was very rigid and they had to face many difficulties while borrowing. it was found that the policy had moderate impact on improvement in social status, poverty reduction, improvement in income and consumption, increase in decision making, confidence building and communication skill. It had very low impact on awareness on social issues.

NEED OF THE STUDY

No doubt there is a large quantum of literature on the effectiveness of the microfinance yet there is need to go further. In India the southern region has received more attention because of the high concentration of microfinance organizations. In Punjab microfinance started gaining recognition after 2000. Concentration of microfinance is also low in this state. So it was modest attempt to conduct a study in one of the backward district of Punjab i.e. Sangrur.

SIGNIFICANCE OF THE STUDY

In the present study we tried to analyse the impact of microfinance policy on women empowerment. We tried to find whether women were empowering themselves in the backward district. Which are the areas where the poor women were empowered and which were the areas where women were still lagged behind? So the study is very helpful for the policy makers to act upon those areas where the empowerment was not taken place yet.

RESEARCH OBJECTIVES

1. To assess the impact of microfinance programme on economic empowerment of women
2. To assess the impact on familial/social empowerment of women
3. Offer the suggestions to make the programme more effective.

HYPOTHESES FOR THE STUDY

1. Microfinance has a positive impact on economic empowerment.
2. Microfinance has a positive impact on social/familial empowerment.

RESEARCH METHODOLOGY

In order to assess the impact of microfinance on women empowerment the data was collected from the district Sangrur. This district is located in Punjab (India). It is one of the educationally backward district of Punjab. The study was based on primary data. Target women were the beneficiaries of Umeed Mahila Manch (UMM). UMM programme has been running under the Umeed Foundation. Data was collected through the questionnaire. Sample size for the study was 200 women beneficiaries of 22 SHGs. Beneficiaries were covered from two blocks-Sangrur and Bhawanigarh. Data collected from field was carefully analysed. Simple average and percentage methods were used to analyse the data. To screen the data for meaningful results and to test the hypotheses, Chi-square test was applied.

UMEED FOUNDATION

Umeed is a Non Governmental Organisation (NGO) founded in 1999 by Mr. Arvind Khanna who was a former Member of Parliament. It is registered under Indian Trust Act, 1882 and is functioning in district Sangrur. In Sangrur it is the largest foundation and very popular among the rural poor households. Provision of health care facilities and changing the lives of marginalised section of society for the better, is the main aim of this foundation. It has started many small projects such as running shop, leather work, dairy, pickle making, bag making, book binding, compost gas, horticulture projects etc. Apart from it, new opportunities have also been explored in the field of fabrication and other cottage industries. To increase employment opportunities, a number of economic and development centres have been set up.

DATA ANALYSIS AND FINDINGS

From the survey it was found that majority of women i.e. 62.5 percent were illiterate. 86 percent of them belonged to scheduled caste family. 63.5 percent beneficiaries were from labour class family. Results are summarized below.

ECONOMIC EMPOWERMENT

Microfinance has given opportunities to women to access credit and to increase their incomes, savings and consumption. It also gives them an opportunity of self employment. These indicators include control of women over the amount of the loan, income and savings, participation in the financial decisions of households, ownership of land and house, possession of gold and the ability to manage budgets of household.

TABLE 1: ECONOMIC EMPOWERMENT

Indicators	No. of beneficiaries with positive response	No. of beneficiaries with positive response	chi square	p value
Control over the amount of the loan	164(82.0)	36(18.0)	81.9	0.00**
Control over income	143(72.5)	57(28.5)	36.9	0.00**
Control over saving account	59(29.5)	141(70.5)	33.6	0.00**
Keeping the record of the budget	44(22.0)	156(78.0)	62.7	0.00**
Ownership of land and house	--	200(100)	--	--
Possession of Gold	42(21.0)	158(79.0)	67.3	0.00**

Source: Field Survey 2012-13

Notes:

(i): ** denotes significant at 1percent level

(ii): Figures given in parentheses indicate percentage of beneficiaries

From table 1 significant relations between microfinance and beneficiaries control over loan was found. Majority of i.e., 82 percent beneficiaries had independent control over the loan obtained from SHGs. It means they used their loan according to their choice and other family members supported them. The rest of the beneficiaries were just passing credit to their husbands or to other members of their family. Majority of beneficiaries, i.e. 72.5 percent, had independent control over their income earned from all sources. These beneficiaries handed over their income to the head of the household with their own wish. They were independent to use their income if they have any personal need. But very few beneficiaries had saving accounts in the bank. Although microfinance inculcated the habit of saving in them, yet they were linked to banks only through group accounts.

Ownership of assets is one of the main elements for the security of women in the family. Ashraf (2006) found that ownership of assets and women empowerment has a positive relation. More the ownership of assets, more will be the empowerment. In assessing the impact, three indicators such as ownership of land/house and possession of gold have been considered. But it was found that condition of women was not good regarding the ownership of land and house. No beneficiary owned land or house in their name. They reported that only male members of their family had ownership of land/ house. Majority of women, (79 percent) did not have possession of gold jewellery.

Table 1 also depicts that beneficiaries did not keep records of income and expenditure of their households. But it is very necessary to maintain records of all financial transactions made by households in order to reduce the risk of indebtedness. However, microfinance in the study area did not create awareness regarding budgeting among beneficiaries.

FAMILIAL AND SOCIAL EMPOWERMENT

Familial and social empowerment takes place when women gain confidence to move outside homes and play an active role in the welfare activities of society. In social and familial empowerment indicators are confidence/freedom to move outside the house and the ability to buy household goods, participation in decisions of households, confidence in communication skill, taking part in welfare activities at the village level.

TABLE 2: FAMILIAL AND SOCIAL EMPOWERMENT

Indicators	No. of beneficiaries with positive response	No. of beneficiaries with negative response	chi square	p value
Freedom to move outside house and buy household goods	149(78.5)	51(25.5)	48.0	0.00**
Participation in decision making process of household	153(79.5)	47(23.5)	56.2	0.00**
Increase in confidence to communicate	142(71.0)	58(29.0)	35.2	0.00**
Participation in welfare activities at the village level	42(21.0)	158(79.0)	67.3	0.00**

Source: Field Survey 2012-13

Notes:

(i): ** denotes significant at 1percent level

(ii): Figures given in parentheses indicate percentage of beneficiaries

Most of the beneficiaries reported that sometimes they alone go to market to buy household goods, or at times they go with male members. But they were restricted to go alone. Some of them reported that male members of the family were less interested to buy household goods so they had to go for it. But after joining the programme their confidence had increased. Majority of beneficiaries, i.e.79.5 percent, were taking part in all types of decisions taken in the family. Although they were earning before joining the groups, but after participating in microfinance scheme their income increased and they were contributing to family expenses more than before. It means microfinance has a positive impact on participation in decision making process.

When women join SHGs they have opportunities to raise their confidence level to communicate with others. They have to communicate with bankers and with those officials who are nurturing the groups. Positive relation was found between microfinance and increase in confidence to communicate. Majority i.e. 71 percent beneficiaries reported increase in their communication skills. Participation in groups enabled them to communicate with others with more confidence. But the rest of the beneficiaries reported that they still hesitated to communicate confidently with others. Microfinance and participation in welfare activities such as raising voice against sale of drugs, child labour, female foeticide etc. at village level is significant for negative responses at 1 percent level. 79 percent of beneficiaries respectively, were not taking part in welfare activities at the village level. So microfinance did not make the beneficiaries aware about welfare activities.

SUGGESTIONS

There are some suggestions observed during the survey that can be taken into account. Managers of scheme should educate beneficiaries regarding the budget of household so that they can better utilize their earnings. In our study area beneficiaries were restricted to their own problems. But it should be one of the primary duties to develop the confidence and will power in beneficiaries to raise the voice against social evils.

CONCLUSION

In nutshell microfinance created opportunities for women to raise their income and developed the confidence to move outside but in our study area it did not work in the line of asset possession and women participation in welfare activities. It also did not educate women to keep the records of their household transactions. But it raised the level of confidence in women and increased their participation in decision making process of household. Thus study found mixed results.

LIMITATIONS

During the data collection there were some limitation that are stated below

1. All the beneficiaries were not covered because only those beneficiaries were included who were in scheme between one to two years.
2. Ignorance of the beneficiaries was one of the major bottleneck because majority of the beneficiaries were illiterate
3. Because of the ignorance some of the beneficiaries refused to give any type of information.
4. Only women beneficiaries were interviewed.

SCOPE OF THE STUDY

There is ample scope in the area of microfinance. This study is confined to two blocks of Sangrur District of Punjab (India). Because it was difficult to cover the whole district and other parts of the state. Apart from that only two indicators of empowerment were considered in the present study. But there many other indicators of women empowerment left that can be further taken into consideration.

REFERENCES

1. Arora, S. and Meenu. (2011), "Women Empowerment Through Microfinance Intervention in The Commercial Banks: An Empirical Study In The Rural India With Special Reference To The State of Punjab", *International Journal of Economics Research*, Vol. 2, No. 2, pp. 35-45.
2. Ashraf, N. et. al (2006), Female Empowerment: Impact of a Commitment Savings Product in the Philippines, Discussion Paper No. 949, Yale University Economic Growth Centre, United States.
3. Awasthi, P. K. et. al. (2001), "Impact of Self- Help Groups on Economic Status of Women in Watershed Area of Madhya Pradesh", *Indian Journal of Agricultural Economics*, Vol. 56, No.3, pp. 472-475.
4. Awasthi, P. K. et. al. (2001), "Impact of Self- Help Groups on Economic Status of Women in Watershed Area of Madhya Pradesh", *Indian Journal of Agricultural Economics*, Vol. 56, No.3, pp. 472-475.
5. Basu, P. and Shrivastva. (2006), Scaling-up Microfinance for India's Rural Poor, Working Paper, No. 3646, World Bank Policy Research.
6. Battra, A. (2013), "Financial Inclusion and Women Empowerment: A Myth and Reality", *Journal of Financial Risk Management*, Vol. 3, No.12, pp.16-25.
7. Bayes, A. et. al. (1998), "NGO-Promoted Microcredit Programs and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence", *The Journal of Developing Areas*, Vol. 32, No. 2, pp. 221-236.
8. Jain, D. and Bhagyashree, J. (2012), "Does Microfinance Empower Rural Women? A Empirical Study in Udaipur District, Rajasthan", *Journal of Arts, Science and Commerce*, Vol. 3, No. 2, pp. 76-89.
9. Jothy, K. and Sundar, I. (2002), "Self-Help Groups Under the Women's Development Programme in Tamil Nadu: Achievements, Bottlenecks and Recommendations", *Journal of Social Change*, Vol. 32, No. 3, pp. 195-204.
10. Swain, R. B. and Fan, Y.W. (2007), Does Microfinance Empower Women? Evidence from Self Help Groups in India, Working Paper, No.2007:24, Department of Economics, Uppsala University.

APPENDIX

QUESTIONNAIRE

Name of investigator	:	Mrs. Gagandeep Kaur (Punjabi University Patiala)
Household code	:
Name of Village	:
District	:
Name of block	:
Date	:
1.Name of respondent	:
2.Educational attainment	:	Illiterate Upto 5 th Matric Senior Secondary
3. Dwelling	:	Rented Owned
4. Economic empowerment		
i. Do you have control on using loan	:	Yes No
ii. Do you have control on your income	:	Yes No
iii. Independent bank account	:	Yes No
iv. Keeping the record of the budget	:	Yes No
v. Ownership of land and house	:	Yes No
vi. Possession of Gold	:	Yes No
5.Social / Familial Empowerment		
i. Freedom to move outside house and buy household goods	:	Yes No
ii. Participation in decision making process of household	:	Yes No
iii. Increase in confidence to communicate	:	Yes No
iv. Participation in welfare activities at the village	:	Yes No

ADVANTAGE AND DISADVANTAGE OF ERP

SAJID NEGINAL
RESEARCH SCHOLAR
BANGALORE UNIVERSITY
BENGALURU

ABSTRACT

ERP systems are information systems involving more diverse and integrated organizations through various functional areas. There are many cases where it has been observed that ERP systems become a failure, either in the design or implementation. A number of reasons contribute to the success or failure of an ERP system. The success or failure of the ERP system can be analysed by understanding advantage and disadvantage of ERP within the organization. In this paper you can see few major factors that affect the organization.

KEYWORDS

ERP, high-risk projects.

INTRODUCTION

ERP systems now have to repackage the current modules and action/strategies across all the department and enterprises. This change must be made based on the consequences of architectures of ERP systems and their current understanding of ERP transformation. ERP systems have advantages and disadvantages and this will impact their penetration into different markets. ERP is never ending chain of actions which is being evolved continuously. Therefore, vendor has to offer a lot more to the companies than ever before. In general, the ERP system is expected to improve the function of company. Institutions see many of the tangible and intangible benefits and plan strategically before opting for the ERP and its vendor. Therefore, it is very important for companies to know the advantage and disadvantage of the ERP.

WHAT IS ERP?

"ERP is an industry term for a wide range of software applications compatible with most other scabies company or business units that help the important parts of its business, including functional areas such as planning, inventory management, marketing, sales, manufacturing, accounting, distribution, human resource management, financial, project management, transportation and service and maintenance."

ADVANTAGES OF ERP SYSTEMS**1) INTEGRATED INFORMATION**

ERP is the software that connects different departments into one. Therefore, this helps to seek information from one source. Integrated information means the data is well preserved and monitored. For example, if inventory department need approval for inventory the system will provide the details to the financial department for approval. Earlier one had to physically or by written communication have to reach out to various departments for approval. In ERP all the systems are integrated hence making the task much easy and faster.

2) AVOID DATA/OPERATIONAL DUPLICATION

All the department of the organization have centralized database; this means all the information entered is stored at one large common area. This helps the organization staff to access same data from multiple places and at the same time one cannot make duplication of the data by entering multiple times. Common database management system (DBMS), means consistent and accurate data.

3) DELIVERY AND CYCLE TIME REDUCTION

This can be illustrated with an example, in a manufacturing industry, if stocks are running out ERP system automatically checks and alerts nearest manufacturing plant or other department who can be responsible for instance the alert can be sent to finance department for raising sale invoice to order a fresh stock. All these automatic activities reduce the cycle time.

4) COST REDUCTION

Cost can be attributed to offerings, the best customer experience in relation to delivery, understanding the exact action by knowing when to make orders and how much to order. In other words, to forecast demand and thereby keeping the operation cost optimum. ERP also keeps a check on fraudulent activities and also checks the cost.

5) GLOBAL OPERATIONS AND ACCEPTANCE

ERP has been evolving over the years and many companies and vendors work together and committed to it. There have been extended modules of ERP like CRM & SCM. Do to the success of ERP the companies operating in different part of the world can have one single master database thus making the operations easy and smooth as if it been located in one area or compound.

DISADVANTAGES OF ERP SYSTEMS**1) TIME-CONSUMING**

ERP is a very time consuming affair. Larger the organization longer the time required. This mainly because the Vendor has to study the company requirement and custom fit the ERP applications. There are challenges like for example not all modules are required by all company. The requirement of Manufacture Company may differ for the requirement of IT Company or marketing company. Generally, it takes from 6 months to three years for ERP implementation depending upon the size and the need of the company.

2) EXPENSIVE

The cost of implementing ERP is very high again varying due to the requirement of the company. Generally, it runs in hundreds of dollars spread over the life cycle of implementation and post implementations. The cost is high as vendor studies the company requirement and customize the application suiting to the company needs and demands.

3) MODULES COMPATIBILITY

The architecture and components selected by company must comply with the business processes, culture and strategic goals of the organization. There are barriers like language and IT infrastructures.

4) DEPENDENCY ON VENDOR

Once the agreement is made and Vendor starts working on implementation the company rely heavily on vendors for smooth process during the implementation stage. Vendor has access to lot of confidential data and company is always at risk and need to be watchful. There has to be proper training or handover by the vendor post implementation else the company will not be able to operate the operations efficiently. In this way companies rely heavily on vendors.

5) COMPLEXITY

Implementation of ERP is a very complex task, company generally change vendors as companies confront with vendors. Complexity is high if the company size is big and involves lot of modules. ERP has many features and modules therefore vendor and company has to analysis the right need and select the right features and modules from the long list of offering from ERP.

CONCLUSION

ERP implementations represent high-risk projects that need to be understood correctly. Organizations must study as to how to identify the critical issues that impact the implementation process and know when in the process to address them effectively to ensure that the promised benefits can be realized and potential failures can be avoided. By learning the advantage and disadvantages companies can simulate the complexity of ERP products.

REFERENCES

1. *Financial impacts of enterprise resource planning implementations*. By Robin Poston, Severin Grabski.
2. Grabski, S. and Leech, S. (2007). "Complementary controls and ERP implementation success". *International Journal of Accounting Information Systems*, Vol. 8, No. 1, pp. 17-39.
3. *Information technology and economic performance: A critical review of the empirical evidence*, *ACM Computing Surveys* page 1-28
4. *Investment in enterprise resource planning: Business Impact and Productivity Measures*, by Lorin M. Hitt, D.J. Wu, Xiaoge Zhou
5. Law, C. C. H., & Ngai, E. W. T. (2007). ERP systems adoption: An exploratory study of the organizational factors and impacts of ERP success. *Information & Management*, Vol. 44(4), 418-432. theory and research.
6. Management based critical success factors in the implementation of enterprise resource planning systems, *International Journal of Accounting Information Systems*, Vol. 8, No. 3, pp. 175-200.
7. Poston, R., & Grabski, S. (2001). Financial impacts of enterprise resource planning implementations. *International Journal of Accounting Information Systems*, 2(4), 271-294.
8. Shang, S. and Seddon, P. (2002). "Assessing and managing the benefits of enterprise systems: the business manager's perspective". *Information Systems Journal*, Vol. 12, No. 4, pp. 271-299.
9. Velcu, O. (2007). Exploring the effects of ERP systems on organizational performance: evidence from Finnish companies. *Industrial Management & Data Systems*, 107(9), 1316-1334.
- 10.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as, on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

